

MISSOULA REDEVELOPMENT AGENCY

CONDENSED BOARD MEETING MINUTES

December 18, 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, Nancy Moe, Daniel Kemmis, Rosalie Cates, Ruth Reineking

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

Public: Lynette Windemake, CDS of MT; Janet Cornish, CDS of MT

CALL TO ORDER

12:00 p.m.

APPROVAL OF MINUTES

November 15, 2013 Special Board Meeting Minutes approved.

PUBLIC COMMENTS & ANNOUNCEMENTS

ACTION ITEMS

Silver Park – Public Art Component (URD II) – Request for Additional TIF (Behan)

At the November 15, 2013 Board meeting Peter Lambros, representing the Public Art Committee, discussed art in regards to Silver Park. Behan said because of the size and scope of the Park, the one percent of the total project cost that is guaranteed for art is not enough to commission a piece of art that meets the magnitude and is desired for the Park. The Art Committee was able to negotiate with the Silver Foundation to donate \$15,000 for the public art piece with a challenge to the Committee to find matching funds. Behan said the idea is to have two art pieces. He said the Silver Foundation art piece is budgeted at about \$60,000 and the public art piece is budgeted at just under \$50,000 less 10% set aside for maintenance. Behan said the Silver Foundation will be working with the Art Committee as far as soliciting for an artist for the public art piece and the Silver Foundation art piece. The Silver Foundation art piece will recognize the

Silver Family and their contributions to the community. Behan said the Silver Foundation would like the art piece to include the history of the site by utilizing the relics from the site. He said the recommendation is to approve an additional \$15,000 for the public art piece as requested by the Public Art Committee.

Buchanan handed out a Bond cost summary sheet showing the Bond proceeds, the expended amounts, and the remaining contingency funds. Buchanan said the Wyoming Street project is closing out soon so there will be a reconciliation of that project and said Silver Park should be complete sometime this spring. She said both of these projects have cost savings within the contingency funds. Buchanan said change order number seven for the Silver Park project is estimated at \$13,000 and has not yet been presented to the Board. She said there is approximately \$200,000 in contingency funds that is currently not committed and any remaining amounts from the bond that are not spent on Silver Park will be used for debt service when bond payments begin.

Kemmis asked if the items to complete the Park described in Behan's were also included in the cost summary sheet that Buchanan provided. Behan said the cost estimates for work items such has removal of waste material and a potential subsurface strip drain system were not included in the cost summary sheet. Kemmis asked Behan if there were estimated costs associated with the additional items described in his memo. Behan said the large rock and wood waste was originally going to be hauled and used by the City Street Department for storm drains but the waste material ended up having an excessive amount of wood waste and cannot be used for that purpose. Behan said the large rock and wood waste will now need to be hauled to the dump. He said the high end cost of doing that is around \$37,000 so the staff is trying to come up with a better and more cost effective way of disposing this waste. Behan said the other items will be alternates.

Moe said she was comparing the cost summary sheet with the rainbow budget reports and said she wasn't fond of all the miscellaneous items and the large costs associated with those items listed on the cost summary sheet. She said she also noticed some discrepancies with miscellaneous costs when both sheets were compared. Moe asked if Lee could clarify why the initial FY14 URD II budget on the rainbow report was approximately \$8 million and the adjusted FY14 URD II budget was near \$5 million. Lee said the first column of the rainbow report shows an estimated amount as to what may be needed throughout the fiscal year for the upcoming or on-going projects. This is part of the City's initial budget process that is figured yearly in March. She said the second column (adjusted amount) shows everything expended through June 30 of the prior fiscal year. Lee said the money from the prior fiscal year that has not been expended is then rolled over to the current fiscal year. Moe said she understands the initial MRA budget is somewhat of a guess depending on future projects, but she said as a Board we should estimate more conservatively. Discussion ensued.

Cates said the plan for art sounds a little ad hoc. She said the funds available now for the art seem inadequate at this point given the magnitude and vision of the art and the size of the Park. Cates said she isn't suggesting that MRA offer additional funds but

suggests the Public Art Committee find additional funding avenues. She also asked if a particular area of the Park was chosen for the art and asked how large the art pieces would be. Buchanan gave the example of the Front Street Parking Structure art piece and said that particular art piece was approximately \$50,000. She said with the Percent for Art ordinance, and the \$15,000 from the Silver Foundation, and the \$15,000 from MRA if the Board approves the request, the resulting balance for art is \$48,000. Buchanan said that amount of money could result in a pretty monumental piece of art particularly if the Park relics are incorporated. She said it's hard to really understand the look and scale of the art piece without knowing what funds are available. Buchanan said whether the Board approves these funds or not, MRA will still participate in the artist and art piece selection process. Moe said she supports the idea of having a great piece of art in the Park and is also supportive of committing MRA funds for that project but she said the \$15,000 being requested should be the maximum from MRA.

Behan said the art piece may feel a little ad hoc but said staff has worked with the Public Art Committee for the past six months showing the Committee members around the site and reviewing the area. He said prospective locations for the art have been narrowed down to about three locations because of irrigation lines and the possible size of the art piece.

REINEKING: I MOVE TO APPROVE FUNDS TO MATCH PRIVATE DONATIONS IN AN AMOUNT NOT TO EXCEED \$15,000 FOR A CONTRIBUTION TO PUBLIC ART IN SILVER PARK IN ADDITION TO THE ONE PERCENT OF THE CONSTRUCTION BUDGET REQUIRED BY THE CITY AND FURTHER THAT THE ADDITIONAL FUNDING BY MRA IS ACCEPTED BY THE PUBLIC ART COMMITTEE, THE SELECTED ART MUST BE IN KEEPING WITH THE SCALE OF SILVER PARK AND ITS IMPROVEMENTS AND MUST BE ACCEPTABLE TO THE MRA STAFF AND ANY BOARD MEMBERS WHO WISH TO PARTICIPATE.

Kemmis seconded the motion. No further discussion. Motion passed. (4 ayes, 1 nay) Cates opposed.

Englund said he would like to learn more about sandblasting the irrigation ditch bridge and applying graffiti protectant, at a later date. Behan ensured this topic would be talked about more during a future Board meeting.

Starbucks (Wadsworth Development Group) – 1108 West Central Ave (URD III) – TIF Request (Buchanan)

Postponed

New Urban Renewal Districts – Request to Approve Professional Services Contract (Behan)

Behan said the Board recommended to City Council that MRA staff look into new urban renewal areas after a recent MRA Board workshop. He said a Request for Proposals

(RFP) was advertised for consulting services to conduct studies of blight and create the urban renewal plans. Behan said two responses were received and the selection committee composed of the MRA Director and Assistant Director chose Community Development Services of Montana (CDS) because of their experience and knowledge with creating urban renewal districts. He said staff recommends the Board approve the selection of CDS of Montana to conduct studies of blight in the North Reserve Street and East Broadway areas with a cost not to exceed \$20,000 for each district and authorize the Chairman to sign the related agreements. Behan said staff will be able to help out with some areas of the project which may lower costs.

Behan explained the maps and boundaries that were provided with his memo. Moe asked about areas outlined in red and asked if those areas would be part of the district. Behan said those areas (county lands) were not within the city limits but would be included in the planning effort. He said tax increment would not be calculated or received from these properties unless the land was annexed into the city limits and then those properties would be automatically included in the district and would contribute tax increment and have the privilege to also utilize tax increment.

Moe said it is her understanding that the county is doing a survey of industrial areas for development and asked if MRA had been in contact with the county to discuss whether they might be interested in participating in the new district or if they plan on using their own powers to develop their own Targeted Economic Development (TED) district. Buchanan said she met with Dale Bickell, Missoula County Chief Administrative Officer, and he acknowledged there is more leeway with respect to what can be done in an urban renewal district compared to a TED district. Janet Cornish, CDS of Montana, said with a TED district the infrastructure deficiencies would be explored and in an urban renewal district the study of blight would be done. She said the justifying pieces are different but there is a similar process. Cornish said you cannot create a district that crosses jurisdictional boundaries; a tax increment jurisdiction has to be wholly within one jurisdiction. Cornish said the entire area will be studied for blight even though a section of that area may not be annexed until a later date. She said once that section is annexed most of the work is done but there will still be a little bit of administrative work and the State would need to officially acknowledge that particular section has been certified. Cornish said once the new area is officially annexed, that particular section will have a new or different base year compared to the area already in the city limits. She said you can not go back and capture past increment or use the old tax base but the annexed area would still sunset at the same time as the urban renewal district. Reineking asked if it is anticipated that the county lands will be annexed. Buchanan said yes it is anticipated that at least some of them will petition for annexation but the time frame is unknown.

Reineking said \$20,000 is being requested for each new urban renewal district and asked where those funds would be derived from. Behan said state law allows a district to conduct studies where the studies could be paid from a current urban renewal district

and be reimbursed later by the new districts. Behan said if the new districts are not created then the current districts will absorb those costs.

Cornish said the urban renewal rules and TED rules are in the process of being modified but said she and Lynette Windemake, CDS of Montana, were working with the Department of Revenue (DOR) to draft the modified rules and research those rules with consideration of current districts and future districts.

Cates said it was earlier discussed that Buchanan had been in communication with the county and asked if there was a good relationship where future discussions with the county would continue. Buchanan said MRA will continue to work with the county with the new urban renewal district discussions. Cates asked Cornish if CDS of Montana would also be working with the county on the TED districts. Cornish said CDS recently discussed the TED districts with the county and hopes to continue those discussions but she said a service contract with the county has not been signed.

Cornish said the contract between CDS and MRA assumes a price that is based on writing documents, conducting public meetings, preparing staff reports, etc. and is based on what is generally expected in a project similar to this. She said the pricing will also be based on how much and what type of work MRA staff chooses to do. Cornish said this project will definitely be a collaborative effort.

Kemmis asked Cornish at what point in time the actual district boundaries are established. Cornish said the MRA staff has already established a draft boundary from their research which is typical. She said typically a kick-off meeting would then be scheduled where property owners in that area would be invited to address any concerns or issues they may have as well as making suggestions to include other areas outside the draft boundary. Cornish said the boundary would then need to be adopted by City Council.

KEMMIS: I MOVE ADOPTION OF THE STAFF RECOMMENDATION.

Cates seconded the motion. Motion passed unanimously. (5 ayes, 0 nays)

Moe asked if there was a timeline. Cornish said the contract with CDS runs through March of 2015 which allows for the certification process. Windemake said in order to be certified in 2014 the ordinance has to be adopted 30 days before the end of 2014. She said there doesn't appear to be any extravagant processes and said if everyone is comfortable with the boundaries there is a good chance the process would be complete within six months.

Brownfields RLF – 2nd Amendment to Fifth Loan Agreement (URD II) – Request for Approval (Buchanan)

Buchanan said when the Board approved an additional \$250,000 be added to the Brownfield Revolving Loan Fund (RLF), a stipulation was included in the Loan Agreement stating that any funds not expended prior to October 31, 2013, a date set by

the Department of Environmental Quality (DEQ) for the closeout of the Voluntary Clean-up Plan (VCP), would be forfeited. She said we are beyond the closeout expiration date and the Missoula Revitalization Project (MRP) has still not closed out the VCP. Buchanan said Newfields, the environmental consultant for MRP, said the funds could be expended by the end of March 2014 so MRP is requesting that the Loan Agreement be amended to reflect the March 31, 2014 date. She said if the Board approves the recommendation then the amendment will go to City Council for approval.

Englund asked why the VCP was never closed out. Buchanan said it's a long process of going back and forth between MRP, consultants, DEQ and back again. She said the Millsite is one of the largest brownfield sites that DEQ has overseen and the process to implement a VCP started in 2005.

Englund asked if there is a prospective development on the Millsite. Buchanan said MRP is actively preselling condos in the first intended project.

Reineking asked how the date March 31, 2014 was derived. Buchanan said that is the date that was estimated by MRP and Newfields as to when invoices would be received and paid, even though it may not be the final VCP closeout date. Discussion ensued.

CATES: I MOVE WE WAIVE THE IMPOSITION OF THE DATE OF OCTOBER 31 FOR INVOICING ON THESE PAYMENTS.

Kemmis seconded the motion with the understanding that we (Board) are just making a recommendation to the City Council. No further discussion. Motion passed unanimously. (5 ayes, 0 nays)

NON-ACTION ITEMS - None

STAFF REPORTS

Director's Report

A director's report was not included in the Board packets but Buchanan gave a couple updates and said City Council approved the lighting of the Madison Street Underbridge and the Van Buren Street Pedestrian bridges. She said City Council also passed the amendments to the aggressive solicitation ordinances.

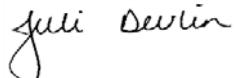
Moe referenced the URD III budget report and asked Lee why the Wayfinding & Entry Features line item did not extend beyond the FY14 budget and FY14 adjusted columns. Lee said sometimes the projects are part of the Capital Improvements Program (CIP) where projects are budgeted for but aren't committed yet. She said once a contract is approved by the Board for wayfinding and funds are authorized then those amounts will show under the committed column. Moe asked when the Board could expect to possibly make a decision on wayfinding. Buchanan said it might be a while since the recommendations from the wayfinding consultants are still being finalized. She said the

wayfinding design has been finalized but the location of the gateways and entry features are still being discussed. Buchanan said she's been particularly looking at URD III to start wayfinding; therefore, once the details are finalized and accepted by City Council, the Board could recommend staff put it out for bid.

ADJOURNMENT

Meeting adjourned at approximately 1:10 p.m.

Respectfully Submitted,



Juli Devlin