

MISSOULA REDEVELOPMENT AGENCY

CONDENSED BOARD MEETING MINUTES

March 25, 2014

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, Nancy Moe, Ruth Reineking, Rosalie Cates

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

Public: Mick Harsell, Community Benefits Coalition; Carl Posewitz, Paradigm Architecture; Meg Gorseth-Ross, Ice Bridge Brewery; John Wolverton, Community Benefits Coalition; Michael Tree, Mountain Line; Mayor John Engen, City of Missoula; Jessica Morriss, Development Services-Transportation

CALL TO ORDER

12:00 p.m.

APPROVAL OF MINUTES

December 11, 2013 Special Board Meeting Minutes approved as submitted.

January 15, 2014 Regular Board Meeting Minutes approved as submitted.

February 11, 2014 Regular Board Meeting Minutes approved as submitted.

PUBLIC COMMENTS & ANNOUNCEMENTS

It was discussed that a special meeting be scheduled in April for a Strategic Planning Session. Buchanan asked Board members to email her planning ideas so she could structure the meeting accordingly.

Cates commented on the success of the retail space in the Front Street Parking Structure.

ACTION ITEMS

Silver Park – Phase IV Change Order #8 (URD II) – Request for Approval (Behan)

Behan said soil work at Silver Park was accomplished during the summer and fall months of 2013. He said the general contractor, Quality Construction, subcontractors, and engineers were able to reconcile actual materials used and dirt produced over the winter months. Behan said Quality Construction can't release funds to the subcontractors until the soil quantities and related costs are approved. He said staff recommends the Board approve change order #8 in the amount of \$26,574.87 to cover the changes and additions that weren't evident until the before and after comparison of the surveys were complete. Moe asked if Behan could describe the changes and additions in more detail. Behan said the change order was a result of a decrease in asphalt and an increase in dirt. He said the document detailing the changes is very lengthy but could be provided if necessary. Behan said engineers are typically very good with their calculations but things can change once they get in the field. He said several items came up during the course of work that needed to be addressed, partially due to poor soil conditions.

Moe asked about change order #9 that was briefly described in Behan's memo. Behan said the purpose of change order #8 is to catch up with work already done. He said change order #9 would be used for new work. For example, Behan said the larger (six inch plus) rocks from Silver Park were once going to be used by the Street Department for sump drains around the City. He said the Department of Environmental Quality (DEQ) would not allow the use of this rock material for sump drains because of the amount of wood waste that existed. Behan said the rock material will now need to be disposed of which was not part of the original contract. Behan gave another example of new work that would be part of change order #9. He said the Park was originally shaped and cut with 3% slopes for drainage purposes but the 3% is a bit too much for a flat play field so the percentage was decreased to about a 1.5% slope. He said a drain strip will need to be installed so that water is drained to the ditch rather than forming ponds on the play field. Behan said part of the Voluntary Clean-Up Plan (VCP) is to prohibit ponding water anywhere above wood waste.

Moe said she is satisfied with the request as long as there is no duplicating as to what should have been done as part of the original contract. She asked that the MRA staff memos include major components for the amount being requested.

MOE: I MOVE THE MOTION.

**Cates seconded the motion. No further discussion. Motion passed unanimously.
(5 ayes, 0 nays)**

Missoula Urban Transportation District/University of Montana Transit Study – Request for Funding (Buchanan)

Buchanan said Missoula College is looking to relocate on East Broadway. The University of Montana (UM) campus is located on the other side of the river. Buchanan said if a new urban renewal district (Hellgate URD) is created in the East Broadway area then redevelopment will occur as a result. She said there is also an interest to develop student housing in the area of East Broadway. There will be a traffic impact if any or all of these factors occur. Mayor Engen has formed a partnership between the UM, Associated Students of UM (ASUM), Mountain Line, and the City to look at how to maximize the use, the efficiency, and the effectiveness of the Mountain Line transit system and the UM transit system. Buchanan said the Mayor is asking MRA, as well as other partners outlined in her memo, to participate in funding this project.

Mayor Engen said the UM has never had a transportation plan or parking plan and said this transit study would create an opportunity to build a foundation for those planning efforts. He said the transit study would also help determine where transit services are being duplicated. Mayor Engen said the transit study would be beneficial for new and existing urban renewal districts. He said car share opportunities as well as bike sharing opportunities are being discussed by other partners. Mayor Engen said there is an interest from people wanting to do business downtown and the old Mercantile Building is an example of a vacant location but getting there and parking are two issues that should be looked at. The Mayor said this study will identify ideas that are alternatives to parking, particularly building vertically.

The cost of the transit study is \$103,000. Committed funds include \$25,000 from the UM, \$10,000 from ASUM, \$15,000 from the Missoula Urban Transportation District (MUTD), and \$20,000 from the Missoula Metropolitan Planning Organization (MPO). The Parking Commission will be asked to contribute \$20,000, but their Board has not yet acted on the request. The funding request will be on their agenda for consideration on April 3. The Mayor said he thinks the MRA should be a partner and asked the MRA Board to consider approving \$10,000 in TIF funds to help finance the MUTD/UM transit study.

Buchanan explained where the funds could come from which is outlined in her memo.

Moe said the University and downtown areas both include residential sections but she said a residential piece was not articulated in the memo or the presentation. She asked if there is a residential component to the transit study. Mayor Engen said the transit discussions were mostly based on whether existing Mountain Line and ASUM routes overlap. He said access to residential areas were part of the Mountain Line studies that were previously done. He said Michael Tree, General Manager of Mountain Line, is present and could speak to the residential piece. Tree said the short range and long range Mountain Line planning study addressed the transit service in residential neighborhoods. He said the MUTD and UM Transit Study will address the interaction and circulation patterns in and near the UM campuses. He said the two studies will compliment each other.

Moe said the information provided by Nelson/Nygaard Consulting Associates focused more on Transportation Demand Management (TDM) strategies and plans and briefly described parking strategies. She asked for assurance that this transit study would include a parking component. Mayor Engen said parking is a large component of the TDM model and discussions have included parking, park and ride, and shuttling options from a park and ride to the University and other locations.

Kemmis said there is a \$3,000 gap between what the study will cost and the committed funds and asked where those funds would derive from. Mayor Engen said any funding gaps will be discussed with the University.

Cates said she supports the study but felt this really is a University transit study; but yet the University is not even covering half of the cost. If the staff request is approved, she suggested that the district from which the funds are used, whether it come from Front Street URD or URD II, be reimbursed from the Hellgate URD (east Broadway) if and when the district is created. Kemmis said if the Hellgate URD is created, then the new district will benefit from the transit study.

Moe asked whether or not there is a final design for Missoula College. Mayor Engen said iterations are still being made to the Missoula College design and said the funding match is not yet final. Moe asked if the transit study would be placed on hold until the final design is complete. Mayor Engen said the study should be done concurrently with a portion of the design work and he encourages communication with the University as a partner. He said the Missoula College building has been sited and the parking lot has been designed; it's mostly little finishes here and there that still need to be worked out. Buchanan said an environmental assessment was done for Missoula College which required a parking and traffic study. Moe said the memo mentions the transit study may affect the number of parking spaces needed for Missoula College yet the presentation today forecasts the number of parking spaces required. Mayor Engen said there is a required number of parking spaces and a preferred number of parking spaces. He said he believes the preferred number of parking spaces can be influenced based on other future projects in the east Broadway area whether those projects will be mixed use development or student housing.

Moe asked if Mountain Line or MRA had experience working with Nelson/Nygaard Consulting Associates. Tree said Mountain Line has worked with Nelson/Nygaard in the past. Buchanan said Nelson/Nygaard did the Urban Street Car Study in conjunction with the Short and Long Range Operations Plan for Mountain Line. Mayor Engen said MPO also worked with Nelson/Nygaard on a TDM Plan.

Cates said the memo stated the City of Missoula would be on the transit study steering committee and asked if MRA staff should be copied on future discussions. Mayor Engen said in this situation, the City of Missoula is code for MRA staff.

Kemmis said this might be a good opportunity to communicate or suggest a University speaker be available for future discussions regarding the new Missoula College campus.

Mayor Engen said he would like the UM and the City to engage in a joint planning process for future development. He said the joint planning process would benefit both the UM and the City with regards to current and future infrastructure.

KEMMIS: I MOVE THAT THE BOARD APPROVE THE REQUEST FOR \$10,000 IN TIF FUNDS FROM THE FRONT STREET URBAN RENEWAL DISTRICT TO PARTIALLY FUND THE MISSOULA URBAN TRANSPORTATION DISTRICT/UNIVERSITY OF MONTANA TRANSIT STUDY WITH THE EXPECTATION THAT IF THE HELLGATE DISTRICT IS APPROVED THAT IT WOULD EVENTUALLY REIMBURSE THE FRONT STREET DISTRICT IN THIS AMOUNT.

Cates seconded the motion. No further discussion. Motion passed unanimously. (5 ayes, 0 nays)

Riverfront Triangle Conference Center Feasibility & Market Study – TIF Request (Behan)

In January 2014, the City Council granted the Hotel Fox group an additional year to negotiate a development agreement for the former Fox Theater site. Behan said part of the conditions of the 2014 extension gave the Fox Group exclusive rights to do a full market and economic analysis for a regional conference center to be part of the overall Hotel Fox project. He said the study will help finalize a conference center location, develop a design program, and analyze parking needs and traffic impacts. It will also show how the conference center will impact the community. Part of the 2014 extension not only gave the Hotel Fox group the responsibility of overseeing the study but also the responsibility to locate financing options outside of the organization. Behan said this feasibility and market study will be conducted along with the other required conditions for Hotel Fox.

Behan said Mayor Engen has put together a partnership for this project to help fund the conference center market and feasibility study. Mayor Engen is asking contributions from the Tourism Business Improvement District (TBID) (\$15,000), MRA (\$15,000), Downtown Business Improvement District (\$5,000), and the Missoula Downtown Association (\$5,000). Behan said staff recommends the Board approve a contribution of up to \$15,000 to fund the Riverfront Triangle conference center market and economic analysis study.

Mayor Engen said over the course of conversations with the Hotel Fox partners, he is convinced there is a real community opportunity that will be a part of a larger market. He said he is excited about the idea of having a conference center in the heart of downtown Missoula. Mayor Engen said he has heard from local hotels and has been told that a study like this is long over due. He said considerations such as what might this conference center consist of, what will the size be, and what kind of services will be offered are all questions that will be answered with this market and economic study. Mayor Engen said even though the exact dimensions are unknown, a 40,000-50,000 square foot conference center has been discussed. During preliminary conversations, Mayor Engen said, the conference center location that is being considered is on the corner of Orange and Front

Streets. He said one concern is the City of Missoula does not have the expertise to manage a conference center. He said similar conference centers in other cities are subsidized by local government although he hoped that would not be the model here. Mayor Engen said one consideration is the land could be a long term contribution by the City for community good, based on the agreement that the City of Missoula would not be in the business of subsidizing the facility over time. He said the market and economic study will help answer questions and help determine if these ideas are feasible.

Moe asked who is completing the study. Behan said Conventions, Sports & Leisure International (CSL) would be doing the study. He said CSL is not only associated with Hotel Fox for their market studies but has also prepared studies within the region including Spokane, Washington and Boise, Idaho. Moe asked how CSL was chosen. Behan said CSL was chosen through an evaluation of and discussion with some of the limited number of firms that do this kind of study. Hotel Fox selected CSL based on their expertise and experience both nationally and in the North West. Moe asked if MRA staff participated in the process and Behan replied that staff did review the work program. Moe asked if there is a difference between the Hotel Fox market study and the conference center market study. Behan said CSL will only be providing the conference center feasibility study to understand how a large conference center would fit in the region and how it could attract events and conferences.

Moe said the memo doesn't mention the management of this conference center and asked if that would be addressed in the market and economic study. Behan said the market study will address the management piece. Moe asked when the study is expected to be done. Buchanan said once the funding is in place, the study will be done within 60-90 days.

If the MRA funding request is approved, Kemmis asked if the recommendation is to use funds from the Riverfront Triangle District. Behan said that is correct.

Englund said it was mentioned that the Hotel Fox group would oversee the conference center study and he asked if the City will play a role. Mayor Engen said the City will be involved. He said the conference center study will be separate from the Hotel Fox study so the City will be in direct contact with CSL.

John Wolverton, a member of the steering committee for the Missoula Community Benefits Coalition, suggested communication with potential developers and Missoula citizens so that this project moves forward in a proactive fashion. He said he believes this development has tremendous potential and asked that the MRA Board support the conference center study.

KEMMIS: I MOVE THAT THE BOARD APPROVE A CONTRIBUTION OF UP TO \$15,000 FROM THE RIVERFRONT TRIANGLE DISTRICT TO FUND THE RIVERFRONT TRIANGLE CONFERENCE CENTER MARKET AND ECONOMIC ANALYSIS STUDY.

Moe seconded the motion. No further discussion. Motion passed unanimously. (5 ayes, 0 nays)

Ice Bridge Brewery – 139 E. Main Street (Front St URD) – TIF Request (Buchanan)

The Firestone Tire building located at 139 East Main Street has been marginally occupied or vacant for several years. Buchanan said Meg Gorseth-Ross has taken on this project and has proposed to turn this building into three start-up businesses and a tenant space including a micro-brewery, micro-distillery, a gourmet burger restaurant, and an additional retail space yet to be determined. Buchanan said Gorseth-Ross has been working with the City for quite a few months and has gone through the Development Services design review team. The total cost of this project including acquisition of the property is about \$3.3 million. Buchanan said three new start-up businesses will create part-time and full-time jobs. She said there are a number of items that are eligible for tax increment financing but she said there are limited resources in the Front Street District. She said there is a cost yet to be determined for environmental remediation. She said phase two of the environment assessment is underway now. Buchanan said she suggested to Gorseth-Ross that she contact John Adams who is in charge of the City's Brownfields Revolving Loan Fund (RLF) program and see if funds can be borrowed for the environmental remediation. Buchanan said the request for TIF assistance would be used for sidewalks, street trees, street lights, a water main extension for fire protection, asphalt patching, and associated professional fees.

Carl Posewitz, Paradigm Architecture, said this project has been underway for a number of years and said the building's poor condition is a challenge. He said the parking lot is over a basement and the structure is in pretty rough shape because of water damage among other reasons. He said the idea is to take the parking lot out and create a recessed plaza which will provide more lineal footage of retail, and will create a unique recessed space. Posewitz said the building's interior will be completely revamped.

Gorseth-Ross said one unique quality about this project is that this building will be one of the only buildings in the country where a distillery and brewery aren't sharing tap rooms but can share other resources such as aging barrels. She said the Burgerhaus will be more of an "in and out" format with just a few quality menu options. Gorseth-Ross said she and her dad, Mark Gorseth, feel very fortunate to have found a downtown location for their brewery so close to the Mercantile Building. She said she hopes the new project, which they've named the Freya Building, will help market the Mercantile Building which will in turn result in Mercantile patrons and employees becoming brewery and distillery customers.

Kemmis said the staff memo references remodeling, maintaining, and enhancing the historic façade and asked Posewitz how he intends to achieve this. Posewitz said the goal

is to leave most of the original brick in place. He said the broken windows and some of the brick will need to be replaced but the architecture will remain very similar to the original architecture. Kemmis also asked about the demolition referenced in the memo. Gorseth-Ross said the request for demolition is just for the sidewalk. She said the demolition work on their property is the responsibility of Ice Bridge Brewery.

Moe asked if there were any updates with the environmental assessment. Gorseth-Ross said the current building owners agreed to pay for phase one and two of the environmental assessment and results would be available in about two weeks. She said the required clean-up will be known at that time. Gorseth-Ross estimated the clean-up time could take one to two months. She said once the demolition is complete, the project will take about six months from start to finish with all the tenants in the space. Moe asked Gorseth-Ross if she would let staff know once the environmental assessment was complete.

Englund asked how the \$200,000 was figured for remediation activities. Gorseth-Ross said the \$200,000 was calculated for lead and asbestos clean-up and was an estimated amount provided by the environment consultants who will be completing phase two of the environmental assessment, based on worst case scenario.

Moe asked if the water main extension will be an adequate size or if the extension will need to be updated. Posewitz said the current water main is adequate size. Buchanan said the water main along Main Street was redone a couple years ago.

Cates said she saw in the staff memo under the developer's past performance that Gorseth-Ross had completed a project in New York and asked if she had experience in Montana. Gorseth-Ross said the Freya Building/Ice Bridge Brewery project would be her first project in Montana. Cates asked if she had participated with other development projects. Gorseth-Ross said she had worked on about ten development projects but they were smaller projects compared to this project and the project in New York.

Cates asked if the financing piece is in place for the Freya Building. Gorseth-Ross said the financing is mostly through Treasure State Bank and they also had a green light to qualify through the Small Business Administration (SBA) Loan Program, but ended up being disqualified because there is a shared owner of the existing building and new building. She said the Montana Community Development Corporation (MCDC) may be able to back a percentage of the loan through Treasure State Bank and they should know for sure within a week. Cates asked who owns the building. Gorseth-Ross said owners include her father Mark Gorseth, herself, Peter McCay, and Mike Ellis. Cates said with future MRA projects she would like to see a template along with the staff memo that describes contributions and ratios as well as a breakdown of project costs and fees.

CATES: I MOVE THAT THE BOARD APPROVE THE APPLICATION FOR TIF ASSISTANCE IN AN AMOUNT NOT TO EXCEED \$164,560 FOR ELIGIBLE EXPENDITURES AT 139 EAST MAIN STREET AS SPECIFIED IN BUCHANAN'S MEMO, CONTINGENT ON FINAL FINANCING APPROVAL AND OTHER STANDARD MRA REQUIREMENTS AND THAT THE STAFF BE EMPOWERED TO EXECUTE THE AGREEMENT AS OUTLINED IN THE MEMO.

Moe seconded the motion. No further discussion. Motion passed unanimously. (5 ayes, 0 nays)

North Reserve/Scott URD – Statement of Blight – Recommendation to City Council (Behan)

Behan provided a document outlining various definitions of blight. He briefly described the steps for reviewing a new urban renewal district. Behan said generally a recommendation is made by MRA, the City of Missoula, or business owners to study an area that is believed to be blighted. He said MRA then presents the blighted area and makes a recommendation to City Council to allow MRA to study blight in the particular area. City Council can either recommend MRA study blight or not. Behan said once the study is complete, MRA staff presents the findings of blight and initiates an urban renewal plan which is presented to the MRA Board. Once the plan is initiated and approved by the Board, the urban renewal plan is reviewed by the planning board. Behan said the planning board reviews the urban renewal plan and if the plan is approved, it then goes to City Council for a public hearing.

Behan said there are two areas up for review: North Reserve/Scott Street area and Hellgate (East Broadway) area. Behan presented the North Reserve/Scott Street area first and displayed maps and pictures of the area in its current state and described the general land uses.

Behan said there are two types of tax increment financing districts.

Urban Renewal Districts (URD)

- State law provides a list of items that are eligible for assistance for relocation purposes, residential projects, and commercial operations.

Targeted Economic Development Districts (TED)

- Include industrial, technology, and aerospace
 - Land must be zoned for industrial uses that will add businesses and create jobs.

Behan said there is more flexibility as to what can be done in an Urban Renewal District versus a Targeted Economic Development District. He said everything that can be done in a TED, can be done in an URD. He said the reverse is not true.

Reineking asked if Roseburg Forest Products expressed an interest in being annexed into the City limits. Buchanan said there has been discussion about annexation with Roseburg but annexation is a corporate decision that has not been made at this point in time.

Cates asked if MRA staff had communicated these possible new districts with the County. Behan said once a new urban renewal plan is initiated; part of state law requires communication with other taxing jurisdictions and to allow comments. Buchanan said that she had met with Dale Bickell and they had discussed the proposed North Reserve to Scott Street district.

REINEKING: I MOVE THAT THE MRA BOARD PROVIDE THE CITY COUNCIL WITH A RECOMMENDATION TO ADOPT A RESOLUTION STATING THAT THE AREA GENERALLY BOUNDED BY NORTH RESERVE STREET, INTERSTATE 90, SCOTT STREET, AND THE MONTANA RAIL LINK IS BLIGHTED IN ACCORDANCE WITH STATE STATUTES AND THAT THE MRA BELIEVES THAT IT IS IN THE BEST INTEREST OF THE COMMUNITY TO ADDRESS THE BLIGHTED CONDITIONS WITH TAX INCREMENT FINANCING WITHIN AN URBAN RENEWAL DISTRICT.
ADDITIONALLY, RECOMMEND THE CITY COUNCIL'S RESOLUTION DIRECT THAT AN URBAN RENEWAL PLAN THAT ADDRESSES THE BLIGHT CONDITIONS FOUND IN THE NORTH RESERVE/SCOTT STREET AREA BE PRODUCED WITH A TAX INCREMENT FINANCING PROVISION. FINALLY, THAT THE CITY COUNCIL REQUEST MRA TO COMPLETE THE URBAN RENEWAL PLAN FOR CONSIDERATION BY THE CITY COUNCIL IN ACCORDANCE WITH PROCEDURES SET FORTH IN STATE LAW.

Cates seconded the motion.

Englund asked if Community Development Services of Montana (CDS) will also be producing the urban renewal plan once the blighted conditions are studied. Behan said that is correct.

Motion passed unanimously. (5 ayes, 0 nays)

Hellgate (East Broadway) URD – Statement of Blight – Recommendation to City Council (Behan)

Behan described and presented photos of blighted areas for the proposed Hellgate District.

KEMMIS: I MOVE THAT THE MRA BOARD PROVIDE THE CITY COUNCIL WITH A RECOMMENDATION TO ADOPT A RESOLUTION STATING THAT THE AREA GENERALLY BOUNDED BY MADISON STREET, INTERSTATE 90, THE SOUTH BANK OF THE CLARK FORK RIVER AND THE LOT LINE BETWEEN RIVERSIDE HEALTH CARE AND PROPOSED SITE FOR THE UNIVERSITY OF MONTANA, MISSOULA COLLEGE BUILDING IS BLIGHTED IN ACCORDANCE WITH STATE STATUTES AND THAT THE MRA BELIEVES IT IS IN THE BEST INTEREST OF THE COMMUNITY TO ADDRESS THE BLIGHTED CONDITIONS WITH TAX INCREMENT FINANCING WITHIN AN URBAN RENEWAL DISTRICT. TO FURTHER RECOMMEND, THAT THE CITY COUNCIL'S RESOLUTION DIRECT THAT AN URBAN RENEWAL PLAN THAT ADDRESSES THE BLIGHT CONDITIONS FOUND IN THE HELLGATE URBAN RENEWAL DISTRICT STUDY AREA BE PRODUCED WITH A TAX INCREMENT FINANCING PROVISION. FINALLY, TO RECOMMEND THAT THE CITY COUNCIL REQUEST MRA TO COMPLETE THE URBAN RENEWAL PLAN FOR CONSIDERATION BY THE CITY COUNCIL IN ACCORDANCE WITH PROCEDURES SET FORTH IN STATE LAW.

Cates seconded the motion. No further discussion. Motion passed unanimously. (5 ayes, 0 nays)

FY15 CIP Projects – Request for Approval (Buchanan)

Buchanan said MRA has three new CIP Projects that were submitted to the City. She said these are projects that have been approved by the Board but have not yet been bid. Buchanan said one CIP Project is the Brooks Street Intersection Improvements project. She said the Brooks Street and Dore Lane intersection should be under construction soon. She said the actual intersection of Brooks Street and Dore Lane will be finished by the end of May 2014 in order to follow Cabela's Outpost requirements. Buchanan said the other intersections north of the Brooks Street/Dore Lane intersection, towards Paxson Street, have been added to the FY15 CIP.

Buchanan said the second FY15 CIP Project is the Cedar/Broadway Streets and Sidewalk project. She said the street and sidewalk near the new Poverello Center location will be completed by the end of the summer before the new Poverello Center opens in the fall of 2014.

Buchanan said the last FY15 CIP Project is the South Reserve Trail Crossing. She said the project is currently going through the feasibility study to determine the best route the trail should cross at South Reserve Street; an on-grade crossing or grade-separated crossing.

Cates left the meeting at 2:00.

In the event the feasibility study determines a grade-separated crossing is the best route across South Reserve Street, the grade-separated costs were added to the FY15 CIP

project list. If the feasibility study determines an on-grade crossing is the best route across South Reserve Street then the TIGER Grant will cover those costs.

MOE: I MOVE APPROVAL.

Ruth seconded the motion. Motion passed unanimously. (4 ayes, 0 nays) Cates had left the meeting.

FY15 Preliminary Budget – Request for Approval (Lee)

Lee said a more economical MRA vehicle is the only new request for FY15. She said the current MRA vehicle is a 2001 Durango that was purchased used in 2005. Lee said MRA staff tends to utilize personal vehicles for out of town travel because of the Durango's poor condition and lack of fuel efficiency.

Lee reviewed the MRA FY15 Preliminary Budget provided in the Board packet. Located on the URD III – FY15 Budget page, she explained the negative figure at the bottom. Lee said there is not enough tax increment revenue to complete all of the contemplated projects included in the budget and CIP. If the South Reserve Trail Crossing needs to be funded, then bonding would need to be considered.

Buchanan gave an update on the Front Street Parking Structure Bonds and said those Bonds would be priced and refinanced.

REINEKING: I MOVE TO APPROVE THE FY15 PRELIMINARY BUDGET.

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

NON-ACTION ITEMS

URD II & URD III Sidewalks – Phase IV – Update

Gass gave a brief update and said there is approximately \$32,000 remaining for the URD II Western Sidewalks engineering contract. He said phases one through three of the sidewalk project, west of Russell Street are complete. Gass said South First Street, east of Russell Street, is a priority in phase four of the URD II sidewalk project and the engineering will be done over the summer. He said phase four will go out for bid next spring and be ready for construction summer of 2015.

Gass said the plan was to complete phases one through three of the URD III residential sidewalks. He said because of the South Avenue lawsuit between the property owners and the City, phase two was delayed. Gass said the lawsuit has been settled in favor of the property owners therefore phase two of the URD III residential sidewalk project will be completed this summer 2014. He said a budget amendment will need to be made to the Territorial Landworks, Inc. (TLI) engineering contract before phase two will begin.

Skype/Conference Call – Meeting Attendance – Discussion - Postponed

Additional Updates

Moe asked about the progress with the Millsite development. Buchanan said it was her understanding the Millsite Revitalization Project (MRP) was in the process of pre-selling condo units.

Reineking asked for an update with the Hal's Walk project. Buchanan said a request will most likely be presented to the Board within the next month or two.

Lee said the FY13 Audit Report Presentation was originally scheduled for today but was removed from the agenda because todays' agenda was full. She told the Board she would provide the FY13 Audit Report and asked if the Board was interested in a presentation given by the auditing agency, Anderson Zurmuhlen (AZ). The Board responded that they would like AZ to present the FY13 Audit Report.

STAFF REPORTS

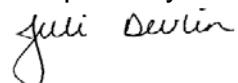
Budget Reports

ADJOURNMENT

Executive session began at 2:30.

Meeting adjourned at approximately 2:45 p.m.

Respectfully Submitted,



Juli Devlin