

MISSOULA REDEVELOPMENT AGENCY

CONDENSED BOARD MEETING MINUTES

May 28, 2014

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

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

Public: Robert Rivers, One Nation Brewing; Fernanda Krum, One Nation Brewing; Chris Anderson, DJ&A; Peter Walker-Keleher, DJ&A; Monte Sipe, Development Services; Joe Gilpin, ALTA Planning and Design, Donna Gaukler, City of Missoula Parks & Recreation; Jessica Moriss, Development Services-Transportation

CALL TO ORDER

12:00 p.m.

APPROVAL OF MINUTES

PUBLIC COMMENTS & ANNOUNCEMENTS

Behan reminded the Board members of the Silver Park/Wyoming Street ribbon cutting scheduled for noon on Friday, June 6, 2014.

ACTION ITEMS

South Third Street Bus Shelters (URD II) – TIF Request to Cost Share (Buchanan)

Buchanan said she discussed with Michael Tree, Mountain Line, how MRA could assist Mountain Line with strategic planning for future bus shelters to help with ridership. She said there are two active bus stops at the intersection of South Third and Catlin Streets but these two locations only provide benches. She said the idea is remove the benches and replace them with bus shelters. Buchanan provided a couple pictures in her memo to show what the bus shelters would look like only in a smaller version. She said the

total cost of these two bus shelters is \$30,466 and Mountain Line is requesting MRA share that cost equally (\$15,233).

Cates asked if the design examples were similar to other bus shelters around Missoula. Buchanan said the goal is to have a prototype for bus shelters but the downtown bus shelters may have a little different look. She said the side panels of these bus shelters will be glass which will allow the opportunity for graphics. If the MRA Board approves the cost share, Mountain Line's intention is to provide a permanent graphic design recognizing MRA.

CATES: I MOVE THE BOARD APPROVE THE STAFF RECOMMENDATION.

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

One Nation Brewing/West Broadway Island Parking (URD II) – TIF Request
(Buchanan)

Buchanan said she's been working with Robert Rivers and Fernanda Krum, One Nation Brewing, for a couple of years now with their unique business concept of having a microbrewery that supports a center for community transformation. One Nation Brewing, approached MRA staff once the property at 1151 West Broadway went on the market, to explore the type of assistance MRA could provide.

Buchanan said MRA purchased the West Broadway Island in the Clark Fork River several years ago and recognized the need for parking. MRA is in the process of designing access to the island along with trails, beach access and revegetation options. She said there is a demand for river access especially with the MAX Wave project. Buchanan said MRA talked about the capacity to purchase a portion of this property at one point in time but the price was out of range for the District. She said staff has been working with One Nation Brewing to form a partnership to possibly lease a number of the parking spaces available at 1151 West Broadway. There are 31 parking spaces total and One Nation Brewing has determined their business will require 11 parking spaces. Buchanan said staff has been working with Development Services to look at zoning requirements for high intensity uses such as a medical office building in case One Nation fails or relocates. A medical office building, for example, would require 16 spaces leaving 15 spaces available. Buchanan said staff is recommending the City enter into a parking agreement to lease those 15 spaces for 25 years and in exchange, MRA will pay One Nation Brewing \$112,500. She said she also talked to Dennis Burns, who worked as a consultant to Missoula Parking Commission, and checked on the average cost of parking per space, per month. Most downtown parking spaces rent for \$55 per space, per month. A couple of other downtown parking areas are priced at \$30 per space, per month. Buchanan said to calculate the value of the 15 parking spaces on West Broadway; she used the example of charging \$25 per space per month for 25 years which is equivalent to \$112,500. She said nearly \$400,000 is available in uncommitted funds in the URD II FY14 budget. Buchanan said One Nation is utilizing a

lending institution who understands the parking agreement. She said the 15 public parking spaces are important for the MAX Wave project that is underway.

Buchanan said there has been some public concern that a microbrewery will be located across the street from the new Poverello Center. She said One Nation has discussed with the Poverello Center ideas for revenue streams to help with the Poverello Center's mission and programs.

Robert Rivers, One Nation, said he and Fernanda Krum have been working for the past 15 years to come up with ideas on how they can help others. He said they wanted to have a business model that made people feel good and was a time of celebration. Rivers said One Nation will provide a neutral ground where people can enjoy microbrews and at the same time will be used as an educational center to help people build their skills for the good of the community. He said One Nation wants to encourage other non-profits to utilize their facility.

Moe asked about the parking agreement and asked if it would be a City easement. Buchanan said the City could do either a parking agreement or an easement. Moe asked how one could access the island. Behan said a maintenance bridge currently exists and runs across the Flynn-Lowney Irrigation Ditch, but requires improvements. He said a second bridge is being proposed to be built at lot 47 and 48 shown on the plan provided in Buchanan's memo. Behan said the City owns lot 47 and 48.

Moe said she supports the project but is concerned with the lease term of 25 years. She said there will still need to be access to the island after 25 years and if a limit is placed on the public parking agreement, we will have created a problem in the future. Buchanan said that was also a staff concern but the 25 years was something the lending institution felt comfortable with. She said she spoke with the lending officer and asked if the City could negotiate the parking agreement after 25 years so that the agreement became permanent. Buchanan said the bank is comfortable with the parking agreement becoming permanent since the financing piece for this property is 20 years. She said the other option is to purchase the lots with the 15 public parking spaces. Buchanan said One Nation is running up against a deadline to close on the property and their financing relies on the tax increment funds (TIF). She said if the Board agrees to the TIF funds, the Board can then discuss the three options: to purchase the lots, enter into a parking agreement, or have a City easement.

Kemmis said Buchanan mentioned the frequent, initial reaction when people read or hear about a microbrewery being located across the street from the Poverello Center. He said a different public approach is to explain the need for public parking with the upcoming MAX Wave project and West Broadway Island remediation and improvements. Kemmis asked what other steps have been taken to work towards public approval. Buchanan said the Conditional Land Use Permit required for the One Nation Brewery project will go to the Land Use and Planning Committee for referral on June 4, 2014. She said the Conditional Land Use Permit will then go to City Council the following Monday and will be the subject of a public hearing. Kemmis asked if the

neighborhood association had been contacted. Rivers said both the neighborhood council and neighborhood association had been contacted and were very supportive of the project.

Cates asked if the Board will see a future request for the remodel of the building at 1151 West Broadway. Buchanan said no but there would be a future request for right-of-way improvements.

Donna Gaukler, Parks and Recreation Director, said from a recreational standpoint providing parking and working with shared parking has worked well and is used by all kinds of people. She said access to the island is a necessity and even though she understands Kemmis' comment, this project will bring all sorts of people together to a common place and will bring positive synergy to this area.

Reineking said Buchanan's memo mentions the available funds in the FY14 budget and asked if the expenditure needed to occur before July 1. Buchanan said if the Board approves the requested amount, the funds will be carried over to the FY15 budget.

CATES: I MOVE THAT WE DIRECT STAFF TO USE UP TO \$112,500 IN MRA FUNDS TO EITHER PURCHASE A SHARED PARKING AGREEMENT OR PURCHASE THE ACTUAL LAND OR ANYTHING IN BETWEEN IN PERPETUITY OR SOMETHING CLOSE TO IT.

Buchanan said if the choice is to purchase the land, the cost might exceed the requested amount.

CATES: WITH THE UNDERSTANDING THAT PURCHASING THE LAND COULD COST MORE.

Moe said she is willing to second only if the motion is to purchase the land for public parking. She said she would also like the motion to include a parking agreement that includes who's going to maintain the parking area. Cates said she wasn't bound to the idea of purchasing the land. Buchanan said to satisfy the bank what if the City entered into the 25 year term parking agreement with a condition that after the 25 years, the land (15 parking spaces) becomes the property of the City. Moe suggested the language of "once the bank is paid off", then it becomes City property.

Englund reiterated the motion is to **APPROVE THE USE OF APPROXIMATELY \$112,500 IN URD II FUNDS TO PURCHASE PARKING.**

[RESTATE AMENDED MOTION IN SUMMARY: THE BOARD DIRECTS STAFF TO USE APPROXIMATELY \$112,500 IN URD II FUNDS TO NEGOTIATE PURCHASE OF LAND FOR 15 PUBLIC PARKING SPACES WITH THE FOLLOWING STIPULATIONS:

- **WITH THE UNDERSTANDING THAT THE LAND PURCHASE COULD COST MORE THAN THE \$112,500.**
- **IT WILL INCLUDE A MAINTENANCE AGREEMENT FOR THE PARKING AREA.**
- **THE CITY MAY ENTER INTO A SHARED PARKING AGREEMENT WITH ONE NATION BREWERY TO SATISFY LENDER, BUT ONCE LENDER IS PAID, THE 15 PARKING SPACES BECOME PROPERTY OF THE CITY.]**

Moe seconded the motion.

Kemmis said the site has potential and hopes the project produces the synergy that Donna Gaukler mentioned.

Motion passed unanimously. (5 ayes, 0 nays)

South Reserve Street Trail Crossing (URD III) – Request for Approval (Buchanan)

A presentation of the South Reserve Street Trail Crossing feasibility study was presented by DJ&A during the May 14, 2014 Board meeting. Action was not taken on this item, and further discussion was postponed until today's meeting.

Buchanan said the decision for an on grade or grade separated crossing at South Reserve Street is not an easy decision. She said it's very difficult to quantify the benefit of a trail crossing when the trail from Missoula to Lolo does not yet exist. She said the Transportation Investment Generating Economic Recovery (TIGER) Grant application is included with her memo to help explain the purpose for the Missoula to Lolo trail. Buchanan said the application includes user groups, economic impacts, the livability issues, etc. She said she talked to Daniel Kemmis after the May 14 meeting to discuss his concerns and how staff could help address those concerns. She said Kemmis suggested a bell curve, demonstrating trail use. During the May 14 meeting the Board suggested staff consult with Jim Sayer, Director of Adventure Cycling. Buchanan said Sayer was not able to join the meeting today but said he supports the Missoula to Lolo Trail and supports a grade separated trail crossing over Reserve Street because of the nature of the street, travel volumes, traffic speed, etc. Buchanan said the only fully signalized location to build an on grade crossing would be at Brooks Street and Reserve Street but she said that intersection is not safe and has two-lane turning options.

Buchanan said another concern the Board had from the May 14 meeting was whether or not the Missoula Police Department (MPD) was involved. She said she had the opportunity to visit with Robert Scheben, Crime Prevention, and he said an on grade crossing was not acceptable on South Reserve Street because of the lack of traffic

signals and safety concerns. Buchanan was also told by Scheben that the MPD did not recommend the grade separated crossing be under the street because the tunnel would give the opportunity for bad behavior and he said the tunnel would have to be gated at night. Buchanan said Scheben strongly suggested the overhead crossing be transparent if that type of crossing is the preferred option so that pedestrians, bicyclists, and motorists could see what's going on.

Buchanan said a more detailed financial analysis was also recommended at the last Board meeting and the request to review potential projects in the District. Buchanan's memo outlines the current and future projects with their anticipated costs. Buchanan said the URD III projected annual revenue is about \$2.2 million and \$1.2 million of those funds have not been committed. She said approximately \$400,000 had been allocated for projects to be paid in FY14 but instead will be carried over to FY15 because of cost savings on projects, costs being overestimated, etc. Buchanan said the separated trail crossing could be paid by URD III funds if the Board chose not to bond; although Buchanan said that was not her recommendation.

Buchanan said Joe Gilpin, Alta Planning and Design, was present and provided a bell curve that Kemmis had recommended. She said Gilpin could answer questions about the data that was used in the bell curve. Peter Walker-Keleher, DJ&A, presented a graph showing the average number of daily trail users per month. Walker-Keleher said Alta provided the data and gathered information from comparable trail crossings. He said data is gathered every year in Missoula on a Tuesday and Saturday in the months of May and September. Gilpin said cities can also donate their data to this national data center. He said data is also collected from automated trail counters and pedestrian signals, all year around. Chris Anderson, DJ&A, said the daily trail use counts in Missoula were reviewed and the growth pattern for bicycle and pedestrian use is increasing by 5% per year which is a very encouraging sign for future bike/pedestrian use. He said healthy traffic volume typically increases by 1.5% to 2% per year. Englund asked what the bike/pedestrian counts are from Lolo to Florence. Gilpin said those counts unfortunately do not exist. Anderson said in order to gather counts in the Bitterroot area; someone has to volunteer to take counts.

Kemmis explained why he had introduced the idea of having a bell curve at the last meeting. He said the question he pondered was how does one make the decision that a trail crossing is worth \$4 million. Kemmis said he doesn't suggest building a toll bridge but said what if every bike trip across the bridge was subsidized; would one dollar seem worth it to pay out of public funds. He said he estimated there were 100 good days of riding per year. Kemmis said if the life expectancy of the trail crossing is roughly 40 years (for example purposes) and there were on average 1,000 riders per day, given that on average we have 100 good riding days per year; then the \$4 million trail crossing doesn't seem outrageous. Anderson said the life expectancy of the overhead crossing realistically would be closer to 80 years, reducing the subsidy even more.

Gilpin said a manual count was recently done one evening at the Brooks and Reserve Street intersection and said one bike and about ten pedestrians were counted using the intersection. He said that section doesn't connect anything at this point in time. Gilpin said the Missoula trail system is unique because most communities have a trail system with a higher recreational use while Missoula's trail system has higher commuter traffic than recreational traffic. He said Missoula's bike/pedestrian week day counts are about three times the number of the weekend counts. Gilpin said the trail from Missoula to Lolo has the potential to equalize the commuter traffic and the recreational traffic.

Donna Gaukler, Director of Parks and Recreation, said the use of trails and parks is important to people for recreational purposes as well as their health and wellness. She said the Parks Department received feedback from the community and they have been told the trail systems are life changers for some of the users. Gaukler said it allows people to be active and to commute to school, work, shops, etc. She said there are even riders who choose to ride their bike during the winter on snow days because they know the trails will be cleared sometimes before the streets. Gaukler said the trail systems reduce car traffic which then reduces environmental pollution. Gaukler said this area of Brooks and Reserve Streets is one of the most underserved areas in Missoula with respect to parks. She said it makes sense to do an overhead, grade separated trail crossing where the crossing can be open 24 hours all year long. Gaukler said the trail from Missoula to Hamilton opens the potential for new businesses along the trail system. Gaukler mentioned a study that showed more people who are biking or walking tend to stop and shop compared to those who are driving and looking for a place to park.

Englund asked why the on grade crossing was included in the TIGER Grant and not the separated crossing. Buchanan said the grant application was constrained by the need for the TIGER Grant project to be "shovel ready". She said it was believed that if a grade separated crossing was to be built, then there was a strong possibility that additional right-of-way (ROW) would be required which would have made the TIGER Grant project not a ready to go or "shovel ready" project in the eyes of the federal government, who is funding this project. She said the cost of a grade separated crossing was also a concern.

Moe asked what the \$150,000 would pay for as part of the TIGER Grant. Anderson said the \$150,000 would pay for an overhead signal. Moe asked if the \$150,000 covered any traffic calming. Anderson said the \$150,000 would only cover the pedestrian activated signal.

Englund said DJ&A's presentation given during the May 14, 2014 Board meeting provided examples of low range, mid range, and high range grade separated crossings (both tunnel and bridge). He asked what those cost estimates covered. Anderson said the cost estimates covered construction costs. He said additional costs would be for design and construction management. Anderson said design costs are estimated at 15% of the construction cost and construction management is estimated at about 8% of

the construction costs. Englund asked about costs associated with ROW. Anderson said DJ&A talked with the owners at Old US 93 and Reserve Streets and estimated the ROW acquisition would be anywhere from \$50,000 to \$100,000. Anderson said DJ&A requested the appraisal for that property but have not received it at this point in time. Englund asked about ROW acquisition on the west side of Reserve Street. Anderson said the west side of Reserve Street is the Missoula County Larchmont Golf Course and would not require ROW acquisition.

Moe asked what is included in the 30% design. Anderson said the 30% design would provide the conceptual design along with artist renderings. He said once a notice to proceed is approved, DJ&A could move forward with the 30% design and then seek public input as well as Board input.

Gaukler discussed the importance and the increased use of the Milwaukee Trail system and said children on the east side of Reserve Street can bike to school and the folks that live in Orchard Homes can bike downtown. Gaukler said crossings along Reserve Street have also been part of the Long Range Transportation Plan.

Kemmis said one concern he has with the overhead crossing is designing it in a way so that it can be lifted for possible mega loads traveling under the crossing. He asked what the additional cost would be for that feature. Kemmis said he personally has no interest in using tax increment financing to subsidize this feature. Anderson said the cost is minimal. He said what we consider mega loads today, may not be the same mega loads in the future. Buchanan said the construction element of having the option to remove or lift the bridge is a minimal cost. She said the cost to actually have it raised or lifted for a mega load would be the responsibility of the transporter.

Reineking said she is in favor of the overhead crossing because it is safer for pedestrians and bicyclists. She said motorists are typically not looking for bicyclists or pedestrians on Reserve Street. Reineking said she is not in favor of a tunnel particularly because the tunnel would have to close at night. She said in the winter the time closure could be as early as 4:00 p.m. or 5:00 p.m. and not open again until 8:00 a.m. Reineking said the closure could reduce the number of trail crossing users. She said she believes the bridge would provide a benefit for the whole community, not just URD III. She said she hopes the crossing will encourage improvement of the entire trail to include lighting for example.

Englund said the Board is not interested in building a crossing shown in the lower cost range. He said by the time the design costs, construction administration costs, and acquisition costs are added; the project is closer to \$4 million. Englund said the question then is, "do you believe in the future of the Missoula to Hamilton trail system?"

Englund asked what the cost is for a 30% design. Buchanan said DJ&A could provide three concept designs: low range, mid range, and high range. She said the Board already discussed that a low range design is not an option so DJ&A could provide the Board with two concept designs showing alternative ramps and different aesthetics.

Anderson said the 30% design is approximately 5% of the construction cost. Englund asked if the 30% design would then be roughly \$150,000. Anderson said that number was a good estimate.

Englund asked about public involvement and whether different designs would be available for the Board and for public viewing and comment. Buchanan said there is an established user group who is very involved with the trail from Missoula to Lolo that would also be involved with the trail crossing at Reserve Street. She said the neighborhood council would be involved as well as informing City Council. Buchanan said City Council would not need to approve the 30% design phase but if the Board made the decision to bond then approval to bond would need to go through City Council.

Englund said assuming the Board chooses to bond, what is the timeline for the trail crossing. Anderson said once DJ&A receives notice to proceed, they would need about three months to develop the 30% design and another three to four months to develop conceptual and construction drawings to have them available and ready to bid. It was discussed that January or February of 2015 would be the goal to have the final design ready to go out to bid.

Buchanan said if the Board chooses to bond, then part of staff's recommendation is to have the Board direct staff to prepare alternatives for issuance of tax increment bonds. Englund asked what the annual payment would be if the Board chose to bond based on \$4 million. Buchanan made a comparison with past and current project bonds and estimated the annual payment to be between \$150,000 and \$300,000. Cates asked if there was a bonding deadline assuming bidding is done in January 2015. Buchanan said once the hard price is received for the trail crossing, MRA will be in a position to issue the bond. She said then MRA will have the money available to enter into a construction contract.

KEMMIS: I MOVE THAT THE BOARD AUTHORIZE DJ&A TO PREPARE A SCOPE OF SERVICES FOR 30% DESIGN FOR AN OVERHEAD TRAIL CROSSING OVER SOUTH RESERVE STREET AT OLD US HIGHWAY 93 AND DIRECT THE STAFF TO PREPARE ALTERNATIVES TO PRESENT TO THE BOARD FOR ISSUANCE OF TAX INCREMENT BONDS ONCE FINAL DESIGN AND COSTS HAVE BEEN ESTABLISHED.

Reineking seconded the motion.

Cates said if for some reason the overhead trail crossing doesn't work or doesn't feel right then the Board should have the authority to "pull the plug". Buchanan said the Board has that option now and when the 30% design is developed.

Motion passed unanimously. (5 ayes, 0 nays)

Englund thanked everyone for having the willingness to come back and revisit the South Reserve Trail Crossing.

NON-ACTION ITEMS

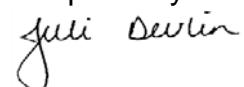
STAFF REPORTS

Budget Reports

ADJOURNMENT

Meeting adjourned at approximately 2:15 p.m.

Respectfully Submitted,



Juli Devlin