

MISSOULA REDEVELOPMENT AGENCY

CONDENSED BOARD MEETING MINUTES

September 17, 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: Nancy Moe, Daniel Kemmis, Rosalie Cates, Ruth Reineking

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

Public: Russell Hicks, Hicks Building; Jeff Maphis, JCM Architects; Mike Nichols, Tamarack Construction; Robert Rivers, Imagine Nation Brewery; Marcus Chibul, KECI News; Malcom Lowe, The Loose Caboose, LLC.

CALL TO ORDER

12:00 p.m.

APPROVAL OF MINUTES

August 12, 2014 Regular Meeting Minutes were approved as submitted.

PUBLIC COMMENTS & ANNOUNCEMENTS - None

ACTION ITEMS

West Broadway Island – Contract Amendment with Morrison-Maierle, Inc. (URD II) – Request for Approval (Behan)

Behan said for many years MRA has had the goal of extending the riverfront trail along the north shore of the Clark Fork River between Orange Street and Russell Street. He said MRA has constructed segments of the trail from Burton Street to Russell Street and along the Fox Site. Efforts were made to link these two trails, but Behan said it was found the material underlying Broadway across from the current Safeway site, would not support piers for a trail. Behan said the project was then abandoned. He said there are trail easements in some areas along the river in this area and the City now owns a portion of the parking lot at 1111 West Broadway which is shared with Imagine Nation Brewery. MRA will also have the bridge linking Imagine Nation Brewery to the West Broadway Island. Behan said there is an area between the Imagine Nation property and where the existing trail from Russell Street ends at Burton Street that's occupied by a condominium building. He said the developers of the condominium building built the building too close to the river bank which imposes a

challenge to build a trail in this location. Behan said one idea is to have a portion of the trail on land and a section of the trail to somehow extend off the irrigation ditch bank, around the building. He said a geotechnical investigation would be required to analyze the substrata to see how or if a trail could be constructed. Behan said the cost for the geotechnical analysis is \$10,500 if it is added to the work already to be done under the West Broadway Island Design Engineering Agreement with Morrison Maierle, Inc.

Kemmis said if MRA were to invest this relatively modest amount for an analysis and found out putting the pilings in were going to cost an outrageous amount, then MRA probably wouldn't have taken this route. He asked Behan if the analysis found the trail to be feasible what the estimated cost might be to construct the trail. Behan said the engineer for Morrison Maierle, Inc. has worked on a digital version demonstrating the length of the elevated board walk and it was estimated that approximately 30 feet would need to be elevated significantly. Behan said depending on how the bridge and trail are constructed, he said the cost of the trail could be near the \$100,000 to \$200,000 range. Moe asked if there are other funding sources available other than just MRA funds. Behan said other funding sources haven't been explored yet. He said the analysis has to be completed to answer the question of whether the trail is even feasible. Moe asked if Behan's cost estimate included engineering design. Behan said the cost estimate would be for construction, not for engineering.

Cates said if the vision of the trail system is to extend it along the north shore and to also link these two segments of trail, she said she supports the geotechnical analysis.

CATES: I MOVE THAT THE BOARD APPROVE \$10,500 FOR GEOTECHNICAL INVESTIGATION OF EXTENDING THE RIVERFRONT TRAIL AND AUTHORIZE THE DIRECTOR TO EXECUTE THE NECESSARY DOCUMENTATION.

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

Imagine Nation Brewery – 1151 W. Broadway (URD II) – Request to Proceed Without Prejudice (Buchanan)

Buchanan said the acquisition transfers have taken place so Imagine Nation Brewery owns the building and their portion of the parking lot and the City owns their portion of the parking lot. She said Imagine Nation is in the process of renovating the building and enhancing the parking lot to meet City codes. Buchanan said they are in the permitting process now and are trying to expedite the process since the brewing equipment has been ordered. She said Imagine Nation would also like to proceed with any paving work while asphalt plants are still open. Buchanan said since Imagine Nation is still in the design phase for right-of-way improvements and costs have not yet been established, she said she advised Robert Rivers and Fernanda Krum, owners of Imagine Nation Brewery, to request to proceed without prejudice. She said Rivers and Krum can then come back to the Board in October and provide the Board with real cost figures and request MRA assistance.

KEMMIS: I MOVE THE BOARD APPROVE THE REQUEST FROM IMAGINE NATION BREWING TO PROCEED WITHOUT PREJUDICE ON WORK AT 1151 WEST BROADWAY WITH THE UNDERSTANDING THAT THE APPLICANT WOULD NEED TO APPLY FOR ANY TAX INCREMENT FINANCING IN THE FUTURE AND THAT THIS ACTION BY THE BOARD DOESN'T IN ANY WAY COMMIT THE BOARD TO APPROVE ANY FUTURE FUNDING.

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

Imagine Nation/West Broadway Parking – 1111 W. Broadway – Construction of Public Parking (URD II) – TIF Request (Buchanan)

Buchanan said the City now owns lots 41-46 located at the east end of the parking lot shared with Imagine Nation Brewery. She said modifications need to be made to the paved area to meet City codes. Buchanan said it would be ideal to move forward as a joint project with Imagine Nation and have the asphalt and concrete work complete this fall. Morrison Maierle, Inc. is the engineering firm for the West Broadway Island as well as the civil engineer for Imagine Nation. Buchanan said she authorized Morrison Maierle to increase their scope of contract for the Island project to include the design for the City's portion of the parking lot in the amount of \$2,833, which is within the Director's limits to authorize. She said the parking lot design is complete and the estimated cost for the asphalt and curbing portion is \$15,500. Buchanan said additional costs will include costs for landscaping, lighting, and permitting. Imagine Nation has contracted with Kent Watson & Associates for the landscaping work on their portion of the parking lot. Buchanan said she also received a cost estimate of \$2,000 from Watson to landscape the City's portion of the parking lot as well as landscape the adjacent right-of-way. Buchanan said she spoke with Imagine Nation's lighting consultants and three parking lot lights were recommended for the City's portion of the parking lot.

Buchanan said she spoke with Jim Nugent, City Attorney, and asked if the City's portion of the parking lot work could be included as part of Imagine Nation's contract and then the MRA could reimburse Imagine Nation. Buchanan said Nugent didn't have concerns with the idea. She said staff recommends the Board approve an amount up to \$35,000 for reconstruction of the City owned portion of the parking lot and to have Imagine Nation include this work in their construction contract. Moe asked what is included in the \$35,000. Buchanan answered \$15,500 is for concrete and asphalt, \$2,000 for landscaping, approximately \$12,500 for parking lot lighting, and a \$5,000 contingency to be used for permitting and mobilization charges. Kemmis asked what mobilization means. Buchanan said mobilization is the time and effort it takes for a contractor to mobilize to the project location and for preparation work.

Moe asked if the design of the parking lot included some sort of barrier so that a driver couldn't drive into the river from the parking lot area. Buchanan said there will be a raised curb on the river side of the parking lot.

REINEKING: I MOVE THE BOARD APPROVE THE STAFF RECOMMENDATION IN AN AMOUNT NOT TO EXCEED \$35,000 FOR RECONSTRUCTION OF THE CITY'S PORTION OF THE PARKING LOT.

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

South Avenue Curb & Sidewalk Project (URD III) – Request to Award a Construction Contract (Gass)

Gass said during the Urban Renewal District (URD) III Residential Sidewalk Project Phase 2, it was advised by the City Attorney's Office to delay sidewalk construction for the properties that were party to a pending lawsuit regarding the right-of-way width on South Avenue. He said the property owners that were party to the lawsuit were told by MRA their sidewalk segments would be completed once the lawsuit was settled. A ruling on the lawsuit has since been issued. Gass said staff would like to move forward to complete the sidewalk segments. He said as a cost savings measure, Development Services agreed to provide the final design, bidding, and construction administration for completing the sidewalk segments. Gass said final designs are complete and bids were opened for the sidewalk project. He said three bids were received and the low bid was submitted by HM Concrete in the amount of \$42,735.40. Construction of the sidewalk project is scheduled for fall of 2014. Gass said staff recommends the Board move to award the construction contract for the URD III Residential Sidewalk Project Phase 4 to HM Concrete, in an amount not to exceed \$42,735.40, authorize the MRA Board Chairman to sign the contract, and authorize Staff to sign the necessary documents to execute the contract.

Reineking asked if the completion of these sidewalk segments will complete the URD III Residential Sidewalk Project Phase 4. Gass said these sidewalk segments essentially complete the sidewalk projects in URD III west of the railroad tracks. Buchanan said the sidewalk projects have made a huge impact in the neighborhoods.

CATES: I MOVE THE BOARD APPROVE TOD'S RECOMMENDATION TO AWARD THE CONSTRUCTION CONTRACT FOR THE URD III RESIDENTIAL SIDEWALK PROJECT PHASE 4 TO HM CONCRETE, IN AN AMOUNT NOT TO EXCEED \$42,735.40 AND AUTHORIZE THE EXECUTION OF ALL THE DOCUMENTS, ETC.

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

Moe said this project is an example of how well MRA staff works with other City departments. She thanked the staff.

Hicks Building – 501 South Russell St. (URD II) – Request to Proceed Without Prejudice (Behan)

Behan said he hoped to present this project to the Board along with an assistance recommendation but because of recently uncovered information with the future Russell Street project, the Hicks Building owners are requesting to proceed without prejudice.

Behan said the Hicks Building was occupied by a fuel and vehicle service station for many years and a car wash was constructed on the property in the late 1970s. Behan said the owners of the Hicks Building want to renovate it into office and retail space. He said tenants have not been selected but the Hicks Building owners have talked to a number of interested and potential tenants. Behan said there is a coffee kiosk owned by City Brew located on the premises and their intention is to stay at that location.

Behan said his memo mentions the estimated cost to renovate the building is just under \$342,300, which is relatively high compared to other remodeling or renovation projects MRA has assisted. He said this building will basically require new construction of the interior because all that exists now are the exterior walls.

Behan said the applicant has requested \$37,752 in assistance which includes paving the adjacent public alley as required by City codes for commercial uses, replacement of sidewalk, curb and gutter, and boulevard area landscaping. There are issues that impact this request. Behan showed some photos of the building and area surrounding the building and said the goal is to have the work done on site fit with the future Russell Street reconstruction. He said the Hicks Building applicant needs a better idea of what the design of Russell Street will be; therefore, is asking to proceed without prejudice. Behan said this will allow the alley paving to be done within the next couple of weeks while asphalt plants are still open. He said in the interim the Hicks Building owners will be working with MDT, WGM Group, and the City Engineer to arrive at a sidewalk and driveway design that will work with future changes to Russell Street.

Jeff Maphis, JCM Architects, said they are excited about the project. He said there is a lot of exposure where this building is located and they are happy to see the nearly completed reconstruction of Third Street and discussions of future reconstruction of Russell Street. Maphis said the challenge is how to move forward without knowing what will happen on Russell Street. He said not putting in a sidewalk on Russell Street until there is a final plan for Russell Street will have a negative impact to the project. Maphis said the other impact is there currently is no access to the property from Third Street; the property can only be accessed from Russell Street so the Russell Street reconstruction is a large component of this project.

Maphis said he did meet with MDT and WGM Group to discuss what can be done now on Russell Street knowing it might not be the permanent design for the future. He said paving the alley is critical now and hopes to come back to the Board in October with a solution for the rest of the project.

KEMMIS: I MOVE THE BOARD APPROVE THE 501 SOUTH RUSSELL STREET PROJECT PROCEEDING WITHOUT PREJUDICE WITH THE USUAL STIPULATIONS.

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

NON-ACTION ITEMS

STAFF REPORTS

Director's Report

South Reserve Street Trail Crossing

Buchanan mentioned the idea of offering a tour of current and completed MRA projects to Board members and staff. She said details would be worked out and Board members would be contacted. She said Mountain Line is willing to transport the tour group on the trolley.

Buchanan said she had hoped to have grade-separated trail crossing options available to discuss with the Board at today's meeting. She said the property owner of the Loose Caboose has expressed his concerns related to the bridge and his business. She said staff has discussed with the property owner about how to move forward with the grade-separated crossing without adversely impacting the Loose Caboose. Buchanan said DJ&A came up with two different bridge structures based on a series of visioning sessions with multiple parties. She showed the artist renderings of the bridge structure. Buchanan said the renderings have been displayed around town including at Farmer's Market. She said after receiving feedback, DJ&A will modify the renderings and have them ready to discuss during the regular October Board meeting.

Buchanan said the extension of the Bitterroot Branch Trail from Missoula to Lolo has gone out for bid but construction won't likely start until summer of 2015. She said staff would like to have the grade-separated trail crossing project ready to be constructed in conjunction with the Missoula to Lolo trail project. Buchanan said the reception from the public for the bridge and trail has been very favorable.

Russell Street Study

Buchanan said the Russell Street Study is moving forward and Behan is the point of contact for the Sonoran Institute. She said the study will provide design guidelines and land use plans for the Russell Street Corridor. The Sonoran Institute and their consulting team will be in Missoula the second to last week in October. Buchanan said invitations would be sent to the Board members.

Poverello Center

Cates asked about the Poverello Center. Buchanan said she toured the Poverello Center and the building looks amazing.

Public Comment

Reineking said the owner of the Loose Caboose is present and asked if he had any comments on the bridge. Malcom Lowe, owner of Loose Caboose, said as a citizen he is favor of the bike path project and said he is a biker himself. He said he is disappointed on how the trail crossing project has been presented and that "everyone is falling in love" with the project but Lowe said he is not there. He said it seems like everyone is getting excited about a project with a lot of promise but he said it adversely affects him and his business. Lowe said he recently moved everything from his warehouse to this location as well as making some improvements. He said he has a 10 year lease with the option of leasing 10 additional years and the bridge would cause a huge financial burden to his coffee business. Lowe said he asks the Board to not be too apprehensive about the timing of this project with the timing of the Missoula to Lolo trail. He said he believes there is a creative and viable solution with respect to his business location.

Cates suggested holding off on presenting the artist renderings at Farmer's Market or other busy venues. Lowe said he understands finalizing a design is a lengthy process but said the public may not understand that. Buchanan said DJ&A has tried to be very clear in the fact that these renderings are not the final product and that there are still issues to work through including a solution that works for the Loose Caboose.

Budget Reports

Lee said she was unable to have FY15 budget reports ready for this Board meeting because the mill levies have not been completed by the County. She said the FY15 tax increment value is down significantly in URD III, URD II has increased slightly, and value has dropped a little bit in the Front Street District. Lee said the increment value in the Riverfront Triangle District is zero. Buchanan said the variance in URD III was caused by the demolition of the old Kmart building. She said the demolition of the First Interstate Bank drive-thru caused the decrease in the Front Street District.

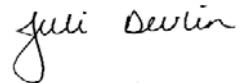
Lee said the pivot report that was provided in the Board packets show the expenditures incurred in FY15. Buchanan said the last payment on the Civic Stadium is scheduled in February 2015.

Kemmis asked if the "hit" in URD III that was caused by the Kmart demolition will be recovered. Buchanan said it may not be fully be recovered in the first year because assessments are done in January. She said Cabella's was under construction and the Boot Barn was a renovation but the following year when the increment value is calculated it will include Cabella's, Boot Barn, Kohl's, Men's Warehouse and any other new buildings.

ADJOURNMENT

Meeting adjourned at approximately 1:10 p.m.

Respectfully Submitted,



Juli Devlin