

MISSOULA REDEVELOPMENT AGENCY

CONDENSED BOARD MEETING MINUTES

March 18, 2015

FINAL

A **Regular** meeting of the Board of Commissioners of the Missoula Redevelopment Agency was held at the MRA Conference Room, 140 West Pine, Missoula, MT 59802 at 12:00 PM. Those in attendance were as follows:

Board: Karl Englund, Daniel Kemmis, Rosalie Cates, Nancy Moe, Ruth Reineking

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

Public: Lynn McAdams, Property Owner; Carolyn Glidewell, Glidewell Investments & Insurance Group; Ken Smith, Process Architecture (Krispy Kreme); Kari Brittain, Big Sky Oasis; Paul Glidewell, Glidewell Investments & Insurance Group; Eric Hefty, Eric Hefty-Architects (Glidewell Investments & Insurance Group); David Erickson, Missoulian

CALL TO ORDER

12:00 p.m.

APPROVAL OF MINUTES

February 18, 2015 Regular Meeting Minutes were approved as submitted.

PUBLIC COMMENTS & ANNOUNCEMENTS

Reineking said the vacant land near Silver Park along Wyoming Street has been graded and looks more appealing now. She said the lights on Wyoming Street also look great.

Lynn McAdams, property owner, said the Riverfront Trail area on the north side of the Clark Fork River near the Van Buren Street Footbridge and behind the Missoula Chamber of Commerce is a peaceful place to sit, relax and enjoy the views but is not accessible to people with disabilities. He said the only way to access this location is by taking the stairs near the Footbridge. He said he wants to remind everyone that there is a public easement between the Big Sky Bikes/Goldsmith Bed & Breakfast property and the office building to the east, once owned by Touch America. McAdams referenced

the City Council meeting minutes from August 21, 1989 and said City Council approved a four foot easement from Richard Goldsmith, owner of Goldsmith's Bed & Breakfast and a two foot easement from Touch America. He said the public easement that connects the Riverfront Trail and the sidewalk on the north side of the buildings was to be used for a public trail which still hasn't been built. McAdams said he doesn't know why the trail hasn't been built or why it can't be built.

Kemmis asked to see the copy of the City Council meeting minutes that McAdams brought. He asked, for clarification purposes, if the public easement was between the two buildings. McAdams said that was correct that the public easement is adjacent to a parking lot. McAdams said it's not inviting, nor would people know there is access to a trail because there is no signage. Kemmis asked McAdams if he had a recommendation for MRA. McAdams said he would like to see an attractive sign stating there is access to the Riverfront Trail which ends at his property but continues over the Clark Fork River by going up the stairs and over the footbridge. He said he would also like to see a walkway, which was intended over 25 years ago.

Englund pledged that MRA would find an answer for McAdams and respond at a later date.

ACTION ITEMS

Krispy Kreme – 1019 West Central (URD III) – TIF Request (Gass)

Gass said the property located at 1019 West Central Avenue was purchased by Sweet Treat Holdings, LLC with the intention of opening a Krispy Kreme franchise. He said the building was previously occupied by Safelite Auto Glass who has now relocated to South Avenue. Gass said the property on West Central has been vacated and the building has been boarded-up for the last couple of years and is in need of significant rehabilitation in order to accommodate the new use. He said the project description includes demolishing the old building and constructing a new building, removing all concrete and asphalt on site, removing a small landscaped area on the southeast corner of the property and replacing it with irrigated landscaping around the perimeter as well as a landscaped parking lot and outdoor patios. Gass said right-of-way (ROW) improvements were made as part of the MRA 2010 Brooks Street Commercial Corridor Sidewalk Project and will remain intact with the exception of relocated driveway access. He said the total project cost including land acquisition is \$1,709,500. Gass said there are several components of the project that qualify for tax increment financing (TIF) assistance. He said the developer's total TIF request is \$38,000 to assist with asbestos testing and abatement, building demolition, driveway realignment, and boulevard/ROW landscaping. Gass said the project provides an opportunity to replace a blighted vacant building that is highly visible from Brooks Street and Stephens Avenue with a more appealing structure with landscaping. He said the Auto Glass building will be replaced with a new building that will include a brick, glass, and stucco façade. **Gass said staff recommends the Board approve the TIF request of \$38,000 for eligible items related to the Krispy Kreme project in URD III, contingent upon the developer**

submitting a letter of commitment from a commercial lender to MRA and with the understanding that the TIF assistance will be a reimbursement to the developer upon successful completion of the project and that the final TIF amount shall be determined by paid invoices submitted by the developer to MRA for the eligible items described in the staff memo.

Ken Smith, Process Architecture, said the owners are in the process of getting preliminary cost estimates and said just prior to the Board meeting he received a phone call from the owners and was told that they are a little over budget. Smith said while reviewing construction costs it was suggested that some of the brick façade be changed to stucco façade. He said the steel structure to hold the brick is fairly expensive so the idea now is to have a building facade with about 50% cement stucco and 50% brick. Cates asked if the façade changes were acceptable by staff. Buchanan said the only time MRA addresses materials used for façade is through the Façade Improvement Program (FIP) for existing facade. She said MRA has not addressed facade materials used for new construction. Buchanan said even though MRA is not being asked to invest in the façade materials, she has no concerns with the developer using cement stucco. Smith said the Krispy Kreme façade will be very similar to the Dollar Tree project façade where they also used cement stucco. Kemmis said he appreciates Smith for bringing up the change in façade materials but has concerns with approving a project to allow for a lower level façade material. Therefore, if the only way to maintain the higher façade material standard is through a FIP investment, then should MRA consider that. Kemmis said he would like to stay within the original proposal. Englund asked what the cost savings is by going with cement stucco verses brick. Smith said the estimated savings by going with cement stucco would be roughly \$40,000. He said the increased cost of the original proposal is not just the brick but also the internal steel structure that is required to support the brick. Reineking said the Krispy Kreme project is a new construction project and does not qualify for the FIP assistance. Buchanan asked the Board if they would like to place conditions on the facade materials used in the TIF program even when asked for assistance with new construction projects. The answer was no. Kemmis said the purpose of the façade improvement is to get a better streetscape in general, whether it's an existing building or new construction. Buchanan said the prohibition on EIFS (Exterior Insulation and Finish Systems) "stucco" in the FIP was based completely on it not being considered permanent material. Cates said if Krispy Kreme were asking for FIP assistance, would the cement stucco qualify under FIP guidelines. Buchanan said yes. Moe said she's not in favor of extending the FIP to new construction as long as the materials meet basic criteria. She said her faith is in the builders to construct an attractive building with permanent materials. Reineking said she agreed with Moe's comment about not extending the FIP to new construction and said she would rather not see the cost savings being taken from the landscaping and or removal of asphalt. She said the owner is asking for \$38,000 which is a relatively small investment when considering the owner's investment in the property and major improvements.

REINEKING: I MOVE THE BOARD APPROVE THE STAFF RECOMMENDATION.

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

Big Sky Oasis – 1016 West Broadway (URD II) – Request to Proceed Without Prejudice (Behan)

Behan said the property at 1016 West Broadway, once owned and occupied by the Big Sky Drive-in, has been purchased and the owners desire to open an authentic Mexican restaurant called Big Sky Oasis. He said much of the food will be organic and locally sourced from a farm run by one of the Big Sky Oasis partners. Behan said the owners were very close in having a full application complete prior to the Board meeting but are still waiting on required materials including financing for the project and final construction cost estimates, therefore the owners are requesting to proceed without prejudice.

Kari Brittain, Big Sky Oasis, introduced herself and her business partner Kim West. Brittain presented pictures and different views of the former Big Sky Drive-in building and surrounding area, pointing out their neighbors as well as a few key points. She explained the vision for the authentic Mexican business and said not only will they serve authentic Mexican dishes made from locally grown products, but she said there will also be a community space just behind the building for food trucks such as those seen at the Clark Fork market. Brittain said this idea also provides other local vendors an opportunity to sell food and display art. West said the market for food trucks is growing so the community space will give others the opportunity to sell their products year-round. She said Big Sky Oasis will create employment in their building as well as employment for food truck vendors. West said this is a great opportunity to create a community gathering area.

Behan said this is an exciting project but before requesting MRA funds there are questions that still need to be answered. He said staff recommends the Board approve the Big Sky Oasis request to proceed without prejudice of a future MRA application. Behan said the owners will be asking for assistance for sidewalk and ROW improvements and perhaps some sewer upgrades through the TIF Program. He said they also qualify for the Commercial Rehabilitation Loan Program (CRLP) for façade improvements and possibly the Life-Safety Code Compliance Program (CCP).

Englund asked what the time sensitive activities are related to the proceed without prejudice request. Behan said items include demolition, removing parts of the parking lot and sidewalks.

Moe said she looks forward to seeing the project and more thorough planning details.

MOE: I MOVE THE BOARD ALLOW THE BIG SKY OASIS PROJECT LOCATED AT 1016 WEST BROADWAY TO PROCEED WITHOUT PREJUDICING A FUTURE APPLICATION FOR ASSISTANCE.

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

Glidewell Investment & Insurance Group – 1750 South Avenue West (URD III) – FIP Loan Request (Buchanan)

Buchanan said the Glidewell Investment & Insurance Group (GiiP) project was originally introduced at the January 2015 Board meeting. She said the Board approved a TIF grant of \$54,103 for demolition and work in the public ROW and a FIP grant of \$50,000 for façade improvements. Buchanan said at the January meeting, it was discussed that the relocation of GiiP would allow the company to grow and add additional employees as driven by the market. She said since the January meeting, GiiP has decided to add the additional office space and a staff lounge on the east side of the building during this phase of the project. Buchanan said the work done on the east end of the building will considerably change how the façade will need to be treated on the east side. She said additional windows have been added to the block wall on the east side as a result of these additional rooms, resulting in structural modifications to the wall. Buchanan said the estimated project cost as of January was \$320,536, with just under \$150,000 being for façade improvements, but with the modifications the total project cost has increased to \$396,956 with façade improvements being approximately \$176,000.

Buchanan said when the façade improvement program was created, it not only created a grant program that was limited to \$50,000 or 25% of the total project costs, whichever is less, but it also created the FIP loan program. Buchanan said the FIP loan is an interest free loan repaid to MRA over a ten year period. She said the FIP loan program was used by the Red Willow project which is located behind the Stephen's Center. She said today's request is very similar to the Red Willow project. Buchanan said GiiP is requesting to enter into a loan agreement with MRA based on their revised costs. She said staff recommends the Board approve a FIP loan in the amount of \$62,000 to be paid back over ten years with 0% interest.

Paul Glidewell, GiiP, said after the January meeting and after reviewing the plans, the thought of modifying the back east corner was introduced since the area wasn't being utilized as well as it should. He said Eric Hefty, Eric Hefty-Architects, came up with the idea to modify the plans to create more office space.

Cates said she likes the change and asked Lee how the repayment is handled through MRA. Lee said MRA would invoice GiiP and the amount received from GiiP would then be deposited back into the Urban Renewal District (URD) III fund.

Kemmis asked Hefty if he could explain the changes made on the east elevation. Hefty said the façade material that is currently on the east elevation is old reinforced masonry

which crumbled when work to the wall began. He said rather than using steel to support the reinforced masonry, he suggested tearing down the wall entirely which will also allow for windows. Kemmis asked if Hefty is proposing to use different material on the top area. Hefty said zinc material will be used on all three sides and will be placed on the upper section and corten steel will be used on the lower section. Hefty said the corten is naturally rusted steel and zinc is a metal material that doesn't require painting and looks better over time.

Reineking asked if the additional office space added square footage to the building. Hefty said the additional office space would not be adding square footage but would be utilizing empty space that was intended for future growth. Reineking asked if the additional office space would change the tax generation. Buchanan said the construction of additional office space will increase the tax because it's improved space.

There was discussion on how the numbers were figured within Buchanan's memo. She apologized and said the total project cost should be \$449,691 not \$396,956. She said the loan amount still remained at \$62,000.

Englund said pertaining to the Red Willow project, he recalls the owner made a significant investment before MRA even got involved plus part of the request was to help assist with sidewalk and ROW improvements, which would have been done anyway with a MRA sidewalk project. Englund asked, in regards to the Red Willow project, if the FIP loan and grant percentage was justified because of the owner's large investment. The FIP loan and grant guidelines read "If it is the finding of the MRA Board of Commissioners that an amount exceeding \$50,000 is merited due to the size of the project, the magnitude of its impact on the built environment, public benefit, and/or tax generation, the MRA Board of Commissioners may, at its sole discretion approve additional funds for the project in the form of an interest free loan to be repaid over a period of ten years". Buchanan said MRA had a larger investment in the Red Willow development because the TIF assistance for the public infrastructure piece was \$139,000 (revised to \$145,000) as apposed to the \$54,000 investment in public infrastructure in the GiiP project. She said the percentages of each project are fairly comparable. Buchanan said after the motion was made to approve the FIP loan, FIP grant, and the TIF funds for the Red Willow project, Englund made the following comment. "This is a big expenditure with a big percentage which is what concerns me more than the expenditure. It's an extraordinary project and to have someone come forward with a plan for a whole block begins the process of justifying why it is so far over what has been MRA's normal rule in terms of percentage of costs, as well as the fact that although it's not the nicest looking property, it seems clear based upon the presentations, that the Lawlers (owners) invested an awful lot in the property before they ever came to MRA. When I first saw the number it was shocking and the presentations that were made convinced me MRA could do something like that, but MRA also needs to be concerned it's not setting itself up in the future where everyone that comes in gets 40% of their project. There are some things that make this an extraordinary project."

Cates said she understands the FIP language says the combination of the FIP loan and FIP grant cannot exceed 25% of the project cost but said the loan amount of \$62,000 will be paid back to MRA. Buchanan referenced the FIP guidelines and said that it states "...an amount exceeding \$50,000 is merited due to the size of the project, the magnitude of its impact on the built environment, public benefit and/or tax generation..." and it is at the sole discretion of the Board. Buchanan said she thinks the impact on the built environment is huge. She said the building will probably have a much greater and more prominent impact on South Avenue because of the windows, materials used, and the scale than what Red Willow had on Kent Street. Kemmis said because of the discussion and comments that staff and Board members have made, he said he wonders if MRA should have a policy that factors out FIP loans from the usual percentage calculation of the total investment. Kemmis said he realizes the importance to maintain consistency, but said the projects sometimes need to be evaluated on a case by case basis in order to understand the significance of the impact. Englund said he still has concerns because there were some objective factors with the Red Willow project. He said not only did the owners make a significant investment in the project before MRA was involved but also a large portion of the TIF assistance was used for street and sidewalk improvements that would have been done anyway with a MRA sidewalk project. Englund said the criteria for the GiiP project seems a little more subjective and doesn't want this example to cause potential issues for future projects.

Buchanan said if the FIP loan amount, which will be paid back, and the FIP grant are removed from the equation then the amount of TIF assistance, which will mostly be done in the public ROW, is 22% of the total project cost, not 42%. She said one of the discussions when the FIP loan was created was that if the district were to sunset and repayments for FIP loans were still being received, that money could be placed and used in another district. Moe asked when District III sunsets. Buchanan said the term of District III is December 11, 2015 but if a bond is issued for the South Reserve Street Trail Crossing, the length of the district will extend to the length of the bond.

Englund asked if there were additional comments or if the Board recommends the motion be modified so that MRA is not setting a precedent. Kemmis said the proposed motion recommends the Board make a finding that the merits of the project warrant the Board's approval. He said he thought the discussion that is recorded in the minutes should suffice. Kemmis said he does agree with Buchanan's comment and said the location and improvements made to the GiiP building will have a significant impact and said he thinks that justifies this higher level investment.

Moe said the motion should refer to the discussion and the unique qualities of the project. She said if debt isn't issued and therefore the life of the district isn't extended, then what happens to the loan money received. Lee said MRA would continue to collect the loan repayments which could be transferred and used in another district.

CATES: BASED ON THE FINDING THAT THE SIGNIFICANT IMPROVEMENTS THAT THE APPLICANTS PROPOSE ON A HIGHLY VISIBLE PUBLIC STREET MERIT EXCEEDING THE \$50,000 USUAL FAÇADE IMPROVEMENT GRANT AMOUNT, I MOVE APPROVAL OF THE STAFF RECOMMENDATION WITH THE CHANGE OF THE PROJECT'S TOTAL COST OF \$396,956 TO \$449,691.

[MOTION: APPROVE THE REQUEST FROM GLIDEWELL INVESTMENTS & INSURANCE GROUP TO ENTER INTO A LOAN WITH MRA UNDER THE URD III FAÇADE IMPROVEMENT PROGRAM FOR AN AMOUNT NOT TO EXCEED \$62,000 BASED ON THE CRITERIA STIPULATED IN THE LOAN PROGRAM.]

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

South Reserve Street Trail Crossing – Design Contract (URD III) – TIF Request (Buchanan)

Buchanan said as of February's Board meeting outstanding issues with adjacent property owners and tenants had been resolved with respect to the South Reserve Street Trail Crossing. She said the County opened bids for the construction of the Missoula to Lolo Trail but were over budget by about \$400,000. She said staff did not present a revised professional services contract for the final design of the South Reserve Street Trail Crossing during the February meeting because at that point there was no assurance that the County was going to fill that financial gap for the Missoula to Lolo Trail. Buchanan said the County now has pledged to come up with the extra funding. She said the contract for the construction of the Missoula to Lolo Trail has been awarded and construction is estimated to start as early as mid April 2015.

Buchanan said DJ&A has prepared a scope of services for the trail crossing to include the items outlined in the staff memo. She said as part of the scope of services, DJ&A will provide cost estimates at 65%, 95%, and 100% design stages. She said this scope of work will allow for bidding and awarding the project. Once the bid has been awarded, Buchanan said MRA can enter into an amended scope of work for construction administration of the bridge. The fee for the Professional Services Agreement with DJ&A is \$388,994 for final design of the South Reserve Street Trail Crossing. Buchanan said of that fee, \$217,000 will be used for work performed by sub consultants, largely from HDR who will be designing the bridge structure itself.

Moe asked if it was common to receive cost estimates at various design stages. Buchanan said it's not uncommon and also helps when sizing bonds. She said the discussions on how debt is going to be issued will occur as the design of the bridge is being finalized; that way once the numbers are known the blanks within the bond documents can be filled in. Buchanan said it's going to be a tight schedule to have real numbers before December 2015. Moe asked if a timeline is included in the scope of services with DJ&A. Buchanan said yes. Moe asked how much lead time is needed to issue a bond and get bids back so that MRA has some assurance of extending the length of the district and that the South Reserve Street Trail Crossing is really going to

be built. Buchanan said MRA will meet with bond counselors and financial advisors to seek advice whether a public bond should be issued or the debt be sold to a local lending institution. Moe asked what DJ&A's deadline is to get everything done so that MRA has some assurance. Buchanan said DJ&A's deadline will be the end of November 2015 and will be entered into the contract with DJ&A.

Buchanan said District III is a very healthy district so if for some reason the bond doesn't cover the entire cost of the bridge, there's money in the district that can be used. Englund said the request for the Reimbursement Resolution is for \$6 million. Buchanan said the purpose of the Reimbursement Resolution is that MRA can reimburse themselves out of the bond proceeds for any costs that are incurred. She said the \$6 million figure can be decreased. Kemmis agreed with Moe. He asked that a working timeline and targets for the next few months be communicated to the Board. Englund said during the May 14, 2014 Board meeting, DJ&A provided an estimated cost range between \$2.4 million and \$4.2 million for the construction of the lower end, middle range, and high end bridge. Englund said the Board met with DJ&A again at the May 28, 2014 Board meeting and DJ&A was asked what their comfort level was with the figures they had provided. He said DJ&A's response was that they were very comfortable with their construction cost figures. Englund said the Board agreed upon a middle range bridge in which the construction cost would be somewhere between \$2.4 million and \$4.2 million, and per Buchanan's memo the cost is now estimated at \$4.8 million, and the bond is being sized at \$6 million. Buchanan said the \$4.8 million cost includes construction costs of \$3.6 million, a 15% contingency, as well as engineering and designing fees. Buchanan said part of the increased cost has been driven by the decisions the Board made in regards to the recommended bridge structure. She said the Board recommended the arched bridge structure which is more expensive. She said the Board approved the bridge span be lengthened to accommodate Aaron's and Loose Caboose which caused an increase in costs.

Moe said it seems to her that the contingency amount is being doubled up. She said she's not keen on the idea that this is what the contingency is going to be now but will increase depending on what might come up. Moe said she would like to see MRA reduce the bond amount and use money that's already available in the healthy district. Buchanan said the Board can make those decisions as MRA moves forward to size the bond. She said the size of the Reimbursement Resolution can be decreased to \$5 million if the Board chooses, and reminded the Board there would be bond issuance costs.

Englund said he would like engineers to have some accountability to the figures they provide and said he wants MRA to be careful as this project or future projects move forward. He said he doesn't want the public coming forward and thinking the bridge project was supposed to be a \$2 million project but now MRA is bonding for \$6 million. Englund said staff is requesting the Board forward a recommendation to City Council, and if the City Council approves the recommendation, he wants to make it quite clear that the approval is just a preliminary approval. Cates said if that's the intention then maybe the Board should consider reducing the bond amount now.

KEMMIS: I MOVE THE BOARD APPROVE THE PROFESSIONAL SERVICES AGREEMENT WITH DJ&A IN AN AMOUNT NOT TO EXCEED \$388,994 FOR FINAL DESIGN OF THE SOUTH RESERVE STREET TRAIL CROSSING INCLUDING THE SCOPE OF WORK DESCRIBED IN THE MEMO OF MARCH 12 AND AUTHORIZE THE CHAIR TO SIGN THE CONTRACT.

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

Englund requested staff provide a timeline in regards to DJ&A's work and issuing bonds.

South Reserve Street Trail Crossing – Bond Reimbursement Resolution (URD III)
– Referral to City Council (Buchanan)

Buchanan continued from the discussion before and said the Board could change the bond amount to \$5 million. She said the \$6 million figure, suggested by bond counsel, is setting the ceiling for what MRA can be reimbursed for; it's not necessarily the amount that will be spent. Buchanan said bond counsel usually recommends a higher amount but said she was happy with \$5 million. She said there is a large difference in cost and time when issuing bonds through a private placement lending institution verses a public sale.

Kemmis said in terms of process, the first step is to forward the Reimbursement Resolution to City Council and recommend approval. He said if MRA get's into a situation where \$5 million is not enough, can the Board recommend a higher amount and if so would the City Council have to amend the resolution. Buchanan said yes that is correct. Moe said District III has approximately \$1 million in available funds in case the costs go over \$5 million. Cates said she would prefer to keep the nearly \$1 million in the district for future projects especially if the life of the district will be extended because of the debt service.

CATES: I MOVE THE BOARD FORWARD A RECOMMENDATION TO THE CITY COUNCIL FOR APPROVAL OF A REIMBURSEMENT RESOLUTION FOR \$5,000,000 ESTABLISHING COMPLIANCE WITH REIMBURSEMENT BOND REGULATIONS UNDER THE INTERNAL REVENUE CODE.

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

North Reserve/Scott Street URD Master Plan – Request to Issue a Request for Qualifications (Behan)

Behan said MRA has been involved with master planning discrete of urban renewal districts before, most recently with the planning for Russell Street. He said there is a need for a master plan for the new North Reserve/Scott Street Urban Renewal District (URD). Behan said State law allows planning money be borrowed from other districts and be paid back over time. He said because of the wide variety of uses currently in the area, the disorganized nature of past and current development, and the potential for the area to benefit the community, the plan must include analyses and recommendations regarding land uses, transportation modes, marketing and development strategies, and implementation approaches. **Behan said staff recommends the Board direct staff to issue a Request for Qualifications (RFQ) for a comprehensive plan intended to guide MRA's role in development of the North Reserve/Scott Street URD.** He said at a later date, staff will recommend the most qualified team and cost for Board approval.

Moe asked if the RFQ also includes the Request for Proposals (RFP) for the price of the consulting team. Behan said because the major component of the team would be engineers and architects, MRA can't ask to stay within a certain price whether it's a RFP or a RFQ. He said MRA will choose the most qualified applicant and then negotiate a price.

Englund asked if a proposal was solicited the last time MRA worked with the Urban Land Institute (ULI). Behan said MRA negotiated with ULI directly for that plan for URD III. Englund asked if the ULI should be considered for the work. Behan said staff could look further into it but said the master plan through a RFQ may provide more planning and recommended physical changes than the one-week process ULI conducts that focuses on urban design. Buchanan said one reason staff is pushing for a master plan is because there are already two large projects happening in the North Reserve/Scott Street URD and MRA wants to try and move forward so that the opportunity to partner with these projects isn't lost. She said a large portion of the area that was studied for blight is not within the city limits. Buchanan said a more comprehensive planning process may be an encouragement to those properties for annexation. She said a master plan could provide certainty to the larger property owners. Buchanan said the larger property owners, both in and adjacent to the district, should be part of the discussion to create a vision for that area. Englund said he was impressed with the quality and quantity of work the ULI did in one week for the URD III Study. He said it wouldn't hurt to at least look into a ULI study even if the action item is approved. Moe said the area of the North Reserve/Scott Street URD will most likely develop in a way that current owners may not anticipate so a vision is needed. Behan said the larger property owners outside but next to the district probably need some predictability before annexation is considered.

MOE: I MOVE THE BOARD APPROVE THE STAFF RECOMMENDATION.

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

Fire Hydrant Installation – 1st Street (URD II) – TIF Request (Gass)

Gass said MRA is working with Territorial Landworks, Inc. to finalize the design of the next phase of the URD II Western Sidewalk Project. He said Phase 4 consists of sidewalk construction and replacement of substandard sidewalk on South 1st Street between the Bitterroot Branch Trail and California Street. Gass said during the same time, Loyola Sacred Heart High School is planning to make improvements to the Rollins Athletic Field with the installation of a new concessions/restroom building and Phase 1 of a paved parking lot. He said the Missoula Fire Department (MFD) has determined the 1st Street area of URD II deficient in fire hydrant coverage and with improvements planned at Loyola's Rollins Field, MFD is requiring that a fire hydrant be installed near the intersection of South 1st Street and the Bitterroot Branch Trail.

Gass said MRA has worked with MFD in the past to install a number of fire hydrants in URD II and URD III. He said in order to streamline the process between Loyola Sacred Heart, the MFD, Mountain Water, and MRA, staff is proposing to work directly with Mountain Water for the installation of the South 1st Street fire hydrant. Gass said Mountain Water has obtained construction bids and the cost of the installation was bid at \$13,913 which includes administration fees and a 5% construction contingency. He said Mountain Water is requesting the money be paid to them now as a deposit prior to the work being completed. Gass said if the actual cost is less than \$13,913 then MRA will receive a reimbursement and if the actual cost is more than the bid amount then MRA will be responsible for the cost exceeding the bid amount. Gass said the work is scheduled for spring 2015 which will be done before the sidewalk project and Loyola's parking lot improvements. He said as with previous Mountain Water infrastructure projects, MRA will enter into a Water Main Extension Contract which will provide MRA reimbursement payments over the next 40 years for the construction cost.

Moe asked if the bid amount included any water main changes that Mountain Water may need to make. Gass said it's his understanding the water main doesn't need to be modified and said a water line has already been sized to extend from the water main in 1st Street to the fire hydrant location.

Kemmis said the memo explains the possibility of the cost going over the bid amount but yet the motion includes "an amount not to exceed". Buchanan said the Board could modify the motion and remove "an amount not to exceed" and add language that is based on Mountain Water's estimated cost.

CATES: I MOVE THE BOARD AUTHORIZE MRA TO ENTER INTO A CONTRACT WITH MOUNTAIN WATER COMPANY IN AN INITIAL AMOUNT OF \$13,913 AS EXPLAINED IN THE MEMO BY TOD GASS DATED MARCH 12, 2015 FOR THE

SOUTH 1ST STREET FIRE HYDRANT WITH THE FINAL COST BEING DETERMINED BY THE ACTUAL CONTRACTOR INVOICE FOR THE INSTALLATION.

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

FY16 CIP Projects – Request for Approval (Buchanan)

Buchanan said five MRA projects have been identified to be forwarded to City Council for their approval as part of the City's Capital Improvement Program (CIP). She said some of the projects are new while others are being carried over from FY15. The FY16 CIP projects include URD III Wayfinding, West Broadway Island, South Reserve Street Trail Crossing, Brooks Street Improvements, and Burlington/Garfield Sidewalks.

Reineking asked if anything from the new districts needed to be added to the CIP. Buchanan said the projects for CIP are typically projects that MRA initiates and is going to build. She said if a project is presented in one of the two new districts and MRA is being asked for reimbursement then that is not considered a CIP project and is not a self initiated project.

Reineking asked if there was an update to the Broadband project. Buchanan said the second phase of the Broadband study has been funded. She said the RFP has been established and should be ready to be advertised within the next couple of weeks.

Englund asked about the completion of the Bitterroot Branch Trail from McDonald Avenue to connect to the Missoula to Lolo Trail. Buchanan said the trail connection from McDonald Avenue to the bridge is the Parks Department's responsibility, MRA will fund the bridge, and the trail extension from Reserve Street to the city limits will be funded through the Transportation Investment Generating Economic Recovery (TIGER) Grant as part of the Missoula to Lolo Trail project.

MOE: I MOVE APPROVAL OF THE CIP PROJECTS STATED IN ELLEN'S MEMO DATED MARCH 13, 2015.

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

NON-ACTION ITEMS

Relocation Policy – Update

At the February Board meeting, it was suggested that the Relocation Policy be updated since the policy was mentioned during the Midtown Apartment project discussion. MRA's Relocation Policy was last updated in 1991. Behan said Devlin contacted other urban renewal staff in all the larger cities in Montana and found that none of them have a relocation policy for TIF projects. He said staff will continue to research the Housing

and Urban Development (HUD) and Federal Highway Administration (FHWA) policies and have a recommended course of action by the April Board meeting.

Behan said staff met with the Midtown Apartment developer, City-County Grants personnel and Missoula Housing Authority (MHA) to discuss ways for addressing the low-income housing loss from the Midtown Apartment project. He said staff will continue to update the Board once the Development Agreement language is finalized.

STAFF REPORTS

Budget Reports

Lee said some of the projects on the reports were discussed during the CIP section and asked if anyone had any questions.

Moe asked if there was an update on the Fox Site. Buchanan said staff continues to work with the Hotel Fox Partners and the Fox Site project is progressing. Behan said the Hotel Fox Partners and City staff are working through the issues around sizing and ownership of a potential conference center, which will impact other major decisions about development of the entire site.

Director's Report

A Director's Report was not included in the Board packet. Buchanan gave a few updates. She said the Wilma Theater recently sold to Nick Checota who also owns the Top Hat.

Buchanan said the sale of the Mercantile Building fell through but there are other parties interested in purchasing the building.

Buchanan said she has been told that the Montana Department of Transportation (MDT) will approve most if not all design exceptions for the Brooks Street Corridor design. She said MDT is still determining whether the bus stops should be a pull out stop or a stop in the traffic lane while riders enter or exit the bus. Buchanan said Mountain Line now has bolt routes so the pull outs are not ideal to maintain bus schedules.

Buchanan said the Front/Main Streets Two-Way Conversion Study is nearly complete. She said the Transportation Technical Advisory Committee (TTAC) meeting is scheduled for March 19 where the committee members can give comments to HDR Engineering. HDR can then make any necessary changes before the public presentation in mid April. She said the committee members would like the Front/Main Streets Two-Way Conversion study results to be published in the Missoula Downtown Association (MDA) newsletter.

Buchanan said Imagine Nation Brewing Company had its soft opening and said MRA was praised for the assistance. She said the building is wonderful.

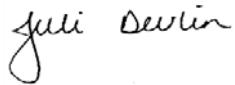
Behan said the metal banners for Hal's Walk have been received and the pole attachment appliances are currently being fabricated.

Buchanan reminded the Board that the April meeting has been rescheduled for Thursday, April 16.

ADJOURNMENT

Meeting adjourned at approximately 2:15 p.m.

Respectfully Submitted,



Juli Devlin