

MISSOULA REDEVELOPMENT AGENCY

CONDENSED BOARD MEETING MINUTES

October 14, 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 Time. Those in attendance were as follows:

Board: Karl Englund, Nancy Moe, Daniel Kemmis, Melanie Brock, Ruth Reineking.

Staff: Ellen Buchanan, Chris Behan, Jilayne Dunn, Tod Gass, Dee Andersen.

Public: Bob Moore, citizen; Erin McCrady, Dorsey & Whitney; Jennifer Louquett, Ole's Country Stores; Katherine Foley, Gavin-Hanks Architects; Vince Gavin, Gavin-Hanks Architects; Martin Kidston, Missoulian.

CALL TO ORDER: 12:00 p.m.

APPROVAL OF MINUTES: None

PUBLIC COMMENTS & ANNOUNCEMENTS: Ruth Reineking reminded the group that the North Reserve/Scott Street Master Plan Workshop was meeting tonight at Ruby's Inn at 6:30pm.

ACTION ITEMS:

Ole's Country Stores – 1600 Russell Street (URD III) – FIP & TIF Request (Gass)

MRA staff has received an application for TIF assistance and FIP from the owner of Ole's County Store located at the corner of Russell and Mount Avenue. The owner plans on renovating both the interior and exterior of the building. Gass said the existing façade is outdated and deteriorating. The ADA accessibility of the public sidewalks adjacent to the property is also substandard.

Gass said the owner intends to renovate both the interior and exterior of the building. The Façade Improvement Program grant provides an opportunity to enhance the aesthetics and offers a better presence to what is going on in relation to the other corners of the street. It will allow significant improvements to the Mount side of the building. The convenience store will be remodeled and the laundromat will be converted

into a casino. They will also add office space to the north side of the structure. The cost of the exterior work related to the façade improvement is \$107,344 and the total project cost is \$567,019. The FIP assistance is capped at \$50,000 which is about 9% of the total project cost.

Gass explained that the TIF program allows for construction and repair of public sidewalks in the public right of way. The applicant is requesting MRA assistance with curb and sidewalk replacement on both the Russell St. and Mount Ave rights of way. Gass reviewed the sidewalk reconstruction diagram. He said there will also be some trees and shrubs added to the landscaping.

Gavin thanked the MRA staff. He said the primary goal was to create some architecture that had appeal to the next generation. Modern vertical and horizontal LED lighting will be added. He said they looked at a variety of materials. It is their hope this architecture can be used on other Ole's buildings that Ms. Louquett owns and become a brand recognition.

Discussion ensued regarding change of use of the laundromat.

Moe asked if it was down lighting. Vince said yes. It's very subtle. Buchanan said it's a requirement of the program that it comes back for Board review.

Englund asked about the roof over the gas pumps. Vince said the vendor won't let us touch those. Foley stated Conoco regulates that, but they will clean up the awning. Englund asked about new signage? Foley said there will be a new reader board sign.

Reineking: I MOVE THE STAFF RECOMMENDATION.

[Staff recommends the MRA Board move to approve a Façade Improvement Program grant for the Ole's Convenience Store and Midtown Casino in an amount not to exceed \$50,000 for the exterior renovation of the building, and a TIF grant not to exceed \$23,210 for the public sidewalk accessibility upgrades with the final amounts of the grants to be based on paid contractor invoices provided by the applicant, and authorize the MRA Board Chairman to sign the FIP Participation Agreement and the TIF Development Agreement]

Moe seconded the motion.

Englund asked for public comment or continued discussion. Mr. Moore asked to make public comment. He wanted to know why Ms. Louquett thinks the tax payers should pay for this project. Englund stated that we don't need her to discuss that. The program is available and she has met the criteria. It's the Boards prerogative on whether to grant it.

The Motion passed unanimously.

Resolution of Intention (URD III) - Request for Approval to Modify the Boundaries of URD III, Amend the URD III Urban Renewal Plan and Call for a Public Hearing
(Buchanan)

Buchanan said the next three action items are inter-related.

1. Modify the URD III boundaries to include the mall in the district and also the five blocks west of Eaton including the Mary Ave right-of-way.
2. Modify the URD III plan to incorporate the *Urban Renewal District III Curb and Sidewalk Needs Assessment* as part of the Plan. It will make any of the projects identified in the Assessment an Urban Renewal Project without the need to make individual declarations.
3. Modify the URD III plan to declare the Southgate Malls proposed improvements an Urban Renewal Project within the plan.

Buchanan said MRA staff is also requesting approval on two bond resolutions to issue debt in URD III. Only one will go to City Council. There was a temporary setback with the North Reserve trail crossing permits with Department of Transportation. She will have to go back in front of the Transportation Commission on October 28, 2015 to get approval to move forward on this project. If she does not receive approval, she said she will be bringing forward a bond resolution which would complete the sidewalks in URD III where there are easements or right-of-way available.

Buchanan discussed the upcoming City Council schedule and deadlines. She said the amendment to the *Urban Renewal Plan* needs to go to a public hearing for an ordinance that takes effect on December 9, 2015. At that point, debt could be issued for projects that were identified in this action. She passed out a project calendar that outlined the legal deadlines, holidays and City Council schedule for the remainder of the calendar year.

Buchanan said staff has run the financials and determined there is adequate capacity in the district to take on large projects. She said the sidewalk needs assessment was presented to the Board as an informational item in January of 2012. There was a follow up workshop in March and, at that time, the Board was not asked to adopt the plan as a whole, but identify the priority projects.

Moe asked if back in March, the Board set a priority on completing any new roads around the mall or cross the railroad tracks or to make changes to Mary Ave. Buchanan said at that time, no. However, the Mary Avenue extension over the railroad tracks has been identified as a priority project in the transportation plans since the mid 1990's and is identified as an important project in the Needs Assessment.

McCrady stated that the *Urban Renewal Plan* also directs the MRA to conduct further studies with respect to each of the components that the Plan suggests. The Needs

Assessment specifically addresses the transportation, sidewalk, pedestrian, and bicycle proposals out there. Moe asked if the Needs Assessment has addressed the residential construction that is proposed. McCrady said no, it has not. She said incorporating the sidewalk needs assessment as part of the URD plan does not approve those projects. They still must go through the City process, which can take up to 60 days to complete. This item is asking the City to approve these as part of the Urban Renewal Plan which will allow the MRA Board to execute these projects using MRA cash, or go back to City Council with just a bond resolution and not have to pass an ordinance every time.

Discussion ensued regarding priorities of projects.

Englund asked about the *Statement of Blight* and if the Board had seen it. Buchanan said due to timing, MRA staff has not been able to pull it together yet, but is confident the Board has seen and concurred with every component within the statement. She said the Board approved the *Urban Renewal Plan* in 2000. The conditions that were present then, are the same conditions that continue to exist west of Eaton. It's likely in fact, that the area has deteriorated since then. More recently, when the Board approved the request to include Southgate Mall into URD III, there was an extensive analysis of blight, and prevention of blight. That same data would constitute the *Statement of Blight*.

Kemmis said he is thinking of the worst case or the possibility of a challenge to the finding of blight. He asked if the Board wanted to make a determination based on having the language before them when that could happen.

Discussion ensued regarding the A&F committee schedule.

Englund said the Council gave direction to submit a finding of blight. He questioned the need for the Board to approve it. McCrady stated it's only the City who is requiring it. Moe said she would feel safer if she saw the actual *Statement of Blight*. She suggested they email it out to the Board on Friday, October 16, 2015. Englund suggested a conference call after they have reviewed the Statement of Blight. The Board and staff planned a conference call meeting on Monday, October 19, 2015 at 12:15pm.

Kemmis thanked Buchanan and McCrady for explaining why they are doing these two items together. He said he is concerned that the City Council may be bound by a single topic rule. McCrady says she has done this before and hasn't had any problems with a single topic rule.

Buchanan expressed concerns about what the Board is in a position to approve today. She said it's all contingent upon the *Statement of Blight*. McCrady said she thinks the Board can approve today contingent upon the *Statement of Blight* being reviewed by them over the weekend and give final approval over the phone on Monday.

Brock: I MOVE TO APPROVE THE STAFF RECOMMENDATION SUBJECT TO THE BOARD APPROVAL OF THE STATEMENT OF BLIGHT ON A CONFERENCE CALL MEETING MONDAY OCTOBER 19, 2015 AT 12:15 PM.

[Staff recommends that the MRA Board approve a recommendation to the City Council to modify the URD III boundary and amend the URD III Urban Renewal Plan by adopting the attached Resolution of Intention, setting a public hearing and adopting the attached ordinance after taking public comment.]

Kemmis seconded the motion. No public comment. No further discussion.

Motion passed unanimously.

Bond Resolution – S. Reserve Street Trail Crossing (URD III) - Request for Approval
Authorizing the Sale of up to \$5,000,000 of Tax Increment Revenue Bonds to Finance Infrastructure Improvements (*Buchanan*)

Bond Resolution – Curb & Sidewalks (URD III) - Request for Approval Authorizing the Sale of up to \$1,400,000 of Tax Increment Revenue Bonds to Finance Infrastructure Improvements (*Buchanan*)

Buchanan said she will be going back before the Transportation Commission on October 28th, 2015 to get the final approvals. She feels confident that the Commission's concerns during the September meeting have been adequately addressed. MDT staff and Director, feel confident that it will be approved. The Governor's Office also feels confident it will be approved.

Englund said he wanted to offer an explanation of what transpired. There were questions from the Transportation Commission and no staff present from MDT to answer them, so they postponed the vote and withdrew the motion. They did not deny it.

In an effort to honor MRA's commitments to build sidewalks in URD III, Buchanan proposed forwarding a bond resolution to City Council for \$1.4 million to complete the sidewalk networks where the City has adequate right-of-way, or can obtain easements. If the district is extended as a result of issuing debt for the trail crossing, she said she would prefer to complete the sidewalk projects incrementally and use cash as it is available.

Kemmis said he wants to be clear. As the Board makes recommendations on the issuance of bonds, this Board is not issuing bonds to extend the life of the district. We are issuing bonds because we have certain projects and bonding is the only feasible financing. If the bridge project goes forward and we issue bonds for it, then the life of the district will be extended and as a result, we will have cash flow that covers the bonds and is available for other things. One of those other things will be to complete the obligation we set for ourselves of finishing out the sidewalk project. Buchanan said that is exactly right. Englund said doing it in manageable pieces allows the smaller contractors to bid on these projects. Buchanan agreed, and said when you put out a project that is in excess of a million dollars it eliminates some of the smaller companies as they don't have bonding ability.

The Board reviewed the URD III sidewalk Map.

Kemmis stated the information Ms. Buchanan sent our regarding the value of neighborhood sidewalks was very helpful.

Englund called for a motion and said Motion #1 would be first in order. In the event that the Transportation Commission delayed or denied the bridge permits then Motion #2 would apply.

Reineking: I MOVE THE STAFF RECOMMENDED MOTION #1.

[Motion #1- Staff recommends that the MRA Board approve a recommendation to City Council to adopt a Bond Resolution authorizing the sale of up to \$5 Million of URD III Tax Increment Revenue Bonds to finance the design and construction of a trail structure over South Reserve Street with the condition that required permits must be obtained from the Montana Department of Transportation.]

Brock seconded the motion. No public comment. No further discussion.

Motion passed unanimously.

Moe: I MOVE THE STAFF RECOMENDED MOTION #2.

[Motion #2 - Staff recommends that the MRA Board approve a recommendation to City Council to adopt a Bond Resolution authorizing the sale of up to \$1.4 Million of URD III Tax Increment Revenue Bonds to finance the design and construction of the remaining curb and sidewalk projects in URD III where right of way or easements are adequate with the condition that these bonds will only be sold if permits cannot be obtained for the trail crossing over South Reserve Street.]

Kemmis seconded the motion. No public comment.

Englund stated he would like to amend the motion to say: **these bonds will only be sold if permits cannot be obtained for the trail crossing over South Reserve Street in a timely manner...**

Moe accepted the amendment.

Kemmis seconded the motion. No public comment. No further discussion.

Motion passed as amended.

STAFF REPORTS

Director's Report

Budget Status Reports

ADJOURNMENT

Meeting adjourned at 1:18 p.m.

Respectfully Submitted,

A handwritten signature in black ink that reads "Sue Andersen".