

MISSOULA REDEVELOPMENT AGENCY

CONDENSED BOARD MEETING MINUTES

July 19, 2018

FINAL

A **Regular** meeting of the Board of Commissioners of the Missoula Redevelopment Agency was held on Thursday, July 19, 2018 at the Hal Fraser Conference Room, 140 W. Pine, at 12:00 p.m. Those in attendance were as follows:

Board: Karl Englund, Ruth Reineking, Melanie Brock, Nancy Moe

Staff: Ellen Buchanan, Chris Behan, Jilayne Dunn, Tod Gass, Annette Marchesseault, Lesley Pugh

Public: Brian Sippy, Developer/Radius Gallery; Derek Brouwer, Missoula Independent; Jean Zosel, Garden City Harvest; Martha Newell, Garden City Harvest Board member; Heather McMilin, Homeword, Inc.; Martin Kidston, Missoula Current/Montana Today; Courtney LeBlanc, Missoula Public Art Committee; David Erickson, Missoulia; Jeff Stevens, Citizen; Tony Moretti, Gavin Hanks Architects

CALL TO ORDER

12:00 p.m.

APPROVAL OF MINUTES

June 21, 2018 Regular Board meeting minutes were approved as submitted.

PUBLIC COMMENTS AND ANNOUNCEMENTS

Moe said the Missoulia had a nice article on the Bitterroot Trail - Golden Spike opening and thought Englund's comments were all appropriate and seemed to be very well received. Behan said there were about 150 people in attendance.

ACTION ITEMS

Radius Gallery (Former Uptown Diner) – 120 N. Higgins Avenue (Front St. URD) – TIF Request (Behan)

Behan pointed out that in his memo he labeled one of the buildings in his picture La Bella Vita and it is actually Copperopolis. He said Karen and Brian Sippy, through their LLC Treehouse, recently acquired the property at 120 North Higgins Avenue which is across the alley from the Mercantile Residence Inn. It also backs up to several other buildings off the alley.

Behan said at the June 2018 meeting the MRA Board granted the Sippys permission to Proceed Without Prejudice (PWOP) on some deconstruction, pending an application. In

general, the project will remove the existing building and construct a two-story building with a fully usable basement. The primary tenant will be Radius Gallery. They will be moving from their current location one block to the north on Higgins Avenue. There will be additional space on the second floor for lease and the basement may become an art storage facility.

Behan said the main parts of the project will include deconstruction, construction of the new building, redoing the sidewalk and the alley, and extending all infrastructure services. The north elevation will be cement board and steel siding. The front will be steel and glass and the alley will be mostly brick and windows with some steel siding. The east side will also be brick. Behan said the front picks up a number of the shapes of the old Pharmacy building across the alley at the Mercantile Residence Inn. Moe asked for clarification of the alley work. Behan said right now on the north side of the alley there is a series of window wells that are subject to an historic easement between the owners at that time and the City. To make this a fully usable basement there needs to be egress out of the windows so they will be rebuilt using the old easement. Behan said the windows, structure, and stability don't work very well now, so that portion of the alley will be rebuilt to be stable against the building and provide proper drainage.

Moe asked about the future utility upgrades and asked if the alley would be torn up twice. Behan said it will not be torn up twice. He said the Mercantile Residence Inn project brought new power to the south side of the alley. Through a partnership of the power company, the owners and MRA, it would be extended under the alley before it gets redone and a pair of transformers would be put on the parking lot behind the Radius Gallery building. Moe asked if what's being put in includes upgrading electronic communications. Behan said they are still trying to find out what communications are there. There are still wires there and nobody seems to know who they belong to. Behan said this is still being worked on.

Behan said total project costs are just under \$3 million, including land purchased, design fees, etc. The Sippys are requesting \$146,888 for assistance with deconstruction and demolition pursuant to MRA policy, including minor amounts of asbestos removal, and replacement of the deteriorating sidewalk out front including street tree and bike rack replacement. The ratio of TIF investment to only construction costs is a little less than 1:14. It is 1:19 with the land. Behan said over time MRA has assisted the City through various kinds of issues in the Downtown that have come up that are preventing redevelopment of a lot of the buildings. He said the next wave of development will be looking at a lot of these smaller buildings and figuring out how to maximize their use either through expansion up or down. The staff recommendation is that the Board approve up to \$146,888 in TIF assistance for the eligible items described in Behan's memo.

Moe asked if all of the materials are compliant with what's being considered in the City's new Design Guidelines and Standards. Buchanan said the plan hasn't been finalized but she didn't think there is anything on this project that is contrary to it. Moe said she appreciates the design elements that echo the older buildings and Pharmacy building. Brian Sippy said the Historic Preservation Commission (HPC) commented on a lack of stone element, so they have incorporated a 4"-5" stone footer that the steel will sit on. He said it is a shame that the alley was just redone by the Merc, but their current stormwater

management is into the sewer so they will be dropping elephant tongue drains out into the alley for part of their stormwater. With the old window wells and the historic easement they have to shore it up to account for it.

MOE: I MOVE THAT THE MRA BOARD APPROVE UP TO \$146,888 IN TIF ASSISTANCE FOR ELIGIBLE ITEMS ENUMERATED IN THE TIF APPLICATION AND THIS MEMORANDUM FOR THE TREEHOUSE, LLC PROJECT LOCATED AT 120 NORTH HIGGINS AVENUE AND AUTHORIZE THE BOARD CHAIR TO SIGN RELATED DOCUMENTS, SUBJECT TO THE STANDARD CONDITIONS FOR MRA ASSISTED PROJECTS INCLUDING REIMBURSEMENT BEING MADE BASED ON COPIES OF PAID INVOICES FROM CONTRACTORS AND VENDORS SHOWING THE ACTUAL TIF ELIGIBLE WORK COMPLETED ALONG WITH COPIES OF CONTRACTOR PAYMENT LIEN RELEASES.

Reineking seconded the motion.

No further discussion. No public comment.

Motion passed unanimously (4 ayes, 0 nays)

Mercantile Residence Inn – 110 North Higgins Avenue (Front St. URD) – TIF Request for Additional Funding (Buchanan)

Buchanan said there has been some confusion about accurate information, particularly with respect to the state prevailing wage rate issues that HomeBase is requesting additional funding for. She said when this came to light after the agenda went out and after an article was posted in the Missoulian, it became apparent that there is more documentation needed in order to treat this appropriately. Buchanan said she sent out a memo that corrected the sequence of events to the extent she understands it now, and the Missoulian posted another article correcting their previous one. Buchanan said she spoke with Englund and would like to table this item until August at the earliest and get all of the documentation and sequence of events clarified.

Reineking asked if there needed to be a motion to table the item. Buchanan said yes.

REINEKING: SO MOVED.

Brock seconded the motion.

No further discussion. No public comment.

Motion passed unanimously (4 ayes, 0 nays).

River Road Water Main Extension to Garden City Harvest – 1657 River Road (URD II) – (Behan)

Behan said Garden City Harvest (GCH) has worked for several years to purchase land adjacent to the site they had in order to expand the farm and address growing administration and space that's necessary for their rapidly expanding programs for the community. Behan said GCH completed that vision in 2017 through construction of three

different buildings. MRA assisted that project with \$53,000 of costs associated with deconstructing a house that was on the property and construction of sidewalks along River Road. Behan said GCH provided a narrative attached to his memo that does a really good job of explaining the project from their perspective, as well as their programs and benefits to the Missoula community through their two farms, nine community gardens, and outreach for youth and seniors.

Behan said after their design plans and building permits were received, as well as having their construction financing in place, it was found that the buildings were too far from an existing fire hydrant by several hundred feet and the buildings would require fire suppression systems which cannot be placed on a well or cistern. He said GCH is doing more food preparation activities and are required to be connected to a monitored potable system, which they would have had to drill a new well for and create their own monitoring system or hook up to the municipal system. Behan said GCH's dilemma in this particular area is not uncommon. The closest water line is almost 1,000 feet away at Carter Court or in another neighborhood that would require a number of easements for them to get to it, in addition to tearing up existing pavement which is not ideal. Their other option is going over to Russell Street near the trail crossing at Dakota Street, which is more than ½ mile away.

Behan said the idea of providing accessible water in this area and it being one of the primary hindrances to development in the neighborhoods adjacent to Russell Street was in the 1990 Urban Renewal Plan as one of the primary issues, as well as sewer, which has been addressed over time. Behan talked about MRA assistance that has been given for short water runs, Mountain Water's (previous water company) policy for water mains, and steps City of Missoula Water is taking now to enhance water lines.

Behan said Missoula Water wants the mains that are going to serve neighborhoods to be 12", even though right now the policy would require 8". He said Missoula Water is willing to pay for the size increase in addition to bringing the water main from Russell Street, so that is part of the reason for the complicated financing proposal and the reason he put an explanation in his memo. Behan said the engineer, Territorial Landworks, is contributing a portion of their fee (\$15,000). GCH had planned on putting in a well, so they have taken that budget and moved it over to this project as well as increased it, and are contributing \$100,000. This leaves a \$229,345 gap for the new water main and is the amount of the request to MRA.

Behan said URD II is in a place now from a budget standpoint that it can begin to start addressing some of the basic issues in the District more comprehensively. Behan said extending water lines is very expensive and is not something MRA can complete in any one year. He said MRA, Missoula Water and Fire Department staff are meeting to try and figure out ways to strategically look at certain under-served and unserved areas in the District. Behan said in the coming months staff will bring the results of the recommendations from the group to the Board. He said GCH is willing to take on management of this project that will benefit the entire area, therefore staff recommends up to \$229,345 to support that effort.

Jean Zosel, GCH, said this is a big deal and a great project for them. The only piece they have had a hiccup with is getting water to the site. She said it was a surprise to them as they went through the permitting process. She said they hope to resolve this and get the

project done, not only for their benefit, but for the benefit of the entire neighborhood because it is underserved. Martha Newell, GCH Board member, agreed and said it is a fabulous project. She said it was a shock to find out there is no water in that area. They upped their budget for it by \$60,000 and hope the MRA Board will be able to fill in the rest.

Heather McMilin, GCH Board member, said the importance of the issue is understated because the neighborhood is greatly underserved. She said it wasn't a small effort to put the additional money towards this to make it happen, but as good neighbors, GCH looks at the community as a whole. McMilin also mentioned that some programmatic pieces with the new facility are on hold right now because they are not hooked to City water and so this is a very important connection for the organization and the neighborhood.

Reineking said the contractor on this project is Knife River (not Reineking Construction). She said when GCH came to the MRA for support on their sidewalk project her husband was the contractor on that and so she recused herself from voting. She said she didn't think this was a conflict of interest, but wanted to point it out.

Reineking said she read that GCH has raised 95% of their fundraising goal, which is impressive. She said she was not concerned with them being able to fund the \$100,000. She said she appreciates that GCH is being a good neighbor because the whole neighborhood is underserved. She thanked Behan for his comments about looking at underserved areas in the URDs and seeing if there is a way to be proactive about it.

Brock congratulated GCH for getting the support of the community with their project and being able to raise the additional funds to get it done. She also wanted to thank Territorial Landworks and said it is exciting to see businesses in this market be such good neighbors too. Behan mentioned that GCH will be approaching Knife River for some help as well. If there is a cost decrease because of that it will go to the MRA portion of the budget. Zosel said GCH is committed to the \$100,000 so if there is a cost savings it would come off of the MRA side. Reineking said she has heard good things about Knife River holding prices, which is a pretty unusual practice in these days when prices and materials are going up so quickly. Zosel said she has found Dennis Bowman from Missoula Water to be incredibly delightful and wonderful to work with on this project.

Englund asked if Missoula Water has plans beyond the URD borders. Behan said not currently, but it is something they can look at to get everything connected and looped. However, he said in the next few years they will be working on addressing major leaks and patches in the system, equipment shortages and aging facilities before they get into expansion. He said they were willing to do this mainly because they understood the amount of extra costs there would be in a few years to anyone extending it because it would be piecemeal and dig up Russell Street again. Buchanan said this need emerged before the City took ownership of the water system and previously there was not a willingness to extend water lines up Russell Street. Moe said MRA has receivables from Mountain Water on the books and asked if it will be the same situation with Missoula Water where they will be a receivable to MRA for this project. Behan said that program did not continue when the company transferred. He said that money still exists out there as part of the settlement. He said it is something that could be brought to the discussions in terms of how to use things that are on both MRA's and Missoula Water's books.

Englund asked if staff anticipates the next big “sidewalk like” projects will be water lines. Behan and Buchanan said it could be and they are having discussions. Buchanan said sidewalks in URD III are almost done and an ideal scenario would be MRA leaving its Districts with a complete infrastructure system in place.

Moe asked if all the right of ways (ROW) are in place for this project. Behan said it’s all in place. Moe asked if the savings on the 15% contingency goes to MRA. Behan said yes.

REINEKING: I MOVE THE MRA BOARD APPROVE TIF ASSISTANCE FOR GARDEN CITY HARVEST’S RIVER ROAD WATER MAIN EXTENSION PROJECT IN AN AMOUNT UP TO \$229,345 PURSUANT TO THE TRADITIONAL REQUIREMENTS MRA PLACES ON SUCH ASSISTANCE AND AUTHORIZE THE BOARD CHAIR TO SIGN THE NECESSARY DOCUMENTS, SUBJECT TO THE STANDARD CONDITIONS FOR MRA ASSISTED PROJECTS INCLUDING REIMBURSEMENT BEING MADE BASED ON COPIES OF PAID INVOICES FROM CONTRACTORS AND VENDORS, SHOWING THE ACTUAL TIF ELIGIBLE WORK COMPLETED ALONG WITH COPIES OF CONTRACTOR PAYMENT LIEN RELEASES.

Moe seconded the motion.

No further discussion. No public comment.

Motion passed unanimously (4 ayes, 0 nays)

Zosel invited MRA to use the GCH space for a meeting and/or come for a tour.

Montana Street Homes by Homeword – 1717 Montana Street (URD II) – TIF Request (Buchanan)

Buchanan said Homeword purchased ten small manufactured homes a couple of years ago that were slated for use in the Baaken Oil Fields before the decline in oil production. She said the individual that purchased them decided it was more financially advantageous to sell them at a greatly discounted rate to a non-profit rather than ship them to Texas. The homes have been stored at the Wastewater plant since they were purchased as Homeword looked around trying to find a place to put them.

Homeword has since purchased a triangular shaped parcel on 1717 Montana Street for the homes, adjacent to the new Missoula Food Bank. Homeword has plans approved to place six of the homes on the site. Five of the homes are two-bedroom and one is a one-bedroom. She said Homeword didn’t plan on coming to MRA for any assistance, but they ran into issues with the entrance into the property, the irrigation ditch, and extension of utilities to the homes. Buchanan said Homeword came to MRA with a proposal that will get the utilities extended into the development in terms of water and sewer mains that the City will own, and it will correct a safety issue with the irrigation ditch. She said MRA had a similar issue with the Food Bank where the ditch was open and it was a hazard, so MRA approved additional funding to take care of that. Buchanan said this ditch modification is very similar.

Buchanan said the TIF request to MRA is for \$93,673. She said the property tax generation will go up significantly. Right now there's roughly \$1,600/year coming from that property in property taxes and it will come to just under \$6,000 once the homes are placed on the property and sold as single-family. She said it eliminates blight because the sight was basically a salvage storage yard with some environmental issues which have been cleaned up by Homeword in conjunction with the City's Brownfields Revolving Loan Fund. Buchanan said the homes are attractive. The two-bedrooms will be sold to individuals who meet the 80% of Area Median Income (AMI). The single-bedroom will be sold to an individual who meets the 100% of AMI.

McMilin reviewed how the property and project have evolved over time. She said the site was an Environmental Protection Agency (EPA) approved Brownfield cleanup site. It was full of sheds, oil barrels, etc. and McMilin said when Homeword contacted the Department of Environmental Quality (DEQ) for the cleanup they were thrilled. She said during cleanup, the more they dug the more they found. She said they were able to get under all of the seepage pits and test clean, as well as remove all soils which contained arsenic, copper and a few other elements along with oil and sawdust. The site is now cleaned in full. Englund asked what the cost of the cleanup was. McMilin said it was right around \$78,000 for three days of work and they are very happy with the end results.

McMilin said there are now other issues that were mentioned by Buchanan. From the start, she said they knew there would be issues but felt Homeword had the patience and tolerance to deal with a lot of them. McMilin said there is an open irrigation ditch that runs through the site. She said Homeword was very lucky to work with Al Brulee, Representative for Orchard Homes Ditch Company, who let them encroach on their 10 foot easement to get the houses to fit into the site. McMilin also pointed out a power pole that is owned by Northwestern Energy and is the only legal egress into the sight. She said they were able to narrow the drive and not deal with moving the power poles. However, McMilin said they do have to drive over the ditch and need to create a better way to clean it and keep contaminants from going into it.

McMilin said this project is also working to address sewer and water expansion. She said they need to make sure they are hooking people up and have safe conditions. She showed a photo of the site and showed where things are located. She said Homeword is proposing pushing their construction schedule to save costs. She said they will build everything out and wait to hook everything up until the ditch shuts off so they aren't bypassing the ditch which would have been an added expense. McMilin said the work is being bid right now and they hope to have bids back in three weeks.

McMilin showed what the houses will look like. She said Homeword will be painting, adding front porches, setting utility access, and putting them on foundations so that homeowner's have different options for lending. It will be put into a Community Land Trust (CLT) and kept affordable in perpetuity. Englund asked what the ownership of the driveway is. McMilin replied that they have a Townhome Exemption request going through with the City, but that just went out for proposals for the CLT and most likely it will be Trust Montana. She said the land will stay in common ownership with a condo association and each of the homeowners will have a condo fee payment that goes towards care and maintenance of the land. Englund asked who administers that. McMilin said it is part of the proposal to have Trust

Montana do it. She said there are parts of Trust Montana that come from the North Missoula Community Development Corporation (NMCDC) and they will ensure that it happens annually as well as give the support to the homeowners.

Englund asked what the annual condo fee will be. McMilin said they are still working out the most efficient way to attach utilities so all of the site lighting and a couple of other things will be under one meter. There is also a fee for the ditch company because all of the properties will have access to ditch rights. McMilin said they are targeting between \$100,000 and \$125,000 for the homes and they are working hard on keeping costs down. She said DC Engineering and Encompass Design have donated architectural and engineering services on the project. McMilin said they also worked on the Food Bank project and want to see this project through. She said Homeword is thrilled. She said the Food Bank will be amazing neighbors and there are great programmatic connections between GCH, Homeword, Food Bank and Girls Representing In Trades (GRIT) with the Young Women's Christian Association (YWCA).

Reineking asked if there was a range of what the condo fee will be. McMilin said they are trying to derive that right now. She said they want to talk with Trust Montana/NMCDC who manages Whittier Court, Burns Street Condos, and others to see because it depends on how structures and utilities are set up. McMilin said affordability, no matter how much money you make, means you don't want to be spending more than 30% of your income to your housing. She said that will factor in and they have housing education staff working with lenders right now to set up classes for homebuyers who are interested so they can go through everything and make sure they're not overburdened. McMilin said it will be their option to purchase but they'll do a lot of homebuyer education along with it. She said she doesn't have an answer on what the condo fee will be because she doesn't know all of the costs yet, but said she is happy to follow up. Reineking said she was hearing that the mortgage and condo fee together should not be more than 30%. McMilin concurred and said anything more becomes a cost burden. David Erickson, Missoulian, said a one-bedroom at Burns Street is \$85/month with a \$30 management fee on top of that. McMilin said there will be a management fee for the Montana Street Homes as well. Buchanan asked if Burns Street includes insurance. Erickson replied he didn't know. Buchanan said a lot of times with condos the exterior building is included in the fee and so you just pay renter's insurance. McMilin said with these being individual homes it will be different. They will pay taxes on the structure and the footprint below and will insure their houses. She said the site will have insurance too. McMilin said there are no comps for this small of a footprint.

Brock said this model makes so much sense to her and asked if Homeword has plans to do it again. McMilin said they have four more homes as well as a duplex that looks more like container housing. She said they do have another City Home Award for one home placement. She said it will be placed affordably and they will want to place the other four affordably as well. She said they are getting inventories from Missoula Water on random infill lots they own and have talked with Buchanan about other lots within Districts they could access to write down the cost of the land and maybe do a home or two here or there, depending on the parcels. She said the whole point is to do infill development with the homes. She said Homeword does have access to another 14 from Bozeman but they aren't taking them until they get the rest placed. Buchanan said the City owns a number of

remnant pieces of property in the vicinity of California Street. She said once the City settles on an alignment for California Street there is the opportunity that there could be some real estate available that could be used for this. McMilin said they have a huge wait list of people who think they want these so they will be put through the classes to make sure.

Moe said she understands that the land is going to be owned by a trust, but that the homeowners would have ditch rights. She asked why the trust isn't keeping the ditch rights. McMilin said in talking with Brulee, her understanding is that every land owner that is adjacent to the ditch has rights and there is a ditch fee that goes with that. McMilin said the trust plans on irrigating with ditch water and not buying water. She said these are all of the complex nuances, which is why she can't answer with an exact fee of what it will cost. Moe said the trust has the ditch rights, not the homeowner. McMilin said technically the homeowners will also. She said there will be seven different rights. She said the trust will have one and can irrigate garden space and site, and the homeowners will also have access if they choose to do so.

Moe said Buchanan's memo states the cost on the buildings would be \$100,000 (two-bedroom) and \$89,000 (one-bedroom) but McMilin stated they would be between \$100,000-\$125,000. She asked if there was a price increase. McMilin said the cost of steel has gone up 38% in less than 30 days. She said they are scared of costs and hoping to be able to get down to the \$100,000 and \$89,000. She said they hope to attract smaller contractors and get a better price point, but the cost of materials is outrageous right now.

Moe asked what the mechanism is that keeps these homes affordable in perpetuity. McMilin said there will be deed restrictions on the home purchases themselves that ties back to the land trust. She said a resale would have to go through the trust to make sure the potential buyer is income-qualified for the next 20 years. Moe asked about a contingency. McMilin said there is a contingency within the construction estimates provided by Morrison-Maierle. She said if there are savings they will go to MRA because they would love to see water and sewer expansions throughout the neighborhood. McMilin said they hope to come back with costs that are less. Buchanan said MRA only reimburses for what's expended.

Reineking asked if the gardens will be on the Homeword property or the Food Bank property. McMilin said it is on what will eventually be the Community Land Trust property. She said some of the fencing will come out and they will get it prepped while GCH preps the program that will be there.

REINEKING: I MOVE THE MRA BOARD APPROVE THE REQUEST TO REIMBURSE HOMEWORD FOR ELIGIBLE COSTS ASSOCIATED WITH THE MONTANA STREET HOMES PROJECT IN AN AMOUNT NOT TO EXCEED \$93,673 AND AUTHORIZE THE BOARD CHAIR TO SIGN A DEVELOPMENT AGREEMENT WITH THE STIPULATION THAT REIMBURSEMENT WILL OCCUR UPON COMPLETION OF THE PROJECT AND SUBJECT TO TYPICAL PROGRAM CRITERIA WHICH WILL BE MEMORIALIZED IN THE DEVELOPMENT AGREEMENT.

Brock seconded the motion.

No further discussion. No public comment.

Motion passed unanimously (4 ayes, 0 nays).

Montana Rail Link (MRL) Park – 1930 South Avenue (URD III) – Request from Public Art Committee for Additional Funds for Public Art (Marchesseault)

Marchesseault introduced Courtney LeBlanc, Chair of the Missoula Public Art Committee (PAC). She said the City has a 1.5% for art program, meaning 1.5% of all Public Works construction projects is designated for public art. She said 0.5% is required to be put into a maintenance fund and to cover some administrative fees. LeBlanc said per city ordinance they are required to put 0.5% aside for future maintenance fees as well as a small administration fee. Marchesseault said on Montana Rail Link (MRL) Park the 1.5% for art is \$19,913.83. Putting the 0.5% aside will leave \$12,500 for public art in MRL Park. Marchesseault said as the Board is aware, the budget for MRL Park is tight and has been stretched beyond what staff expected to stretch it. She said there will be a number of artifacts from Montana Rail Link in the park, so staff has worked closely with the PAC to find locations for public art that would fit within the overall design for the park. She said the PAC feels that \$12,500 is considerably less than they typically put out a call for art for, so they are requesting an additional \$12,500 to allow them to have a \$25,000 stipend. Marchesseault said staff is very conscious of budget with regard to MRL Park. She said additional funding for public art could be considered separate and it would not become a part of the budget for the Park. Marchesseault said staff is very supportive of public art, but fiscally prudent and in this circumstance is not strongly discouraging additional funding, but also not making a recommendation in favor.

LeBlanc made a presentation for the PAC's request. She said they have been working with Marchesseault for about four months and are aware of the artifacts being repurposed by the architect to put into MRL Park. She said unfortunately they don't fall into the category of the percent for art. The PAC and Marchesseault have been working to figure out locations, size of the art piece and what the art piece could look like. LeBlanc said they have come up with a beautiful art call with the opportunity to change the amount for artist pay. At this moment it is a themeless art call, giving the artist an opportunity to come up with something that would complement the Park and the neighborhood. She said the PAC has discussed with Marchesseault about the artists going out to the site and talking to the architects and contractors and getting a feel for the site and having an understanding of what they would be putting into the area.

Attached to Marchesseault's memo was a letter from Taag Peterson, PAC member, supporting the increase in funds for public art for the MRL Park. LeBlanc said she wanted to echo Peterson's words and say when they think of Missoula parks they definitely like to think of the uniqueness they have. She said art within the parks definitely gives them something different and something to talk about, setting them aside from other parks around the country. She said it's hard to think of Missoula without art and the PAC feels very strong about this project. They have had an amazing time working with Marchesseault and would love to see an art piece in the Park. At the same time, LeBlanc said they would also love to see the artist get paid. With an increase from \$12,500 to \$25,000, the PAC could see an increase in artist submissions and quality. LeBlanc said the PAC is really hoping for an increase in funding for the public art.

Brock asked if the \$12,500 includes materials the artist will have to use. LeBlanc said yes, it is the amount for everything. She said the artist would be the one getting the money to produce it for the PAC. She said it is also for installation fees. LeBlanc said they have spoken with Marchesseault about sizing and height restrictions and what it would look like within the Park. She said that is something the artist would work closely on with the architects and contractors to make sure it isn't hindering the Park in any way, but rather a complimentary piece that is giving the neighborhood and the Park what it needs to fit in.

Moe asked if the PAC is looking at two pieces of art. LeBlanc said it will be one piece of art and right now there are two locations to choose from. She said the two locations have been thoroughly discussed with Marchesseault and the architects. She said the PAC feels the two locations would draw the public in, be a good focal point for the art piece, but not overshadow any of the artifacts that will be in the Park and/or open space. Moe asked if MRL is on the art selection committee. LeBlanc said they will be invited to be on the selection committee.

Englund asked Marchesseault if the recommendation is entirely budgetary. Marchesseault said yes it is. She said in no way is it not supporting public art or public art in MRL Park. She asked LeBlanc if it is required that the art piece go in the location that generates the funding or if it can be used elsewhere. LeBlanc said the PAC has the discretion to put it into the Park or save the money and use it in another location. However, she said they would still face the same issues they are right now. LeBlanc said the PAC feels strongly that they would like to see an art piece within MRL Park. She said the PAC has had many discussions about it and they feel that an art piece that complements both the Park and the neighborhood would be wonderful for the community and would bring people into the Park as well as the artifacts that MRL is providing.

Englund asked what the new percent for art would be with the increase. Marchesseault said it would be just under 2.8% and the original percent was 1.5%. Englund asked if the percentage for art was determined before the Park cleanup which increased the budget. Buchanan said yes, cleanup and other items have impacted the budget because some of the conditions the Parks and Recreation Dept. wanted to see there. Englund asked what those conditions were. Buchanan said it's sod versus topsoil and seeding, some of the hardscape materials are different, etc.

Brock asked if there were examples of other public art pieces around the \$25,000 cost. LeBlanc said Passage and Perseverance in Silver Park was the last call for art PAC has done. It was about \$36,000-\$40,000. LeBlanc said the lighting approved by the MRA for Passage and Perseverance is on hold right now because they are having an issue getting to power. She said Peterson is working tirelessly on that because he is very passionate about lighting.

Reineking said \$12,500 doesn't get much for materials, let alone help compensate an artist for their work and vision. She said she is happy to support the request for an additional \$12,500 and would want to add a condition that it be used for art and that the piece of art go into MRL Park. Englund asked if 0.5% has to go to maintenance and administration if MRA

gives an additional \$12,500. LeBlanc said no, the 0.5% from the project would already be set aside in the maintenance fund.

Brock asked if there was any other public art in Midtown besides the traffic signal boxes. LeBlanc said those are the only public art at this moment, and they did lose one during the Southgate Mall reconfiguration. Moe said she agrees with Reineking.

REINEKING: I MOVE THAT THE MRA BOARD APPROVE A DONATION OF UP TO \$12,500 GOING TO THE PUBLIC ART COMMITTEE ON THE CONDITION THAT THE ART PIECE BE INSTALLED AT THE MRL PARK.

Brock seconded the motion.

Buchanan said she and Marchesseault have discussed this a lot and the MRA staff and Board have been very supportive of public art. She said one of the things that was of concern is that it's almost like an arbitrary number and it seemed to staff that maybe the PAC should see what's out there and then come back to the Board, which is what happened with Silver Park. Buchanan said the other thing is that as MRA does smaller projects, it seemed to make sense to her to aggregate money from multiple projects and do something of significance in a location that really needs it. Granted, there is no public art in Midtown at this point, but there is a lot going on in the Park that is three dimensional with the MRL artifacts. She said that was the basis for the recommendation and Marchesseault has been very conscious of the budget for this Park, which has exceeded the original estimates by about \$200,000.

Englund said he really appreciates the budget stuff because it has been discussed for a long time and the MRA Board got assurances from the designers that the Park could be built for \$1.5 million and it didn't happen. He said his only concern is that the art piece fit and that it doesn't look cluttered. Reineking said she appreciates staff's concerns and thinks the idea of aggregating is a great one and it needs to be thought about going forward. She said she goes back to LeBlanc's statement about what you get when you send out a call for art at \$12,500 versus \$25,000 and the responses that come with the numbers. She said to keep in mind that there will still be development to the north and they will also benefit from the Park and whatever is in it. She said she doesn't think it will be too crowded. Marchesseault said she has talked with the PAC about the art piece complementing and fitting in with the Park and they have adjusted the call for art to make it clear that the selection committee will be considering how it fits within the Park. She said from a design standpoint they want it to be compatible with materials, color, scale, etc. and are not requiring it to be something that is wholly railroad. LeBlanc agreed and said that is why they want the artists to visit with the designers and contractors and visit the space to get a feel for what is happening in the Park.

No further discussion. No public comment.

Motion passed unanimously (4 ayes, 0 nays).

Bitterroot Trail Connection – North to Livingston (URD III) – Request to Amend Professional Services Budget (Gass)

Gass showed some pictures from the Bitterroot Trail - Golden Spike ceremony that occurred on July 18th. He said there were about 150 people in attendance.

Gass said construction was deferred on the plaza area to schedule it to coincide better with what is going on with the MRL Park construction. He said there are ditches being dug for irrigation as well as heavy equipment running through the area, so they added time to the contract and did a change order that deals specifically with the plaza area. Gass said it allows the contractor to finish the area by August 17, 2018. In doing this, more costs will be incurred on the professional services side. Gass said MRA will employ DJ&A, P.C. a little longer which translates into additional overhead, construction inspection, and quality control expenses.

Gass said Buchanan previously approved an amendment to DJ&A's contract that added in the electrical design for the bike crossing, which cost just under \$5,000 and this is the limit of what Buchanan can authorize. He said DJ&A has given MRA an estimate of \$3,844 for the additional hours to complete the plaza area and staff is recommending that the MRA Board approve the amendment.

BROCK: I MOVE THE MRA BOARD APPROVE THE STAFF RECOMMENDATION TO APPROVE AN AMENDMENT TO THE DJ&A PROFESSIONAL SERVICES BUDGET FOR THE BITTERROOT TRAIL "GOLDEN SPIKE" PROJECT IN AN AMOUNT NOT TO EXCEED \$3,844.

Moe seconded the motion.

No further discussion. No public comment.

Motion passed unanimously (4 ayes, 0 nays).

Englund said he rode out to the trail the night before the ceremony and there were a lot of people on the trail. Buchanan said they will get official numbers from a counter. She said there is an eco-counter that records this portion of the trail and before it was officially open there were over 300 people a day using this section.

MRA Board – Election of Officers

Reineking: I nominate Karl Englund as Chair and Nancy Moe as Vice-chair.

Brock seconded the motion.

Brock said the Board has been grateful for their leadership over the last year. Englund said he was honored and happy to do it.

No further discussion. No public comment.

Motion passed unanimously (4 ayes, 0 nays).

STAFF REPORTS

Budget Reports

Moe asked about the assumption of reimbursement in URD III that Buchanan had mentioned. Buchanan said the FY19 Budget Status report includes the anticipated revenue from the bonds that will be sold to pay back the District for the costs purchasing the MRL property and constructing the Park and trail.

Director's Report

Buchanan said the Downtown Master Plan update is exciting and they have received ten proposals.

Reineking said she wanted to commend the work of Eran Pehan, Director of Housing and Community Development (HCD), for her leadership on the Housing Steering Committee. She said she thinks Pehan is doing an amazing job of including perspectives and encouraging participation. She said she is excited to see what comes out of the technical working group and what they can come up with for a policy for the City that will address affordable and attainable housing for different levels of income and in different areas of town, not just URDs. Buchanan said Pehan has done a great job. She said the most telling thing was the fact that the Steering Committee, which consists of a lot of movers and shakers in the community who have a lot to do and not a lot of extra time, want to stay engaged and continue to meet monthly, as well as be the sounding board for the recommendations coming out of the technical committees.

Moe said she had some comments for the report that was done for the Missoula Economic Partnership (MEP). She said as it gets developed she would like to have a briefing on it and how it might interact with what MRA is doing. She said she has seen comments in the Missoulian that didn't clarify things much for her as to what the report is.

Moe said it would be helpful to know the impact of tariffs. She said there were some comments today and is hearing the Library needs to raise another \$500,000 for their project. Buchanan said they can't even get a Guaranteed Maximum Price (GMP). Behan said ROAM student housing saw a 30-35% increase in steel and concrete products as well as labor.

Englund asked about Buchanan's memo stating "We had originally planned to include the cost of the trails at the Fairgrounds in this bond issue..." meant. Buchanan said when the Board approved funding for the trails at the Fairgrounds, it looked like the timing would be similar to what's going on at the MRL properties and it made sense from an efficiency standpoint to do one bond issue. Now, Buchanan said the trails at the Fairgrounds is going to be delayed because they need to do agreements with Parks and Recreation, a Memorandum of Understanding with the City, and other things that will push them into next year before they can think about designing and building the trails. Buchanan said it makes more sense to wait instead of paying interest on the bond fund. Moe said she was glad to hear MRA had the reasonableness to say stop on the project because it is really not as complete it seemed when the Fairgrounds did their presentation. Buchanan said other entities are at the table now and those agreements can take time.

Behan said there has been an increase in undesirable activities occurring at the West Broadway Island this summer. It has become increasingly hard to police and so over the last few days there have been discussions about how to speed up the process to get a lot of the work done. Behan said the proposed improvements are currently caught up in permitting and he hopes to get the remainder of the permits in the coming weeks. He said the intent right now is to do what they can to get a bid for construction price to the Board as soon as possible for part or all of the work. Englund asked how it will solve the uptick in activity. Behan said there are people living in a "jungle-like" area and they will be clearing the area of non-native species of trees and vegetation. That, in turn, should draw more people to the area, which traditionally reduces bad behavior. Buchanan said it has gotten worse than it has ever been, even though a lot of material has been cleaned out of there. She said the police are there every day, but there are some aggressive folks there. Buchanan said her thought is that if they can do the trail piece on the upper bench and clear out the material that is allowing this to happen, it can hopefully be done for under \$25,000 and they won't have to go out for a Request for Proposals (RFP), bids, etc. She said they will be able to get quotes and still be in compliance with the City's procurement process and move a lot more quickly. Englund said it seems like it would also increase access. Buchanan said access is there now, but the people you want to have there, aren't going there.

COMMITTEE REPORTS

OTHER ITEMS

ADJOURNMENT

Adjourned at 1:53 p.m.

Respectfully Submitted,



Lesley Pugh