

MISSOULA REDEVELOPMENT AGENCY

CONDENSED BOARD MEETING MINUTES

April 27, 2010

FINAL

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

- Board:** Hal Fraser, Nancy Moe, Karl Englund, Daniel Kemmis
- Staff:** Ellen Buchanan, Kari Nelson, Tod Gass, Jilayne Lee, Lesley Pugh
- Public:** Sandy Lawler, Healing Arts Center; Pat Lawler, Healing Arts Center; Jeff Smith, WGM Group; Jeremy Keene, WGM Group

PUBLIC COMMENTS & ANNOUNCEMENTS

Moe thanked Lee for being a capable and effective member of the team that selected the next round of artists for the traffic signal boxes around town.

ACTION ITEMS

The Women's Club – 725 W. Kent – URD III TIF and FIP Request

Nelson said she emailed a memo dated April 23, 2010 that the applicants, Sandy and Pat Lawler along with WGM Group, submitted for a revised request for TIF assistance from the meeting last week. She said there are five things they are going to change to the sidewalk configuration and TIF work. These include replacing tree grates with paver stones, changing the asphalt removal limits, reducing the number of street trees in the bulb outs from 20 to 15, narrowing the sidewalk along Holborn and scaling back on the landscaping on the northwest bulb out. Nelson said the Lawlers are going to do some additional financing and change some of the items that will be done on the interior remodel to come within the budget.

Jeff Smith from WGM Group reviewed the revised submittal and plans. Daniel Kemmis asked about the change in the asphalt line. Nelson said instead of a nice straight line all the way down where the cut would be, it will be a little more zig zagged. Jeremy Keene from WGM Group said the result of that is that it will be a little more patched together and there won't be as much distance to transition the grades out. He said it's a little less aesthetic, but functionally it will still do the job.

Buchanan asked what the cost per tree is of doing the pavers versus the grates. Smith replied the pavers are \$300 and the grates are \$1,100. Buchanan said WGM Group may want to look into a local person who does tree grates and does them for the Business

Improvement District. She said they are laser cut, look great and are around \$300, not to mention the work stays in Missoula.

Englund asked why the sidewalk was originally designed to be 9 ft. instead of 7 ft. Smith said the thought was that there was a 9 ft. sidewalk along the building on Bow St. so they would match it to have a wide pedestrian walkway along the building frontage. He said they still have the potential to do that in the future with the 7 ft. sidewalk. Fraser asked if they will have to tear up any sidewalks for utilities or if everything will be put in now. Smith said the utilities will be stubbed in now.

Kemmis asked what the Board should know about the reductions in interior building scope. Pat Lawler said they don't have specific places they are going to change or cut back at this point, but they do have ideas of where they could as they go through the process. He said he's very eager to keep the garden and courtyard as full as it was drawn to create the ambiance of the Healing Arts Center.

Fraser asked how much the asphalt is that they're cutting back on Kent. Smith replied \$6,000. Sandy Lawler said the contractor said within a year the difference in the color of the asphalt would no longer be noticeable. Smith said there will be a seam, but as soon as it gets traffic it will be a lot less drastic. Ms. Lawler said there will be a seam no matter which way they do it. Kemmis asked how much they will save per tree. Smith replied \$500. Kemmis asked if the area where the five trees would have been will be paved over. Smith replied it will be landscaped with grass and bushes. He said there will still be trees in each bulb out area, there just won't be three trees in each bulb out.

Kemmis asked the Lawlers if they've given any thought to taking out a bigger loan and doing a better kind of façade improvement. Ms. Lawler said Jamie Hoffman, the architect, assured them the Hardiplank siding is a durable product that will be applied in a manner that makes it look like board-and-batten. She said the color choices will be very organic and complimentary to the wainscoting that goes around the building. Kemmis asked the Lawlers if they would like to have new windows. Mr. Lawler said the windows in the new part are appropriate for the learning center and the offices that will be there. He said part of the façade improvements was to replace the existing windows in the rest of the building to make them more energy efficient. Mr. Lawler said he doesn't think they need any more windows, but do need to replace the single-pane ones that are there now. Buchanan asked if they would like to enlarge the windows. Ms. Lawler said they're very limited by the structural steel element in the building. Mr. Lawler added that Jamie Hoffman was very clear right from the beginning about what siding needs to go on the building and what would be the best appearance.

Nelson said the revised Staff recommendation would be a total of \$250,000. This includes a \$50,000 grant for the façade, a \$61,000 interest-free loan for the façade and a \$139,000 grant for the tax increment financing portion. Fraser said something bothers him about the asphalt being split up on the north side. He mentioned moving the TIF grant from \$139,000 to \$145,000 so they could finish the asphalt and have it aesthetically pleasing.

Englund asked what the FIP program says about the terms of a no-interest loan. Nelson replied it's 10 years. Kemmis asked Fraser if he felt the asphalt was more important than the loss of trees. Kemmis said he was more concerned about the loss of trees. Fraser said they can come in due course and will be a lot easier to add than the asphalt. Buchanan said there's the possibility that if the lot develops, MRA will be asked to put street trees in.

MOTION

MOE: I MAKE A MOTION TO APPROVE EXPENDITURE OF TAX INCREMENT FUNDS IN AN AMOUNT NOT TO EXCEED \$145,000 FOR THE INSTALLATION OF SIDEWALKS ON THE PROPERTY AND FOR OTHER INFRASTRUCTURE THAT WE'VE DISCUSSED; ALSO TO APPROVE THE EXPENDITURE OF FAÇADE IMPROVEMENT PROGRAM FUNDS IN AN AMOUNT NOT TO EXCEED \$50,000 FOR REHABILITATION OF THE FAÇADE AND A \$61,000 INTEREST-FREE LOAN, WITH THE UNDERSTANDING THAT THE FINAL MRA COSTS UP TO THE MAXIMUM APPROVED AMOUNTS WILL BE ESTABLISHED AT THE CONCLUSION OF THE PROJECT UPON SUBMISSION OF PAID CONTRACTOR INVOICES DETAILING WORK PERFORMED AND MATERIALS USED. Englund seconded the motion.

Englund: 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 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.

Moe accepted this as part of the motion.

4 ayes, 0 nays. Motion passed unanimously. Cates absent.

Kemmis said he agrees with that and feels better about the motion with that addition. He said the comments he has should not be taken personally and thinks the Lawlers have done a fantastic job of figuring out how to make the improvement. He said he's concerned about MRA being strategic in its investment in URD III. He said he doesn't pretend to know the best way to be strategic, but is a little bit worried about moving in the direction of putting a lot of resources into façade improvements on buildings that maybe don't justify that kind of expenditure. Kemmis said in the long run, 20-30 years down the road, he thinks the hope would be that some of the buildings that MRA is doing

façade improvements on now will become much more substantial buildings or in some other way be replaced.

Change tape 1 s1/s2

Kemmis said every time MRA invests something in a façade improvement it reduces the resources it has for more major investments. He said MRA doesn't want to get in a position where it doesn't have the resources if something like Holiday Village becomes available for major redevelopment. He said it's that scale of redevelopment that MRA needs to keep its eye on. Kemmis said Englund's addition to the motion is probably where MRA ought to go, but he does worry about setting a precedence.

Fraser said his particular overcoming of some of those issues is that he believes strongly in supporting people that have sustained their business in an area like this for decades. He said he doesn't ever want to lose sight of that regardless of what MRA's plan is. He thinks this project has a high enough traffic area, takes up most of a city block and they are making it a viable working business relationship that will continue to sustain the site.

OTHER ITEMS

ADJOURNMENT

Meeting adjourned at 12:45 pm.

Respectfully Submitted,



Lesley Pugh
Secretary II