

MISSOULA REDEVELOPMENT AGENCY

CONDENSED BOARD MEETING MINUTES

April 10, 2014

FINAL

A **Special** 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, Nancy Moe, Ruth Reineking, Rosalie Cates

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

Public:

CALL TO ORDER

12:00 p.m.

APPROVAL OF MINUTES - None

PUBLIC COMMENTS & ANNOUNCEMENTS - None

ACTION ITEMS - None

NON-ACTION ITEMS

Strategic Planning Session

There was discussion on how to structure the meeting with the goal of adjourning the meeting at 2:00 p.m. Reineking suggested reviewing the MRA bylaws either at today's meeting or at a future Board meeting. Cates suggested the first topic be about MRA's goals and objectives and to discuss what MRA is doing now and what MRA should be accomplishing for the future. Buchanan said districts are created to generate tax increment but she said more importantly districts are created to encourage and support quality of life through reinvestment in the area. Behan said State law states the mission of creating a tax increment district is to eliminate blight. He said conditions of blight include declining investment and declining tax base in an area. Behan said State urban renewal law gives cities and counties the option to create tax increment districts and recycle that money back into the district for improvements and redevelopment purposes. He said one way to increase investment and tax base is to encourage private enterprise.

Kemmis said the Board and staff had an extensive discussion when District I was created about whether to invest scarce resources directly into businesses that would help create increment in a direct way verses investing in public improvements that would encourage future and long term investment and therefor increment in a more indirect way. He said one of MRA's goals should be to maintain or consider a positive quality of life when moving forward. Buchanan said she agreed but said it's always been a struggle to encourage investment at the beginning where there's little increment when a district is first created.

Cates said MRA has utilized Urban Land Institute (ULI) guidelines in the past and said the ULI helped with guidance to produce orderly and thoughtful designs for URD III.

Kemmis said there is a new element here in terms of expectations of MRA being involved in the community economic development program. He said MRA has been identified as a key player with the economic development program and suggested MRA try to be a deliberate player but he said he wasn't sure how well MRA was positioned. Buchanan said MRA is the economic engine for the City in terms of economic development and said she regularly attends various meetings involving economic development. She said people look to MRA for assistance and economic guidance whether they're within a district or not. Moe asked if people were aware of the assistance programs that MRA offers. Buchanan said MRA staff receives phone calls on a regular basis from a number of start-up businesses searching for assistance programs. She said many local bankers, engineers, contractors, and architects know about MRA and will advise developers to contact MRA to discuss the different programs. Buchanan said MRA is also on the Development Services Review Team so MRA is involved, aware and influencing development when projects are first introduced.

Reineking said in regards to tax generation verses quality of life, the bylaws say MRA is not limited to tax generating projects. She said for example parks or other recreational projects also improve the quality of life in a particular area that may not generate increment but encourage development which in turn generates increment. Reineking said the message that MRA values "quality of life" needs to be communicated and the use of MRA funds toward achieving that goal is worthy. She said how that is accomplished is another question. Reineking said the Board members could help spread that message. Kemmis said MRA could offer a presentation to City Club to help get the word out about MRA's mission and what MRA offers to the community.

Kemmis said at one point in time MRA staff and Board members discussed the possibility of MRA playing a role with affordable housing. Kemmis asked if the low income housing topic should be considered for a future agenda item. Buchanan said Mayor Engen formed an affordable housing committee to review different options, the pros and cons, the different programs, what the housing opportunities were, etc. Buchanan said the Board at that time felt that City administration needed to establish the policy, not MRA, before MRA could play a role. She said as of today a City policy regarding affordable housing has not been established. Behan said non-profit

organizations such as homeWORD have approached MRA staff when looking at potential projects so in a way, he said, MRA is involved with affordable housing efforts. Moe said affordable housing is the goal for homeWORD, which is different from MRA's goal to encourage affordable housing.

Urban Renewal District II

Buchanan said she put together a list of past projects and tax increment financing (TIF) obligations. She said a large amount of money is committed to debt service but she said the Intermountain Site project (Corso Apartment Homes and The Source) on Russell Street will generate increment and so will the Millsite once development occurs. Kemmis said the Downtown Master Plan is a good guide for URD II but asked if there were other aspects MRA should be looking at. Buchanan said the City will apply for a TIGER Grant for the reconstruction of Russell Street which will have a huge impact on economic development opportunities on both Russell Street and Broadway. Discussion ensued. Kemmis asked if there is something MRA can be doing to provide leadership as the reconstruction of Russell Street moves forward. Englund asked if having a ULI type of planning would be beneficial. Cates said ULI documents are helpful tools and can provide MRA with guidance. Englund asked if MRA staff could explore the idea of having a consultant come in and conduct a planning effort for the reconstruction project on Russell Street.

Buchanan gave an overview of some of the current projects and projects that will come forth. She said West Broadway Island is being designed. She said the Max Wave committee has run into permitting issues and easement issues but will work those out. She said parking on the north side of the Clark Fork River has been a concern. Buchanan said Arnott's used car dealership on Broadway was for sale a couple months ago, which would have been a great investment for public parking but MRA could not afford the land. She said Robert Rivers has recently approached her to discuss opening a socially based micro-brewery at this location. Buchanan said when Rivers approached her with his project and location; she asked if he would be willing to provide public parking in exchange for TIF assistance that will help the brewery locate there. Buchanan said a proposal of this topic will be presented to the Board during the May meeting if it is ready for consideration.

Urban Renewal District III

Buchanan said DJ&A is finishing up the feasibility study for the trail crossing at South Reserve Street. She said it appears the recommendation of the feasibility study will be for a grade-separated crossing. She said the request for to move forward with design of a grade-separated crossing will most likely be discussed at the regular Board meeting in May. It was decided to cancel the regular Board meeting in April but the regular Board meeting in May might be a week or so earlier. Englund asked if the grade-separated crossing would be bonded. Buchanan answered yes, it would need to be. Kemmis said if bonding is the decision and assuming the life of the district is extended, then it seems that the question of whether to incorporate the Missoula County Fairgrounds into URD

III comes into play. Behan is a member of the Fairgrounds Advisory Committee and he said the committee has gathered a large amount of information and is in the process of putting a master plan together. He said the County Extension Office and 4-H group have access to grant funds and are planning to build a new building that will satisfy their needs. The committee has recommended an agricultural base for land use. Behan said there are infrastructure issues as well as structural problems. He said City Council and County Commissioners are aware this area is not within the district. The issue will at some point in time be brought to the City to see if there's a possibility of assistance for that location. Buchanan said there needs to be a solid project before annexation into the district is discussed.

Kemmis said an important element in URD III is the streetscape for Brooks Street. He said he was unsure what MRA's position is with the streetscape on Brooks but would be in favor of helping shape the streetscape on Brooks Street. When discussing the Brooks/Dore intersection, Kemmis said the question arose of whether to have a median or not. He said the streetscape on Brooks Street is going to be a key component as far as what will happen in that area. Buchanan said when the Board approved the Brooks/Dore Lane Intersection project it included all of the other intersections all the way up Brooks Street to Paxson Street.

Front Street Urban Renewal District

Buchanan said revenue is limited in Front Street URD but hopes the Freya Building project that was approved last month will be a catalyst project for investment in that area including the Mercantile Building. Discussion ensued.

Kemmis said the Front/Main Street Two-Way Conversion is a major infrastructure project and understands that the feasibility study is not yet complete. He asked what role MRA would play if the results of the feasibility study recommend the two-way conversion. Buchanan said she was unsure what MRA's role would be but said MRA would probably be looked to for a portion of the funding. She said the district has to have some kind of revenue stream in order for that to happen. Right now, Buchanan said, most of the limited revenue is being used to service debt.

Riverfront Triangle Urban Renewal District

Buchanan said Stockman's Bank has purchased the property on Broadway between Orange Street and Woody Street with the anticipation of building a new bank and office building. She said depending on what Stockman's Bank decides, MRA may be asked for assistance with demolition. Kemmis asked if the lack of funds was because there's no increment being received. Behan said St. Patrick Hospital has taken several properties off the tax rolls. It was also mentioned that tax increment was being received from personal property that had been relocated but its address was not updated until recently. MRA is no longer receiving that increment.

Behan said the Hotel Fox group is in the process of negotiating land acquisition. He said depending on the outcome of the Hotel Fox market study, the development could include a large community conference center, mixed use development, and the Hotel Fox. Buchanan said staff would provide the Board with the Hotel Fox master plan within the next couple of months.

Discussion ensued.

Kemmis said the riparian area on the riverfront is covered under the Downtown Master Plan. He said one long term question has been whether development in the Riverfront Triangle will highlight the need for a pedestrian bridge. Buchanan said a pedestrian bridge will likely be part of the Hotel Fox master plan.

Hellgate Urban Renewal District

Englund asked if MRA can play a role with the University of Montana (UM) Transit Study to help with communication between the UM and the City. Kemmis said the transit study and the relocation of Missoula College seems to be an opportunity to develop and nurture a different kind of relationship with the UM. He said he would like to see MRA actively involved with the Missoula College development. Buchanan said the UM needs to first raise almost \$3 million and the college will be asking the City to contribute. She said the City doesn't have the funds to contribute unless there is increment within the Hellgate District that is the result of a project.

Moe asked if the idea was to do a ULI type study for each of the districts. Buchanan said she thought a simpler approach could be taken for the Hellgate district since that area is so constrained with what can be done. She said the Hellgate URD plan could be an extension of the Downtown Master Plan but she said MRA needs to coordinate with Development Services so that MRA is not making proposals that conflict with state regulations. Cates said MRA should look at other cities for ideas too. Buchanan said the Downtown Master plan will probably be updated in the not too distant future and this area could be a part of that study.

Kemmis said with everything that's been talked about today, the result would be more work pressure on staff. He asked if additional staff may be needed at some point in time. Buchanan said the vacant position will need to be filled with the two new districts coming into play and would like to structure the position to play more of an economic development role as well as managing MRA projects.

Additional Items

Discussion ensued regarding the importance of Board members attending the Board Meetings in person when possible. The Hal Fraser Conference Room does offer technology options such as Skype and conference calling for Board members who cannot attend in person, but those technologies can also be disruptive when calls are disconnected or the Skype connection is not great. It was also discussed that when

someone is using the computers for Skype or for presentation purposes, that those presentations need to be ready by the time the meeting starts so the presenters should come early to test the technology.

Englund said he's inclined to say if a Board member joins the meeting via Skype or conference call and is disconnected for whatever reason, then the meeting shall continue with those that are there. Kemmis said he didn't disagree but said it would be nice to be able to text someone that is physically in the meeting to help navigate that person back into the meeting.

Cates asked if there was a planning process for the North Reserve/Scott Street district. She said the North Reserve/Scott Street district is an industrial area which is very different compared to the downtown projects MRA has been involved with. Cates said a ULI type study would be a helpful tool for this new district. Buchanan said an infrastructure plan, at a minimum, would be a beneficial guide for future development in this area. She said there are development plans in the works for the North Reserve/Scott Street area that will start defining what happens on North Reserve.

Reineking said as part of the bylaws, the election of MRA Board Chairman and Vice Chairman should be discussed at the first regular Board meeting after the new fiscal year begins.

Englund said he's very proud of the staff for the work produced and said the ending results are phenomenal. He said he's heard great comments from the community about MRA's work and their experience working with staff.

Kemmis said he's also proud to be part of the MRA agency and said the staff does such good work. He invited Buchanan to talk to staff about the way the Board works to see if there's any feedback.

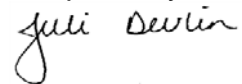
STAFF REPORTS

Budget Reports

ADJOURNMENT

Meeting adjourned at approximately 2:05 p.m.

Respectfully Submitted,



Juli Devlin