

MISSOULA REDEVELOPMENT AGENCY

CONDENSED BOARD MEETING MINUTES

OCTOBER 19, 2017

FINAL

A Regular meeting of the Board of Commissioners of the Missoula Redevelopment Agency was held on Thursday, October 19, 2017 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, Annette Marchesseault, Tod Gass, Jilayne Dunn, Lesley Pugh

Public: Martin Kidston, Missoula Current; Taag Peterson, Missoula Public Art Committee; George Ybarra, Artist; John Wolverton, Missoula Community Benefits Coalition; Bob Moore, citizen; Bill Pfeiffer, Mountain Line; Ben Dawson, International Brotherhood of Electrical Workers; John Wilson, City of Missoula Public Works; Jason DeCunzo, Lighting Designer; David Erickson, Missoulian

CALL TO ORDER

12:00 p.m.

APPROVAL OF MINUTES

September 21, 2017 Regular Board Meeting Minutes were approved as amended.

PUBLIC COMMENTS & ANNOUNCEMENTS

Bob Moore, citizen, commented on a piece of mail he received regarding the 25 ways Mayor Engen has made Missoula a better place to live. He said he looked through it to see if there was anything about MRA and couldn't find anything. He said he didn't know if that meant MRA hasn't done anything to make the top 25 list, but said if he were an MRA staff member he would be concerned about his job if there wasn't enough support to make it on the list.

ACTION ITEMS

Overhead Power Lines Crossing Clark Fork River (URD II) – Request for Approval of Relocation Feasibility Study (Behan)

Behan said while City officials were reviewing the Montana Department of Transportation's (MDT) final drawings for Russell Street Bridge they found that the power lines across the river adjacent to the bridge would not go under or attach to the bridge; they would remain where they're at with additional structural supports. Behan said it was too late to change any bid documents to add moving them under or attaching them to the project, but MDT, NorthWestern Energy and the City of Missoula have agreed that the power lines could be

attached to the bridge as part of a change order that would need to meet certain kinds of conditions. He said right now City administration and the Public Works Department are asking MRA to fund a feasibility study in the amount of \$27,000 to determine whether or not the power lines can be attached to the bridge in a manner that will be approved by MDT engineers.

John Wilson, Director of Public Works, said if it proves to be feasible this will be the first of four general steps in the process. He said if it is feasible and they choose to move forward the next steps include designing modifications to the bridge, a change order for the general contractor to make the changes to the bridge design, and finally to move the power over to the bridge. Buchanan clarified that MDT will pay to move the power lines to make way for the bridge construction as part of the current contract. She said if it is deemed feasible to put the power lines on the bridge, a funding source will need to be identified. Wilson said the Federal Highway Administration (FHA) feels like they have found an adequate solution so they will not be putting any more money into it. Buchanan said part of the feasibility study will include a preliminary cost estimate. Depending on what the number is, it will need to be determined whether or not it's a good way to spend the money. Englund asked how much is budgeted. Wilson said he was not sure what is budgeted in MDT's contract. Buchanan said the power lines that exist today will be moved in order to allow the new bridge to be built which is included in the contracts that currently exist.

Buchanan said the \$27,000 will say whether or not it is feasible to attach the power lines, how much it will cost and also how to do it. She said if the decision is that it's a good expenditure of funds and there is a funding source, the City will move forward with design of how the bridge can be modified to accept the infrastructure.

Moe asked if the cost of modification will be in the feasibility study if it determines the bridge design can be modified. Wilson said the next step would be to modify the design and then there would be a construction change order since they bid a cost to design a certain bridge, so whatever additional costs might come of the engineering design would be the responsibility of the City. Moe said the change order that modifies the bridge design would be part of the cost that MDT is not going to cover. Wilson concurred.

Englund asked who will do the feasibility study. Wilson said WGM Group is MDT's design engineer on the project and HDR Engineering are the bridge specialists subcontracting to WGM Group. He said the \$27,000 will also include NorthWestern Energy staff time to cover their piece. Moe asked when construction on the bridge will begin. Wilson said the foundation work will start soon and will continue through the winter with bridge construction starting in the spring. Moe asked what the deadline is for a modification decision. Wilson said it comes down to the contractor's contract with the bridge fabricator. He said he does know they need to move quickly. Englund asked if part of the feasibility study looks at timing. Buchanan said it's a matter of adapting the bridge structure to accept the electrical infrastructure. Wilson said it doesn't have an impact on the timing of the overall project schedule, but the decision needs to be made on whether or not to move forward. Buchanan said whatever modifications might have to be made to the bridge structure need to be in sync with when they're doing the work or it will cost even more.

REINEKING: I MOVE TO APPROVE THE FEASIBILITY STUDY IN THE AMOUNT OF \$27,000 BECAUSE IT WILL BE GOOD TO KNOW IF IT IS FEASIBLE AND WHAT IT WOULD COST IF IT IS FEASIBLE.

Moe seconded the motion.

No further discussion.

Public Comment

Ben Dawson, International Brotherhood of Electrical Worker (IBEW), asked if the original project is MDT's. Wilson said yes. Dawson asked if the modified bid will go through the original bid or if it is separate. Wilson said MDT has awarded the contract and it will be a change order to the contract. Dawson asked if it will be prevailing wage if it's attached to the original piece. Wilson said yes.

Motion passed unanimously (4 ayes, 0 nays).

"Perseverance" Public Art in Silver Park (URD II) – TIF Request (Behan)

Behan said during design and construction of "Perseverance", the Public Art Committee and artist, George Ybarra, have felt that to complete the full impact of the piece it needs to be lit. He said they have been working to figure out a way that can happen. Recently, Behan said Jason DeCunzo and his firm Riverhaus Design have offered to design and help implement the lighting project pro-bono. Behan said the piece has been very popular in terms of people discussing it and enjoying it; there are people who read and sit around the structure frequently. At this point, he said there aren't many funding sources for public art so they have turned to MRA. He said MRA has financed virtually all of the public art in the downtown area and it has made a difference.

Behan said the staff recommendation is to move ahead with assistance in financing the construction of the lighting portion of the project in the amount of \$25,000. He said Taag Petersen, Public Art Committee, has been working with a couple of contractors and there are some question marks about various pieces of the two bids that have been obtained, so there is a fair possibility the price may go down.

Petersen said it has been difficult for them to solve all of the issues associated with the lighting, given the Dark Sky Ordinance and park issues regarding maintenance and mowing around the structure. He said eventually they started working with DeCunzo who was graciously willing to develop a design to work within all of the parameters they needed it to work in. Petersen said they have been working with Don Verrue, Assistant Director of Development Services, and Parks and Recreation. Everyone seems to be satisfied and ready to move ahead. He said DeCunzo came up with a very modern, contemporary and streamlined approach to the lighting. He said they are very excited that it will be the first public art project in the City with a focused lighting component.

Ybarra said he was present to support getting the sculpture lit. He said the project was a 20 year design idea. When he completed the piece he said the funds were lacking to be able to light it, and a big part of the sculpture was to have it enhanced during the evening hours. He said the piece has become quite popular for park goers and he frequents it with his

family. They find people lying underneath it doing exactly what he had designed the piece to do which is have people look up through the head structure of the piece to the sky and above. Ybarra said the sculpture is made from Core 10 steel and over the last couple of years since it was installed the steel has begun to age. They put a weather coating on the steel so as the years continue the steel erosion on the surface will only enhance the piece, which puts them to where they are today to try to get lights to showcase the artwork better, as well as Silver Park and its development. Ybarra said he approves DeCunzo's plan and appreciates all the time he has put toward the lighting scheme and time that he has not been paid for, as well as his willingness to assist with getting it lit. He said he also appreciates the work Petersen has done along with the Public Art Committee and MRA staff for their support of the lighting proposal.

DeCunzo said from his perspective there were a couple of sets of goals. One was to enhance rather than detract from any of the built environment or the landscape that is around the park. He said they wanted to attract people to the investment the City has made that is long lasting, requires little maintenance and is functional. He said it also presents a level of wayfinding. It's lit through indirect lighting so it is up-lighting but is very carefully controlled so it isn't splaying anywhere outside of the sculpture. DeCunzo said the beautiful thing that happens with that is that it can be seen from anywhere and is not a glare source. He said when you look across the cityscape you know exactly where the art is. He said the lights are controlled and colored ever so slightly to enhance the warm tones of the artwork.

DeCunzo said the lights are all ground mounted, LED fixtures with a half-life of about 60,000 hours. He said the lighting company gave them a favor and will sell the product directly to him and then he will sell it to the Public Art Committee so there's the least amount of middle people and a 100% warranty is maintained which is very important in case something goes wrong. He said the lighting has very low power consumption and said all of the illumination for this piece is less than one of the Silver Park light fixtures currently in place as the post lights. DeCunzo said one other benefit of this particular light design is that on special occasions the ability exists to change the color of illumination that's there by a preset button or remote control. He said the idea is that the equipment will be locked away in a box in the landscape that would never have to be touched, but can be if there's a special occasion.

Moe said it appears to her that this is an enjoyable and exciting project for Petersen, Ybarra and DeCunzo and she thinks it also is for the Board to participate in. She said the Board realizes and understands there is a financial component to it all and thanked them.

Brock asked how the snow affects the lighting. DeCunzo said these particular fixtures were chosen because although they are LED they still produce some heat. He said they're full drainage fixtures and will melt the snow off. He said it may take a little longer if there's a large amount of snowfall. He said the heat is not enough to cause a burn hazard which is something they thought about because they know children will be around it. Brock said it sounds like they have thought of everything and thanked DeCunzo for being so thorough. DeCunzo said they tried to think of everything and how to create something that's beautiful and long-lasting which includes every little detail that might be the weak link.

Englund asked if the construction contract will be with the Public Art Committee. Behan said at this point the MRA will have a Memorandum of Understanding (MOU) with the Public

Art Committee and after they review payment requests that come in and approve them, along with DeCunzo and Ybarra, then MRA will pay the contractor directly. Buchanan said MRA did the same thing with the sculpture at Park Place.

Reineking said she appreciates the contributions that DeCunzo has made in keeping the costs down. She said in the spreadsheet the one thing that struck her was the contingencies for sprinklers and reclaiming landscaping which seem a little low so she also appreciates staff saying they not exceed \$25,000.

REINEKING: I MOVE THAT THE MRA BOARD APPROVE AN AMOUNT NOT TO EXCEED \$25,000 FOR LIGHTING THE PERSEVERANCE PUBLIC ART STRUCTURE IN SILVER PARK.

Brock seconded the motion.

No further discussion.

Public Comment

Moore said he enjoys art to some extent and saw this lady over in Paris not too long ago. He said he has nothing personal against art, per say, but given the situation in Missoula with so many needs, even though this is a small, small, tiny amount, he thinks MRA can find better use of \$25,000 in the City.

Motion passed unanimously (4 ayes, 0 nays).

Fox Site – Environmental Characterization Study of Soils (Riverfront Triangle URD) – TIF Request (Behan)

Behan said the Fox Site was a landfill at one time. Toward the end of Urban Renewal District (URD) I there was 23,000 cubic yards of material removed from the area by MRA as well as rearranging the infrastructure to make it a developable site. Behan said when he says Fox Site he is including other properties the City has bought along the way. He said when the material was brought in for the excavated hole it was from a site that had never been excavated or built on over at the University of Montana (where the journalism school is). Behan said the decision was made at the time, rather than test all the material that came in, to wait because the results are only good for six months to a year. He said it is now time to do the testing and be able to show, in a general fashion, that the City's site is developable from an environmental point of view and if there is a problem it can be identified. Behan said this is a request to reimburse the developer, Hotel Fox Partners, for the initial Phase II Environmental Assessment. He said there will be some Phase I work included so it's sort of a hybrid.

Behan said the work will include drilling holes along the five edges of the property to show that there's not stuff coming in from outside, including the bottom, and also a grid drilled through the site. He said this scope of work has been approved by the Developer's attorney. Behan said WGM Group's Environmental Division will do the work. They will drill it, describe the material, and then from each section of the area they will take small samples and put it into a batch sample called a Toxicity Characteristic Leaching Procedure (TCLP) and then that is sent to a laboratory that does a battery of tests. Behan said in the current

way that property is transferred the City needs to be able to show that the soil is okay. He said the staff recommendation is for the Board to approve up to \$12,000 to reimburse Hotel Fox Partners for initial environmental assessment work at the City-owned Fox site. Behan said if it comes back clean and looks good, and Hotel Fox Partners or their investors want more data or drilling, it is up to them to coordinate and pay for it.

Moe said since the lifetime of the soil test is one year or less, and considering the time it's taken to get to this point, she asked if the test will be valid by the time anything is done. Behan said it would be to the point that they would accept the test results and the City hopes they will accept the test results before the end of this year. Moe said once Hotel Fox Partners has the test results, if they don't begin the project then they are responsible for doing future tests. Behan said yes. Englund referred to Behan's memo stating "it is traditional that if the study yields a clean site, any further or more in-depth environmental work be at the expense of the developer" and asked if a condition of reimbursement is that if the study yields a clean site the City is done. Behan said that's what he would put in the reimbursement agreement. Buchanan said it can be inserted in the Purchase Agreement.

Moe asked if there would be any bidding. Behan said in this case, for this kind of work, if it was all by itself there would have been a Request for Proposals (RFP) and the most qualified firm would have been picked. In this case, WGM Group is one of two firms that is working for the City doing Brownfields analysis and have done analysis of all the properties around the site. He said their civil engineering side was the engineer of record for the excavation. He said they needed to move relatively quickly, even though they've known for twelve years it was coming, and Hotel Fox Partners hired WGM Group to do the work and MRA will reimburse Hotel Fox Partners. Moe asked if it will be an addendum to the original agreement. Behan said this is separate and will help them get through the Development and Purchase agreements.

MOE: I MOVE THAT THE BOARD APPROVE UP TO \$12,000 TO REIMBURSE HOTEL FOX PARTNERS FOR ENVIRONMENTAL ASSESSMENT WORK AT THE CITY-OWNED FOX SITE AND THAT THERE BE A SEPARATE WRITTEN CONTRACT THAT REQUIRES HOTEL FOX PARTNERS TO SAY IN ACCEPTING THE REIMBURSEMENT THAT THEY WILL BE RESPONSIBLE FOR ANY FUTURE SOIL SITE ENVIRONMENTALS CHARACTERIZATIONS THAT MAY BE REQUIRED.

Reineking seconded the motion.

No further discussion.

Public Comment

John Wolverton, Missoula Community Benefits Coalition (MCBC), said they are a group of community organizations from the environmental community, bicycle/pedestrian community, unaffiliated individuals and labor unions. He read a statement from the MCBC, saying they find it distressing that Hotel Fox Partners so soon, and for such a modest sum, are already coming to the City with hat in hand. He said it is additionally concerning to the MCBC that Hotel Fox Partners would ask the community to grant their support without even a modest effort toward meeting with community representatives about accountability for good jobs in the future, nor any robust expression of support for workforce housing on the development.

Wolverton said with this request, the MRA Board and the City have the opportunity to set a tone of not allowing developers to nickel and dime the City and to express support for the needs of the local economy and citizenry over the pocket books of people who are largely out of town developers. He said these funds can be better applied to other community needs and the MCDC urges the MRA Board to deny the request and let the buyers pay.

Moore said he seconded Wolverton's statement although he did not know Wolverton or what the organization (MCBC) is, he said he seconded it completely. Moore said it's absolutely shocking to him that this development he heard was supposed to be like \$200 some million is coming in here, hat in hand, wanting a handout of \$12,000. He said he's been involved with purchasing land before, although he wasn't the main person on it, and said he paid for the soil test. It was in California and the main thing they were testing for was Indian relics and so forth and he paid for it. He asked why the City should pay for it. He said he'd love to know how in the world it's in there with a risk of not being developable and what if something came up where it probably could not be developed. He said in addition, how much more money are the Fox Developers going to come for if they are going to come after \$12,000 on a \$200 million project. He asked what the City is obligating to pay on behalf of the developers, and he thinks Wolverton said they were out of town and that they all seem to think that's a big deal, but Moore said he didn't think it mattered whether you were out of town or in town if you're going to have a good development, but he's totally opposed to paying this \$12,000.

Motion passed unanimously (4 ayes, 0 nays).

NON-ACTION ITEMS

STAFF REPORTS

Director's Report

Buchanan said she got a call from the property manager with Holiday Village Shopping Center. Previously, she said Holiday Village granted the City easements along the frontage on Brooks Street so sidewalks could be built. Buchanan said they are ready to move forward with taking down the portion of the building that is an impediment to building the sidewalks. They are currently waiting to have environmental remediation done. She said staff would like to go ahead and authorize engineering for that piece of sidewalk, which is less than \$20,000. She said if the project is less than \$20,000 state and local procurement regulations allow it to move forward without an RFP. WGM Group has been working for Rosen & Associates on the property for a few years; they also did all of the survey and easement work that got the City the easements along Brooks Street. Therefore, Buchanan said most of the work has been done and is already in WGM Group's files. She said the sidewalk is about 450 feet so it won't be an expensive project and if there's no objection from the Board, staff would like to go ahead and get it designed so that in the spring it can go out to bid. She said the contract for design will come back to the Board for approval. The Board had no objection.

Buchanan said the City has identified the members of the Housing Steering Committee and there will be an initial meeting next week. Reineking is a member of the Committee along with other members of the community involved in construction of housing, financing of housing, sale of housing, etc.

Lastly, Buchanan said Ed Wetherbee was in front of the Design Review Team earlier this week and presented a project called Warehouse Flats, a housing development located near Sweetgrass Commons. She passed around a drawing of the proposed project.

Budget Status Reports

Lee reviewed the financial reports and said the contingency items are updated through the Board's action at the last meeting. She said she is working on the expenditure side and preparing for MRA's audit. She said there will be audit field work going on the second week of November.

COMMITTEE REPORTS

OTHER ITEMS

Moe requested the URD districts be identified in the subject line of the memos.

Behan said Hotel Fox Partners did not request reimbursement for the action item today. He said it's appropriate in Montana that if you offer a piece of property and say it's clean you need to be able to show that it is. Englund said he thinks it is the MRA's/City's responsibility to show it's a clean property. He said in light of the fact of how much the City has invested in it, and in light of the fact that it is preliminary work, the situation is that they are going to pay a great value for it and it's appropriate to be able to tell them that it appears to be clean.

ADJOURNMENT

Adjourned at 12:52 p.m.

Respectfully Submitted,



Lesley Pugh