

MISSOULA REDEVELOPMENT AGENCY

CONDENSED BOARD MEETING MINUTES

March 21, 2019

FINAL

A Regular meeting of the Board of Commissioners of the Missoula Redevelopment Agency was held on Thursday, March 21, 2019 at the Hal Fraser Conference Room, 140 W. Pine, at 12:00 p.m. Those in attendance were as follows:

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

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

Public: Martin Kidston, Missoula Current; Reghan Brandt, University Avenue Developers (UAD); Jesse Dodson, UAD; Trevor Iman, WGM Group; Bob Moore, citizen; Missoula Community Access Television (MCAT)

CALL TO ORDER

12:00 p.m.

APPROVAL OF MINUTES

February 21, 2019 Regular Board Meeting Minutes were approved as submitted.

PUBLIC COMMENTS AND ANNOUNCEMENTS

Bob Moore, citizen, said he wanted the MRA Board to have a consultant review the situation at Southgate Mall to see if the money spent for road improvements and connectivity there is working. He said WGM Group, the Mayor and Buchanan all stated that the improvements were needed for connectivity and thinks it is worthwhile to find out if it meets the objectives of connectivity.

ACTION ITEMS

Levasseur Street Residential Project (Front Street URD) – Request to Reallocate Previously Approved TIF Program Assistance (Behan)

Behan said in August 2017 the MRA Board approved Tax Increment Financing (TIF) assistance for a two-phase residential project at the corner of Clay and Levasseur Streets in the Front Street Urban Renewal District (URD). He said Phase 1 included five townhomes and that project is complete and sold out. Phase 2 includes construction of a 22-unit apartment building with some underground parking.

Behan said while Phase 2 was evolving there were several things that happened, primarily with the infrastructure. The electricity needed to be changed, there was an issue with the water line, and the new building will require 3-phase power. Behan said 3-phase power is much more efficient than what is currently in the neighborhood and can provide adequate power for larger buildings and denser development.

Behan said at this time the developers, University Avenue Developers (UAD), are not asking for additional funding. They are asking to add one more item onto the existing assistance in helping with the power. The power will serve any other developments that happen in the area. The request is for UAD to be able to utilize the existing approved TIF monies for more power. Behan said it is a good deal because MRA won't end up paying for all of it and any other development that happens in this area and across the street will be required to have 3-phase power.

Brock said this is different from when other projects have come back because they were asking for new allocation. This project already has funds allocated, the request is just to tweak how they are being spent because it is indeed eligible. Buchanan said MRA allows money to be shifted between items that have been approved as part of the Board's original approval. Power was not on that list and that is really the reason it is before the Board. She said it is usually done internally but since this was a line item that was not part of the original approval, staff felt like it needed to come back to the Board. Behan said one of the things he has learned from this is to make the request more general (utilities), especially in this URD.

Reineking referred to the slides calling the apartments "Micro Apartments" and wondered what that meant. Jesse Dodson, UAD, said there will be approximately 22 studio and one-bedroom apartments. He said the units will be small with some ranging from 300-400 square feet. Behan said UAD and their architect have done a lot of work to make the smaller apartments feel larger with great windows, high ceilings, etc.

Moe asked what area NorthWestern Energy's estimate of \$70,051.39 will cover. Behan said whatever TIF assistance is left will cover the 3-phase and after all is said and done MRA may be paying for 1/3 of that, but he doesn't know exactly how much. Moe asked if there was an estimate of the expected savings on the other line items that were already approved. Behan said right now there are discussions going on between Missoula Water and the project engineer on what will actually be required for the water line. Savings from the water line and whatever is left from demolition will help pay for the 3-phase power. Moe asked if staff was comfortable with the items when the Board approved the initial budget of \$211,000. Behan said staff was able to look at bids, quotes and estimates. He said as it turned out the demolition and deconstruction of the house, in particular, had tremendous savings and MRA was able to help out with the increased price of the water and some other things that were already on the list. He said whatever savings, if any, there is on water will be put toward the 3-phase power. Moe said if the suggested motion passes she is curious to know what the final allocation to the various categories are as an educational tool. Buchanan said staff's numbers are only as good as the numbers received from the applicants. She said staff encourages the applicants to make sure their numbers are

adequate. However, Buchanan said sometimes the applicant needs to get surety about whether or not there will be assistance so they know if their project will pencil when everything is not set in stone. Buchanan said that is one reason MRA is flexible within the agreement about shifting. Dodson added that this was a two-phase project and they were specific about Phase 1. He said the water main improvements ended up not being required in Phase 1. Subsequent to the August 2017 Board meeting there was a change by Missoula Water in terms of what they wanted UAD to do and therefore the scope has changed and they are still not exactly sure what the cost will be.

REINEKING: I MOVE TO APPROVE ADDING EXTENSION OF 3-PHASE POWER TO THE LIST OF ELIGIBLE PUBLIC IMPROVEMENTS PREVIOUSLY APPROVED FOR THIS PROJECT.

Brock seconded the motion.

No further discussion. No public comment.

Motion passed unanimously (5 ayes, 0 nays).

Bitterroot Trail at Pine Street – Purchase of Trail Lighting Poles (URD III)

Behan said it is MRA's goal to have the trail finished and lighted by November 2019. Right now the project is out to bid and there are some permitting issues that will take time to resolve. Behan said they are right on the six-month line of needing to get lighting parts ordered so they can be installed by the deadline, which is something MRA has done in the past. Staff would like to order the light poles and assemblies and store them at City Shops on Scott Street. The selected contractor can then go and pick them up for installation at the given time. Behan said there will be savings on cost because there won't be any pass-through costs from the contractor.

Behan said the construction portion of the trail is about ½ block. However, the lighting will go all the way from Broadway Street to Toole Avenue. Englund asked if the request is for the purchase of lights for the whole area. Behan said yes. Buchanan said there is a long lead time on the lights and that is why staff wants to get them ordered now. Englund asked if the construction contract will include the labor to install all of the lights. Behan said it will.

MOE: I MOVE APPROVAL OF MRA PURCHASING 14 STANDARD TRAIL LIGHT POLE ASSEMBLIES FROM MOUNTAIN STATES LIGHTING IN THE AMOUNT OF \$54,000 INCLUDING DELIVERY TO THE CITY SHOPS ON SCOTT STREET LOCATION.

Jones seconded the motion.

Behan said this is a sole source acquisition so there is no bidding involved.

No further discussion. No public comment.

Motion passed unanimously (5 ayes, 0 nays).

Wyoming Street Reconstruction (URD II) – Request to Amend Design Memorandum of Understanding with City Public Works (Gass)

Gass said in March 2018 the MRA Board authorized staff to enter into a Memorandum of Understanding (MOU) with the City Public Works Department to combine a water line installation with a Wyoming Street reconstruction project between California and Prince Streets. Under the MOU the City amended their existing water main design agreement with WGM Group to add design, engineering and construction administration services for reconstructing Wyoming Street. The MOU outlined that Public Works would pay for the water line installation and MRA would provide TIF funding for reconstructing the street.

Gass said the street construction improvements involve reconstructing the street and road profile to collector street standards with curb, gutter, sidewalk and street lighting between California Street and west of Prince Street. Prince Street to Russell Street is covered under the Russell Street Bridge project. Gass said WGM Group's scope of work that was amended onto the MOU involved public outreach, collaborating with Missoula Irrigation District and City stakeholders, and electrical engineering for street light installation.

Gass said during the preliminary phase several meetings were held between WGM and the stakeholders, property owners, and irrigation districts. He said preliminary design was agreed upon and submitted to and approved by the City as a Stage 3 Preliminary Design. At that point Gass said the Irrigation District and a property owner requested changes to that design because some of the design elements were no longer acceptable to those parties. Therefore, the boulevard sidewalk on the south side was redesigned to curbside sidewalk and the irrigation ditch on the north side of Wyoming Street would remain a surface flowing ditch and the sidewalk was redesigned around it. Gass said this was done to gain approval from the Missoula Irrigation District in order to work in and around their ditches. The expanded street light component and redesign and engineering of the sidewalk and street profile resulted in a projected budget overrun in the professional services budget. Gass said staff met with WGM Group to review the public outreach and design effort that was necessary to get them preparing bid documents and staff agreed that the expanded portions and extra hours for meetings was all work outside of the original scope of work. WGM Group provided a breakdown of the out of scope services and proposed a budget amendment of \$10,844 to bring the budget back in line as they move forward to the construction phase. Gass said staff recommends approval of the budget amendment.

Englund asked what happened. Gass said some lessons were learned with the Russell Street project. He said the ditch runs through a cement pipe and a portion of it was buried. The pipe was damaged during construction from the compaction and vibration of the street. Gass said that took place at about the same time the preliminary design was being finished and so the Irrigation District came back and said they don't want anything to do with putting ditches in pipes anymore. Therefore, Gass said they had to backtrack and redesign it based on getting the Irrigation District's approval. Trevor Iman, WGM Group, said Missoula Irrigation Ditch has a lot of control because they were "in law" before the roads and have a requirement to provide water in perpetuity. The other thing that happened was some impacts by the contractor to the adjacent land owners who sit on the board for Missoula Irrigation Ditch. Iman said they were not extremely happy with the way things were laying

out and wanted some changes made. They also said they see the irrigation ditch as an amenity and a beautification in the city and want to see it open and available to all users.

JONES: I MOVE THE MRA BOARD AUTHORIZE A BUDGET AMENDMENT TO THE MRA/CITY PUBLIC WORKS MEMORANDUM OF UNDERSTANDING, DATED MAY 2, 2018, IN AN AMOUNT NOT TO EXCEED \$10,844 FOR PROFESSIONAL SERVICES TO COMPLETE THE WYOMING STREET – PRINCE TO CALIFORNIA IMPROVEMENTS PROJECT.

Reineking seconded the motion.

No further discussion. No public comment.

Motion passed unanimously (5 ayes, 0 nays).

Reineking thanked Gass and Iman for their work and explanations.

Wyoming Street Reconstruction (URD II) – Request to Enter into a Construction Memorandum of Understanding with City Public Works (Gass)

Gass said this request is for an additional MOU so there will be two MOU's with Public Works, one for design and one for construction. He said the City Public Works Department will hold the contract with the contractor and the MOU establishes MRA's relationship with Public Works for providing the funding for the street reconstruction side of the project. Gass said six bids were received and opened last Wednesday and the low bidder was Doug Smith Grading of Missoula. The bid cost for Schedule 1A, which is MRA's side of the construction, came in at \$629,075.35. The way the contract is structured both pieces of work are clearly separated and are operating under a different schedule of values. Gass said MRA has not worked with Doug Smith Grading in the past, however he spoke with Missoula Water and City Engineering and they have both done projects with Doug Smith Grading. They spoke highly of the contractor so MRA feels comfortable that they will complete the work in a professional manner. Gass said the staff recommendation is for MRA to enter into a MOU with City Public Works for construction of road improvements as identified in the Wyoming Street – Prince to California Improvements Project Contract Documents Schedule 1A, in an amount not to exceed \$629,075.35.

Jones asked what the timeline is for the work to be completed. Gass said work will be started as soon as weather allows. It is a 90-day contract. Iman said Schedule 1A allows bypass pumping which will allow the contractor to bypass pump the irrigation ditch and start earlier in the season.

Moe asked if there was an estimate price on this and if so, how the bid price compares to the estimate. Gass said the overall bid was about \$10,000 over the engineer's estimate and the MRA portion was about \$50,000 over the engineer's estimate. He said a lot of that had to do with the risk that was involved with the bypass pumping, as well as some financial disincentives in the contract that the Irrigation District posed such as the water flow not being interrupted during the project, which is where the bypass pumping comes in. Iman said the disincentive language was pretty strong in the contract due to the need for the

water to be maintained. He said it was something like \$500/hr for a penalty for every hour the irrigation ditch is out of service after the first half hour for that outage. Iman said that language was added as they were bidding the project and therefore the engineer's estimate was not updated. Moe said if there is no outage there will be no charge. Iman said that was correct.

BROCK: I MOVE THE BOARD APPROVE THE STAFF RECOMMENDATION TO AUTHORIZE MRA TO ENTER INTO A MEMORANDUM OF UNDERSTANDING WITH CITY PUBLIC WORKS, FOR CONSTRUCTION OF ROAD IMPROVEMENTS AS IDENTIFIED IN THE WYOMING STREET – PRINCE TO CALIFORNIA IMPROVEMENTS PROJECT CONTRACT DOCUMENTS SCHEDULE 1A, IN AN AMOUNT NOT TO EXCEED \$629,075.35.

Reineking seconded the motion.

No further discussion. No public comment.

Motion passed unanimously (5 ayes, 0 nays).

NON-ACTION ITEMS

STAFF REPORTS

Director's Report

Buchanan said the City is in a position to close out the Stockman Bank bonds and get those issued. MRA is working with City Engineering to get things cleared up with what they are going to do with the items that are weather dependent. She said the developer will do a letter of guarantee that the work will be done.

Buchanan said the Downtown Master Plan consultants will be back in Missoula May 21-23. They will be diving into certain important aspects of the plan including parking, parks and trails, Hip Strip, etc. She said they are making really good progress and will have a great product out of this.

Buchanan said the work that the Department of Housing and Community Development (HCD) is doing on the Housing Policy is phenomenal. Eran Pehan, Director of HCD, and her staff are consummate professionals and are getting really in-depth information put together so that decisions can be made about how to move forward with housing development and addressing low income housing and homeless issues, as well as housing across the board in Missoula. Buchanan said the Policy will go to City Council in late April. There are currently University of Montana students canvassing specific neighborhoods based on the Neighborhood Councils. They are conducting door to door interviews to see how people feel about housing and what is important.

Buchanan said the Brooks Corridor continues to be a challenge. She said the Midtown Mojo group is making good progress working with the consultants, HDR, on it. She said they need to identify what they want as a final product so they can bring the contract to closure and figure out how they want to move forward with implementation. She said they

are being aspirational. They don't want to put a bunch of band aids on Brooks Street and hope that people will try to cross the street. It will be very aspirational and challenging and will take a lot of effort to make it happen. Buchanan said it needs to be done while there is still an URD in that area so they can go after large amounts of money and provide a match for it. Reineking added that it is a challenge for the groups that are trying to identify the ultimate project. The idea is to eliminate a lot of the challenges to getting across Brooks Street for the neighborhoods that live there and the people that travel along it to make it compatible for everybody. Buchanan said another challenge is figuring out how to put frequent service transit on it in a meaningful way.

Buchanan said she and Reineking will be making a presentation to City Council Administration & Finance Committee on April 3rd. It will be very similar to the presentation they did for the Citizen's Academy.

Moe asked if there are plans for a light at the intersection of Orange Street and Cregg Lane. Buchanan said one of the requirements of subdivision in the Old Sawmill District development is that they have an obligation to fund the installation of that traffic signal when it is warranted. She said once they record a final plat, which they have not done, and once it's warranted and the Montana Department of Transportation (MDT) says there can be one there, it is the Old Sawmill District's obligation to fund it. Moe asked what it means to be warranted. Buchanan said there are a number of warrants and so many of them have to be met based on crashes, traffic volumes, turning movements, etc. She said it probably does not meet warrants today because people are taking alternate routes.

Moe asked what the plan is for the aerial photos and maps. Gass said staff is putting together a contract with Access Geographic. They will be flying aerial photography in April. He said the wall maps will be reproduced locally at Selby's and he is working on an idea for a pull-down map out of the ceiling to zero in on the Downtown/Front Street URD.

Englund asked what is going on with the legislature. Buchanan said tax increment has fared better this session than the previous one. She said there has been a lot of attention on Medicaid and other issues, so TIF hasn't been under the attack like it was two years ago. She said as a state they are more organized in terms of the cities and counties that use TIF. The League of Cities and Towns has also been amazing. Staff has made trips to Helena and made comments.

Marchesseault said the street tree planting for Mary Avenue/Clark Street will happen this spring when the weather allows. Jones asked when Montana Rail Link (MRL) Park will open. Marchesseault said it is a moving target. The benches and signage will be complete in early May. Staff is still working with the Parks and Recreation Department regarding their comfort level with regard to opening it and letting traffic on the sod. It will be assessed once the snow is gone. Marchesseault said she is hopeful it will be before the end of May.

Budget Reports

COMMITTEE REPORTS

OTHER ITEMS

ADJOURNMENT

Adjourned at 12:53 p.m.

Respectfully Submitted,

A handwritten signature in cursive script that reads "Lesley Pugh".

Lesley Pugh