

MISSOULA REDEVELOPMENT AGENCY

CONDENSED BOARD MEETING MINUTES

October 16, 2019

FINAL

A Regular meeting of the Board of Commissioners of the Missoula Redevelopment Agency was held on Wednesday, October 16, 2019 at the Hal Fraser Conference Room, 140 W. Pine, at 11:00 a.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, Jilayne Dunn

Public: Nick Checota, Developer; John Engen, City of Missoula Mayor; Jim McLeod, Farran Realty Partners; David Erickson, Missoulia; Martin Kidston, Missoula Current; Ginny Merriam, City of Missoula; Laurie Frances, Partnership Health Center; Miles McCarvel, Montana Building & Construction Trades; Lisa Davey, MTAFL-CIO; Derek Hitt, Missoula Central Labor Council; Aaron Brock, Missoula Food Bank & Community Center (teleconference); Jeremy Keene, City of Missoula; Eric Halverson, Partnership Health Center; Spencer Schacht, ABC Fox Montana; Dennis Bragg, KPAX; Missoula Community Access Television (MCAT)

CALL TO ORDER

11:00 a.m.

APPROVAL OF MINUTES

September 18, 2019 Regular Board Meeting Minutes were approved as submitted.

PUBLIC COMMENTS AND ANNOUNCEMENTS

There were no public comments or announcements.

ACTION ITEMS

Hotel Fox (Riverfront Triangle URD) – Request to Approve Amendments to the Collateral Agreements (Behan)

Behan said nearly two years ago the City Council adopted a resolution that approved six collateral agreements related to the development of the Fox site. Behan said each one of the six agreements addressed a specific portion of the development, and the relationship between the developer and the City, and the City to other parts of the City. For reference, Behan said the Fox site is down by the Clark Fork River at the corner of Orange and Front

Streets. Behan said in 1924 the City decided it was going to build a civic center on the site, however the plans were interrupted by the building of the Orange Street Bridge and the civic center was never built. He said it was important to keep in mind that as they've progressed through any number of iterations of not only this project, but the other projects, they are coming full circle with a desire that is 100 years old.

Behan said the collateral agreements each address a specific portion of the overall agreement. Only a few will be changed with the new deal. He said the basic project is remarkably the same. The original deal was that the developer will buy the Fox site over time and construct a conference center of about 60,000 square feet with 10,000 square feet of additional meeting space within their own development. 405 parking spaces will be underneath the complex, with 48 of them being spaces for the condominiums that will be on the top two or three floors. After the project was completed the City would turn around and buy the conference center and whatever public parking was left and lease it back to the hotel or their manager. Behan said the lessee could have a possible 50 year lease and would assume all maintenance and repair of the facility for the term of the lease. Also, he said the City would enter into a management agreement with the Missoula Parking Commission, or other entity, to manage the public portion of the parking.

Behan said the conference center was planned to be financed with tax increment financing (TIF) revenue bonds based on the TIF from the Riverfront Triangle Urban Renewal District (URD). He said the public parking facility would be financed primarily by parking revenue bonds issued by the City. After construction there were some credits to the financed portion of the cost of the land, part of that for the actual land that ended up with the City's ownership of the building and condominium portion. The other credit was for a portion of the project that is separate across the street.

Nick Checota, Developer, reviewed the proposed modifications to the project agreements described by Behan. He said he wanted to review a case study to give an example of the type of development they're looking to build, a conceptual design of the project, benefits of the event center concept, and a revised project schedule. He said there are five principal changes to the documents that have already been approved by City Council. Checota said they are not that significant as far as the deal terms go.

Checota said the first and most significant modification to the agreements is an assignment of all of the agreements from Hotel Fox to Clark Fork Riverfront Properties, which is nothing more than a single purpose LLC owned by himself and his wife. Another modification is to change the concept and language of the conference center to an event center. Checota said it is really broadening the use of a conference center to be more of an event center. They will also extend the total lease term from 50 to 75 years on the lease back of the event center. He said the reason that is important is because of financing. Lenders look for longer-term lease terms than the 50 years. The agreements will also remove the requirement of the City to fund marketing and booking of the event center. Checota said they are no longer looking to the City to provide any marketing or funds to help market the center. It will be Clark Fork Riverfront Properties LLC's obligation. He said they also need to move the date of submitting the final construction documents for permit to July 22, 2020. He said it is still their hope to have it done by May, but they do need a little more time given where they're at today.

Checota said the documents will stay exactly as is, minus the changes he mentioned. He reviewed a case study and said while it's a really different type of project, it's a good case study to look at. He said the case study is the \$2 billion Wharf development in Washington D.C. and is a much more dense and urban project than this will be. Checota said he went and looked at the development last month and it has a couple of components that are critical as Missoulians think about the riverfront and how they want to see it developed moving forward, not just with this project but also the other properties that will be developed along the way.

Checota said one of the components is that The Wharf has an events center similar to what they are talking about in this project, on the water, facing the water. It also has a lot of commercial, residential and hospitality hotel space. He said Missoula's event center would not be as dense or near \$2 billion, but a similar type of use and a lot of lessons for them to learn in that development. He said the event center is very similar to what's being talked about here. It will be a 6,000 capacity event center that could do a 6,000 capacity concert, a 3,000 capacity fully-seated event such as a Broadway show or Technology, Entertainment, and Design (TED) Talks. It can also do a 1,000 person seated dinner. Checota said Missoula doesn't have that available to it currently and he gets a lot of requests for The Wilma and people don't understand that they can only do 200 there. He said even the University Center (UC) building cannot handle this kind of sized dinner function. There will also be a lot of private party space both in the hotel piece and in the event center piece. Checota showed images of The Wharf and talked about what the Missoula event center would look like compared to it.

Checota said the hotel piece (not including condominiums) will be six floors, very similar to what was previously proposed and approved by City Council and the MRA. It will have approximately 180 rooms with 7,500 square feet of meeting and break out space within the hotel. There are two restaurant concepts, full-service and fast-casual (counter service). It will have a wellness and fitness center too. Checota said he is still deciding if it will be for hotel guests or a day spa/wellness center for the general public. They are analyzing the numbers on that. On top of the hotel are three floors of residential condominiums that will include about 45 units. All of this sits on two levels of parking that cover the entire site.

Checota said it is important to note that this is one piece of a much broader development going on. There is the Riverfront Triangle piece where the Farran Group is going to be doing a mix of residential, commercial and retail. The other component is the hotel/condo/event center. He said these two projects are very much intertwined. The developers will be working closely together to make sure everything is master planned accordingly and works well together. He said picking up the hotel/condo/event center piece allows the Farran Group to focus on the other components right away so there won't be a long lag time between the components getting done.

Checota reviewed more images for the development. He said the entrance to the venue will be on the river side of the property. Clark Fork Riverfront Properties LLC think that is a critical component of the design and really want it to be river-facing. The second floor requires more study, but will likely be administration and back of house, event suites, individual hotel rooms, spa/wellness and potential fitness areas, and a second floor to the

restaurant. The third floor has a roof deck and a lot of the 7,500 square feet of event/breakout space. Checota showed an exterior rendering of what it would look like from the Orange Street Bridge. He said one thing to keep in mind is that the site is down 18 feet from grade at Front Street. The two stories of parking bring it up those 18 feet and so the venue really sits at the grade of the Bridge and Front Street. He said instead of having it open air parking they are going to enclose and ventilate it and make it look more park-like as it relates to the river.

Checota said they see a lot of benefits of expanding the vision from a conference center to an event center. Principally, the biggest advantage is a lot more people using it. The conference center could hold two to three conferences per month, optimistically. With that, there would be about 500-750 people at a conference. He said best case scenario would be 3,000 people per month coming to the conferences. On a good standing concert show there would be 6,000 people for one show. If they do 2-4 of those a month it will be 12,000-20,000 people coming into the facility. Checota said it brings a lot more people downtown. He said the Mumford and Sons concert brought 7,000+ people downtown and every restaurant, bar and hotel was full. He said when they do shows at The Wilma, which holds 1,500 people, the restaurants on that side of town are packed and the hotels are generally fuller than they would normally be. He said the same goes for the Kettle House Amphitheater shows. Checota said these kinds of centers bring a lot of people downtown and bring a lot of people from out of town. Checota said they've looked at how many people buy tickets within their entertainment company network annually that are outside of Missoula County. He said roughly 35,000-40,000 people are buying tickets from outside of Missoula County and coming to the shows per year. Checota said that number could be as high as 60,000 people with the event center.

Checota said the other piece that the hotel operators in town see, in addition to the hotel they're looking at building, is that a lot of the activity is coming in the shoulder season of September through April. He said that is their heavy-routed indoor concert season, as well as comedy and traveling Broadway-type productions. He said it helps drive volume during hotel operators' slowest times.

Checota said Missoula does not currently have a large space for events or a civic-like center of this size. He said it is an opportunity for them to set the stage and tone for an inevitable development along the Broadway corridor down on the river trail. He said to think about that corridor from the beginning as a very pedestrian and active corridor, and using that riverfront access in a way that Missoula hasn't traditionally used it.

Checota said there is a growing perception of a music center/cultural center/cultural hub for the northwest. They are seeing a lot of ticket buyers from the Seattle, Portland, Denver and Salt Lake City markets coming to Missoula shows. He said they definitely see Spokane, parts of Idaho and all of Montana are coming to see shows and viewing Missoula as a mecca of live music and cultural events.

Checota said the project schedule is revised based on where they sit today. He said they have been working on amendments, agreements and assignments. They are also developing conceptual floor plans. They have the rendering concepts done and those are being presented today. Checota said he is also presenting to City Council today. A few

days after approval they still have some things to clean up with MRA to get everything done. Clark Fork Riverfront Properties LLC will then go into selecting their entire design team and general contracting team. One of the things they've committed to is making 90% of the people who work on this Montana-based companies. He said that goal is realistic. As they raise equity for the project their focus is to have local funding and they are in discussions with individuals who could fund the project along with Clark Fork Riverfront Properties LLC. They will then get drawings prepared and a building permit with construction starting in July 2020.

Mayor Engen said the City has always proposed something great at this site, and what they've always thought about is how they can get more people to enjoy this unique place in Missoula. He said he thinks this is a great project and meets all the needs the City was looking to fill as a function of conference space and expands it into the civic space. Missoula, more and more in no small part thanks to Checota, is becoming an experiential economy and he is happy to be the Austin of the northwest. Mayor Engen said this meets everything he could have imagined for this site and everything he's heard the community talk about this site eventually becoming. He said the City would be remiss if it did not mention its long partnership with The Farran Group and Hotel Fox Partners who have been at the table relentlessly as they've worked through this. Mayor Engen said Checota is a great partner and he is looking forward to answering the question of when something will happen on the site by saying go look now.

Brock asked Checota if he was partnering with a national hotelier or if it will be a boutique run by him for the hotel piece. Checota said the current thinking is that it will be an independent boutique hotel run locally. He said they will either find a local partner that operates hotels or bring in their own staff to operate the hotel. It is not their desire to go to a national chain. Checota said it is a need in Missoula. He said he hears from a lot of people that they wish they had a more independent, local experience in a hotel. He said he thinks it is a much cooler approach to tie the venue in with people coming to shows.

Moe said one important part of the agreement is setting the purchase price for the City event center and parking facility. She said she did not see it on the timeline and asked Behan if there has to be an appraisal first. Behan said no, it is all set. Nothing will change from the previous agreement. Moe asked if the purchase price is set now. Behan said it is based on the construction costs of the event center and the parking, up to capacity of the TIF. Buchanan added that it is driven by revenue coming in to service bonds. She said that is identified. Behan said any costs above the hard costs will be absorbed by Clark Fork Riverfront Properties LLC. Moe asked if there is a trigger date of when that will be set. Behan said it comes with submittal of the final financing and construction documents. Moe asked if the City has any review of successors assigned since it is such a long term lease. Checota said yes. The City has the right to approve the successor or assignees. He said it is not different than what was written in the conference center documents and they are not looking to change any aspect of that.

Moe noted an edit on page 7 in Behan's memo. She said the top line on the page should only have parentheses around "Clark Fork" and there should be a comma after "Stonefly Capital, LLC".

Englund asked if The Wilma holds 1,500 people and 1,100 seated. Checota said it holds 850 seated. He said it can ideally be used as a 200 person banquet space with tables. Englund referred to the 2nd bullet on page 4 of Behan's memo stating "Removes the City's obligation to help identify funding sources for marketing and booking the center." He said he didn't see that same language anywhere in the Resolution. Buchanan said she does not think the attorneys felt like it needed to be in the Resolution. Englund said he thinks it is an important change that the City needs to say should be in the documents. Jones said the Resolution states that "based on the detailed and complex nature of the Collateral Agreements, replacing the Conference Center with the Civic Events Center would also require other amendments and modifications throughout the Collateral Agreements to harmonize and conform...". She said that may cover it. Englund said he didn't see it and didn't know if it was an omission or something that just got lost or if it needed to be in there.

Englund referred to the Land Disposition Agreement section on page 7 of Behan's memo and asked what "immediately available funds" that aren't cash are. Checota said he thinks the point is that the prior documents had a trigger that allowed the developer to borrow money from the City to purchase the property. He said it is Clark Fork Riverfront Properties LLC's intent to just pay cash for the property.

Englund asked if the documents talk about when and how the City is going to be purchasing additional parking on the "chicken block". Behan said that was one of the possible deductions in the sale price. He said that is no longer part of this deal. He said Clark Fork Riverfront Properties LLC will be paying cash of a certain amount and it won't be financed and so there isn't an ability to have a credit.

Englund said it looks like the plan is for Front Street to remain open. He said he thought at some point they were planning for Front Street to be closed. Checota said everything he's seen is that Front Street remains open with a roundabout. Buchanan said a portion of it stays open, it doesn't go all the way through to Broadway. Checota said yes, it goes to the roundabout that stops right after this property, which is the promenade and not picked up in the renderings. Englund said it looks like Clark Fork Riverfront Properties LLC is planning on that being available for service vehicles. Checota said no, he is not looking for that and it is no different than what was previously designed. Buchanan said that is the drop off for the hotel.

Reineking said the amendments seem clean and she appreciates the work of the working group that went through the documents. She said it seems beneficial to the City altogether.

Jim McLeod, The Farran Group, said from their perspective they are excited about this. He said in real estate there are a couple of things they look at, one is patience and one is being persistent. He said when he looks back at this project, it has taken a long time to get where they're at. He said what Checota is proposing is not about them, it's about the community and what is happening with Missoula and western Montana. McLeod said The Farran Group thinks it will be a fantastic asset, not just for the folks here, and they have a vision for the five acres they own around it. He said it will be a legacy project for the community of Missoula and they are looking forward to the next few years.

REINEKING: I move the MRA Board:

1. **Approve assignment of the Developer's rights and responsibilities within the Conference Center and Parking Facility Development Agreement from Hotel Fox Partners, LLC to Clark Fork Riverfront Properties, LLC and authorize the MRA Chair to execute the amendment to that Agreement.**

I further recommend that the MRA Board:

2. **Approve the related changes to the overall project related to MRA's role in the other Collateral Agreements conditional to the MRA Staff participating with the Mayor's Office and the City Attorney in assuring that all the Collateral Agreements reflect and enact those changes.**

I further recommend that the MRA Board:

3. **Recommend the City Council adopt the Resolution entitled Resolution Relating to the Development of the Fox Site: Approving Modifications to the Project: Authorizing Changes to the Collateral Agreements and Delegating Authority to Approve, Execute and Deliver Amended Collateral Documents in essentially its current form.**

Jones seconded the motion.

Moe said she wanted to point out that the Resolution itself includes findings that are not different from findings that MRA has made in the past, which begin with the removal of blight in this area and go on to recite other findings that detail the significance of this project to the City. She said it is also a reminder of the importance of this project to the community.

No further discussion. No public comment.

Motion passed unanimously (5 ayes, 0 nays).

Englund said the Mann Corporation gave the Fox Site to the City in 1984. Checota said they are honored to do this project and look forward to working with the City. Behan said this wouldn't happen without the rest of the Downtown changing and being what it is right now.

Missoula Food Bank & Community Center – Satellite Clinic for Partnership Health Center – 1720 Wyoming Street (URD II) – TIF Request (Marchesseault)

Marchesseault said the Missoula Food Bank constructed their building at 1720 Wyoming Street in 2017. The MRA provided assistance for sidewalks and improvements in the right-of-way (ROW). MRA also provided assistance for space on the first floor of the building for the University of Montana spectrUM Discovery Area. Marchesseault said that has become a very successful site that is incorporated into activities that are beginning to occur at the Food Bank that are beyond just food distribution. Therefore, the Food Bank is now called Missoula Food Bank & Community Center (MFB&CC).

Marchesseault said MRA funds were used to finish out the spectrUM space. MFB&CC is using New Market Tax Credits (NMTC) in its funding strategy, and because of that,

ownership cannot be transferred until the NMTC have been closed out. Until that time (about five years in 2024), the City leases that space for \$1/year from MFB&CC, and in turn subleases the space for \$1/year to the spectrUM program. She said it has been a very successful agreement. When the NMTC sunset, it will become a condo space that the City will purchase for the amount that MRA has put into it. The City will continue to lease it out for public-benefit uses.

Marchesseault said MRA has now received a request from Partnership Health Center (PHC) to do a similar arrangement to put in a satellite medical clinic on the 2nd floor of the MFB&CC building. Aaron Brock, MFB&CC Director, joined the meeting via teleconference. Laurie Frances, PHC Director, said PHC and MFB&CC met with Mayor Engen several months ago as they started to imagine how they could work together. She said PHC is a 501(c)(3) co-applicant with the County. They see 16,000 people a year and currently have seven sites (this would be their eighth). They perform medical, dental, behavioral services, and have the largest and busiest pharmacy in town in their basement. Frances said PHC also won a quality and access award from the Federal Government recently for \$118,000 and are the winner of the Large Employer Choice Award in Missoula and employ 220 people. They also have a Family Medicine Residency on site that employs another 50 people.

Frances said Aaron Brock took employees of PHC on a tour and they started to share their missions and views of humanity and access to equal opportunity for improved health and well-being. They realized they belong in shared spaces and started designing the space. She said PHC believes it belongs upstairs in combination with MFB&CC and spectrUM. She said of the 16,000 people PHC sees, 3,000 of them are children under the age of 18. 513 of those are under age two. Frances said what they know about health outcomes, improved ability to have jobs and a great life, is that intervening in the 0-3 age group is absolutely game changing for generations.

Frances said PHC has already begun some integration. They have a Behavioral Health Care Manager at the MFB&CC helping Aaron Brock and his staff think about how to work with folks who are not getting the mental health services or substance abuse services they need. She said when they met with Mayor Engen he was very clear that behavioral health is a very important aspect of the City's work as well. Frances said they plan to do medical and behavioral health at this site. They want to do dental as well, but do not have the funding for that yet.

Marchesseault said what is being proposed is very similar to how the spectrUM space was addressed. She said they don't have final amounts worked out, but it would be a lease/sublease agreement where the City would lease from the MFB&CC for a nominal fee until the NMTC sunset. Then the City would purchase the condo space for the amount that has been put into it at that point, the City would lease directly to the client. She said if PHC decided to move elsewhere, the City would work with MFB&CC to find another tenant for the space that meets the needs of both the City and MFB&CC.

Frances said PHC has good command of their data and can disaggregate it in all sorts of ways, including by zip code, ethnicity, income status, etc. She said they look at community needs assessments every two or three years. She said their penetration in that part of the

world is about 34%, of people PHC thinks should want to use their services. She clarified that anybody can use their services, but they always look at their target population. She said in Seely, Superior, around the Creamery and around Lolo, their penetration is much greater where they have facilities.

Buchanan asked if there was survey work done around identifying the need of the clients that are using the MFB&CC currently. Aaron Brock said in 2018 there were more than 26,000 separate individuals that came through their doors for food at least once. They've done some survey work of their customers and asked about access to medical care, kinds of medical care folks need, and their perception of PHC. He said in two weeks they received more than 1,000 surveys back. The majority of folks who responded indicated they had skipped medical care that they felt they needed. Aaron Brock said they saw a desire for a well-rounded suite of medical services. People indicated a desire to access medical, dental, behavioral, child care and medical services. He said all of that really affirmed the concept he and Frances had talked about.

Aaron Brock said one of the exciting things for MFB&CC is that they have wanted to do a lot of things simultaneously, all the time, in order to reduce stigma and barrier for people walking through their doors in their new space from day one. He said when someone walks through the doors of MFB&CC you can't tell whether or not it is a poor person who might need food. He said for some folks that is a barrier. The ability to have child learning experiences in EmPower Place, or take a cooking class, or in the future get a flu shot or see the dentist in their facility, not only meets a need of the MFB&CC customers, but also speaks to the ability to do a lot of things that are very different so that lots of folks for lots of reasons are walking through their doors all the time. Aaron Brock said as the MFB&CC team has gotten to know the PHC team, they have already begun to benefit from some integration of services and learning from their behavioral health experts as they are dealing more and more with populations that do not have access to housing. He said it's incredibly refreshing to work with a partner who speaks the same language of service with dignity. He said the way they talk about the folks they are serving is really similar and refreshing and it affirms the idea that they should be doing things together.

Aaron Brock reiterated that MFB&CC did a survey and more than 50% of the respondents indicated they had skipped medical care or felt they did not have the access they needed to medical care for any number of reasons. He said the neighborhood they are in is an underserved neighborhood and the clientele they are serving is underserved. He said Frances mentioned that 3,000 of the 16,000 individuals they serve are children. For MFB&CC it is a much higher percentage and they are seeing a lot of families with kids. About one-third of the store services MFB&CC offers are consumed by children 18 and under. He said having that population with access to adequate healthcare out of the gate is a benefit for the whole community.

Frances mentioned other PHC collaborations. She said internally they have an Integrated Behavioral Health (IBH) Program which means when someone comes in for medical or dental care they may see a psychologist or clinical social worker (CSW) if they feel anxious or have other behaviors they want to change, i.e. smoking. They recently hired a child psychologist who is PHC's Behavioral Health Director, and a pediatrician. She said they work with a lot of folks, many of whom have pretty complex family dynamics, and they feel

better and better equipped to support them. She said they also have a program that helps reunite foster kids more quickly so they don't have to go through so many doors. They have social workers on site. She said with the help of the City they also have a Housing Navigator in their facility and are about to add a Frequent Utilizer System Engagement (FUSE) Coordinator who will help with 10-20 really difficult to house folks in town.

Mayor Engen said lack of access to healthcare is about as blighted as it gets. He said that is the nexus here. He said PHC is engaging in cutting edge "meet people where they are" healthcare programming and this is a really elegant way for the City, as a municipal government through the MRA, to participate in expanding access to healthcare. Frances said for PHC it was such a wonderful potential gift if MRA is able to support this partnership in that they have a \$32,000,000 budget and \$5,000,000 comes from the Federal Government. All the rest has to be generated through patient revenue. She said she doesn't know yet what the mix will look like once they get to MFB&CC.

Moe said she thinks this is a great project and is pleased to hear the additional information about services PHC provides. She said on a practical note, her observation is that parking is a real problem at the MFB&CC and asked if there is any thought to entering into any agreements with nearby sources of parking or acquiring property. Aaron Brock said they have done a little parking analysis. He said there are times that parking can be a challenge. Most of the time, however, he said that hasn't been their experience. In conversations with the PHC team, Aaron Brock said they will have a few providers who have vehicles. For MFB&CC it is not unusual to have 40-50 folks who might be there on the start of service on a busy day. He said the flow from PHC will be much less than that. A busy day for PHC might be 15-25 patients over the course of one day. He said to them that feels pretty small. That said, Aaron Brock said there are times when parking can be a challenge. MFB&CC has a good relationship with Westside Lanes, but for the most part they try to not have people park there. If, as this partnership with PHC unfolds, or if overall demand for MFB&CC's service continues to rise, they will have to look creatively at additional parking options.

Reineking said she thinks this is a great project and she supports it. She said MRA typically funds infrastructure and wondered how this will work. Buchanan said the City owns the space through lease/purchase agreement. It is only a lease now because of the NMTC restrictions. Buchanan said MRA checked with a licensed commercial real estate appraiser about the per square foot costs here and whether or not it was reasonable for five years from now and it absolutely is. She said it's just under 8% more per square foot than when it was assessed for the spectrUM deal. The appraiser said that's nothing in Missoula. She said the City needs that checked to make sure what it's paying for the space is a reasonable amount of money. Reineking asked if there was a Request for Proposals (RFP) requirement since it's a City project. Buchanan said no because it is being done internally by the MFB&CC. She said with spectrUM it was a little different because MFB was already under construction and there was a contractor on site doing the work, so it was an addition to their contract.

Frances said they are working with the architect that MFB&CC has used in the past. Aaron Brock said they would like to work with Encompass Architecture who designed their building and knows it very well. He said Jackson Contractor Group has been a good partner who

knows the building and is a logical selection for them for construction, but was unsure what the prescribed procurement process is if they receive MRA funding. He said they have not made any of those decisions and would be open to advice from the MRA Board. Buchanan said it is a gray area. Mayor Engen said the City can manage the procurement piece based on the MRA Board's approval. The Board can make it conditional on their ability to understand procurement. Englund asked if it has to be state prevailing wages too. Buchanan said yes.

Jones said Marchesseault's memo notes an expected completion in Spring of 2020 and asked for the timeline to get there. Aaron Brock said given approval by MRA, they would start a procurement process immediately. He said they do not have a contractor selected as of yet, but their hope would be to procure one quickly using a process that could be restricted by the MRA Board if it so chooses. He said the project is very appealing for the winter months because it is all internal. Their expectation is that there will be substantial interest from Jackson Contractor Group and others to get the work done. The architects estimate 60-90 days of actual construction time. Frances added that PHC has a physician hired already who is working at the Creamery and will move over to MFB&CC once the facility is ready. Jones asked what other professionals will be hired. Frances said there are five people who will be working there, not including dental staff since they don't have funding for that yet. She said she hopes to ask for more federal dollars for a service expansion. To begin with they will have full-time medical staff and full-time behavioral staff.

JONES: I MOVE THE MRA BOARD APPROVE A REQUEST FROM THE MISSOULA FOOD BANK AND COMMUNITY CENTER IN AN AMOUNT UP TO \$433,840 TO BUILD OUT AN INTERIOR SPACE IN THE MFB&CC BUILDING FOR THE PURPOSE OF HOUSING A PARTNERSHIP HEALTH CENTER SATELLITE CLINIC, WITH REIMBURSEMENT FOR ELIGIBLE COSTS UPON RECEIPT OF PROOF OF PAYMENT AND LIEN WAIVERS, AND AUTHORIZE THE BOARD CHAIR TO SIGN THE DEVELOPMENT AGREEMENT.

Moe seconded the motion.

No further discussion. No public comment.

Motion passed unanimously (5 ayes, 0 nays).

Public Works Maintenance Facility Plan and Missoula Cemetery Strategic Plan (North Reserve-Scott Street URD) – TIF Request (Behan)

Behan said the North Reserve-Scott Street (NRSS) URD Master Plan was done a few years ago and is the model plan around the state for large-scale master planning of a very diverse area like this. While the master planning was taking place, there were several areas that were found to need more in-depth strategic planning conducted. Two of those areas were the City's Maintenance Facility in the southeastern part of the site, and the Cemetery property.

Behan said the Cemetery property has land that is currently being used to store gravel and other things for the City. As the area gets more and more pressure for residential, as is called for in the Master Plan, the use of storage of that kind of material isn't the highest and

best use of that land. Behan said the Cemetery needs to figure out what their long-range plan is going to be and how they are going to be able to handle the future. The same goes for the Maintenance Facility. Behan said in both cases, they have embarked on more in-depth strategic planning. They each conducted RFP's and selected consultants for their separate plans.

Behan said the Public Works Department is asking MRA to participate in half the costs of those planning efforts. He said MRA will end up with refined goals and objectives in certain areas of the NRSS URD. Behan said that is very important as the area begins to develop even more.

Jeremy Keene, Interim Development Services Director, said great projects come from good planning and Public Works is taking the next steps with the NRSS Master Plan to figure out how to implement those pieces. He said Public Works is scattered among several different facilities around town where they do maintenance operations and have vehicles and store materials and equipment. He said there is an efficiency they want to look at and decide if they can locate in one spot. In looking at City owned properties, does it free up other opportunities for those properties to have a higher and better use. Keene said Missoula Water on Broadway Street and the Wastewater Treatment Plant are being looked at along with this facility plan. He said the other opportunity is can they co-locate with other agencies that do similar work. They will talk with Mountain Line and the Montana Department of Transportation (MDT), as well as some of the private partners that are nearby like Montana Rail Link and Republic Services, to see what their needs are and how they might do things together in an efficient way.

Keene said with the Cemetery they will see if they can consolidate the land that it uses for cemetery purposes and if there is a better way to use those properties that are part of City lands that are not contiguous with the Cemetery. He said the strategic plan will help them understand what the City's role is in providing Cemetery services and how much space they need in the long run of about 100 years. He said they will take a hard look at it and try to understand better what is happening in terms of funeral trends, services, and things like that. Their consultant is a cemetery specialist and they will help the City understand the market and what they need to be planning for. Keene said on the Public Works portion they have MMW Architects and a really great team of engineers and architects to help them understand the opportunities.

Brock said Sharon Fraser, former Cemetery Board member, was on her mind while she read Behan's memo. She asked if the Cemetery Board was at the table in this and had a hand in picking the consultant. Keene said the Board selected one of its members to be a part of the selection committee and they will be at the table for the process. He said having a consultant that specializes in cemeteries will also give them a strong voice. Keene said they want to be respectful of the cemetery property, it's an historic asset, and they need to better understand how it fits in the community. Keene said his goal is to flush that out and give the MRA Board and City Council a clear understanding of the Cemetery's role and how the City can move forward with it.

Englund asked if the plan approved for the Cemetery has to be approved by the Cemetery Board. Keene said he understands that the Cemetery Board is an advisory Board, so

ultimately it will be City Council that makes decisions. Keene said he wants to make sure they have all the information when they are asked to make a decision.

Behan said he was on the selection committee for both plans. He said it was definitely focused on the future of the Cemetery. He said the committee included someone from the Cemetery Board, as well as Cemetery staff, and they asked most of the questions during the interviews. He said he thinks they selected the consultant with the most experience and really fit with what they know from personal experience needs to happen there. Behan said there were six respondents to the RFP. The one they selected has 40 years of experience only in consulting with cemeteries.

Buchanan said there are two things that needed to be dealt with. She said the timing collided and they are interrelated in many ways. She said it's two RFP's and two totally separate planning efforts that both happen to be under Keene's jurisdiction. Keene said there is some overlap in that they are using that Cemetery space for Public Works right now. They will talk to each other, but they are different efforts in that they really wanted to have that specialty in Cemetery, so they didn't do it as one big plan. Brock said at a previous Board meeting, Sharon Fraser reframed her thinking when she said, "This is not open space. This is not green space." Brock said she's never looked at cemeteries the same since, and it was a good addition to their public discussion on the future of this section of Missoula. Behan said Fraser's sentiment was shared by all three of the consultants they interviewed. He said she would be happy.

BROCK: I MOVE THE MRA BOARD APPROVE PARTICIPATING IN 50% OF THE CITY CEMETERY STRATEGIC PLAN, UP TO \$12,750.

Reineking seconded the motion.

No further discussion. No public comment.

Motion passed unanimously (5 ayes, 0 nays).

BROCK: I MOVE THE MRA BOARD APPROVE PARTICIPATING IN 50% OF THE CITY'S PUBLIC WORKS MAINTENANCE FACILITY PLAN UP TO \$28,817.

Reineking seconded the motion.

Reineking asked when the results of the plan will be done. Keene said they hope the Cemetery plan is done in the spring. The Public Works plan will take longer because there is more stakeholder involvement and thinks it will be done sometime next summer. Englund said the Board would like to hear about them when they're complete. Keene said they are happy to bring them back, and/or do progress reports.

No further discussion. No public comment.

Motion passed unanimously (5 ayes, 0 nays).

Downtown Master Plan – Request for Adoption (Buchanan)

Buchanan said the Downtown Master Plan was presented to the MRA Board in combination with the Missoula Parking Commission (MPC) during the consultants' last visit to Missoula. There have also been multiple public presentations. She said MRA is a major funder of the Plan and contributed \$75,000 to the consulting work that was done. There were almost 4,000 people that participated in the development of the Plan. Buchanan said that is an unbelievable effort for a city this size. She said Dover, Kohl & Partners, the consultants, said they have never seen this level of participation. Buchanan said they are asking for various boards, commissions and organizations to adopt the plan, and many already have. She said the hope is that City Council adopts it as an amendment to the Growth Policy. Buchanan said she provided a link in her memo to where the plan is in its current form: You may access the plan at www.missouladowntownmasterplan.com or the following link - https://static1.squarespace.com/static/5bb26b9ad7819e0da8b61610/t/5d8132eec8ece04540d02b61/1568748306185/MDMP_2019-9-6_Draft_SR_SM.pdf

Reineking said she thinks it is an ambitious and good plan. It does not obligate the City or any private developer to actually do some of the recommendations, but she said there are some good recommendations in it. Buchanan said it gives the City and MRA Board a filter to vet requests through for expenditures in downtown or for rezonings or anything else that is going on. Buchanan said the 2009 plan has served that purpose extremely well. She said it is the intention to continue the same model as the implementation committee did on the 2009 plan.

REINEKING: I MOVE THE MRA BOARD ADOPT MISSOULA'S DOWNTOWN MASTER PLAN IN ITS FINAL FORM AND DIRECT STAFF TO FORWARD THAT ACTION TO THE CITY COUNCIL PRIOR TO THE PUBLIC HEARING TO BE HELD ON NOVEMBER 4, 2019.

Jones seconded the motion.

No further discussion. No public comment.

Motion passed unanimously (5 ayes, 0 nays).

URD II 2nd & 3rd Streets Sidewalk Project – Approve Professional Services Agreement and Scope of Services Budget (Gass)

Gass said in 2017 the MRA Board directed staff to do an RFP for a 2nd Street sidewalk project. He said MRA deferred work on that project to concentrate on Wyoming Street, which was tied to a water line relocation project related to Russell Street. In order to minimize disturbing the neighborhood again down the road for sidewalk improvements, MRA combined sidewalks with the water line installation project. Gass said it worked out well and as of yesterday they did their substantial completion inspection and expect Wyoming Street to be open to the public by the end of the week. Now staff can turn its attention back to the 2nd & 3rd Streets sidewalk project. Gass reviewed the outline of the project on a map.

Gass said there were three responses to the RFP. The selection committee chose Territorial Landworks, Inc. (TLI) for this project. Gass said he has worked with TLI in URD II

on other sidewalk projects in past years and they know the property owners in the area. A key component of the project is to acquire an easement for trail access off the terminus of the east end of 2nd Street. Gass said they are also hopeful they can work with MRL on improving the sidewalk and crossing over a portion of the railroad tracks that are in rough shape and impassable. Gass said they added in 3rd Street to fill in the remaining gaps in the area, as well as a few outlying gaps.

Gass said staff worked with TLI to come up with a Scope of Services for design and engineering, public outreach, bidding and contract administration. The total for those services is \$92,992. He said it provides ample hours to work with the property owners on the easement acquisition, and MRL for whatever approvals are needed.

Moe said there are a couple of half blocks that are outside of URD II. Gass said state law allows MRA to reach outside of the district to connect infrastructure. Gass said they all start within the district and without MRA doing the work they would likely sit there for a long time without any sidewalk. Moe asked if the recommendation is based on staff's evaluation of TLI's bid being reasonable in comparing it with similar projects. Gass said yes. He said the magnitude of this project compared to other projects is similar and reasonable.

Reineking said she wished the press were present for this because when MRA does these sidewalk projects it is so transformative for a neighborhood and so important. She said she thinks it is one of the best things MRA does, and she wished it got more and better press for it. Brock said after the last meeting that approved the traffic calming circle (hybrid mini roundabout) on Wyoming Street, she was amazed that two days later construction was already happening. She said it happens so quickly and efficiently, in addition to being done so well.

MOE: I MOVE THE MRA BOARD APPROVE THE PROFESSIONAL SERVICES AGREEMENT AND SCOPE OF SERVICES WITH TERRITORIAL LANDWORKS, INC. FOR DESIGN, ENGINEERING, PUBLIC OUTREACH AND CONTRACT ADMINISTRATION RELATED TO THE URD II 2ND AND 3RD SIDEWALK PROJECT FOR A COST NOT TO EXCEED \$92,992 AND AUTHORIZE THE BOARD CHAIRMAN TO SIGN THE AGREEMENT.

Reineking seconded the motion.

No further discussion. No public comment.

Motion passed unanimously (5 ayes, 0 nays).

URD III Northern Sidewalk Project – Approve Professional Services Agreement and Scope of Services Budget (Gass)

Gass said URD III has a lot of scattered areas of missing sidewalk segments. MRA has done the large, contiguous pieces. He said he wanted to start on an area and fill in the missing sidewalk segments, so he started on the north end. He reviewed the segments on a map.

Gass said there were three proposals received for this project. The selection committee chose WGM Group. Gass said MRA has successfully worked with WGM Group on two phases of the Brooks Street Commercial Corridor Sidewalk Project. They were key in providing solutions to easement acquisition, drainage and access challenges during those phases. He said the City will need to acquire an easement from Holiday Village. Jeff Smith, WGM Group, has a relationship with them and successfully acquired one on the Brooks Street Commercial Corridor Sidewalk Project. Gass said Doug Harby is also on the WGM Group team. Harby retired from the City after 30+ years and spent decades designing sidewalk projects and filling in gaps. Gass said he also likes the approach WGM Group presented in their proposal. He said they looked at each gap and gave ideas of what they would do for each. He said they gave a lot of thought in their proposal.

Gass said he met with WGM Group to go through the numbers. He said they will do a lot of work to negotiate easements, create documents, and record them. If that happens, they could potentially go to City Council for some of the properties and find ways to use some of the ROW for parking in order to acquire the easement. Gass said there are some unknowns out there and they have to assign hours to that work. If those things don't happen then the project scales back and MRA doesn't spend the full amount. The request is to authorize up to \$145,753 to WGM Group for work on the URD III Northern Sidewalk Project.

Reineking asked about the red lined areas on the map and if any sidewalk work done there could be assumed as permanent, meaning there wouldn't need to be more work done to go back in and do driveways. She asked Gass if he anticipated any future development in those areas. Gass said the only place MRA may see that is the former County property that someone bought. He said there is a project in the works there. MRA could come in and do driveway cuts out of there. Other than that, everything is well established and the sidewalk work will be permanent. Buchanan said she thinks everything is pretty well established in today's world. She said there is a lot of opportunity in the area for denser development, just with the sheer amount of surface parking there. She said she hopes some of it redevelops, but doesn't think that is a reason to not put the sidewalk system in. If MRA wants to turn it into a more pedestrian place then there have to be pedestrian facilities and people have to start using them.

JONES: I MOVE THE MRA BOARD APPROVE THE PROFESSIONAL SERVICES AGREEMENT AND SCOPE OF SERVICES WITH WGM GROUP FOR DESIGN, ENGINEERING, PUBLIC OUTREACH/EASEMENT ACQUISITION, AND CONTRACT ADMINISTRATION RELATED TO THE URD III NORTHERN SIDEWALK PROJECT FOR A COST NOT TO EXCEED \$145,753 AND AUTHORIZE THE BOARD CHAIR TO SIGN THE AGREEMENT.

Brock seconded the motion.

No further discussion. No public comment.

Motion passed unanimously (5 ayes, 0 nays).

FY20 Remittance – Urban Renewal District Distribution – Request for Approval
(Buchanan)

Buchanan said it was thought that the remittance of \$725,000 to the City would result in a total remittance of about \$2.3 million, but it is actually higher than that. It is actually a little over \$2.7 million. Buchanan said she rounded off what staff thought it would be to \$2,740,000. The reason for that is there are two URDs that have two different school districts in them, so they have different mill rates. Until MRA knows the order of magnitude of what it will take from URD II or NRSS URD, Dunn can't go in and adjust for the variance in the mill rates in those URDs. Buchanan said her memo shows distribution of \$2.74 million. The actual number is \$2.728175 million. She said the proposal at this point is to accrue the difference to URD II because it caused the problem to start with, and the money is needed there as much as anywhere.

Buchanan said the remittance will come out of URD II, URD III, NRSS URD, and Riverfront Triangle URD. She said it has been a challenging exercise because every time staff decides how to do the distribution, a project comes along that might need funding in FY20 that suddenly doesn't have it because of where the funds are being taken from. She said the actual number for URD II, as opposed to \$725,000, becomes \$738,175.

Buchanan said she has tried to identify projects that aren't currently in the budget, but may very well want to be. She pulled those out and gave what she thinks the balance left in the URDs is for the rest of the fiscal year for projects MRA wants to initiate or for projects that walk in the door. Buchanan said staff is requesting the Board approve the distribution proposed in her memo. She said the Board will also be asked to approve the amended budget that takes this into account.

Moe said she is glad to see that the sidewalk projects were considered with this and that the funding is there for them. She asked if the MRA Board has the flexibility of deciding which districts get a remittance because the Hellgate URD and Front Street URD have other taxing authorities and if remittances were made from those districts, those taxing authorities in those districts would get a remittance. Buchanan said it is the same taxing jurisdictions in all of the districts. It does not impact the taxing jurisdictions, which URD we take the money from. They get their percentage. Moe asked if it matters whether or not the district has a school in it. Buchanan said all of them have school districts in them. Where it gets complicated is URD II and NRSS URD are split, basically down the Russell Street line, between Hellgate and Missoula County Public Schools (MCPS). Buchanan said Dunn has to do a double calculation for those two districts as soon as taxable values come in because there are always different mill rates and Hellgate has a different mill rate than MCPS. Jones asked if Hellgate benefits from the remittance. Buchanan said they benefit. Jones said as she understands it, the spend doesn't matter, it's where it's coming from. Buchanan concurred and said staff needs to evaluate what projects are on board, coming down the pike, where the money comes from that has the least negative impact on those districts. She said the remittance from the district goes to the taxing authorities, but what Buchanan is saying is that the City is considered as a whole, and the districts are not considered separately for the taxing jurisdictions they have inside the district. Buchanan said, for instance, Mountain Line gets their percentage no matter where the money is taken from. Englund asked if the Council needs to approve this too. Buchanan said last year they did

not. Jones asked if the decision to remit is untethered to any direction or requirement as to where the dollars are allocated. Buchanan said that was correct.

MOE: I MOVE THE MRA BOARD APPROVE THE PROPOSED FORMULA THAT IS REPRESENTED BY THE FIGURES IN THIS MEMO FOR A ONETIME REMITTANCE OF \$2,728,175 TO THE TAXING JURISDICTIONS.

Jones seconded the motion.

Reineking said she does not like the process of this remittance and does not think it is fair. She said MRA is doing a lot to achieve the goals that have been set by the City in various plans and this limits MRA's ability to do that. She said she objects to this. Reineking said she realizes the budget has already been approved by the City, she recognizes that, and appreciates and respects the work that went into it. Moe concurred. Jones said the only thing missing here is the historical façade project to the mix of projects that come before the MRA Board to demonstrate the reach that this organization has in the community. She said all of that would be a reason against a remittance in many regards. She said she understands what Reineking is saying and it's interesting to have it come up today, amongst everything else that was on the agenda. Buchanan said in fairness, she has been in local government long enough to understand the importance of fund balance and the importance of having a reserve fund, for all sorts of reasons to a City, not the least of which are bonding rates and that kind of financial impact. She said there is a balance there. Englund said he appreciates staff's effort that went into the reimbursement calculations.

No further discussion. No public comment.

Motion passed (4 ayes, 1 nay with Reineking voting nay).

FY20 MRA Budget – Final – Request for Approval (Dunn)

Dunn said this budget includes the taxable values and mill levies. She said it doesn't have audited carryover fund balances because they haven't been audited yet, but they're close. She said she updated and dated the estimates so staff is pretty sure what its cash carryovers are in each of the districts. Dunn said the Sources and Uses page shows year-end cash balances, revenues, and how it is divided up for the expenditures. She said this budget includes all of MRA's debt service funds, the clearing funds each district has, and updated numbers staff anticipated the Board would approve for the remittance based on City Council's approval of the budget of a \$725,000 remittance to the City. Dunn said she also included any projects that have been approved since July 1, 2019.

REINEKING: CONSIDERING THAT THE REMITTANCE HAS BEEN APPROVED BY THE CITY COUNCIL AND THAT THIS BOARD HAS APPROVED THE DISTRICTS IT WILL IMPACT, I MOVE THE MRA BOARD APPROVE THE MRA FY20 FINAL BUDGET DATED OCTOBER 13, 2019.

Moe seconded the motion.

No further discussion. No public comment.

Motion passed unanimously (5 ayes, 0 nays).

NON-ACTION ITEMS

Buchanan said MRA staff and others on the Midtown Mojo team have been working for several years to modify the way the Brooks Corridor functions. They have identified a desire to turn it into a transit-oriented corridor because it's Mountain Line's intention to put service on Brooks Street, which does not currently exist, along with bolt service (15 minute service). She said it can be a game changer and will require some pretty significant modifications to Brooks Street. She said Midtown Mojo engaged HDR Engineering to go through a process that piggybacked on the work that New Mobility West did a couple of years ago on the Brooks corridor. Buchanan said HDR has taken that work much farther and now a Federal Transit Administration Grant possibility has appeared. She said it is a planning grant and this project is tailor made for it. The application is due November 18th. Buchanan said Midtown Mojo would like to hire HDR Engineering to write that grant because they know this project better than anybody.

Buchanan said if Mountain Line, MRA and Missoula Metropolitan Planning Organization (MPO) contribute, they can assemble the money without her exceeding her spending authorization of \$5,000. She said the way they need to do it is to amend the contract that is already in place with MRA, rather than starting over, so that means Englund will have to sign the contract. The Board cannot authorize Englund to do that today because it is not an Action Item on the agenda. She said it has unraveled very quickly and Midtown Mojo wasn't even sure until yesterday that they were not going to attempt to write the grant in-house. She said they have a much better chance of getting the grant if someone who has written these types of grants before puts it together.

Englund said Buchanan has the authority to spend the \$5,000, but he doesn't have the authority to sign the contract amendment that involves the \$5,000. He said they could make sure the Board is agreeable to the idea that at the November Board meeting staff will ask the Board to ratify Englund's signing of the agreement. There could also be a call meeting, whatever works.

Buchanan said the other piece of this is that staff will request the Board move the November meeting up a week so that they can get ahead of the application deadline. She said they have to come up with a match and that will probably involve a request to MRA, Mountain Line, and others. Marchesseault added that the reason for the match request is because Midtown Mojo has been advised that having committed local funds increases their chances.

STAFF REPORTS

Director's Report

Budget Reports

COMMITTEE REPORTS

OTHER ITEMS

ADJOURNMENT

MRA Condensed Board Meeting Minutes
October 16, 2019

Adjourned at 2:04 p.m.

Respectfully Submitted,

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

Lesley Pugh