

# MISSOULA REDEVELOPMENT AGENCY

## CONDENSED BOARD MEETING MINUTES

December 17, 2020

FINAL

A Regular meeting of the Board of Commissioners of the Missoula Redevelopment Agency was held on Thursday, December 17, 2020 via Zoom 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, Jilayne Dunn, Lesley Pugh

**Public:** Aaron Wilson, City of Missoula; John Adams, City of Missoula; Becky Douglas, Heritage Timber; Tyler Etzel, WGM Group; David Erickson, Missoulian; Jed Dennison, Zilla State; Jennifer Wieland, Nelson/Nygaard Consulting; Missoula Access Community Television (MCAT)

### **CALL TO ORDER**

12:00 p.m.

### **APPROVAL OF MINUTES**

November 19, 2020 Regular Board Meeting Minutes were approved as submitted.

### **PUBLIC COMMENTS AND ANNOUNCEMENTS**

Englund asked for the numbers to be shown to call in for public comment. There were no public comments.

### **ACTION ITEMS**

#### **Montana Rail Link (MRL) Property Environmental Assessment – 1930 South Avenue (URD III) – TIF Request (Marchesseault)**

Marchesseault said John Adams, City of Missoula Department of Community Planning, Development & Innovation (CPDI), administers the grants for the City and would be calling into the meeting. Tyler Etzel from WGM Group also called in. Marchesseault shared her screen to indicate the property being discussed. It is being referred to as the “MRL Property” and is the entire property that is bounded by North Avenue, Johnson Street, South Avenue and the Bitterroot Branch railroad. The City purchased this property in 2017 and has since constructed Montana Rail Link Park at the south end of the property, and the remaining piece of the Bitterroot Branch Trail along the east edge. The entire property is

listed as a State Superfund Site through the Department of Environmental Quality (DEQ). It was listed in the mid-1990s. The property owner at the time, MRL, did cleanup on lead impacted soils; however, they did not go through the de-listing process. Marchesseault said the de-listing process is a long and somewhat complicated process that takes time and back and forth with DEQ. The Phase 1 and Phase 2 Environmental Assessments the City did as part of due diligence prior to purchasing the property identified elevated levels of lead in some areas in the south end of the property. Remediation of that soil was done when MRA constructed MRL Park. Some soil was taken off site and some was kept on site, capped under the tennis courts.

The City is now in a position to begin looking at developing the northern part of the site for housing and mixed-use development. In order to access any federal funding with regard to that sort of development, the site needs to be delisted as a superfund site. The City has started that process through the CPDI office. Marchesseault said there was a lot of uncertainty at the beginning of the delisting process. She said even though Phase 1 and 2 assessments had been done for due diligence, it was not clear up front how much testing or analysis DEQ would request to meet delisting requirements. Once the testing started things could be discovered that would require more exploration, testing and/or analysis. CPDI had about \$240,000 in funding from a Brownfields Assessment Grant and decided to use that to start the process. They went through a Request for Qualifications (RFQ) process to select a consultant to work with DEQ through the process. WGM Group was chosen as the preferred consultant. Because the full scope of work could not be definitively determined up front, the fee also could not be definitively determined. The team agreed to move cautiously and approach the project one bite at a time.

DEQ has established a two-step process for voluntary cleanup plans (VCP). The first is environmental analysis, which involves site examination, sampling, and testing to determine the extent of all environmental issues, and is the most uncertain because results from initial results could lead to the need to do further exploration and testing. Once DEQ is satisfied with the environmental analysis, the second step of the VCP process – the remediation plan – can be done. WGM Group is currently working on the environmental analysis step. The good news is that WGM Group has not yet uncovered any surprises. They did discover some asbestos in the Sovereign Hope Evangelical Church (SHEC) and Camp Mak-A-Dream buildings, in an inert form unless it's disturbed. When those buildings are removed the asbestos will need to be addressed; however it is safe at the moment.

Marchesseault said there is some testing that needs to be done to finalize this first step in the VCP, and the final environmental analysis report must be written before the phase can be completed. That amount of remaining work exceeds the amount of funding available from the grant by about \$26,000. MRA staff is requesting additional funding from the MRA Board to complete the environmental analysis. Because there is the potential that DEQ may request some additional work beyond what is estimated, staff is recommending a \$10,000 contingency on top of that, for a \$36,000 request.

Marchesseault noted that earlier this year the City, through CPDI, was awarded an EPA Brownfields Cleanup Grant, which requires a 17% local match. Marchesseault said staff would like to recommend requesting that match from the Board when they will know what

that amount will be. Once the environmental analysis is complete, the City will be in a better position to know the remediation, or cleanup, costs.

Englund asked if there are certain costs of developing a plan even if the additional testing comes up negative. Adams said that was correct. He said there are two costs for sure, one is the asbestos abatement and the other is completing a "No Further Action" remediation plan and getting DEQ's agreement that they've adequately demonstrated that there are no potential hazards on the site. Adams said the less stuff they find, the less extensive it will be to remediate, but there are still some fixed costs to getting the site delisted. Englund asked if the asbestos has to be addressed now or when the buildings are taken down. Adams said they are probably going to be able to decouple that from delisting. Their constraint on the asbestos is basically going to be that it has to be done before they demolish the buildings, and if they want to use the Environmental Protection Agency (EPA) grant to do it, it has to be done within the lifetime of the grant which is three years. He said presumably, they will be moving way before that. Adams said the asbestos needs to be fit into the broader plans for redevelopment of the site. Buchanan added that the one thing holding up the redevelopment of this property is the environmental process. She said as soon as that process is successfully completed, the City will be in a position to look at how to redevelop that site and deconstruct buildings.

Brock asked for some historical perspective and wondered if this has been run into before where the City has had to enter into a VCP. Adams said the MRA Board has done yeoman's work in working through the VCP at the Old Sawmill site. The White Pine Sash cleanup process also was very similar and also sponsored by DEQ.

Moe asked if this request covers the property that is also part of Buchanan's action item request at 1835 North Avenue. Buchanan said it does, but no contaminants have been identified in those buildings. Moe asked if it is not necessary that this be completed before the deconstruction takes place. Adams said that was correct, they have the green light and shouldn't have to do anything more for Buchanan's request. Englund asked if the City got the green light from DEQ, or because nothing was found they feel like they have the green light. Adams said the latter. The site isn't under order from DEQ so you wouldn't typically have to ask them permission to do anything, even though they have to be sure they don't screw anything up. Adams said if anything is demolished, an asbestos survey needs to be done to make sure the deconstruction activity is not making non-friable asbestos friable and distributing it into the air and soil. He said under the assessment grant as part of their work on the Environmental Assessment Voluntary Cleanup Plan (EAVCP) they have already done the asbestos testing to demonstrate there is nothing at 1835 North Avenue to suffice for the typical state process. Moe asked if the buildings at 1835 North Avenue need to be deconstructed before the remediation plan for this request can be completed. Adams said they should be unrelated. He said there is always the possibility that DEQ will ask them to look under buildings once they start demolishing them, but they are not requiring that buildings be demolished in order to do sampling. Adams said the two requests are related only by proximity and not in any other obvious way.

Reineking referred to the Sampling & Analysis Plan letter from DEQ attached to Marchesseault's memo and asked what work orders they have already approved. Adams said the Sampling & Analysis Plan was approved by DEQ and by the EPA. EPA is required

to approve it under the terms of the EPA grant. DEQ approved it as a courtesy, signaling that they thought this was a good quality Plan that would yield high quality results. They are not promising that it is everything they could ask for; that is dependent on the results. But it signals that DEQ is on board. Adams mentioned that DEQ has worked really well and collaboratively with the City on this project. They have been excellent to work with and helpful in getting to a happy conclusion assiduously. Reineking asked for confirmation that DEQ has approved the Sampling & Analysis Plan and they still have to approve it after they have the final results before it can be delisted. Adams said yes. As an example, he said DEQ required testing for dioxin because there had been some milling on-site and DEQ wanted to make sure there wasn't wood treatment there that could be a problem. DEQ approved a Sampling & Analysis Plan that they all agreed would give a good indication of whether there was a dioxin problem. They got the results back and they are negative and there is no indication of dioxin. WGM Group still has to write up the report, demonstrate there was a chain of custody of the samples and the analysis was done appropriately, and provide the argument that it provides the evidence they need that there is no dioxin problem and they can move on. DEQ may respond to that and say yes, you are done with that, or they may still have questions that can be talked about or may require more sampling. Reineking asked if the funds being requested today are for WGM Group to complete that report, at this point assuming they won't find any dioxin or any further problems, and if they do then the hedge in there of \$10,000 should cover that. Adams concurred. He said he can't say conclusively that they haven't found anything and there are no soil issues at all. WGM Group has been bullish on it and do not think there are any big problems, but there may still be things that have to be discussed with WGM Group. That is why there is a contingency. If DEQ says they need more information, or it takes more back and forth with them than anticipated, the contingency will cover that. Adams said they wanted to avoid having to come back and ask for further assistance. Reineking said today's request is to complete the report, plus any additional reporting that may need to be done based on the samples, and there will be another report later regarding remediation. Adams said that was correct. Reineking thanked Marchesseault for her summary on this because it is a complicated set of documents.

**REINEKING: I MOVE THE MRA BOARD APPROVE AN AMOUNT NOT TO EXCEED \$36,000 IN TIF FUNDS TO SUPPLEMENT THE BROWNFIELDS ASSESSMENT GRANT FUNDS TO COMPLETE A MONTANA DEQ VOLUNTARY CLEANUP PLAN – ENVIRONMENTAL ASSESSMENT (VCP-EA) FOR THE MONTANA RAIL LINK PROPERTY LOCATED AT 1930 SOUTH AVENUE, AS THE FIRST STEP IN DELISTING THE PROPERTY FROM THE MONTANA STATE SUPERFUND LIST, AND ENTER INTO A MEMORANDUM OF UNDERSTANDING WITH THE DEPARTMENT OF COMMUNITY PLANNING, DEVELOPMENT AND INNOVATION TO COMPLETE THE WORK.**

**Brock seconded the motion.**

Dunn posted the information for the public to call in and comment.

Reineking said there were some work orders that had some large change orders on the Old Sawmill site and wondered if that was typical. Adams said the way they cut this up is that they simply started in on the job and so change orders reflect more what a certain chunk is taking. As they move along in the project things become clearer as to what can be

accomplished at certain points. In his view it wasn't problematic, it was simply an outgrowth of the process – you don't know until you start in on it exactly what is going to happen and what you will find in either the historical records or, once you start sampling, in the samples. Adams said from his perspective of being the one that administers the contract, this is totally typical and normal.

Reineking said one of the change orders mentioned that WGM Group would be doing the subcontractor management for the drilling, lab management, field prep, etc. It also mentioned community relations and she asked what was involved with that. Etzel said the community relations involved contacting the adjacent property owners and getting their written permission to do samples on the adjacent properties. He said it is one of the requirements under a VCP. WGM Group also worked with Adams on some community presentations of the Plan for this site and that was done previous to this current one. Adams added it was a separate work order under a separate contract. Etzel said the VCPs are kind of like a shot in the dark when it comes to predicting how much it is going to cost because it all depends on what changes DEQ makes to what they think they have to do. For instance, WGM Group goes to a site and thinks it needs to do xxx amount of samples to do the assessment. They submit their plan to DEQ and DEQ says they need other things addressed. Englund said he remembers change order after change order on the Old Sawmill site. Once you start poking holes and digging in the dirt you find stuff that has to be dealt with. Etzel said for this particular property, in particular the northern portion of the site, they have really not found any significant problems that would indicate they will have to do a lot more assessment work. Reineking said just to be clear, the listing is just for this MRL property and even though they are required to take samples from adjacent property owners, any remediation plan is strictly for this property. Etzel said that was correct.

Buchanan said the term "change order" could be misleading here. She said the way they've approached this, as they would most environmental assessment projects, is in what is commonly referred to as "phases" to try to be as efficient and cautious with the funding as possible. As you get one phase done, that identifies what might need to happen in the next phase. A change order in the City's world typically means you've got a bid that says the whole project will be done for xxx dollars and then something is found that was not anticipated, so it is a change that had not been anticipated. Adams has structured this in a way that lets the City spend the money that is available as efficiently as possible. Buchanan said a change order typically is viewed as an "uh oh." These are not "uh ohs." Adams concurred. He said in some cases it was responding to opportunity. For example, when they did a big sampling session this fall, initially they had planned that it would be the second of three rounds and WGM Group essentially decided along the way that they could get all of the things they needed in one fell swoop so they wanted to confront it and do it now. To do that, they had to do more sampling which added costs, but they are saving money and being more efficient and getting it done more quickly.

**No further discussion. No further public comment.**

**Motion passed unanimously (5 ayes, 0 nays).**

**MRL Property Building Deconstruction – 1835 North Avenue (URD III) – TIF Request (Buchanan)**

Buchanan said when the City purchased this 12 acres from MRL there were three tenants on the property including Camp Mak-A-Dream, SHEC and GTS Interior. Camp Mak-A-Dream still occupies their building while the other two have relocated. The buildings that GTS had formerly occupied have been vacant since they moved out. The City fenced the area and MRA continues to lease the fencing. One of the issues the City has encountered is that there are still folks getting into those buildings who don't have any business being there. A couple of the buildings represent a liability to the City because of the condition they are in. The City hired a Property Manager, Jed Dennison from Zilla State Property Management, to manage the properties on the MRL land the City bought, and also the old Library building that was donated to the City by Terry Payne. Dennison has been trying to manage the situation with the vacant buildings that were formerly occupied by GTS. Dennison came to the City and recommended removing two of the buildings. One is a shed that is dilapidated and represents a liability. The other is a warehouse building that is also in bad condition. Buchanan said eventually all of the buildings will be removed. There was recently a transient living in the warehouse building. Once that was discovered they were able to vacate that person. There are compromised areas around the fencing and Dennison recommended those buildings be taken down. The other major building on the site will be leased and occupied starting shortly after the 1<sup>st</sup> of the year. It will put presence on that property and eyes on the site. She said per MRA's policies, they are requiring that the buildings be deconstructed. There are some salvageable materials that are desirable and can be reused in the community.

Buchanan said Dennison got three quotes to do the deconstruction work. All of the quotes had not been received by the time the agenda went out. A supplement to the agenda was sent out this morning indicating that Heritage Timber was the low quote that met all of the specifications. Their price was \$24,800 and the recommendation is that the MRA Board direct Zilla State to enter into a contract with Heritage Timber in an amount not to exceed \$24,800 to deconstruct and remove the materials in those two buildings from the property owned by the City. Becky Douglas, Heritage Timber, and Dennison were present to answer any questions. Buchanan said one of the comments they made in their response to the proposal was that there were a number of valuable materials they could extract from the building so MRA's policy stands good.

Dennison said the way the buildings are right now, Zilla State is doing its best to keep the property as secure as possible, but people are still finding their way in. He said it is a liability for the City, and that is why they came with a recommendation to have the two structures deconstructed. With the tenant coming into the old GTS building it will also help with activity and keeping eyes on the property, but even with this tenant coming in it is still Zilla State's recommendation to deconstruct the two structures.

Englund referred to the map attached to Buchanan's memo to clarify the properties. Buchanan said the two red demarcations indicate the buildings to be deconstructed. What is labeled as "Sudden Victory Wrestling Academy" is what was SHEC. It is now the City and County's temporary emergency winter shelter.

Becky Douglas, Heritage Timber, said there is a lot of recoverable material in the buildings including the roof sheathing, metal roofing, siding, etc. Heritage Timber's goal is always the highest retention possible and anything they can't pull out of there that is usable will be recycled. They will also take advantage of Garden City Compost for any clean wood they can't reuse, and Johnson Brothers Recycling for metals. She said because the buildings aren't improved, it increases their retention capacity. Douglas said the only concern for them would be a lot of snow, but they do generally work through the winter. Heritage Timber actually takes the buildings down by hand rather than knocking them down and seeing what they can salvage.

**JONES: I MOVE THE MRA BOARD AUTHORIZE ZILLA STATE TO ENTER INTO A CONTRACT WITH HERITAGE TIMBER TO DECONSTRUCT THE TWO IDENTIFIED STRUCTURES LOCATED AT 1835 NORTH AVENUE AND APPROVE FUNDING IN AN AMOUNT NOT TO EXCEED \$24,800 TO COMPLETE TO CONTRACT.**

**Moe seconded the motion.**

Dunn posted the information for the public to call in and comment.

Englund asked if MRL Park is still heavily used. Buchanan said the dog park continues to be heavily used. With the weather and winter, the rest of the Park is not as heavily used as it was in the summer, and some of the picnic tables, etc. have been taken out. It is a very popular park and the Garden City Harvest part of it was a huge success in the summer.

**No further discussion. No further public comment.**

**Motion passed unanimously (5 ayes, 0 nays).**

### **NON-ACTION ITEMS**

#### **Long Range Transportation Plan Update – Presentation by Aaron Wilson (Buchanan)**

Aaron Wilson, City of Missoula Transportation & Planning Mobility Manager, and Jennifer Wieland, Nelson/Nygaard Consulting, gave a presentation regarding the Long Range Transportation Plan (LRTP) Update. The presentation can be viewed here:

<https://www.ci.missoula.mt.us/DocumentCenter/View/55001/LRTP>

Brock thanked them for the presentation and said it is so exciting to see all the pieces of all the projects MRA has been talking about, and all of the investments, coming together in these long range plans. She said it is exciting to see all of the different pieces in the various Urban Renewal Districts (URD) on the slides. She said the conversion of Front and Main Streets is such a priority, as is the Brooks Corridor, Russell Street and Broadway Street work. Brock said she would love to see the Front/Main Conversion happen in her lifetime, as MRA has invested so much in big projects on those streets, and as additional hotels come on line and there is even more foot and car traffic. She said it is so important to keeping everyone safe Downtown. Brock commended them for their work on this.

Reineking said transportation is so important to making housing affordable for people and she appreciated them looking at that in the Plan. She said MRA has commitments to invest in affordable housing and keeping that in mind as the City develops priorities would help

MRA as funders of any of the projects. She said she is interested in what happens with the Brooks corridor because it can be critical to developing inward, and is glad they mentioned something about Scott Street because she thinks it is going to be getting a lot more pressure with the housing developments that are already planned in that area. Reineking thanked them for their work.

Behan said conversations with the Cemetery Board and Neighborhoods regarding use of Russell Street to cross the railroad were mentioned in the North Reserve-Scott Street (NRSS) Master Plan. The Plan de-emphasized that and looked at extra traffic modeling and moving that toward another recommended crossing. He said if it ends up that the MRA is associated with it, there will be more conversations and comments coming the Board's way because of that. Wieland said the LRTP will be moving toward implementation and a draft for public review in March, with plans for adoption in April.

## **STAFF REPORTS**

### **Director's Report**

Buchanan said the City has all the signatures for the contracts on the West Broadway planning effort. There will be some activity on that after the 1<sup>st</sup> of the year. Spider McKnight, Six Pony Hitch, continues work on the MRA Communications Plan. She has interviewed Board and Staff and will begin interviews with City Council soon. The Scott Street project on the nine acres that was discussed at the last meeting has taken a detour but is still active and being worked on. Staff hopes to bring some things to the Board after the 1<sup>st</sup> of the year. She continues to spend a fair amount of time on Development Services regulatory activities in the City. It has become less time consuming and easier as they gain staff. They are getting through a lot of the reviews and permitting that needs to be done. It is complicated, but they are making good progress in terms of the City's ability to process projects and permits efficiently and quickly. Those lead to product on the ground, which is needed, particularly with respect to housing. Buchanan said after a fairly long hiatus of any new subdivisions coming in, they are lining up at the doorway right now because of the demand for housing. That said, she is managing to balance the work that needs to be done for MRA. Englund asked where they are at in the process of hiring a Director. Buchanan said the Director is Eran Pehan. She is in the process of hiring two Deputy Directors, one to look at community development and the other to deal with current planning, review and permitting. Both positions have been advertised and Buchanan will be involved with the interview process. Englund asked if they have a target date to have people hired. Buchanan said realistically it won't happen until after the 1<sup>st</sup> of the year, but as soon as possible.

Marchesseault said there was a meeting with HDR/City and the Montana Department of Transportation (MDT) on the Brooks Corridor project. She said it was an encouraging meeting. They don't have any firm commitments, but MDT said the project is interesting and intriguing and they are pleased to see Missoula continuing to think outside the box. She said they were very well served to have HDR leading the team in the meeting and continuing to meet with MDT. The next step is that MDT wants them to put together an agreement of how they plan to proceed with these conversations. HDR is assisting in putting that together. Marchesseault said they were very encouraged coming out of that meeting.



**Budget Reports**

Dunn said she was happy to answer any questions on the Rainbow Reports. Buchanan said a couple of the Districts look pretty anemic in terms of available funding. She said there is a \$1.1 million budgeted project for the medical office building going in on the corner of Broadway and Maple Streets in URD II. They are just now starting on that, so it will not be reimbursed until FY2022. She said there is more latitude than what it looks like on the bottom line numbers because some of those are budgeted items that will not be expended this fiscal year. That applies to several of the Districts. Englund asked if there are things in the pipeline MRA will be looking at in 2021. Buchanan said yes, staff has been approached about some projects that will definitely come before the Board.

**Staff Activities Reports**

**COMMITTEE REPORTS**

**OTHER ITEMS**

**ADJOURNMENT**

Adjourned at 1:30 p.m.

Respectfully Submitted,



Lesley Pugh