

# MISSOULA REDEVELOPMENT AGENCY

## CONDENSED BOARD MEETING MINUTES

January 20, 2022

FINAL

A Regular meeting of the Board of Commissioners of the Missoula Redevelopment Agency was held on Thursday, January 20, 2022 via Zoom at 12:00 p.m. Those in attendance were as follows:

**Board:** Karl Englund, Ruth Reineking, Tasha Jones, Melanie Brock

**Staff:** Ellen Buchanan, Annette Marchesseault, Tod Gass, Jilayne Dunn, Lesley Pugh

**Public:** Brian and Karen Sippy, 124 North Higgins; Dawn McGee, Kiah Hochstetler – Scott Street Property; Jeff Smith, WGM Group/Scott Street Property; Jan Schweitzer, Will Parnell – Anderson Zurmuehlen & Co., P.C.; Chris Behan, Behan Development Consulting, LLC; Jane Van Fossen, Diane Stensland-Bickers – Residents; Missoula Community Access Television (MCAT)

### **CALL TO ORDER**

12:00 p.m.

### **APPROVAL OF MINUTES**

November 18, 2021 Regular Board Meeting Minutes were approved as submitted.

### **PUBLIC COMMENTS AND ANNOUNCEMENTS**

Englund extended the Board's condolences to Lesley Pugh, MRA staff, for the passing of her mother and to Nancy Moe, MRA Board, for the passing of her husband.

### **ACTION ITEMS**

#### **Fiscal Year 2021 Audit Report – Request for Acceptance (Dunn)**

Dunn said Anderson Zurmuehlen & Co., P.C. (AZ) staff was present to present the Fiscal Year 2021 Audit for MRA. She said MRA had a clean audit again this year and everything worked really well. Will Parnell, AZ Manager, said he was in charge of the Financial Statement Audit for FY21. Joining him today is Jan Schweitzer, the signing partner for the engagement. He thanked the MRA staff and everyone involved in the engagement this year. Everyone was very professional, helpful and resourceful during the 100% remote engagement. This is the second year in a row that AZ did not perform any field work on-site and it was still a very smooth engagement.

Parnell said the FY21 Audit was conducted to review the Agency's financial statements to ensure that they are accurate and in compliance with accounting regulations. In AZ's opinion the financial statements and all material respects are in accordance with accounting principles generally accepted in the United States.

Parnell said there was no significant presentation changes or new accounting pronouncements adopted in FY21. AZ noted no transactions entered into by the Agency during the year for which there is a lack of authoritative guidance or consensus. He said all significant transactions have been recognized in the financial statements in the proper period. Accounting estimates are an integral part of the financial statements prepared by Management and are based on Management's knowledge and experience about past and current events, and assumptions about future years. The most sensitive estimates assessing the Agency's financial statements were Management's estimate of the other post-employment benefit liability, commonly known as OPED, as Management's estimate of the net pension liability, or PERS (Public Employee Retirement System). Those disclosures of those two items can be located in the Note 7 and Note 10 of the financial statements.

Parnell said AZ encountered no significant difficulties or disagreements in dealing with Management while performing and completing the audit. Additionally, as it relates to financial accounting, reporting and other audit matters, there were no disagreements with management. Professional standards require AZ to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Parnell said there were no such misstatements noted.

Reineking thanked Dunn and the MRA staff for another great audit report. She thanked AZ, Parnell and Schweitzer for the narrative that goes into it. To the extent the public reads this, she said there are clear explanations of why revenues might be up, or expenses might be up, and how those translate from year to year are really well done.

**REINEKING: I MOVE TO ACCEPT THIS AUDIT REPORT.**

**Brock seconded the motion.**

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

**Motion passed unanimously (4 ayes, 0 nays).**

**124 North Higgins Avenue (Front Street URD) – TIF Request (Marchesseault)**

Marchesseault introduced this project at 124 N. Higgins that came before the Board at the November meeting and was granted a Proceed Without Prejudice to begin deconstruction. Brian and Karen Sippy (Apple Lane LLC) are the developers. The Sippys have since finalized a Tax Increment Financing (TIF) application for deconstruction/demolition and for some right-of-way (ROW) improvements including sidewalk, curb and gutter, pedestrian-scale lighting and bike racks. The TIF request is \$94,611; \$64,468 for deconstruction/demolition and \$33,143 for public ROW improvements. Staff is recommending approval of that request.

Brian Sippy thanked the Board for the Proceed Without Prejudice approval. In December they were able to get into the property and begin deconstruction and demolition with Waste Less Works. They have been able to recycle and resell as much as they can. Brian Sippy said part of their intention in the build-out is to use some reclaimed materials from The Merc glass and from some reclaimed lumber for flooring.

Brian Sippy noted The M Store was able to make a successful move to the corner of Higgins Avenue and Broadway Street and have been able to launch there as scheduled. He noted they have been doing very well there. As far as where they are at with MMW Architects and Western Interstate Construction, they have their Design Excellence review completed and permitting done. They are ready to remove some blight and bring a beautiful heritage building to downtown and increase the tax base.

Brian Sippy said with all the efforts made to preserve the historic pharmacy part of The Merc, they are basically going to try to emulate the RH McKay Art Company that used to sit on the corner of 120 North Higgins before its burn and bring it over as a façade enhancement to the 124 North Higgins property. Downtown on those four main corners of Higgins Avenue/Main Street/Front Street there should be a nice aesthetic of a throwback to early architecture in Missoula, and hopefully a nice mix of their contemporary gallery at 120 North Higgins combined with historic elements. Karen Sippy added that she is very excited to have a new façade downtown in a heritage look. Brian Sippy said they did find the original drawings from 1972 for the Gentry's Men's Store showing everything. Before they get into remodeling, Karen Sippy has worked with the University of Montana's Anthropology students. They will be coming to see the basement because they haven't had access before. Student Nikki Manning wrote the Historic Underground Missoula book.

Englund asked if Relic Gallery is going into the building. Brian Sippy said that is the intention. Radius is going to expand into the 600 square feet that Relic Gallery was using at 120 North Higgins. They have expanded their staff to deal with the new space. He said 120 North Higgins will house Radius Gallery and the basement still has the Art Vault business. They are still in negotiations at 124 North Higgins, but Relic Gallery will be the foundation. They are trying to bring other arts into there such as textiles and jewelry. Overall, it will be arts-driven.

Brock asked if the renderings in Marchesseault's memo with the white crack are accurate or just a place holder. Brian Sippy said that rendering isn't completely accurate, but close. Marchesseault showed the rendering. The black posts are actually bike racks. They have little bicycles stamped on them. Bike locks go through the middle of it and bikes can be put on either side. He found those in Seattle a number of years ago and they are in front of 120 North Higgins, so it will be a continuation of two they already have there. They are a flat black color that matches all of the building trim. The silver galvanized bike rack that is currently there will be removed. The only other façade difference is the sconces on each side. They decided to not do outside lighting, so those lights won't be there. Everything else is accurate. Heritage Timber will do the floors and they feel they have been able to source a similar lot of what is at 120 North Higgins. The purple glass is a piece from The Merc and Brian Sippy is going to do the work to clean them up and get the soot off of them before sending them to a glass artist for finishing.

Reineking asked if there will be an internal access from one business to the other. Brian Sippy said they have no intention of doing that on the main floor, but they may put a connection in the basement as a safety egress for both buildings. The configuration of the buildings is long, 105 feet shotgun buildings. Even though they are code compliant on egress, the reality is that there would be a long way to go from one end of the building to the other, and they have been thinking about using a door as an emergency egress for both sides.

Englund asked what the schedule is for build out. Brian Sippy said right now they are planning to pour the concrete next week. The old barrel façade was not built to hold the weight of glass and brick and the lateral walls would not have held any façade that wasn't made out of light wood. They are putting in a steel moment frame that will be hidden within the storefront and will give them the lateral support to hold up the façade. Since they had to take the roof off up front to deal with the frame, they decided to use the heritage look and feel and go up to the 13-14 feet deck. When you walk in the building you will have some of that sensation you get when you walk into some of the older buildings in town with a vaulted ceiling. The concrete will set up for about a week and then the façade will be ready to be supported. The Sippy's hope is to start on the façade in about two weeks with a June/July finish.

Brian Sippy thanked Marchesseault for taking the project and catching up to their past project and how they are trying to synthesize everything together. He said her memo was beautiful and thanked her for her work.

Brock said the Sippy's personal involvement in the project is so refreshing and exciting. She said the Board doesn't often get to see the actual owner of the project cleaning the glass and being involved like they are, so it is commendable. Reineking said she also noticed the use of simpatico and thought it was very appropriate. She thanked Marchesseault for the memo cover sheet that really makes it very concise and clear, and also specifically calls out how this helps to meet the goals of the City and not just the MRA, as MRA is striving to meet the goals that the City set.

**REINEKING: I MOVE TO APPROVE THE STAFF RECOMMENDATION.**

**Staff recommendation: Staff recommends that the MRA Board approve the request from Apple Lane LLC in an amount up to \$94,611 for deconstruction and improvements in the public right-of-way, with reimbursement for eligible costs upon receipt of proof of payment and lien waivers and authorize the Board Chair to sign the Development Agreement.**

**Brock seconded the motion.**

Pugh read a public comment that came in on this item from John Wolverton. He wrote: 124 Higgins TIF request: Over 2,000 dollars is an incredible amount of public funds for bike racks that do not function. Candlestick (as proposed) or lollipop bike rack forms are not adequate for an orderly locking of multiple bikes. And most problematically - especially for bikes with a load in a basket - they allow the front wheel of a bike to turn and then, especially with cable locks, the bike falls over or rolls out from under itself. The common "elongated A" downtown bike rack designs are the most usable and preclude those issues.

Additionally, they are made available through the city bike/ped program at a very low expense of less than \$300 installed last I checked. Adding pricey style-points to a storefront should not come at the expense of appropriately functional bicycle parking, especially in the public realm.

-- Additionally: The white brick facade of the proposed building will clash with the darker brick and granite facades of downtown. It is the wrong color choice.

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

**Motion passed unanimously (4 ayes, 0 nays).**

**Scott Street Redevelopment Project – Streets, Utilities and Alley Infrastructure (North Reserve-Scott Street URD) – Request to Approve TIF for Engineering (Buchanan)**

Buchanan gave a brief background for the context of the project. The City purchased approximately 19 acres located on Scott Street in 2020. The easternmost half of that had been cleaned up to Department of Environmental Quality (DEQ) and Environmental Protection Agency (EPA) residential standards. The City had dual interest in the property. The easternmost portion that was cleaned up to residential standards was envisioned to help address Missoula's housing issues and provide a mixed-use residential development in that area with neighborhood and commercial. Parcel A is the nine acres that Ravara Development LLC will develop along with their partners. The westernmost nine acres will be part of the City Shops expansion and Public Works complex.

Buchanan said the City ultimately decided to partner with Ravara to move forward with the vision for Parcel A. In February 2021, the City and Ravara entered into a Letter of Intent (LOI) that laid out the big picture items of how the partnership would work. The LOI requires that there be a neighborhood commercial component and homes for sale and permanently affordable in a variety of building types. It requires there be market-rate multi-family housing priced as workforce housing to get some of Missoula's central workers housed here instead of outside the city. The LOI requires facilities for a child care center.

Buchanan said components of the development will be accomplished through three tracts of land. The North Reserve-Scott Street Master Plan establishes an appropriate street grid in that area. The streets being looked at are extensions of existing streets that are called for in the overall Master Plan. Those are Charlo, Shakespeare and Palmer Streets. The extension of Shakespeare Street creates the nine-acre tract that will be part of the City Shops/Public Works complex and the nine-acre tract that will be then further subdivided by the construction of Charlo Street into a three-acre piece that will house the for sale permanently income-qualified housing in two different forms. One will be townhomes and one condominiums to achieve the aggressive goal of 70 units. The southern portion, around six acres, will be developed as the multi-family, mixed-use and commercial component.

Buchanan said another condition of the LOI is that Ravara engage in a very public process with the neighborhood and other interested parties to determine what the form of the development will take. There was a very public process that took place and what is before the Board today is the outcome of that process. She said the public process was a partnership between Ravara and their partners and various City departments and was very

well attended by the public. The first meeting was in person last summer. Subsequent meetings were done virtually because of the uptick in COVID infections in the area. The design was a product of work from Cushing Terrell (formerly CTA).

Buchanan said the way the income-qualified, owner-occupied portion will be achieved is by ultimately deeding that land to a Community Land Trust (CLT). It would be much like Clark Fork Commons and Lee Gordon Place, both of which MRA invested in. The CLT can control resale value on the units which allows the owner to build some equity, but not excessive equity, and keeps them in the range of income levels that is predetermined.

Buchanan said the LOI specifies that MRA would fund the public process, which it did last year, and provide the public infrastructure that is needed to create the tracts of land. What is before the Board today is a request to do the engineering for the streets and utilities that are needed in order to accomplish the design. Ravara has submitted a subdivision exemption application to the City. The planning of the ROWs of Shakespeare and Charlo Streets will create the three tracts of land that will all be under separate ownership. The extension of Palmer Street on the south end is part of the design contract that is being brought to the Board today, but it may not be built at the same time as Charlo and Shakespeare Streets. The primary reason for that is the platting and construction of Palmer Street has a huge impact on White Pine Park to the south. The City has been working diligently to tie down and new location for a new park. There are discussions currently going on around a piece of property further north on Scott Street, adjacent to the Catholic Cemetery. It has the park in a much better location to serve the neighborhood and to serve this new development along with Villagio Apartments, Edgell Building's development as part of Scott Street Village, and the Otis Street Apartments. Buchanan said it really lets the Northside Neighborhood access those locations without having to dodge trucks. Right now there is major truck traffic between the neighborhood and existing Park. Buchanan said everything is being designed now so it can go through permitting. She anticipates permitting will be in hand sometime this fall.

Buchanan said there is a proposal from WGM Group who have done an Opinion of Probable Costs for the construction. It is in the neighborhood of \$3.6 million. That will evolve as the design evolves and there is more known about what is going on under the surface. They have set their fee at \$316,527 which gets it through bidding. There will be a subsequent request that will come back to the Board later for construction management and contract administration, which is not at all uncommon in MRA projects. Ravara will have the contract with WGM Group for the design and will manage that contract. MRA will reimburse Ravara based on invoices, just like it did with the public outreach piece with Cushing Terrell. It is a methodology that works for the City and Ravara and is pretty seamless. The recommendation today is that the MRA Board approve the funding for the engineering that is needed for the streets and utilities with the understanding that there will be subsequent funding requests that will come back to the Board. When it is time to build the streets, MRA will need to issue bonds and make a recommendation to City Council that they issue TIF revenue bonds to pay for it.

Englund said since the last time this project was discussed it seems a milestone has been reached that Ravara and their partners have determined that implementation of this site plan is feasible. Kiah Hochstetler, Ravara, said in massing project they learned that there

wasn't a public easement on the alley between Scott Street Village and this site where the CLT will be built. They have been working with HOA and they have put out an advisory amongst their members. He said that is the largest milestone they have left to move through to implement what the current massing contemplates. There is currently a utility access easement on the property, but not a public access easement. Hochstetler said as the site looks today based on construction costs and all of the other factors that go into it, they've checked those boxes and feel that it's time to pursue this to the next stage of kicking off construction drawings with architects on February 1<sup>st</sup> and proceeding with WGM Group on the infrastructure side of it. He said Ravara is really proud to have found an appropriate construction partner that could tackle this with them, as well as architects and engineers. There is always concern around construction, but the demand and the need for housing has not changed in this town and they think this has a huge roll to play in solving a portion of home ownership for the 100-120% Area Median Income (AMI) individuals. Buchanan added that the alley is a part of the request for engineering and improvements. The City has agreed to assume maintenance of this if the public access easement is granted. It will function like an alley that is platted as part of ROW, but it won't be platted. The City will be responsible for it.

Jones asked when they will know the outcome of the HOA's decision. Hochstetler said the vote comes to a close on January 25<sup>th</sup>. The HOA Board will still need to convene after that. Englund asked if Ravara has been working with the HOA through this process. Hochstetler said they held a Zoom meeting where one of the Board members attended. They held another meeting where there were Board and HOA members. They also held an internal meeting themselves to discuss this. He said there have been ongoing discussions since this issue surfaced in October.

Reineking asked how they think the vote will go and what happens if it gets denied. Hochstetler said there is general concern for the neighborhood, however there is also excitement around the addition of services. Based on conversations today, Ravara believes it will get passed. They do additional maintenance, like plowing, beyond what the City does and so Ravara have offered, through what will be the CLT HOA, to enter into a cost-sharing agreement for maintaining the current standard of care on that alley. They generally believe it will be approved, but they cannot confirm that. Dawn McGee, Ravara, said if the HOA denies it they will have to reconfigure their design because it is predicated on parking for the townhomes off of that alley. If they are not permitted to park off of that alley by virtue of a negative vote it is going to affect the design. They may need to flip most of the townhomes and may need to eliminate some condos. She said they have made it perfectly clear to the neighborhood that the design will be less than ideal for both them and the project. Meaning they designed the best possible design they could come up with to create as much green open space within the project and have permeability from the Scott Street development into the green open space they've designed. She said if they are forced to reconfigure the townhomes so that they're parked within the CLT parking it is going to take greenspace away and there is likely to be a fence and no immediate access. McGee said she thinks the neighborhood will do the right thing, but as Hochstetler said until they have the votes in they are a bit on pins and needles and keeping their fingers crossed.

Reineking asked if they can assume WGM Group will still be good with the amount requested or might there be an amendment. Jeff Smith, WGM Group, said the way the

estimate is structured they alley could be located south of the property line and their fees would hold. He said they are covered in both cases.

Englund asked Smith to walk the Board through the rendering of the development to show them where things are that were being discussed. Reineking said she could see how critical the parking spaces are to the design and trying to find them in some other space would be difficult. Englund asked if WGM Group was going to design Charlo, Shakespeare and Palmer Street. Smith concurred. Buchanan said there are also some improvements on Scott Street where they are adding sidewalk and boulevard landscaping. Reineking asked if lighting was being added. Smith said yes and that the Scott Street configuration is spelled out in the North Reserve-Scott Street Master Plan and they included it in their fee estimate for Master Plan improvements which are a landscaping strip, sidewalk and an additional landscaping area behind the sidewalk. They do have street lighting in the estimate as well.

Englund asked what utilities are included in the estimate. Smith said they include the storm drainage associated with the ROW streets, sewer and water mains only (not the service lines). Smith said they are fortunate that the existing infrastructure surrounding the site supports this development well. There is existing sewer and water right at the perimeter to extend onto the site. Buchanan said during the sequencing of this they will go in and put in the wet utilities first so they have hydrants in place that will then allow combustible construction to come out of the ground before the streets are completely finished. There will have to be a passable access for the Fire Department to get equipment in there.

Englund asked if the townhomes will be under the CLT. McGee replied both the townhomes and the condos will be under the CLT. Englund said they really do need that alley. Buchanan said it makes for a much nicer design if they have it, and added it is to Scott Street Village owners' advantage to do it, particularly with the partnership on maintaining the alley and snow removal.

Reineking said she noticed on the graphic in the memo it does look like there will be trees planted within that parking area and thinks that is good. She also said it's a good design to have some home ownership buffer between the home ownership at Scott Street and the rental units beneath. She said it's a nice transition and appreciates it. After reading the article in the Missoulian the other day about the County's consultants presented to the County on how difficult it is for private developers to do anything other than planning and development, she is glad that Ravara is determined to do projects like this. McGee thanked Reineking for the comments.

Jones asked Smith if he is confident that in the unlikely event that there is a negative vote, the current estimates will allow WGM Group to redesign to accommodate the remassing of the project if necessary. Smith said the way their estimate has been prepared is based on a lineal foot of land. They have a certain dollar amount for each linear foot of Charlo, Shakespeare, Palmer and the alley. Any redesign is very unlikely to significantly change the overall lengths of those roadways and relation to the utilities that are installed. He said the orientation and location could shift, but he doesn't foresee a condition where there is any type of order of magnitude change to the lengths of roadways which is what their estimate is based on. Buchanan said the big impact is going to be on penetration through the project and on greenspace.

Englund asked if the deliverable is design of the roads and utilities in documents that are ready to be bid. Buchanan said it takes it through bidding. Englund said they'll have the design complete so it can be bid and then WGM Group will have a certified bid tabulation and recommendation to MRA as their final deliverable along with construction documents. Jones said the hope would be to have that in the fall. Buchanan said that is the hope, although with everything these days, permitting and the length of time it takes for that is going to be a factor whether it is with the City or with the state for the utilities.

Reineking noted the memo cover sheet project description section references URD III and needs to be updated.

**JONES: I MOVE TO APPROVE THE STAFF RECOMMENDATION.**

**Staff Recommendation: Staff recommends that the MRA Board approve the request from Ravara to provide funding for the engineering proposal from WGM Group for design of the streets, utilities and alley improvements per the Letter of Intent between the City of Missoula and Ravara in an amount not to exceed \$316,527, authorize MRA staff to make payments based on approved invoices and authorize the Chair to sign the necessary agreements.**

Reineking seconded the motion.

No further discussion. No public comment.

Motion passed unanimously (4 ayes, 0 nays).

**500 Block of Burton Street – Improvements (URD III) – Request to Amend Contract with Morrison-Maierle (Gass)**

Gass presented this item located at the 500 block of Burton Street. He showed a map of the project area that shows the location of the improvements. The improvements include curb, sidewalk, drainage improvements and trail connection at the south terminus of Burton Street and improvements to the approach to the footbridge that was installed as part of the West Broadway Island Project on the east entrance to the Island. Gass said the improvements in these two areas were part of the West Broadway Island Project. As the bids came in for that, they were quite higher than anticipated, so the project scope was reshuffled and these improvements were removed to bring it within the budget constraints. Shortly after that, developer Alex Subrayan came to the Board with a project on the southwest end of Burton Street to build an apartment complex. Part of his requirement from the City was to build out the ROW improvements as part of his building permit. That project was awarded TIF assistance for his demolition, deconstruction and ROW improvements. Gass said the thinking at that time was that the design for the West Broadway Island would be folded into his project and his contractor would then build out the ROW improvements on Burton Street. As that process unfolded, there was disagreement to the design of what the sidewalk should be on Burton Street adjacent to Subrayan's project.

Gass said in June 2021 the 500 Block of Burton Street project came before the MRA Board with a request to enter into an agreement with Morrison-Maierle who was the project engineer on the West Broadway Island. They were tasked with getting to a final design on

the Burton Street ROW improvements. By the time that worked through several discussions with various City departments and a meeting on-site with Subrayan, it was too late in the construction season last year for Subrayan's contractor to get the work done. At this point, MRA staff determined to modify the Development Agreement with Subrayan and remove the ROW improvements from the Agreement and take it on as a MRA sidewalk project and deal with it more comprehensively. The design Morrison-Maierle completed and was approved by the City has the two areas in it that MRA can address and get it all completed. In order to do that, MRA needs to further modify the Professional Services Agreement with Morrison-Maierle to add in certain tasks and services to complete it as an MRA project including completing the bid documents and enhancing the construction and contract administration for construction oversight, and also to add in project close-out services for getting it to final completion with a two-year warranty inspection down the road. Gass said Craig Schaeffer with Morrison-Maierle has provided a proposal to MRA to add the services to the agreement, not to exceed \$9,700.

Gass said he has had some discussions with Subrayan and he wanted to express his concerns with the design that was approved by the City. Gass reviewed the design. He said Subrayan is still not in agreement with the design of the sidewalk next to his newly constructed apartment complex. His concerns center around the undesirable activity that the West Broadway Island has had a history of and how that spills over into the area where his apartments are. He is concerned with safety for his tenants. He said people congregate and continue to cause difficulty in that area. Subrayan has been a property owner there for many years and has a lot of experience and observation as to what goes on. Gass said he understands the concerns, however in talking to him he has expressed that generally (not always), as improvements are made to an area it begins to transform what it has been into a new area where the public begins circulating through there with more activity which often times leads to a decrease in the undesirable activity. Gass said Subrayan is not particularly trying to oppose the project, but wants his views read into the record. Below is a letter from Subrayan:

Tod,

Thank you for sharing the plans for the Burton St. sidewalk along my property at 515 Burton St. Missoula, Montana.

I am unable to attend the noon zoom meeting today. I have Informed Marie Wilson regarding our conversation and the meeting today.

As we discussed ... please share my views regarding the project. Just to recap ... I wanted it on record that I object to the sidewalk being that close to the building due to the crime and ongoing safety concerns in that area.

I believe that it will become a liability when we knowingly put a sidewalk that close to a building especially in that area. There has been too many cases of vandalism, harassment, assault, open public substance abuse and other illegal activities in that area. It has only gotten worse over time and I have addressed it to the mayors office and the police department.

As a property and business owner in that area for over 20 years, I am concerned. I have invested a lot of time and money to improve that property. I would like to have a fair shot of having a safe and reasonable condition to operate my business like everybody else in Missoula.

I would definitely like to see an improvement in that area and am willing to be a part of any positive effort. Thank you for taking the time to talk to me yesterday.

Regards,

Alex Subrayan.

405 880 2539

Gass said it is MRA's intention to move forward and construct the design as an MRA sidewalk project. He added that Brian Hensel, City Streets Department, has generously offered and committed to doing the paving for the project. In talks with Hensel, he said he wasn't sure what his material costs would come in this year, but he would try to cover it. If he doesn't think he can, MRA and the Streets Department will enter into a Memorandum of Understanding (MOU) and MRA will purchase the materials for the paving and the Streets Department will provide the labor and equipment. Gass said that could come back to the Board in the coming months if the Streets Department can't cover those costs.

Gass said the staff recommendation is that the MRA Board move to approve an amendment to the July 21, 2021 Morrison-Maierle Professional Services Agreement in an amount not to exceed \$9,700 for the additional professional services to complete the 500 Block of Burton Street ROW improvements and the West Broadway Island east footbridge approach as an MRA sidewalk project.

Englund asked if Subrayan has an alternative for the design. Gass said he would like to see no sidewalk on the west side of Burton Street. Gass told him the City constructs sidewalks on both sides of the street where there is ROW width and no obstructions. Subrayan understands that and would like to see that the sidewalk be curbside next to the parking lot in order to get it further away from the apartment building. Gass said the big debate was over curbside sidewalk or boulevard sidewalk. The City standard for constructing sidewalks is boulevard sidewalk unless certain conditions can be met that would justify an exemption to that rule. Those are usually a lack of ROW width or elevation differences which make it unfeasible to construct the boulevard sidewalk or mature landscaping to where the sidewalk would be moved to protect them. None of those conditions are present here so the City will not issue an exemption to a boulevard sidewalk. Gass said he did mention to Subrayan that in the drawing it looks like there has been some concession or compromise on how the City is running the sidewalk through there. Subrayan doesn't agree with that, but Gass said they have pulled it away from the fence as much as they could while still trying to maintain a minimum boulevard there to get street trees planted in and still meet the sidewalk boulevard standards.

Reineking asked if the fence will remain in front of the apartments. Gass said yes. She asked if the boulevard will have any landscaping. Gass said it's called out for topsoil, seed for grass and three to four trees. She asked if lighting was planned for. Gass said they don't have lighting as a component of the project. The parking lot for the apartment complex has light, but street lighting is not a component. Englund asked if lighting should be looked at, given the safety concerns. Gass said they can look at that. He said depending on how it's done there could be opposition from the people living there if they don't want lighting. Perhaps something that has the lighting focused down could be looked at. Gass said they will have to further amend the engineering contract to bring in electrical engineering. MRA could move forward with bidding the project and come back with a change order to add in a light pole or two. Buchanan said the need for street lights is a very valid point. The City has been doing everything it can to discourage the type of activity taking place down there for several years. She suggested moving forward with today's proposal and getting a price from Morrison-Maierle to look at options for street lights which can come back to the Board. She said if MRA does put street lights in they need to be the

same ones used as the standard for the urban core, and the calculations are already done for the standard fixtures and luminaires. Englund asked if Morrison-Maierle would be designing something that would then have to be ripped out to put lights in. Buchanan said no, MRA would ask them to assume that lighting might be a part of this as they move forward with the surface design. Reineking asked if the luminaires are Dark Skies compliant. Buchanan said they are.

Englund said the Board can approve today's request with the understanding that they would like somebody to look at the lighting issue as a possible addition to this and as a mitigation to the property owner's concern about safety and security. If that does come to fruition the Board will hear more about it at a subsequent meeting. Gass said he will talk to Schaeffer about adding a lighting component. Buchanan said the other option is that if the cost of designing in the street lighting is less than \$5,000 she can authorize that and keep the Board in the loop. Englund added he thinks there will need to be some sort of public outreach there because they want to be sensitive to people's concerns about too much light. Jones said she thinks everyone is really sensitive to the concerns of the property owner about the safety issues and wants him to know that all of the investment made in the West Broadway Island area has been to improve the safety and security of that area and make this area usable and attractive to the general public. These improvements, while MRA understands his concerns, the hope is that they would achieve part of a solution to those concerns, although no guarantees can be made. Gass said he and Subrayan had a lot of discussion on that. Subrayan isn't convinced that it will transition, Gass said he is a little more optimistic that it will, and it is definitely transitioning for the better on the south end of Burton Street.

Jones requested the staff recommendation be amended to include the analysis of adding lighting.

**BROCK: I MOVE TO APPROVE AN AMENDMENT TO THE JULY 21, 2021 MORRISON-MAIERLE PROFESSIONAL SERVICES AGREEMENT IN AN AMOUNT NOT TO EXCEED \$9,700 FOR THE ADDITIONAL PROFESSIONAL SERVICES TO COMPLETE THE 500 BLOCK OF BURTON STREET RIGHT OF WAY IMPROVEMENTS AND THE WEST BROADWAY ISLAND EAST FOOTBRIDGE APPROACH AS AN MRA SIDEWALK PROJECT AND INCLUDE AN ANALYSIS OF STREET LIGHTS ON BURTON STREET.**

**Jones seconded the motion.**

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

**Motion passed unanimously (4 ayes, 0 nays).**

**Behan Professional Services Agreement – Request for Approval (Buchanan)**

Buchanan said she received an email from Nancy Moe, Board member who was not present at the meeting, saying she was very pleased that Chris Behan may continue his association with MRA through this Professional Services Agreement. She said the long and short of it is that staff is swamped and there is no letup in sight. Projects are getting bigger and more complex. Behan decided to retire in the middle of a pandemic where you can't do any of the things you would normally do in retirement. It seemed like an opportune time to

see if he had any interest in coming back on a contract-basis to help out. Buchanan said the new Deputy Director for MRA, Annie Gorski, will start on March 1<sup>st</sup>, but that is still over a month away and MRA could use some help.

Buchanan said the request is to approve a standard Professional Services Agreement where Behan has created an LLC (Behan Development Consulting, LLC). Staff has worked through it with the City Attorney and he is happy with it. The Agreement sets a process in place with an hourly rate of \$60 plus material costs. It caps at 960 hours within any given calendar year for purposes of Behan's retirement through the state retirement system. Behan said the rate is based on what he was making as a wage plus benefits as of last June.

Reineking said even though Annie Gorski will start on March 1<sup>st</sup>, there will be a learning curve for her, and she is glad that Behan will be available to help with that, as well as to help with projects. She said this Agreement will remain in effect in case MRA needs help in the future on specific projects and it looks like a good deal. Behan said he is looking forward to having something challenging from time to time and listening to today's projects they are very familiar to him, so it won't take too much of a learning curve to jump in. Reineking said she thinks the challenge will be to limit it and focus Behan's efforts.

**Englund said the staff recommendation is to approve the Professional Services Agreement to engage Behan Development Consulting, LLC to perform work for the Missoula Redevelopment Agency and authorize the Chair to sign the contract.**

**REINEKING: SO MOVED.**

**Brock seconded the motion.**

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

**Motion passed unanimously (4 ayes, 0 nays).**

## **NON-ACTION ITEMS**

### **STAFF REPORTS**

#### **Director's Report**

Buchanan said she was happy to answer any questions from her report.

#### **FY22 Budget Status Reports**

Dunn said the Reports are through December. There was some debt service activity under the "Debt Service" category. She said what is shown is what MRA expended for debt service payments and those come out of the general ledger. She pointed out that in URD II the Ponderosa Village was reprogrammed into the contingency. That project fell through due to COVID and the developer withdrew their application. Gass has advised them that if they decide they want TIF assistance they will need to reapply. She noted that Hellgate URD is the only district MRA does not have bonds issued in so there are no debt service requirements. Buchanan said the uncommitted funds balance in URD III is pretty healthy. She said if the Brooks Corridor project moves forward they know there will have to be a

significant match to be able to get Federal Transit or other infrastructure funding. She said while that number might look excessive, it really isn't. If the City is successful in doing that project the way it is envisioned now there will need to be a \$10-20 million match to be competitive because the project is in excess of \$50 million. Reineking said she hopes that doesn't preclude other projects from being funded. Jones asked if MRA would be evaluating large bonds for that project. Buchanan said yes. Jones said she shared Reineking's concern and comment which is there is great opportunity for additional development beyond just the street project, which is significant. She hopes MRA would be leveraging as much as possible to allow for greater opportunities. Buchanan said URD III has a very large bonding capacity.

Buchanan said with respect to the Scott Street project, staff will look at taking a Reimbursement Resolution to City Council so that when bonds are issued for the construction of those streets they can go back and pick up the engineering costs and free up cash in that district. She said MRA doesn't technically have to do that because it is engineering costs, but it is not a bad thing to keep these projects in the public eye and in front of City Council. Englund asked if that is done before the bonds. Buchanan said yes.

### **COMMITTEE REPORTS**

Englund said the City Council and MRA will be meeting again regarding the TIF cap.

### **OTHER ITEMS**

Dunn said staff sent out a nearly final draft of the communication piece Six Pony Hitch, LLC has been working on for MRA. She prepared a TIF explainer and examples of projects MRA has been involved in. It is a digital design piece, so it looks good in digital format for the website, etc. It can also be printed and when it's ready it will be sent to Alpha Graphics to be produced. It was sent to the Board for comment. It is not out to the public yet because it's not quite the final draft and staff has a couple more tweaks for it. Dunn reviewed the piece. Buchanan said if you happen to be downtown around dusk, go past the Union Block building because it is unbelievable with the lighting coming from the offices and new windows. It is something to be really proud of and is the project highlighted under "Historic Preservation".

Reineking said there were a couple of times when she and Buchanan did presentations for the Citizen's Academy and Buchanan would reach a point where she said "this is my favorite project". She said she looks at those projects and is proud of every one of them. She likes that MRA chose a small business and she hopes the public realizes that MRA does love to hear from small, local businesses and help them. Examples are Trailhead River Sports or the Sippy's art buildings. Reineking said she likes the river metaphor in the TIF explainer piece and said it is clear from a couple of the boxes that MRA does have to rely on those private developments in order to generate tax revenue to fund the public projects. Reineking said sustainability and equity and well identified in the project highlights portion. Dunn said those come directly from the City's Strategic Plan as community goals. Buchanan said staff tried to be deliberate about the projects chosen. A lot of them really are wrapped in livability, sustainability and equity concepts. Reineking said Board and staff are familiar with that. She asked her husband to look at it, and while he's not unfamiliar with the MRA, he agreed that it is well put together and liked the river metaphor. It is something that will resonate with the whole community.

Brock said she is excited to share it and asked to get the final when it's ready. Jones said the graphics were very thoughtful. She loved the use of the river because it fits Missoula and the analogy is really helpful. The more you look at the graphics, the more meaningful it becomes with the street lights, trails, buses, roundabouts, etc.

Englund asked if MRA can get the template for the projects page so it can be updated. He said he agrees with everyone's comments and thinks it is well done, but the problem he has is that it sits on the web page for months or years and doesn't get updated. It would be nice if staff could periodically pull different projects into it, or even add pages. Buchanan said it would be easy enough to substitute different projects every couple years. She said it would be interesting to see if there is a way to update the TIF explainer to reflect new types of projects that come out of the ground, such as Riverfront Triangle, and show that along the river as it develops.

**ADJOURNMENT**

Adjourned at 1:58 p.m.

Respectfully Submitted,

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

Lesley Pugh