

MISSOULA REDEVELOPMENT AGENCY

CONDENSED BOARD MEETING MINUTES

May 19, 2010

FINAL

A meeting of the Board of Commissioners of the Missoula Redevelopment Agency was held at MRA Conference Room, 140 W. Pine, Missoula, MT 59802 at 12:00 PM. Those in attendance were as follows:

Board: Hal Fraser, Daniel Kemmis, Rosalie Cates

Staff: Ellen Buchanan, Kari Nelson, Tod Gass, Jilayne Lee, Lesley Pugh

Public:

APPROVAL OF MINUTES

April 21, 2010 Regular Board Meeting Minutes were approved as submitted.

April 27, 2010 Special Board Meeting Minutes were approved as submitted.

PUBLIC COMMENTS & ANNOUNCEMENTS

STAFF REPORTS

Director's Report

East Front St. Parking Structure

Buchanan said she thinks the parking structure is taking significant strides forward. She said they've managed to get the Holiday Inn to agree to some language in there that wouldn't be acceptable about land use restrictions in perpetuity. She said they're also working through financing and the terms of the option to transfer the land from First Interstate Bank to the Parking Commission. She said the MRA Board will need to have a discussion about the issue of the reimbursable expenses for First Interstate. Cates asked what kind of request it will be. Buchanan said several months back there was an agenda item where about \$1.6 million was identified as being eligible for tax increment assistance including demolition, utility improvements, sidewalks, etc. Buchanan said she's been steadfast in saying that the MRA Board will not be put in a position of having to make a determination on First Interstate until it can see the whole picture.

Downtown Master Plan

Cates said the pedestrian management on this project is not at 100%. Buchanan said she mentioned this at the last project meeting and will re-emphasize it again.

Kemmis said he's communicated with Phil Smith, Bicycle/Pedestrian Coordinator, about crossing from the Holiday Inn to behind First Interstate Bank where the Bank St. Plaza is

located. He said it seems to him like there has to be a way to indicate a pedestrian crossing there. Buchanan suggested doing a speed table, which is also a pedestrian crossing, across Pattee St. when they do the parking garage which will tie the parking garage to the Bank St. Plaza.

Old Sawmill District

Buchanan said Staff continues to work with Millsite Revitalization Project (MRP) to move forward with what will happen to the balance of the Brownfields money that the City has received. She said the Environmental Protection Agency (EPA) has determined that Silver Foundation, as a non-profit, is eligible to receive American Recovery & Reinvestment Act (ARRA) money as a grant rather than it having to be paid back. There are ongoing discussions about what will happen with the wood waste conversion project.

Fraser asked if any part of their project will be moving. Buchanan said Kevin Mytty has made the comment that if anything moves forward it's likely to be multi-family housing.

FY 10 Budget Status Reports

Lee reviewed the reports for URD II and URD III.

Change tape 1 s1/s2

Fraser asked if there's any recourse for Prudential for the work MRA did to prepare utilities for their project that never got built. Buchanan said part of the rationale for doing it was that Prudential could have gotten service with just a service line. MRA did the main extension to open up the ability to develop the property behind Prudential's site and Northwestern Energy.

ACTION ITEMS

FY 11 Preliminary Budget – Request for Approval

Fraser said he thinks the funds should be in the community banks rather than national banks like Wells Fargo and US Bank. Lee said Staff will find out where the money is.

Lee reviewed the FY 11 Preliminary Budget for MRA. Lee said she and Buchanan discussed moving MRA's administrative expenses from URD II to URD III since it has a better cash flow. Therefore, FY 11 is budgeted for that to happen. Also, Lee said there are no salary increases for FY 11.

Buchanan said the Mayor has requested that MRA budget \$20,000 per year for the next five years to go towards the Best Place Project. Kemmis said he had been a little bit dubious about having people from Georgia tell people in Missoula what they need to do here because it's such a different part of the country. He said he always worries a little bit when people start talking about branding Missoula. He said if there's any brand of Missoula it's that there is no brand. Kemmis said he gets nervous about the whole enterprise, but one advantage of having gone outside is that it has enabled Missoulians to put their fingers on some of the weaknesses that they've always known existed but in a

way were too polite to say anything about. He said unless this continues to have a very strong level of home grown control he sees the prospect of it going off base.

Fraser said his opinion is that it's something that has needed to happen. He said bringing the public entity/political part of the City into the economic picture; he feels they need to be part of the leadership of the process. He said he also thinks the University of Montana is just getting up to speed on some issues that have been lacking. He said he doesn't think Missoula needs a brand, but a lot of things need to be brought together and there needs to be some commonality on who will lead it. He said he wants to see the people that can really recruit business, a couple are politicians and some are leaders of private businesses, be involved in the process. Fraser said he was glad to see St. Patrick Hospital driving this because the medical/health care field is one of the centers of this along with the University. He said the leading group needs to consist of five to seven members who are leaders and large employers in the community. Fraser said as far as the consultants being from Georgia, he didn't think that mattered all too much.

Cates said she thinks the process was important to help with the problem. She said she wonders if people will actually face it or walk around it. Also, she said she thinks the consultants gave a cookie cutter approach and she doesn't think it fits Missoula. Cates said she hopes the Mayor doesn't say he has his answer and raises the money because she thinks Missoula will be right back where it was again with a simplistic, cookie cutter approach.

Kemmis asked if MRA will maintain a seat at the table in some way. Buchanan said she suspects so. Cates asked how much money will be needed over the \$20,000 per year for five years that MRA will put in. Buchanan said they're talking around \$700,000. Kemmis said if they're going to have MRA money in it then it's important that the redevelopment perspective be appropriately reflected in the overall strategy. Fraser said it is his understanding that MRA will be a big part of it.

Buchanan said she was at the MAEDC Board meeting and she thinks this will have a positive effect. She said Dick King did a good job of responding in the press and the tangible thing that has come out of it is that MAEDC is going to have a retreat to find out who and what they are in meeting their mission.

Change tape 1/tape 2

Buchanan said her sense of this is that the two consulting firms were brought in to do two different things. One piece is the swot analysis and it was not a pretty picture, but it pointed out some serious weaknesses and some strengths. She said the other piece was to determine funding capacity in the community and the question now is whether or not that firm will get hired to conduct the fundraiser. Buchanan said her sense was that where this goes will definitely be a local leadership decision and won't bring someone in from the outside. She said there was talk about branding, but said she thinks it's more that Missoula doesn't know what it's selling. Discussion ensued.

Lee said the preliminary budget was submitted to administration and will go to City Council. She said the City Council will vote on the preliminary budget, even though in

MRA's situation isn't too accurate because MRA doesn't have the taxable values or mill levies. Cates suggested MRA change the wording in the budget from Best Place Project to Economic Development.

Kemmis asked if there was anything specific in mind for the West Broadway Corridor Improvements. Buchanan said no, it's a placeholder. She said it's been in the CIP for three years to earmark money so that if the City decides it wants to do something there then enough money will be available to do a bond issue or supplement other funding. She said the City has been told by the DOT that it can't do anything out there that undoes what they did without paying them back.

Fraser asked for a motion to approve the FY11 Preliminary Budget as of 4/30/10.

MOTION

KEMMIS: I'LL MOVE THAT THE PRELIMINARY BUDGET BE APPROVED. Cates seconded the motion. 3 ayes, 0 nays. Motion passed unanimously. Moe and Englund absent.

NON-ACTION ITEMS

URD III Residential Sidewalk Project – Engineering Status Report

Gass reviewed his memo and updated the Board on the engineering budget status progress on the URD III Residential Sidewalk Project. He said the Board originally approved an amount of \$206,641 for contract services with Territorial Landworks, Inc. (TLI). This number includes \$104,341 for preliminary design of the entire project and included final design contract administration for Phase I. It also included \$102,300 for final design and contract administration for future phases of the project.

Gass said he and Buchanan met recently with TLI to discuss the project phasing strategy and Phase 2 engineering contract amendment. He said the recommendation to MRA is that it does a three phase project over the next two years, allowing MRA to take advantage of the favorable bidding climate. He said the initial Phase 4 of the project will become Phase 2 and the initial Phases 2 & 3 will be combined to be the final phase of the project.

Gass said Staff did some research and discovered the intent in creating the District and establishing a boundary was to include the entire boundary street and alleys rather than the centerlines as noted in the boundary description. Staff went through a process with the City Clerk's office to clarify the boundary and rewrite the description. The clarified boundary increased the project scope by several blocks (roughly 19%); therefore increasing TLI's engineering scope of work by an estimated 22%. Gass advised the Board that there will be a future request to increase the total engineering budget due to the expanded scope of work. He said TLI anticipates an estimated increase of \$46,000 to complete all phases of the project.

The Board thanked Gass for his good work on the sidewalk projects.

COMMITTEE REPORTS

OTHER ITEMS

ADJOURNMENT

At the end of the meeting, the Board went into executive session to discuss compensation issues and adjourned at 1:30.

Respectfully Submitted,

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

Lesley Pugh
Secretary II