

MISSOULA REDEVELOPMENT AGENCY

CONDENSED BOARD MEETING MINUTES

February 17, 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, Nancy Moe, Rosalie Cates, Karl Englund, Daniel Kemmis (via telephone)
- Staff:** Ellen Buchanan, Chris Behan, Kari Nelson, Tod Gass, Jilayne Lee, Lesley Pugh
- Public:** Geoff Badenoch, Spruce St. Plaza; Jamie Lockman, MRA Rep to the HPC; Jeremy Keene, WGM Group; Brian Hensel, Street Dept.; Matthew Smith, PCI

APPROVAL OF MINUTES

January 20, 2010 Regular Board Meeting Minutes were approved as amended.

PUBLIC COMMENTS & ANNOUNCEMENTS

STAFF REPORTS

Director's Report

Old Sawmill District

Buchanan said she's been working with the developers to determine where the Cregg/Wyoming connector is in terms of engineering. She said there's a Jobs Bill that's part of the stimulus package that's in Congress right now and may come out with a spending piece. Buchanan said it looks like the project is positioned, engineering-wise, that they may be able to take advantage of some of the funding if it makes sense to do it. She said with the short time frame to respond to the stimulus funds, they need to have projects ready to go. She said she'd like to see other projects that MRA has been working on be eligible for the funds.

Moe asked what MRL's participation on the trestle is. Buchanan replied MRL would like the City to build a new trestle if it wants public right-of-way through there. She said the City is working with MRL on the timing of that. Moe asked what the life span of the trestle is. Buchanan replied MRL's position is that the trestle is serviceable right now for what it is there for. She said there's no permanent public right-of-way under the trestle and MRL won't grant one unless there's some surety about the reconstruction of it. It has 10 or fewer years before it needs attention.

East Front St. Parking Structure

Buchanan said she had a meeting with the Parking Commission (MPC) and First Interstate Bank (FIB) to review the Holiday Inn's next round of things they would like to see in any agreements. She said the bar continues to move in a direction that's not very acceptable.

Downtown Master Plan

Buchanan said the North Higgins project is out to bid. Bids will be opened the end of next week.

Other Items

Buchanan said Rocky Mountain Development Group (RMDG) has received verbal notification that their preliminary EDA Grant request has been recommended to move forward.

Budget Status Reports

Lee reviewed MRA's financials.

Cates said she found it interesting that the reports don't show the debt service. Lee said it doesn't show on the rainbow reports because that number is moved right away so it's not affecting what there is to look at.

Cates and Fraser asked that Lee change the title at the top of the rainbow reports from "Revenue" to "Revenue less Debt Service".

ACTION ITEMS

Spruce St. Plaza – TIF and CRLP Requests to Proceed Without Prejudice

Behan said Talbert Demeester owns the property where Toole and Spruce come together to form Meadowgold Dairy. He said there has recently been a substantial residential development there with about 39 rental units. Although Staff spoke with the Demeester's architect a few times, they never came back with an application to help with eligible items.

At this time, Demeester is moving ahead with a second phase which will include redevelopment of an additional building along Spruce St. next to the railroad and possibly portions of the buildings on the north side of Spruce St. Behan said there will be requirements for substantial curb and sidewalk work. Geoff Badenoch, Demeester's representative, said the first phase was completed and as of last week all 39 units have been leased up. He said there's also some commercial office space on the ground floor that has been leased. Badenoch said the area is in transition from a warehouse/manufacturing area into an urban area with residential and commercial. Badenoch said he's excited about the project and it's the kind of redevelopment that's necessary and beneficial to the area.

MOTION

KEMMIS: I MOVE THAT THE BOARD GRANT PERMISSION TO PROCEED WITHOUT PREJUDICE FOR A FUTURE TIF APPLICATION FOR PUBLIC RIGHT-OF-WAY IMPROVEMENTS AT THE SPRUCE ST. PLAZA. Cates seconded the motion. 5 ayes, 0 nays. Motion passed unanimously.

Change tape 1 s1/s2

Catlin/Wyoming Curb & Sidewalk Project - Request to Award Construction Contract

Gass reviewed the scope of this project and said five bids were received for the project. The low bid was submitted by Knife River in the amount of \$420,000. This bid is lower than the engineer's estimate of \$435,932. Gass said the engineer, Professional Consultants, Inc. (PCI), has reviewed the Knife River bid and found it to be correct and complete. Staff recommendation is to award the construction contract for this project to Knife River.

Fraser asked Gass about the indicated future Milwaukee Trail in the map included in his memo. Fraser asked if anything was being done on that with this bid. Gass replied part of this project will be to build a raised table crossing where the trail crosses Catlin St. He said the table will be stamped and colored concrete.

MOTION

ENGLUND: I MOVE WE APPROVE AWARD OF CONTRACT FOR THE CATLIN/WYOMING STREET CURB & SIDEWALK PROJECT TO KNIFE RIVER IN AN AMOUNT NOT TO EXCEED \$420,000, AND AUTHORIZE THE BOARD CHAIR TO SIGN THE CONTRACT AND AUTHORIZE STAFF TO SIGN THE NECESSARY DOCUMENTS TO EXECUTE THE CONTRACT. Moe seconded the motion. 5 ayes, 0 nays. Motion passed unanimously.

Catlin/Wyoming Curb & Sidewalk Project – Request to Amend Engineering Contract with PCI

Gass said Staff was approached by the architect for Sussex School and were advised of some work they're doing. The school is outside of the MRA boundary, however some land across the street that they own on the east side of Garfield is inside the boundary. Improvements the school is planning include demolition of one of the old buildings on the school site and construction of a new building with classrooms, adding landscaping, and adding curb, sidewalk and parking on the east side of Garfield. The curb and sidewalk the school is planning essentially picks up where MRA's Catlin/Wyoming sidewalk leaves off. Gass said it's a logical extension to the Catlin/Wyoming sidewalk project. He said PCI would do the surveying, engineering and design of the extension for \$5,750. Also, it will cost \$1,500 for work outside their current scope of services for design and engineering on the 4-G building's curb & sidewalk, and design and engineering on the Milwaukee Trail crossing. The Staff recommendation is to approve the total amount for the changes in an amount not to exceed \$7,250.

Matthew Smith from PCI said it's a little unfortunate they learned about Sussex School when they did because the number they're giving to be approved should be less than it is.

However, since they have to send crews out again to do the work so that's why the price is higher.

Gass said if the Board approves this, Staff will bring the change order back to the next meeting to change the contract. Today's portion is just to add the design work into what is being done now. Fraser asked if Gass knew what the contract change might be. Smith said they haven't put together any preliminary numbers together yet. Buchanan said they do have unit price numbers so they are competitive and it will be cheaper to do it as part of this bigger project rather than independently. Discussion ensued.

Cates asked if MRA would be asked for help on the 4-G piece had it not had the Sussex piece. Gass said he thinks it would have come up. Englund asked why MRA didn't know about Sussex or why they didn't know about MRA. Buchanan said MRA had no idea they were planning expansion of their school site and MRA has been communicating with them. They were at the public meetings last fall about the sidewalk project. Buchanan said Sussex contacted her a few weeks ago to see if MRA could help them with demolition, however they are not in the URD.

MOTION

CATES: I MOVE WE APPROVE THE BUDGET ADJUSTMENT, AS TOD RECOMMENDED, IN AN AMOUNT NOT TO EXCEED \$7,250 AND AUTHORIZE THE CHAIR TO SIGN THE BUDGET AMENDMENT. Moe seconded the motion. 5 ayes, 0 nays. Motion passed unanimously.

Fraser referred back to the rewarding of the Knife River contract on the 4-G building's sidewalk. He asked if the sidewalks would be torn out when the sustainable building project comes about. Buchanan replied no. She said it's designed to accommodate that project and Home Resources is already moving in.

There was discussion regarding the line items in the bid tabulations included in the memos from Gass. Smith said they do look at them and make sure there isn't something they'll have to make an adjustment on later. Buchanan said part of the discrepancy is where the contractor buries contingencies.

URD II Streets Project – TIF Request

Gass said MRA received a TIF request from the Street Division of the City of Missoula for assistance with milling and repaving the streets that are affected with the Catlin/Wyoming sidewalk project. Gass said the work will be completed in FY2011, but the request is being made now so the Street Division can plan accordingly.

In revealing the URD II Public Works Contingency fund, it shows that MRA has adequate funds to respond to the request. Gass said MRA has historically spent TIF monies for street milling and repaving. Infrastructure improvement is an appropriate use of TIF monies. Gass reviewed the cost breakdown of the work from the Street Division. Total costs are approximately \$207,697 for three sections of street: Catlin, Wyoming and S. 2nd St. Staff recommendation is to approve the request from the Street Division.

Brian Hensel, Street Division Superintendent, said he doesn't know how much material bids will be yet as far as asphalt. He said he will bill MRA for actual costs. He said if the cost is less, MRA will reap the benefits. If it's more he will need to come back and ask for approval unless it's under the \$5,000 cap of the Director's approval. He said he will know for sure March 1st what the actual cost will be. Hensel thanked the MRA Board for considering the Street Division doing the projects and helping them. He said it's in the Street Division's best interest to do it right the first time because they are the ones who have to take care of it when the project is done. Hensel added that if he's out there and has extra he will finish the small portion to Garfield.

Change tape 1/tape 2

MOTION

MOE: I MOVE THAT THE BOARD APPROVE THE REQUEST TO MILL AND REPAVE THE STREETS STATED IN THE RECOMMENDATION AND AUTHORIZE THE CHAIRPERSON TO SIGN AN AGREEMENT WITH THE CITY PUBLIC WORKS STREET DIVISION, DEFINING THE PROJECT AND TERMS OF PAYMENT NOT TO EXCEED \$207,697. Englund seconded the motion. 5 ayes, 0 nays. Motion passed unanimously.

Fraser said it's a credit to the MRA Staff in looking at the maps and seeing what improvements MRA has been involved in or are going to be involved in. He said it's an interesting part of town and MRA can be proud of it being another one of its showcases before it's all done.

Brooks St. Commercial Corridor Curb & Sidewalk Project – Phase I – Request to Award Construction Contract

Gass said MRA entered into an Agreement for Professional Services with WGM Group in July of 2009 for design, easement acquisition, engineering and contract administration for the Brooks St. Commercial Corridor Curb & Sidewalk Project, Phase 1.

Gass said Phase I involves properties where a sidewalk easement has been recorded or is not needed. These are generally the properties within a block east or west of Brooks St. He said Phase II will be more of the properties along Brooks St. Additional time is needed for these to negotiate with the property owners and get sidewalk easements. WGM Group is in the process of doing that.

Gass said an Invitation to Bid was advertised in January 2010 for Phase I and two bids were received. The low bid was submitted by Knife River in the amount of \$446,892.65. This amount is below the engineer's estimate of \$520,650.36. WGM Group has reviewed Knife River's bid and found it to be correct and complete, therefore recommending that MRA award the contract to Knife River. The Staff recommendation is to award the construction contract to Knife River in an amount not to exceed \$446,892.65.

Jeremy Keene from WGM Group said he hopes when people see what's happening with these projects it will also help momentum for Phase II. He said overall the project has been well received and most people recognize it as a benefit. Keene said they identified 23 parcels they need easements from and have acquired easements from seven of them. In addition to that, there were 22 parcels they needed to get a construction easement for. He said that's a total of 45 parcels and is a fair number of people to be working with. Schedule wise, he said they will try to package Phase II and have it out to bid in early summer so they can start construction this year.

Keene also talked about Phase III which is a landscaping only phase. Gass said it will include street trees and possibly some pocket areas of landscaping. Gass mentioned MRA working/partnering with the Missoula Midtown Association (MMA) on this and maybe getting gateway signs to define the Midtown area. Keene said the MMA and Southgate Triangle Neighborhood have expressed interest in doing something with pocket landscaping areas and entry signs. They'd like to start branding the area into something identifiable.

Badenoch said it would be good to get an inventory of where the utility poles and traffic control signs are right in the middle of a sidewalk. He said there are a host of them and they make the area very unwelcoming. He said he would love to see the area become more walkable, but right now pedestrians are the afterthought.

Nelson added that the branding of the area was something identified in the Urban Land Institute's (ULI) Plan.

Moe asked about the irrigation of the landscaping phase. Gass said the goal is that it be a zeroscape. He said they could contract some maintenance to go along with it in the first couple years to get things established. Keene said they will definitely try to keep it low water. He said maintenance is the issue with landscaping and they can't rely on the Parks Dept. to take care of it all.

There was discussion regarding the costs of the phases. Cates asked what the rough number is for all the phases in the Brooks St. Commercial Corridor Sidewalk Project. Gass said she thinks it's about \$1.1 million for this and about \$1.9 million for the whole District.

Kemmis said he'd feel more comfortable about the idea of approving close to half a million dollars on the sidewalk segments knowing that it fits into a longer-term redevelopment strategy in the area. Kemmis said he'd appreciate hearing from Buchanan how she's feeling about the bigger strategy and at what point the Board needs to be brought into a discussion about the broader strategy. Buchanan replied that MRA is seeing a lot more activity in URD III, some of which involves MRA and some which does not. She said MRA has three large redevelopment opportunities in the area and MRA has already invested in some master planning in the area south of the Mall. She said MRA is working with Parks & Rec and MRL to see if there is some way to develop the property west of the tracks where the steel place was. Kemmis said when he's talking

about a broader strategy he means the Brooks corridor itself and the different Phases, including landscaping. Buchanan said the goal is to try and implement what came out of the ULI Study that says the whole area is pedestrian unfriendly and one of the first things MRA can do is give pedestrians a place to walk. The other thing MRA is doing is to begin to make improvements to facades with the new Façade Improvement Program to make the area more interesting for pedestrians to be. She said Staff works with anyone that comes to MRA wanting to get help with redevelopment to bring buildings out to the street. Buchanan said URD III is a tough nut to crack and she's wrestled with it because there are no formulas for areas like it. She said the goal was set for MRA when it had the ULI Study done and the Board agreed with it. She said she can't hand him a nice, neat overall strategy for what MRA is going to do in URD III because she doesn't have that answer. Kemmis said he's not asking that. He said he's talking about the corridor itself and what he's hearing is today is that different phases of the sidewalk project along that corridor are probably going to feed into another phase that includes some landscape work, pocket parks, and so on. Buchanan said that is what MRA would like to see happen.

MOTION

ENGLUND: I MOVE TO AWARD THE CONSTRUCTION CONTRACT FOR THE BROOKS ST. COMMERCIAL CORRIDOR CURB & SIDEWALK PROJECT, PHASE 1, TO KNIFE RIVER IN AN AMOUNT NOT TO EXCEED \$446,892.65 AND AUTHORIZE OUR CHAIR TO SIGN THE CONTRACT AND AUTHORIZE STAFF TO SIGN THE NECESSARY DOCUMENTS TO EXECUTE THE CONTRACT. Moe seconded the motion. 5 ayes, 0 nays. Motion passed unanimously.

Gass mentioned that Staff will come back to the Board with a request for a street tree phase on the Catlin project. That project will be finished up around July and there is a landscape plan, generally street trees, to be added in the fall. The request will also include maintenance. Moe asked if the sidewalk design allows for trees in the sidewalk area. Gass replied the trees will mostly be in the boulevards. Smith said they have never had discussions about putting trees anywhere other than the boulevards.

Silver Park Phases II – IV – Request for Engineering Changes

Behan reviewed his memo which included updates on the various phases for Silver Park. He said they're into Phase II now with \$100,000 worth of change orders and there will be a few more things that need to be moved around. He said Staff cannot envision moving forward with the engineer on task, Abbotswood Design Group (ADG). Therefore, Staff has put together a package and offered it to ADG and they have come back with some changes that MRA will have to look at closely and see if they move on to other kinds of costs. Therefore, Behan wanted to move past his first recommendation and set up a Special Board Meeting the following week for this item.

Behan said Staff would like to move forward in having a small contract with Territorial-Landworks, Inc. (TLI) to do contract administration and oversight for Phase II, which has been stopped for quite some time. He said this portion will be a not-to-exceed \$5,000

recommendation. This will provide adequate oversight and allow TLI some flexibility in enabling them to create some change orders, etc.

Behan said the second recommendation is to enter into an agreement with TLI which expands their current contract administration agreement to go back through the plans and provide whatever finishes and changes are necessary to make the project biddable, with local contractors, and add services of the geotechnical people to do compaction tests, etc., under TLI's contract so they are working together. Also, Behan said there is electrical work that needs to be finished and TLI has contacted the electrical engineer of record and they have no problem finishing up their work they need to do.

TLI included in their contract administration contract using ADG as a 'reality check' so if they make a change they can be sure they're in line with the overall vision. In doing that, there are costs from ADG and TLI which includes a substantial cost savings. Behan said his memo included an incorrect figure of \$15,000 and it should be \$5,333.50. Therefore, the amendment to their total contract will be a not-to-exceed amount of \$55,047.50.

MOTION

BEHAN SAID STAFF RECOMMENDS THE BOARD APPROVE CONTRACTING WITH TERRITORIAL-LANDWORKS, INC. FOR CONTRACT ADMINISTRATION AND CONSTRUCTION CIVIL ENGINEERING SERVICES ON PHASE 2 OF SILVER PARK IN AN AMOUNT NOT TO EXCEED \$5,000.

ENGLUND: SO MOVED. Cates seconded the motion. 5 ayes, 0 nays. Motion passed unanimously.

Change tape 2 s1/s2

Behan said for Phase 3, Staff recommends amending the scope of TLI's Agreement for Construction Contract Administration and Construction Engineering with MRA entitled "CTEP Consultant Services Agreement" to include engineering and survey services needed in order to complete Silver Park Phase 3 design specifications and facilitate competitive bids in a timely manner that conforms to federal, state and local standards and criteria and to provide "as-built" drawings of the finished project, and other services in a total amount of the agreement amendment not exceed \$55,047.50.

Cates asked if it was a legal problem to hire a new consultant before MRA is done with the old one. Behan said it's not so much of a legal matter as it is an ethical problem under the Professional Engineering Code of Ethics.

Fraser asked if Phase 2 will get done. Behan said they will do anything possible to make sure there's a parking lot on opening day of baseball. Discussion ensued.

Englund asked if MRA should wait to approve Phase 3 until it's determined whether or not MRA has come to agreement with Abbotswood. He said if it's an ethical breach then MRA doesn't want to approve this phase yet. Englund asked what would happen if they decided not to approve a settlement agreement with ADG at the next meeting. Behan

said MRA would need to talk to Jim Nugent for advice on how to proceed with the project while working on the contract. Buchanan said to a certain extent it comes down to how much money MRA wants to spend. She said she felt MRA could walk away from the contract with ADG, hire someone to redesign the piece of trail and the bridge, lighting and landscaping, or MRA can negotiate a situation with ADG where MRA is allowed to take what's been paid for to date and carry it forward to completion.

Englund wanted to make sure it's clear in the documents that once ADG releases MRA then everything is done and over. Behan said the title of the document is "Agreement Terminating All Agreements Regarding Silver Park". Cates said when this is all said and done, she'd like to hear what MRA learned from this in terms of choosing contractors.

A Special Board Meeting will be arranged for next week.

NON-ACTION ITEMS

COMMITTEE REPORTS

OTHER ITEMS

ADJOURNMENT

Respectfully Submitted,

Lesley Pugh
Secretary II