

# MISSOULA REDEVELOPMENT AGENCY

## CONDENSED BOARD MEETING MINUTES

January 20, 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, Karl Englund

**Staff:** Ellen Buchanan, Chris Behan, Kari Nelson, Tod Gass, Lesley Pugh

**Public:** Ryan Arthun, University of MT; Jamie Lockman, MRA rep to the HPC; Kat Hylland, Anderson ZurMuehlen; Paul Sepp, Anderson ZurMuehlen; Kris Schermele, Millennium Real Estate & Management/1720 Brooks; Brian Salonen, 1720 Brooks; Eric Syvrud, 1720 Brooks

### APPROVAL OF MINUTES

December 16, 2009 Regular Board Meeting Minutes were approved as submitted.

### PUBLIC COMMENTS & ANNOUNCEMENTS

#### HPC Update from Jamie Lockman

Lockman introduced Ryan Arthun. She and Arthun are taking an historic preservation class at the University.

Lockman said the HPC wanted to convey the importance of the Macy's building and its representation of the Missoula character. She said the HPC feels that efforts to preserve the building are of utmost importance.

Lockman said there will be a meeting at the Florence building at 7pm regarding the Historic Preservation Ordinance. The Historic Preservation Officer from Bozeman will be at the meeting. The Ordinance will also be going before the Plat, Annexation and Zoning (PAZ) Committee on January 27<sup>th</sup>.

### STAFF REPORTS

#### Director's Report

Buchanan reviewed the items in her Director's Report. She said she is on a new task force created by the MDA to develop strategies for the recruitment and retention of Downtown businesses. She said one goal is to do what they can to retain the businesses currently operating. They also want to do what they can to make the empty storefronts

not look empty. For instance, an adjacent business could put something in the storefront window. Another goal is to target businesses and try to recruit them Downtown. The task force discussed what they can do to keep retail presence on the ground floor of the Macy's building.

Buchanan said there were no appropriate responses received for the Riverfront Triangle/Fox Site RFP. She said Mayor Engen asked that MRA have the appraisal updated. Craig Kosenka did the previous appraisal and it will cost \$4,000 to have it updated. She said in the current budgetary situation of the City there was talk about putting it up for sale. Buchanan said her pushback was that it's a buyer's market right now and they should find out what it's worth first. She said she figures there will be a 25%-30% reduction in the value of the previous appraisal done two years ago. Fraser said his feeling, having dealt with updated appraisals for the last 15 months, is that the timing isn't good. Englund said at this point he doesn't know what it would tell them because it's a rapidly moving number. Buchanan said her motivation is to show that it's not worth selling right now. Moe said if MRA isn't certain that it's going to give them any useful information then she's not in favor of spending \$4,000. She said she would be willing to look at it in six months. Buchanan said she will take this off the table for now and mention looking at it again in six months.

*Change tape 1/tape 2*

It was decided that MRA will not pay to have the appraisal updated at this time.

*Miscellaneous*

Buchanan said she's been working with the Parks and Rec Dept. to identify opportunities for open space and parks in URD III. She said she's been clear with Jackie Corday and Donna Gaukler that MRA is not going to be interested in doing something that's just a park with nobody having the ability to build or maintain. She said MRA would be more interested if they can find a decent size piece of land and do housing and a park jointly with a developer partner. Fraser said the maintenance part has bothered him because MRA has helped Parks and Rec build a lot of things and he's not confident that they are maintained. Buchanan said they aren't funded to get maintained because it's the first item cut when things get tough.

*Silver Park*

Behan said they are close to starting work again on Phase II. The boat ramp may take a little longer because they need to satisfy more needs for the Army Corps of Engineers. Behan said they need to get started on Phase III to take advantage of the bidding environment and get the work done this summer. He said there are still struggles to get the design issues worked out, particularly in regard to CTEP money, which is funding a majority of Phase III.

Behan said Territorial Landworks, Inc. is working on Phase III. He said he and Buchanan have discussed expanding Territorial's role in the project and minimizing or eliminating Abbotswood Design Group's role so the projects can move forward and get completed. This elimination would be for Phase III and also to complete Phase II.

Englund asked why things are being held up. Buchanan said MRA is not getting the response it needs from Abbotswood and hasn't for some time now. Behan said Staff will have Jim Nugent, City Attorney, look at the existing contracts and see if he has opinions and also make sure he is aware of what MRA is doing.

#### *Budgets*

Englund asked if MRA got the request to do a five percent reduction in its budget. Buchanan said no because MRA is not part of the general fund. She said what MRA is doing to help the situation is using money in the Districts to help with things like the streets and parks projects.

#### *Missoula Midtown Association*

Fraser asked about the Missoula Midtown Association (MMA). Nelson said she attended a recent meeting and said the MMA is trying to figure out ways to generate interest in their group. They are going to hire a work-study person to keep their website going and help attract more membership. Nelson said they would like to buy some banners and/or monument signs to more finely establish Midtown.

### **ACTION ITEMS**

#### **FY09 Audit Report**

Paul Sepp and Kat Hylland from Anderson ZurMuehlen presented the MRA Audit for FY 2009. Overall, they said MRA's financial condition is solid and there were no significant findings in the audit.

Fraser asked if the City gets audited on the safety and soundness of the millions of dollars worth of deposits and investments. Sepp replied they do audit the City's investment pool and determine that the assets exist, the composition of them, and the allocation of income to agencies within and without the City including MRA. He said they have not identified anything in terms of the City's investment practices that would be considered unusual.

#### **MOTION**

Fraser asked for a motion to approve and accept the FY 2009 MRA Audit.

**ENGLUND: SO MOVED. Moe seconded the motion. 3 ayes, 0 nays. Motion passed unanimously. Kemmis and Cates absent.**

#### **URD II & URD III Streets Projects – TIF Requests for Chip Seal**

Buchanan said at the last meeting the Board approved the milling and resurfacing of projects in URD II and URD III that the Streets Dept. will be working on. Also, last year she said the Board approved milling and resurfacing of Fairview and Washburn in URD III. At the last meeting, Brian Hensel, Streets Dept. Superintendent, explained the benefits of chip sealing the projects after they've been milled and repaved. She said the Board was clear in making the distinction between its desire to chip seal projects that MRA has participated in the reconstruction of versus general maintenance of streets in URDs by the City.

Hensel sent MRA a request to pay for the chip sealing of the three projects approved at the last meeting (Cedar, Burton and Dearborn Streets) and the Fairview and Washburn project. Buchanan said chip sealing extends the life of the streets considerably. She said there is adequate funding in URD II and URD III Public Works contingencies in the MRA budget to handle this. She said the Staff recommendation is that the Board approve the request to chip seal the four projects, not to exceed \$52,387 total, \$12,344 in URD II and \$40,043 in URD III.

Hensel said he wanted to point out that the estimates he gave MRA are based on last year's bid prices for materials. He said he added in a little extra for inflation, but has given up on trying to predict what his vendors are going to do with any product associated with oil. He said if the actual prices are substantially more then he may have to come back to MRA.

*Change tape 1 s1/s2*

#### **MOTION**

**MOE: I MOVE THAT THE BOARD APPROVE THE REQUEST TO FUND THE CHIP SEALING OF PORTIONS OF CEDAR STREET, BURTON STREET, DEARBORN AVENUE, FAIRVIEW AVENUE AND WASHBURN STREET IN AN AMOUNT NOT TO EXCEED THE ESTIMATES PROVIDED BY THE STREET DIVISION WITH THE STIPULATION THAT COST SAVINGS WILL BE REFLECTED IN THE COST TO MRA. Englund seconded the motion. 3 ayes, 0 nays. Motion passed unanimously. Kemmis and Cates absent.**

#### **1720 Brooks (Wally World Properties) – URD III Façade Improvement Program Request**

Nelson said in September of 2009, the Board approved a Proceed Without Prejudice for this project. She said Wally World Properties has done some renovations and are now ready to do the façade portion of their project. This portion is estimated to be about \$118,000. Along with other renovations outlined in Nelson's memo, the total project costs are \$159,137. Nelson reviewed the details of the project as outlined in her memo and said this project does fulfill the design criteria for which the Façade Improvement Program (FIP) is all about. Nelson said Staff recommendation is that the Board approve 25% of the project costs in an amount not to exceed \$39,784.

Kris Schermele, representative of the project from Millennium Real Estate & Management, showed drawings of what the project would look like with the budget Wally World properties originally had to work with, roughly \$45,000. After they came to the MRA and talked about the project, Schermele said the proposal changed to give the building a completely new look. She said Wally World Properties has committed the money and the investment. She said they feel it's the right thing to do for Missoula, for the tenants long-term and for the area.

Moe asked if the budget for the landscaping includes mature plants and trees as shown in the drawings. Brian Salonen, Wally World Properties, replied that the big, tall tree is questionable. Schermele said she doesn't think it can be put in there because of its

closeness to the building and the sidewalk. She said they will put something in to fill the space that doesn't have a deep root base. Moe asked if the sidewalks coordinate with the sidewalk plans for the area. Behan replied the sidewalks are private. Nelson said the public sidewalks have already been done. Schermele added that the landscaping costs were not included in their request.

**MOTION**

**ENGLUND: I MOVE APPROVAL OF EXPENDITURE OF URD III FAÇADE IMPROVEMENT PROGRAM FUNDS IN AN AMOUNT NOT TO EXCEED \$39,784 FOR REHABILITATION OF THE FAÇADE OF THE BUILDING LOCATED AT 1720 BROOKS, SUBJECT TO FINAL MRA COSTS UP TO THE MAXIMUM APPROVED, ESTABLISHED AT THE CONCLUSION OF THE PROJECT UPON SUBMISSION OF PAID CONTRACTOR INVOICES DETAILING THE WORK PERFORMED AND MATERIALS USED. Moe seconded the motion. 3 ayes, 0 nays. Motion passed unanimously. Kemmis and Cates absent.**

**NON-ACTION ITEMS**

**COMMITTEE REPORTS**

**OTHER ITEMS**

**ADJOURNMENT**

Meeting adjourned at 1:20 pm.

Respectfully Submitted,



Lesley Pugh  
Secretary II