

MISSOULA REDEVELOPMENT AGENCY

CONDENSED BOARD MEETING MINUTES

July 15, 2014

FINAL

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

- Board:** Nancy Moe, Daniel Kemmis, Ruth Reineking
- Staff:** Ellen Buchanan, Chris Behan, Jilayne Lee, Tod Gass, Juli Devlin
- Public:** Darrin Smith, Woodbury Corporation; Ezra Williams, CTA Architects; Kraig Erickson, Woodbury Corporation; Randy Rupert, CTA Architects; Robert Rivers, One Nation Brewing; Fernanda M.B. Krum, One Nation Brewing; Molly Moody SEIU Healthcare 775NW; Martin Kidston, Missoulian

CALL TO ORDER

12:00 p.m.

APPROVAL OF MINUTES

June 17, 2014 Regular Meeting Minutes approved as submitted.

PUBLIC COMMENTS & ANNOUNCEMENTS - None

ACTION ITEMS

South Crossing Phase 2 – Woodbury Development Corporation (URD III) – Request to Proceed Without Prejudice (*Buchanan*)

Buchanan said Woodbury Corporation is asking for approval to proceed without prejudice with the second phase of their South Crossing project. They made a similar request to the Board when the Kmart site was originally purchased so that demolition could begin before costs were identified. After that request to proceed without prejudice was approved by the Board, Woodbury Corporation later came back to the Board and asked for tax increment financing (TIF) for the demolition. Buchanan said Woodbury Corporation has purchased the former Village 6 Cinema property (South Crossing II)

and will be demolishing the existing building and parking lot and constructing four new commercial buildings. The estimated cost for demolition of the Village 6 Cinema site is \$336,686.40. Buchanan said staff recommends the Board approve Woodbury Corporation's request to proceed without prejudice on South Crossing II with the understanding that any funding commitment will require further action by the Board when Woodbury finalizes the project scope and cost.

Moe asked if the concept drawing, provided with Buchanan's memo, was for the entire site. Kraig Erickson, Woodbury Corporation, said that was correct. Moe asked when Woodbury would be ready to make a formal request to the Board. Darrin Smith, Woodbury Corporation, said the costs would be identified within the next 30 days and they would hopefully have a formal request prepared for the August Board meeting. Erickson said Woodbury would like to expedite the opportunity to start construction before winter.

Reineking said she appreciates that the parking lots are located behind the buildings.

KEMMIS: I MOVE THE BOARD APPROVE THE REQUEST FROM WOODBURY CORPORATION TO PROCEED WITHOUT PREJUDICE ON SOUTH CROSSING II WITH THE UNDERSTANDING THAT ANY FUNDING COMMITMENT WILL REQUIRE FURTHER ACTION BY THE BOARD.

Reineking seconded the motion. No further discussion. Motion passed unanimously. (3 ayes, 0 nays) Englund and Cates absent.

Moe said she's pleased to see the Woodbury projects and upcoming development. Erickson said he appreciates the opportunity to work with MRA staff and Board.

North Reserve/Scott St – Urban Renewal Plan – Recommendation to City Council (Behan)

Behan said MRA has worked on forming two new districts for the last several months. He said at this point in time the Urban Renewal District (URD) Plans have been drafted and will be recommended to City Council for their approval once the Board reviews them and makes any necessary changes. Behan said the Planning Board will also review the URD Plans and make a recommendation to City Council as to whether or not the Plans comply with the Growth Policy. Behan said a public hearing would then be scheduled and a written notification would be sent out to property owners as well as a press release. He said the two URD Plans were drafted by Community Development Services (CDS) of Montana and both have a similar layout. Behan said the description section of each Plan includes the history of the area, current and past land uses, and current demographics. The section also includes zoning and a review of how the plans comply with the Growth Policy and other adopted plans such as the Missoula Greater Downtown Master Plan and Northside/Westside Neighborhood Plan. Behan continued to review the drafted Plans and said the goals and strategy section of the plan is probably the most important section for MRA since it is where methods are identified on

how to eliminate conditions hindering investment in the area, and it will formulate a work plan for MRA. Behan said the appendices will be added later once the City Council reviews the URD Plans. He said once the appendices section has been added, the URD Plans will be reviewed by the Department of Revenue to assure the Plans are conform to State law and official administrative rules. Behan reviewed the North Reserve/Scott Street URD Plan.

Moe said there is a section of county land within the district boundaries and asked if and when this property will be annexed and be included in the district. Behan said URDs can't cross jurisdictional boundaries into county lands. He said part of the Plan states, if or when county property within a district is brought into the city limits, it will also then be added to the URD. Behan said Mayor John Engen has talked with the owners of Roseburg Forest Products (county land) about annexing into the City, but they are hesitant. Buchanan said the Board at one point in time showed interest in completing a planning process for these two proposed districts much like the planning process that was done for District III. She said the planning process has been discussed with Roseburg to help eliminate their concerns and uncertainty about being in the City limits. She said the planning process will help with predictability within the new districts.

Moe asked if the City Cemetery would ever expand. Behan said yes there is room for expansion.

Kemmis said there is quite a bit of language repetition between the two Plans under the goals and strategies section. He said he has concerns about the importation of "boilerplate" and asked Behan if he was comfortable in terms of how customized the Plans really are. Behan said he had the same thoughts but when looking at the goals and strategies section of the other four URD Plans, they too were very similar. He said often times the issues are very similar from one district to another and the mechanisms to address these issues are very similar. Behan said the wording could be altered but the meaning would be the same therefore he said he feels comfortable with the language.

Reineking asked how the new URD Plans compare with the current district Plans. Behan said the Hellgate District is similar to District II. Buchanan said one similar concept in all of the districts is providing multimodal transportation to accommodate all users. Reineking said at one time it was thought that District III was too large and didn't have a similar identity as the downtown area. Reineking said with North Reserve/Scott Street District having two distinct areas, she asked what kind of questions the City Council or the Planning Board might ask. Behan said District III is a large district and there was discussion at one point in time to divide the District into two or three separate districts but because of District III's magnitude, MRA was able to utilize various assistance programs. He said when District III was created; Mountain West Bank was completed shortly thereafter, immediately providing increment to be used in other areas of the district. Behan said with the creation of the North Reserve/Scott Street District, development is likely to occur on North Reserve Street which will produce tax increment

that could be used to address difficult and more expensive issues in terms of water and sewer, in the eastern half of the District.

Reineking asked if Behan could talk more about developing partnerships. Behan said there will be multiple partnerships. He said for example, TIF funds will hopefully be used along with Special Improvement Districts (SID) funds and possibly federal funds. He said planning partnerships with the industrial businesses could be conducted. Behan said the industrial businesses know more about what their needs are and could communicate their goals and needs with MRA in a planning process.

Reineking said CDS of Montana already reviewed the Growth Policy among other planning documents, so she asked what questions the Planning Board might have. She asked how the two new URD Plans differ from the other district plans. Behan said the two new URD Plans differ from the Riverfront Triangle District Plan and the Front Street District Plan. He said the two new URD Plans are broken down into categories to include a residential, commercial, and industrial section which then are broken down into sub categories that explains how these three categories link with the Growth Policy's vision.

Reineking said the Plans outline the results from a public meeting that was held in January 2014 and asked who was invited and who attended this meeting. Behan said invitation letters were sent out to the property owners and a press release was sent out as well. He said there wasn't a large group who attended the public meeting but the folks that were there had great questions.

Moe said on page 61, under Traffic and Circulation, the last sentence under the first bullet reads "Traffic bottlenecks make on and off loading of deliveries". She asked if the sentence was complete. Behan said no and that he would fix that sentence to indicate that on and off loading is difficult.

Moe said on page 61, under Land Uses/Conflicts, the first bullet talks about the rail yard. She asked if the rail yard was considered part of the railroad track. Behan said yes. Behan said an individual who attended the public meeting encouraged the idea of relocating the rail yard (not the track itself) to the west. Moe asked for clarification on whether or not the rail yard was part of the North Reserve/Scott Street District. Behan said the rail yard was not part of the District as of now.

Moe said on page 48, under the Partnership Development section it states "Potential partnerships can be forged using a variety of programs and funding mechanisms. A sampling of these is provided in the following section." Moe said this section includes a sampling list of different programs and funding mechanisms but she suggested also adding language explaining the list was not exclusive. Moe said the Partnership Development paragraph also mentioned business recruitment which she said is not a traditional strong suit of MRA Board or staff. She said MRA is good at responding to opportunities that come along. Moe asked how projects or developers could be initiated and recruited for in the North Reserve/Scott Street District. Moe also suggested the

Partnership Development section include an explanation of how business would be recruited and examples of developers, agencies, or different businesses (not limited to) that MRA could form partnerships with.

Kemmis said in Chapter 4, page 39, Goal #1 under Planning Initiatives states “Conduct feasibility studies to determine how best to develop “activity centers” for economic development and job creation”. He said he assumes MRA or another entity involved would help conduct these studies. Behan said that was correct. Kemmis asked what the study might look like and whether or not MRA had experience in conducting these types of studies. Behan said the closest example would be the Urban Land Institute (ULI) Study completed in District III even though that particular study was not a feasibility study; it was a land use study. Kemmis said he is hopeful that a feasibility study would be a meaningful study but doesn’t believe it’s possible. He asked if the idea is to indicate that MRA would undertake something similar to the ULI Study. Behan said that is the idea. Discussion ensued.

Kemmis suggested the word “multimodal” be uniform within the document. Moe suggested making “Urban Renewal Plan” and “Urban Renewal District” uniform and using capital letters when necessary.

On page 41, under Goal #3, first bullet under Program Initiatives states “Develop sustainable standards for public infrastructure design, construction and maintenance”. Moe asked if there would be some sort of design criteria. Behan said MRA would be working with Development Services on a planning effort.

Kemmis asked if the phrase “complete streets” meant that the streets would include pedestrian and bicycle features. Behan said yes. Kemmis asked if “complete streets” also included vegetation. Behan said yes.

KEMMIS: I MOVE THE BOARD FORWARD A RECOMMENDATION TO THE CITY COUNCIL TO ADOPT THE NORTH RESERVE/SCOTT STREET URBAN RENEWAL DISTRICT PLAN WHICH WILL CREATE THE URBAN RENEWAL DISTRICT, SET ITS BOUNDARIES, AND ENACT A TAX INCREMENT FINANCING PROVISION WITH A BASE YEAR OF 2014.

Reineking amended the motion to include the Plan be recommended to City Council **WITH THE SUGGESTED AMENDMENTS**. Moe approved the amended motion.

Reineking seconded the motion as amended. No further discussion. Motion passed unanimously. (3 ayes, 0 nays) Englund and Cates absent.

Hellgate – Urban Renewal Plan – Recommendation to City Council (Behan)

Moe said the suggested amendments for the North Reserve/Scott Street URD Plan should also be implemented in the Hellgate Urban Renewal Plan. She suggested a different picture be used for the front of the Hellgate URD Plan.

Behan presented the Hellgate URD Plan and said there were no known environmental issues within the proposed District.

Moe said the District boundary runs along the south side of the Clark Fork River and asked why that section was included since it is tax exempt. Behan said the section includes the Riverfront Trail which was an MRA project. He said MRA would like to be involved if there are any changes to the trail connection between the Madison Street Bridge and the mouth of the canyon. Behan continued his presentation.

Moe said she appreciates that the goals and strategies in the Hellgate URD Plan are customized rather than boilerplate.

Kemmis asked how the Front/Main Street Two-Way Conversion is likely to treat the intersections at Madison Street. He asked if the solution is likely to move along the east side of Madison Street into the proposed district. Buchanan said it could certainly have an impact. She said there are a couple of intersection designs particularly for the Madison Street and Orange Street intersection. Buchanan said the Front Street District boundary runs along the east side of Madison Street.

REINEKING: I MOVE THE BOARD FORWARD A RECOMMENDATION TO THE CITY COUNCIL TO ADOPT THE HELLGATE URBAN RENEWAL DISTRICT PLAN WITH THE AMENDMENTS PREVIOUSLY DISCUSSED WITH RESPECT TO THE NORTH RESERVE/SCOTT STREET URBAN RENEWAL DISTRICT PLAN TO CREATE THE HELLGATE URBAN RENEWAL DISTRICT, SET BOUNDARIES, AND ENACT A TAX INCREMENT FINANCING PROVISION WITH A BASE YEAR OF 2014.

Kemmis seconded the motion. No further discussion. Motion passed unanimously. (3 ayes, 0 nays) Englund and Cates absent.

One Nation Brewing/West Broadway Island Parking – Easement and Right-Of-Way Use Agreement (URD II) – Request for Approval (Buchanan)

Buchanan said the Board previously approved the staff to look at securing public parking for access to the West Broadway Island as part of the proposed One Nation Brewing development at 1151 West Broadway. At the May 28, 2014 Board meeting staff recommended the Board approve the use of \$112,500 in URD II funds to purchase a shared parking agreement between One Nation Brewing and the City. Buchanan said the Board approved the use of URD II funds but recommended staff try to acquire permanent parking for access to the river and island. Staff looked into purchasing lots 41-46 for permanent public parking and river access. Buchanan said the Board approved \$112,500 with the understanding that purchasing the land could possibly cost more. She said the value of the lots assesses at \$16 per square foot which is equivalent to \$115,000 to purchase lots 41-46.

Buchanan said an Easement and Right-Of-Way Use Agreement is required as part of the land purchase which will provide access for both parties to the shared driveway, entrance, and exit. She said the parking lot will allow 15 parking spaces for public use and 16 parking spaces for the business.

Buchanan said City Council approved the purchase of the property with the understanding the Agreement would be drafted and approved by the MRA Board.

Moe asked if the paving and striping would be coordinated between the business owner and the City so that it could be done at the same time. Buchanan said the pavement and striping currently there will be used and is in good condition. She said there may need to be modifications when a future trail is built in the area.

Moe asked Robert Rivers and Fernanda Krum, One Nation Brewing, if they had reviewed and accepted the Agreement. Rivers and Krum said yes.

KEMMIS: I MOVE THE BOARD APPROVE THE PERMANENT EASEMENT AGREEMENT BETWEEN ADJACENT PROPERTY OWNERS TO FACILITATE SHARED PARKING AT 1151 WEST BROADWAY.

Reineking seconded the motion. No further discussion. Motion passed unanimously. (3 ayes, 0 nays) Englund and Cates absent.

Rivers thanked the Board and staff for their time and effort with this project.

Cedar Street Triangle Public Improvements (URD II) – Request to Award Construction Contract (Gass)

Gass reviewed his memo and said in the spring of 2013, MRA entered into an agreement for professional services with Territorial Landworks, Inc. (TLI) for design, engineering, and contract administration for the Cedar Street Triangle Public Improvements Project. He said the project area includes Cedar Street between Hawthorne Street and West Broadway, West Broadway between Cedar Street and Hawthorne Street, and Hawthorne Street between West Broadway and Cedar Street. Gass said the improvements include building sidewalks on both sides of Cedar Street, correcting drainage issues on Cedar Street, re-aligning the curb and sidewalk on West Broadway, sidewalk improvements on the west side of Hawthorne Street, landscaping, street trees, and street lighting. He said the paving component is proposed to be completed by the City Streets Division with the understanding that MRA will provide TIF funds for materials and equipment and the City Streets Division will provide the labor and oversight of all paving in the project area. Gass said bids were advertised and six bids were received with Knife River submitting the lowest bid in the amount of \$322,222.22. He said the engineer has reviewed the Knife River bid and found it to be correct and complete and recommends awarding the construction contract to Knife River.

Kemmis asked if the number of two's in the amount was purely coincidence. Gass said he reviewed the figures on the bid tabs and the total added up to \$322,222.22 which was by coincidence. Kemmis said he noticed the amount in the motion was not a "not to exceed amount". Buchanan said construction awards are typically a dollar amount where design awards are typically a not to exceed amount.

Kemmis asked what the general consensus is from the neighborhood regarding the Cedar Street Triangle Public Improvement Project. Gass said for the most part everyone is supportive of having more parking spaces and sidewalk improvements. The conversion of Cedar Street into a parking street will create approximately 60 parking spaces.

REINEKING: I MOVE THE BOARD AWARD A CONSTRUCTION CONTRACT FOR THE CEDAR STREET TRIANGLE PUBLIC IMPROVEMENTS PROJECT TO KNIFE RIVER, IN AN AMOUNT OF \$322,222.22, AUTHORIZE THE MRA BOARD CHAIR TO SIGN THE CONTRACT, AND AUTHORIZE STAFF TO SIGN THE NECESSARY DOCUMENTS TO EXECUTE THE CONTRACT (NOTICE OF AWARD AND NOTICE TO PROCEED).

Kemmis seconded the motion. No further discussion. Motion passed unanimously. (3 ayes, 0 nays) Englund and Cates absent.

In addition:

Gass said MRA originally had the goal of containing the cost of the project to under \$500,000. Removing a more decorative street light and pole that was planned for the west corner of Cedar Street and West Broadway and replacing it with a cobra-head street light was done as a cost savings measure. Gass said since the construction bid for the project is favorable to the MRA budget, staff would like to add this item back into the project. He said he didn't have an exact cost for the additional light pole but provided a conservative estimate of \$10,000.

Reineking asked where the street trees would be placed. Gass said the trees would be located along West Broadway but not along Cedar Street or Hawthorne Street. He said shrubs and colored concrete would be placed in the bulb outs at the intersections.

KEMMIS: I MOVE THE BOARD AUTHORIZE THE DIRECTOR TO SIGN AND EXECUTE CHANGE ORDER #1 IN AN AMOUNT UP TO \$10,000 FOR THE INSTALLATION OF A DECORATIVE STREET LIGHT AND POLE INSTEAD OF A COBRA HEAD LIGHT POLE AT THE WEST CORNER OF CEDAR STREET AND WEST BROADWAY.

Reineking seconded the motion. No further discussion. Motion passed unanimously. (3 ayes, 0 nays) Englund and Cates absent.

Cedar Street Triangle Public Improvements – Street Paving (URD II) – TIF Request (Gass)

Gass said staff recommends the Board authorize MRA to enter into a Memorandum of Understanding (MOU) with the City Streets Division, in an amount not to exceed \$22,500 for the materials and equipment necessary to complete the paving and patching of asphalt in the Cedar Street Triangle Public Improvements Project area and authorize the Director to sign the MOU. He said the equipment portion of the request would be used towards rental cost of a milling machine.

Buchanan said not only will this project provide an upgraded street that maximizes parking, but it will also solve drainage issues and provide Americans with Disabilities Act (ADA) accessibility.

Moe said since the equipment is being rented why wasn't it added to the construction award contract with Knife River. She asked why the Cedar Street Improvement Project was divided into two projects rather than one. Gass said it is less expensive to have the Street Division complete the paving and patching of asphalt since they are providing the labor costs.

REINEKING: I MOVE THE BOARD AUTHORIZE MRA TO ENTER INTO A MEMORANDUM OF UNDERSTANDING WITH THE CITY STREETS DIVISION, IN AN AMOUNT NOT TO EXCEED \$22,500 FOR THE MATERIALS AND EQUIPMENT TO COMPLETE THE PAVING AND PATCHING OF ASPHALT IN THE CEDAR STREET TRIANGLE PUBLIC IMPROVEMENTS PROJECT AREA, AND AUTHORIZE THE DIRECTOR TO SIGN THE MOU.

Kemmis seconded the motion. No further discussion. Motion passed unanimously. (3 ayes, 0 nays) Englund and Cates absent.

NON-ACTION ITEMS

Consumer Direct – Old Sawmill District Infrastructure Request (URD II) – No Discussion

STAFF REPORTS

Director's Report

Buchanan said the Board asked that staff take necessary steps to do a study of the Russell Street corridor in anticipation of the bridge and street reconstruction project. She said the Sonoran Institute is launching a program called New Mobility West, to provide technical assistance to communities, particularly in Rocky Mountain West. Buchanan said she is part of a grants subcommittee led by the Transportation Division of Development Services so that when grants become available, an application can be submitted. She said a grant application was submitted for the Russell Street Study and

was accepted, so the funds will be used to create a vision for the future development of the Russell Street corridor south of the Clark Fork River. Moe asked if the dollar amount is known for the grant. Buchanan said not at this point in time since she received the information that the grant application was accepted just prior to the Board meeting.

Kemmis made a comment under the Front/Main Two-Way Conversion Study and said there has been a long term drainage issue (sidewalk and street) on the south side of Front Street between the 300-400 block.

Reineking asked if there was a Hotel Fox update. Behan said Hotel Fox hopes to have a presentation prepared for the Board within the next month or two. Moe asked if Hotel Fox needed a formal extension. Behan said not at this point in time.

Buchanan provided an update on the South Reserve Street Trail Crossing and said DJ&A conducted a day of meetings with staff and stakeholders on Thursday, July 10, 2014. She said DJ&A will now take the suggested ideas and input from those meetings and refine the bridge designs before they come back to the Board. Moe asked who was all involved in the meetings. Buchanan listed a few individuals who attended the meetings: Rosalie Cates, MRA Board Member; Donna Gaukler, Parks and Recreation Director; a City Council member; Development Services staff; the design team including engineers and an architect.

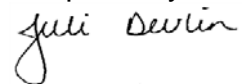
Budget Reports

Lee reviewed the budget reports. She said MRA will be receiving another round of revenue in July that was received through June. She said additional revenue was received in the Riverfront Triangle URD due to a reimbursement for the reduction of Class 8 Personal Property tax that wasn't anticipated.

ADJOURNMENT

Meeting adjourned at approximately 2:15 p.m.

Respectfully Submitted,



Juli Devlin