

MISSOULA REDEVELOPMENT AGENCY

CONDENSED BOARD MEETING MINUTES

July 20, 2017

FINAL

A Regular meeting of the Board of Commissioners of the Missoula Redevelopment Agency was held on Thursday, July 20, 2017 at the Hal Fraser Conference Room, 140 W. Pine, at 12:00 p.m. Those in attendance were as follows:

Board: Karl Englund, Ruth Reineking, Nancy Moe, Melanie Brock

Staff: Ellen Buchanan, Chris Behan, Annette Marchesseault, Tod Gass, Jilayne Dunn

Public: Ben Dawson, International Brother of Electrical Workers (IBEW) Business Representative; Jon Schick, HDR Engineering; Kyle Gauthier, DJ&A P.C.; Bob Moore, citizen; Matt Suck, Territorial Landworks; David Erickson, Missoulian; Skip Yates, Conflux Brewing Co.; Hugh Yates, Conflux Brewing Co.

CALL TO ORDER

12:00 p.m.

APPROVAL OF MINUTES

July 20, 2017 Special Board Meeting Minutes were approved as submitted.

PUBLIC COMMENTS & ANNOUNCEMENTS

Bob Moore, citizen, read a recent letter to the editor that was published in the Independent newspaper.

ACTION ITEMS

Conflux Brewing Sidewalk – 202 East Main Street (Front Street URD) – TIF Request (Behan)

Behan said the northeast corner of Pattee and East Main Streets has been vacant for several years. He said the previous owners were opposed to public improvements around their building such as sidewalks and street trees. He said the current Conflux Brewing project involves taking down the old building and putting up a two-story, 10,000 square foot brewery and restaurant. The total cost of everything, including land, is about \$4.5 million. Without the land, all of the other costs are about \$3.3 million.

Behan said the MRA Front Street Urban Renewal District (URD) boundary is right along the edge of the right-of-way (ROW) on Main Street. He said the only portion of the project that is within the District is the ROW. He said the project gives MRA the opportunity to start completing some of the highly recommended actions along Main and Front Streets from the Front/Main

Conversion Study as well as some of the ideas in the Downtown Master Plan. Behan reviewed the layout of the project.

Behan said staff feels this project presents a couple of opportunities. First, it gets the pedestrian amenities started for the area. He said staff also hopes to work on the other corners in that area. He said staff has heard the Firestone store will be redevelopment in the near future and there have been discussions about the hotel on the southeast corner. Behan said this is a busy intersection that will get busier with the number of residents in the area as well as Conflux's nature of business. Behan said the staff recommendation is to reimburse Conflux Brewing in the amount of up to \$45,764.50 for sidewalk and bulb-out work on Main Street.

Hugh Yates, Conflux Brewing Inc., said they are really excited about their project and love the location. They want to make it attractive and expand the eastern side of downtown. In addition to the 10,000 square feet inside there will be about 1,500 square feet of outside space for dining. Behan added that Conflux Brewing Inc. has worked with the Historic Preservation Commission to shape the building so the historic painted signs on the Union Building will be preserved so people can still see them well into the future. Matt Seward, Territorial Landworks, spoke to the value of moving the fire hydrant into the bulb out to create much needed additional parking spaces. Yates said they will be removing several of the driveway access points on both Pattee and Main Streets which will increase parking as well.

Reineking said she appreciated the preservation of the Union Building signs. She referred to Behan's memo and the bike corral and asked what that entails. Seward said they have been in touch with Ben Weiss, Bicycle Pedestrian Program Manager in Development Services, and are going to add more parking for bicycles than what is required by City code. Behan added that Weiss is looking for areas where small bike corrals may be located. He said the Bicycle Pedestrian office has some of their own funding to be able to do them around downtown and this is a good spot. He said Weiss is going to keep an eye on the design to see if works.

Moe asked what the obligation of the adjacent property owner is to maintain the bulb out. Behan said there is some pressure from around downtown to clean up areas. City ordinance says they have to keep the weeds down. He said there is no mechanism right now to enter into a long term agreement for continued maintenance and said he thinks Mr. Yates will keep it maintained. Yates concurred and said they will want to do everything they can to enhance the visibility of the business.

Englund asked for a rough cost breakdown for the \$45,764.50. Behan said about two-thirds of it is concrete including the curb, sidewalk and sub-base, the fire hydrant is \$6,600, new storm drain is \$5,500, and new trees, tree grates, etc. is \$2,000 for five trees.

MOE: I MOVE THE STAFF RECOMMENDATION IN AN AMOUNT UP TO \$45,764.50 AND ALSO POINT OUT THAT THE REIMBURSEMENT BASIS FROM MRA IS AT THE END OF THE PROJECT WHEN THE PROJECT IS COMPLETED AND INVOICES HAVE BEEN APPROVED, AND ALSO I AM MAKING THE MOTION BECAUSE EVEN THOUGH THERE'S A LIMITED AMOUNT OF PROPERTY IN THE AREA, THAT IT IS ENCOURAGEMENT FOR JOBS, INCREASED EFFICIENT FIRE PROTECTION, PARKING AND BICYCLE PARKING AND I NOTE THOSE AS A REASON FOR US TO MAKE THIS INVESTMENT IN A DEVELOPMENT THAT IS JUST PROVIDING ONE SIDEWALK AREA INSIDE THE DISTRICT.

Staff recommendation: Staff recommends the MRA Board find that replacement of sidewalk, curb, gutter; construction of a pedestrian “bulb-out” on the northeast corner of the East Main Street/Pattee Street intersection; and installation of street trees along the 202 East Main Street property in conjunction with the project located at that address benefits the Front Street Urban Renewal District and further approves up to \$45,764.50 in Tax Increment Financing reimbursement from the Front Street Urban Renewal District for those improvements.

Staff further recommends that the Board authorize the Board Chairman to sign related documents subject to the standard conditions for MRA assisted projects. Those standard conditions include assistance being made on a reimbursement basis based on copies of paid consultant, contractor, and materials vendor invoices showing the actual work completed and materials used along with payment lien waivers for the work performed.

Reineking seconded the motion.

No further discussion.

Public Comment

Bob Moore, citizen, said he is opposed to this because part of the project is not within the District and he doesn't think the developers need assistance from MRA.

Ben Dawson, International Brother of Electrical Workers (IBEW), said he is a neighbor of the property at the Union Hall. He thanked Conflux Brewing Inc. for looking out for the sign and hoped they would employ union laborers and electricians.

Motion passed unanimously (4 ayes, 0 nays).

Englund asked Conflux Brewing Inc. how much the Mercantile development entered into their plans. Yates said not a lot, but said it's a great added bonus as well as the student housing.

Mary Avenue West (URD III) – Request to Approve Price Adjustment for the Construction Contract & Change Order #1 (Marchesseault)

Marchesseault said construction started on the Mary Avenue West project two weeks ago and they are coming forward with a change order request. She said it's never a comfortable position to be in and it's particularly uncomfortable this close to the beginning of construction. She said there are several reasons for the price adjustment. The project was bid in March under a Contract Manager at Risk (CMAR) process which allowed them to get the project out to bid in March in a favorable bidding climate rather than waiting until June when contractor's prices typically go up. Marchesseault said the project was bid at the 70% level and therefore there are some uncertainties at that percentage. She said it's a new process MRA hasn't used much and it's a new process in the construction industry and bidding climate.

Marchesseault said she wanted to apologize up front because she doesn't believe that staff represented some of the risks of using the CMAR process accurately to the Board when it was brought forward. Marchesseault said she does believe it did allow MRA to lock in unit prices at a much more favorable level than it would have had if it waited until June. She said one of the things that was confusing was the term “guaranteed maximum price” which is the price the contractor submits with their bid at the 70% level. She said that is a misnomer in that staff understood it to be that it was the maximum price. She said what it really means is that it is the

maximum unit price. They are locking in unit prices and there's a chance that between the 70% to 100% level things can adjust and that is what happened.

Marchesseault said there are three categories that have required an adjustment in the price. The first is quantity adjustments between the 70% and 100% level. She said some of those quantities were in response to requests from City Engineering. For instance, she said under commercial driveways the Engineering Department requested deepening the profile from 6" to 8" which increased the quantity of asphalt and base material. Also, the tie-ins where Mary Avenue ties into the side streets, the Engineering Department requested they extend the length of tie in which increased the quantities of asphalt and base material. The quantity adjustments resulted in a net increase of \$30,966.14.

The second price increase is due to new and unexpected items that could not have been anticipated at the 70% level. She said one of the items is two new fire hydrants. Marchesseault said MRA knew at the 70% level that two new fire hydrants were needed. What was uncertain was whether they would be included in this project or whether they would be a separate project. She said a lot of it was driven by the ownership of Mountain Water. She said Mountain Water would typically require that it be a separate project but now that it's Missoula Water it is included in this project. Marchesseault said it's about a \$21,000 change. Buchanan said Mountain Water required that you had to enter into a contract with them and pay them up front. Moe asked why it was decided that the fire hydrants were included in this project. Marchesseault said with the ownership changing from Mountain Water to the City of Missoula, it's a policy change and it can be done more efficiently this way.

Marchesseault said a few of the other unexpected items driving the price increase include a change in the curb cuts at the southwest end where Lyman Motors is located. The project is proposing to close a curb cut on the north side of the parcel and pave a portion of the alley in exchange. She said Lyman Motors is open to this as long as they can continue to make their property work efficiently. The Engineering Department also requested a driveway splitter island at the roundabout and street tree planting at the western end of the project along the commercial properties. Marchesseault said these changes add \$44,117 to the project.

Marchesseault said the third item was uncovered when the contractors were doing excavation at the eastern end of the project where an irrigation ditch crosses under the street. She said the soil was soggy and further exploration showed the two culverts are failing and have large holes that are pouring water into the base of the street. She said Missoula Ditch Company is not responsible for crossings in the City. The City of Missoula can't leave a condition like this and rebuild a road properly so it was determined that the culverts need to be replaced. The estimate for replacement costs is \$28,434.57. This includes all material and labor.

All of the above proposed items make up called Change Order #1 and add \$103,517.71 to the project. Marchesseault said in addition to that, staff is proposing to add a 5% contingency to the overall new total amount which would be \$55,446.83. This will increase the construction price for the project to \$1,164,383.34. In retrospect, Marchesseault said they should have included at least a 10% contingency when staff brought the construction price to the Board back in April. She said staff regrets not doing that and had it been done it would have covered all of these items.

Moe asked where in the process a contingency normally would have been submitted. Marchesseault replied it should have been in April when staff came forward with the

construction amount of \$1,005,419 asking for approval. In retrospect, she said that number should have included at least a 10% contingency. Moe asked if this was something the CMAR should have pointed out to MRA or that MRA should have caught. Marchesseault said it's probably equally beared responsibility. She said staff and consultants working together should have determined they needed to add a contingency to the costs. Moe said right now, the difference is \$158,000 with the change order and 5% contingency, and that is more than what a 10% contingency would have been on it. Moe said it would have covered most of it but not the full amount. Marchesseault said it may not have, but if you back out the culverts it would have certainly covered the unexpected items between 70% and 100%. She said there was no way to know about the culverts until construction started. She said the construction budget includes a \$50,000 miscellaneous item which is intended to cover surprises like that, so that it would have covered the culverts, but staff felt it was prudent to include that cost in a change order because it occurred so early in the project and if they took it out of miscellaneous now there would be very little left for the remainder of the project. Moe asked if there was a breakdown for the unexpected items between 70% and 100%. Marchesseault said it is in the spreadsheet with her memo.

Englund said there's a significant part of this that was dictated by the City Engineer's office. Marchesseault said that is correct. He asked if there was a way to include the Engineer's office in the process to get to 70% so these items aren't a surprise. Marchessault said they have been involved since the 30% level. The City Engineer's office reviews drawings at the 30%, 70%, 90% and 100% levels. Englund asked if it is common to get a bunch of changes between the 70% and 100%. Kyle Gauthier, DJ&A, said for a project of this size it's not uncommon to get some of these things. He said they did know that when bidding this project at the 70% level there would be some changes, but said he didn't think they could have expected this level of change.

Moe said the budget for URD III has \$166,000 in contingency. This project will be a \$158,000 change. Dunn said the bond was \$1.6 million and the breakdown for Mary Avenue West shows cost of issuance and money set aside to reimburse the District for preliminary design costs, planning study, Phase 2 & 3, final design costs & construction documents. Dunn said the contingency of \$166,000 will not be affected because there is bond capacity to cover the \$158,000 change. Buchanan said it will affect how much money MRA has to reimburse the District for engineering costs.

Englund said the "live and learn" is that the CMAR is for the unit price only. He asked Marchessault what else the MRA could have done to avoid the additional costs. Marchesseault said she wasn't sure that MRA could have foreseen some of the additional costs between 70% and 100%. She said two of the things she takes away from this is to strengthen her relationship with the City Engineering Department in order to have some deep conversations at the 70% level so that they can try to head off some of the changes that can occur. She said the other take away is to build in a contingency. Gauthier said he didn't want the MRA Board to be turned off to using the CMAR method. Marchesseault concurred. He said it has been of great value and allowed them to bid the project in early spring when things weren't as competitive, whereas they normally would have been going to bid now or wait another year to do construction. Englund asked what could have been done better in the use of the CMAR process. Gauthier said he agreed with Marchesseault in that they should have added a 10% contingency. Buchanan said if the project had been bid last month, she didn't know if the MRA would have had any bidders. She said MRA put out a bid for 70 street trees, a sizeable amount, and did not receive any bids. She said it's the same thing that happened with the Missoula to Lolo trail.

When it was bid the first time it was during construction season and there was one bidder and it was so over budget they had to start over. She said that was the motivation for using this process and to be able to get numbers in the spring before what they knew would be a busy construction season. Marchesseault added that by using this process which has a guaranteed maximum price it really locks in unit prices. For instance, she said the price they're paying for asphalt is roughly \$89/ton. If it were bid in June it probably would have been \$120/ton. She said if MRA bid the project in June and the prices were way too high they likely would have waited until next year which means the neighborhood would have been torn up for two years when the goal was to tear it up once and be done with it. Marchessealt said she echoed Gauthier's sentiment in that she doesn't think MRA should stop using this process, but should go into it with eyes more wide open next time.

BROCK: I MOVE THE STAFF RECOMMENDATION TO APPROVE CHANGES TO THE ORIGINAL BID PRICE FOR THE MARY AVENUE WEST ROAD RECONSTRUCTION PROJECT IN THE AMOUNT OF \$103,517.71, AND DIRECT STAFF TO ISSUE THIS BID ADJUSTMENT AS CHANGE ORDER #1.

Moe seconded the motion.

No further discussion.

Public Comment

Moore said he doesn't think the general policy of the MRA bailing out contractors is a good policy. He said the contractors enter into CMAR also, and are being bailed out at no additional expense whatsoever. They are more the experts on this bidding process than MRA. Second, Moore spoke to contingencies and said with larger contingencies the sky's the limit. He said he doesn't think it's fair for the tax payers to bail out mistakes of the contractor. He said he wasn't arguing about the change order and said he thought they were necessary. But Moore said he did think the contractors were supposed to know what they're doing and thought Grant Creek Excavating LLC should bear some of the costs of the mistake.

Motion passed unanimously (4 ayes, 0 nays).

BROCK: I MOVE TO APPROVE THE SECOND STAFF RECOMMENDATION.

Staff recommendation: Staff further recommends adding a five percent (5%) contingency in the amount of \$55,446.83 to the adjusted construction price which includes Change Order #1, and increasing the approved adjusted construction price to \$1,164,383.34.

Moe seconded the motion.

No further discussion. No public comments.

Motion passed unanimously (4 ayes, 0 nays).

Mary Avenue West (URD III) – Request to Approve Payment for Easements/Fee Simple Right-of-Way (Marchesseault)

Marchesseault said this project requires acquisition of some easements at the location of the roundabout and where the street connects to Reserve Street. She said there are six properties in which the City needs to acquire easements. At Reserve Street they are required because the

geometry of the radii changed and has increased. She said City Engineering was strongly suggesting that MRA consider fee-simple right-of-way (ROW) purchases for the Reserve Street parcels rather than easements because the majority of the land will be used for the new street. She said there are four parcels MRA is recommending purchasing easements on and two parcels MRA is recommending purchasing fee-simple ROW. She said the values were determined through an appraisal process and DJ&A engaged an appraiser and did a detailed appraisal process for each property. She said the square foot cost varies per property based on a lot of factors such as commercial or residential, multi-family or single family, existing non-conforming circumstances or conforming, etc. Marchesseault said the total costs for easements and fee-simple ROW total \$15,691.70. She added that the fee-simple ROW properties, Parcel 1 and Parcel 37 at the intersection with Reserve Street, are based on the geometry of a certain turning movement for a certain sized vehicle. The Montana Department of Transportation (MDT) has not yet given a final review/ruling on whether that's the acceptable geometry. She said they are meeting next Friday to make that determination. She said staff is hopeful they find the design acceptable as is. She said there is always the chance that they ask for a wider, larger radii, in which case the cost could change a little bit.

Moe asked if the landowners have all agreed to the price. Marchesseault replied yes. Englund asked if the MDT board approves the proposed geometry. Marchesseault said it's not the board that approves it. She said MDT has had the plans since March. She said they are short staffed and have been extremely slow in reviewing material. She said there was also discussion about a traffic light at the Mary Avenue/Reserve Street intersection. There has been verbal communication that the project will not warrant it, but there has not been a formal determination and it appears that next Friday MDT may make a formal determination, but staff doesn't know that for certain. Buchanan said MDT formally notified all cities that they are short staffed and their internal projects take priority. Therefore, everything is just waiting.

Reineking asked if it would change any of the fee-simple ROW purchases if a traffic signal is determined to be warranted. Marchesseault said no. Buchanan said the intersection is designed to take a traffic signal if and when one is warranted. Reineking said she recalled from the public meetings and discussions with others in the neighborhood about the roundabout at Mary Avenue and Clark Streets, that they were really glad to have a roundabout to slow down traffic, some of which tend to use Clark Street to avoid Reserve Street. She said she appreciates having the roundabout there and it's a good neighborhood benefit. Buchanan said there have been pre-construction traffic counts and there will be post-construction traffic counts.

REINEKING: I MOVE THE STAFF RECOMMENDATION.

Reineking said she thinks the overall price is amazing considering easements, property and right-of-ways have to be purchased.

Staff recommendation: Staff recommends that the MRA Board approve funding in the amount of \$15,691.70 to purchase easements and fee-simple right-of-way to accommodate the Mary Avenue West road reconstruction project as designed, and authorize the MRA Board Chair to sign relevant documents as necessary.

Brock seconded the motion.

No further discussion. No public comment.

Motion passed unanimously (4 ayes, 0 nays).

Brooks Street Corridor Transit-Oriented Development Infrastructure Study (URD III) – Request to Approve Consultant and Scope of Services (Marchesseault)

Marchesseault said Midtown Mojo group is moving forward with an Infrastructure Study that will position them to apply for a Transportation Investment Generating Economic Recovery (TIGER) grant for potential improvements on the Brooks Street corridor. Marchesseault said MRA agreed to take the lead on administering the study with assistance from the Metropolitan Planning Organization (MPO) and Mountain Line. MRA issued a Request for Proposals (RFP) and had three respondents: HDR, WGM Group and DJ&A. She said all three were good, solid proposals. A selection committee met with members from the Midtown Mojo group and HDR's proposal rose to the top.

Marchesseault said the process by which they evaluated the proposals was merit based, not price based. She said they asked all of the proposers to submit a price in a sealed envelope and the process was that when they selected a preferred consultant on merit they then opened their price. She said HDR's initial price was higher than Midtown Mojo had money in hand for. They had estimated when they did the RFP that the fee would be somewhere between \$150,000-\$200,000. HDR's estimate was closer to the \$200,000 mark. Marchesseault said in hand they have \$160,000 with a \$5,000 commitment from the Missoula Midtown Association so they are right at the \$165,000 level. Midtown Mojo went back to HDR and asked if they could sharpen their pencils and find some scope items that could come out and not substantially affect the final product. HDR worked on that and came back with an adequate scope that will give them what is needed for a TIGER application and for future planning in the Midtown area even if they aren't successful in getting a TIGER grant. Marchesseault said staff is recommending the Board accept HDR's Scope of Services and Fee Proposal in the amount of \$165,000.

Jon Schick, HDR, said they are very excited about the project. He said HDR has worked with MRA on the Front/Main Conversion Feasibility Study and the value of this planning study to get out in front of development and shape metropolicy and position Missoula for larger funding grant opportunities is clearly a good way to go for the corridor. He said a lot of work and visioning for the corridor has been done and HDR is excited to be a part of it and would love to see a transformation of the corridor. Schick said HDR has a great team lined up with a lot of local staff with engineering and transit/traffic engineer expertise that they applied to the Front/Main Conversion Feasibility Study and they will also apply to this, bringing a depth of understanding and experience in other large urban areas that will greatly benefit this project.

Moe said she was glad to see the detail in the Scope of Services. She asked what it means that the study includes Brooks Street from Mount Avenue to Reserve Street and encompasses a one-quarter mile distance on either side of Brooks Street. She said in her mind that is a three block area.

Schick said that's language taken from the RFP and is essentially to capture and plan for connectivity for bike-ped and adjoining land uses; also that the transit-oriented plan isn't just along Brooks Street itself and encompasses land to either side of the development. He said it broadly defines a project area where they will be limiting their analysis.

Moe asked Schick if they consider landscaping in their analysis. Schick said part of the infrastructure plan will be to develop some renderings and conceptual diagrams and those will provide some street level detail but will be largely conceptual. During a final design process they will nail down the landscaping details. Moe said MRA certainly wants to encourage landscaping. Marchesseault added that they are fortunate that the design guidelines are being undertaken at the same time as this study and those will also speak to landscaping, street furnishings, building facades, etc. She said while the infrastructure study will be a high level concept, HDR will be

speaking to Winter & Co. as they do the design guidelines. The two studies will be talking back and forth to each other.

Brock asked if the +/- \$5,000 from the Missoula Midtown Association is as needed. Reineking said it's more their ability to contribute. Marchesseault said they have at least \$1,000 in a firm commitment and some confidence of reaching a \$5,000 level. Buchanan said another part of that consideration is that if Midtown Mojo does apply for a TIGER grant it is a really strong element to have private participation to match.

Englund asked Reineking what she thought about being on the selection committee. Reineking said helping to design the RFP on what would get them where they want to go and then how well the proposals responded to that, including what the District would get out of it beyond just the ability to apply for a TIGER grant, was really important to her and she thinks the proposal succeeds in that area. She said it's also fun for her to work with other people with different perspectives. She said she appreciated that Mountain Line contributed to this and their studies will be incorporated into it as well as the design guidelines. She said it's getting a lot of things that MRA didn't have when the Urban Land Institute (ULI) study was done and the city is getting a comprehensive study for this area that will apply beyond the one-quarter mile. Englund thanked Reineking for taking the time to be a part of it.

MOE: I MOVE THE STAFF RECOMMENDATION.

Staff recommendation: Staff recommends that the MRA Board approve HDR as the preferred consultant to conduct the Brooks Street Corridor TOD Infrastructure Study, approve HDR's Scope of Services and Fee Proposal in an amount not to exceed \$165,000, and authorize the MRA Board Chair to sign the Professional Services Agreement.

Brock seconded the motion.

No further discussion. No public comment.

Motion passed unanimously (4 ayes, 0 nays).

South 2nd Street West Sidewalk Project (URD II) – Request to Issue a Request for Proposals for Design, Engineering & Contract Administration Services (Gass)

Gass said back in 2009 MRA began its URD II sidewalk program. Since then MRA has completed nearly all of the sidewalk segments west of Russell Street. In 2015 the focus was shifted to the east side of Russell Street. He said over the last couple of years MRA has taken a pause in the URD II sidewalk program to let the budget recover to a level MRA felt comfortable proceeding with sidewalk projects and staff feels we are at that point now.

Gass reviewed a map of the South 2nd Street West sidewalk project. He said the area is generally a residential neighborhood with a few commercial uses scattered throughout. There are several existing pieces of sidewalk in the area, mostly along where redevelopment activity has occurred, however many segments are still missing as well as full block lengths. He said in looking at the area it became apparent that the streets have good connectivity to the Milwaukee Trail and Bitterroot Trail which gives good pedestrian access down to the riverfront, parkland, trail amenities and downtown. But, he said, the sidewalk connectivity in the area to the trails is incomplete and disjointed.

Gass said staff is proposing a two-phase project. Phase 1 would be the South 2nd Street segment which would be planned to be designed and bid this winter with construction following in the summer of 2018. Phase 2 would be the northern half of the project area which would be designed and bid in

2018 with construction in the summer of 2019. Gass said the recommendation is that the Board direct staff to issue an RFP for design, engineering and contract administration services for the 2nd Street sidewalk project that would include curb, gutter, sidewalk and related infrastructure, with the understanding that staff would later present a Professional Services Agreement and Scope of Services to the Board for consideration.

Reineking asked if it was being proposed as two phases for budget purposes. Gass replied yes. He said it will allow MRA to spread the costs over two budget cycles and lessen the impact to the budget. Reineking confirmed that it doesn't include anything on California Street which is being done in a separate study. Gass concurred and said there's an RFP out that's due August 2nd for California Street. Englund asked if the design, engineering and services are for both phases. Gass said yes and that he plans to work on that with the selected engineer to see what they think might be the most efficient way to deal with it. Reineking asked if the design would be impacted by further development along the streets or if it's good to go whoever decides to build something. Gass said it's good to go.

REINEKING: I MOVE THE STAFF RECOMMENDATION.

Staff recommendation: The Board direct staff to issue an RFP for design, engineering and contract administration services for the South 2nd Street West sidewalk project including curb, gutter, sidewalk and related improvements with the understanding that staff will later present a Professional Services Agreement and Scope of Services to the Board for consideration.

Moe seconded the motion.

No further discussion.

Public Comment

Dawson asked if MRA chooses Phase 1 and Phase 2 in order or if there was a specific reason for the order. Gass said no, not particularly. He said he split it in half and thought MRA would start on 2nd Street and work towards the north.

Motion passed unanimously (4 ayes, 0 nays).

NON-ACTION ITEMS

STAFF REPORTS

Director's Report

Buchanan said the Legislature is heating up again from the interim sessions. She said there is an interim committee for the first time that is dealing specifically with local government issues. She said they did talk about Tax Increment Financing (TIF) but said TIF now has its own study committee that is part of the Urban Land & Transportation sub-committee. As a result of the contentiousness in the last session, Buchanan said it really has brought the cities and counties together that use TIF. There has been one meeting that took place about a month ago and the next one will be in October in conjunction with the Montana League of Cities and Towns. She said one of the goals is to get a common database with information in a format that legislators can understand and that doesn't change from city to city or county in terms of how it's talked about or accounted for. Behan said one key thing is not just the data itself, but also the language so that when someone is talking to a committee they are using the same language based on the same understanding of how TIF and the law work. To date, he said it's been

disjointed. He said the cities mean the same thing but it comes off differently and becomes confusing. Englund asked what cities and counties are the most sophisticated. Behan said as far as urban renewal, they include Missoula, Butte-Silver Bow, Billings and Bozeman.

Buchanan said one of the fascinating things this past session was the participation by smaller towns and their understanding of the value of urban renewal districts. Those towns included Colstrip, Livingston, Lewistown, and Fort Benton.

Buchanan said the Department of Housing & Community Development has its first full fiscal year behind it. She said she tracked her time very specifically and it will now show in the Staff Activities Reports. She said less than 10% of her time is going towards this and Eran Pehan, Director of Housing & Community Development, is very good at what she does.

Brock asked if MRA is close to having another Board member. Englund said as he understands it some progress is being made and the Mayor is working on it. He said it's not an easy position to fill.

Moe asked who makes the decision for the Mercantile on the developer complying with preserving the Pharmacy building. Buchanan said there are several people working together on that including a City Council liaison, Building Official, herself and the developer and their architects. She said they are currently in active conversations about the intent of City Council and the drawings that were presented to the MRA Board. Ultimately the decision of compliance falls with Don Verrue, Building Official, in terms of whether what they submit for drawings complies with what the Development Agreement with City Council represents. She said compliance will also determine whether or not there's ultimately TIF funding put into the project. Moe asked if it also goes through Jim Nugent, City Attorney. Buchanan said yes.

COMMITTEE REPORTS

OTHER ITEMS

ADJOURNMENT

Adjourned at 1:30 p.m.

Respectfully Submitted,



Lesley Pugh