

MISSOULA REDEVELOPMENT AGENCY

CONDENSED BOARD MEETING MINUTES

March 20, 2018

FINAL

A Regular meeting of the Board of Commissioners of the Missoula Redevelopment Agency was held on Tuesday, March 20, 2018 at the Hal Fraser Conference Room, 140 W. Pine, at 12:00 p.m. Those in attendance were as follows:

Board: Karl Englund, Nancy Moe, Natasha P. Jones, Melanie Brock

Staff: Ellen Buchanan, Chris Behan, Jilayne Dunn, Lesley Pugh, Annette Marchesseault - Teleconference

Public: Jeremy Keene, WGM Group; Noré Winter, Winter & Company; Eran Pehan, City of Missoula Housing & Community Development; Kyle Gauthier, DJ&A P.C.; Laval Means, City of Missoula Planning Services Manager; Lee Einsweiler, Code Studio (with Winter & Company); Ross Mollenhauer, City of Missoula Water; Brad Johnson, Winter & Company; Trevor Iman, WGM Group; Mary Gray, Missoula Community Access Television (MCAT); Bob Moore, Citizen; Jenni Graff, Missoula Economic Partnership (MEP); Jeff Fee, MEP

CALL TO ORDER

12:00 p.m.

APPROVAL OF MINUTES

February 15, 2018 Regular Board meeting minutes were approved as submitted.

PUBLIC COMMENTS AND ANNOUNCEMENTS

Bob Moore, citizen, asked about getting some copies of documents from Buchanan. Buchanan said Moore will need to make a formal public records request and then he can get the documents.

NON-ACTION ITEMS

Missoula Design Excellence Project – Presentation & Recommendations (Winter & Co.)

Buchanan said this is a project the City embarked upon last year and MRA has a significant amount of funding in the project. The consulting team, Winter & Company, have been to Missoula three times and there are a series of presentations being made by them over the next three days. She said it was important to get Winter & Company in front of the MRA Board and staff so they can ask questions that are specific to what MRA wanted to accomplish as a partner in this endeavor. Noré Winter and Brad Johnson from Winter &

Company presented the Missoula Design Excellence Project. Johnson said the Missoula community began to feel that there were a lot of great projects coming to the City and they would like to see more of that. On the other hand, Johnson said there are some projects that the community was struggling with that they didn't feel like they quite fit the Missoula character or were unique enough to fit in Missoula and looked like they could have been plopped down in any city across the country. Johnson said Winter & Company was engaged to help the City run a project to engage the community about what they value in terms of private development within the City and what they define as excellent design. He said the goal is to take the community's input, and develop a strategy and eventually some regulatory and incentive-based tools to address design excellence in private development. Johnson said where they're at now is that they have some of the tools drafted and are presenting them to the community this week. The tools are out for comment through April 3.

Johnson said Winter & Company's focus areas were several of the commercial corridors with the focus on non-residential zoned parcels, and downtown. He said the tools to address design excellence include design standards and design guidelines. Design standards are prescriptive, measureable parameters one would follow to build their building. Those are in the zoning ordinance now (setbacks, height, etc.). He said it is clear cut and you either meet the standard or you don't. A design guideline is more flexible and is a discretionary tool that focuses on the design objective. He said it's discretionary and requires someone to administer it, either a staff person to determine the project has met the guideline or in some cases a design review board might be in charge of reviewing it. An example could be a setback of five feet; design guideline might say to design the area between the building and the street to enhance the pedestrian experience.

Johnson said there has been a lot of community outreach and they are going to have their third community workshop on the project this evening. Winter & Company have had several meetings with the Planning Board and City Council with check-ins along the way. He said they have heard a lot about what people value, what their overarching principles are as well as hopes for design in Missoula. They also helped the community to understand how their objectives may be different based on a location – Reserve Street versus Brooks Street versus Downtown. Johnson said that led Winter & Company to development of some contexts in the case of Downtown including the inner core, outer core, Hip Strip area and gateway areas at the edge of Downtown. He said some of the design was also informed by the Downtown Master Plan. He said the Downtown Master Plan is a robust plan for that area and they tried to build on it as much as they could. Johnson referred to color coded charts for plans described for each of the areas and corridors. Visit missouladesignexcellence.org for charts and more information.

Johnson said Winter & Company has come up with a design excellence overlay program and it is something that is in addition, or sits on top of the Title 20 Zoning Ordinance, which is already in place. Sometimes the overlay is addressing new design variables that the community said were important that weren't addressed in the zoning ordinance. Sometimes the overlay trades or supersedes the standards that are already in the zoning ordinance and breaks down to two different pieces. One is overlay design standards, which has one document of standards for downtown and a separate document for the corridors. The second is a design excellence manual, which is a collection of discretionary guidelines that require interpretation. Johnson said the overlay design standards are like zoning. He said

every project, regardless of where it is, is going to be part of Title 20 in some form and presumably some version of the overlay standards will get adopted as amendments to the zoning code and will apply to all projects. The design guidelines may only apply in some areas or to certain projects of certain size or projects that are receiving assistance from MRA. Johnson pointed out that for a project that is only required to meet the prescriptive overlay design standards, but incorporates an idea that meets the intent of the design standard but is maybe not quite to the letter of the rule, a piece of the system called alternative compliance would allow the applicant to do something a little different than what is specified in the zoning ordinance. The project would move into the design guidelines area and have to go through that discretionary design review process. It incorporates some flexibility in that way.

Johnson said the Design Guidelines manual breaks down into four different parts. The first part is a basic introduction to the document, the second and third parts are a piece on downtown and the corridors. For each of those there is an introduction that lays out the vision for design and then gets into the specifics of site designs and ultimately building designs. Part four is a signs section that would apply across the board.

Johnson said an important piece of the system are guidelines for the recommended applicability of design review with discretionary guidelines and discretionary design review. He said Winter & Company is saying that design review is required for all projects in downtown. All projects have to meet the overlay design standards and design guidelines. He said the same goes for Corridor 1 on the map.

Johnson said Corridors 2, 3 & 4 require design review but only if the building meets or surpasses a certain threshold of size of square footage. He said in the case of Corridor 2, it's 8,000 square feet. Corridor 3 is 15,000 square feet and Corridor 4 is 30,000 square feet. Otherwise he said a building just needs to meet the overlay standards and would not be required to go through discretionary design review.

Johnson said in addition to those thresholds, Winter & Company is also recommending that if MRA is providing assistance to a project then it should go through design review. Johnson said projects that can't or don't want to meet the letter of the law of the standards can have an option to opt-in to design review and come up with an idea that still meets the intent of the standards. Johnson explained the process projects would go through.

Winter said what they heard from the community was that one size does not fit all and Missoula needs to be more context-sensitive with design. He said Winter & Company identified in the downtown what they are calling contexts and the corridors are being called typologies. By doing that there can be different standards and the numbers can change by context so that in some cases buildings can come closer to the street but in other cases they can be allowed to be setback further, knowing it's in response to the character of the street. Neighborhood plans have been taken into consideration where they exist and the vision statements that have come out of the workshops. Winter said to the greatest extent feasible this is allowing them to tailor the vision and the requirements to the different settings. He said it allows the system to learn. Once it is adopted and they learn from it, things can easily be changed while the system remains intact. He said the structure is very important to the way it is set up as well and it is balancing the degree of which there can be

predictable descriptive standards with discretionary review based on where it is most important to have the finer grain level of review using guidelines. Winter said that while guidelines may be less predictable, they are also more flexible and in many cases the development community will find that they have more options available through design review.

Winter said it is important to recognize that right now, for a lot of the corridors, there already are standards that set forth some prescriptive requirements but it is one size fits all. He said the standards don't take into consideration what type of corridor the building is in. He said this project is a refinement and an improvement over what the current regulations provide.

Jones asked when the process for design review will be decided. Johnson said they are shooting for a meeting with the Planning Board to make a recommendation on the whole project in September 2018 and it will definitely need to be worked out before that meeting. Winter said they are talking about how to balance efficiency and predictability along with having an opportunity to really have a complex project looked at. On the one hand we want the process to be a quick and easy staff review at the appropriate level and on the other hand there are times when a project is complex or the person doing the project is not happy with what staff is saying and wants to ask for the comments from the board that is doing the review of design guidelines. Winter said the idea is that the authority and decision making would be with the Planning Director and that person would seek the advice of the design review board as opposed to the design review board being the decision making body. Winter said there are lots of communities that have the design review board make the formal decision, and that can be done but it means adding more steps. He said Winter & Company wants to find out how comfortable the Missoula community is with administrative permitting versus having a board make the decision. Winter said those are the variables they are discussing. They are talking with staff about what their capabilities are, what the work load will look like, etc.

Englund asked if the guidelines and standards are specifically developed. Johnson said yes, they are available online at missouladesignexcellence.org. There is an executive summary that is a quick summary. Englund asked if Winter & Company anticipates those will be rewritten by City Council or the Planning Board at some point in the process before they are adopted. Winter said they are being presented to the public this week, there is a comment period where they will receive comment and make revisions, as well as having work sessions with staff. He said there will be some edits made prior to the Design Guidelines going through a formal adoption process.

Englund asked if the standards are the existing standards. Johnson said no. He said they are new, tailored standards for the specific areas based on the community input. They will either replace or supersede the standards in the Title 20 base zoning that exist right now. Winter said the idea of the zoning overlay is that for those areas where the overlay doesn't exist, the base zoning remains in place because they are not touching every place where there is a commercially zoned district in the City. They are focusing on ones that were identified in workshops as the areas where people had the most concerns. He said that is why the underlying zoning isn't necessarily changed and an overlay typically supersedes what is underneath it, but it doesn't necessarily change everything. For example, there is a landscaping requirement where the percentage of the landscaping that's in the base zoning

is not being touched, but the guidelines talk about what the quality of the landscaping is and what it looks like while the square footage requirement remains the same. Winter said in some cases it enhances what is already there but in other cases it changes a measure that is in the underlying base zoning. He said right now there is a height limit that is established in the areas that is pretty high for many of the corridors. In the community workshops, Winter said they heard from people that they thought it was okay, but at the street front they want to see something lower in scale. Winter said they established a frontal zone area where the building height has to be a little bit lower while the overall height limit remains the same in the underlying zoning. He said there is the added requirement within the first so many feet of the front along the street. He said that is how an overlay standard supersedes the underlying one.

Englund asked if the City Council and/or the Planning Board would adopt the guidelines that are applicable to the MRA projects or would MRA do that. Buchanan said she thinks the guidelines and standards will be adopted by City Council. She said one of the suggestions that is before the Board is that any project that receives funding, no matter whether it has something to do with the building exterior or sidewalk or water line extension, would need to meet the standards if it wasn't in a zone that already required it to. She said it is a philosophical thing that MRA needs to look at and she thinks it is fair. She said tax increment money is not an entitlement, it is an enhancement. She said if MRA believes in the standards that are adopted then if people want funding to offset some of their costs that are legitimate expenses under state law then they would have to comply with a higher standard of design than might be required just by the zoning. Englund said the flipside of that is the question of does that make it more of an entitlement. Buchanan said she doesn't necessarily believe that just because someone is meeting a design standard they are entitled to the funding. She said someone could come in with a project that disrupts existing land use patterns; for example tearing down affordable housing to build high end housing. They might meet all of the design standards so they want MRA to provide assistance, but that sort of project doesn't meet MRA goals. Winter said approval of design review is not the same thing as approval of MRA assistance. MRA still has its own set of criteria that remain in place. Winter said they want to be certain they get that language clear.

Laval Means, City of Missoula Planning Services Manager, said the idea with the design standards is that they are already a requirement so that means that funding requests within an Urban Renewal District (URD) would be able to move beyond that and look at the design guidelines for those extra enhancements. The MRA won't have to wrestle with requests that are about building placement or kinds of things that are covered in the standards that developers should be doing already. MRA can focus more on the discretionary and additional qualities of the building design that come through out of the design guidelines. She said the standards are the things that are going to be a requirement. She said Development Services is looking at that. Design review is the discretionary piece that incorporates the added qualities.

Moe said if the guidelines apply to a project then is the review something that MRA staff is going to be doing or something that Development Services will be doing, so they will have to work more closely with MRA and give their opinion, or will MRA need to have additional staff. Buchanan said she thinks the mechanics will be worked out in the process but she doesn't think it means MRA will need additional staff. She said MRA already has review

processes and procedures in place. Anyone who is going to build a new building and comes to MRA for assistance will have to go through zoning compliance review. That system is already in place, this just takes it to a higher level. Buchanan said these tools will be implemented by Development Services. Winter said procedurally they want to be certain that MRA has the opportunity to comment during the design review process so MRA isn't just handed the decision. Buchanan said there is a design review team in place and MRA is part of that team.

Buchanan asked if Winter & Company will be making recommendations as to what the composition of a design review board might be in terms of qualifications. Winter said yes. Englund said regardless of whether there is a design review board, anything that gets MRA funding still has to come to the MRA and requires the Board's approval. Winter agreed. He added that a façade only improvement project wouldn't trigger design review. He said Winter & Company is still trying to figure out exactly what a threshold might be for alterations to the skin of a building. At that point, MRA could consider adopting a façade threshold that would trigger design review.

Jones said today this is a non-action item and asked if staff anticipates bringing it back again as an action item with recommendations. Buchanan said there could be portions of it that the MRA Board may want to take some action on, although they don't necessarily have to. As an agency, she said the MRA needs to understand which pieces of it are the standards they will want to apply if a project is going to receive funding and adopt that as policy.

Moe asked what the path is to get this to City Council. She asked if the City Council will adopt it like they would adopt the Downtown Master Plan as something they will look at or if it will be an ordinance. Means said the overlays will be in ordinances that sit inside the Title 20 zoning code and they will make reference to the requirement to follow the design guidelines based on thresholds. She said the changes require going to Planning Board for their recommendation and then on to City Council for their approval of the ordinance. Means said the design guidelines themselves may not need the detailed review of Planning Board and City Council because they are going to be operating with a little more flexibility. Moe asked when these may become effective. Means said the timing they are looking at right now is collecting the comments and developing a final product in draft form. She said the Design Guideline Manual will eventually require not just the overlay standards but also the role of the design review board, so changes may be required to other chapters in the code finalizing the guidelines. It will also require a mapping project that applies the overlays to the particular areas. Means said the intent is to take the final draft of the manual and ordinance to Planning Board by September. After Planning Board's review they are looking at October by the time it is taken to City Council. She said she thinks it will take a few Land, Use and Planning (LUP) Board meetings and then a hearing date. 30 days after it is approved by City Council it becomes effective.

Moe said at some point in the process the Board would like to be involved in having the staff at least make a presentation of the sections of this plan that MRA may be using so the Board can have an opportunity to comment. Englund said it sounds like that needs to be done before it goes to Planning Board. Buchanan said it makes the most sense to see what kind of comments are generated through this series of presentations and how those modify

where it is today and then staff will dive into it and bring something back to the Board or do a workshop. Jones said she is interested in better understanding what MRA is trying to capture that wouldn't already go through the process. She said her concern would be that bigger projects are already going to fit within it and she doesn't want to create so much procedure that it adds expense and administrative steps that would prohibit some of the smaller projects from going forward. Buchanan said we look at the projects that were catalysts for this effort, if there isn't something outside of what MRA has to offer that requires them to behave properly in the community, they will just say they don't want MRA's money and build whatever they want to build. Winter said there will be materials requirements because they are hearing from the community that they want materials that speak of Missoula and are not generic. There is a requirement of a limited palate of those kinds of materials that will start being repeated and be part of the image of Missoula. Therefore, Winter said, even if a project refuses MRA assistance, at least the bottom bar has been elevated a bit to include materials and a few other things.

ACTION ITEMS

Montana Rail Link (MRL) Park – 1930 South Avenue West (URD III) – Marchesseault

A. Playground – Request to Approve Preferred Contractor, Scope of Services and Fees

Marchesseault joined the meeting via teleconference.

Buchanan said at the February 2018 meeting the Board approved a staff request to issue a Request for Proposals to select a contractor to design and provide the playground equipment for the MRL Park on Johnson Street. The Parks & Recreation Department has used this model in other parks and it seemed to make a lot of sense. She said staff issued a request for Competitive Sealed Proposals (CSP) and received four responses. An evaluation team composed of Marchesseault, Patrick McGannon and Neil Miner from the Parks Department, and Eric Meadows from DHM Design agreed on a proposal from Grondahl Recreation Inc. in an amount of \$162,960. Buchanan said the budget range for the playground equipment was \$160,000-\$180,000 so they were pleased to see it come in well within the budget. The staff recommendation is for the MRA Board to approve Grondahl Recreation Inc. as the preferred designer, contractor and installer of the playground at MRL Park, approve a contract in an amount not to exceed \$163,000 and authorize the MRA Board Chair to sign the contract. Buchanan referred to the graphic attached to Marchesseault's memo and said it is a fun design that picks up a lot on the railroad theme.

Moe asked if the contractor is also providing the playground equipment. Buchanan said yes. Moe asked if it is included in the \$163,000. Buchanan said yes. Moe asked if the figure was included in any of the previous funding for MRL Park or if it is coming out of contingency. Buchanan said it is part of the Park design and this piece was pulled out and done as a turnkey piece.

Brock asked about the overhang shade structure shown on the edge of the park area. Marchesseault said it is an open air trellis structure to provide spatial definition and filtered shade. She said it is not included in the playground, but if they stay in the project they will be installed just along the edge of it. Marchesseault said right now the playground is in red but if a different color or mix of colors is desired there is the capability to do that.

Jones said originally MRA talked about a higher amount being approved. Buchanan said it was a range of \$160,000-\$180,000 for the playground in the budget. Jones asked if there was potential that a contingency would be needed above and beyond the \$163,000. Marchesseault said they don't expect that there would be much contingency at all because Grondahl Recreation Inc. knows what the price of their equipment is as well as the freight and cost of their installer. She said there aren't too many unknowns. The general contractor will do the earth work underneath and pour the concrete curb around. Buchanan said Grondahl Recreation Inc. has been used by the Parks Department in the past and they are comfortable with their work.

MOE: I MOVE THAT THE MRA BOARD APPROVE GRONDAHL RECREATION INC. AS THE PREFERRED DESIGNER, CONTRACTOR AND INSTALLER FOR THE PLAYGROUND AT MRL PARK, APPROVE A CONTRACT IN AN AMOUNT NOT TO EXCEED \$163,000, AND AUTHORIZE THE MRA BOARD CHAIR TO SIGN THE CONTRACT.

Brock seconded the motion.

No further discussion. No public comment.

Motion passed unanimously (4 ayes, 0 nays).

B. Construction & Survey Staking – Request to Amend Professional Services Contract with DHM Design

Buchanan said in December 2017 when the MRA Board approved entering into a contract with DHM Design to design the overall park, MRA did not have a construction manager on board and so they didn't know where the construction survey and staking would live (with the design team or the construction manager). She said MRA has since entered into a pre-construction agreement with Dick Anderson Construction with the presumption that they will ultimately be the construction manager on the entire project. The determination has been made that they would like for DHM Design to provide those services, primarily through DJ&A P.C. who is the engineering component of the team in Missoula. Marchesseault received a proposal from DHM Design to perform the survey and staking services in an amount of \$27,840.50 and a copy of the scope of services is attached to her memo. The staff recommends that the Board approve amending the original contract with DHM Design in an amount not to exceed \$27,840.50 to include construction survey and staking services and direct staff to issue the contract amendment. Buchanan said this is not an additional expense, this is just figuring out where the services are going.

JONES: I MOVE THAT THE MRA BOARD ACCEPT THE STAFF RECOMMENDATION APPROVING AMENDMENT OF THE ORIGINAL CONTRACT WITH DHM DESIGN IN AN AMOUNT NOT TO EXCEED \$27,840.50 TO INCLUDE CONSTRUCTION SURVEY AND STAKING SERVICES, AND DIRECT STAFF TO ISSUE THIS CONTRACT AMENDMENT.

Moe seconded the motion.

No further discussion. No public comment.

Motion passed unanimously (4 ayes, 0 nays).

Holiday Village Sidewalk – 1916 Brooks Street (URD III) – Request to Approve Construction Contract (Gass)

Buchanan said this project is long awaited as the City has been trying to get an easement to put in a sidewalk in front of Holiday Village on Brooks Street for a very long time. The City has accomplished acquisition of an easement and the Holiday Village owners are going to take down the one building that is in the way. MRA advertised for bids for the project and the low bidder was HM Concrete in the amount of \$132,460.35. Buchanan said HM Concrete has done a number of smaller sidewalk projects for MRA in the past. The staff recommendation is that the Board approve awarding the construction contract to HM Concrete in the amount of \$132,460.35 and authorize staff to sign the Notice of Award and Notice to Proceed and the Board Chair to sign the contract.

Englund asked if they are taking down all of the buildings. Buchanan said no, just the building where Pet Nebula most recently resided (formerly Torrey's). The Joint Effort part of the building will remain.

Moe asked how the bid amount compares with other sidewalks along Brooks Street. Buchanan said it was comparable, especially considering the scale of the project. Staff has compared it to other projects going on and feel it is reasonable and prices are starting to increase on everything. Moe asked if the easement requires that there is any setback or will any building adjacent to the sidewalk be as close as the dental building a block further down. Buchanan said she isn't sure what the zoning requires there, but hopes there would be some setback. Jeremy Keene, WGM Group, said one of the things that is in the design guidelines and the design standards for the overlay is to provide greater depth where there is not enough sidewalk so once the overlay standards are approved the City will have that. Moe asked if this is coming out of the URD III contingency. Buchanan said yes.

BROCK: I MOVE TO APPROVE THE STAFF RECOMMENDATION TO AWARD THE CONSTRUCTION CONTRACT FOR THE HOLIDAY VILLAGE SIDEWALK PROJECT TO HM CONCRETE IN THE AMOUNT OF \$132,460.35, AUTHORIZE THE MRA BOARD CHAIR TO SIGN THE CONTRACT AND AUTHORIZE STAFF TO SIGN THE NOTICE OF AWARD AND NOTICE TO PROCEED.

Moe seconded the motion.

No further discussion. No public comment.

Motion passed unanimously (4 ayes, 0 nays).

Brock exited the meeting.

Wyoming Street Reconstruction (URD II) – Request to Enter into a Memorandum of Understanding with Public Works (Gass)

Buchanan said at the July 2017 MRA Board meeting the Board authorized staff to do a Request for Professional Services to design another segment in the ongoing sidewalk

projects on South 2nd Street. Prior to issuing the RFP, staff became aware that with the Russell Street project moving forward there is a section of Wyoming Street between Russell Street and Prince Street that will be rebuilt as well as a water line extension done (green section shown on map attached to Gass' memo). Buchanan said the water line extension needs to be made down Wyoming Street to get the coverage needed. She said as she understands it, there is a water line that needs to be removed near where the trail is going to go under Russell Street. In order to be able to take that water line out of service, a new line has to go into Wyoming Street and loop back up. Since Wyoming Street is going to be torn up with the water project, it seemed to make sense to staff to piggyback on that and build Wyoming Street the way it needs to be built between Russell and California Streets. Buchanan said the first block on the west is already going to happen as part of the Russell Street project so MRA switched gears and decided to hold off on doing anything on South 2nd Street and shift the emphasis to Wyoming Street. She said the Public Works department already has a contract with WGM Group to design the water line. She said it makes sense for MRA to do a Memorandum of Agreement with Public Works/Missoula Water to layer on some TIF funding to rebuild the street the way it should be rather than patch it back. Buchanan said staff is recommending that MRA shift gears at this point and not do the South 2nd Street project and take advantage of the work that is already going to be done with the Russell Street project. This will result in only having Wyoming Street disrupted one time for both of the projects because the water project is not going to rebuild a proper street. MRA will enter into an agreement with Public Works to amend the WGM Group contract to include design services for the redesign and engineering of Wyoming Street.

Jones asked if it included construction. Buchanan said the request is to fund design and construction administration at this time. She said the decision to have Dick Anderson Construction, who is already doing Wyoming Street with the Russell Street project, construct it or to put it out to bid will be the decision of Public Works. Ross Mollenhauer, City of Missoula Water, said Dick Anderson Construction is going to do the first block (green area on map) and thinks the remaining section will go out to bid. He said the Montana Department of Transportation (MDT) is paying 75% of the water main costs all the way to California Street.

Englund asked what the costs will be for the street rebuild. Buchanan said there haven't been any estimates done yet. She said there are some complicated pieces with an irrigation ditch that has to be accommodated and a swimming pool encroaching onto the Right of Way (ROW). Jones asked if there will be another request that will come back for construction. Buchanan said yes. Iman said the road construction component for the pink segment (shown on map) is right around \$520,000. He said it's expensive because of not only installing curb and sidewalk, but also a full road reconstruction. He said they are also intending to pipe the Missoula Irrigation Ditch for that entire block in front of the storage units. It also includes landscaping and lighting costs at two intersections. Iman said this number is preliminary and there is contingency in there. Installing the water main would be an additional expense.

Englund asked if it will all work to where it is timed in some sort of logical fashion with the reconstruction of Russell Street. Iman said yes, Russell Street is anticipated to take two years, but the water main portion (in blue on the map) will have to take place immediately

this spring and is part of the Russell Street project. As this project continues, what they don't want to have is two contractors trying to overlap on top of each other and the timing of it has to be done immediately after the Russell Street project or after the Russell Street project has ended so that it can be built and the traffic control can be coordinated between the two contractors if that is the case.

Moe asked if the funding will be in two fiscal years. Buchanan said yes. Moe asked if MRA will be asked to pay for work on Dakota Street in the future. Buchanan said Dakota Street is okay. Moe said Gass' memo states the construction will start in the spring of 2019.

Buchanan said the water line has to be done this spring. The street construction is anticipated for the spring of 2019. Moe said she understands this is Public Works' project, but since this is a separate project she wanted to know if MRA had a responsibility to do a separate RFP. Buchanan said she talked with Jim Nugent, City Attorney, about it and his opinion is that the prudent thing to do in terms of expenditure of public funds is to get the most economical project possible and this is the most efficient way to do it and it is in no way an effort to circumvent any kind of procurement requirement.

Moe asked if this will come out of contingency for URD II. Buchanan said yes. Englund asked if it will come out of the South 2nd Street budget since MRA is no longer doing that project. Buchanan said when the Board authorized staff to issue an RFP for design of South 2nd Street staff did not go forward with that so there was never any money budgeted to either pay for design or to pay for construction. Moe asked if staff has considered when they might get back on track with the South 2nd Street project. Buchanan said she thinks staff will bring it to the Board during the next budget cycle. She said MRA has been frugal with those types of projects in URD II as it was trying to rebuild taxable values and revenue streams. MRA has adequate revenue now so it can be much more aggressive with sidewalk projects just like it has in URD III.

MOE: I MOVE THAT MRA ENTER INTO A MEMORANDUM OF UNDERSTANDING WITH CITY PUBLIC WORKS IN AN AMOUNT NOT TO EXCEED \$110,417 FOR DESIGN, ENGINEERING, AND CONSTRUCTION ADMINISTRATION FOR THE WYOMING STREET RECONSTRUCTION PROJECT AND AUTHORIZE THE DIRECTOR TO SIGN THE MEMORANDUM OF UNDERSTANDING.

Jones seconded the motion.

No further discussion. No public comment.

Motion passed unanimously (3 ayes, 0 nays).

Downtown Master Plan Update – Request for Funding (Buchanan)

Buchanan said MRA has been talking about the Downtown Master Plan for a while now and the implementation committee has been steadily marching along for the last eight years implementing the Master Plan. For the last couple of years, they have understood that they were fast approaching the time when the Master Plan needed to be updated, especially considering it was created and adopted right before the recession and a lot of things changed after that. She said there are about six people on the committee who have been actively soliciting private support for the effort. Significant funders are listed in her memo

and include the Business Improvement District (BID) and private donors, MRA, the Missoula Parking Commission, and the City of Missoula.

Buchanan said there is a list of things they want included in the update and that list is being refined and modified. The goal is to put together about \$400,000 and get a RFP out sometime in May. The committee will then go through the selection process over the summer, get the design team on board and in the fall begin in earnest the planning process. She said the private fundraising has been incredibly successful and they are close to their \$200,000 goal. Buchanan said the request to the MRA is for \$75,000. A similar request will go to the Parking Commission, and the City of Missoula will fill whatever gap is needed out of the general fund to reach the total of \$400,000. She said Mayor Engen thinks this is an important tool that has been used for so many big projects downtown that the City needs to be invested in it.

Buchanan said if the Board chooses to fund this project she would normally recommend that MRA take money from the four different URDs that are impacted by the plan. Currently, the resources in the Riverfront Triangle URD are scarce and what little resources are available are needed to move the Hotel Fox project forward. She said the Riverfront Triangle is already basically master planned so she is recommending the funding be limited to URD II (\$50,000), Front Street URD (\$10,000) and Hellgate URD (\$15,000). She said she is also thinking about extending the study area for the Master Plan to Missoula College; it originally stopped at Van Buren Street. Englund asked who makes that decision. Buchanan said the steering committee does and there is consensus from the group to extend the boundary east. Englund said if the Board goes along with the idea for funding from the different URDs then it should be contingent upon the study area expanding to Missoula College. Buchanan said she thinks that is a good suggestion. She said the staff recommendation is that the Board approve support for the Downtown Master Plan Update in an amount not to exceed \$75,000 with funding coming from the different URDs.

Englund asked Buchanan if she was comfortable planning for the Riverfront Triangle piece without the contribution from the Riverfront Triangle URD. Buchanan said yes. She said the area is basically master planned already with the Riverfront Triangle Plan. The resources are scarce even though there is taxable value there now by virtue of the fact that all of the Providence property is now taxed. There will be a reduction in that when the buildings come down. Stockman Bank is going to generate tax increment in the District. She said her recommendation is based on the fact that the area is already basically master planned and she believes MRA needs the resources that are there to move the Conference Center and Hotel project forward.

Moe asked for a brief description of what an Innovation Corridor is. Buchanan said that vision is coming from recognition of what is going on at the Montana College of Technology (MontTECH), the potential with Missoula College in that location, and then what is going on with the campus across the river with all of the research and development there. She said there is now an effort to build a technology campus on West Broadway which logically says Broadway Street becomes a technology corridor between the two hubs and downtown is like the belt buckle of the corridor. Buchanan said there is a lot of interest, especially in the downtown area, from tech companies who are growing fast and have outgrown their spaces. She said the City needs to take a hard look at how to accommodate those

businesses. Englund said it's the idea that there is some synergy here and taking advantage of it has huge potential. Moe asked how far down West Broadway the plan update goes. Buchanan said it goes to Russell Street as it did originally. She said if it needs to go further it could do that, but it can start to dilute what they are doing. She added that whatever goes on beyond Russell Street on West Broadway will be very different in nature than what goes on downtown. She said because of the impact that Russell Street will have on the downtown and to capture the Old Sawmill District area that is redeveloping are reasons to have the area go as far as it does to the west.

MOE: I MOVE APPROVAL OF THE CONTRIBUTION TO THE UPDATE OF THE DOWNTOWN MASTER PLAN IN THE AMOUNT OF \$75,000 WITH \$50,000 COMING FROM URD II, \$10,000 FROM THE FRONT STREET URD AND \$15,000 FROM THE HELLGATE URD CONTINGENT ON EXPANSION OF THE STUDY AREA EAST TO MISSOULA COLLEGE.

Jones seconded the motion.

No further discussion. No public comment.

Motion passed unanimously (3 ayes, 0 nays).

Missoula Economic Partnership – Competitive Realities Report – Request for Funding (Buchanan)

Buchanan said one of the City and MRA's partners in the notion of the Downtown Master Plan and Innovation Corridor is Missoula Economic Partnership (MEP). The City has been working with them on the notion of the Technology Park as well as what happens with MonTECH and work that is going on across the river on the main University of Montana campus. She said in light of the MEP Executive Director resigning and the prospect of looking for a new Executive Director, it seemed to the Mayor and MEP Board to be an opportune time to look at what goals were set for MEP when it was created and where they are with those goals and are the goals and markets still the same as they were in 2010. Buchanan said Jay Garner with Garner Economics did the original assessment and has given a proposal to re-evaluate it to look at what the targeted industries should be. MRA has been asked to help fund the study. Jeff Fee is Interim Acting Director of MEP and has reached out to a couple of other entities to try to secure funding for the re-evaluation. Other entities include First Security Bank, First Interstate Bank and Missoula County. Buchanan said Missoula County has \$5,000 with possibly more from their Targeted Economic Development District (TEDD).

Buchanan said what she, the Mayor and Fee have discussed is MRA and MEP splitting the balance of the cost of Garner Economics' efforts which at a maximum would be \$25,000 each and could be less depending on how much the County is in for. Buchanan said her recommendation is that the funds come from the North Reserve-Scott Street URD and URD II in equal amounts because they are the districts that will benefit most from the efforts of MEP as it moves forward.

Moe asked what the total cost is for the re-evaluation. Fee said it is \$55,000. Moe asked what amounts First Interstate Bank and First Security Bank are contributing. Fee said \$5,000 each. Moe asked if Stockman Bank is contributing. Fee said he hasn't talked to

them yet. Buchanan added that MEP is one of the contributors to the Downtown Master Plan Update. Moe asked if MEP will be approaching other major contributors. Fee said right now MEP does not have any calls out to people. He said MEP is doing a presentation to the Missoula Downtown Association (MDA) next week with a request for funding.

Moe said Buchanan's memo states that MRA will be looking for greater collaboration between MEP and MRA. She said that would be nice for the MRA to have. She said MRA got occasional updates from MEP in the past, but didn't feel involved in the MEP process or able to contribute as it could if there were opportunities for collaboration. Fee said he has had a couple of discussions with Buchanan and said whatever MRA sees is the most appropriate mechanism for MEP to connect on an ongoing operational basis is something they will make happen.

Moe asked how the earlier report from Garner Economics was used and applied. Fee said the Garner Report was used as a catalyst to create needed change in Missoula's economic development efforts. Fee said in 2006 when he walked the streets of Missoula and talked about economic development it was met with a lot of pushback. He said it wasn't until the recession happened and Missoula lost Stimson Lumber Mill and Smurfit-Stone Container did the community say they didn't want the future to just happen to them. At that point the community said it wanted to engage the right community leaders and be intentional about what it wants Missoula to look like into the future. He said the Garner Report informed structure and priorities for MEP as it relates to the type of industry sectors they should go after and also helped inform of business retention and expansion. He said it really helped MEP, as a newly founded organization, to identify their strategic plan and strategic priorities. Now they want to be able to go back and see how they did with what the first Garner Report gave them, and see how they should move forward now that the market has changed. He said the MEP Board says they are not wed to MEP's historical structure and if MEP needs to look differently, they are amenable to that. Moe asked what area is covered by the Garner Report. Fee said it is all of Missoula County.

Englund said he thinks this is a great opportunity and his only question is if MRA is sure it fits within its statute to contribute to this. He said he looked at it this morning and said it does fit within MRA's statutes. The City can do it and can give MRA the authority to do it. Buchanan said MRA was a contributor to the Best Place Project when MEP was created. Englund said it would be nice for MRA to get a presentation of what the Garner Report says when it is done as well as what MEP's impression is and where it takes them. Fee said the Board is committed to the process of not jumping to any conclusions. He said he is trying to get an idea from business leaders and other organizations involved in economic development if they have thought about different ways MEP can function more effectively. Buchanan said this process will help the MEP Board understand what skill sets are most appropriate as they look for a new Executive Director.

Moe said she is pleased MEP is going ahead with the update and producing a five year plan.

MOE: I MOVE THAT THE MRA BOARD APPROVE UP TO \$25,000 IN TIF ASSISTANCE TO MEP FOR THE COMPETITIVE REALITIES REPORT AND TARGETED INDUSTRY

STRATEGY TO BE PREPARED BY GARNER ECONOMICS WITH THE FUNDING BEING SPLIT BETWEEN URD II AND THE NORTH RESERVE-SCOTT STREET URD.

Jones seconded the motion.

No further discussion. No public comment.

Motion passed unanimously (3 ayes, 0 nays).

Englund asked what the timing is. Fee said they should get the report by the end of May. He said on April 11th Garner Economics will be holding focus groups and they would like someone from MRA to participate in the process. Buchanan said she will be there.

STAFF REPORTS

Budget Reports

Dunn reviewed the budget reports. She said the Hellgate URD has \$61,000 in actual cash. For the URD II report, she said she put the Police Facility in there. MRA committed up to \$1 million in debt service, but didn't decide how it was going to be done, so Dunn said she just put it in the contingency for now. Dunn also pointed out a change in the North Reserve-Scott Street URD report regarding the Palmer Street sewer main extension for the household waste drop off site that was approved at the February Board meeting. Buchanan said the Health Department has since decided not to do the drop-off site or do it somewhere else so MRA is no longer funding a sewer extension and it will be taken off the budget report. She added that Peter Nielsen is retiring at the end of March and he was the driving force behind the household waste site.

Dunn said URD III has a lot of projects going on and Buchanan is still working on putting the bond information together for the MRL Park property and extension of the Bitterroot Trail. Buchanan said staff is working with bond counsel and financial advisors to work through what will be taxable and what will be tax exempt in the bond. Englund asked if the City has negotiated lease agreements. Buchanan said the current lease agreements are still in effect. JTS, a drywall company, had their lease end in November. They went to a month-to-month lease and have now relocated. The church is looking for another location and their lease runs through 2020. Camp Mak-A-Dream can be accommodated in a redevelopment at the site and the City has had discussions with them. Buchanan said the City is working with all of the lessees.

Moe asked if the two MRL projects approved today will become separate line items. Dunn said she needs to get with staff and see if she is accounting for them correctly, but plans to break it out of the total project costs of \$1.5 million so they can be tracked specifically. Buchanan said all of it will be bonded as soon as they work through the taxable/tax exempt parts. Englund asked when that will happen. Buchanan said she hopes to work through it in the coming weeks.

Director's Report

Buchanan said on March 1st, MRA hosted the Montana cities that are working through the League of Cities and Towns to develop a TIF database and fact sheets around URDs and TEDDs. One of the things that occurred over the past year is that there was a legislative

audit performed around TIF. She said it was essentially an audit of the Department of Revenue (DOR) is performance and how they deal with TIF. There were a number of concerns about the audit when all of the communities, cities and counties met in Missoula. They spent a lot of time going through the audit. She said the chapter on local government was very complimentary and ended up saying everything was being done correctly, but the narrative was not as positive as the conclusions were. Buchanan said the audit contained a number of recommendations for DOR including having better communication and doing a better job of letting people know what taxable values are. She said at the end of a positive report, the last recommendation stated that there really are no standards for judging the expenditure of TIF funds so maybe the legislature should create some, meaning that they want one size fits all performance standards for each city.

Buchanan said she and Behan traveled to Helena on March 14th for a discussion of the audit with the Revenue and Transportation Interim Committee and the Local Government Interim Committee. She said no conclusions came out of it so she is assuming the dialogue will continue. Englund asked if DOR concurred with the recommendations other than the performance standards. Behan said yes, although Mike Kadas, DOR Director, said there were a few other recommendations that would require additional staff, hours and money. Behan said they have decreased a lot of their divisions by quite a bit and can't have more people doing more tasks. It will be another issue that Revenue and Transportation will have to pick up at their next meeting. Englund asked if the Audit Committee was involved. Buchanan said it went in front of the Audit Committee the previous week and they accepted the audit which means it cannot be changed. Buchanan said there are major factual errors in the audit. Englund said that happens with performance audits. Behan said he thinks what the Local Government and Revenue and Transportation Committees want to do is use it to introduce new kinds of legislation, using it as a base. Buchanan said one of the intentions of the working group is that there will be an addendum to the audit report that presents the cities and counties response to some of the things in the audit.

COMMITTEE REPORTS

OTHER ITEMS

ADJOURNMENT

Adjourned at 1:58 p.m.

Respectfully Submitted,



Lesley Pugh