

MISSOULA REDEVELOPMENT AGENCY

CONDENSED BOARD MEETING MINUTES

June 20, 2019

FINAL

A Regular meeting of the Board of Commissioners of the Missoula Redevelopment Agency was held on Thursday, June 20, 2019 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, Ruth Reineking, Melanie Brock, Tasha Jones

Staff: Chris Behan, Annette Marchesseault, Tod Gass, Jilayne Dunn, Lesley Pugh

Public: Martin Kidston, Missoula Current; David Erickson, Missoulian; Andrew Oberg, Aspen Grove Therapy; Kraig Erickson, Woodbury Corporation; Mike Gilbert, GA Architecture & Design; David Gray, DVG Architecture and Planning PC/Radio Central Building; Missoula Community Access Television (MCAT)

CALL TO ORDER

12:00 p.m.

APPROVAL OF MINUTES

May 16, 2019 Regular Board Meeting Minutes were approved as submitted.

PUBLIC COMMENTS AND ANNOUNCEMENTS

David Gray, DVG Architecture and Planning PC, gave a brief presentation of plans to restore the Radio Central Building in the Front Street Urban Renewal District (URD). They found pictures of what the building originally looked like, have been doing selective demolition to find out what is behind the current façade and what shape it's in, and plan to restore the look back to its original design. Gray said they hope to bring a proposal to MRA in the near future. Behan said at this point the Front Street URD does not have a lot of money so MRA will have to be creative on how it can be involved. He also said the Façade Improvement Program (FIP) caps out at an amount that will not approach healthy assistance for this project to make it happen. He said staff hopes to be able to bring the Board a request that is doable.

ACTION ITEMS

Aspen Grove Therapy and Wellness Center (formerly called OTherapy) – 2126 & 2148 Dixon Avenue (URD III) – TIF and FIP Requests (Behan)

Behan said this came to the Board in January 2019 as “OTherapy Wellness Center” for a Proceed Without Prejudice approval. The owner/applicant is Wild Rockies Properties, LLC. The properties intended for redevelopment into Aspen Grove Therapy and Wellness Center are located at 2126 and 2148 Dixon Avenue. The Proceed Without Prejudice approval allowed Wild Rockies Properties, LLC to do deconstruction and clearing work on the 2148 Dixon Avenue address. Behan said the future use of the properties will be an integrated therapy location with offices that include occupational therapy, speech therapy, physical therapy, and counseling. He said a broad spectrum of people are welcome and the emphasis will be on kids.

Behan said there are two applications from Wild Rockies Properties, LLC. One is for Tax Increment Financing (TIF) assistance and one is for Façade Improvement Program assistance. The TIF application includes building deconstruction and site clearing, sidewalk/curb/driveway approach and landscaping in the right-of-way (ROW). Behan said Wild Rockies Properties, LLC has retained about 70% of the deconstructed materials and plan to reuse it in the new building. The FIP eligible costs of the existing building include siding, soffits, fascias, gutters, windows and affixed exterior lighting.

Behan mentioned that Wild Rockies Properties, LLC did not have final financing in place at the time of their application submittal. They are working with a bank in Manhattan, MT. Behan said the staff recommendation is for approval of TIF assistance in an amount not to exceed \$104,200, and approval of FIP assistance in an amount not to exceed \$50,000. Those would both be subject to the developer submitting evidence that they have final financing.

Reineking referred to Behan’s memo stating that “the City will likely require the street corner to be reconfigured with curb extensions” and asked what the likelihood is of that happening. Behan said he thinks it is unlikely that the City won’t insist the curb be brought out like the rest of the corners. He said it is the right thing to do. Andrew Oberg, Wild Rockies Properties, LLC, said they met with zoning and engineering. He said they did not make any red lines about making changes to the corners. He said his interpretation is that there have been recent sidewalk changes to the two corners that don’t have the bulb-outs and they do have ADA (American’s With Disabilities Act) accessibility. He said there is money in their budget to address it. Mike Gilbert, GA Architecture & Design, said at the very least they will have to replace the whole south sidewalk.

Moe asked what the status of the financing is. Oberg said Manhattan Bank is the bank that financed the purchase of the property. They have been communicating with Wild Rockies Properties, LLC and have all of the information needed from them. He said the information is being analyzed and they just heard from the President of the Bank that it will be another week or so when they have the final answer of how much they are willing to finance. Oberg said the President said the estimate of where they are at is in the ballpark of what the Bank thinks, but they cannot say yes until the final analysis of the value of the building is done.

Moe asked if Wild Rockies Properties has commitments for a total of 12 therapists. Oberg said right now the therapists include his wife, who is the Occupational Therapist. Her business partner, Kathleen, is a Physical Therapist. They each currently have one employee. He said they are not willing to hire anybody yet, but his wife has a counselor that has worked for her in the past. There are also several people in town they have worked with before and are starting to communicate with them about their planned business model. He said both of them have hired new grads, bringing people to Missoula. Their intention is to find newer therapists because the way both OT and PT works now is that you must have a Master's Degree. Based on that, they know the students they get are going to be better educated and have a lot of experience because they have to do almost two years' worth of internship. Oberg said a lot of them also continue on to get their PhD. Oberg said his wife and her business partner feel like having the match between young therapists and kids is successful for them. Oberg said the business model they are working off of is somewhat of a derivation of where they are at right now. He said they are in a business where they collaborate with other people through referrals within the community they service. He said essentially they are taking the network of sending people from office to office and are putting them in one location to make it easy on the parents, caregivers and kids because all of the services will be offered in one place. He said it makes everything simpler and makes therapy much more successful.

Moe asked if the planning encourages recycling of materials. Oberg said yes, they have had curbside recycling ever since it was available and will continue to do so.

REINEKING: I MOVE THE MRA BOARD APPROVE UP TO \$104,200 IN TIF PROGRAM ASSISTANCE REQUESTED BY WILD ROCKIES PROPERTIES, LLC FOR ITS PROJECT LOCATED AT 2126 AND 2148 DIXON AVENUE FOR THE ITEMS LISTED IN THE TABLE IN THIS MEMORANDUM SUBJECT TO PROGRAM CRITERIA AND TRADITIONAL CONDITIONS THAT THE MRA PLACES ON SUCH ASSISTANCE AND SUBJECT TO THE DEVELOPER SUBMITTING EVIDENCE OF FINANCING COMMITTED FOR THE ENTIRE PROJECT AND A FINAL LANDSCAPING DESIGN ACCEPTABLE TO MRA STAFF.

Moe seconded the motion.

No further discussion. No public comment.

Motion passed unanimously (5 ayes, 0 nays).

REINEKING: I MOVE THE MRA BOARD APPROVE UP TO \$50,000 IN FAÇADE IMPROVEMENT PROGRAM GRANT ASSISTANCE REQUESTED BY WILD ROCKIES PROPERTIES, LLC FOR ITS PROJECT LOCATED AT 2126 AND 2148 DIXON AVENUE SUBJECT TO PROGRAM CRITERIA AND TRADITIONAL CONDITIONS MRA PLACES ON SUCH ASSISTANCE.

Moe seconded the motion.

No further discussion. No public comment.

Motion passed unanimously (5 ayes, 0 nays).

Tom Winter Townhome Project – 318-322 Levasseur Street (Front Street URD) – Request to Proceed Without Prejudice (Behan)

Behan said Tom Winter has acquired property at 318-322 Levasseur Street, east of the Levasseur Street Townhomes project at the corner of Clay and Levasseur Streets. He originally wanted to acquire three properties, but was able to obtain two. There are two homes on the properties and one of them is very deteriorated and subject to nefarious activity. The Chief of the Missoula Police Department has asked Winter to get rid of the building as soon as possible. Behan said Winter is not ready to submit a full application to MRA. His original design plans were based on three lots and he will need to redesign it with the two lots. Behan said Winter is requesting approval to Proceed Without Prejudice to start demolition on the home at 322 Levasseur Street before submitting a final application.

BROCK: I MOVE THE MRA BOARD APPROVE THE REQUEST FROM TOM WINTER TO PROCEED WITH WORK ON DECONSTRUCTION AND CLEARING HIS PROJECT SITE AT 318-322 LEVASSEUR STREET WITHOUT PRECLUDING THOSE ITEMS FROM BEING INCLUDED IN A FUTURE ASSISTANCE APPLICATION AT THAT LOCATION.

Reineking seconded the motion.

David Erickson, Missoulian, asked if Mr. Winter was also a US congressional candidate. Behan said yes.

No further discussion. No public comment.

Motion passed unanimously (5 ayes, 0 nays).

South Crossing – Northeast Parcel – 3620 Brooks Street (URD III) – Request to Proceed Without Prejudice (Marchesseault)

Marchesseault said Woodbury Corporation is preparing to do the final bit of construction on the South Crossing development's northeast corner (intersection of Brooks Street and Dore Lane). She said there were long-term leases on the two buildings there and Woodbury Corp. honored those leases. The buildings stayed as they were with the understanding that when the leases expired one of the buildings would be demolished and redeveloped. The building Orange Theory Fitness is in will remain. Marchesseault said the leases have expired and Woodbury Corp. is prepared to proceed with demolition and redevelopment.

Marchesseault said Woodbury Corp. has engaged AT&T as the new client that will go into the building. The building will have a similar architectural style as the other buildings in the South Crossing development. She said in order to keep AT&T on a schedule that they need to stay on in order to get the building open, Woodbury Corp. is asking approval for a Proceed Without Prejudice to begin deconstruction. She said they do have architectural drawings for the site, but given the City's Design Excellence Guidelines they need to have more time to develop them since the building will be anchoring the corner.

Marchesseault said the staff recommendation is for approval of Proceed Without Prejudice for deconstruction and site clearing and Woodbury Corp. will come back next month with a

formal TIF request for demolition/deconstruction and some ROW improvements. Brock asked if AT&T will be a retail store. Kraig Erickson, Woodbury Corp., said yes. Erickson said they have gone through the City's Design Excellence process and are continuing on with the architectural theme already in place on the rest of the development.

Erickson thanked the MRA and said Woodbury Corp. appreciates everything MRA has helped them develop. He said he was proud to say it is nice to have a development where everyone that was originally put in is still there. He said it's wonderful to have tenants with longevity. Brock asked if Woodbury Corp. will be developing the field to the south. Erickson said they sold that property.

JONES: I MOVE THE MRA BOARD APPROVE THE REQUEST FROM WOODBURY CORPORATION TO PROCEED WITHOUT PREJUDICE ON DEMOLITION OF THE BUILDING LOCATED AT 3620 BROOKS STREET, WITH THE UNDERSTANDING THAT ANY FUNDING COMMITMENT WILL REQUIRE FURTHER ACTION BY THE BOARD WHEN THE DESIGN HAS BEEN FINALIZED.

Moe seconded the motion.

No further discussion. No public comment.

Motion passed unanimously (5 ayes, 0 nays).

FY20 Budget – Request for Approval (Dunn)

Dunn said the budget is preliminary because she uses last year's revenues. The taxable values will be available August 5th and the mill levies are finalized in October. Dunn reviewed the budget with the Board. Dunn said one thing for the Board and staff to consider is that a lot of the large developers are protesting their taxes. She said staff asked Dorsey & Whitney LLP how to deal with that so MRA doesn't lose its ability to pay off debt. Dorsey & Whitney LLP said tax payers have a right under state law to protest their taxes. What MRA has done in the past is require a minimum payment that guaranteed they had to at least pay the minimum bond payment. She said staff will be looking into that moving forward. Behan said the reason MRA hasn't gone that direction in the past is because it makes the bonds taxable for the purchaser. He said a non-taxable bond is much easier to sell to lending institutions because that is what they are looking for.

Englund asked if MRA will know by the August meeting what the taxable values are. Behan said yes, but it may not know about all appeals. Moe asked how long the appeals will last. Dunn said they have 30 days to appeal after they get their notice of taxable values. If they appeal within 30 days and it is approved then it reduces their taxes for a two-year period.

Jones exited the meeting.

Dunn said MRA will know what the taxable values are in August. Final revenue estimates will be known in October when all mill levies are set. She said Gass looked into the appeals last year. Gass said it was later than August when he looked into the appeals, but said he can start looking into it earlier this year and try to see what is going on. Dunn said she can also contact the County to keep on top of it.

Moe asked if there are any plans staff is aware of for the Hellgate URD. Behan said staff has heard from people, generally from out of town, that are interested in buying large pieces of property there for hospitality/hotel type things. The City has obtained some federal funds to do a transportation and land use plan that starts at Van Buren Street and goes out to Bonner. He said City staff is going through the consultant selection stage and he is on that committee.

BROCK: I MOVE THE MRA BOARD APPROVE THE PRELIMINARY FISCAL YEAR 2020 BUDGET.

Moe seconded the motion.

No further discussion. No public comment.

Motion passed unanimously (4 ayes, 0 nays).

NON-ACTION ITEMS

Marchesseault announced that Montana Rail Link Park is officially open. The ribbon cutting will be scheduled for July 11th at 12:30pm.

STAFF REPORTS

Budget Reports

COMMITTEE REPORTS

OTHER ITEMS

ADJOURNMENT

Adjourned at 1:00 p.m.

Respectfully Submitted,



Lesley Pugh