

MISSOULA REDEVELOPMENT AGENCY
CONDENSED BOARD MEETING MINUTES

July 18, 2024

FINAL

A Regular meeting of the Board of Commissioners of the Missoula Redevelopment Agency was held on Thursday, July 18, 2024 in the Hal Fraser Conference Room, 140 W. Pine St., and via Microsoft Teams at 12:00 p.m. Those in attendance were as follows:

Board: Karl Englund, Tasha Jones, Melanie Brock, Jack Lawson, Ruth Reineking, Mike Nugent - City Council Ex-Officio Board Member

Staff: Ellen Buchanan, Annie Gorski, Annette Marchesseault, Michael Hicks, Jilayne Dunn, Maci MacPherson, Lesley Pugh

Public: Mike Todorovich & Andy Schultz - City of Missoula Public Works & Mobility; Martin Kidston, Missoula Current; David Erickson, Missoulain; MCAT

CALL TO ORDER

12:00 p.m.

INTRODUCTIONS

APPROVAL OF MINUTES

[June 10, 2024 Regular Board Meeting Minutes](#) were approved as submitted.

PUBLIC COMMENTS AND ANNOUNCEMENTS

Buchanan introduced MRA's new Redevelopment Project Manager, Michael Hicks.

Englund thanked Buchanan for her wonderful budget presentation to City Council which resulted in an excellent story in the Missoulain.

Reinking said there was also a great news article on the new restroom and shower facilities at the Johnson Street Shelter.

ACTION ITEMS

[Memorandum of Understanding for MRA Infrastructure Projects – Request to Approve Project Management Services \(Dunn\)](#)

Dunn said this request, if approved, will allow more efficiency with the Public Works & Mobility Department (PWM) to oversee infrastructure projects in the Urban Renewal Districts (URD). MRA does water line and sidewalk infill projects in URDs II and III. Previously, a Memorandum of Understanding (MOU) was executed between MRA and PWM every time there was a Professional Services or Construction contract. Staff wanted to find a better way to do these since PWM does this kind of work regularly.

Jones entered the meeting.

The proposal is to do an MOU every two years between MRA and PWM. The MOU will cover the specifics on how the project management will occur and MRA will reimburse PWM for their work to oversee the projects on MRA's behalf. The reimbursement will be 2.5% of the Professional Services Agreement cost and 2.5% of the construction cost. Dunn said PWM will be reimbursed at the end of the project so if there are any change orders that happen during the duration of the project they will be captured in the final reimbursement.

Buchanan said several months ago staff came to the Board and said PWM is well-versed in doing these kinds of projects and it didn't seem efficient to have two different departments doing sidewalks and water. The project management will shift to PWM and MRA will compensate them for their work. It is a much more efficient use of everybody's time. MRA will still drive what the projects are and hold the contracts.

Andy Schultz, PWM, said they work in money, so prior to this there was a complicated formula that would get tacked onto the permits the contractor would pay. He said it was a convoluted process, but doing this will simplify it. They looked at their time spent on projects in the URDs and some required more time than 2.5% while others were small and required less than 2.5%, so it will balance itself out. In the interest of streamlining things and keeping it simple, they came up with the 2.5%. Buchanan noted the projects on the agenda today will be the first ones under this new structure.

Englund asked if there would be a capacity issue if a lot of projects came on board. Schultz said PWM will be in communication with MRA staff regarding workload. They want to make these projects happen.

LAWSON: I MOVE THE MRA BOARD APPROVE THE MOU FOR MRA INFRASTRUCTURE PROJECTS.

Reineking seconded the motion.

No further discussion. No public comment.

Motion passed unanimously (5 ayes, 0 nays).

Kensington Avenue Water Main (URD III / Ward 3) – Request to Approve Consultant & TIF Request (Dunn)

Dunn presented this infrastructure project in URD III. It is a combined water project with PWM and Schultz is the liaison on this project with MRA. Dunn said it includes 2 ½ blocks of new water main installation on Oxford Street and to the east. It will require a bore under

Stephens Avenue and will tie into three existing mains. The proposed TIF investment is \$91,825 for professional services with WGM Group.

Dunn said one unique benefit under this particular project is that there has been interest over the years in the lot on the corner of Stephens and Kensington where the former Asahi Restaurant was. She said that lot doesn't have any water service to it and will be a requirement for any construction to start on that site. It meets the City's Strategic Plan Priorities of Community Safety and Well-Being, Community Design and Livability and Economic Health as outlined in her memo. Dunn reviewed a map and photos of the area. The project schedule is to do design and engineering this summer and put the project out to bid this fall. Construction will occur in the summer of 2025.

Schultz said two years ago he sat down with Tod Gass, retired MRA Project Manager, to figure out where the holes in the water system were as well as where adequate fire protection was lacking. This project qualifies for both because there is a hole in the water system and a couple of the fire hydrants don't meet current standards of 1,500 gallons a minute flow for two hours. With this project, they can fill in the gap and provide services to underserved properties and increase fire protection for the overall neighborhood. This project rose to the top, and they have some others that will need the same attention in future years.

Buchanan asked if Burlington Avenue, two blocks to the north, will be a candidate similar to this. Schultz said yes. Englund asked why it doesn't make sense to do this and Burlington at the same time. Schultz said they are screening projects and trying to keep them around \$500,000. If they did Burlington at the same time it would likely require another contractor.

Reineking asked about the staff recommendation being three parts. She said the 2.5% will also be TIF funding and wondered if all of these projects would be approached with a separate amount for the reimbursement to PWM, which would be under Buchanan's spending authority of \$5,000. Dunn said it can be done however the Board wants to do it. It could possibly be a higher amount if there are change orders. Reineking said she would prefer to see the 2.5% in the total amount of the proposed TIF investment, and then broken down into the amounts that would go to the contractor and PWM. She said the Board would typically also have a recommendation for an amount that would be "up to" or "not to exceed". Buchanan said for consistency, the Board may want to see them broken out, but it could be one amount.

Brock asked if the owner of the parcel where Asahi was is the same owner that has been the owner or if the property has changed hands. Nugent said it hasn't recently been for sale. Buchanan said a lot of people that came to MRA wanting to reuse the site either wanted to add on or use the building as it was.

REINEKING: I MOVE THE MRA BOARD APPROVE MRA TO ENTER INTO A PROFESSIONAL SERVICES AGREEMENT WITH WGM GROUP FOR THE KENSINGTON AVENUE WATER PROJECT IN AN AMOUNT NOT TO EXCEED \$91,825, AND THAT THE MRA ENGAGE PUBLIC WORKS & MOBILITY TO OVERSEE THE PROJECT UNDER THE APPROVED MEMORANDUM OF UNDERSTANDING FOR MRA INFRASTRUCTURE PROJECT MANAGEMENT FOR \$2,296 OR 2.5% OF THE TOTAL

PROJECT PROFESSIONAL SERVICES FEE, AND THE BOARD CHAIR SIGN THE RELATED DOCUMENTS.

Lawson seconded the motion.

Englund asked if PWM did a Request for Proposals (RFP) to select WGM Group. Schultz said they went by the City's two-year short list. The City issues an RFP to get proposals for sewer, water and surface projects. Responses are evaluate and a number of firms are short listed for two years. In the past the City used IMEG for the projects and this time they chose WGM Group based on availability and their previous work in the area. Englund asked if the firms are rotated throughout the two years. Schultz said yes, they try to be equal, although if there are compelling reasons to use a certain firm they will.

No further discussion. No public comment.

Motion passed unanimously (5 ayes, 0 nays).

Birch-Sherwood-Maple Sidewalk Project (URD II / Ward 6) – Request to Approve Consultant & TIF Request (Dunn)

Dunn said this is another partnership between MRA and PWM for a sidewalk infill project in URD II. Mark Todorovich, PWM, is overseeing the project. The request is for approval of consulting and design services for the sidewalk and related improvements including driveway approaches, curb/gutter, asphalt patches, painting, etc. There is quite a bit of work that will take place to install sidewalks in the area. Proposed TIF investment is \$47,725 for the professional services contract plus \$1,193 for the 2.5% to PWM for managing the project for a total TIF request of \$48,918.

Dunn said unique benefits of this project include constructing sidewalks in areas that don't currently have them. It will be beneficial for the neighborhood and businesses. It will also include extending the non-motorist transportation network by creating bike lanes. Dunn reviewed a map of the area and said it meets the Board's desire to complete the sidewalk network in URD II prior to sunset in 2031. IMEG will be providing the professional consulting services on this project. They like to give a Scope of Services that takes the project right up through bidding. Once the bids come in and construction is awarded, IMEG will come back with an amendment to their contract for construction services. Schultz said the Kensington Water Main project is pretty straightforward, whereas this project will have more difficulty with installation, so rather than taking a wild stab at how long construction will last, a lot of times they'll push that portion off and come back to MRA and ask for that. It is similar to what is being done on the Washburn-Idaho-Montana-Catlin (WIMC) Water & Sidewalk Project the Board approved in March.

Dunn said design and engineering will occur this summer and it will go out to bid this fall. Todorovich said construction will happen late spring/early summer. PWM will work with the contractor to see what time frame best fits their schedule. Dunn shared photos that were taken of the project area. Todorovich reviewed the steep slope on Maple Street adjacent to Garden City Granite. The steep slope would make it impossible to install sidewalk. To solve that, they will be eliminating the existing north side parking and installing new curb and sidewalk in the parking lane. Buchanan asked if there is pushback anticipated from the

adjacent property owners by eliminating the on-street parking. Todorovich said it won't eliminate too many parking spots but they will see how it goes.

Dunn reviewed the plans for Birch Street. There are elevations, mailboxes and driveways to deal with on that section. Todorovich said the mailboxes will be placed in the sidewalk right next to the curb so residents can continue to receive mail. IMEG will be sending out three mailings during the course of the project to residents and businesses in the affected areas. There will be a pre-survey mailer before the survey crews get to the site to inform about the project and where to reach out if there are any questions. If residents reach out, IMEG/PWM will set up individual site meetings with them.

The Sherwood Street section has trees that will need to be removed in order to install sidewalk. Todorovich said five trees will be removed because there is no way to physically put the sidewalk in without removing them. They will not replant trees because there won't be enough right-of-way for the trees behind the sidewalk. Schultz said they try to combine water and sidewalk projects when they can to minimize impact on the neighborhood. There is a little water infrastructure missing in this area, but it was deemed to not be a priority.

REINEKING: I MOVE THE MRA BOARD APPROVE MRA TO ENTER INTO A PROFESSIONAL SERVICES AGREEMENT WITH IMEG FOR THE MAPLE-BIRCH-SHERWOOD SIDEWALK PROJECT IN AN AMOUNT NOT TO EXCEED \$47,725, AND ENGAGE PUBLIC WORKS & MOBILITY TO OVERSEE THE PROFESSIONAL SERVICES CONTRACT UNDER THE APPROVED MEMORANDUM OF UNDERSTANDING FOR MRA INFRASTRUCTURE PROJECTS FOR \$1,193 OR 2.5% OF THE TOTAL COST FOR THESE SERVICES, AND THE BOARD CHAIR TO SIGN THE RELATED DOCUMENTS.

Brock seconded the motion.

Martin Kidston, Missoula Current, asked if the property owners along these sidewalk projects will be required to pay into the project like other properties around the City, or will they qualify for the sidewalk subsidy. Buchanan said when MRA does sidewalk projects in the Urban Renewal Districts it is 100% paid for using Tax Increment Financing funds. One reason for doing it this way is that Board and staff are concerned about gentrification in these areas that are generally lower income areas residentially. MRA wants to hedge and fend off gentrification when property owners are required to pay assessments for the sidewalks and their property tax bill goes up that amount or property owners pass it onto tenants. It is one of the things MRA is trying to guard against in URDs II and III. The sidewalks are at no cost to the property owners and it's been that way since MRA started doing them in 2008.

Englund asked if there was any other option than to take the trees out. Buchanan said in Charleston, SC the sidewalks have been snaked around big oak trees that exist there which are more precious than streets or sidewalks. If the City wants to save those trees they could try to get easements from the property owners to bring the sidewalk around the trees, but it is hard to do because mature trees have root spread and you could damage them anyway during construction. Schultz said the adjacent property also has a fence up which brings on another set of issues.

No further discussion. No further public comment.

Motion passed unanimously (5 ayes, 0 nays).

FY25 MRA Budget With Updates – Request for Approval (Dunn)

Dunn said there was an item that was overlooked in the Community Investment Program (CIP) that was presented at the June Board meeting. The City of Missoula really wants departments to be including everything. Staff realized the Southgate Triangle property acquisition was not in there. Dunn said it was included in the budget presentation to City Council and staff wanted to bring the update to the Board. The Board has already approved due diligence on the property and estimated acquisition costs are \$6 million.

LAWSON: I MOVE THE MRA BOARD APPROVE THE UPDATE TO THE FY25 BUDGET JIL JUST DESCRIBED.

Reineking seconded the motion.

No further discussion. No public comment.

Motion passed unanimously (5 ayes, 0 nays).

NON-ACTION ITEMS

STAFF REPORTS

Director's Report

Buchanan wanted to highlight the Johnson Street Temporary Shelter bathroom modules. It was an amazing and cooperative project that really took a village to complete. There are two really nice modules that have six toilets and sinks, two showers, and an ADA accessible section with showers, sinks and toilets. The modules can be moved and used other places when they are no longer needed at Johnson Street. There is a beautiful mural on them that was designed and painted by Averi Iris Art pro bono. Englund asked if there was a ribbon cutting. Buchanan said there was a dedication and press was invited to attend. She said the reaction of some of the clientele at the shelter was pretty emotional and impactful. Several stories were told about their reactions to the units when they saw them. One person who hadn't been able to shower for a few weeks because they couldn't go into the portable shower unit because of PTSD and claustrophobia took a shower as soon as he saw them. Missoula Economic Partnership (MEP) was instrumental in raising private funding and in-kind funding. Jason Nuckolls, Montana Excavation Services, deconstructed a building for reuse at no charge. Firms donated engineering and architectural services. Dave Edgell managed the myriad of contractors. They got it done and the end project is awesome. Englund said it would be nice to do something for everybody at some point, maybe in conjunction with City Council. Buchanan said they are acknowledging Averi who did the murals. There are three inspirational words built into her design in the lower right corner.

FY24 Budget Status Reports

Dunn said this is the first iteration of the June budget report. MRA is on a modified accrual basis so expenditures that were approved up to June 30th will trickle in over time and staff has to make sure they are recognized in FY24. Tax revenue also trickles in so those numbers aren't transferred from the County until mid-September. The Board will see several iterations of the June report. Dunn said she adjusted the anticipated revenue from the increment districts based on the Supreme Court final ruling on the mill levies that were set by a majority of the counties in Montana. MRA is sitting at 85-95% receipts on tax increment thru June mid-month.

COMMITTEE REPORTS

OTHER ITEMS

ADJOURNMENT

Adjourned at 12:55 p.m.

Respectfully Submitted,

A handwritten signature in cursive script that reads "Lesley Pugh".

Lesley Pugh