

MISSOULA REDEVELOPMENT AGENCY

CONDENSED BOARD MEETING MINUTES

June 16, 2022

FINAL

A Regular meeting of the Board of Commissioners of the Missoula Redevelopment Agency was held on Thursday, June 16, 2022 via Zoom at 12:00 p.m. Those in attendance were as follows:

Board: Karl Englund, Ruth Reineking, Melanie Brock, Tasha Jones

Staff: Annie Gorski, Annette Marchesseault, Tod Gass, Jilayne Dunn, Maci MacPherson, Lesley Pugh

Public: Logan McInnis, City of Missoula Public Works & Mobility; Tyler Walls, City of Missoula Community Planning, Development & Innovation (CPDI); Kevin Wilkerson, First Security Bank; Daniel Carlino, Missoula City Council; Kevin Davis; Elizabeth Lockwood; Missoula Community Access Television (MCAT)

CALL TO ORDER

12:08 pm.

INTRODUCTIONS

Dunn introduced Maci MacPherson as the new Communications Specialist for MRA. This is a new position in the office and staff is excited to have her on board.

APPROVAL OF MINUTES

[May 19, 2022 Regular Board Meeting Minutes](#) were approved as submitted.

PUBLIC COMMENTS AND ANNOUNCEMENTS

Daniel Carlino, Missoula City Council, asked MRA to look at moving their Board meeting to a time that is not during the regular work day. He said it has been hard for public participation when the meetings are during a time that most people are at work between 9am and 5pm.

ACTION ITEMS

[First Security Bank – 2500 Garfield Street \(URD III\) – Request to Proceed Without Prejudice \(Gorski\)](#)

Gorski said First Security Bank (FSB) is requesting approval to Proceed Without Prejudice for deconstruction of a building at 2500 Garfield Street. They plan to build a new corporate office building at the corner of Garfield Street and Dearborn Avenue. FSB have reached out to deconstruction contractors and there is a window of availability from a contractor who is able to do that work in June. FSB would like to come back to the Board in July to request funding from URD III to support the broader redevelopment, specifically the public improvements on the site and deconstruction. Their request today is to proceed with the deconstruction prior to the July

meeting given the contractor's availability to deconstruct the building that is currently on the site. Gorski said FSB is clear that if the Board chooses to approve their request to Proceed Without Prejudice, it does not commit the MRA Board to future approvals, funding or reimbursement for this project.

Staff recommendation: The MRA Board approve a request to Proceed Without Prejudice for deconstruction of a building at 2500 Garfield Street with the understanding that the approval does not commit the MRA Board to future approvals, funding or reimbursement for this project.

JONES: I MOVE TO APPROVE THE STAFF RECOMMENDATION.

Reineking seconded the motion.

Carlino said in the past when Tax Increment Financing (TIF) was used for banks it was the most unpopular use of MRA funds that he has ever heard of. He said it would make it a lot easier for the Communications Specialist and for the community to support MRA and TIF if the funds aren't used for banks, especially a corporate office for a bank that already has many offices in town. He said he knows MRA isn't deciding on funds today but this is the first step towards giving them funds. He encouraged the MRA Board to vote against giving any tax money to banks. Englund said it was important to note that this is not the first step towards giving them funds because the motion specifically says there is no commitment of funds and he didn't want to give the impression anything other than that is the case.

No further discussion. No further public comment.

Motion passed unanimously (4 ayes, 0 nays).

Wooden Images Building Removal – 1359 West Broadway (URD II) – TIF Request (Marchesseault)

Marchesseault said the City of Missoula, through Missoula Water (Dept. of Public Works & Mobility (PWM)), purchased two parcels of property on West Broadway adjacent to the Missoula Water facility. The City purchased one building to the east (Recompute Computers) and one to the west (Wooden Images) to use them for additional office and storage space. Missoula Water has expanded into the former Recompute building already. The Wooden Images building, upon closer examination, was determined to be uninhabitable and was essentially land-banked. Over the winter the roof failed and it has now become a safety hazard. Missoula Water would like to take the building down now and is requesting some TIF assistance to remove the building. Missoula Water will be contributing funds towards the deconstruction. Because there is asbestos in the building, the City's Brownfields Revolving Loan Fund (RLF) can contribute funding as well. In her memo, Marchesseault noted the Brownfields funds would come from an assessment grant which is not accurate, it is a RLF.

Marchesseault showed a graphic and said it is a parcel of publicly-owned property within the West Broadway Master Plan (WBMP) study area. It is contiguous and one of the benefits of having this much publicly-owned property contiguously is that it allows the City a lot of control over how it develops. In the Master Plan it was envisioned that the Sleepy Inn site would develop first. The long-term vision for PWM is to move to a new facility on Scott Street which would include Missoula Water. That will free up that entire parcel for redevelopment. It is

envisioned in the WBMP as a spine to a new neighborhood with a lot of green space and mixed-use residential and commercial.

Marchesseault reviewed the breakdown for funding the building removal. The overall estimate is \$79,995. Missoula Water will contribute \$6,000 and Brownfields RLF will contribute \$13,273. The total TIF request to MRA is \$60,722. Logan McInnis, PWM, and Tyler Walls, Brownfields Coordinator, were present to answer any questions.

Reineking wanted to emphasize Marchesseault's cover sheet that notes this not only aligns with the WBMP, but also aligns with the URD II 9-Year Strategic Exit Plan and helps the City meet its 2020-2023 Strategic Goals consistent with safety & wellness, community design and livability. Englund said those plans will form the background for Missoula's strategic plans for the area for housing, etc. Marchesseault concurred and said they all speak to each other – the WBMP referenced the City's Strategic Plan for overall community. Because it is in a TIF District and because redevelopment of the West Broadway area is a high priority for urban renewal, at some point MRA expects to be asked to assist with removing all of the buildings that are coming forward for redevelopment as the area redevelops. For instance, the Sleepy Inn site is beginning to move and when that happens MRA expects to be asked for assistance to remove that building. Likewise with Missoula Water, Recompute and Wooden Images. If private developers come forward with redevelopment it is likely they will ask for assistance with building removal. Englund said those would be part of a project. The problem he has with this is that in the past MRA has turned down a request from a private developer who was trying to sell property that had on it a collapsing, troublesome building. The property couldn't be sold with the building on it and so the owner came to MRA with a request for money to take down the building with development to come later. MRA denied the request because it wasn't considered redevelopment since there were no plans for development. He asked if something different was being done for public that wouldn't be done for private and if so, what is the justification.

Marchesseault said there are a couple of things that are a little different here. One is that this building is becoming a safety hazard because of the building's condition. The idea that was bounced around the office was if MRA should fix the roof on a building that is in awful condition right now and then come back later and remove the building when there is redevelopment on the full site. Or does MRA remove the building now when it is in this decrepit condition because without a considerable amount of money being spent it is not a usable building. Englund said it is more along the lines of what was done at Orange and Front Streets where there was a piece of City property in bad condition that was slated for redevelopment. MRA took incremental steps to get the public property in better shape. Marchesseault said this is similar to that. McInnis said that is in line with how PWM sees this too. They know there is a desire to build out the WBMP and this is the first step towards moving forward with that vision. Marchesseault added that Missoula Water and PWM are looking at the potential to do a temporary use on the site that the neighborhood has noted would be a benefit to them. One of the things they heard from the neighborhood during the WBMP process is the desire for more restaurant and beverage opportunities, so a food truck could possibly utilize the site temporarily.

Reineking said not that precedent should ever dictate policy, but MRA did do something similar to this with the old theater on Highway 93 that was being vandalized. The police and fire departments asked MRA to deconstruct the theater because it was a safety hazard. She looked at this as being similar to that even though this is a public building. At that time there was no plan for redevelopment on the theater site, but it has since been redeveloped. Brock said she was thinking of that same instance but thought Stockman Bank already had plans in the works

for that project. Englund said he remembered that too and thinks they've set up the difference between this and what's been done in the past. The WBMP and City's Strategic Goals indicate there is a plan for this area and there is more latitude with public property than with private property. MRA does have a responsibility with the public property consistent with the Plans to get them in shape before redevelopment. He said it sounds like there was discussion with staff concerning what the most economical way to deal with the property is and it sounds like staff solved that problem along with adding an interim use that will be beneficial to the neighborhood until there is redevelopment. Englund said he is satisfied they've laid out the difference between this and a private person that comes in and has no plan for a property where they need help tearing down a building.

BROCK: I MOVE THE MRA BOARD APPROVE THE REQUEST FROM THE DEPARTMENT OF PUBLIC WORKS AND MOBILITY IN AN AMOUNT NOT TO EXCEED \$60,722 FOR DECONSTRUCTION OF THE BUILDING LOCATED AT 1359 WEST BROADWAY STREET, WITH REIMBURSEMENT FOR ELIGIBLE COSTS UPON RECEIPT OF PROOF OF PAYMENT AND LIEN WAIVERS, AND AUTHORIZE THE BOARD CHAIR TO SIGN A DEVELOPMENT AGREEMENT.

Reineking seconded the motion.

Jones said she favors this and the sooner the City moves to redevelop this area, the better in her opinion. The City has invested a lot of public time and resources in improving the safety in the area, specifically the island, trail and park space. The more redevelopment that occurs in the area will make it safer and more usable for the public.

No further discussion. No further public comment.

Motion passed unanimously (4 ayes, 0 nays).

FY23 MRA Capital Improvement Projects (CIP) – Request for Approval (Gass)

Gass said the MRA Board is not approving any TIF funds today with the Capital Improvement Projects (CIP). They simply create a placeholder in the MRA budget. They are still in their conceptual, pre-development stage and as the projects are further developed they will come to the MRA Board and be presented as specific TIF requests.

The first item on the CIP list is the URD III Water Network Program. Last year's CIP included the URD II Water Network Program to build out deficient areas and the same is being proposed for URD III in Fiscal Year 2023 (FY23). Gass met with Missoula Water to identify areas in need and they are shown on the map attached to his memo in the red areas. The plan is to budget \$500,000 per year and build it out over time which will take approximately six years.

URD II & URD III Bitterroot Trail Lighting are also in the CIP. The trail traverses both URDs II and III and this will extend from the north part of URD II to the southern end of URD III at the South Reserve Pedestrian Bridge (SRPB). Buchanan highlighted this in the [9 Year Strategic Exit Plan](#) for URD II that was recently adopted by the MRA Board. Gass said lighting the trail has been a long desire of the City and MRA to enhance the public safety of the entire length of trail. Without assistance from the URDs the lighting will not happen in the foreseeable future. The long-range goal is to have the trail lit from Toole Avenue to the SRPB, dependent on another project coming to fruition which is conversion of the Montana Rail Link bridge to bike and pedestrian use. Gass noted the lighting would also include the gap between URD II and

URD III (3rd Street to 14th Street) and State Urban Renewal Law allows the use of tax increment to connect infrastructure outside of URD boundaries if it benefits the URD.

As previously noted, the URD II Bitterroot Trail MRL Bridge is also included in the CIP and URD II 9 Year Strategic Plan. The City has received permission from MRL, who owns the bridge, to investigate feasibility of converting it into bike and pedestrian use and provide a connection for the Bitterroot Trail. Staff has begun drafting a Request for Proposals (RFP) to hire a consultant to conduct a feasibility study for converting the bridge to bike/ped use. That consultant would also be tasked with developing a conceptual design of the converted bridge and include the bridge approaches on the north and south ends to interact with the sidewalk network and crossing West Broadway. It will also include a conceptual design for bringing the trail from railroad elevation down to the park elevation, probable cost of construction and schedule to complete the conversion.

The final item in the CIP is the NRSS URD Scott Street Infrastructure. At the beginning of 2022 the MRA Board approved the funding for design and engineering of the streets and utilities within the Ravara Development on Scott Street. With this CIP item staff would intend to move forward with the construction phase of the infrastructure necessary to support the Ravara Development and also future redevelopment in the URD.

Gass said the staff recommendation is that the Board move to approve the MRA FY23 CIP items for inclusion in the MRA FY23 Budget and recommend the City Council approve the CIP items for inclusion in the FY23 City Budget.

Englund asked if all of the items, with the exception of the URD III Water Network Program, are matters that have been discussed by the Board as projects and/or were part of the 9 Year Strategic Plan for the wind down of URD II. At first glance the idea of doing the water project in URD III as is being done in URD II is a good idea, he asked if putting it in the CIP jumps the gun and if it needed discussion first before going into the CIP. Gass said last year in the CIP is where he first introduced the URD II Water Network Program. He worked with Missoula Water to roll it into a sidewalk project that is being done now. He said this is following the same procedure to kick off the URD III Water Network Program. Englund said it is a big commitment and wants to make sure everyone is comfortable with it. Gorski said there will also be action items for approval that tie to the CIP items. Dunn said all of the proposed MRA CIP are rolled into the budget as placeholders. They are not approved yet and will come back to the Board for final approval. Gass concurred and said staff is not asking for specific TIF requests to be approved today. Englund said way back when the sidewalks were done they talked about how it would be a long-term commitment for a number of years and wanted to make sure everyone was comfortable with that idea before the first project came in. He said he thought they talked about the URD II Water Network in the same kind of context but Gass said it was talked about within the context of putting it in the CIP and he wanted to make sure everyone is comfortable with the idea that once they do it they've made a public acknowledgement that it is a long-term project they think is important and good use of MRA funds.

Jones said the magnitude of the projects on water main extensions demonstrates the need that MRA do this. You can see from the individual project estimates that the extensions are substantial and because of that there are significant barriers to redevelopment in those neighborhoods. Without it, private landowners would have to find a way to extend their water mains which could be quite cost prohibitive. Also, the absence of fire suppression in this area or low flows that diminish the fire suppression that may exist is an important public safety issue for

the community. She asked if it is true that this will need to go before City Council for approval and MRA is just recommending it at this time. Gass said the CIP would be incorporated into the MRA FY23 Budget which is then folded into overall City Budget so the City Council will see the CIP projects in that manner. The CIP is also a good communication tool between departments because other departments can see what's on the radar for others.

Gass referred to the onXmaps project in URD III when MRA helped them with their new building on Stephens Avenue. They were in a situation where there was no City water there. The MRA participation was to bore under Brooks Street and run a water line down Kent Avenue over to their project area. He said MRA could do it like that as projects come in. Staff discussed taking a proactive step like was done with URD II to build out the areas in the City water network to where if a redevelopment project doesn't come in in the life of the District, it is set up in the future with the water line already there.

Gorski said it is correct that the City Council does review annually the 5-year CIP as well as the budget. MRA is coming to the Board first for both of those items and does that each year. Gass noted there is not an URD III sidewalk project as part of the CIP. The URD III Southern Sidewalk Project is under construction now. When that is completed MRA will pretty much be done with the sidewalk network in URD III. There are a couple of small areas that he is deferring taking action on right now, one on South Avenue and around the vacant land south of the Mall. He said staff made the choice to pause and wait and see on those areas.

REINEKING: I MOVE TO APPROVE THE MRA FY23 CIP ITEMS FOR INCLUSION IN THE MRA FY23 BUDGET AND RECOMMEND THE CITY COUNCIL APPROVE THE CIP ITEMS FOR INCLUSION IN THE FY23 CITY BUDGET.

Brock seconded the motion.

No further discussion. No further public comment.

Motion passed unanimously (4 ayes, 0 nays).

Jones exited the meeting.

FY23 Budget – Request for Approval (Dunn)

Dunn reviewed the FY23 proposed budgets for all of the URDs. She included a memo summarizing the certain assumptions used when preparing the budget. She noted that all administrative expenses are paid from URD III and the other URDs reimburse URD III at the end of the year based on project time spent in each of them. The Staff Activities Reports track staff time on projects and those reports are used on the back end to come up with the reimbursement amounts. Transfers are then made to URD III. Dunn emphasized that *Public Improvement Projects* are projects that MRA is able to fund only because TIF is coming into the District from other projects that MRA has invested in prior. The accumulation of additional taxes generated through public-private partnerships allows MRA to fund highly desired public improvement projects. The Board has approved several awesome strictly public projects over the years. Dunn also noted that with the exception of URD III which is the most robust, all of the URDs have approximately \$1 million or less in contingency funds.

Reineking referred to the Administrative Expenses section. She said assuming *Personnel Services* includes additional staff and their supply needs she would expect that category to

increase. She asked if *Purchased Services* includes professional services like the contract with Chris Behan. Dunn said most of the supplies for Gorski and MacPherson have already been purchased and came out of the FY22 Budget. *Purchased Services* includes items like postage, printing, publicity, subscriptions, and dues. Behan's contract would fall under the professional services account, also under the *Purchased Services* category. She said MRA is not anticipating needing to use Behan's services as much now that a new Assistant Director has been hired. When the Board approved Behan's contract it was based on an hourly rate times the maximum number of hours he could work without jeopardizing his retirement status. MRA had an amount of money left from staff vacancy savings to pay Behan for the work he did prior to Gorski starting. Dunn said she spoke with Buchanan and her understanding is that Behan is helping only as needed and the entire amount of money set aside for his contract will probably not be used.

Englund asked why *Legal Services* is under *Public Improvement Projects* and not *Administrative Expenses*. Dunn said it is a line item that has been in URD II and URD III for several years to address specific legal needs in those districts. Budgeting for it under *Public Improvement Projects* in the individual URDs gives the Board and Staff more flexibility to respond to redevelopment opportunities that require a legal analysis or bond analysis on the front end.

Dunn said MRA's budget is fluid and changing all of the time, hence the reason she creates the Budget Status Reports on a monthly basis. When the City adopts its budget, the black column is finalized. The purple column next to it is the *Adjusted Budget* and those numbers change based on the final revenues and cash carryover amounts.

Englund said the motion is to move the MRA FY23 Budget for submittal to City Council.

REINEKING: SO MOVED.

Brock seconded the motion.

No further discussion. No further public comment.

Motion passed unanimously (3 ayes, 0 nays).

NON-ACTION ITEMS

FY23 Capital Improvement Projects (CIP) – Requests from Other Departments (Gorski)

Gorski said in addition to the MRA CIP items that will be submitted to City Council, they will also be receiving two CIP projects that are Parks & Recreation Dept. CIP's with some MRA funding shown. They will come before the Board for approval, but she wanted to make the Board aware of them. One of the CIP items is the Flynn-Lowney area improvements which is included in the URD II 9 Year Strategic Exit Plan. There is \$400,000 shown in the CIP from URD II to support planning and feasibility study. It includes riverbank stabilization along the Clark Fork River, modifications for fish passage and recreation and trail connection between the railroad trestle and Burton Street.

The second CIP item is enhancements to White Pine Park, also identified in the NRSS Master Plan. The concept is enhancements to the Park, replacing it with a larger park with more amenities in a better location for the neighborhood that isn't adjacent to a busy street. The final location is yet to be determined. Parks & Rec has a placeholder in the CIP and when that location is identified they will come to the MRA Board with a request. Reineking asked if there

is an estimated amount for that request. Gorski said the CIP has up to \$3 million, but no exact dollar amount is yet known.

Casa Loma – 900 Block of South Avenue (URD III) – Clarification Regarding Unit Mix (Gorski)

Gorski noted there was an error in her memo for the June Board meeting. She said it was very clear from the applicant in the meeting minutes that they provided the Board with the correct information in terms of the affordability mix. She wanted to make it clear for the record that the request from Casa Loma in terms of the affordability piece was that 20% of the rental units would be available to individuals earning 80% of Area Median Income (AMI) or less, compared to her memo that stated it was 20% of the overall units. The project will include a mix of rental and home ownership and the 20% is of the rental units which equates to 22 rental units for individuals earning 80% AMI or below. Casa Loma LLC is also hoping to target the home ownership units for individuals earning 120% AMI or below as well. Reineking said she felt like that was clear in the meeting and knew what they were voting on.

STAFF REPORTS

FY22 Budget Status Reports

Dunn said she was happy to answer any questions.

COMMITTEE REPORTS

OTHER ITEMS

Dunn said next month's Board meeting will be in person for the Board in the Hal Fraser Conference Room. It will be hybrid and the City is moving to Microsoft Teams instead of Zoom. The Board is asked to attend in person and arrive 30 minutes early for the first Teams meeting. August will be open to the public. Englund said the Board will work with any Board members that need to attend via Teams instead of in person.

Brock said the Missoula Midtown Association signed a contract today with the design team, ECONorthwest, who will be leading the Midtown Master Plan process. They will be in town next week to deep dive into existing conditions and be back this fall to lead the community in a public charrette process. Marchesseault said staff has not heard from the Federal Transit Administration (FTA) yet with regard to the Brooks Corridor project, however MRA is starting an Engage Missoula page about that project to help differentiate it from the Midtown Master Plan. She said it doesn't mean the project is being moved on yet, but it is a repository and place for people to get more information.

Englund thanked staff for the retirement dinner with Nancy Moe. It was a nice evening and she is owed a huge debt of gratitude.

ADJOURNMENT

Adjourned at 1:46 p.m.

Respectfully Submitted,



Lesley Pugh