

MISSOULA REDEVELOPMENT AGENCY
CONDENSED BOARD MEETING MINUTES

November 17, 2022

FINAL

A Regular meeting of the Board of Commissioners of the Missoula Redevelopment Agency was held on Thursday, November 17, 2022 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: Tasha Jones, Ruth Reineking, Melanie Brock, Jack Lawson

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

Public: Maria & Alfredo Hernandez, El Cazador; Kristen Jordan, Missoula City Council; MCAT

CALL TO ORDER

12:01 pm.

Jones chaired the meeting.

INTRODUCTIONS

APPROVAL OF MINUTES

[October 20, 2022 Regular Board Meeting Minutes](#) were approved as submitted.

PUBLIC COMMENTS AND ANNOUNCEMENTS

There were no public comments or announcements.

ACTION ITEMS

[El Cazador – 2221 South Avenue West \(URD III / Ward 5\) – FIP Request \(Marchesseault\)](#)

Marchesseault presented this project for El Cazador restaurant located at 2221 South Avenue West. The owners, Maria and Alfredo Hernandez, purchased the space in 2017 and relocated their downtown restaurant here. At that time, they completed an overhaul of the kitchen. The Hernandez' are now planning to undertake a substantial renovation project including interior dining room, new building addition, window replacements and outdoor deck. Marchesseault said the Façade Improvement Program (FIP) request is for assistance of up to \$50,000 to replace the current solarium-style windows with new, energy efficient

windows. It includes demolition costs, framing materials and labor, windows and insulation, exterior paint/caulk and gutters/downspouts. She reviewed images of the current building and what it will look like with the new improvements. Gavin-Hanks are the architects for the project and have worked with MRA on a number of these types of projects.

Maria Hernandez said assistance with the windows would help them greatly. In the winter the heat escapes through the current ones and in the summer the cool air escapes through them. It greatly increases their heating and cooling bills.

Jones asked if they will be closed during renovations. The Hernandez' said they are hoping to not close, but they don't know for sure yet. They may have to close for a week or so during the window renovation. Jones said she understands today's request is for FIP, but asked for an overview of the overall project. Maria Hernandez said right now the restaurant is really small. The tables are tight and uncomfortable, making ease of customer interactions difficult, unlike the layout in the restaurant when it was downtown. They are expanding to get more organized, have a more relaxing environment and have the customers feel comfortable. Reineking said she has always felt comfortable and welcome at El Cazador.

Jones said she really likes this project because of the elimination of blight. She sees the corridor from Brooks to Reserve Streets on South Avenue as being very tired and in need of substantial reinvestment. History has proven that projects like this have a ripple effect and a domino effect. She is excited about El Cazador's project and about the possibility of there being a ripple effect where others will follow their lead and make some investments into their property to further eliminate the tired look and appearance of the area. She said there is great potential for renewed, commercial activity in the area. Jones said she lives on that side of town and has noticed that El Cazador's presence has increased traffic in the area. This project will do a lot to assist the area to grow and redevelop. Marchesseault noted that without the FIP grant, the Hernandez' would leave the current windows in place, which would be unfortunate.

Lawson said the improvement of energy and environmental performance of the building are a solid plus. Brock said the solarium-style windows are very outdated. Adding the deck area and breaking up the parking lot is exactly what is listed in opportunity coming out of the Midtown Master Plan. She is excited about the project. Reineking echoed Lawson and said the energy improvements are very important. This project helps to meet multiple City goals. She asked if there is a regular recycling plan at El Cazador. Maria Hernandez said they currently recycle oil and will consider doing more.

REINEKING: I RECOMMEND THE MRA BOARD APPROVE A FAÇADE IMPROVEMENT PROGRAM GRANT TO EL CAZ TAQUERIA, LLC IN AN AMOUNT NOT TO EXCEED \$50,000 FOR REPLACING THE OUTDATED SOLARIUM-STYLE WINDOWS OF THE BUILDING LOCATED AT 2221 SOUTH AVENUE WEST, WITH THE STIPULATION THAT REIMBURSEMENT WILL BE MADE AT THE CONCLUSION OF THE PROJECT UNDER SUBMISSION OF REQUIRED PROOF OF EXPENDITURES AND LIEN RELEASES, AND AUTHORIZE THE CHAIR TO SIGN THE DEVELOPMENT AGREEMENT.

Brock seconded the motion.

No further discussion. No public comment.

Motion passed unanimously (4 ayes, 0 nays).

NON-ACTION ITEMS

Missoula Economic Partnership (North Reserve-Scott Street & Front Street URDs / Wards 1 & 2) – Contract Update

Gorski said in July 2022 the MRA Board approved a contract with the Missoula Economic Partnership (MEP). The initial focus of the contract is two-fold. One piece is in targeted business retention work in the North Reserve-Scott Street (NRSS) and Hellgate URDs. The second piece is helping to prepare City-owned sites for redevelopment, focusing on the Payne Block/former Library site.

Julie Lacey, MEP, said business development, retention and expansion is in MEP's scope of work to begin with and they do it throughout Missoula County. She wanted to share specific updates and trends they see happening in the URDs. Lacey noted that all of MEP's meetings with businesses are confidential. She shared that Silixa, a company on West Broadway that deals in fiber optics sensor technology, was awarded a \$55,000 Big Sky Trust Fund grant for the creation of 11 jobs over two years. This is their second job creation grant, the first was for \$25,000 for five jobs.

Lacey said MEP has also been talking to a business behind the DJ&A office building that is remodeling. They have Letters of Intent (LOI) and hope to have it constructed in the summer of 2023. They are excited to see what it will do in terms of synergistic effect for that area and adding interrelated businesses that can support each other.

Lacey said she and Christine Littig, Business Development Director at MEP, have been trying to identify businesses that look poised to grow around the North Reserve Business Center (NRBC). They are meeting with businesses they've already worked with in the NRSS URD as well as identifying new folks. They have also tried to gauge the buy and demand for real estate in the area. She said there are so many businesses in the NRBC that most people probably don't realize are there. They are trying to identify what types of spaces are needed in that area. In speaking with a realtor, they learned that area is always full and the spaces are available for ownership or lease.

Reineking asked if there are live/work spaces in the NRBC. Lacey said they are considered live/work. They consist of 1500SF on the ground floor and are poised to be developed on the upper levels. Buchanan asked if the infrastructure was put in when they were built to put residential above. Lacey said she was unsure, but the realtor told her they were trussed out so they could be developed.

The other update from MEP is on the Payne Block. Lacey said they have been working to gather information about the site and have done a preliminary review team meeting with the City to understand all of the infrastructure, connectivity issues, and what the City needs in terms of design review for a project there. They are also looking into incentives and potential partnerships with parking and financing. MEP is also engaging with businesses to see who might be potential tenants. They created some materials to put together a brief

that has some information about the site and basics around the process they are looking to incorporate there. They also did a full detail with appendices on infrastructure incentives and partnerships. It should be enough information for someone to get some direction going if they have a design in mind or to take it to an architect.

Through MEP's network and partnerships, they reached out to cast a net and see who was interested. It included realtors, attorneys and developers. They had 11 folks who showed interest based on the initial first cast. Of those, there are seven that MEP is in conversations with, meaning MEP has talked to them, they've expressed interest and shared information. The next step is for MEP to gather details around their firm and past projects, specifically looking at projects that are on the ground and done including urban core, public/private partnership, housing and community benefit. They are also asking for references to specifically reach out to folks. They have received that information from three people and are expecting a few more. Lacey said they aren't holding people to a deadline for this because this isn't a specific Request for Proposals (RFP) process. MEP has heard from developers that it is a welcome concept and like the idea of being able to get an understanding of the site and then work collaboratively with the City. MEP has been upfront in saying any project needs to have housing and good design. Conversations regarding other aspects like incorporation of ideas from the Master Plan, public benefit, etc. will evolve based on what the design looks like and what incentives might be available. MEP feels encouraged and Lacey said some of the folks are from Montana and Missoula, some are not. It reflects a lot of excitement about this opportunity and it is seen as a great potential project. The market in Missoula is very strong.

Lacey said when they do the due diligence, MEP will be evaluating based on a matrix that allows them to identify experience and innovation in housing, parking, environmental and sustainability. They hope to keep things going along and would like to give the first round of folks to the City and MRA by the beginning of the year.

Brock asked if Parks & Recreation is using the old library building in the meantime. Buchanan said yes and there is also an alternative school using the space. Reineking said housing is very important and has always been envisioned for the property. She asked if MEP is specifying what type of housing there should be. Lacey said the way she has presented it is that housing is a requirement, but what that mix looks like is not being specified. They say that the community has some needs around housing and would like those to be addressed through this project. Reineking asked if they've heard any feedback from City Council on the price range for the housing there. Lacey said they haven't had any specific discussions and MEP's role is more matchmaking to get things aligned. She has noticed the folks they've talked to understand that coming with xxx on the bottom floor and xxx on the top floor may not be enough. This is a tremendous asset for the City and there must be innovation and community benefit.

Reineking asked what kind of feedback MEP is getting on the parking issues there. Lacey said parking is expensive and that will weigh heavily into the design and the next level of conversations. She has been working with Ian Ortlieb, Director of the Missoula Parking Commission, to really understand what a public/private partnership could look like with them. The developers have recognized the adjacency of the site to the residential neighborhood and the reality of putting housing there without parking. It is a challenge.

Reineking said when you put more housing there or when you have more workers downtown it points out the desirability of childcare. She asked if MEP is having that discussion with any of the developers. Lacey said they indicated it was highlighted in the Master Plan that childcare was desired for that space. She said they've stressed that any project will require some sort of developer-led public process to engage with the community. Reineking noted landscaping and recycling will be important for the project as well and hopes that is part of the conversation. Lacey said it is subject to design review and will have to be approved because there are expectations and guidelines. Gorski added that at the Project Review Team (PRT) meeting they discussed alignment with the Front/Main project in terms of planned bike lanes, sharrows and boulevard.

Jones asked if the information MEP is sharing is available publicly. Lacey said she shared it with Gorski, but at this point have just been sharing it with developers. Jones asked if someone with interest should just reach out to MEP to get more information. Lacey concurred.

Lawson asked for clarity on what MRA's role will be in the process of selecting a project/developer. Buchanan said she doesn't see this process as being dissimilar to the process used for the Scott Street property. MRA will play a key role in whatever happens. The decision for what development group is recommended to partner with would come through MRA Board and be a recommendation to the City Council along with something like a Letter of Intent (LOI) that lays out the vision in broad terms, understanding there will be a period of community input that will happen. One of the beauties of doing it this way is because of the site and nature of it, there will be requests for everything but the kitchen sink to go on that block. To have somebody who gets the economics and feasibility aspects of it will be invaluable.

Brooks Street BRT/TOD RAISE Grant Planning Study (URD III / Wards 3, 4 & 5) – Update (Marchesseault)

Marchesseault said she is pleased to announce the RFP for the Brooks BRT/TOD (Bus Rapid Transit/Transit-Oriented Development) RAISE Grant Planning Study was issued on November 9th. She noted there is not yet a signed agreement with the Federal Transit Administration (FTA), but they told MRA to go ahead and issue the RFP so MRA can be in a position to have an identified consultant while they are getting that agreement in place. She said it is not the perfect time of year to issue RFPs with the holidays, but they are trying to hit a deadline early in 2023 so they can have a study far enough along toward the end of 2023 to apply for capital funding in the 2024 cycle.

Marchesseault went through the highlights of the schedule. The RFP as issued last week and proposals are due no later than 5:00pm on December 13th. The selection committee will review the proposals on December 23rd and identify the teams selected for interviews. Interviews will be held the first week of January and staff hopes to have a contract to the MRA Board sometime in January. Staff is anticipating it could be a joint Board meeting with Mountain Line because MRA is working on the project with them.

Marchesseault said the RFP is being advertised nationally. She hasn't heard any specific inquiries yet but it is still early in the process. There were a couple of firms several months

ago that reached out with interest, so there have been some conversations prior to issuance of the RFP. She said this is a really big milestone for the City of Missoula and it is a really good kudos to the community and Midtown Mojo group that assembled back in 2015. Fingers are crossed that some good proposals are received.

Brock congratulated Marchesseault and said the RFP is written well. She learned so much about the Brooks corridor from reading it. Marchesseault said it has been a team effort. Buchanan said it will be the most ambitious transportation project ever undertaken in the state of Montana. Jones referred to a Power Point presentation for the project that gave the broader overview. Marchesseault said it was presented in May/June 2021 and was the study that HDR completed that got them to the vision they are now carrying forward. She said she would go back and find the meeting and more information and send it to the Board for a refresher.

STAFF REPORTS

Director's Report

Legislation

Brock asked what staff was hearing from the Montana League of Cities and Towns about bills related to urban renewal. Buchanan said the biggest thing that comes up every year is taking away the 95 mills. There are a lot of bills out there that just have a title right now relating to urban renewal, but they don't have any content yet, they are just placeholders. People are working statewide right now to put together messaging and impact numbers for investment of TIF in communities. Missoula is putting together numbers for job creation from projects like The Merc, AC Hotel and Stockman Bank. Reineking said the jobs are not just hotel and restaurant jobs. For projects like DJ&A's new office building, they expanded very professional higher-paying jobs that have also been created thanks to TIF investment and the public should be aware of that in addition to the legislature. Jones said medical services were also expanded with the new Montana Gastroenterology building as well as services for those in need. All of that can be used to assist in the legislative efforts to fight off any effort to diminish the good work that happens.

Midtown Master Plan

Reineking said EcoNorthwest will be back in Missoula at the beginning of 2023 for a new round of public meetings and looks forward to seeing that happen. Brock said they will be finalizing the schedule for it soon and she will send out the details.

MRA Communications Update

MacPherson said staff felt it might be useful to do a regular Communications Update for the Board. She has been in the Communications Specialist position for six months now and has been trying out a lot of ways to communicate MRA projects and work being done, as well as in general what is happening at the City of Missoula. She and other staff have gone to a few different public events. They have engaged more than just a "hello" with 139 people including giving them information, answering questions, etc. With winter coming she doesn't foresee as much engagement out in the public, but is starting to plan for community events next summer.

MacPherson said she is part of the Justice, Equity, Diversity and Inclusion (JEDI) Strategic Implementation Working Group at the City and has been attending monthly meetings and

assisted with the summit that was held at the University of Montana in October. She said it was very successful and received a lot of feedback from community members. MacPherson said she feels it is important work for her role at MRA, and also in helping staff look through different lenses and reaching out to all of the community for feedback.

MacPherson has also been doing a lot of digital communication including MRA's website, Facebook and Instagram. She recently added a "News Flash" section on the MRA website that the public can sign up for. She is also working to figure out the best way for MRA to use Engage Missoula to have conversations and get feedback online.

MacPherson has also created a Fiscal Year 2022 Annual Report for MRA. It is a work in progress and staff is working on how they want it to look. It will be very visual with photos and graphics. She hopes to have it done at the beginning of December. She has also been working to create visual stories of MRA projects including before and after photos and posting them on social media to help the public understand what the impact of TIF is, what the impact of MRA projects are on the community and what's coming next in the future. She included statistics in her memo of what the impacts of social media have been for Facebook and Instagram. In general, the numbers are up in the last 90 days. One of her most popular posts are "Throwback Thursday" where she highlights historic structures or does before and after photos around Missoula. She said she was welcome to feedback on how MRA can communicate better or things to try out.

Reineking said she appreciates MacPherson putting together an annual report. She said the audit report will give the annual update, but it's not particularly user-friendly despite being extremely well written and informative. The general public is not likely to pick up an audit report to look at that, so having a visual annual report will be a great communication tool. Jones said there are a lot of graphs and number analysis in the audit and it might be good to have MRA's annual report roll out in close proximity right after that to utilize that work and put it in a format that would be much more consumable and usable. Buchanan said the Management's Discussion & Analysis in the audit is actually written in-house. She suggested adding a QR code to the annual report that goes to that section of the audit report for more detail.

Brock thanked MacPherson for her work and asked if MRA can add a LinkedIn account. She said the business community is absolutely back to using it. She is seeing more and more professionals in Missoula interacting on it. MacPherson said the City of Missoula has one so it is something MRA can utilize.

FY23 Budget Status Reports

Dunn said the first part of her memo includes how to read the reports. There have not been a lot of changes this month on the reports, other than she has added in MRA's expenditures over the past month. MRA has not received a large portion of its revenue because it comes in when the taxes are collected by the County which occurs in November and May. In URD II there were two Series of bonds that were sold and those are now reflected. The Bridge Apartments is a reimbursement bond and the other is a refunding bond.

Dunn referred to Jones' comment about MacPherson using the audit information for the annual report. She said this year, due to staff shortages, the audit is going to be delayed

and won't be finalized until the end of January. Staff is really trying to make the annual report more user-friendly like Reineking suggested, so it is going to be more pictures and minimal numbers. Reineking asked if it makes sense to do an addendum to the annual report once the audit report comes out. Buchanan said projects in the annual report should reflect projects in the audit. MacPherson said she can add a link to the audit once it is complete.

Dunn said the Board's feedback right now on what type of financial reports, charts or graphs they would be interested in including in the annual report would be helpful. As an example, staff is looking at including graphs that show the percent of funds that were expended on large commercial projects versus small businesses. Another example is a pie chart reflecting what amount of funds were expended on parks and trails, public buildings, public infrastructure, and economic vitality. Dunn said that is what staff is looking at right now, so if the Board feels strongly that they would like to see a condensed balance sheet or profit & loss income-type statement information it would be helpful to know right now. Jones said she would not want that. She said there are a number of charts that would be helpful in communicating to the public what MRA does. Those would also be helpful in dispelling misinformation or misunderstandings that exist about the scope of MRA's participation in projects versus private money that goes into the project. She said she gave a presentation at rotary club and used clips out of the audit report, so there are a couple of them she thinks would be helpful and they are all summary charts and not anything along the lines of a balance sheet. Jones said a list of projects would also be helpful. Reineking suggested including some information about the private investment and taxes generated, and reiterating that is what pays for the public projects. Since that is also information staff is gathering to present to the legislature, having that in the annual report may also be beneficial.

Staff Activities Reports (9/24/22)

COMMITTEE REPORTS

OTHER ITEMS

ADJOURNMENT

Adjourned at 1:04 p.m.

Respectfully Submitted,



Lesley Pugh