

MISSOULA REDEVELOPMENT AGENCY
CONDENSED BOARD MEETING MINUTES

February 16, 2023

FINAL

A Regular meeting of the Board of Commissioners of the Missoula Redevelopment Agency was held on Thursday, February 16, 2023 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, Ruth Reineking, Melanie Brock, Jack Lawson

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

Public: City of Missoula: Eric Hallstrom, Leigh Ratterman, Deborah Postma, Steve Reichert; Gregory Daggett, DJ&A, P.C.; Martin Kidston, Missoula Current; MCAT

CALL TO ORDER

12:00 pm.

INTRODUCTIONS

APPROVAL OF MINUTES

[January 19, 2023](#) Regular Board Meeting Minutes were approved as submitted.

PUBLIC COMMENTS AND ANNOUNCEMENTS

Reineking thanked Pugh for her thorough and accurate meeting minutes.

ACTION ITEMS

[City Shops Air Exchange Unit – 1305 Scott Street \(North Reserve-Scott Street URD / Ward 1\) – TIF Request \(Tabled from 1-19-23\) \(Buchanan\)](#)

Buchanan said this was on the agenda at the January 2023 meeting and was tabled around concerns about tying up that much revenue in the North Reserve-Scott Street (NRSS) Urban Renewal District (URD), which has so many needs and not a great excess of revenue even though they discussed rolling it into a bond when it is issued for the infrastructure on the Scott Street property's Ravara Development. Staff is back with a different proposal that should be more palatable, which is to handle it the same way the acquisition of the Police Evidence Building on Catlin Street was handled, as well as the Missoula Public Library,

where they were paid out over a series of years so it doesn't have such an impact on the budget in one given year. Staff is proposing that MRA pledge \$150,000/year spread over a five-year period with the final year's payment being \$160,199, for a total of \$760,199 for the new air exchange unit. The City has agreed this will work for them. Buchanan said with the revenue currently in the NRSS URD this won't cause any issues or missed opportunities. There is currently \$1.8 M in annual revenue today and that will continue to grow as time goes on.

Buchanan said she and Lawson had a conversation and wanted to mention a couple of things relative to how this fits in with what MRA does and the various URD Plans. One is that anytime MRA can help with a project in one of the other taxing jurisdictions, it tries to do so whether it's the County, School Districts, Mountain Line or the City, because they are foregoing the revenue that comes into the tax increment districts for up to 40 years. Granted, there is a windfall at the end, but during that period of time MRA always tries to support those other investments in public projects and public buildings. MRA has used that effectively in helping the Legislature understand how TIF has been used in capital investment in things like Hellgate High School, County Courthouse, Police Facilities, Library, etc. The other thing that comes into play here that wouldn't necessarily be found in the Urban Renewal Plan or the Master Plan for NRSS URD is that the City Shops building has about 11 City employees that are currently working there and 50 Public Works employees. The plan is for the City to buy the Zip Beverage building which will move Missoula Water and its employees to that location along with a Parks & Rec presence and Public Works and Mobility (PWM). Ultimately there will be 120+ Full-Time Employees (FTE) working at that location. MRA is also working on and supporting a project directly to the north which will contain the Ravara project and will have a significant amount of commercial space including the possibility of a market, bistro and child care. The City employees working there will help support those developments to make them successful. There is a tieback to what MRA is trying to accomplish in the District. For that reason, staff is recommending approval of the investment in the City Shops building to make it safer for employees and keep them in that location.

Eric Hallstrom, Chief Operating Officer (COO), echoed Buchanan's comments about investments in the Scott Street complex as being consistent with the NRSS Master Plan and supports long-term planning efforts for highest and best use of commercial and industrial properties there. He said he appreciates the time and effort that MRA has given to this request and thinks it will tie in nicely to the buy-sell project the City has with Zip Beverage in continuing to consolidate the City's space over there. He said he is available if there are any questions.

Jones asked if there would still be the potential to wrap this into a future bond offering in the future. Buchanan said yes. If MRA issues a bond in Fiscal Year (FY) 2024, the balance could be rolled into it. Englund wanted to make it clear that investing in this is consistent with the Master Plan for the NRSS URD in terms of maintaining/fixing up buildings to make them more useful. Although this wasn't specifically identified as something MRA would do, it is certainly consistent with the Plan. Buchanan said often times when MRA has a large project that will require bonding, it's not specifically called out in the Urban Renewal Plan. MRA amends the Plan to declare it an urban renewal project, which is what was done with

the hotels downtown. MRA proposed to City Council to amend the Plan to include hospitality facilities.

LAWSON: I MOVE THE MRA BOARD APPROVE TIF FUNDS FROM THE NORTH RESERVE-SCOTT STREET URD IN THE AMOUNT OF \$150,000/YEAR FOR FY23 – FY26 AND \$160,199 IN FY27 TO ASSIST IN THE REPLACEMENT OF THE AIR EXCHANGE UNIT IN THE CITY SHOPS BUILDING AND AUTHORIZE THE DIRECTOR TO ENTER INTO A MEMORANDUM OF UNDERSTANDING WITH THE CITY MEMORIALIZING THE AGREEMENT.

Jones seconded the motion.

No further discussion. No public comment.

Motion passed unanimously (5 ayes, 0 nays).

[Brooks Street BRT/TOD RAISE Grant Planning Study \(URD III / Wards 3, 4 & 5\) – Request Authorization to Enter into a Professional Services Agreement with HDR \(Marchesseault\)](#)

No action taken on this item.

Marchesseault said staff is still working with HDR to finalize a number for professional services. This item will be taken up at a joint meeting with the Mountain Line Board at their monthly meeting on Thursday, February 23, 2023 at 12:00 pm.

[Downtown Safety & Multimodal Connectivity \(Front/Main/Higgins\) – RAISE Grant Match \(Front Street, Hellgate & Riverfront Triangle URDs / Ward 1\) – TIF Request \(Buchanan\)](#)

Buchanan said there was a presentation at last month's meeting about this grant application and the Higgins project. Staff got the green light from City Council to move forward with the RAISE (Rebuilding American Infrastructure with Sustainability and Equity) grant. It has been in Committee twice and will go in front of City Council for approval on February 27th to move forward with the project as designed. The preferred alternative has been in front of City Council and has been approved. The next action is to say yes, go apply for the grant. Missoula is in a rural state and applications for rural funding have a \$25 M cap with no match required. The cap on urban is more than \$100 M with a 20% match required. Staff believes that to be competitive it would be good if they can come up with a match as part of the grant application. The goal is to have a 5% match. Buchanan said she thinks they can get there, particularly if MRA is willing to pledge \$1 M as part of the match. She will be asking the Business Improvement District (BID) Board to provide a \$40,000 match. The Downtown Foundation pledged \$10,000 and staff will be asking Mountain Line to do a \$10,000 match as well. Buchanan said approval today will tie the money up until there is approval from the feds. If they don't approve it then the money will get reprogrammed. Approval will likely come in the fall or early next winter. The money will come out of the Front Street URD, Riverfront Triangle URD and Hellgate URD. Buchanan said in her memo she asked for staff to have the discretion to decide how much comes out of what URD if the grant is approved. She noted the City's Transportation Division is doing a fantastic job on the grant application. Deborah Postma, CPDI (Community Planning, Development &

Innovation) was present to answer any questions. Buchanan noted if the grant is approved, construction would likely start in 2024 or 2025.

Reineking asked if they would know if the grant is approved in the fall of 2023/winter 2024. Postma said that was correct and it takes about six months. Reineking asked if they would reapply for a RAISE grant if it isn't approved. Buchanan said yes. Assuming it is approved, Reineking asked if staff will come back to the Board with the URD allocations. Buchanan said staff will. Englund asked how it will be accounted for in the Budget Status Reports. Buchanan said staff will need to figure out where to put it in the three Districts and it could shift during the year if something unexpected comes along. She said the bulk of it will likely come from the Hellgate URD because there isn't anything on the horizon there besides the Railroad Quiet Zone/train whistle, which is on hold right now. The numbers will show up in next month's Budget Status Reports, but they won't be hard numbers.

Reineking asked if there will be additional requests from MRA if the grant is approved. Buchanan said there are a number of possibilities. The grant could be approved for \$10 M of the \$25 M ask. She suspects that if only part of it is approved, the Front/Main project is eons ahead of any other component in the request. The City would have to have a discussion about priorities and where the money will be spent because there are four or five different projects within the grant application.

Jones asked if the City will get updates along the way or know who the competition is. Buchanan said staff will be in the dark until funds are awarded.

REINEKING: I MOVE THE MRA BOARD APPROVE A MATCH FOR THE DOWNTOWN SAFETY & MULTIMODAL CONNECTIVITY RAISE GRANT IN THE AMOUNT OF \$1,000,000 IN TIF FUNDS FROM THE HELLGATE, FRONT STREET AND RIVERFRONT TRIANGLE URBAN RENEWAL DISTRICTS WITH THE STIPULATION THAT STAFF WILL BRING A RECOMMENDATION TO THE BOARD WITH THE RESPECT OF DISTRIBUTION OF THE MATCHING FUNDS BETWEEN THE DISTRICTS UPON AWARD OF THE GRANT.

Brock seconded the motion.

Englund said this was an opportunity to talk about a broader subject. He said the MRA Board's job is to administer this program in accordance with the law and according to the Urban Renewal Plans. This \$1 M is in accordance with the law and the Plans. MRA is part of the City, and the policymakers for the City have approved this 80% (10-2 vote). So, when people get the notion every now and again that MRA is out there on its own and not being part of the City, he voted in favor of this because this is something that fits within MRA's legal responsibility, there are funds available for it, it meets the Plans and is a priority of the policymakers for the City. Buchanan added that this is also clearly in the adopted Downtown Master Plan which is part of the City's Growth Policy adopted by the MRA Board and City Council after extensive public process.

No further discussion. No public comment.

Motion passed unanimously (5 ayes, 0 nays).

South Pattee Streetlight Replacement (Front Street URD / Ward 1) – TIF Request (Buchanan)

Buchanan showed an image of the existing conditions along the substation on South Pattee. As part of the replacement of that substation, NorthWestern Energy is putting up a very tall wall around it. The City, Missoula Downtown Association (MDA) and private citizens have worked out an agreement with NorthWestern Energy to allow for large art to be hung on the wall. Karen Sippy has been very active in finding the art and figuring out how it will be paid for. A fair amount of it has been taken care of and will go up once NorthWestern Energy's project is finished. As part of that, their poles on Pattee Street will be coming down and the overhead wiring will be put underground. That will leave the two old light poles in place. The City would like to replace those with the new City-standard light poles and move the wiring underground. The other benefit is that the old poles will be removed from the sidewalk's walkable area. Buchanan said streetlights have been replaced incrementally ever since the City chose that standard. The North Higgins project was the first to use them. They are now around The Merc, AC Hotel, Wren Hotel and other projects that have come along around the downtown. This would be one more step in that incremental journey to make all the lighting consistent, attractive and more appropriate, particularly for pedestrians. The staff recommendation is to take \$47,300 out of the Front Street URD for the South Pattee Streetlight replacement. Buchanan said Steve Reichert, PWM, has been spearheading this project and was present to speak to it.

Reichert said PWM was able to do the design completely in-house and did not have to hire a consultant to do engineering, design, photometrics or bid process. They took advantage of the limited solicitation process with the City between the \$25,000-\$80,000 threshold. It made the bid process go smoothly and they received three bids back. Reichert said they were also able to take advantage of NorthWestern Energy's project by doing this while they are doing their work. If it was done separately they would have also had to pay for removal of the existing light poles, overhead, replacement of the sidewalk back to existing conditions, new service and meter. NorthWestern Energy will be providing all of that at no cost to the project itself. Buchanan noted that NorthWestern Energy has been great to work with throughout this whole project.

Jones asked for a timeline. Reichert said the work is waiting to start until the spring thaw. They hope to start in March or April when NorthWestern Energy is back out there to start taking down the remaining lines and remove the poles. Once the poles are removed the new streetlights will be installed. The larger project by NorthWestern Energy should be done sometime this summer. Reineking asked if any of this will be impacted by the Downtown Safety & Multimodal Connectivity RAISE grant. Buchanan said this will be done outside of the scope of that.

BROCK: I MOVE THE MRA BOARD APPROVE AN EXPENDITURE OF \$47,300 FOR THE REPLACEMENT OF TWO STREETLIGHTS ON THE WEST SIDE OF THE 200 BLOCK OF SOUTH PATTEE STREET WITH THE DOWNTOWN CITY STANDARD PEDESTRIAN STREETLIGHTS TO BE LOCATED BETWEEN THE SIDEWALK AND THE NORTHWESTERN ENERGY SUBSTATION AND AUTHORIZE STAFF TO WORK WITH CITY PUBLIC WORKS & MOBILITY TO EXECUTE ANY REQUIRED AGREEMENTS.

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](#)

MRL Trestle Project

Buchanan said this moving along. There were no problems found during the structural evaluation. It is now moving into the design concept phase. Staff will make proposals to the Montana Department of Transportation (MDT) and Montana Rail Link (MRL) to see what is acceptable to them to share the trestle. Englund asked if there are models elsewhere for this. Buchanan said the Rails to Trails program that has happened all over the United States definitely has trestles. What is complicated about this one is that it has to continue to be used as a rail line, but nobody thinks they can't figure out a solution.

Midtown Master Plan

Brock said they had 160+ people show up at the Fairgrounds for the public meeting with ECONorthwest. Part of the early design concepts of the Master Plan will be available on midtownmasterplan.com in the next week. Overall, ECONorthwest has heard from 1,100 people and they are consolidating all of the opinions and comments and drafting the Plan. Displacement risk analysis is happening within the next six weeks, so every single thing the Plan suggests will be run through a displacement risk analysis. The ultimate goal is to keep Midtown livable and hopefully stop displacement from happening with Brooks Street. Brock noted that the 5th option is to do nothing and ECONorthwest is even going to do a displacement risk analysis on doing nothing. March 8th is the Midtown Association's annual meeting and Tyler Bump from ECONorthwest is the keynote speaker to present to the community again the findings of the opportunities. Buchanan said as they do the risk analysis they will be working with MRA relative to URD III and what is coming out of the Brooks Corridor planning effort with respect to where the nodes are and how those can impact being able to retain people in Midtown as certain areas redevelop. Brock and Buchanan said ECONorthwest are great and the right consultants for this.

2023 State Legislative Session

Buchanan said it appears the TIF bills are starting to emerge as of this morning. The Montana League of Cities and Towns (MLCT) and communities that have tax increment districts are scrambling to try to put data together. One of the bills is going after school mills, which is the bulk of MRA's revenue. Staff will keep the Board apprised of public meetings, comments and opportunities to participate.

Martin Kidston, Missoula Current, asked what the timeline is for Missoula Water to move out and consolidate into Zip Beverage. He asked if it has already been purchased. Buchanan said it has not been purchased. The City has a buy-sell on it and Missoula Water moving will likely be several years down the road because Zip Beverage has to find/build a new facility and renovations will be necessary to their current building.

Communications Update

MacPherson said spring is coming and MRA and other City departments are planning several outreach and event type of activities to provide opportunities for the public to come and talk to MRA and other departments in an informal setting. Reineking asked if the Sleepy Inn deconstruction will be on Engage Missoula. MacPherson said it has its own web page on the City's website under Major Projects. The reason for that is because Engage Missoula is really meant to engage the public for feedback, surveys, comments, etc. MRA is just sending information out to the public right now for the Sleepy Inn and it has its own page and is being updated every few weeks. Gorski said staff is also doing updates to those involved with the Envision West Broadway Master Plan to keep them in the loop as well. MRA and CPDI will be presenting to groups in the community that are asking for more details. Reineking asked where people go to find different information. MacPherson said the City uses Engage Missoula as a give and take platform where people can comment, take surveys, etc. She has been working to use different outreach options like in-person meetings, email, social media, etc. to let people know where the different information is found. Buchanan said once the Sleepy Inn property is sold, it would go on Engage Missoula for a public process of give and take interactions.

FY23 Budget Status Reports

Dunn said tax increment from the first installment of taxes has been transferred in and projects have been added.

COMMITTEE REPORTS

OTHER ITEMS

ADJOURNMENT

Adjourned at 1:02 p.m.

Respectfully Submitted,



Lesley Pugh