

# City Council Work Session

5:30 PM  
Council Chambers  
January 3, 2012

## ATTENDANCE:

Mayor/Council (please check)  Hanel,  Ronquillo,  Cromley,  Cimmino,  Pitman,  McFadden,  Bird,  Ulledalen,  McCall,  Astle,  Crouch.

ADJOURN TIME: 6:30 p.m.

## Agenda

<b>TOPIC #1</b>	<b>Shiloh Road and State Avenue Construction Issues</b>
<b>PRESENTER</b>	Dave Mumford
<b>NOTES/OUTCOME</b>	

- Dave Mumford: working on relationship with Montana Department of Transportation (MDT). Presentation is subsequent to a discussion with CM Ulledalen. Difference between the way State and City construct projects; State Avenue and Shiloh Road construction showed that. State Avenue chip seal covered valve and sewer manhole covers. Finally got the State to come back and clean them. State not used to dealing with underground utilities. Same problems with Shiloh Road. Water valve boxes 16' deep and bent, so no way to get to the valves. Installed new lines and valves before road construction started. Some boxes are under pavement and some in the roundabouts. State is working with us but we own the road and they released the contractor. Two (2) street light maintenance districts created and irrigation. Street lights have to be metered separately, but State installed single meter bases for street lights and irrigation. Resolved with State to make corrections on metering and use money city would have paid to State for power usage during construction. Don't expect big problems with Bench, but contractor is done and change orders could still be submitted. Don't know how we'll deal with all of the Shiloh Road problems.
- Hanel: Bench still being monitored regarding traffic control and final adjustments still being made? Mumford: Yes.
- Ronquillo: on South 32<sup>nd</sup> and State Avenue the State repainted striping to allow curbside parking. Still some areas need paint. Mumford: get great response from Streeter but the problems come from junior employees. Can still work on the problems but it's hard to remove paint and redoing it won't look as good as if done correctly from the outset.
- Astle: expect a friendlier relationship from new Helena management? Mumford: Haven't seen any change. Friendlier atmosphere, but difficult to change the way they do business.
- Ulledalen: how much responsibility does Sanderson Stewart have? Mumford: are discussing it with them but no resolution yet. State (MDT) doesn't have the designer work with them during construction, so problems aren't discussed and corrected in the

field. Considering having our own inspectors on state jobs so that problems are identified early and corrected. State does not have a one (1) year warranty; city does.

- Hanel: state law that controls warranties? Brooks: don't know but will check.
- McCall: I have the same questions as Ed's who is responsible for design and construction problems? Mumford: city has some responsibility because we should have spotted things in design that we didn't. Sanderson should not have designed that way. MDT should not have built the project in that way once they saw the problem or conflict. McCall: have valve boxes under all roundabouts? Mumford: no, just a few but think we've found all of them.
- Ronquillo: S 28<sup>th</sup> between Minnesota and 1<sup>st</sup> Avenue South needs a new valve box and lid.
- Cimmino: thanks for today's email response. State used federal stimulus money to construct. Who is responsible for correction? Where will the money come from? Mumford: we're responsible and don't know the cost or the source of money. If they're minor problems, may be able to correct them ourselves. Will come back to Council for budget change. Won't use the same consultant. Contractor not at fault.
- Pitman: more changes on 6<sup>th</sup>? Mumford: coming in the next phase, not this project.
- Ulledalen: part of challenge is to not allow MDT to make the same mistakes on the next phase. Mumford: meeting with Streeter to talk about it. MDT may force city to pay for oversizing the stormwater drain.
- Pitman: planning to be more hands-on in the process? Mumford: still trying to find ways to be involved past design review and how to gain veto authority.
- Ulledalen: Sanderson-Stewart designs but doesn't MDT modify the plans? Mumford: yes, put them in their format and never involves designer.

**Public comments:**

- None

<b>TOPIC #2</b>	<b>Empire Garage</b>
<b>PRESENTER</b>	Greg Krueger
<b>NOTES/OUTCOME</b>	

- Greg Krueger: explains the Alliance and the Downtown Billings Partnership (DBP). DBP paid by TID funds. Final spending authority is the Council. Empire garage project is moving forward slowly. Developer RFP published last week. Already developing some interest. Could be \$5 million private investment. May do a design-build project. Want to get into ground as soon as winter is over. Demo could begin as early as March or April. Build this summer and for 18 months. Lost a potential tenant in the BN building because lack of parking. Encourage Council to follow the process on the DBP website [www.downtownbillings.com/empire](http://www.downtownbillings.com/empire). Final documents will come to the City Council for approval. Alley Cat and Zootist will be notified that they want the parking spaces that they're entitled to.
- Hanel: Billings Business Journal article is informative.

- Astle: Windsor Court building and Northern parking garage to be demolished simultaneously? Greg: yes, phasing is too expensive and retail on ground floor would be difficult.
- McCall: explain BN office building lease loss. Greg: need parking for all employees in the same place, nearby.
- Ulledalen: know that we have to subsidize parking in downtown. Subsidy for retail is not OK. Credibility issue with already established retailers if we do it. May make condo for retail space infeasible. Greg: that's why we're doing an RFP for purchase, not lease as in the Park 1 garage.
- Lisa Harmon: need to be strategic about retail development. Montana Ave has become restaurant row and it needs retailing.
- Public comments:
- None.

#### Additional Information:

Public comments on items not on the agenda:

None.

**Downtown Billings Partnership, Inc.**  
**Request for Proposals for Purchase of Retail Condominiums**  
**and a Commercial or Residential Condominium**  
**[www.downtownbillings.com/Empire](http://www.downtownbillings.com/Empire)**

The Downtown Billings Partnership, Inc. (DBP) is accepting proposals for the purchase of retail, commercial or residential condominium space to be constructed as part of the City of Billings Parking Division's Empire Garage mixed use development proposed for construction between N. 28<sup>th</sup> Street and North 27<sup>th</sup> Street on the north side of Montana Avenue.

To meet the deadline for initial consideration, hand delivered proposals must be received no later than **5:00 P.M., MST, January 20, 2012** at the office of the DBP, 2815 2<sup>nd</sup> Ave. N., Billings, MT 59101. Mailed proposals must be **received** by this time and date for initial consideration. However, proposals will be accepted and considered until a successful proposal is selected by the Development Committee of the DBP. The mailing address for proposals is the same as the physical address. Please state "Empire Condominium Proposal" on the outside of the package. No faxed or electronic submissions will be accepted. Six (6) copies, (one original and five copies), of each proposal must be submitted.

Please direct all questions to the Downtown Billings Partnership, Inc., Attn: Greg A. Krueger, Development Director, 2815 2<sup>nd</sup> Ave. N., Billings, MT 59101 Telephone number is: (406) 294-5060. E-mail address is: [ggreg@downtownbillings.com](mailto:ggreg@downtownbillings.com) The DBP requests that interested individuals or firms limit their contacts to the DBP Development Director listed above in the interest of maintaining a consistency of response and fairness to all respondents.

**PROJECT DESCRIPTION:** The City of Billings and the Expanded N. 27<sup>th</sup> Street Tax Increment Finance District are offering for sale approximately 17,200 square feet of "cold shell" street frontage commercial space on the ground level of the Empire Parking Garage. The spaces front historic Montana Avenue. In addition, the City of Billings is considering offering for sale approximately 28,000 square feet of "cold shell" commercial or residential space on the top floor of the Empire Parking Garage. The units will be stubbed out for plumbing and electrical, rooftop mechanical units, unfinished floors and walls and concrete floors. The buyer will be responsible for all power and communications wiring and all interior finishes.

The condominium spaces are currently zoned Commercial Central Business District. The development is part of a ½ block site. The boundaries are N. 28<sup>th</sup> Street, N. 27<sup>th</sup> Street, Montana Avenue and the east/west alley north of Montana Avenue.

Construction on the Empire Parking Garage is expected to start spring of 2012 with an opening in summer or fall of 2013. Occupancy will be tied to the opening of the garage

with the owner's ability to begin finish work of the commercial/residential space to be negotiated.

**INTENT OF RFP:** The DBP Development Committee will evaluate the proposals based on the total purchase price and proposed financing terms. The DBP seeks proposals that maximize the sales price for the property and expedite the related sales process. Final terms and conditions of the sale or lease will be negotiated with the successful applicant or applicants.

#### **PROPOSAL CONTENT AND INSTRUCTIONS TO RESPONDENTS (PURCHASE):**

- 1) Proposals will clearly state total purchase price offered, and dollars-per-square-foot equivalent.
- 2) Proposals will define clearly whether they intend to purchase all condominium areas or a limited of condominiums described on the RFP Attachments.
- 3) Proposals will provide a detailed description of the expectations, responsibilities or actions of the City of Billings necessary for the sale of the property. Any anticipated special conditions related to the Condominium Association Agreement will be listed in the proposal.
- 4) The successful proposal for purchase of the property must demonstrate progress in concluding the transaction according to the following schedule:
  - a) Earnest money in an amount equal to 20% of the purchase price shall be deposited into an escrow account within five (5) working days of proposal selection.
  - b) Financing of the purchase shall be assembled within fifteen (15) days of the selection.
  - c) Final closing will occur within twenty (20) days of construction completion.

#### **GENERAL**

Proposals should be clear and concise. Proposals will be evaluated per the criteria above. The selection of the finalist(s) will be made by a selection committee representing the Downtown Billings Partnership, Inc. and the City of Billings. The selection will be based on an evaluation of the written responses to the Request For Proposals. The award will be made following contract negotiations with the respondent whose proposal is deemed most advantageous to the DBP and the City of Billings. **Proposals entailing the purchase of all condominiums will be given preferred consideration. If no successful proposals for purchase of all condominiums are received, sale of individual condominiums will be considered.**

All proposals must be submitted complete and contain the information required as stated in the Request for Proposals.

The DBP and the City of Billings reserve the right to reject any and all responses and/or to sell or lease the property to the party submitting a proposal for the use and development of the property which provides the greatest benefit to the City.

The DBP and the City of Billings does not discriminate on the basis of race, color, religion, creed, sex, age, marital status, national origin, political ideas, or disability in employment or the provision of services.

