

MISSOULA REDEVELOPMENT AGENCY

CONDENSED BOARD MEETING MINUTES

October 18, 2018

FINAL

A Regular meeting of the Board of Commissioners of the Missoula Redevelopment Agency was held on Thursday, October 18, 2018 at the Hal Fraser Conference Room, 140 W. Pine, at 12:00 p.m. Those in attendance were as follows:

Board: Nancy Moe, Ruth Reineking, Melanie Brock

Staff: Ellen Buchanan, Chris Behan, Jilayne Dunn, Tod Gass, Lesley Pugh

Public: Joseph Gsell, citizen; Allan Frankl, Dick Anderson Construction; Pat Corrick, Hotel Fox; Jim McLeod, Hotel Fox; Barry Fisher, Hotel Fox; Rory Stevens, Hotel Fox; Grant Kier, Missoula Economic Partnership; Brian Averill, Hotel Fox; Dwight Easton, Missoula Organization of Realtors; Dan Averill, Hotel Fox; Dieter Huckestein, Hotel Fox; Jason King, Dover, Kohl & Partners; Meredith Bergstrom, Dover, Kohl & Partners; Dexter Delaney, citizen; David Erickson, Missoulian; Jay Garner, Garner Economics (teleconference); Richard Tucker, Hotel Fox (teleconference); Missoula Community Access Television (MCAT)

CALL TO ORDER

12:00 p.m.

APPROVAL OF MINUTES

September 20, 2018 Regular Board Meeting Minutes were approved as submitted.

PUBLIC COMMENTS AND ANNOUNCEMENTS

Missoula Economic Partnership (MEP) – Competitive Realities Report – Presentation by Jay Garner

Jay Garner joined the meeting via teleconference. Garner has an economic development and location advisory firm based in Atlanta, Georgia. He said they have representative offices in North Carolina, Berlin, Germany and Seoul, Korea. They help states, regions and communities do economic development planning. They also assist corporate clients in their location advisory work, meaning companies engage Garner Economics to help them analyze and evaluate locations for their investments, consolidations, and closures. Garner said they apply that knowledge whenever they do economic development work on behalf of a community like Missoula.

Garner said the Missoula Economic Partnership (MEP) – Competitive Realities Report was done in three phases. There was a discovery and evaluation phase, followed by strategy and then recommendations. Garner said it is not a comprehensive economic development strategy. Garner said they were engaged by the City, specifically Mayor Engen, in 2010 to come up with a targeted industry analysis for all of Missoula. It covered all of Missoula County and incorporated the City of Missoula. As part of that targeted industry strategy, they made a number of recommendations so that the City and other partners could effectively implement those recommendations. Garner said the MEP engaged Garner Economics in the winter of 2017 to update the Competitive Realities Report and also look at the organizational structure of MEP to see if it is being the most effective in its service delivery. He said that is what Garner Economics did and all of the recommendations they've made relate to the successful execution of the targets.

Garner gave the MRA Board an abbreviated version of their presentation to the MEP. He encouraged everyone to look at the full, detailed report at:

<https://www.ci.missoula.mt.us/DocumentCenter/View/46536/Garner-Report---final>

Brock asked Garner if they looked at the University of Montana degree course offerings in the process of their study. Garner said yes, whenever they do targeted industries they have to look at what the degree completions are and what the curriculum is. He said they also get feedback from graduates and students of how that curriculum is being taught in the University, or whatever academic institution is offering it in the community. Garner said what they always encourage higher education to do is to be more adaptive and flexible in their curriculum offerings based on changes in global and local economic conditions. He said hopefully that will continue to be emphasized to the University and the Montana College of Technology.

Moe said there are other areas of the work force that do not involve University degrees. She asked if the report addresses availability and development of lower-level work forces. Garner said they took into consideration input from everyone in academia who gave them feedback on what was being offered in K-12, technical and community college, and four-year and higher education. He said it was all taken into consideration and he encouraged everyone to review the report to see that.

Grant Kier, Executive Director of the MEP, thanked the MRA for being equal investors in the Report. He acknowledged that MEP is in the process of a transition right now and, having been a board member of MEP, he was grateful the MEP board took a pause to figure out who MEP is, if MEP is being effective, and how MEP can be more effective in the community. Kier said that introspection is what got him excited about applying and taking on the Executive Director position. He said MEP is still digesting the Report and as part of his coming on Board at MEP he is trying to reach out to partners and developers in the community to make sure they understand what parts of the Report resonate and make sense to them. MEP is also figuring out what parts they can move forward on quickly to achieve some measurable success, as well as which parts they need to move slower on. Kier said he is hearing that people want to see MEP work more collaboratively. He said he believes he was hired because the MEP board believes in his commitment to collaboration. Kier said he hoped that today would be the start of a dialog of how MRA and MEP can work more closely together. He said he is eager to work as close as MRA is willing and to learn

as much as possible about what MRA is doing and how they can be effective together. Kier said there is a real need for MEP to focus and the report gives them some strong points around which to focus. He addressed Brock's question and said what they have defined is that the areas of focus and the strengths of Missoula dovetail really nicely with what the University of Montana President's office has come out with in terms of the strategic plan moving forward at the University. Kier said he was very optimistic that right now there is a level of collaboration and willingness to engage the community. He said one of the reasons he is moving slowly to make sure MEP gets this right is that he wants them to come out of the process as an organization that complements the strengths of existing organizations here and reduces redundancies. He said he believes there are a lot of demands in the community and not enough resources to meet them all so he wants MEP to be a lean and effective organization that plays the right role in the community moving forward.

Moe said as part of the "Cooperate, Coordinate and Communicate" aspect from Garner's presentation, the MRA Board now has a policy of making sure that those agencies who request financing from MRA for studies such as this one will be reporting to the Board with their report so the MRA Board actively has that information to inform its decisions.

Reineking said she appreciates the idea of economic development and said Missoula's population is growing. She said she is concerned, considering more people are moving here to fill new jobs, especially if they are at a higher income level, with the amount of housing available. She said she wanted to make sure that the need for all levels of housing, for both existing and new populations, isn't lost and thought of as a separate issue from economic development.

Moe said she would appreciate an update on the MEP actions that are the result of the report. Brock welcomed Kier and said the MRA Board is excited to work with him in his new role as Executive Director of the MEP.

Downtown Master Plan – Consultant Team Introductions

Jason King and Meredith Bergstrom from Dover, Kohl & Partners introduced themselves to the Board. King said they were in town to kick off the Downtown Master Plan update of the 2009 Master Plan. He said they were holding a large public presentation tonight at 5:30pm at the Wilma. He said Dover, Kohl & Partners, along with their sub-consultants, are a multi-disciplinary team coming from all over the country that also teams with local experts. They have a year and a half long process to develop the Downtown Master Plan with maximum public involvement.

King said the centerpiece of their public involvement is the charrette. Bergstrom said right now they are spending all of their time engaging with different people and groups. When they come back to Missoula in January they will have done a lot of preliminary analysis and will be prepared to begin actually working on the plan, which they call a charrette. It is a very intense week and they start with a hands-on design session. She said they will spend the week at an open design studio. She said they are very transparent and people are welcome to come and engage with whatever they are working on. They will also be sending people out into the community. Bergstrom said at the end of that week they will have a "work in progress" presentation where they show people the first hypothesis of the plan. It will include keypad polling and they hope people will say they are on the right track. She

said they call it their “propose and dispose” week where they show what they think people have told them and then respond to the input. Bergstrom said from the charrette week they will then do quite a bit of work and come back for draft presentations.

King said it is a historic time for Missoula. He said it is not often communities find the money, as Missoula has, in order to do the plan holistically and right in a way that involves everyone. He said Missoula has a track record of plan implementation and this will create another work plan for the City and MRA in terms of what to do. King said Dover, Kohl & Partners need the community’s ideas because they are from out of town. They then give that information to their economists, transportation experts, architects, etc. and make the plan with the community’s ideas.

Moe asked if Dover, Kohl & Partners have access to the past projects MRA has done. Buchanan said they have been given every plan, project, etc. King and Bergstrom said they have read everything and different members of their team specialize in different things so they are passing the plans off to them. He said the Downtown Master Plan update has to build on what has already been done and reinvigorate any effort that has been stalled. King said the big plan is a compilation of the smaller plans as well as new ones in mind.

King said they will have a booth set up at Saturday’s Farmer’s Market for anyone who wants to come and talk to them about planning. Bergstrom invited anyone to contact them directly. She said they want to hear from everyone.

January 14th is the kickoff of the charrette.

ACTION ITEMS

Burton Street Apartments (URD II) – TIF Request (Behan)

Behan said Alex Subrayan is the owner of several properties in the area of the proposed project at 525 Burton Street, including the Super 7 and Sleepy Inn. He also owns other properties throughout the City. Behan reviewed the property area on the aerial map included in his memo. He said this property had two motor homes in disrepair, a shed and a small house on it when Subrayan bought the property. The mobile homes have been removed and Subrayan intends to demolish the shed and house in order to construct an apartment building with a parking lot. Behan said this project connects with the West Broadway Island project. The primary entry to the island area is along Burton Street with the secondary entry being a new bridge by Imagine Nation Brewing.

Behan said the project is for a three-story, six-unit apartment building on the south end of the parcel with a parking lot on the north end. The parking lot exits to the north onto a small piece of right-of-way (ROW) on Cedar Street and then onto Burton Street. Behan said the project is on the west side of Burton Street and near the north shore of the Hellgate Valley Irrigation Company (HVIC) canal, aka Flynn-Lowney Ditch. He said the area would end up with a new multi-use trail that will link up to the sidewalk system on Broadway Street, as well as the Riverfront Trail which goes from Burton Street to Russell Street in front of the Eagle Watch apartments and Western Cider Co. Behan said the West Broadway Island project was bid and is stalled right now because the bids came in unaffordably high. He said staff is working with the apparent low bidder to pare apart the project, try to reduce costs, and

phase the improvements to be able to put in an affordable project that includes the bridges and trail on the south side and work with the north side portions moving into the future.

Behan said Subrayan will be required to put in sidewalks and curbs along Burton Street for the project. He said it is unnecessary to have a sidewalk, curbs, and a concrete trail with curbs. Therefore, he said staff, the developers and the contractors have been working with Development Services to come up with an idea of how to include an expanded version of the sidewalk that Subrayan would have applied for in the first place for TIF funds, and make that portion of the trail to the island now rather than phase it into the future with the West Broadway Island project. Behan said those conversations are continuing as to how it might work. He said even with the issues in this year's budget, URD II can take this on and will end up with a better deal overall with putting in a trail rather than a sidewalk and helping with the West Broadway Island project. He said it will help everything come together in a more timely fashion.

Moe said Behan's memo states that he and the engineer for the West Broadway Island project were looking at the value of the estimate given by the project's contractor to see if it was a good value. Behan said the price of having the developer's contractor do this, and what they were able to extract out of the bid for a slightly smaller version of this, were very similar. He said if they look at not constructing the sidewalks then it is a very good deal at \$57,705. He said it is within hundreds of dollars of what the extracted bid is.

Behan said he split the motion into two pieces and his recommendation is to approve up to \$66,289 in assistance for the demolition activities and approve \$57,705 to build the trail/sidewalk. Behan said it will be a 10 foot wide, multi-use sidewalk for both bicycles and pedestrians.

Brock asked if there were six parking spots on the actual parcel and if the proposed future public parking will not be used by the renters. Behan said the project is at a 0.75 parking space requirement from the City. There will be seven spaces, one per apartment, and one extra space for a visitor. He said now there is a small parking area of gravel and the condominium association that owns the property adjacent to the public lot is leasing those spots. Behan said the City has sent the condominium association a letter stating they cannot lease public right of way. Therefore, there will be public parking in the area, but the City will have to keep an eye on it because there will be tenants that are living there and may use the public spaces. He said parking will be a problem in the area.

Moe asked if notice has been given in the neighborhood about the project. Behan said yes. The Eagle Watch apartments and Homeowner's Association at the condominium complex have been notified. Behan said Subrayan had to have some changes made to zoning for his project, so at that point they were notified through the mail. Behan said they were also notified by Subrayan himself.

Behan said MRA is trying to be sure it is not just helping every project, as was discussed last month. MRA is trying to maximize its impact as far as it can and Behan said this project does that and helps get the West Broadway Island project moving. Reineking said it obviously eliminates some blight in the area and is an opportunity to start working on the trail and not have to lump it into a future trail project. Behan said each time something new

and positive is done there it helps to change the unfavorable behaviors that are going on right now.

REINEKING: I MOVE THE MRA BOARD APPROVE UP TO \$66,289 IN TIF PROGRAM ASSISTANCE TO ALEX SUBRAYAN'S PROJECT LOCATED AT 525 BURTON STREET FOR DEMOLITION AND ASBESTOS REMOVAL RELATED ACTIVITIES, SUBJECT TO THE TRADITIONAL CONDITIONS MRA PLACES ON SUCH ASSISTANCE.

Brock seconded the motion.

Behan pointed out the overhead utility lines on the parcel. He said unfortunately the worst of the lines and poles are service lines and poles and MRA cannot provide assistance for that. He said a lot of it will have to move because of the size of the building.

No further discussion. No public comment.

Motion passed unanimously (3 ayes, 0 nays).

REINEKING: I FURTHER MOVE THE MRA BOARD APPROVE UP TO \$57,705 IN TIF PROGRAM ASSISTANCE TO ALEX SUBRAYAN'S PROJECT LOCATED AT 525 BURTON STREET FOR SIDEWALK AND CURB CONSTRUCTION IN ACCORDANCE WITH THE DESIGN DEVELOPED FOR THE WEST BROADWAY ISLAND PROJECT, SUBJECT TO THE TRADITIONAL CONDITIONS MRA PLACES ON SUCH ASSISTANCE.

Brock seconded the motion.

No further discussion. No public comment.

Motion passed unanimously (3 ayes, 0 nays).

Fiscal Year 2019 Amended Budget – Request for Approval (Buchanan)

Buchanan said at the August meeting the Board formalized where MRA would take the remittance dollars from, in terms of which district would contribute what amounts. The understanding was that MRA staff didn't have final numbers at that point in time nor did staff know what the mill values would be and were still looking at fiscal year 2018 year-end numbers that were moving around. At the September meeting Buchanan said she suggested a couple of programmatic changes which catalyzed a healthy discussion about what the Board wanted to do relative to prioritization and how to achieve the most flexibility with the funding available. She said she indicated at the time that she would look at the remittance distribution and maybe rethink it with the new numbers. Buchanan said she ran the numbers a bunch of different ways and doesn't think the MRA has to do anything at this point in time to amend where the remittance dollars come from. She said at this time she is not recommending to change the remittance formula already approved by the Board.

Buchanan said the discussion in September revolved around what MRA can do with funds that are programmed as line items in the budgets, particularly in URD II and URD III, that may or may not be expended for those purposes. Those line items include the Façade

Improvement Program (FIP), Code Compliance Program (CCP) and Commercial Rehabilitation Loan Program (CRLP). Buchanan said the Board indicated they did not see any problem with pulling those out of programmatic funds and putting them into the contingency funds. That way, if one of those projects comes to MRA it can still be funded, but the contingency will be bigger if something unexpected comes through the door.

Buchanan said another item is the \$1 million budgeted for the new police facility on Catlin Street in URD II. She said staff is proposing to do payments of \$250,000 for four years rather than a lump sum payment this year. She said this works fine for the City because it was their intention to use the money to pay debt service, which is about \$250,000/year. This change will put \$750,000 into the contingency in URD II.

Buchanan said Wayfinding has been carried as a Capital Improvement Program (CIP) item for several years and has been in the MRA budget. She said it will not happen this year. A big portion of the Wayfinding has to be funded by the City and the funds are not there. It will be budgeted in future years. MRA had \$77,750 in Wayfinding budgeted for URD II and \$125,750 in URD III. Staff is proposing to move the amounts into contingency. Buchanan said these changes will require amending the budget, which has to be amended anyway because MRA has real numbers now. Dunn has updated the FY19 budget document and budget status reports.

BROCK: I MOVE THE MRA BOARD APPROVE THE FOLLOWING ADJUSTMENT TO THE FY19 MRA BUDGET AND AUTHORIZE STAFF TO MAKE THE APPROVED CHANGES:

URD II

- **REDUCTION OF THE POLICE FACILITY COMMITMENT FROM \$1,000,000 TO \$250,000 ANNUALLY FOR FOUR YEARS;**
- **REMOVE \$77,750 FOR WAYFINDING AS A BUDGETED ITEM;**
- **REMOVE \$225,000 FROM FIP, CRLP AND CCP PROGRAM PROJECTS;**
- **INCREASE THE URD II CONTINGENCY FUNDS BY \$1,052,750.**

URD III

- **REMOVE \$125,750 FOR WAYFINDING AS A BUDGETED ITEM;**
- **REMOVE THE REMAINING \$300,000 IN UNCOMMITTED FUNDS FROM FIP PROGRAM FUNDS;**
- **INCREASE THE URD III CONTINGENCY FUNDS BY \$425,750.**

Reineking suggested the addition of approving the FY19 Amended Budget.

Brock accepted the addition and added to her original motion “**AND APPROVE THE FY19 MRA AMENDED BUDGET”.**

Reineking seconded the motion.

No further discussion. No public comment.

Motion passed unanimously (3 ayes, 0 nays).

**2019 Street Tree Planting (URD III) – Request to Approve Contractor and Bid
(Marchesseault)**

Gass presented on Marchesseault's behalf because she was out of town at a landscaping conference. He said the 2019 Street Tree Planting is a culmination of three different street and sidewalk projects. Those include Mary Avenue West, Clark Street Sidewalk, and the Holiday Village Sidewalk projects. Gass said one of the reasons staff chose to do this is to have a direct relationship with the landscape contractor, rather than having it be overseen by a concrete or excavation contractor. It also allows better control over timing of the planting and the quality of the tree planting. Staff will be able to better monitor the maintenance of the trees during the two-year maintenance and warranty period. Gass said along with that there will be better economies of scale. There are 67 trees that will be going in various parts of URD III.

Gass said this project was already bid in August 2017 and no bids were received. It was rebid in January 2018 and what staff found was that the availability of tree stock was problematic at that point. Through experience, staff learned that bidding a project like this in early fall is good timing for availability of trees for the next spring.

Gass said the project was advertised at the end of September and two bids were received. Valley Landscaping, Inc. of Missoula is the apparent low responsible bidder. Valley Landscaping Inc.'s bid was \$69,660 which is less than was estimated. Gass said the staff recommendation is that the MRA Board move to award the construction contract for the 2019 Street Tree Planting Project in URD III to Valley Landscaping, Inc. in an amount not to exceed \$69,660.

Moe asked if the neighborhoods have been advised about the reason for the delays or if they know the trees will be going in. Gass said he isn't aware they have been advised why they haven't gone in. He said he will talk to Marchesseault about doing a notification. Moe said that notice might include the property owner's responsibility to let whoever should be notified know if the trees die, since there is a two-year warranty/maintenance contract. Buchanan said staff also monitors the trees.

REINEKING: I MOVE THE BOARD AWARD THE CONSTRUCTION CONTRACT FOR THE 2019 STREET TREE PLANTING PROJECT (URD III) TO VALLEY LANDSCAPING, INC. IN AN AMOUNT NOT TO EXCEED \$69,660, AUTHORIZE THE MRA BOARD CHAIR TO SIGN THE CONTRACT, AND AUTHORIZE STAFF TO SIGN THE NOTICE OF AWARD AND THE NOTICE TO PROCEED.

Brock seconded the motion.

No further discussion. No public comment.

Motion passed unanimously (3 ayes, 0 nays).

NON-ACTION ITEMS

Hotel Fox (Riverfront Triangle URD) – Update

Pat Corrick, Hotel Fox Partners, gave a brief update of where they are at with the proposed project. He said the partners are in town and they spent a good chunk of the day yesterday meeting on the project. Richard Tucker, recently hired by Hotel Fox Partners as a Project Manager, joined the meeting via teleconference. Corrick said Tucker currently lives in Toronto, Canada and is the Principal of a company called SW10. His connection to Missoula is through his brother-in-law, Rob Young, who owns Hunter Bay coffee. Corrick said Tucker has a degree in architecture from the Massachusetts Institute of Technology (MIT), Master's of Science and Business from the London School of Business, and is a former employee of Olympia and York, which was a dominant real-estate firm in the 1970s and 1980s out of Canada. Tucker's background with them includes work on the Ritz-Carlton in downtown Toronto, the Dallas Convention Center, Waldorf Historia in Jerusalem and the Skydome development in Toronto. Corrick said Tucker is very capable on many levels and they are excited to have him be part of their team.

Corrick said the schematic design is complete on the project. They've laid out the condominium units, hotel rooms, conference center, parking and all of the amenities spaces. They are now in the process of kicking off their construction drawings. He said Jeff Crouch and Jackie Bull have been with CTA Architects Engineers and are recently in the process of purchasing Paradigm Architects, so there is a bit of a transition going on. Corrick said Hotel Fox Partners are preparing to work with Crouch and Bull, as well as another hotel designer based out of Houston, Texas who has very specific expertise in hotel and conference center design. The development agreement and collateral agreements require that Hotel Fox Partners submit building permits by June 1, 2019 and they are on track to start the building permit application process by then.

Moe asked if any of the schematics changed the development phases as they've been presented in the past. Corrick said he didn't believe so. He said the construction phase is fairly static. They have to do site prep, and the parking structure is the first element that will be constructed and then the hotel/condominium and conference center will go up simultaneously.

Barry Fisher, Hotel Fox Partners, said it is difficult to sometimes separate Hotel Fox and the Riverfront Triangle. They are intricately involved with each other and so much of the work Hotel Fox Partners does on one affects the work on the other. He said they have been working with the Missoula utilities, Northwestern Energy, for the infrastructure work, along with WGM Group. He said they recently completed the American Land Title Association (ALTA) and Floodplain surveys and are able to move forward with actual construction documents because they know where to start from and can begin to address and unfold the documents accordingly. Fisher said one of the other things they've been working on with local contractors, including Dick Anderson Construction (DAC), is weighing out potential brand options for the hotel and seeing what those cost differentials are and how to plug them into the budgets they're working with. He said they have worked with the City's brownfield personnel for abatement of the project. They have also worked with Republic Services on demolition. Fisher said Hotel Fox Partners has been actively involved with a lot of pre-work so that when they actually begin work they are right on track.

Buchanan asked what the timeline is on the brownfields cleanup. Fisher said once they pull the trigger it will take four to five months to do the work. Buchanan said she is looking for

the trigger. Fisher said for now they are on hold because of the weather. He said the buildings don't have any heat or water. Jim McLeod, Hotel Fox Partners, said they have all the paperwork done and are ready to go. He said as he understands it, it just needs to go to City Council. Buchanan said she is not sure why weather would hold up remediation, it's done all the time in the winter. Fisher said they will work where they can, that is for sure. He said he's talked with the abatement contractors, NewFields, and there would be some areas where they could not work because of the weather. Buchanan said things needs to get moving. Fisher and McLeod agreed.

Moe asked if anything was found that would cause major problems. Fisher said they discovered the Western Montana Clinic is two feet in the floodplain zone. One thing they will have to do is fill up that two foot layer and compact it. Buchanan asked if anything was found in the environmental assessments. Fisher said there were no issues or problems.

Corrick noted that Hotel Fox Partners is working with DAC on preliminary pricing. He said they are in a fairly challenging environment from a construction pricing standpoint. He said they haven't engaged in any value engineering and understand what the expectation is of the hotel and conference center in terms of quality. He said Hotel Fox Partners have no intention of stripping it down because that will not create the western gateway to downtown Missoula. Corrick said they will need to be creative and are sensitive to the interest rates as well. He said there is interest rate exposure right now which affects the real estate world and other trade-related issues that are not helping them on the material pricing side of things. Corrick said having DAC on board is an asset and they will be able to figure things out.

Corrick said Hotel Fox Partners has reached out to a number of national hotel construction financing firms, including F10 Hotels and RED Capital Group. Corrick said F10 is a very large hotel commercial financing organization. RED Capital is a division of ORIX Corporation which is based out of Dallas, Texas and is a massive private equity firm. He said they have both in-house funds as well as third party brokerage relationships. They will also engage regional lenders. Corrick said one of the challenges of a project this big is that a lot of the smaller, local lenders don't have the capacity to do it. He said there are several lenders in Montana and regionally who could potentially handle this project. It is a question of their appetite for a hotel project, their lending limits relative to specific commercial asset exposure, etc. Corrick said Hotel Fox Partners will be touching base with local and national firms as they go through that evaluation.

Corrick said they have completed their financial model, which is very robust and complex. He said Hotel Fox Partners has been working with Steffen Smith and have been building out the base infrastructure for their model over the last four months. They have a financial model that demonstrates the project is reasonable in terms of return expectations for equity. He added they are not in the range where they're doing backflips, but they also aren't in the range where they are pulling back from the deal either.

Moe asked if Hotel Fox Partners has a target for when they will know the financing is secure. Corrick said they are working right now on raising equity for the project and are active in the marketplace. Over the course of the next several months they hope to have that piece of the puzzle complete. Corrick said that equity might have its own capital

relationships on the debt side or it may not. They will continue down the path of working on the construction financing independently, but they may also end up with a capital partner who has in-house or other third party relationships. He said the equity piece will be locked down in the next two or three months and the construction financing will follow shortly thereafter, once they have enough development on the design documents and start to pull together real construction numbers.

Brock asked if Averill Hospitality will be operating the hotel. Corrick said it is a combination of Averill Hospitality and AH Management. McLeod said they currently manage the DoubleTree. Dieter Huckestein, Hotel Fox Partners and AH Management, said the DoubleTree is getting a full renovation on all guest rooms this winter and next year there will be a new lobby.

Huckestein said they are very excited about the project. He said everyone has been working really hard and it is a complicated project because it has all the features of a destination conference center, which is so important for Missoula. He said the team is focused and hopes the markets aren't going against them in terms of construction and interest rates. Huckestein says Hotel Fox Partners feel they can accomplish the dates set forth. Buchanan said she hoped while everyone was in town that they would get to spend some time with the Downtown Master Plan consultants because this is certainly a crown jewel project. McLeod said Huckestein's schedule is tight, but they can definitely set up a call with the consultants because it is important. Corrick said he is meeting with them four times tomorrow.

Moe asked Behan if he has a timeline so the Board has times they should ask Hotel Fox Partners to check in. Behan said he's let them set the timelines. He said they'd hoped to have this conversation earlier, but Hotel Fox Partners has been so busy and had to get to a point where they could make some good decisions altogether. Behan said he will set up a schedule when Hotel Fox Partners feels they will have some information. Moe said MRA and the Board are interested in keeping this in front of everybody who is going to have to make a decision. She said it is to the benefit of Hotel Fox Partners, to keep MRA in the loop to know what is going on, so there is positive energy provided for some of the decisions that are going to have to be made.

STAFF REPORTS

Budget Reports

Dunn said the auditors will be at MRA in a few weeks. She said she did not print the FY18 reports, but they are linked to the agenda online.

COMMITTEE REPORTS

OTHER ITEMS

Moe asked the Board members to put January 14, 2019 on their calendars for the Downtown Master Plan charrette.

ADJOURNMENT

Adjourned at 1:45 p.m.

Respectfully Submitted,



Lesley Pugh