

**ADMINISTRATION AND FINANCE COMMITTEE**  
**CITY COUNCIL CHAMBERS**  
**140 WEST PINE STREET**  
**MISSOULA MONTANA**  
**February 17, 2010 10:25am**

**Members present:** Stacy Rye, Chair; Ed Childers; Pam Walzer; Jason Wiener; Lyn Hellegaard; Roy Houseman; Dave Strohmaier; Jon Wilkins; Bob Jaffe.

**Members absent:** Dick Haines; Renee Mitchell.

**Others present:** Bob Oaks; Jerry Potesek; Dee Andersen; Mike Barton; John Hendrickson.

**I. Administrative Business**

**A. Approve committee minutes dated: February 3, 2010-approved as submitted.**

**B. Public Comment on items not listed on the agenda-None**

**II. Consent Agenda**

**A. Approve claims (accounts payable). -Consent Agenda (Brentt Ramharter)**

**Motion: The committee recommends the City Council approve claims totaling \$209,059.07 (Detailed claims) 02/26/10**

**III. Regular Agenda**

**A. Quarterly report by North Missoula Economic Development Corporation (NMCDC) (memo).—Regular Agenda (Lyn Hellegaard) (Referred to committee: 12/21/09)**REMOVE FROM AGENDA****

Stacy Rye presented a handout from NMCDC asked Lyn if she would like to begin the discussion.

Lyn Hellegaard thanked Mr. Oaks and Mr. Potesek for providing information that she has requested and asked what kind of marketing they are doing to sell the units at Burns Street Commons and what their loan status is with First Security Bank.

Bob Oaks of North Missoula Community Development Corporation (NMCDC) said he would answer the loan status inquiry and let Mr. Potesek give the update on Burn Street Commons. First Security Bank is the lead bank in a consortium of three financial institutions that also include First Interstate and the Credit Union. Our loan amount is approximately \$1 million. We have \$300,000 from the City that will be closer to \$ 400,000 by the time we are done. We have not drawn out any money in terms of interests payments. He said the balance sheet provided is the most updated version until April.

Jerry Potesek, (NMCDC) reviewed the wide ranging and varied marketing methods used for the Burns Street Commons: 3 months of radio ads that ran 15-20 times daily, bill boards on Interstate 90, Missoulian & Missoula Independent Ads, Portico Real Estate ads, weekly Sunday open houses, TV spots like what's up Missoula and once a month presentations at HOME Word classes. We have started since January targeting pamphlet drops near the Burns Street location as the mortgages there are comparable to the rental prices in the area. We have even offered some enticements like \$20 in free groceries when you come and look at a unit. We have also put 10,000 flyers in the Missoulian. In the future we are going to consider target mailings and E-bay.

He mentioned a competing program called the Rural Development Loan Program its basically a 1% loan as long as you purchase a home outside of City Limits which is very enticing to folks because East Missoula isn't in the city and so they can stay very close and in some instances even build.

On the positive side, since the New Year we have been getting a lot more interest and we just signed a buy-sell on a one bedroom unit. She is someone who has over time stayed interested was self motivated, she cleaned up her credit and we will be closing on April 2, 2010. We also have a man who has a few more details to clear up but is working toward a buy-sell for a 3 bedroom unit.

Ed Childers asked who is running the Rural Development Loan and Program he said it doesn't make sense to him unless folks were going to farm on the land.

Mr. Potesek responded that he would forward that information on to committee.

Dave Strohmaier suggested that maybe that would be a topic for our congressional delegation staff. He thanked them for the work they have been doing on this project and asked for a summary of the units that have been sold and what is left available.

Mr. Potesek said there are 17 homes total; 16 are targeted to those making less than 80 percent of the area median income. Six of those are 1 bedroom, five are 2 bedrooms and the remaining six units are 3 bedrooms units. Our desire was to make one of the 3 bedroom units a fair market rent unit. Of the sold units; one -1 bedroom unit, two-3 bedroom units and one- 2 bedroom unit. The buy-sell is a 1 bedroom unit.

Mr. Strohmaier asked of the folks who have purchased homes what was the marketing strategy used.

Mr. Potesek said he forgot to mention the number one way –Craig's list. He said Craig's list is a gold mine and most of the buyers came through Craig's list.

Roy Housman suggested targeting trailer parks with older renters for the new development at Burns Street Commons.

Mr. Wilkins asked how long they can maintain the status quo if the properties don't sell.

Mr. Oaks said it won't be too long until prices will plummet.

Pam Walzer asked if the banks have any reservations about financing condominiums.

Mr. Potesek said they are not condo's they are considered a Public Urban Developments and the banks have no problem with that.

#### **IV. Held in committee**

- A. An ordinance amending the municipal code as it relates to bike licensing. ([A&F](#)) (Returned from council floor: 12/15/08) Stacy Rye
- B. Implications of establishing maintenance districts. ([memo](#)) – Regular Agenda (Bob Jaffe) (Referred to committee: 05/11/09)
- C. Review the FY 2010-14 CIP projects in committee ([memo](#)).—Regular Agenda (Brentt Ramharter) (Referred to committee: 03/23/09)
- D. Clarify position of council member who also serves on the board of a non-profit agency that has dealings with the city. ([memo](#)) – Regular Agenda (Ed Childers) (Referred to committee: 07/20/2009)
- E. [Resolution](#) of the Missoula City Council establishing a tourism business improvement district consisting of non-contiguous lands within the City of Missoula for the purpose of aiding tourism, promotion and marketing within the district. ([Exhibit A](#)) ([Exhibit B](#)) ([memo](#)) ([A&F](#)) (Returned from Council floor: 10/05/09)

#### **V. Adjournment**

The meeting was adjourned at 11:10am

Respectfully submitted,

*Dee Andersen*  
Administrative Secretary