

**ADMINISTRATION AND FINANCE COMMITTEE**  
**CITY COUNCIL CHAMBERS**  
**140 WEST PINE STREET**  
**MISSOULA MONTANA**  
**December 15, 2010, 1:05pm**

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

**Members absent:** Jason Wiener.

**Others present:** Jerry Petasek, Bob Oats, Ellen Buchanan, Cindy Wulfekuhle, Rod Austin, Mae Nan Ellingson, John Hendrickson, Brentt Ramharter, Marty Rehbein.

**I. Administrative Business**

**A.** Approve committee minutes dated: [December 8, 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 \$1,187,320.10 ([Detailed Claims](#))

**B.** The committee requested to suspend the Council rules to add the 2011 Council Calendar to the agenda for discussion. **REMOVE FROM AGENDA**

**MOTION: The committee recommends the City Council approve the 2011 City Council regular meeting schedule and direct the City Clerk to publish the meeting schedule in the legal notices and on the City web site in accordance with City Council rules.**

Ms. Rye said we need to suspend the Council Rules to approve the 2011 Council Calendar.

Upon a voice vote to suspend the council rules, it passed unanimously.

Marty Rehbein, City Clerk, provided a 2011 calendar and reviewed the Council meetings for next year and pointed out the standard holidays.

Ed Childers moved to approve the calendar.

Upon a voice vote, the motion passed unanimously.

**C.** Authorize the Mayor to sign the documents pertaining to a grant award from the State of Montana Big Sky Trust Fund (BSTF) on behalf of InterMedia Outdoors, Inc. ([memo](#))—Regular Agenda (Cindy Wulfekuhle) (Referred to committee: 12/13/10) **REMOVE FROM AGENDA**

**MOTION: The committee recommends the City Council authorize the Mayor to sign the Assistance Agreement between the City and InterMedia Outdoors, the Sub-recipient Agreement between the City and the Missoula Area Economic Development Corporation (MAEDC), the Management Agreement between the City and MAEDC, and the budget form provided by the State.**

Cindy Wulfekuhle, OPG, said both of these next agenda items are the same except for the amounts. On October 14, 2010 City Council authorized the Mayor to sign a contract with the State accepting a Big Sky Trust Fund award on behalf of InterMedia Outdoors, Inc. MAEDC has been working with InterMedia to consolidate its operation and relocate to Missoula. The investment will create 49 new jobs at \$16 per hour plus benefits.

Mr. Jaffe moved to approve both awards.

Upon a voice vote, the motions passed unanimously.

Mr. Jaffe suggested that OPG put the dollar amounts in the motions.

Ms. Wulfekuhle agreed and later submitted the revised motions

**D.** Authorize the Mayor to sign the documents pertaining to a grant award from the State of Montana Big Sky Trust Fund (BSTF) on behalf of Goomzee. ([memo](#))—Regular Agenda (Cindy Wulfekuhle) (Referred to committee: 12/13/10) **REMOVE FROM AGENDA**

**MOTION: The committee recommends the City Council authorize the Mayor to sign the Assistance Agreement between the City and Goomzee Corporation, the Sub-recipient Agreement between the City and the Missoula Area Economic Development Corporation (MAEDC), the Management Agreement between the City and MAEDC, and the budget form by the State.**

**E.** Modify the development agreement between the City of Missoula (City), the Missoula Redevelopment Agency (MRA), the Missoula Parking Commission (MPC) and First Interstate Bank (FIB) relative to the East Front Street Parking Structure. ([memo](#))—Regular Agenda (Ellen Buchanan) (Referred to committee: 12/13/10) **REMOVE FROM AGENDA**

**MOTION: The committee recommends the City Council approve the modification of Development Agreement between the City of Missoula, the Missoula Redevelopment Agency, the Missoula Parking Commission and First Interstate Bank relative to the East Front Street Parking Structure to increase the amount of the Parking Facilities Revenue Bonds debt serviced by tax increment revenues from \$2,512,000 to \$3,000,000.**

Ellen Buchanan, MRA Director, said in November 2010, the Council approved a development agreement that they have made one change to. The dollar amount of the Parking Facilities Revenue Bonds supported by tax increment revenues has been increased from \$2,512,000 to \$3,000,000. This change has been approved by the MRA board because the bond market is volatile right now. She said by shifting the amount of the bonds using tax increment financing, Standard and Poor's gave us A- rating.

Mr. Jaffe moved to modify the development agreement.

Upon a voice vote, the motion passed unanimously.

**F.** Resolution relating to Front Street Urban Renewal Tax Increment District Tax Increment Revenues; establishing Tax Increment Funds and Accounts; Pledging District Tax Increment to the Missoula Parking Commission for Payment of Parking Facilities Revenue bonds to construct Front Street Parking structure; and authorizing and directing the issuance of Front Street Urban Renewal Tax Increment District Subordinate Lien Note. ([memo](#))—Regular Agenda (Ellen Buchanan) (Referred to committee: 12/13/10) **REMOVE FROM AGENDA**

**MOTION: The committee recommends the City Council approve a resolution relating to Front Street Urban Renewal Tax Increment District Tax Increment Revenues; establishing tax increment funds and accounts; pledging district tax increment to the Missoula Parking Commission for payment of Parking Facilities Revenue bonds to construct Front Street Parking Structure; and authorizing and directing the issuance of Front Street Urban Renewal Tax Increment District subordinate lien note.**

Ellen Buchanan, MRA Director, said this is the resolution where you pledge to service the debt and agree to enter into a subordinate lien note.

Mr. Strohmaier moved the resolution.

Upon a voice vote, the motioned passed unanimously.

Mr. Childers asked how many parking spaces will there be.

Ms. Buchanan said about 400.

Mr. Haines asked if there were plans to add a floor onto the parking structure in the future.

Ms. Buchanan said it's unlikely as it would be very costly.

**III. Regular Agenda**

**A. Quarterly report by North Missoula Community Development Corporation. ([memo](#))—Regular Agenda (Lyn Hellegaard) (Referred to committee: 11/08/10) REMOVE FROM AGENDA**

**NO MOTION –DISCUSSION ITEM ONLY**

Lyn Hellegaard said she made this referral as she noticed that in October, NMCDC had taken out another loan for \$6,706,074 with 5.5 % interest due in 3 years. In reviewing the public record, she said they have assigned all their rents, royalties and profits and wants to know how that will cash flow going forward.

Ms. Rye said she called the staff and requested the financial reports and had them attached to the agenda.

Bob Oaks, NMCDC, said the loan Ms. Hellegaard is referring to, is through *NeighborWorks Montana*. It took the banks out- there was a consortium of three banks that had the original construction loan. The City's loan is still there and tied to four units. The remainder of the unsold units secures the loan from *NeighborWorks*.

Ms. Hellegaard replied that it is within that *NeighborWorks* loan that you have assigned your rents, royalties and profits. She said she found another deed in the Public Record showing that NMCDC owe the City \$130,500, but she is not seeing the \$400,000 loan from the City. She is wondering if *NeighborWorks* even knows that there is an outstanding loan for \$400,000 as it is not in the Public Record.

Jerry Petasek, NMCDC, said the \$130,500 was a CDBG grant that was used for the construction of the Burns Street Commons. The grants often stay on the property for a long time. He is not sure why the deed from *NeighborWorks* states the rents and profits are assigned to the *NeighborWorks* loan. The reason they went to *NeighborWorks* was they were way more sympathetic to our cause then the bank and they are being lenient with us on how they are being repaid. We are now renting units to help the property cash flow.

Ms. Hellegaard said what is showing in the public record doesn't mesh up at all with what your showing us. She said she is confused as to what they actually owe. She expressed concerns on the fact that no deed or trust indenture has been filed since receiving the \$400,000 loan from the City. If *NeighborWorks* did a search in the public record they wouldn't know about the City loan of \$400,000. She wants to know if that loan has been disclosed to them.

Mr. Petasek said *NeighborWorks* is very aware of that loan from the City.

Ms. Hellegaard said it took you four years to file a deed on the \$130,500 and she doesn't want the same thing to happen with the \$400,000 loan.

Mr. Petasek said he was confused because the \$130,500 was a grant and stated that he wasn't required to file any deeds on any these loans.

Ms. Hellegaard said who ever was responsible to file it was delinquent.

Mr. Jaffe asked if that is the City Clerks obligation to file the lien.

Cindy Wulfkuhle, OPG said we need to go back and do a time line here as there have been a few payments that have occurred and she wants to look at it again and will get Ms. Hellegaard an answer.

Mr. Wilkins asked since banks aren't making loans on condos is that why they are now renting the places.

Mr. Petasek said these are not considered condos, they are FHA approved homes. We have sold three since we spoke last, it has been slow and painful, but they are finding good families.

Renee Mitchell asked how they determine the monthly rental rates.

Mr. Petasek said HUD dictates what you can rent them for under the HUD guidelines. 1-bedroom rents for \$584.00, 2-bedroom is \$739.00 and the 3-bedrooms are \$961.00

**IV. Held in committee**

- A.** Approve claims. (Ongoing) (Consent Agenda)
- B.** Approve journal vouchers. (Ongoing) (Consent Agenda)
- C.** Approve budget transfers. (Ongoing) (Consent Agenda)
- D.** An ordinance amending the municipal code as it relates to bike licensing. ([A&F](#)) (Returned from council floor: 12/15/08)
- E.** Implications of establishing maintenance districts. ([memo](#)) – Regular Agenda (Bob Jaffe) (Referred to committee: 05/11/09)
- F.** 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)
- G.** Review the FY 2011-15 capital improvement projects (CIP). ([memo](#)) – Regular Agenda (Brentt Ramharter) (Referred to committee: 04/19/2010)
- H.** Amend Council rules to change the Council's regular meeting schedule to two meetings per month ([memo](#)).—Regular Agenda (Marty Rehbein) (Referred to committee: 06/07/10)
- I.** Discuss the disposition of surplus city property. ([memo](#))—Regular Agenda (John Newman) (Referred to committee: 10/25/10)
- J.** Amend the FY 2010 budget to appropriate expenditures that were not identified in the original budget. ([memo](#))—Regular Agenda (Brentt Ramharter) (Referred to committee: 11/01/2010)
- K.** Discuss outstanding third-party contracts. ([memo](#))—Regular Agenda (Lyn Hellegaard) (Referred to committee: 11/08/10)
- L.** Review the city's current policy for charging the public for various city-produced documents ([memo](#))—Regular Agenda (Dave Strohmaier) (Referred to committee: 12/06/10)
- M.** Establish the City Council meeting schedule for 2011. ([memo](#))—Regular Agenda (Marty Rehbein) (Referred to committee: 12/06/10)
- N.** Confirm the reappointment of Mark Muir to the Impact Fee Advisory Committee completing a term commencing December 1, 2010 and ending November 30, 2014. (Returned from Council floor: 11/1/10)

**V. Adjournment**

The meeting was adjourned at 1:39 pm

Respectfully submitted,

*Dee Andersen*

Administrative Secretary