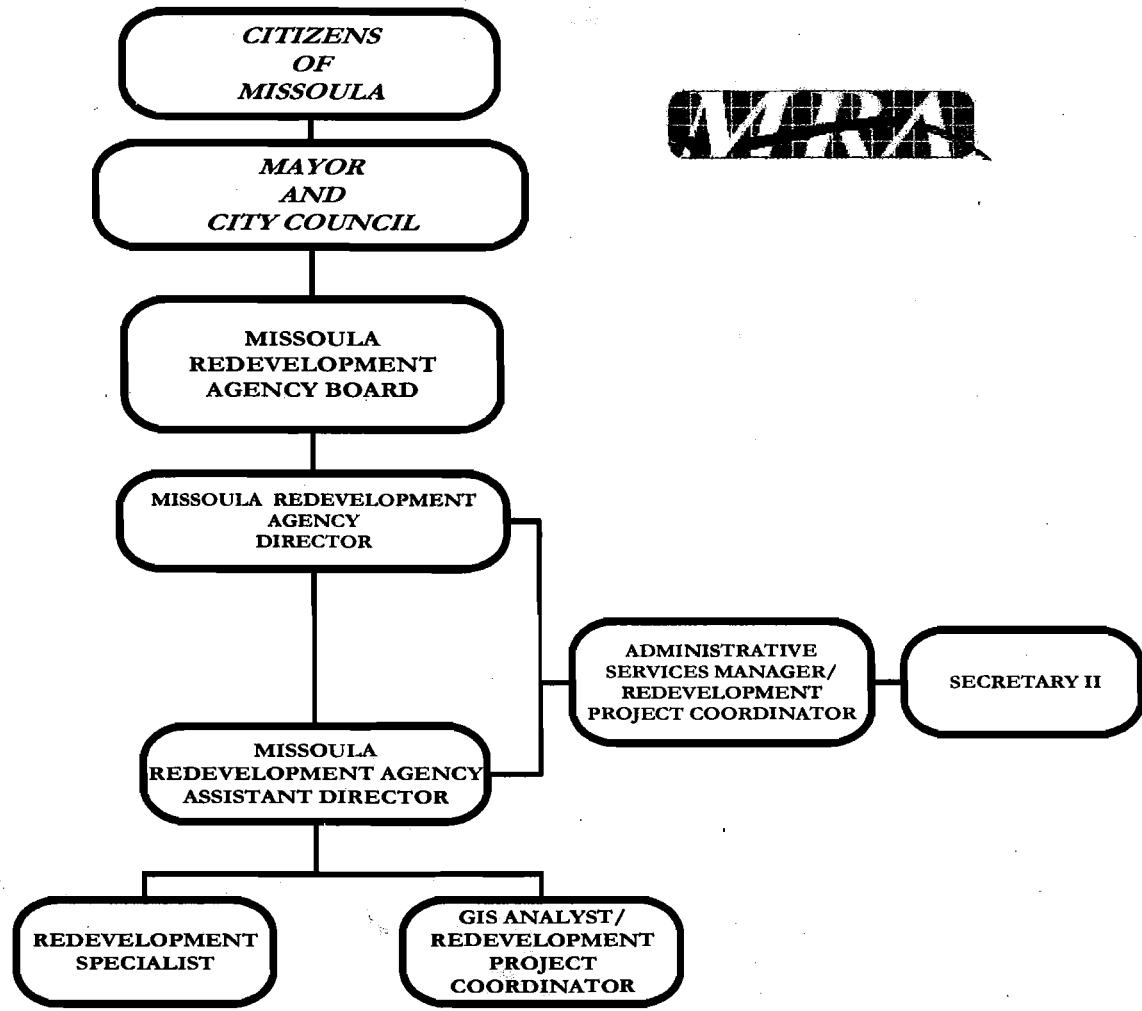




MRA



**NOTE: MRA BOARD MEMBERS ARE APPOINTED BY THE
MAYOR AND ARE APPROVED BY THE CITY COUNCIL**

MISSOULA REDEVELOPMENT AGENCY

#385

The Missoula Redevelopment Agency (MRA) was created by the City Council to encourage new development and redevelopment pursuant to the three adopted Urban Renewal Plans. Preserving existing public investment, enhancing the tax base, generating employment, and stimulating private investment are the means MRA uses to reclaim urban renewal areas. The MRA encourages infill development, provides for the adaptive reuse of the built environment, and reclaims blighted properties. MRA is empowered by State law and local ordinance to respond aggressively and with flexibility to redevelopment problems and opportunities. Through these activities, MRA also provides alternatives to urban sprawl outside existing municipal service boundaries.

FY 06 STRATEGIC DIRECTIONS

The City of Missoula has adopted a five year strategic planning process that involves the neighborhood councils / associations and the City boards and commissions in its implementation. The following strategic directions show a continuing on the long-term needs of the community. The FY 04-08 Strategic Plan retains the three organizational goals adopted by the previous planning process: organizational management, community livability, and community involvement. MRA's strategic goals fall under the community livability section of the plan.

Goal One: Organizational Management - *Sustain and enhance our ability to be an efficient, effective, accountable, responsive and respected City organization.*

Fiscal Year 2006 Objectives

Complete accounting and disbursement plan for uncommitted Tax Increment funds in Urban Renewal District II by June 30, 2006. (URD II)

Strategies: Continue good fiscal management

Participating Departments: Finance

GOALS & OBJECTIVES

This following goals and objectives provide for overall administration and managerial functions for the Agency as a whole. Combining administrative functions for all three districts provides effective delivery of services.

I. Redevelopment Administration:

Ongoing and Mandated Objectives:

Carry out Agency activities in accordance with Montana Urban Renewal Law.

Draft guidelines, policies, and ordinances as necessary to address procedural matters in the Agency's operation.

Coordinate Agency activities internally and with City departments, administration, City Council, and MRA Board of Commissioners.

Maintain a general administrative function to accomplish the duties of reception, word processing, file maintenance, library organization, general public information, claim processing, billing, payroll, general accounting, correspondence, staff activities reports, budget reports, and transcribing Board minutes.

Fulfill the general administrative and management functions of personnel, accounting, budgeting and review and approval of claims.

Prepare Annual Report summarizing Agency activities and containing a statement of financial condition as required by the Montana Urban Renewal Law.

Prepare Annual Audit in accordance with Tax Increment Bond Covenants.

Strategic Goals:

Monitor tax increment reports to assure correct calculation of the tax collected.

Maintain the reference library for the Agency.

Compare and evaluate the effects of modification to State property tax assessment formulas.

Coordinate MRA's portion of City-wide management information system (MIS) for the Agency.

Identify the training needs of Agency Staff, and budget accordingly.

Evaluate options and establish mechanisms for improving internal communications.

Prepare adequate information for Council and MRA Board members in a timely and thorough manner to assure informed decisions and action within no more than two meetings.

2. Redevelopment Information:

Ongoing and Mandated Objectives:

Disseminate information about redevelopment opportunities in the three urban renewal districts.

Collect and organize pertinent information in a central location to facilitate the clearinghouse role as a source of information for businesses and individuals.

Provide general information about redevelopment history, progress, plans, and projects as requested by service clubs, neighborhoods, educational and business organizations, the news media, and citizens.

Continue to train and update Staff in redevelopment techniques, analysis, project management, and related topics.

Strategic Goals:

Continue to develop property profiles utilizing the Geographic Information System (GIS) for municipal planning purposes, interested businesses, and homeowners in the urban renewal areas to facilitate redevelopment. Also, assist in the planning and development for local GIS capability.

Improve communication of Agency goals and accomplishments as well as public awareness and involvement using video production, cablecast, and other methods.

Maintain and promote interactive use of MRA website on the Internet.

3. Business Assistance and Referrals:

Ongoing and Mandated Objectives:

Provide assistance through the REVAMP program and other means to existing and prospective business entrepreneurs, tenants, property owners, developers, investors, realtors, accountants, and financiers in the form of accurate and updated information on space and land availability, ownership, and other business location criteria such as traffic, parking, utilities, support services and MRA programs.

Refer clients and citizens to appropriate providers of information or services.

Provide general business financial planning reviews in an effort to strengthen the profitability of existing businesses.

Assist clients and citizens in understanding the recommendations made by City Officials with regard to Missoula municipal, building, and zoning codes as they relate to projects. Facilitate and / or advocate for receipt of necessary permits and approvals.

Promote the existence of viable investment opportunities and financial programs for renovation, new development, and business expansion.

Continue to work closely with the Missoula Downtown Association (MDA), Missoula Area Economic Development Corporation (MAEDC), Missoula Housing Authority (MHA), Neighborhood Councils and other neighborhood organizations in order to meet their needs and expectations.

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MRA-#385

URBAN RENEWAL DISTRICT I (A7391)

Missoula's urban renewal activities began in earnest in 1978 with the adoption of the original Missoula Urban Renewal District (URD I). This area included the Downtown, which was Missoula's oldest commercial district, the both sides of the riverfront that flows through Downtown, along with the adjoining residential neighborhoods. Over the years through the formation of public and private partnerships, MRA transformed this area from a tired rundown part of Missoula to its vibrant heart. Construction of new public and private buildings, historic renovation, creation of new parks and trails, and significant investment of public infrastructure including streets, sidewalks, trees, sewers and other improvements are among the MRA undertakings that affected this transformation. This district will "sunset" in 2005 and the focus of MRA's efforts is on completing remaining projects by then.

ACTIVITIES & OBJECTIVES

ADMINISTRATION - Activity budget equals a transfer of \$ 200,000

Inasmuch as URD I's tax increment provision expired on June 30, 2005, its FY06 budget strictly provides funds for carry over projects that were committed to prior to that sunset date. This budget also provides funds for related project administration costs. Accordingly, a provision is made to transfer administrative funds to URD II for URD I's proportionate share of office and administrative expenses. This amount is related to the amount of staff time spent on URD I projects.

Administrative Financial Contributions:

Provide for professional project management services by the MRA staff during FY06 through a transfer from URD I to URD II's Administration activity. (\$200,000 in 820 account)

URD I Sunset Publication:

Missoula's Urban Renewal District I was retired or sunset on June 30, 2005 after 27 years in existence. MRA is working with the Missoulian to put together a publication that will tell the story of URD I. It will include photographs, charts, and timelines and will focus on the work MRA has done in Downtown Missoula. The publication will be inserted in a Sunday edition of the Missoulian and used by MRA to distribute to other government entities and related organizations and for use in future marketing of the Agency. Total costs for this project will not exceed \$10,000. (\$10,000 in 350 account)

ACQUISITION OF PROPERTY - Activity budget equals \$ 231,500

When authorized by the City Council, MRA may use tax increment to acquire property in urban renewal areas according to Section 7-15-4258 M.C.A. for urban renewal purposes.

Strategic Goals:

MRA will be responsive to problems and opportunities that can only be addressed by purchase of real and / or improved properties.

Civic Stadium:

MRA pledged up to this amount toward public improvements separate from but related to the construction of the Civic Stadium on the former Champion Mill site. These MRA funds are secured with a Development Agreement between the City and the MRA and will be used to finance acquisition of the property near the stadium needed to provide parking. FY 05 carryover amount: (\$231,500 in 920 account)

Contingency:

Provide funds for the acquisition of property for projects not yet identified. (\$0 in 840 account)

PUBLIC WORKS / FACILITIES - Activity budget equals \$ 1,182,814

The MRA engages in public works activities to aid and encourage private investment in the downtown urban renewal area. Areas of focus include transportation, streets, sidewalks, and trails. Authority for MRA's investment in public facilities is expressly stated in Urban Renewal Law in Section 7-15-4288 (4) M.C.A.

Strategic Goals:

Collaborate with other City departments and public partners to make public works improvements within the urban renewal district. Redevelopment activities addressing sidewalks, sewer and water lines, parks, trails and transportation needs directly contribute to the City Strategic Plan objectives of growth management, water quality enhancement, and ensuring community health and livability.

The following projects are underway or are scheduled for completion in FY06.

Allegra Building Mural:

MRA pledged matching funds toward this downtown public art mural. The mural will depict historical and culturally important images of Missoula and will be painted on the north side of the Allegra Print & Imaging building on the southwest corner of Higgins Ave and Broadway Street. The MRA funds are secured through a Development Agreement. FY05 carryover amount: (\$10,125 in 700 account)

Barrett Productions:

MRA pledged assistance towards the redevelopment of the buildings located at 218 and 280 East Front Street and the parking lot between the buildings. JB Productions L.L.C., represented by John Barrett, acquired the buildings and property in late November 2004. Mr. Barrett intends to expand and move his business (currently located on Orange Street) to the property. The current tenants (Yellowstone Photo, two dental offices, Edward D. Jones Financial, a counseling office, and Otis Elevators) will remain on the property although some will be relocated to different spaces. In general, the proposed project is to completely renovate the interior and exterior of the primary building to provide "class-A" office space and ground floor retail opportunities. Adjacent to the building, the parking lot will be repaired and separated from the sidewalk with a decorative fence; structural sidewalk voids will be abandoned and major portions of the sidewalk replaced; street trees will be planted; and a storm water drainage system created in the alley. At this time the total cost of the construction portion of the project is estimated at \$1,600,000. Note: Other

costs associated with this project are listed under the Rehabilitation Assistance activity. FY05 carryover amount: (\$40,000 in 700 account)

Brennan's Wave at Caras Park (Weir Debris Removal):

Debris and rubble in the river have been a continual safety hazard for people using the portion of the Clark Fork in front of Caras Park. In August of 2000, some debris was removed from the area. A non-profit organization has stepped forward to raise the funds necessary to construct a kayak facility as a memorial to a local kayaker. The private funds have been raised; however, the length of time required for permitting has pushed construction into FY06. The MRA funds are secured through a Development Agreement. FY05 carryover amount: (\$175,000 in 700 account)

County Renovation:

MRA amount remaining towards improvements to historic Missoula County Courthouse building. Remaining work includes installation of an ADA accessible corridor between the Courthouse and the Annex. Construction should be completed by fall 2006. The MRA funds are secured through a Development Agreement. FY05 carryover amount: (\$76,595 in 700 account)

Downtown Streets Project on N. Higgins Ave. (previously Downtown Traffic Study):

MRA has entered into a partnership with the Missoula Parking Commission to fund the redesign of Higgins Avenue to maximize vehicular and pedestrian accommodation as well as enhance the existing streetscape. MRA funds are secured through a Development Agreement. FY05 carryover amount: (\$315,098 in 930 account)

McCormick Park Trail Lighting:

MRA has pledged this amount towards the installation of trail lights in McCormick Park and along the new Civic Stadium trail. MRA funds are secured through a Construction Contract. FY05 carryover amount: (\$3,100 in 350 account; \$76,918 in 930 account)

Peak Development (400 West Broadway):

Peak Development Company of Kalispell intends to construct a two-story retail/residential building. Peak Development's original site plan was amended to reflect a more traditional appearance by placing the structure near the right-of-ways, adjacent to the sidewalks, with parking to the north of the building. This MRA Staff recommendation was an attempt to bring the site into compliance with traditional urban design standards found throughout Missoula's downtown, along West Broadway and in both the Riverfront Triangle Redevelopment Master Plan as well as the Urban Land Institute's recommendations for URD III. MRA assistance is for building and site demolition, sidewalk and curb replacement, storm and sanitary sewer work, and water utility upgrade to the site. MRA funds are secured through a Development Agreement. FY05 carryover amount: (\$72,750 in 700 account)

Riverfront Triangle (Fox Site):

The City has targeted this area for comprehensive redevelopment since the Fox Theater was donated to the City in 1984. In past years, MRA has spent tax increment funds for demolition of the former theater building in 1990, extension of the riverfront trail from Caras Park in 1991, extension of water and sewer to the site and soils investigation in 1993, acquisition of the Holiday property in 1999, and acquisition and demolition of the Mustard Seed Restaurant in 2001. The MRA authorized the engineering for the relocation

of utilities and removal of unsuitable soils in FY05. A contract for that work was executed in late FY05 and the work will be completed in early FY06. Note: Other costs associated with this project are listed under the Clearing and Demolition activity. FY05 carryover amount: (\$15,000 in 350 account)

Skatepark:

MRA will contribute \$175,000 to match private donations and Parks and Recreation Department assistance to create a skateboard park on the east side of McCormick Park. The Skateboard Association has estimated the cost of the park to be \$450,000. In FY05, a nationally known design team specializing in skate parks was engaged to facilitate a public process and design the park. The Skateboard Association is continuing to raise the additional funds and when adequate funds are available, construction will be bid. The other parties will provide MRA with their funding and MRA will manage the contract and pay all invoices. The carryover funding is secured through a Development Agreement between the Skateboard Association and the MRA. FY05 carryover amount: (\$28,884 in 350 account; \$369,344 in 930 account)

Contingency:

Provide funds for potential redevelopment partnerships that involve public works projects such as the historic Wilma Theater, streets and alleys, as well as for projects not yet identified. (\$0 in 840 account)

REHABILITATION ASSISTANCE - Activity budget equals \$ 93,182

The City Council has authorized MRA to implement and administer the Commercial Rehabilitation Loan Program (CRLP) and the Life-Safety Code Compliance Assistance Program (CCP). Through these programs, MRA develops partnerships with private businesses that eliminate blight, generate tax increment, create jobs and encourage private investment in downtown commercial properties. The authority to create these programs and fund them is stated in Section 7-15-4288, Section 7-15-4254 (c), and Section 7-15-4233 of Urban Renewal Law, M.C.A.

Ongoing and Mandated Objectives:

Commercial Rehabilitation Loan Program (CRLP):

Participate in up to 10 projects through the City Council-adopted CRLP program. This program will continue to encourage voluntary repair and rehabilitation of commercial property by providing interest subsidies on commercial loans secured by private property owners.

Code Compliance Program (CCP):

Participate in up to 15 projects through the City Council-adopted CCP program. The goal of this program is to bring downtown buildings into compliance with City-adopted Uniform Fire and Building Codes that pertain to life-safety. Under the CCP, MRA provides a 50% funding match to approved private projects up to established program limits.

Strategic Goals:

Reuse the existing building stock in municipal service areas to directly encourage infill development, which contributes to sound urban growth management.

The following projects are underway and are scheduled for completion in FY06.

CITY OF MISSOULA

119 West Main Street (previously Jay's Bar):

This project at 119 West Main Street involves the renovation of a historic building that once housed the Missoula Publishing Company and the Missoula Gazette. Owners Stephanie and Jay LaFlesch plan to restore the building to its architectural appearance around the turn of the century bring back some of its historical uses. The second floor will be expanded for residential or office space. The street level will be reserved for some type of commercial use. The owners will restore the façade and address life-safety code issues. MRA assistance is for code compliance and is secured through a Development Agreement. FY 05 carryover amount: (CCP \$23,364 in 700 account)

Barrett Productions:

MRA pledged assistance towards the redevelopment of the buildings located at 218 and 280 East Front Street and the parking lot between the buildings. JB Productions L.L.C., represented by John Barrett, acquired the buildings and property in late November 2004. Mr. Barrett intends to expand and move his business (currently located on Orange Street) to the property. The current tenants (Yellowstone Photo, two dental offices, Edward D. Jones Financial, a counseling office, and Otis Elevators) will remain on the property although some will be relocated to different spaces. In general, the proposed project is to completely renovate the interior and exterior of the primary building to provide "class-A" office space and ground floor retail opportunities. Adjacent to the building, the parking lot will be repaired and separated from the sidewalk with a decorative fence; structural sidewalk voids will be abandoned and major portions of the sidewalk replaced; street trees will be planted; and a storm water drainage system created in the alley. At this time the total cost of the construction portion of the project is estimated at \$1,600,000. Note: Other costs associated with this project are listed under the Public Works / Facilities activity. FY05 carryover amount: \$69,818 total (CCP: \$41,550 in 700 account; Facade CRLP \$8,314 in 700 account; ED CRLP \$19,954 in 700 account)

RELOCATION PAYMENTS - Activity budget equals \$ 0

According to Urban Renewal Law Section 7-15-4217 and Section 7-15-4288 (3) M.C.A., the MRA must provide a workable and feasible plan for making relocation assistance available for any person or business who may be displaced by redevelopment activities undertaken by the Agency.

Strategic Goals:

MRA will be responsive to problems and opportunities that can only be addressed by relocation of individual households or businesses.

Contingency:

To provide relocation funds for Agency projects not yet identified which involve relocation payments in accordance with MRA's Relocation Policy. (\$0 in 840 account)

PLANNING AND MANAGEMENT - Activity budget equals \$25,000

MRA is authorized in Section 7-15-4233 M.C.A. of Urban Renewal Law to engage in a wide range of planning efforts to encourage urban renewal. Section 7-15-4288 M.C.A. authorizes the agency to use tax increment to fund these efforts. MRA projects and plans are reviewed to ensure they comply with the Urban Renewal Plan, the Comprehensive Plan, and other applicable plans.

Ongoing and Mandated Objectives:

Plan, coordinate and implement public projects designed to either upgrade and maintain existing facilities and utilities or build new ones in support of private business improvement or expansion to the built environment in the urban renewal areas.

Design and manage public programs such as the Life-Safety Code Compliance Program and Commercial Rehabilitation Loan Program for the purpose of stimulating new private investment.

Strategic Goals:

Anticipate growth and continue to support projects and programs in partnerships with others that reduce parking and traffic congestion.

Provide specific advice, planning, and financial assistance for the purpose of leveraging new private investment. (Although all other objectives support this main purpose of MRA, this objective is defined by those projects where MRA's financial assistance is negotiated or MRA grants assistance beyond casual referrals. See following activity descriptions.)

City of Missoula Space Needs Assessment:

MRA pledged up to this amount to assist with funding a space needs assessment for the City. In exchange for this contribution and additional funds committed to the Aquatics project, the City agrees to provide 2000 square feet of office space for the MRA in a downtown location for a period of five (5) years. (\$25,000 in 350 account)

Contingency:

Provide funds for projects not yet identified, which require planning and management services. (\$0 in 840 account)

CLEARING & DEMOLITION - Activity budget equals \$ 1,436,170

Section 7-15-4288 (2) M.C.A. allows tax increment to be used for site clearance and demolition activities in the urban renewal area.

Strategic Goals:

Blighted improvements inhibit sound redevelopment, necessitating site preparation in the form of demolition as a part of the redevelopment strategy.

The following projects are underway and are scheduled for completion in FY06.

Riverfront Triangle (Fox Site):

The City has targeted this area for comprehensive redevelopment since the Fox Theater was donated to the City in 1984. In past years, MRA has spent tax increment funds for demolition of the former theater building in 1990, extension of the riverfront trail from Caras Park in 1991, extension of water and sewer to

the site and soils investigation in 1993, acquisition of the Holiday property in 1999, and acquisition and demolition of the Mustard Seed Restaurant in 2001. The MRA authorized the engineering for the relocation of utilities and removal of unsuitable soils in FY05. A contract for that work was executed in late FY05 and the work will be completed in early FY06. Note: Other costs associated with this project are listed under the Public Works/Facilities activity. FY05 carryover amount: (\$89,347 in 350 account; \$1,346,823 in 930 account)

Contingency:

Provide funds for projects not yet identified which require demolition or environmental contamination remediation (e.g., underground storage tanks, asbestos, etc.). (\$0 in 840 account)

CTEP / CMAQ PROJECTS - Activity budget equals \$ 1,121,765

The following projects are primarily funded through the federal Transportation Efficiency Act for the 21st Century (TEA-21). The two programs under the TEA-21 are the Community Transportation Enhancement Program (CTEP) and Congestion Mitigation and Air Quality (CMAQ) program. The local match for CTEP / CMAQ projects is usually 13%-20%. For CMAQ projects, MRA pays the appropriate percentage (13%-20%) of costs under the agreement. However, for CTEP projects, MRA pays 100% of costs under the agreement and the State reimburses MRA for CTEP's portion of the project cost.

Madison Street Bridge:

This project is a combination of three different projects that were identified to address gaps in the riverfront trail system near Madison Street. As a result of not being successful in the attempt to purchase easements on the north side of the Clark Fork, the MRA committed this funding to build a pedestrian bridge under the Madison Street bridge. The three projects were identified in the FY05 budget as Madison Street Bridge, Madison Street River Access, and Clark Fork to Front Street Trail. The contract for construction for this project will be awarded prior to the end of the fiscal year and the majority of construction will occur during FY06. MRA has received approval from the State of Montana to reallocate \$203,463 of CTEP monies previously allocated to the Shady Grove Landscaping project to this bridge project. FY05 carryover amount: (\$41,000 in 350 account; \$1,080,765 in 930 account)

TOTAL URD I EXPENDITURES	\$ 4,100,431
TOTAL URD I TRANSFERS	\$ 200,000
TOTAL URD I BUDGET	\$4,300,431

**CITY OF MISSOULA
PERSONNEL SCHEDULE**

DEPARTMENT: MISSOULA REDEVELOPMENT AGENCY

DATE PREPARED:

11/04/05

FUND: MRA

POSITION TITLE	FULL TIME EQUIVALENTS			SALARIES AND WAGES	
	FY 043	FY 05	FY 06	FY 05 BUDGET	FY 06 BUDGET
DIRECTOR	1.00	1.00	1.00	62,030	64,249
ASSISTANT DIRECTOR	1.00	1.00	1.00	50,638	52,633
REDEVELOPMENT SPECIALIST	1.00	1.00	1.00	42,587	44,103
GIS ANALYST / REDEV. PROJECT COOR.	1.00	1.00	1.00	35,422	37,935
ADMIN SERV. MGR / REDEV. PROJ. COOR.	1.00	1.00	1.00	35,522	38,036
SECRETARY II	1.00	1.00	1.00	22,433	24,438
TEMPORARY SECRETARY	0.14	0.14		2,708	-
OVERTIME				5,000	5,000
*ACCOUNTING CHANGE				-	1,005
TOTALS	6.14	6.14	6.00	256,340	267,399

* FY 05 & FY 06 IS BUDGETED FOR 2088 HOURS VS. POSITION DISCLOSURE OF 2080

BUDGETED SOURCES AND USES OF FUNDS
URBAN RENEWAL DISTRICT I

Prepared: 10/17/2005

USES OF FUNDS	
EXPENDITURES	<u>4,100,431</u>
INTERFUND TRANSFERS OUT	<u>200,000</u>
PROJECTED END-OF-YEAR CASH ON HAND	<u>-</u>
TOTAL FUNDS REQUIRED	<u>4,300,431</u>

SOURCES OF FUNDS	
CASH ON HAND	<u>3,680,043</u>
TAX INCREMENT REVENUE / OTHER REVENUE	<u>620,388</u>
INTERFUND TRANSFERS IN	<u>-</u>
TOTAL NON-TAX SOURCES OF FUNDS	<u>4,300,431</u>

DIFFERENCE BETWEEN USES AND NON-TAX SOURCES OF FUNDS - PROPERTY TAX REQUIREMENTS	<u>-</u>
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NON-TAX REVENUES & TRANSFERS

Fund	Acct #	Account Name	FY 05 Budgeted	FY 05		% of Budget	FY 06 Budgeted
				Actual as of 6/30/05	Variance		
7391	311011	Tax Increment	-	-	-	N/A	166,925
7391	331050	CTEP Grants	203,463	-	(203,463)	N/A	203,463
7391	331155	CMAQ Grants	-	-	-	N/A	-
7391	336023	State Contributions - PERS	-	246	246	N/A	-
7391	360000	Miscellaneous	389,423	141,070	(248,353)	36%	-
7391	382010	Sale of Surplus Property	-	-	-	N/A	-
7391	365000	Donations	-	-	-	N/A	250,000
7391	371010	Interest	110,000	226,771	116,771	206%	-
7391	383016	Transfers From Tax Inc. Bond	3,125,301	3,438,523	313,221	110%	-
7391	383029	Transfers From Other Funds	-	-	-	N/A	-
7391	383037	Transfers From URD II	100,000	-	(100,000)	N/A	-
7391	383038	Transfers From URD III	50,000	34,106	(15,894)	68%	-
TOTAL MRA URD I			3,978,187	3,840,715	(137,472)	97%	620,388

DEPARTMENT BUDGET BY OBJECTS AND ACTIVITIES						
DEPARTMENT TITLE: MISSOULA REDEVELOPMENT AGENCY		FUND TITLE: MRA URD I	DATE PREPARED: 11/04/2005			
DEPARTMENT NUMBER: 385		FUND NUMBER: A7391				
OBJECTS OF EXPENDITURES NUMBER	DESCRIPTION	DEPARTMENT TOTAL	ACTIVITY - ADMINISTRATION NO.: 470210	ACTIVITY - ACQUISITION OF PROPERTY NO.: 470220	ACTIVITY - PUBLIC WORKS FACILITIES NO.: 470230	ACTIVITY - CONSTRUCTION / REHAB LOANS NO.: 470240
100	PERSONAL SERVICES					
110	Salaries and Wages	-				
120	Overtime/Termination	-				
130	Other	-				
140	Employer Contributions	-				
	TOTAL PERSONAL SERVICES	-				
200	SUPPLIES					
210	Office Supplies	-				
220	Operating Supplies	-				
230	Repair/Maintenance (not gas)	-				
231	Gasoline	-				
240	Other Supplies	-				
250	Supplies For Resale	-				
	TOTAL SUPPLIES	-				
300	PURCHASED SERVICES					
310	Communications	-				
320	Printing & Duplicating	-				
330	Publicity,Subscriptions,Dues	-				
341	Electricity & Natural Gas	-				
343	Water Charges	-				
344	Telephone Service	-				
345	Garbage	-				
350	Professional Services	-				
360	Repair & Maintenance	-				
370	Travel	-				
380	Training	-				
390	Other Purchased Services	-				
	TOTAL PURCHASED SERVICES	212,331	10,000		46,984	
400	Building Materials	-				
500	Fixed Charges	-				
700	Grants and Contributions	467,652			374,470	93,182
820	Transfers To Other Funds	200,000	200,000			
840	Contingency	-				
	TOTAL MISCELLANEOUS	667,652	200,000		374,470	93,182
600	DEBT SERVICE	-				
900	CAPITAL OUTLAY					
920	Lands & Buildings	231,500		231,500		
930	Improvements	3,188,948			761,360	
940	Machinery & Equipment	-				
	TOTAL CAPITAL OUTLAY	3,420,448	-	231,500	761,360	
	--TOTAL DEPARTMENT---	4,300,431	210,000	231,500	1,182,814	93,182

DEPARTMENT BUDGET BY OBJECTS AND ACTIVITIESCONTINUED****

DEPARTMENT TITLE: MISSOULA REDEVELOPMENT AGENCY		FUND TITLE: 385	MRA URD I 7391	DATE PREPARED: 11/04/2005			
DEPARTMENT NUMBER:							
OBJECTS OF EXPENDITURES		ACTIVITY - RELOCATION	ACTIVITY - PLANNING & PAYMENTS	ACTIVITY - CLEARING & MANAGEMENT	ACTIVITY - DEMOLITION	ACTIVITY - CTEP & CMAQ	ACTIVITY - NEW REQUESTS
NUMBER	DESCRIPTION	NO.: 470250	NO.: 470260	NO.: 470270	NO.: 460436	NO.:	NO.:
100	PERSONAL SERVICES						
110	Salaries and Wages						
120	Overtime/Termination						
130	Other						
140	Employer Contributions						
	TOTAL PERSONAL SERVICES						
200	SUPPLIES						
210	Office Supplies						
220	Operating Supplies						
230	Repair/Maintenance (not gas)						
231	Gasoline						
240	Other Supplies						
250	Supplies For Resale						
	TOTAL SUPPLIES						
300	PURCHASED SERVICES						
310	Communications						
320	Printing & Duplicating						
330	Publicity,Subscriptions,Dues						
341	Electricity & Natural Gas						
343	Water Charges						
344	Telephone Service						
345	Garbage						
350	Professional Services			25,000	89,347	41,000	
360	Repair & Maintenance						
370	Travel						
380	Training						
390	Other Purchased Services						
	TOTAL PURCHASED SERVICES			25,000	89,347	41,000	
400	Building Materials						
500	Fixed Charges						
700	Grants and Contributions						
820	Transfers To Other Funds						
840	Contingency						
	TOTAL MISCELLANEOUS						
600	DEBT SERVICE						
900	CAPITAL OUTLAY						
920	Lands & Buildings				1,346,823	1,080,765	
930	Improvements						
940	Machinery & Equipment						
	TOTAL CAPITAL OUTLAY				1,346,823	1,080,765	
	--TOTAL DEPARTMENT--			25,000	1,436,170	1,121,765	

URBAN RENEWAL DISTRICT I FUND REVENUES

ACCOUNT #	ACCOUNT NAME	FY 04 BUDGET	FY 05 BUDGET	FY 06 BUDGET
7391-311010	TAX INCREMENT			166,925
7391-331050	CTEP GRANTS		203,463	203,463
7391-331155	CMAQ GRANT			
7391-360000	MISCELLANEOUS	1,000	389,423	-
7391-361010	INTEREST	110,000	110,000	-
7391-364010	MRA - SALE OF SURPLUS PROPERTY			
7391-365000	DONATIONS			250,000
7391-383000	TRANSFERS FROM TAX INC. BOND	2,252,262	3,125,301	-
7391-383002	TRANSFERS FROM URD II	100,000	100,000	-
7391-383003	TRANSFERS FROM URD III	20,000	50,000	-
7391-383002	TRANSFERS FROM OTHER FUNDS			
	TOTAL MRA FUND	2,483,262	3,978,187	620,388

MRA-#385

URBAN RENEWAL DISTRICT II (A7392)

The City Council created a second Urban Renewal District (URD II) by adopting Resolution #5177 on July 15, 1991 which found the area was blighted. By adopting Ordinance #2803 on December 16, 1991, the Council adopted the Urban Renewal Plan for the district, which includes a provision for using tax increment district financing from that day forward. During the early years of the district's life, seeds were planted which are now bearing fruit in the form of growing tax increment revenue. In time, as projects and programs emerge, this growing tax increment will allow the City and MRA to respond strategically to the district's needs in both public and private undertakings

ACTIVITIES & OBJECTIVES

ADMINISTRATION - Activity budget equals \$ 432,039

This activity provides for overall administration and managerial functions for the Agency in order to facilitate the effective delivery of services. URD I and URD III contribute their proportionate share towards the Agency's administrative responsibilities.

1. Personnel:

MRA employs six (6) persons to carry out redevelopment activities in the Urban Renewal Districts. All salaries and employer contributions are budgeted in URD II. The other two districts contribute their proportionate share towards these administrative expenses. (\$262,399 in 110 account; \$5,000 in 120 account; \$87,832 in 140 account).

2. Administrative Services:

City Services:

Contract with City to provide MRA with administrative support as well as assistance from Engineering, Public Works, Finance, Parks and Recreation, and Attorney's Office on various projects. This amount also includes MRA's pro rata share of the City's liability coverage for errors and omissions. This amount was negotiated between MRA and the Finance Department and is lower than it was in FY05 due to the sunset of URD I. (\$28,061 in 350 account)

3. Administrative Transfers:

MRA contributes funds towards the City of Missoula's general operating budget enhancements. These enhancements range from Information Technology warranties to payroll increases to fund new positions in the Human Resources and Attorney's offices. This amount was negotiated between MRA and the Finance Department and is lower than it was in FY05 due to the sunset of URD I. (\$3,734 in 820 account)

ACQUISITION OF PROPERTY - Activity budget equals \$ 100,000

CITY OF MISSOULA

When authorized by the City Council, MRA may use tax increment to acquire property in urban renewal areas according to Section 7-15-4258 M.C.A. for urban renewal purposes.

Strategic Goals:

MRA will be responsive to problems and opportunities that can only be addressed by purchase of real and / or improved properties.

Contingency:

Provide funds for the possible acquisition of West Broadway billboards and other projects not yet identified. (\$100,000 in 840 account)

PUBLIC WORKS / FACILITIES - Activity budget equals \$ 1,014,957

The MRA engages in public works activities to aid and encourage private investment in the second urban renewal district (URD II). Areas of focus include transportation, streets, sidewalks, and trails. Authority for MRA's investment in public facilities is expressly stated in Urban Renewal Law in Section 7-15-4288 (4) M.C.A.

Strategic Goals:

Urban Renewal District II was created in part because of its potential for new residential development as well as commercial opportunities. MRA continues to explore and identify infrastructure and transportation needs and opportunities in support of redevelopment of blighted areas.

Continue forming redevelopment partnerships with public and private entities to leverage housing and commercial investment dollars and promote affordable housing.

The following projects are underway or are scheduled for completion in FY 05.

Broadway Street Trees:

This project would install street trees and grates along West Broadway into locations made available by recent sidewalk improvements. FY05 carryover amount: (\$45,000 in 930 account)

Clark Fork Commons:

This is a housing project organized by the North Missoula Community Development Corporation (NMCDC). The project is located on Cedar Street and includes a 25-unit townhouse development. The goal of the project is to allow low to moderate income residents to purchase homes. Demolition and start of construction occurred in FY05 and completion will occur in FY06. FY05 carryover amount: (\$131,261 in 700 account)

McKenzie Project (Off Broadway Condominiums):

This project is on the northern 2/3 of the property previously addressed as 1145 West Broadway. The new address is 1333 Toole Avenue and the complex is referred to as "Off Broadway Condominiums". The development involves construction of a 44-unit apartment complex of mixed studio, 1, and 2 bedroom units. The buildings will be two-stories tall and built around a central landscaped courtyard. Parking will be off of

Toole Avenue at the east end of the complex and off of Burton Street using the current alley. One building was completed in FY05 and construction on the second building is underway. Note: Other costs associated with this project are listed under the Clearing & Demolition activity. FY05 carryover amount: (\$55,000 in 700 account)

South Bank Riverfront Trail:

This project involves obtaining the required easement or park land and the development of a trail on the south side of the Clark Fork River across the former Champion Mill site. The project will connect the California Street Bicycle and Pedestrian Bridge with the Civic Stadium. This would complete the largest gap in the riverfront trail in the downtown riverfront trail system. FY05 carryover amount: (\$42,500 in 350 account; \$170,000 in 930 account)

West Broadway Island Trail:

This project would complete the riverfront trail between Russell and Front Streets along West Broadway by connecting the Shady Grove Trail and the California Street Bicycle/Pedestrian Bridge with the West Broadway CTEP sidewalk project. It also provides access to an area that can be used for waterfront recreation such as fishing and for easy entry and take-out of hand carried non-motorized watercraft. MRA Staff is working with the property owners for donation of the property for this purpose. The total amount estimated for this CIP project is \$225,000. It is anticipated that design and engineering of this project, estimated to be approximately \$25,000, would be undertaken in FY06. FY05 carryover amount: (\$25,000 in 350 account)

Western Montana Mental Health Center:

In 2004, the Western Montana Mental Health Center purchased property at 1285 Dakota Street following a house fire. The property is located across the street from their service campus and will be redeveloped as a crisis care facility and six residential units for clients who have completed certain treatment programs. The MRA approved tax increment funding for assistance with sidewalks, curbs, gutters, and boulevard trees along Dakota Street. Construction began in FY05 and will not be complete until FY06. FY05 carryover amount: (\$14,000 in 700 account)

Contingency:

Provide additional funds for projects not yet identified. (\$532,196 in 840 account)

REHABILITATION ASSISTANCE - Activity budget equals \$ 75,000

Ongoing and Mandated Objectives:

Commercial Rehabilitation Loan Program (CRLP):

Through the Commercial Rehabilitation Loan Program (CRLP), MRA develops partnerships with private businesses that eliminate blight, generate tax increment, create jobs and encourage private investment in commercial properties.

Code Compliance Program (CCP):

The goal of this program is to bring buildings into compliance with City adopted Uniform Fire and Building Codes pertaining to life safety through a 50% match of approved private projects, up to URD II CCP limits.

Strategic Goals:

Reuse the existing building stock in municipal service areas to directly encourage infill development, which contributes to sound urban growth management.

CCP/CRLP Programs:

Provide funds for Commercial Rehabilitation Loan Program and Life-Safety Code Compliance Program projects not yet identified. (\$75,000 in 700 account)

RELOCATION PAYMENTS - Activity budget equals \$ 100,000

According to Urban Renewal Law Section 7-15-4217 and Section 7-15-4288 (3) M.C.A., the MRA must provide a workable and feasible plan for making relocation assistance available for any person or business who may be displaced by redevelopment activities undertaken by the Agency.

Strategic Goals:

MRA will be responsive to problems and opportunities that can only be addressed by relocation of individual households or businesses.

Contingency:

Provide funds for projects not yet identified which involve relocation payments in accordance with MRA's Relocation Policy. (\$100,000 in 840 account)

PLANNING AND MANAGEMENT - Activity budget equals \$ 250,000

MRA is authorized in Section 7-15-4233 M.C.A. of Urban Renewal Law to engage in a wide range of planning efforts to encourage urban renewal. Section 7-15-4288 M.C.A. authorizes the agency to use tax increment to fund these efforts. MRA projects and plans are reviewed to ensure they comply with the Urban Renewal Plan, the Comprehensive Plan, and other applicable plans.

Ongoing and Mandated Objectives:

Plan, coordinate and implement public projects designed to either upgrade and maintain existing facilities and utilities or build new ones in support of private business improvement or expansion to the built environment in the urban renewal areas.

Design and manage public programs such as the Life-Safety Code Compliance Program and Commercial Rehabilitation Loan Program for the purpose of stimulating new private investment.

Strategic Goals:

Anticipate growth and continue to support projects and programs in partnerships with others that reduce parking and traffic congestion.

Provide specific advice, planning, and financial assistance for the purpose of leveraging new private investment. (Although all other objectives support this main purpose of MRA, this objective is defined by those projects where MRA's financial assistance is negotiated or MRA grants assistance beyond casual referrals. See following activity descriptions.)

Bond Services:

This amount will provide funds for bond services required for determining the feasibility and mechanisms of bonding for two or more projects in the district. (\$75,000 in 350 account)

Champion Millsite Development

Millsite Revitalization Project, LLC (MRP) has secured the agreements necessary to purchase the property and are moving forward with annexation of the acreage into the City. Upon annexation, a Development Agreement will be executed between the MRA and MRP which will result in the sale of tax increment bonds to finance portions of the development. Certain planning and engineering work is required to get the project to the point of plat and zoning approvals and, it is anticipated the MRA will provide those funds prior to the sale of bonds. (\$150,000 in 700 account)

Contingency:

Provide funds for projects not yet identified that require planning and management services. (\$25,000 in 840 account)

CLEARING AND DEMOLITION - Activity budget equals \$ 242,500

Section 7-15-4288 (2) M.C.A. allows tax increment to be used for site clearance and demolition activities in the urban renewal area.

Strategic Goals:

Blighted conditions often inhibit sound redevelopment, necessitating site preparation in the form of demolition as a part of the redevelopment strategy.

The following projects are underway or are scheduled for completion in FY06.

McKenzie Project (Off Broadway Condominiums):

This project is on the northern 2/3 of the property previously addressed as 1145 West Broadway. The new address is 1333 Toole Avenue and the complex is referred to as "Off Broadway Condominiums". The development involves construction of a 44-unit apartment complex of mixed studio, 1, and 2 bedroom units. The buildings will be two-stories tall and built around a central landscaped courtyard. Parking will be off of Toole Avenue at the east end of the complex and off of Burton Street using the current alley. One building was completed in FY05 and construction on the second building is underway. Note: Other costs associated with this project are listed under the Clearing & Demolition activity. FY05 carryover amount: (\$42,500 in 700 account)

Contingency:

Provide funds for projects not yet identified, which require clearing and demolition or environmental contamination remediation (e.g. underground storage tanks, asbestos, etc.). (\$200,000 in 840 account)

CTEP / CMAQ PROJECTS - Activity budget equals \$ 0

The following projects are primarily funded through the federal Transportation Efficiency Act for the 21st Century (TEA-21). The two programs under the TEA-21 are the Community Transportation Enhancement Program (CTEP) and Congestion Mitigation and Air Quality (CMAQ) program. The local match for CTEP / CMAQ projects is usually 13%-20%. For CMAQ projects, MRA pays the appropriate percentage (13%-20%) of costs under the agreement. However, for CTEP projects, MRA pays 100% of costs under the agreement and the State reimburses to MRA CTEP's portion of the project cost.

No CTEP or CMAQ projects are anticipated for URD II in FY06. The State of Montana approved MRA's request to transfer the \$203,463 of CTEP monies (previously allocated to the Shady Grove Landscaping project) to URD I for the Madison Street Pedestrian Bridge project. See the URD I Budget for this project's information. The local match for a CTEP project is at least 13.42%.

TOTAL URD II EXPENDITURES \$ 2,210,762

TOTAL URD II TRANSFERS \$ 3,734

TOTAL URD II BUDGET \$2,214,496

DEPARTMENT BUDGET BY OBJECTS AND ACTIVITIES						
DEPARTMENT TITLE: MISSOULA REDEVELOPMENT AGENCY		FUND TITLE: MRA URD II	DATE PREPARED: 11/04/2005			
DEPARTMENT NUMBER: 385		FUND NUMBER: A7392				
OBJECTS OF EXPENDITURES		DEPARTMENT TOTAL	ACTIVITY - ADMINISTRATION NO.: 470210	ACTIVITY - ACQUISITION OF PROPERTY NO.: 470220	ACTIVITY - PUBLIC WORKS FACILITIES NO.: 470230	ACTIVITY - CONSTRUCTION / REHAB LOANS NO.: 470240
NUMBER	DESCRIPTION					
100	PERSONAL SERVICES					
110	Salaries and Wages	262,399		262,399		
120	Overtime/Termination	5,000		5,000		
130	Other	-				
140	Employer Contributions	87,832		87,832		
	TOTAL PERSONAL SERVICES	355,231		355,231		
200	SUPPLIES					
210	Office Supplies	3,000		3,000		
220	Operating Supplies	2,500		2,500		
230	Repair/Maintenance (not gas)	828		828		
231	Gasoline	527		527		
240	Other Supplies	-		-		
250	Supplies For Resale	-		-		
	TOTAL SUPPLIES	6,855		6,855		
300	PURCHASED SERVICES					
310	Communications	800		800		
320	Printing & Duplicating	3,000		3,000		
330	Publicity,Subscriptions,Dues	3,000		3,000		
341	Electricity & Natural Gas	-		-		
343	Water Charges	-		-		
344	Telephone Service	3,500		3,500		
345	Garbage	-		-		
350	Professional Services	181,061		38,561		67,500
360	Repair & Maintenance	4,180		4,180		
370	Travel	3,500		3,500		
380	Training	4,500		4,500		
390	Other Purchased Services	1,000		1,000		
	TOTAL PURCHASED SERVICES	204,541		62,041		67,500
400	Building Materials	-		-		
500	Fixed Charges	-		-		
700	Grants and Contributions	467,761		-		200,261
820	Transfers To Other Funds	3,734		3,734		75,000
840	Contingency	957,196		-	100,000	532,196
	TOTAL MISCELLANEOUS	1,428,691		3,734	100,000	732,457
600	DEBT SERVICE	-				
900	CAPITAL OUTLAY					
920	Lands & Buildings	-		-		215,000
930	Improvements	215,000		-		
940	Machinery & Equipment	4,178		4,178		
	TOTAL CAPITAL OUTLAY	219,178		4,178		215,000
	--TOTAL DEPARTMENT--	2,214,496		432,039	100,000	1,014,957
						75,000

DEPARTMENT BUDGET BY OBJECTS AND ACTIVITIESCONTINUED****

DEPARTMENT TITLE: MISSOULA REDEVELOPMENT AGENCY		FUND TITLE: FUND NUMBER:	MRA URD II 7392	DATE PREPARED: 12/01/2005		
OBJECTS OF EXPENDITURES		ACTIVITY - RELOCATION	ACTIVITY - PLANNING & MANAGEMENT	ACTIVITY - CLEARING & DEMOLITION	ACTIVITY - CTEP & CMAQ	ACTIVITY - NO.:
NUMBER	DESCRIPTION	NO.: 470250	NO.: 470260	NO.: 470270	NO.: 460436	NO.:
100	PERSONAL SERVICES					
110	Salaries and Wages					
120	Overtime/Termination					
130	Other					
140	Employer Contributions					
	TOTAL PERSONAL SERVICES					
200	SUPPLIES					
210	Office Supplies					
220	Operating Supplies					
230	Repair/Maintenance (not gas)					
231	Gasoline					
240	Other Supplies					
250	Supplies For Resale					
	TOTAL SUPPLIES					
300	PURCHASED SERVICES					
310	Communications					
320	Printing & Duplicating					
330	Publicity,Subscriptions,Dues					
341	Electricity & Natural Gas					
343	Water Charges					
344	Telephone Service					
345	Garbage					
350	Professional Services			75,000		
360	Repair & Maintenance					
370	Travel					
380	Training					
390	Other Purchased Services					
	TOTAL PURCHASED SERVICES			75,000		
400	Building Materials					
500	Fixed Charges					
700	Grants and Contributions			150,000	42,500	
820	Transfers To Other Funds					
840	Contingency		100,000	25,000	200,000	
	TOTAL MISCELLANEOUS		100,000	175,000	242,500	
600	DEBT SERVICE					
900	CAPITAL OUTLAY					
920	Lands & Buildings					
930	Improvements					
940	Machinery & Equipment					
	TOTAL CAPITAL OUTLAY					
	---TOTAL DEPARTMENT---		100,000	250,000	242,500	

BUDGETED SOURCES AND USES OF FUNDS
URBAN RENEWAL DISTRICT II

Prepared: 10/17/2005

USES OF FUNDS						
EXPENDITURES						<u>2,210,762</u>
INTERFUND TRANSFERS OUT						<u>3,734</u>
PROJECTED END-OF-YEAR CASH ON HAND						<u> </u>
TOTAL FUNDS REQUIRED						<u>2,214,496</u>
 SOURCES OF FUNDS						
CASH ON HAND						<u>1,320,549</u>
TAX INCREMENT REVENUE / OTHER REVENUE						<u>618,947</u>
INTER-FUND TRANSFERS IN						<u>275,000</u>
TOTAL NON-TAX SOURCES OF FUNDS						<u>2,214,496</u>
 DIFFERENCE BETWEEN USES AND NON-TAX SOURCES OF FUNDS - PROPERTY TAX REQUIREMENTS						
 NON-TAX REVENUES & TRANSFERS						
Fund	Acct #	Account Name	FY 05 Budgeted	FY 05 Actual as of 6/30/05	Variance	% of Budget
7392	311011	Tax Increment	498,827	456,008	(42,818)	91%
7392	331050	CTEP Grants	-	-	-	N/A
7392	331060	NRTA Grants	-	-	-	N/A
7392	331155	CMAQ Grants	-	-	-	N/A
7392	335210	State PP Reimb. SB 417	2,612	3,259	647	125%
7392	335230	HB 124 Entitlement	33,343	33,343	-	100%
7392	360000	Miscellaneous	-	2,461	2,461	N/A
7392	382010	Sale of Surplus Property	-	-	-	N/A
7392	365000	Donations	-	-	-	N/A
7392	371010	Interest	5,000	43,403	38,403	868%
7392	383037	Transfers From URD I	-	-	-	N/A
7392	383038	Transfers From URD III	-	-	-	N/A
TOTAL MRA URD II			539,782	538,475	(1,307)	100%
						893,947

URBAN RENEWAL DISTRICT II FUND REVENUES

ACCOUNT #	ACCOUNT NAME	FY 04 BUDGET	FY 05 BUDGET	FY 06 BUDGET
7392-311011	TAX INCREMENT	294,830	498,827	553,445
7392-331020	GRANTS-NATIONAL RECREATIONAL TRAILS			
7392-331050	CTEP GRANTS	203,463	0	0
7392-331155	CMAQ GRANT			
7392-335210	STATE PP REIMBURSEMENT	3,264	2,612	1,959
7392-335230	HB 124 REIMBURSEMENT	33,343	33,343	33,343
7392-360000	MISCELLANEOUS	2,461		200
7392-361010	INTEREST	5,000	5,000	30,000
7392-365000	DONATIONS			
7392-383037	TRANSFERS FROM URD I			200,000
7392-383038	TRANSFERS FROM URD III			75,000
	TOTAL URD II	542,361	539,782	893,947

MRA-#385

URBAN RENEWAL DISTRICT III (A7393)

On October 2, 2000, the City Council adopted Resolution #6370 declaring a blighted area exists within the City of Missoula. By adopting Ordinance #3163 on December 11, 2000 the City Council created Urban Renewal District III (URD III) and adopted the Urban Renewal District III Plan, which includes a provision for using tax increment district financing from that day forward. Forty years ago the properties in URD III constituted the community's new frontier. Time and growth have changed the District and it now requires serious attention if it is to remain a healthy contributing part of Missoula. By working with public and private partners to address threats on the horizon, MRA will take advantage of the opportunities coming our way to deal with the District's emerging problems.

ACTIVITIES & OBJECTIVES

ADMINISTRATION - Activity budget equals a transfer of \$ 75,000

Inasmuch as URD III is administered by the same Board and managed by the same Staff as URD II, a provision is made to transfer the proportionate share of office and administrative expenses from URD III to URD II, from which it is expended.

Administrative Financial Contributions:

Provide for professional planning and management services by the MRA staff during FY06 through a transfer from URD III to URD II's Administration activity. (\$75,000 in 820 account)

ACQUISITION OF PROPERTY - Activity budget equals \$ 100,000

When authorized by the City Council, MRA may use tax increment to acquire property in urban renewal areas according to Section 7-15-4258 M.C.A. for urban renewal purposes.

Strategic Goals:

MRA will be responsive to problems and opportunities that can only be addressed by purchase of real and / or improved properties.

Contingency:

Provide funds for the possible acquisition of property for projects not yet identified. (\$100,000 in 840 account)

PUBLIC WORKS / FACILITIES - Activity budget equals \$ 401,347

CITY OF MISSOULA

The MRA engages in public works activities to aid and encourage private investment in the third urban renewal district (URD III). Areas of focus include transportation, streets, sidewalks, and trails. Authority for MRA's investment in public facilities is expressly stated in Urban Renewal Law in Section 7-15-4288 (4) M.C.A.

Strategic Goals:

Urban Renewal District III was created in part because of its potential for new residential development as well as commercial opportunities. MRA continues to explore and identify infrastructure and transportation needs and opportunities in support of redevelopment of blighted areas.

Continue forming redevelopment partnerships with public and private entities to leverage housing and commercial investment dollars.

Brooks/South/Russell Streetscape Enhancements:

In the 2005 Budget, MRA set aside funds for streetscape improvements along Brooks Street from Mount to South Avenue in response to suggestions made by the Urban Land Institute (ULI) Panel in October 2003. Streetscape improvements along Brooks Street suggested by the Panel included, among other things, enhancements to the sidewalks and landscaping. Sidewalk and some landscaping improvements have been incorporated into the City's plans for the reconfiguration of the Brooks/South/Russell intersection. In order to capitalize on the work already being done as part of that project, the MRA will provide funds to increase the landscaping and enhance the treatment of some of the medians near the intersection that would not otherwise be upgraded as part of the Brooks/South/Russell reconfiguration project. FY05 carryover amount: (\$13,904 in the 930 account)

Contingency:

Provide additional funds for projects not yet identified. (\$387,443 in 840 account)

REDEVELOPMENT PROGRAM ASSISTANCE - Activity budget equals \$ 25,000

MRA is working on developing design standards and redevelopment guidelines that focus on the most pressing needs in URD III. The standards will help staff develop programs under which MRA could develop partnerships with private businesses that eliminate blight, generate tax increment, create jobs and encourage private investment in commercial properties. The authority to create these programs and fund them is stated in Section 7-15-4288, Section 7-15-4254 (c), and Section 7-15-4233 of Urban Renewal Law, M.C.A.

Ongoing and Mandated Objectives:

Strategic Goals:

Reuse the existing building stock in municipal service areas to directly encourage infill development, which contributes to sound urban growth management.

Programs:

Provide funds for redevelopment program projects not yet identified. (\$25,000 in 700 account)

Contingency:

Provide funds for projects not yet identified which involve relocation payments in accordance with MRA's Relocation Policy. (\$0 in 840 account)

RELOCATION PAYMENTS - Activity budget equals \$ 0

According to Urban Renewal Law Section 7-15-4217 and Section 7-15-4288 (3) M.C.A., the MRA must provide a workable and feasible plan for making relocation assistance available for any person or business who may be displaced by redevelopment activities undertaken by the Agency.

Strategic Goals:

MRA will be responsive to problems and opportunities that can only be addressed by relocation of individual households or businesses.

Contingency:

Provide funds for projects not yet identified which involve relocation payments in accordance with MRA's Relocation Policy. (\$0 in 840 account)

PLANNING AND MANAGEMENT - Activity budget equals \$ 35,000

In accordance with Section 7-15-4233 M.C.A., MRA is authorized to engage in planning efforts to encourage rehabilitation of buildings and improvements within the district. An integral part of rehabilitation of a district is the implementation of programs and projects that are in concert with the community's vision for the area. Section 7-15-4288 M.C.A. authorizes the agency to use tax increment to fund these efforts. MRA projects and plans are reviewed to ensure they comply with the Urban Renewal Plan, the Comprehensive Plan, and other applicable plans.

Ongoing and Mandated Objectives:

Identify areas of high redevelopment potential and undertake conceptual planning for those areas on an illustrative basis. Conceptual planning is critical to identifying area and community

Plan, coordinate and implement public projects designed to either upgrade and maintain existing facilities and utilities or build new ones in support of private business improvement or expansion to the built environment in the urban renewal areas.

Design and manage public programs for the purpose of stimulating new private investment.

Strategic Goals:

Anticipate growth and continue to support projects and programs in partnerships with others that encourage reduction of traffic and efficient use of transportation facilities.

Provide specific advice, planning, and financial assistance for the purpose of leveraging new private investment. (Although all other objectives support this main purpose of MRA, this objective is defined by those projects where MRA's financial assistance is negotiated or MRA grants assistance beyond casual referrals. See following activity descriptions.)

Missoula Midtown Association:

This amount is set aside for the future development of a Missoula Midtown Association of businesses and property owners in URD 3. MRA anticipates this organization would mirror the Missoula Downtown Association in district one. FY05 carryover amount: (\$10,000 in 350 account)

Contingency:

Provide funds for projects not yet identified that require planning and management services. (\$25,000 in 840 account)

CLEARING AND DEMOLITION - Activity budget equals \$ 100,000

Section 7-15-4288 (2) M.C.A. allows tax increment to be used for site clearance and demolition activities in the urban renewal area.

Strategic Goals:

Blighted conditions often inhibit sound redevelopment, necessitating site preparation in the form of demolition as a part of the redevelopment strategy.

Contingency:

Provide funds for projects not yet identified, which require clearing and demolition or environmental contamination remediation (e.g. underground storage tanks, asbestos, etc.). (\$100,000 in 840 account)

TOTAL URD III EXPENDITURES	\$ 661,347
TOTAL URD III TRANSFERS	\$ 75,000
TOTAL URD III BUDGET	\$ 736,347

DEPARTMENT BUDGET BY OBJECTS AND ACTIVITIES

DEPARTMENT TITLE: MISSOULA REDEVELOPMENT AGENCY		FUND TITLE: MRA URD III	DATE PREPARED: 11/04/2005		
DEPARTMENT NUMBER: 385		FUND NUMBER: A7393			
OBJECTS OF EXPENDITURES		ACTIVITY - ADMINISTRATION	ACTIVITY - ACQUISITION OF PROPERTY	ACTIVITY - PUBLIC WORKS FACILITIES	ACTIVITY - CONSTRUCTION / REHAB LOANS
NUMBER	DESCRIPTION	DEPARTMENT TOTAL	NO.: 470210	NO.: 470220	NO.: 470230
100	PERSONAL SERVICES				
110	Salaries and Wages	-			
120	Overtime/Termination	-			
130	Other	-			
140	Employer Contributions	-			
	TOTAL PERSONAL SERVICES	-			
200	SUPPLIES				
210	Office Supplies	-			
220	Operating Supplies	-			
230	Repair/Maintenance (not gas)	-			
231	Gasoline	-			
240	Other Supplies	-			
250	Supplies For Resale	-			
	TOTAL SUPPLIES	-			
300	PURCHASED SERVICES				
310	Communications	-			
320	Printing & Duplicating	-			
330	Publicity, Subscriptions, Dues	-			
341	Electricity & Natural Gas	-			
343	Water Charges	-			
344	Telephone Service	-			
345	Garbage	-			
350	Professional Services	10,000			
360	Repair & Maintenance	-			
370	Travel	-			
380	Training	-			
390	Other Purchased Services	-			
	TOTAL PURCHASED SERVICES	10,000			
400	Building Materials	-			
500	Fixed Charges	-			
700	Grants and Contributions	25,000			25,000
820	Transfers To Other Funds	75,000	75,000		
840	Contingency	612,443		100,000	387,443
	TOTAL MISCELLANEOUS	712,443	75,000	100,000	387,443
600	DEBT SERVICE	-			
900	CAPITAL OUTLAY				
920	Lands & Buildings	-			
930	Improvements	13,904			13,904
940	Machinery & Equipment	-			
	TOTAL CAPITAL OUTLAY	13,904			13,904
	--TOTAL DEPARTMENT--	736,347	75,000	100,000	401,347
					25,000

DEPARTMENT BUDGET BY OBJECTS AND ACTIVITIESCONTINUED****

DEPARTMENT TITLE:

MISSOULA REDEVELOPMENT AGENCY

DEPARTMENT NUMBER:

385

FUND TITLE:

MRA URD III

DATE PREPARED:

11/04/2005

OBJECTS OF EXPENDITURES		ACTIVITY - RELOCATION	ACTIVITY - PLANNING & PAYMENTS	ACTIVITY - CLEARING & MANAGEMENT	ACTIVITY - DEMOLITION	ACTIVITY - CTEP & CMAQ	ACTIVITY - NO.:
NUMBER	DESCRIPTION	NO.: 470250	NO.: 470260	NO.: 470270	NO.: 460436	NO.:	
100	PERSONAL SERVICES						
110	Salaries and Wages						
120	Overtime/Termination						
130	Other						
140	Employer Contributions						
	TOTAL PERSONAL SERVICES						
200	SUPPLIES						
210	Office Supplies						
220	Operating Supplies						
230	Repair/Maintenance (not gas)						
231	Gasoline						
240	Other Supplies						
250	Supplies For Resale						
	TOTAL SUPPLIES						
300	PURCHASED SERVICES						
310	Communications						
320	Printing & Duplicating						
330	Publicity,Subscriptions,Dues						
341	Electricity & Natural Gas						
343	Water Charges						
344	Telephone Service						
345	Garbage						
350	Professional Services						
360	Repair & Maintenance						
370	Travel						
380	Training						
390	Other Purchased Services						
	TOTAL PURCHASED SERVICES						
				10,000			
400	Building Materials						
500	Fixed Charges						
700	Grants and Contributions						
820	Transfers To Other Funds						
840	Contingency						
	TOTAL MISCELLANEOUS						
				25,000	100,000		
600	DEBT SERVICE						
900	CAPITAL OUTLAY						
920	Lands & Buildings						
930	Improvements						
940	Machinery & Equipment						
	TOTAL CAPITAL OUTLAY						
	--TOTAL DEPARTMENT--						
				35,000	100,000		

BUDGETED SOURCES AND USES OF FUNDS
URBAN RENEWAL DISTRICT III

Prepared: 10/17/2005

USES OF FUNDS	
EXPENDITURES	<u>661,347</u>
INTERFUND TRANSFERS OUT	<u>75,000</u>
PROJECTED END-OF-YEAR CASH ON HAND	<u> </u>
TOTAL FUNDS REQUIRED	<u>736,347</u>

SOURCES OF FUNDS	
CASH ON HAND	<u>256,350</u>
TAX INCREMENT REVENUE / OTHER REVENUE	<u>479,997</u>
INTER-FUND TRANSFERS IN	<u> </u>
TOTAL NON-TAX SOURCES OF FUNDS	<u>736,347</u>

DIFFERENCE BETWEEN USES AND NON-TAX SOURCES OF FUNDS - PROPERTY TAX REQUIREMENTS	<u> </u>
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NON-TAX REVENUES & TRANSFERS

Fund	Acct #	Account Name	FY 05			% of Budget	FY 06 Budgeted
			Budgeted	Actual as of 6/30/05	Variance		
7393	311011	Tax Increment	300,810	292,945	(7,865)	97%	474,997
7393	331050	CTEP Grants	-	-	-	N/A	-
7393	331060	NRTA - Grants	-	-	-	N/A	-
7393	331155	CMAQ Grants	-	-	-	N/A	-
7393	360000	Miscellaneous	-	-	-	N/A	-
7393	365000	Donations	-	-	-	N/A	-
7393	371010	Interest	300	5,087	4,787	1696%	5,000
TOTAL MRA URD III			301,110	298,032	(3,078)	99%	479,997

URBAN RENEWAL DISTRICT III FUND REVENUES

ACCOUNT #	ACCOUNT NAME	FY 04 BUDGET	FY 05 BUDGET	FY 06 BUDGET
7393-311011	TAX INCREMENT	86,730	300,810	474,997
7393-331020	GRANTS-NATIONAL RECREATIONAL TRAILS			
7393-331050	CTEP GRANTS			
7393-331155	CMAQ GRANT			
7393-360000	MISCELLANEOUS			
7393-361010	INTEREST	300	300	5,000
7393-365000	DONATIONS			
	TOTAL URD III	87,030	301,110	479,997

TAX INCREMENT BOND DEBT SERVICE FUNDS

The City Of Missoula issued its first tax increment bond in 1989 to finance \$3,000,000 of the cost of the downtown parking structure. The true interest cost (TIC) of this bond issue was 7.21%. This bond was refinanced in FY 1997 with an average coupon rate of 5.053%. A requirement of the bond issue covenants was that four separate funds be established to segregate the debt service process.

The final interest and principal payment for these tax increment bonds were made on June 30, 2005. The following pages are provided for documentation purposes only and show the revenue received and interest earned on the debt service accounts in FY05.

BUDGETED SOURCES AND USES OF FUNDS
MRA TAX INCREMENT BOND DEBT SERVICE CLEARING FUND

Prepared: 09/26/2005

USES OF FUNDS

EXPENDITURES

INTERFUND TRANSFERS OUT

PROJECTED END-OF-YEAR CASH ON HAND

TOTAL FUNDS REQUIRED

SOURCES OF FUNDS

CASH ON HAND

NON-PROPERTY TAX REVENUE

INTER-FUND TRANSFERS IN

TOTAL NON-TAX SOURCES OF FUNDS

DIFFERENCE BETWEEN USES AND NON-TAX SOURCES OF FUNDS - PROPERTY TAX REQUIREMENTS

NON-TAX REVENUES & TRANSFERS

Fund	Acct #	Account Name	FY 05		% of Budget	FY 06 Budgeted
			Budgeted	Actual as of 6/30/05		
7394	311011	Tax Increment	1,909,071	1,966,953	57,882	103%
7394	335210	State P.P. Reimb. SB 417 & HB 20	69,186	68,538	(648)	99%
7394	335230	HB 124 Reimbursement	1,100,507	1,100,507	-	100%
7394	371010	Interest Earnings	-	-	-	N/A
7394	383014	Transfers from D/S funds	54,000	65,797	11,797	122%
TOTAL TIB Debt Service Clearing			3,132,764	3,201,795	69,031	102%

DEPARTMENT

BUDGETED SOURCES AND USES OF FUNDS
MRA TAX INCREMENT BOND DEBT SERVICE INTEREST FUND

Prepared: 09/26/2005

USES OF FUNDS

EXPENDITURES

INTERFUND TRANSFERS OUT

PROJECTED END-OF-YEAR CASH ON HAND

TOTAL FUNDS REQUIRED

SOURCES OF FUNDS

CASH ON HAND

NON-PROPERTY TAX REVENUE

INTER-FUND TRANSFERS IN

TOTAL NON-TAX SOURCES OF FUNDS

DIFFERENCE BETWEEN USES AND NON-TAX SOURCES OF FUNDS - PROPERTY TAX REQUIREMENTS

NON-TAX REVENUES & TRANSFERS

Fund	Acct #	Account Name	FY 05 Budgeted	FY 05		% of Budget	FY 06 Budgeted
				Actual as of 6/30/05	Variance		
7395	371010	Interest Earnings		320	320	N/A	
7395	383014	Transfers from other funds	7,463	7,288	(176)	98%	
		TOTAL TIB Debt Service Interest	7,463	7,607	144	102%	

BUDGETED SOURCES AND USES OF FUNDS
MRA TAX INCREMENT BOND DEBT SERVICE SINKING FUND

Prepared: 09/26/2005

USES OF FUNDS

EXPENDITURES

INTERFUND TRANSFERS OUT

PROJECTED END-OF-YEAR CASH ON HAND

TOTAL FUNDS REQUIRED

SOURCES OF FUNDS

CASH ON HAND

NON-PROPERTY TAX REVENUE

INTER-FUND TRANSFERS IN

TOTAL NON-TAX SOURCES OF FUNDS

DIFFERENCE BETWEEN USES AND NON-TAX SOURCES OF FUNDS - PROPERTY TAX REQUIREMENTS

NON-TAX REVENUES & TRANSFERS

Fund	Acct #	Account Name	FY 05			% of Budget	FY 06 Budgeted
			Budgeted	Actual as of 6/30/05	Variance		
7396	371010	Interest Earnings	-	12,074	12,074	N/A	-
7396	383014	Transfers from other funds	-	-	-	N/A	-
		TOTAL TIB Debt Service Sinking	-	12,074	12,074	N/A	-

BUDGETED SOURCES AND USES OF FUNDS
MRA TAX INCREMENT BOND DEBT SERVICE RESERVE FUND

Prepared: 09/26/2005

USES OF FUNDS

EXPENDITURES	_____
INTERFUND TRANSFERS OUT	_____
PROJECTED END-OF-YEAR CASH ON HAND	_____
TOTAL FUNDS REQUIRED	<u>1,837</u>

SOURCES OF FUNDS

CASH ON HAND	_____
NON-PROPERTY TAX REVENUE	_____
INTER-FUND TRANSFERS IN	_____
TOTAL NON-TAX SOURCES OF FUNDS	<u>1,837</u>

DIFFERENCE BETWEEN USES AND NON-TAX SOURCES OF FUNDS - PROPERTY TAX REQUIREMENTS

NON-TAX REVENUES & TRANSFERS

Fund	Acct #	Account Name	FY 05 Budgeted	FY 05 Actual as of 6/30/05		% of Budget	FY 06 Budgeted
				Variance			
7397	371010	Interest Earnings	-	1,837	1,837	N/A	-
7397	383014	Transfers from other funds	-	-	-	N/A	-
		TOTAL TIB Debt Service Reserve	-	1,837	1,837	-	-