

MISSOULA REDEVELOPMENT AGENCY

CONDENSED BOARD MEETING MINUTES

December 9, 2010

DRAFT

A **Special** meeting of the Board of Commissioners of the Missoula Redevelopment Agency was held at MRA Conference Room, 140 W. Pine, Missoula, MT 59802 at 9:30 am. Those in attendance were as follows:

Board: Hal Fraser, Nancy Moe, Rosalie Cates, Karl Englund

Staff: Ellen Buchanan, Chris Behan, Kari Nelson, Tod Gass, Lesley Pugh

Public:

APPROVAL OF MINUTES

PUBLIC COMMENTS & ANNOUNCEMENTS

Behan mentioned that Ken Ault is starting a housing project on California St. and will be in at a later date to ask for assistance.

ACTION ITEMS

Front St. Parking Structure Tax Increment Bond Capacity – Request to Amend Development Agreement

Buchanan said she explained in her memo that the original numbers used for tax increment to pay for 125 parking spaces at \$17,000/space did not include the cost of land. When their financial advisors ran the numbers to make it a marketable deal, they made an assumption that a portion of the cost of the land was incorporated to support the 125 spaces. She said with the added land costs it made MRA have 40% of the total bond issue. What that did was bring the overall coverage above 1.50% which makes the bond more marketable. Discussion ensued.

Englund asked what the interest rate will be. Buchanan said they're being sold as taxable bonds but there's a 45% rebate of the interest from the federal government, so the effective rate of them is 3-4%. She said that's still cheaper than tax exempt bonds.

Cates asked where the accounting is staffed. Buchanan replied Lee will work on it for MRA, but it's ultimately housed in the Finance Department because the City manages MRA's accounts. She asked if there was any liability for the MRA Board to consider. Behan said it's ultimately the City's responsibility and Lee will do all the watching and double-checking. He said Brentt Ramharter, Finance Director, has been in on the discussions and it's no more complicated than other bonds they've done.

MOTION

ENGLUND: I MOVE THAT WE APPROVE AN AMENDMENT TO THE DEVELOPMENT AGREEMENT BETWEEN MRA, THE CITY, MISSOULA PARKING COMMISSION, AND FIRST INTERSTATE BANK TO INCREASE THE AMOUNT OF BONDING SUPPORTED BY TAX INCREMENT REVENUE TO AN EVEN \$3,000,000. Cates seconded the motion. 4 ayes, 0 nays. Motion passed unanimously. Kemmis absent.

Director's Approval Limit – Request for Special Limit for Silver Park Project

Buchanan said several meetings ago the Board agreed to increase her approval limit on the Silver Park project to \$10,000 from \$5,000. This change needs to be done formally.

MOTION

ENGLUND: SO MOVED. Cates seconded the motion. 4 ayes, 0 nays. Motion passed unanimously. Kemmis absent.

ADJOURNMENT

Meeting adjourned at 10:15 am.

Respectfully Submitted,



Lesley Pugh
Secretary II