Missoula Redevelopment Agency Board
Agenda

Date: February 26, 2021, 12:00 PM

Location: ZOOM Webinar

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MISSOULA REDEVELOPMENT AGENCY

CONDENSED BOARD MEETING MINUTES

January 21, 2021

DRAFT

A Regular meeting of the Board of Commissioners of the Missoula Redevelopment Agency was held on Thursday, January 21, 2021 via Zoom at 12:00 p.m. Those in attendance were as follows:

Board: Karl Englund, Nancy Moe, Ruth Reineking, Melanie Brock, Tasha Jones

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

Public: Dale Bickell, City of Missoula Chief Administrative Officer; Jaeson White, City of Missoula Chief of Police; Joe Easton, Jackson Contractor Group; Stephen Thomas, Jackson Contractor Group; Brent Reimer, RBH Investments; John Corwin, Missoula Downtown Partnership; Gwen Jones, City Council; Missoula Access Community Television (MCAT)

CALL TO ORDER
12:05 p.m.

APPROVAL OF MINUTES
December 17, 2020 Regular Board Meeting Minutes were approved as submitted.

PUBLIC COMMENTS AND ANNOUNCEMENTS
Englund asked for the numbers to be shown to call in for public comment. There were no public comments.

ACTION ITEMS
Police Facility Upgrades – 101 North Catlin (URD II) – TIF Request *(Buchanan)*
Buchanan presented this request from the City of Missoula Police Department. She said it is a request to fund some renovations to the facility that the City bought a few years ago at 101 North Catlin Street. It is mainly used as a Police Evidence Building and houses detectives and patrol officers. One of the things that has been lacking in the Police Department is adequate shower and changing facilities. Patrol officers are exposed to a lot of things they would probably prefer not to be exposed to under normal circumstances; with COVID-19 amongst us it has become even more of an issue and concern. Officers are having to go home to change clothes if there is something that causes that to happen during shift or they are having to go home at the end of their shift, potentially with the virus as a

contaminant. Buchanan said the need for lockers, a changing area, and at least one shower become that much more pronounced. Staff talked about bringing this to the Board shortly before the end of last year and she suggested the Police Department put the work out to bid so they have real numbers. It turns out that the numbers are a lot better based on bids than what the architect's estimates were.

Buchanan said this request is for renovations to the building itself which would provide shower facilities, locker and changing rooms, and some external security measures. Right now there are portions of the building that are accessible to the public that Police Chief Jaeson White would like to have secured through fencing and an electric gate. The base bid is $162,171, with a 10% contingency, an allowance for lockers of $30,000, and professional services fees for MMW Architects of $24,950. This is a publicly owned/City owned building and is eligible for use of TIF funds for physical improvements to the building. MRA also helped pay for the purchase of this property in 2018. MRA committed $1 million to be used for debt service at $250,000/year for four years.

Police Chief White thanked the MRA Board for considering their request. He said the 101 North Catlin building does not have a shower facility or locker room/changing facilities. The officers are required daily to come to work in their uniform in their personal vehicle, complete their shift and go home without the ability to change into civilian attire, get out of their uniforms, or be able to use a shower facility to clean up. This has really become an issue with COVID-19 in particular, but even before that they still struggled. The officers encounter biohazards and go on scene where there is drug paraphernalia and drugs. They get all of that material on their uniforms and don't have the ability to get clean before going home and dragging those hazards to their own residences and subjecting their families to some of the hazards they face at work. This request is a true health and safety request for the officers and their families in order to be able to get clean when they need to during the course of their work, and be able to change in and out of uniforms at the beginning and end of their shift.

Chief White spoke to the external security measures. He said the building is the Police Department's evidence facility. Having two unsecured doors provides direct public access to a sensitive area, where they keep all the evidence for criminal prosecutions. If they had a breach of that facility they could be jeopardizing not only the safety of employees, but also the entire criminal justice system by having someone from outside get access to the building. It would also allow them to more securely store their vehicles, which also have a lot of sensitive material in them. They would like to keep the vehicles in a secured lot that is not accessible to the general public.

Buchanan said the Budget Report shows an excess of $800,000 in URD II. There is adequate cash to fund this request and still have plenty of capacity for other projects as they get closer to the end of the Fiscal Year. Buchanan added that MRA only pays for what the expenditures are, and this request has a 10% contingency and locker allowance which could move around a little bit.

Jones asked how many law enforcement officers and staff utilize that building. Chief White said the Police Department has 116 uniformed members, and 90% of the department works out of this facility. He added that there are not lockers or shower facilities at the main facility on Ryman Street either. Jones said she supports this whole-heartedly. She finds it embarrassing that Missoula's public servants, who are exposed to much in their job, don't have basic hygiene facilities.

Moe said she also supports this. She asked about adequacy because of the number of police officers that would be using the new shower/lockers. She said there has been some discussion in the community about auxiliary services provided by people who may assist the police in certain situations. She asked if the facilities will be available to those individuals also. Chief White said that is the Mobile Crisis Team. They are run through the Fire Department and have access to their facilities. Moe asked if the A/E Contract item is the MMW Architects contract and if it is an actual charge. Chief White said yes. Moe asked if there are additional fees to be anticipated from MMW Architects. Chief White said no.

Reineking referred to Chief White's memo that was attached to Buchanan's memo. It says "We believe this design will meet the needs of the Department for the time being…." She asked for expansion on what that means. Chief White said they don't have space to add more than one shower in that facility. It will be a co-ed, single-use so officers will need to get shower in a rotation versus having dedicated male and female locker rooms with showers. He said the locker room square footage is sufficient at this time, but as the department continues to grow they could run into not having enough lockers to support the officers. Reineking asked if the inadequacy may be more related to the lockers than to the showers. Chief White said he would prefer to have a shower room that is attached to the locker room on both sides, but they just can't physically do that at this facility. There are some other considerations about where City services are going to be housed and they will have those conversations. Reineking said she read in the Missoulian about potential shift changes and perhaps that will ease some of the use. Chief White said they are going from three shifts to four shifts. There will only be seven officers coming off shift at once, so that will help with that volume issue, versus the current schedule where they have 15+ officers coming off shift at the same time. Reineking said she'd like to think that not all of the officers are exposed to biohazards every day. Chief White said that is their hope, but nonetheless, the ability to get out of their uniform so they can get into street clothes to go home is ideal. Reineking asked if they have to take their uniforms home to clean themselves. Chief White said yes. He has had numerous conversations with officers and their significant others about incidents where officers have gone to some pretty bad calls and have a lot of biohazard on their uniforms and have to drag them home.

Brock thanked Chief White for keeping male, female and non-binary officers in mind with the design incorporation. She said she supports this project.

Englund recused himself from voting on this Action Item. He represents the Police Department Union. He said the idea of having a shower and locker room facility has been something that the Union has asked for for many years in negotiations. In light of that, he said he feels it is best to recuse himself from the vote. He added that he and Chief White have been working on the new schedule with employees for a while and is happy to see that it got done. A study shows that the efficiency increase is remarkable.

REINEKING: I MOVE THE MRA BOARD APPROVE THE STAFF RECOMMENDATION TO FUND RENOVATIONS TO THE POLICE FACILITY LOCATED AT 109 NORTH CATLIN IN AN AMOUNT NOT TO EXCEED $233,718 WITH THE UNDERSTANDING THAT THE CITY WILL BE REIMBURSED FOR THE IMPROVEMENTS UPON COMPLETION OF THE WORK, THE ISSUANCE OF A CERTIFICATE OF OCCUPANCY, LIEN WAIVERS AND OTHER DOCUMENTATION AS REQUIRED AND AUTHORIZE THE EXECUTION OF A MEMORANDUM OF UNDERSTANDING BETWEEN MRA AND THE MISSOULA POLICE DEPARTMENT.

Moe seconded the motion with the understanding that the documentation is the documentation that MRA requires for pay out on the request.

REINEKING: I ACCEPT.

Dunn posted the information for the public to call in and comment.

Englund and Chief White discussed the shift change. Englund said officers bid for which shift they would be on for six months at a time. It hasn't been done in Missoula before and one of the concerns was how long that process would take. Chief White said they got it done in 24 hours.

No further discussion. No further public comment.

Motion passed unanimously (4 ayes, 0 nays, 1 abstention with Englund recusing himself).

Horizon Credit Union – 1502 Dearborn Avenue (URD III) – TIF Request *(Marchesseault)*

Marchesseault said staff received an application for Façade Improvement Program (FIP) and Tax Increment Financing (TIF) assistance for a project at 1502 Dearborn Avenue, formerly Fat Cat Restaurant and Casino. She noted that MRA has recently made other improvements in this neighborhood including the Fine Line Building, Les Schwab, Dairy Queen, and Three Rivers Pediatric Dental. She said the old Fat Cat building was built in the 1970s and is very dated. The applicant is doing a gut renovation to separate the building into two separate businesses. The north end will be occupied by Horizon Credit Union and the developer, RBH Investments, is still seeking a tenant for the south end. There is patio space there that would nicely accommodate a restaurant.

Marchesseault said the applicant is proposing to do façade work in addition to the interior renovations. Without MRA assistance they would do some façade work, but they would retain some portions of the metal awning, repaint the concrete masonry unit (CMU) brick, and partially remove some of the parapet wall. With MRA assistance, they would be able to take down all of the metal awning, remove the whole parapet wall, include new metal siding over the CMU, and upgrade windows. Staff feels this would significantly update this facility. The FIP allows up to $50,000 in a grant, or 25% of the overall cost of the façade improvements, whichever is less. [Post meeting note: The FIP program allows up to 25% of the **total** project cost, or $50,000, whichever is less.] The estimate for the façade improvements being proposed are a little over $215,000; $50,000 would be 23% of that.

[Post meeting note: $215,000 represents approximately 11% of the total project cost.] Marchesseault said the overall investment that RBH Investments are putting into this building is a little over $2 million and that number includes both the interior and exterior renovations. If the Board were to approve the request, the ratio of public to private funding would be 1:30, well below the recommended ratio of 1:10.

Marchesseault said because of where the project is located, staff did take a look with regard to Design Excellence. It sits on the Brooks Corridor which is within one of the Design Excellence corridors and is near a node. The project has gone through Design Excellence review and has obtained approval. Staff feels that what is being proposed is a really attractive façade and big upgrade to what is there now.

Marchesseault said staff also looked at the relationship to what is very conceptually being proposed in the Brooks Street Corridor Transit-Oriented Development Infrastructure Study. There is the potential that the alley to the north of this building could be closed in the build-out of the Brooks Corridor TOD concept, but that would not affect the operation of this facility. Staff feels that the proposed improvements fit within whatever long-term planning is envisioned for this area. Staff is recommending the Board approve $50,000 in a FIP grant and $13,607 in TIF assistance for site improvements. The site improvements would be in places where the public right-of-way (ROW) interfaces with the private site.

Joe Easton, Jackson Contractor Group, said they are the general contractor on this project. Stephen Thomas, Jackson Contractor Group, is the Project Manager who will be leading the actual construction of the project. Easton introduced Brent Reimer, RBH Investments, to speak to their project. Reimer said RBH Investments is excited about the opportunity to improve that part of URD III. When they purchased the building they were thinking about how to best make it presentable and update it. They have an opportunity with Horizon Credit Union to come in and work with them on that. He said but/for the MRA FIP grant, it would be hard for them to get all of the façade done that they would like, as well as all of the updates that need to be done. He said RBH Investments are very excited and want to see what they can add to the community.

Brock asked if Horizon Credit Union just has one branch now on Reserve Street, and this will be an expansion to a second. Reimer said yes. Brock said the design looks fabulous. She said she's been asked twice in the last 60 days if something is going to happen to the Fat Cat building, so she thinks Missoula is ready to see that parcel redeveloped. Reimer said that area needs improvement, and they are excited to do that.

Englund asked where RBH Investments are on their search for a second tenant. Reimer said right now they are working with Sterling Advisors on that. He said because it's gutted right now it is harder to present to any possible client at this point, but they have had a couple of serious inquiries. They are hoping to get a restaurant in there because it would be a neat little space for that. Englund asked if the viability of the project depends on them getting a second tenant. Reimer said it would help dramatically, but they are moving ahead with Horizon Credit Union regardless. He added it will help to have a warm shell done there for clients to see exactly what the potential is.

Reineking said she hopes if it is a restaurant it's something other than fast food; a place with a different menu than, for example, Dairy Queen next door. She is glad to hear they are renovating and not tearing the building down. She asked if RBH Investments has plans to recycle what they are removing. Reimer said yes, they are recycling everything they can. Thomas said there is roofing material they will reuse. Inside the building there are existing steel studs that came down when the interior was demolished and they plan to reuse those, as well as some ceiling tiles. They are going to try to prep and repair the asphalt that is currently there and keep everything on site. Until they tear up the asphalt to see what the subgrade looks like they really won't know how much they'll be able to reuse. However, Thomas expects they will be able to reuse the majority of it. Reineking asked if the asphalt on site will be reduced and/or if there are landscaping plans. Thomas said there are landscaping plans. They will try to keep the asphalt replacement to a minimum. It is in rough shape and when they do the construction his fear is that they will end up having to tear up more than they've anticipated. Reimer is aware of that and they budgeted to replace the whole parking lot, but will try to save as much as possible. Englund asked if they are reducing the square footage of the parking lot. Thomas said no. They are improving Americans with Disabilities Act (ADA) access and walkways. The approaches on the sidewalks are not up to code and the slopes of the sidewalks are fairly steep. This project will create better ADA parking spots and locations to enter and exit the building.

Reineking said she is glad they are conforming to the Design Excellence requirements. She said she assumes that includes a certain amount of landscaping and lighting for the public. She appreciates Marchesseault including consideration of the Brooks Corridor TOD concept.

Jones asked if RBH Investments has any plans to buy and renovate the building in front of Fat Cat. Reimer said they had dreams of being able to do that but it hasn't quite worked out yet. Jones said the trend of redevelopment in this area is a positive indicator that their project may stimulate another. She said she likes and supports this project.

Moe asked if there is anything in the facility's design that encourages daily recycling or recycling of materials by the businesses that move in. Thomas said not currently. They just started working with the interior designer of Horizon Credit Union and have not discussed that yet, but will definitely bring it up with them. Moe asked if this facility lends itself to solar panels. Reimer said they haven't approached that subject with Horizon Credit Union or anyone else, but it's not a bad thought. Moe asked Marchesseault if that was part of Design Excellence. Marchesseault said it is not. Buchanan pointed out that some of the Credit Unions in town are doing good loan rates for solar adaptation.

REINEKING: I MOVE THE MRA BOARD APPROVE A FAÇADE IMPROVEMENT PROGRAM GRANT TO RBH INVESTMENTS IN AN AMOUNT NOT TO EXCEED $50,000 FOR EXTERIOR RENOVATION OF THE BUILDING LOCATED AT 1502 DEARBORN AVENUE, AND TAX INCREMENT FINANCING REIMBURSEMENT IN AN AMOUNT NOT TO EXCEED $13,607 FOR IMPROVEMENTS WITHIN THE PUBLIC RIGHT-OF-WAY, WITH THE STIPULATION THAT REIMBURSEMENT WILL BE MADE AT THE CONCLUSION OF THE PROJECT UNDER SUBMISSION OF ANY REQUIRED LIEN RELEASES AND PROOF OF EXPENDITURES, AND AUTHORIZE THE CHAIR TO SIGN THE DEVELOPMENT AGREEMENT.

Jones seconded the motion.

Dunn posted the information for the public to call in and comment.

Jones asked if the property where the car wash used to be on Brooks Street is part of this project. Marchesseault said that is not part of the application that was submitted. Easton concurred and said it is owned by RBH Investments. Reimer said they do not have any plans for that property yet, but are open to suggestions. Buchanan asked how much the uncertainty around COVID-19 is entering into discussions as they look for potential tenants for the Horizon Credit Union building. Reimer said that is a big impact and he wonders, for that reason, if they will have a hard time finding a restaurant for that space. They do hope it will work out for somebody. Buchanan asked what the square footage is. Reimer said it's about 2,000 square feet. Brock said the food truck network is booming around Missoula. She said on any given day there are about 10 of them and they are adding more, so hopefully they can look at this as an incubator and maybe when spring/summer hits there will be a new wave of restaurants needing bricks and mortar.

Moe noted there are sufficient contingency funds in the District to fund this.

No further discussion. No further public comment.

Motion passed unanimously (5 ayes, 0 nays).

<u>MRL Property – 1919 North Avenue West (URD III) – TIF Request *(Buchanan)*</u>
Buchanan said this project is in reference to the MRL Property that was purchased by the City in 2017. When the City purchased it, they knew there were tenants on the property who owned their buildings but were leasing the land. The Sovereign Hope Evangelical Church (SHEC) was one of those entities. Camp Mak-A-Dream also owns their own building and are still operating out of there. When it became obvious that SHEC could not remain in that location with the redevelopment plans the City had for the area, they began looking for a new home for the church. That entity has two operations. One is the church. The other is gymnasium-type activities – mostly being offered because there was an existing gymnasium in the building they were occupying. Buchanan said SHEC has a sizeable congregation, but not a wealthy congregation. In 2018 they asked MRA for modifications to their lease and asked that MRA try to set a value on the buildings. Understanding that MRA wanted to help them find a new home, and then being able to accumulate finances, was critical to that. A local commercial appraiser looked at the buildings and came up with a methodology whereby they looked at what SHEC paid for the buildings when they purchased them, depreciated the value of those over time, and set a value of $46,500. At the same time, the City reduced their rental rate so that SHEC could begin to accumulate funds. Since that time, one of their parishioners bought the former Coca-Cola plant on 3rd Street and a space within that building to SHEC. It is currently being renovated. They had to put in a sprinkler system, along with other improvements they need to legally have church services there.

Buchanan said SHEC thought they would be out of their old space last summer, but that was delayed for several reasons including a delayed closing and delays in construction.

Therefore, SHEC still had a need for temporary space until March or April of this year, if things stay on the current schedule. They are now holding church services on Sundays in the old library on the Payne Block that was gifted to the City. SHEC is paying rent there and have vacated the space at 1919 North Avenue. In the meantime, the City was looking for space it could use for an emergency winter shelter. Buchanan said it was necessitated in great part by COVID-19 because the Poverello Center and Salvation Army had to reduce their populations for social proper distancing.The former SHEC building is one of the locations that is now housing less fortunate homeless people this winter.

Buchanan said MRA wanted to transfer the property to the City as quickly as possible. She said it gave her pause to have an emergency winter shelter being operated in a building owned by a church that had little or nothing to do with the operation of that center. The transaction has taken place, and the City now owns the buildings. The purchase was paid for out of a maintenance fund that was established initially by the rents generated by the MRL property buildings. As the City has acquired other properties the need for that maintenance money has increased, potentially with improvements needed in the old library building in order to lease that space out and keep it occupied until the City is ready to redevelop that block.

Buchanan said the City has requested that MRA cover the cost of acquiring the MRL property buildings so that the maintenance fund can be reimbursed in the amount of $46,500. She said there is more than adequate capacity in URD III. It will not be a burden on the District. It will allow the City and MRA a fair amount of flexibility in terms of having that maintenance fund available when unanticipated situations arise. The staff recommendation is that the Board approve the request of $46,500 for reimbursement to the City.

Moe asked if there are other buildings remaining on this site. Buchanan said there are. Moe asked what is going to happen with those and if MRA is going to be asked to purchase those as well. Buchanan said the only building that will still be on the site that is not owned by the City is the building that houses Camp Mak-A-Dream. It is their intention to continue to operate out of that building until the City is ready to redevelop those eight acres. The City has had conversations with them about actually accommodating them in whatever redevelopment happens there. They like the location and it is central enough to suit their needs. They have shoe-horned themselves into that building because it's what they have, but with the redevelopment they could actually have a space that is designed to work much more efficiently for them if they became part of a mixed-use development or redevelopment that occurs on the property. Buchanan said all of that remains to be seen. There is no pressure right now for Camp Mak-A-Dream to move out of where they are or for the City to purchase their building from them.

Moe said she is impressed with how agile and committed the City has been to putting the building to use for the homeless, and how SHEC appears to have been easy to work with. Buchanan said the City's working relationship with SHEC has been terrific. They are wonderful to work with and very appreciative of everything the City has done. Buchanan said it has worked out really well and they are getting into a place that they will be happy with. She said the winter shelter facility is actually part of SHEC's mission as they are part of Family Promise of Missoula. They have been providing services to homeless folks for many years.

Jones asked if the $46,500 is for the church structure that exists on the MRL Property. Buchanan said yes. Jones asked if those building parts and pieces would have some sort of resale value when the City is ready to redevelop that property. Buchanan said SHEC tried to find anyone who was interested in buying those buildings and moving/reusing them somewhere else. They were not successful, however that was a couple of years ago, and it may be that there is a user out there now. She said the buildings are metal and certainly can be recycled. There is value in scrap metal but it probably offsets the cost of deconstruction. The City's first effort would be to try and find a party that wants to reuse those buildings in another location. Englund asked if they can be moved or be deconstructed and reconstructed on a new site. Buchanan said they would have to be disassembled and reconstructed elsewhere.

Reineking congratulated the City on its creative work in putting everything together. She asked where the gymnasium users would be able to continue meeting. Buchanan said like most non-profit operations, they are pretty good at scrambling and finding another place to exist. She said it struck her how many of them there are and it is something to keep in mind as they go through the various planning processes for different areas and uses because there is a need for that type of space. Buchanan said one of the things staff knows from working with Parks & Rec is that there is a pressing need for gymnasium space. Englund asked if the building is suitable for Parks & Rec purposes. Dale Bickell, City of Missoula Chief Administrative Officer, said Parks & Rec has used that facility before so it is possible. He said once the pandemic is over and that facility is no longer needed for a winter shelter he thinks they would entertain City use, but also any of the non-profits as well. That added capacity will help the City keep that facility in use while master planning and redevelopment are done. Buchanan said as soon as the environmental assessment/remediation is done the City will be ready to do the necessary planning and start redevelopment, especially because of the pressure to get housing on the ground.

Jones asked if there are carrying costs going forward. Bickell said the carrying costs are related to maintenance of the facility. They are high now because of winter shelter operations, but in normal times it would mostly only include weed and snow removal, etc. He said the maintenance fund is adequate to cover those expenses now.

Moe referred back to Reineking's comments about the various non-profits using the gymnasium and where they may be able to have their activities. She asked if there are any plans for buildings that would facilitate that at the Fairgrounds. Buchanan said not that she is aware of.

Englund asked whether the purchase of the building and the cancellation of the lease means SHEC will be completely out of the property. Buchanan said that was correct. SHEC is currently doing services in the old library and then will transition in March or April to their new facility on 3rd Street at the former Coca-Cola plant.

MOE: I MOVE THE MRA BOARD APPROVE AN EXPENDITURE FROM URD III IN THE AMOUNT OF $46,500 TO REIMBURSE THE CITY'S PROPERTY MANAGEMENT FUND

FOR THE PURCHASE OF THE BUILDINGS FORMERLY OWNED BY THE SOVEREIGN HOPE CHURCH, LOCATED AT 1919 NORTH AVENUE WEST.

Brock seconded the motion.

Dunn posted the information for the public to call in and comment.

Reineking asked if staff has heard if anything else is happening at the former Coca-Cola property. Buchanan said she has not heard anything specific.

No further discussion. No further public comment.

Motion passed unanimously (5 ayes, 0 nays).

Front/Main Conversion to Two-Way (Front Street, Riverfront Triangle, Hellgate URDs) – Request to Issue RFP for Final Design *(Buchanan)*

Buchanan said this request is MRA being opportunist. The Front/Main Conversion to two-way streets has been a top priority in both Downtown Master Plans. The challenge has been funding. In 2014, MRA allocated funding for a feasibility study of the two-way conversion. MRA engaged HDR after a Request for Proposals (RFP) process. They worked with businesses, property owners and residents up and down that strip and created a conceptual plan for how that conversion would lay out. They did the traffic modeling necessary to examine what impact that conversion would have on the state routes it intersects with, which are Madison Street, Higgins Avenue and Orange Street. To a great extent, the study done with HDR was to help the Montana Department of Transportation (MDT) understand it would not degrade levels of service at those intersections, and to set it up as a project if funding became available, and to open this up if there ever was a need for pass-through federal funding through MRA's Urban Renewal Programs through the Missoula Metropolitan Planning Organization (MPO), that we would be able to access those. Buchanan said there just hasn't been any money to do this project. The only game in town right now are the URDs, and this is part of three different URDs. There is not adequate capacity to take it on until the Front Street URD really comes into its own in terms of revenues coming in from the big investments MRA has made.

Buchanan said there is a lot of speculation with the new administration in Washington D.C. that there will be an infrastructure bill within the first 100 days. It may be patterned somewhat like the American Recovery and Reinvestment Act (ARRA) money during the recession that the City was able to access to redo North Higgins Avenue from Broadway Street to the north. Buchanan said she would like to issue an RFP for design services to start doing the engineering on this so there can be a project much like the North Higgins Avenue project was during ARRA that is close enough to shovel-ready that the City can be competitive for any federal infrastructure funds. Today's request is to authorize staff to put together and issue an RFP for final design. Once there is a selection and staff knows what professional services for that will cost, staff will come back to the Board with a monetary request.

Jones said this is exciting. As a point of procedure, she asked if it really is something that the Board needs to vote on. Buchanan said it is a judgment call. She said typically when staff issues an RFP to something of this magnitude, the Board is asked to authorize staff to do that. Jones said she liked to hear about it, but wondered if it really is a voting issue or not.

Jones referred to Buchanan's memo stating there is adequate capacity currently available to fund the design process. She asked Buchanan if she had a ballpark sense of what the RFPs will come in at. She said she suspects the significant work that has been done around the conversion process would make this design process more efficient. Buchanan said yes, concept design is done. One of the variables is going to be how much public outreach is warranted at this point because things are always changing downtown. There are different players with respect to some of the properties and a majority of them are still the same. Public outreach for an engineering consultant can be pretty scary in terms of how to anticipate the amount of time it is going to take. Buchanan said there has been a second Downtown Master Plan completed which had a lot of engagement and included this conversion. It is one of the top recommendations of that Plan. She said the work HDR did in 2014 was somewhere around $120,000. She said it will be six figures for sure.

Jones asked if there has been public outreach related to the conversion on the past projects, and if there was any opposition to the conversion other than the short-term implications of a large construction project. Buchanan said yes, there have been people that have come to the Board and spoken, particularly with respect to the property around Kiwanis Park. That is one piece that will make it more extensive than just what is being done on Front and Main Streets and the intersections. She said it is a mess in terms of how to get in and out of Kiwanis Park. The folks in the condominium development on the Riverfront Trail have expressed concerns to the Board, City and MRA staff about what happens to their ability to get in and out of their neighborhood if Front Street becomes two-way. It has to be included in the contemplation around the conversion. There will be public outreach in that area that exceeds anything that has been done in the past. That end of the project is where the most concern has come from because there are some single-family residences that are owner occupied.

Moe asked if there is an assumption about the validity of the 2015 study, or will this result in a rewrite of that study. Buchanan said the 2015 study is the basis for what happens to Front & Main Streets and the intersections. She said the intersection of Madison Street and the intersection of Orange Street are the big challenges. The studies have been done to lay out the best way to do that and MDT is in our court in terms of impact on their system. Buchanan said the study will be a given unless there are some really good reasons to vary from it. It has been used to guide improvements along Front and Main Streets as private developments come on board. That was one of the reasons the City wanted to do it then. They didn't want to pay for something at one of the intersections that needed to be torn out when they finally got the funding to do the full conversion.

Moe asked about the timeline of this taking place. Will there will be a time limitation in the RFPs. Buchanan said the City wants to get it done as quickly as possible, especially if they want to position themselves to take advantage of any federal infrastructure funding that may come down the pike. It will be competitive and it will be internally competitive within Missoula, as was the ARRA funding. The City had its ducks in a row and got North Higgins Avenue done with that funding. There were ten other projects in the City that wanted to go after that funding. Moe confirmed they want to get it done as quickly as possible with public participation. Buchanan concurred. She said the public participation is not going to be lengthy or extensive. It will be very focused and detailed.

Englund asked for a run down of a schedule if the MRA Board approves it today. Buchanan said her "as soon as possible" means they need something tangible that will make them competitive for infrastructure funding. Real engineering has to start quickly once a contract is awarded. If the Board approves it today, staff will do its best to have an RFP out on the street in early February. That will give respondents two to three weeks to have their proposals in. Then staff will go through a selection process and it will come back to the Board in March. Staff will then be in a position to award a contract and get going on engineering. Englund asked what the order of magnitude of the contract would be. Buchanan said it will be a few hundred thousand dollars. There will be three URDs to pull from, and a new Fiscal Year starts July 1st. Staff is hoping for better numbers in the Front Street URD than in the last few years. Englund asked if the deliverable is something that gets built off of or is it more conceptual. Buchanan said they have the concept, so this is construction documents.

Brock said she is so happy to vote in favor of this. She thinks it is the best investment MRA can make in downtown Missoula in the next 20 years. She said she is happy to help move it along if needed. Brock thanked Buchanan for putting it on the agenda. Buchanan said this is one of those projects that is kind of an orphan when it comes to funding. There are lots of little places MRA can pull funding from, but unless they had super healthy URDs that this was going through, it has no home. She wants to get MRA in a position where it can go after anything that comes down the pike.

Englund said traditionally the MRA Board has always approved these big RFPs. He said Jones' point is well taken and doesn't necessarily know they have to under state law because MRA isn't writing checks. He said years ago there was some ambivalence on the Board, and they decided they needed to approve it to show the contracting community that they were serious about the process and not just putting out an RFP to see what came in. Jones said she wasn't being critical, just simply wanted to have that clarified. She said she wouldn't want staff to be delayed in pursuing something like this because they felt they needed to bring it to the Board. When there is a time sensitive issue like this, she would be very understanding to hear about it later.

Moe asked if there are other partners for the funding. Buchanan said if MRA can afford to do this without stressing the Districts, she would prefer to save those partners for any matching funds that might be needed once construction funding is figured out. If the numbers come in and they exceed the comfort level of the three URDs, MRA will definitely look to the Downtown Foundation, Business Improvement District (BID), and others to try to put together a funding package.

Gwen Jones, City Council, said Bryan von Lossberg, City Council President, asked her to pass on a message for him. Several constituents have contacted von Lossberg and Heidi West, who represent Ward 1, regarding the exit and entry onto Parsons and Hartman Streets. She said Buchanan already addressed this, but von Lossberg wanted to make sure the issue of residential access, if there is a conversion, is addressed in the RFP.

Buchanan said it will absolutely be front and center. Jones added she is in favor of the Front/Main Conversion.

BROCK: I MOVE THE MRA BOARD AUTHORIZE STAFF TO ISSUE A REQUEST FOR PROPOSALS TO ENGAGE A FIRM OR TEAM TO FINALIZE DESIGN OF THE FRONT AND MAIN STREET CONVERSION PROJECT BASED ON THE CONCLUSIONS AND DESIGN CONTAINED IN THE 2015 HDR REPORT, THE FRONT STREET/MAIN STREET TWO-WAY CONVERSION FEASIBILITY STUDY, ALONG WITH ANY ANCILLARY STUDY AREAS AND BRING A RECOMMENDATION BACK TO THE BOARD TO ENTER INTO A CONTRACT FOR PROFESSIONAL SERVICES.

Jones seconded the motion.

Dunn posted the information for the public to call in and comment.

No further discussion. No further public comment.

Motion passed unanimously (5 ayes, 0 nays).

NON-ACTION ITEMS

STAFF REPORTS

Director's Report

Moe asked for any comments on the Legislature that the Board should be aware of. Buchanan said there are a lot of bills that have "tax increment" in the title, but they do not have any substance yet. They seem to be place holders. Staff hasn't seen a lot of overt bills that are aimed at TIF. There is a bill out there that deals with the Business Equipment Tax that could have an impact on MRA's revenues. However, the bills are indirect at this point. Behan said there are several people combing the bills. The Mayor's Office is doing a good job of separating out key words, as well as MRA staff keeping an eye on it. He said so far it has been tangential, although there is finally some legislation regarding energy conservation loans through government operation that MRA would be interested in. Englund asked if the League of Cities and Towns is still a viable operation. Behan said it is still in effect. Right now it is a communication group and they have not met for quite some time. Buchanan said they still can be mobilized if needed. One of the things that came out of the working group for the League of Cities and Towns is that now they use each other as sounding boards and to circulate information. When COVID-19 hit, one of the big questions was if anyone figured out a way to use TIF to help keep local businesses in operation or shore up economic impacts. She said it has become a tool for things other than just the legislature.

Pugh updated the Board regarding the Communications Plan. She said Spider McKnight, Six Pony Hitch LLC, is currently conducting interviews with City Council members. She is compiling a list of other people in the community to interview. She is getting a lot of great information from her interviews and has already started a list of recommendations for MRA.

FY21 Budget Reports

Dunn said the beginning balances are audited numbers now and the auditors (Anderson Zurmuehlen) have all of MRA's information. They will come back to staff with a final report to review. They did request an extension on the audits for MRA, Missoula Parking Commission and the City regarding a circular being released on the CARES Act funding they were waiting for. She said they are shooting for that to be done at the end of January.

Buchanan said the North Reserve-Scott Street URD looks pretty anemic on paper. She said there is in excess of $1.3 million budgeted for Villagio Apartments that will not get expended for quite some time.

COMMITTEE REPORTS

OTHER ITEMS

ADJOURNMENT

Adjourned at 1:45 p.m.

Respectfully Submitted,

Lesley Pugh

Lesley Pugh

anderson ZURMUEHLEN

ANDERSON ZURMUEHLEN & CO., P.C. • CERTIFIED PUBLIC ACCOUNTANTS & BUSINESS ADVISORS
MEMBER: AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS

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To the Board of Commissioners
Missoula Redevelopment Agency
Missoula, Montana

We have audited the financial statements of the Missoula Redevelopment Agency (the Agency) for the year ended June 30, 2020. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated July 17, 2020. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices
Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Agency are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during fiscal year 2020. We noted no transactions entered into by the Agency during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the Agency's financial statements were:

- Management's estimate of the other postemployment benefit liability is based on an actuarial estimate which involves an estimate as of the value reported amounts and assumptions about the probability of events far into the future.
- Management's estimate of the net pension liability is based on actuarial amounts provided by the Plan and audited by the Legislative Auditor's Office.

We evaluated the key factors and assumptions used to develop these estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements are the disclosure of Pensions in Note 7 to the financial statements and the disclosure of Other Post Employment Benefits in Note 10 to the financial statements.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit
We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements
Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. No such misstatements were noted.

Disagreements with Management
For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations
We have requested certain representations from management that are included in the management representation letter dated January 29, 2021.

Management Consultations with Other Independent Accountants
In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Agency's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues
We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Agency's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

<u>Other Matters</u>
We applied certain limited procedures to management's discussion and analysis, the budgetary comparison schedule – special revenue funds, budgetary comparison schedule budget-to-GAAP reconciliation – special revenue funds, the schedule of changes in other post employment benefits liability and related ratios for the last ten fiscal years, the schedule of proportionate share of PERS net pension liability for the last ten fiscal years, and the schedule of contributions for the last ten fiscal years, which are required supplementary information (RSI) that supplements the basic financial statements.

Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the balance sheet- combining debt service, and the statement of revenues, expenditures and changes in fund balances – combining debt service, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We were not engaged to report on the debt service budgetary schedules, which accompany the financial statements but are not RSI. We did not audit or perform other procedures on this other information and we do not express an opinion or provide any assurance on it.

Restriction on Use

This information is intended solely for the use of Board of Commissioners and management of the Agency and is not intended to be, and should not be, used by anyone other than these specified parties.

Anderson Zurmuehlen + Co., P.C.

Missoula, Montana
January 29, 2021

MISSOULA REDEVELOPMENT AGENCY
(A Component Unit of the City of Missoula)

FINANCIAL REPORT

June 30, 2020

C O N T E N T S

MISSOULA REDEVELOPMENT AGENCY
(A Component Unit of the City of Missoula)
ORGANIZATION
Fiscal Year Ended June 30, 2020

Director

Ellen Buchanan .... Director

Board of Commissioners

Karl Englund .... Chair

Nancy Moe .... Vice-Chair

Melanie Brock .... Member

Ruth Reineking .... Member

Natasha Prinzing Jones .... Member

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INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
Missoula Redevelopment Agency
Missoula, Montana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of Missoula Redevelopment Agency (the Agency), a component unit of the City of Missoula, Montana, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions
In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Missoula Redevelopment Agency, as of June 30, 2020, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters
Required Supplementary Information
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 46, budgetary comparison information on pages 97 through 100, the schedule of changes in other post employment benefits liability and related ratios for the last ten fiscal years on page 101, the schedule of proportionate share of the PERS net pension liability on page 102, the schedule of contributions for the last ten fiscal years on page 103, and the notes to the required supplementary information on pages 104 and 105 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Agency's basic financial statements. The supplementary information presented on pages 106 through 109 is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The combining debt service balance sheet and combining debt service statement of revenues, expenditures and changes in fund balances are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

The debt service budgetary comparison schedules have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards
In accordance with *Government Auditing Standards*, we have also issued our report dated January 29, 2021, on our consideration of the Agency's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Agency's internal control over financial reporting and compliance.

Anderson Zurmuehlen & Co., P.C.

Missoula, Montana
January 29, 2021

The Missoula Redevelopment Agency (the Agency) is a component unit of the City of Missoula (the City). Its budget is prepared at the same time as the City Budget and undergoes review and approval by City officials as part of the City's budgeting process. Moreover, all expenditures of the Agency are reviewed and approved by the Missoula City Finance Office and the Missoula City Council.

The financial statements of the Agency are based on information provided by the Missoula County Treasurer and the City Finance Office. The Agency records are reconciled with the information prepared and maintained by the City.

Our discussion and analysis of the Agency's financial performance provides an overview of its financial activities for the fiscal year ended June 30, 2020. Please read it in conjunction with the Agency's financial statements and accompanying notes, which begin on page 47.

Financial Highlights

The following tables summarize the financial condition and operating results for 2020 compared to 2019:

	2020	2019	Increase (Decrease)
Current assets	$ 10,339,229	$ 10,706,389	$ (367,160)
Noncurrent assets	1,330,864	1,270,809	60,055
Total assets	11,670,093	11,977,198	(307,105)
Deferred outflows of resources	117,338	131,424	(14,086)
Total assets and deferred outflows of resources	11,787,431	12,108,622	(321,191)
Current liabilities	1,618,089	2,275,102	(657,013)
Noncurrent liabilities	39,564,611	41,146,681	(1,582,070)
Total liabilities	41,182,700	43,421,783	(2,239,083)
Deferred inflows of resources	61,060	32,993	28,067
Total liabilities and deferred inflows of resources	41,243,760	43,454,776	(2,211,016)
Net position			
Restricted for debt service	674,645	674,645	-
Unrestricted	(30,130,974)	(32,020,799)	1,889,825
Total net position	$ (29,456,329)	$ (31,346,154)	$ 1,889,825

Financial Highlights (Continued)

	2020	2019	Increase (Decrease)
REVENUES			
General revenues	$ 11,626,195	$ 8,350,636	$ 3,275,559
Total revenues	11,626,195	8,350,636	3,275,559
EXPENSES			
Housing and community development	7,971,135	17,460,601	(9,489,466)
Interest	1,765,235	1,491,349	273,886
Total expenses	9,736,370	18,951,950	(9,215,580)
Change in net position	1,889,825	(10,601,314)	12,491,139
NET POSITION			
Beginning of year	(31,346,154)	(20,744,840)	(10,601,314)
End of year	$ (29,456,329)	$ (31,346,154)	$ 1,889,825

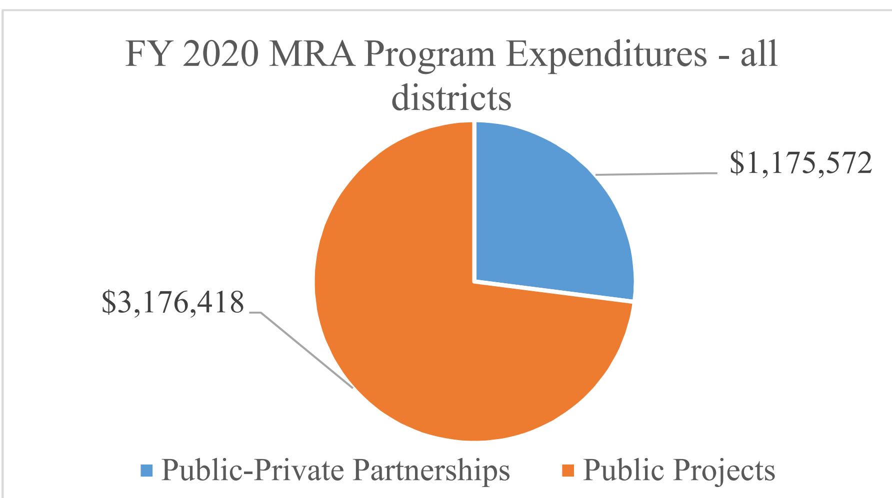
- During the year the Agency had revenues of $11,626,195 and expenses totaling $9,736,370 which resulted in an annual change in net position of $1,889,825, an increase of $12,491,139 compared to 2019.
- The Agency's revenues are derived primarily from Tax Increment Property Tax, State Personal Property Tax Reimbursements, State Entitlements, and Investment Earnings. Small amounts of revenue are received from other miscellaneous sources. The Agency's fiscal year 2020 revenues were $3,275,559 higher than in fiscal year 2019.
- Public/Private Partnership expenditures in fiscal year 2020 are as follows:

Big Dipper South - 2700 Paxson	$ 43,986
Cornerstone Dental - 3111 Grant Street	50,000
Fine Line Building - 2505 S Russell St	50,000
Levasseur Street Townhomes - 310 Levasseur Street	184,914
Radius Gallery - 120 North Higgins Avenue	146,888
Scott Street Village - Phase II-III	44,007
South Crossing - NE Parcel - 3620 Brooks Street	64,822
Stockman Bank - 3601 & 3611 Brook Street	268,716
The ROW at Milwaukee Way - 201 S Catlin Street	122,239
The Trail Head - River Sports - 2505 Garfield	150,000
Westside Lanes - 1615 Wyoming Street	50,000
Total	**$ 1,175,572**

Financial Highlights (Continued)

- Public projects funded solely or in part with tax increment funds in fiscal year 2020 are as follows:

2019 URD III Street Tree Project	$ 4,200
Bitterroot Trail - Pine Street Link	349,194
Brooks Corridor TOD Infrastructure Study	3,644
Clark Fork Riverbank Stabilization	2,555
Dragon Hollow Playground	50,000
Housing Policy Implementation	30,000
Max Wave	5,000
Missoula Public Library - New Building	75,000
MRL Park - Construction	27,041
North Riverside Parks & Trails Master Plan	5,000
Opportunity Zone - Special Initiative Project	50,000
Police Facility on Catlin - Acquisition Assistance	250,000
Scott Street Property - Due Diligence	31,200
Silver Park - Public Art - Lighting	17,524
Sleepy Inn - 1427 West Broadway	1,099,272
Traffic Signal Box Art - Wyoming & Russell Streets	1,500
URD II - 2nd & 3rd St Sidewalk	198,930
URD III - Northern Sidewalk	231,791
West Broadway Island - 2019 Improvements	83,017
Wyoming Street Reconstruction - Prince to California	661,550
Total	**$ 3,176,418**



- The Agency also paid out $1,513,792 in principal, $1,765,235 in interest and $428 in miscellaneous expenses for a total of $3,279,455 in debt service payments.

Using This Report

This audit report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities are government-wide statements, which are required by GASB Statement 34. These statements report on all of the Agency's activities and are on a full-accrual basis. They are intended to present a long-term view of the Agency's finances.

The Balance Sheet and Income Statement (Statement of Revenues, Expenditures and Changes in Fund Balances) are considered fund financial statements, which are financial statements that report on one or more funds (governmental funds) of the governmental entity. These statements are on a modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. Governmental funds are used to account for the acquisition, use, and balances of expendable financial resources and the related current liabilities. Governmental funds include general funds, special revenue funds, debt service funds, and capital project funds.

The fund financial statements tell how the Agency's redevelopment activities were financed in the short term as well as what remains for future redevelopment. Also, these statements report the Agency's operations in more detail than the government-wide statements by providing information about the Agency's most significant funds.

About the Agency

Two of the most important questions asked about the Agency are, "How well did the Agency respond to redevelopment opportunities in the past fiscal year?" and "What ability will it have to respond to future redevelopment opportunities?" The Statement of Net Position and the Statement of Activities report information about the Agency as a whole and about its activities. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

You can think of the Agency's net position (the difference between assets and liabilities) as one way to measure the Agency's financial health, or financial position. Over time, increases or decreases in the Agency's net position are one indicator of whether the Agency has been responding to redevelopment opportunities at a level equal to, above, or below its annual revenue. When reviewing the Agency's overall financial position, however, other non-financial factors should also be considered such as changes in the property value assessment formula, which is determined by the State legislature, the total mills levied by the taxing jurisdictions, appeals by property owners and resulting adjusted taxable values in certain cases, and whether the Agency has sold bonds to assist a redevelopment project.

About the Agency (Continued)

The fund financial statements provide detailed information about the most significant funds, not the Agency as a whole. The Agency had six urban renewal districts (URDs) active in fiscal year 2020 and each has its own development fund. Approved by City Council following the processes set forth in state law, the table below shows a history of each district's study of blight, plan adoption, original sunset date and any debt instruments in the district that would adjust a sunset date. All of the districts derive a majority of their revenue from tax increment provisions allowed by State law. Tax increment is a portion of the property taxes normally collected by the County for each district; it is not its own "tax". The Agency does not levy a tax against the property in the urban renewal districts. After tax payments are collected by the County, the tax increment portion for each district is transferred to the City and deposited into the respective urban renewal districts' development fund. These funds in turn provide money for the Agency's redevelopment programs: Tax Increment Financing (TIF), Commercial Rehabilitation Loan Program (CRLP), the Code Compliance Assistance Program (CCP) and the Façade Improvement Program (FIP). The TIF program is provided for by State law. The other three programs, CRLP, CCP and FIP, are redevelopment programs approved by the Agency's Board and/or Missoula City Council as allowed by State law.

Original Declaration of Blight – January 23, 1978 – City of Missoula Resolution # 3737
Agency created – May 22, 1978 - Resolution #3779
Authorized Power to Use Tax Increment – May 22, 1978 - Resolution #3778

District	Declaration of Blight	Resolution #	Plan Adopted	Ordinance #	Base Year	Base Value	Original Sunset Tax Year	Bonds and Debt Instruments	Sunset Date
URD I	January 23, 1978	3737	December 18, 1978	Resolution #3866*	1978	$973,988	1998	Central Park 1989; Refunding 1997	6/30/2005
URD II	September 16, 1991	5210	December 16, 1991	2803	1991	$1,859,823	2006	Millsite Lease 2006, Brownfields 2006, Safeway 2007, Intermountain 2013, Silver Park, et al 2013	6/30/2031
URD III	October 2, 2000	6370	December 11, 2000	3163	2000	$8,172,844	2015	South Reserve Pedestrian Bridge 2015, Mary Avenue East 2016, Mary Avenue West 2017, MRL Property 2018	6/30/2040
Front Street URD	August 20, 2007	7263	October 15, 2007	3359	2007	$1,413,035	2022	Park Place 2010-Refunding 2014, First Interstate Bank-Refunding 2017, ROAM 2017, Merc 2019	6/30/2043
Riverfront Triangle URD	May 7, 2007	7223	July 21, 2008	3380	2008	$157,858	2023	Stockman Bank 2019	6/30/2043
North Reserve-Scott Street URD	April 7, 2014	7865	August 25, 2014	3534	2014	$1,491,205	2029	Bretz, Consumer Direct, Scott Street Village Phase 1 2015, Scott Street Village - Phases 2 & 3 2017, Scott Street Property Acquisition 2020	6/30/2045
Hellgate URD	April 7, 2014	7865	August 25, 2014	3533	2014	$1,025,448	2029	none	6/30/2030

* A resolution was used to adopt the first plan. Subsequent plans were adopted by ordinance.

In sum, the government-wide financial statements provide a long-term view of the Agency's financial well-being, whereas the fund financial statements provide a detailed short-term view of the Agency's general operations, basic services and fund balances for future redevelopment. The relationship (or difference) between the government-wide statements (as reported in the Statement of Net Position and the Statement of Activities) and the fund financial statements (as reported in the Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balances) is explained in the reconciliations included in the financial statements section of this report.

Retirement Plans

As a component unit of the City, the Agency employees participate in the Montana Public Employees Retirement System (PERS). The Agency employees and the State of Montana contribute to the retirement plan. The retirement plan is administered by the State of Montana.

Capital Assets

Other than office furniture, equipment and computer-related assets, the only other asset associated with the Agency is a 2015 Dodge Grand Caravan. This vehicle was purchased through the City's procurement process for $24,576 and put into service on December 24, 2014. This asset is listed under the City's general capital assets account. All other physical assets or improvements to public assets through purchases, construction or partnerships undertaken by the Agency are owned by the City. Private assets created or improved as a result of projects developed in partnerships with private entities pursuant to urban renewal activities or programs of voluntary or compulsory repairs are assets of the private entities. As reported in the Statement of Net Position, the Agency's assets include cash and investments, taxes/assessments receivable (net), other receivables, and amounts due from other governments. The Agency complies with the City's Fixed Asset Management System with respect to tracking furniture, equipment and computer-related assets.

Current and Noncurrent Liabilities

The Agency has current and noncurrent liabilities. Current liabilities include accounts payable for project related expenditures, accrued wages, the current portion of the Agency's compensated absences (vacation hours) and the current portion of notes payable, and tax increment revenue bonds payable. Noncurrent liabilities include post-employment benefits, the long-term portion of the Agency's compensated absences (sick and compensatory hours), and the long-term portion of the notes payable, and tax increment revenue bonds payable.

Bonds and Notes Payable

Below is a summary list of the Agency's long-term debt. Amounts below indicate total principal amount at issuance. Current debt service requirements to maturity can be found under Note 5 to the financial statements starting on page 62.

1	Series 2006 $3,600,000 Millsite Lease Buy Out
2	Series 2006 $1,775,000 Brownfields Revolving Loan Fund Note
3	Series 2007 $1,500,000 Safeway/St. Pats Project
4	Series 2013 $5,750,000 URD II Silver Park, Railroad Trestle, Wyoming St
5	Series 2013 $1,753,500 Intermountain Project (Corso/The Source)
6	Series 2014 $2,864,000 2010 Front St Parking Refunding
7	Series 2015 $5,000,000 S. Reserve St Pedestrian Crossing
8	Series 2015 $1,364,400 NRSS Projects (Bretz, Consumer Direct, Scott St Village)
9	Series 2016 $7,065,000 Mary Avenue East Improvements
10	Series 2017A $1,162,500 2010 FIB Note Refunding (taxable)
11	Series 2017B $277,500 2010 FIB Note Refunding (tax exempt)
12	Series 2017C $3,260,500 East Front Street - Public Parking
13	Series 2017A $1,600,000 URD III Mary Avenue West
14	Series 2017 $723,514 NRSS Scott Street Village - Phases II & III
15	Series 2018A $1,239,404 MRL Property - Taxable
16	Series 2018B $2,681,782 MRL Property - Tax-Exempt
17	Series 2019 $3,647,844 The Mercantile
18	Series 2019 $1,529,318 Stockman Bank

Bonds and Notes Payable (Continued)

Series 2006 - $3,600,000 – Millsite Lease Buy-Out
On August 6, 2006 the City of Missoula pursuant to Resolution 7120 approved the sale of $3,600,000 in tax increment revenue bonds related to the Old Sawmill District project in URD II. The bond terms are 25 years and therefore extend the life of URD II until 2031. The Series 2006 $3.6 million tax increment bonds received an AA rating from Standard & Poors; the first rating of a tax increment bond in the State of Montana.

Series 2006 - $1,775,000 – Brownfields Revolving Loan Fund Note
On August 10, 2006, the Missoula Revitalization Project LLC, the City of Missoula and the Agency entered into a Loan Agreement and Note with the Missoula Area Economic Development Corporation for a $1,000,000 loan, later increased to $1,125,000, from the Missoula Brownfields Revolving Loan Fund. Tax increment currently received from the Old Sawmill District property and the tax increment generated as a result of the environmental remediation and subsequent platting of the property was pledged to service the loan over the life of URD II. On December 14, 2009 the amount of the loan was increased to $1,525,000. On December 22, 2009 the terms of the Loan Agreement and Note were amended to defer paying principal until 2023. On July 2, 2012, pursuant to resolution 7712, the amount of the loan was increased to $1,775,000. The loan is now serviced by MoFi (formerly Montana & Idaho Community Development Corporation.)

Series 2007 - $1,500,000 – Safeway/St. Patrick Hospital Project
On October 15, 2007 the City of Missoula pursuant to Resolution 7286 approved the sale of $1.5 million in tax increment revenue bonds related to the Safeway/St. Patrick Hospital project in URD II. The bonds are secured by a first lien upon and pledge of tax increment revenues derived from the project.

Series 2010 - $3,000,000 & Series 2014 $2,864,000 Refunding – Front Street Parking Structure
On December 22, 2010 the City of Missoula pursuant to Resolution 7587 pledged $3 million in tax increment funds from the Front Street URD to the Missoula Parking Commission (the Commission) for payment of Parking Facilities Revenue Bonds issued to construct the Front Street Parking Structure. The pledged TIF was 1.35 times 40% of the average annual debt service of the $7.5 million Parking Revenue Bonds (Series 2010B) dated December 29, 2010. On April 9, 2014, the Commission redeemed the Series 2010B bonds and reissued $7,160,000 in Parking Facilities Revenue Refunding Bonds, Series 2014. This decision was made as a result of the reduction of approximately 8.7% in federal subsidy payments due to the sequestration. The Commission was receiving the subsidy as part of the government's direct-pay tax credit for eligible bonds. The Agency confirmed its pledge of tax increment to the Series 2014 Refunding Bonds in the principal amount of $2,864,000 in Resolution 7864, which was approved on April 7, 2014. The pledged TIF amount on these bonds is provided in two equal installments of $133,425. Excess increment will be returned to the Agency after the October 1st bond payment and is used to fulfill subordinate debt requirements.

Bonds and Notes Payable (Continued)

Series 2013 - $5,750,000 – Wyoming Street / MRL Trestle / Silver Park
On March 4, 2013 the City of Missoula pursuant to Resolution 7758 approved the sale of $5,750,000 in tax increment urban renewal revenue bonds in URD II to fund public improvements related to the extension of Wyoming Street, replacement of the MRL Trestle and construction of the City-owned park parcel known as Silver Park. The original purchaser of the negotiated sale bonds was First Security Bank, Missoula MT, a division of Glacier Bank. Per Montana Urban Renewal law, the bond term is limited to a final maturity date no later than the existing Series 2006 bond maturity date of July 1, 2031. The interest rate on the bond is 3.150% per annum. Principal and interest payments are due to the City's paying agent, US Bank, on January 1 and July 1, commencing January 1, 2014.

Series 2013 - $1,753,500 – Intermountain Site
On May 20, 2013 the City of Missoula pursuant to Resolution 7782 approved the sale of $1,753,500 in tax increment urban renewal revenue bonds in URD II to fund certain public improvements related to redevelopment of the former Intermountain Lumber Site along Russell Street. The projects on the site include a residential development known as Corso Apartment Homes and a fitness center known as The Source. The original purchaser of the negotiated sale bonds was First Security Bank, Missoula MT, a division of Glacier Bank. Per Montana Urban Renewal law, the bond term is limited to a final maturity date no later than the existing Series 2006 bond maturity date of July 1, 2031. The interest rate on the bond is 4.250% per annum. Interest is calculated on the basis of a year of 360 days composed of twelve 30-day months. Capitalized interest payments were payable from the bond funds on January 1 and July 1, commencing July 1, 2014. Thereafter, principal and interest payments are payable from tax increment generated by the projects to the City's paying agent, US Bank, on January 1 and July 1, commencing January 1, 2016.

Series 2015 - $5,000,000 – South Reserve Street Pedestrian Bridge
On November 16, 2015 the City of Missoula pursuant to Resolution 8022 approved the sale of $5,000,000 in tax increment urban renewal revenue bonds in URD III to fund the design and construction of a pedestrian bridge over South Reserve Street connecting the Missoula to Lolo Trail to the Bitterroot Branch Trail. The original purchaser of the negotiated sale bonds was First Security Bank Division of Glacier Bank, Missoula MT. The final maturity date is July 1, 2040. The interest rate on the bond is 4.350% per annum. An initial interest payment was due July 1, 2016 and thereafter, interest only payments are due on January 1 and principal and interest payments are due on July 1 payable from tax increment generated by URD III to the City's paying agent, US Bank, commencing January 1, 2017.

Bonds and Notes Payable (Continued)

Series 2015 - $1,364,400 – North Reserve/Scott St. (Bretz RV, Consumer Direct and Scott Street Village – Phase I)
On December 14, 2015 the City of Missoula pursuant to Resolution 8031 approved the sale of $1,364,400 in tax increment urban renewal revenue bonds in North Reserve/Scott Street (NRSS) URD to fund certain public improvements related to redevelopment of Bretz RV & Marine, construction of the new Consumer Direct office building and phase one of the Scott Street Village housing project. The bond was issued as senior subordinate debt to future public improvement bonds approved in the district. The original purchaser of the negotiated sale bonds was First Security Bank Division of Glacier Bank, Missoula MT. The final maturity date is July 1, 2035. The interest rate on the bond is 4.50% per annum. Capitalized interest payments were payable from the bond funds on July 1, 2016, January 1, 2017 and July 1, 2017. Thereafter, principal and interest payments are payable from tax increment generated by the NRSS district to the City's paying agent, US Bank, on January 1 and July 1, commencing January 1, 2018.

Series 2016 - $7,065,000 – Mary Avenue East - Infrastructure Improvements
On January 25, 2015 the City of Missoula pursuant to Resolution 8038 approved the sale of up to $7,100,000 in tax increment urban renewal revenue bonds in URD III to fund certain public infrastructure improvements related to the construction of an extension of Mary Avenue from the Bitterroot railroad line east through the Southgate Mall property to Brooks Street. This bond was issued on parity with the $5,000,000 South Reserve Street Pedestrian Bridge bond and closed on October 14, 2016 for the final amount of $7,065,000. The bond will be drawn down in five installments beginning with $3,000,000 drawn upon closing. The original purchaser of the negotiated sale bonds was First Security Bank Division of Glacier Bank, Missoula MT. The final maturity date is July 1, 2040. The interest rate on the bond is 4.350% per annum. An initial interest payment was due on July 1, 2017 and thereafter, interest only payments are due on January 1 and principal and interest payments are due on July 1 payable from tax increment generated by URD III to the City's paying agent, US Bank, commencing January 1, 2018.

Series 2017A - $1,162,500 – First Interstate Bank Note Refunding - Taxable
On December 19, 2016 the City of Missoula pursuant to Resolution 8126 approved the sale of $1,162,500 in subordinate lien tax increment urban renewal revenue and refunding bonds in Front Street URD to refund the Series 2010 First Interstate Bank Note. This bond Series 2017A was issued on January 12, 2017 for the refunding of the *taxable* portions of the Note and is subordinate to the Series 2014 Front Street Parking Structure Refunding Bonds. The original purchaser of the negotiated sale bonds was First Security Bank Division of Glacier Bank, Missoula MT. The final maturity date is July 1, 2041. The interest rate on the bond is 5.750% per annum. An initial interest payment was due on July 1, 2017 and thereafter, interest only payments are due on January 1 and principal and interest payments are due on July 1 payable from tax increment generated by Front Street URD to the City's paying agent, US Bank, commencing January 1, 2018.

Bonds and Notes Payable (Continued)

Series 2017B - $277,500 – First Interstate Bank Note Refunding – Tax Exempt
On December 19, 2016 the City of Missoula pursuant to Resolution 8126 approved the sale of $277,500 in subordinate lien tax increment urban renewal revenue and refunding bonds in Front Street URD to refund the Series 2010 First Interstate Bank Note. This bond Series 2017B was issued on January 12, 2017 for the refunding of the *tax-exempt* portions of the Note and is subordinate to the Series 2014 Front Street Parking Structure Refunding Bonds. The original purchaser of the negotiated sale bonds was First Security Bank Division of Glacier Bank, Missoula MT. The final maturity date is July 1, 2041. The interest rate on the bond is 4.500% per annum. An initial interest payment was due on July 1, 2017 and thereafter, interest only payments are due on January 1 and principal and interest payments are due on July 1 payable from tax increment generated by Front Street URD to the City's paying agent, US Bank, commencing January 1, 2018.

Series 2017C - $3,260,500 – East Front Street Student Housing *(ROAM)* – Public Parking
On December 19, 2016 the City of Missoula pursuant to Resolution 8126 approved the sale of up to $3,260,500 in subordinate lien tax increment urban renewal revenue and refunding bonds in Front Street URD to finance the acquisition of one floor of the parking created as part of a 488-bed student housing project. The parking will be owned and operated by the Missoula Parking Commission for public lease and day use. This bond Series 2017C was issued on January 12, 2017 and was to be drawn down in two installments; costs of issuance at the time of issue and the acquisition funds on May 31, 2018. Due to construction delays, the acquisition funds were not drawn down until fiscal year 2019. The original purchaser of the negotiated sale bonds was First Security Bank Division of Glacier Bank, Missoula MT. The final maturity date is July 1, 2041. The interest rate on the bond is 4.500% per annum. Interest only payments are due July 1 and January 1 commencing July 1, 2017 through January 1, 2019. Thereafter interest only payments are due on January 1 and principal and interest payments are due on July 1 payable from tax increment generated by Front Street URD to the City's paying agent, US Bank, commencing July 1, 2019.

Series 2017A - $1,600,000 – Mary Avenue West
On June 5, 2017 the City of Missoula pursuant to Resolution 8165 approved the sale of $1,600,000 in tax increment urban renewal revenue bonds in URD III to fund public infrastructure improvements related to the reconstruction of Mary Avenue west from the Bitterroot railroad line to Reserve Street. This bond Series 2017A was issued on parity with the $5,000,000 South Reserve Street Pedestrian Bridge bond and closed on June 22, 2017. The bond was completely drawn down at closing. The original purchaser of the negotiated sale bonds was First Security Bank Division of Glacier Bank, Missoula, MT. The final maturity date is July 1, 2040. The interest rate on the bond is 4.650% per annum. An initial interest payment is due on January 1, 2018 and thereafter, interest only payments are due on January 1 and principal and interest payments are due on July 1 payable from tax increment generated by URD III to the City's paying agent, US Bank, commencing July 1, 2018.

Bonds and Notes Payable (Continued)

Series 2017 - $723,514 – Scott Street Village – Phase II & III
On December 11, 2017 the City of Missoula pursuant to Resolution 8229 approved the sale of $723,514 in tax increment urban renewal revenue bonds in North Reserve-Scott Street URD to fund public infrastructure improvements related to the construction of phases II and III of a housing development called Scott Street Village by Edgell Building Incorporated. This bond was issued on parity with other senior subordinate debt in the district. Collectively these bonds would be subordinate to future public improvement bonds approved in the district. The original purchaser of the negotiated sale bonds was First Security Bank, Division of Glacier Bank, Missoula MT. The final maturity date is July 1, 2042. The interest rate on the bond is 4.750% per annum. Costs of issuance funds in the amount of $36,618 were drawn down at closing on December 21, 2017 with the remainder of $686,896 drawn down at project completion on November 1, 2018. An interest only payment is due on July 1, 2018 and thereafter principal and interest payments are payable from tax increment generated by the NRSS district to the City's paying agent, US Bank, on January 1 and July 1, commencing January 1, 2019.

Series 2018AB - $3,921,186 - MRL Property (Taxable $1,239,404; Tax Exempt $2,681,782)
On August 27, 2018 the City of Missoula pursuant to Resolution 8289 approved the sale of $3,921,186 principal amount of tax increment urban renewal revenue bonds, consisting of $1,239,404 Taxable Series 2018A and $2,681,782 Tax Exempt Series 2018B, to finance the acquisition of the MRL property (bound by South Avenue, North Avenue, Johnson Street and the Bitterroot Branch railroad line) and the undertaking of certain improvements thereto. Improvements included the Bitterroot Branch Trail extension design and construction and the MRL Park design and construction. This bond Series 2018A and Series 2018B was issued on September 13, 2018 and was drawn down immediately. The original purchaser of the negotiated sale bonds was First Security Bank Division of Glacier Bank, Missoula MT. The final maturity date is July 1, 2040. The interest rate on the Series 2018A Taxable bond is 5.250% per annum. The interest rate on the Series 2018B tax exempt bond is 4.375% per annum. Principal and interest payments are due January 1 and July 1 payable from tax increment generated by URD III to the City's paying agent, US Bank, commencing January 1, 2019.

Series 2019 - $3,647,844 – The Mercantile
On February 11, 2019 the City of Missoula pursuant to Resolution 8321 approved the sale of $3,647,844 in tax increment urban renewal revenue bonds in the Front Street URD to fund environmental remediation, deconstruction, select demolition, historic preservation and public infrastructure improvements related to the construction of The Mercantile building. The bond was issued on parity with other subordinate debt in the district and closed on May 10, 2019. The bond was completely drawn down at closing. The original purchaser of the negotiated sale bonds was Stockman Bank of Montana, Missoula, MT. The final maturity date is July 1, 2043. The interest rate on the bond is 4.00% per annum. Interest only payments are due January 1 and principal and interest payments are due July 1 payable from tax increment generated by the Front Street URD directly to the bond holder commencing January 1, 2020.

Bonds and Notes Payable (Continued)

Series 2019 - $1,529,318 – Stockman Bank Downtown
On March 11, 2019 the City of Missoula pursuant to Resolution 8325 approved the sale of a $1,529,318 tax increment urban renewal revenue Note in Riverfront Triangle URD to fund environmental remediation, demolition, burial of overhead power lines within the public right of way, and public infrastructure improvements related to the construction of a new Stockman Bank building. This Note Series 2019 was issued as subordinate debt to any future bonds issued in the district, unless designated as subordinate debt also. The bond was completely drawn down at closing on June 6, 2019. The original purchaser of the negotiated sale note was Stockman Bank of Montana, Missoula, MT. The final maturity date is July 1, 2043. The interest rate on the bond is 4.00% per annum. Interest only payments are due January 1 and principal and interest payments are due July 1 payable from tax increment generated by the Riverfront Triangle URD directly to the bond holder commencing July 1, 2019.

Refer to Note 5 on pages 62 through 78 for further information regarding the Agency's long-term debt including schedules of outstanding balances.

Revenues
In fiscal year 2020, the Agency received general and other revenues and did not generate any program revenue. Of the Agency's $11,626,195 total revenue reported in the Statement of Activities, 92% was tax increment funds received from property taxes. The next largest revenue source for the Agency is the State of Montana, accounting for 7%. This revenue comes in the form of State entitlement funds authorized under 2001 Legislative House Bill 124, Personal Property Reimbursements authorized under 2011 Legislative Senate Bill 372 and 2013 Legislative Senate Bill 96 and Public Employees Retirement System (PERS) contributions. The remaining 1% is $113,869 in miscellaneous revenue.

Expenses
In the Statement of Activities, most of the Agency's expenses are reflected under Housing and Community Development. Specifically, these expenses include project assistance under the Agency's redevelopment and rehabilitation programs and administrative costs such as personnel, office supplies and equipment. There was also $1,765,235 in interest expense paid on the Agency's outstanding bonds and notes.

Special Items, Contributions, Transfers, Other
When applicable, the Agency financially contributes its proportionate share towards City of Missoula activities that affect the Agency, such as purchase of new computer servers and software. In addition, the Agency may contribute to City projects undertaken by other departments within the URDs.

Special Items, Contributions, Transfers, Other (Continued)
The Agency contracts with the City of Missoula to provide administrative support as well as assistance from Engineering, Public Works, Finance, Parks and Recreation, and the Attorney's Office on various projects. The amount paid to the City also includes the Agency's pro rata share of the City's liability insurance coverage for errors and omissions and its pro rata share of General Fund transfers to the employee health benefits fund. The amount paid in fiscal year 2020 was $298,657 and was recorded under Housing and Community Development in the financials.

Administrative transfers between districts are done annually to reimburse the district that has paid the administrative expenses of the Agency. In fiscal year 2020, the administrative expenses were paid from URD III. The amounts transferred are based on the proportionate share of staff time spent working on projects in each district. Since tax increment is still limited (due to commitments to debt service, lack of redevelopment or low tax increment receipts) in the Front Street and Riverfront Triangle URDs, staff time spent on their creation and working on projects in those districts is still being tracked for future reconciliation of administrative expenses. The running total of amounts owed to URD III for administrative expenses at June 30, 2020 consisted of the following:

URD II	Front Street	Riverfront	NRSS	Hellgate
$ -	$ 951,954	$ 433,987	$ -	$ -

Tax Increment Remittance
Pursuant to Section 7-15-4291 of the Montana Code Annotated (M.C.A.), the City is authorized to enter into agreements to remit any portion of the annual tax increment not currently required for the payment of urban renewal costs, or pledged to the payment of the principal or premiums, if any, and interest on bonds. As part of the City's fiscal year 2020 budget, the City Council approved a tax increment remittance to the City of Missoula in the amount of $725,000. In accordance with M.C.A., the City must provide for the remittance to each taxing body for which the mill rates are included in the calculation of the tax increment for the applicable district(s) in an amount proportional to the taxing body's share of the total mills levied in the applicable district(s). Based on the City of Missoula's proportionate share of the total mills levied in fiscal year 2019, the total remittance for fiscal year 2020 was $2,728,175. The table below summarizes the tax increment remittance amounts distributed to each taxing jurisdiction.

FY 2020 Tax Increment Remittance Summary		
Taxing Jurisdiction		Remittance
Missoula Urban Transportation District		$ 111,637
State of Montana		119,751
Missoula County		536,662
City of Missoula		725,000
Missoula County High Schools		299,466
Missoula County for Countywide Schools		305,484
Missoula Elementary School District #1		493,074
Hellgate School District #4		137,101
Total		$ 2,728,175

Notes Receivable

$61,000 – The Women's Center
In fiscal year 2011, the Agency granted an interest-free loan to The Women's Center under the Façade Improvement Program for improvements to their building in URD III. The loan was executed in February 2011 for $61,000 repayable over ten years. Since this loan does not have a revenue generating component (interest), it was recognized as cash out and as a note receivable on the fund financial statements. Repayment of the note requires The Women's Center to remit $6,100 to the Agency by February 1 each year beginning in 2012. As of June 30, 2020, one payment remains on this note receivable.

$10,368 – Montana Mapping & GPS
In fiscal year 2014, the Agency granted an interest-free loan to Montana Mapping & GPS (now known as onXmaps) for facade improvements to their building located at 1925 Brooks Street in URD III. The loan was executed on May 22, 2014 for $10,368 repayable over ten years. Since this loan does not have a revenue generating component (interest), it was recognized as cash out and as a note receivable on the fund financial statements. Repayment of the note requires onXmaps to remit $1,037 to the Agency by May 1 each year beginning in 2015. As of June 30, 2020, four payments remain on this note receivable.

$62,000 – Glidewell Investments & Insurance Group (GiiG)
In fiscal year 2015, the Agency granted an interest-free loan to Glidewell Investments & Insurance Group (GiiG) for facade improvements to their building located at 1750 South Avenue West in URD III. The loan was executed on December 30, 2015 for $62,000 repayable over ten years. Since this loan does not have a revenue generating component (interest), it was recognized as cash out and as a note receivable on the fund financial statements. Repayment of the note requires GiiG to remit $6,200 to the Agency by October 1 each year beginning in 2016. As of June 30, 2020, six payments remain on this note receivable.

Mountain Water Company
In fiscal year 2012, the Agency entered into an agreement with the developer of the Bitterroot Town Homes, Collin Bangs. Whereas in exchange for tax increment financing used to extend a water main to the project, Mr. Bangs assigned to the Agency the reimbursements he would have received from Mountain Water Company for making the infrastructure improvements. The Mountain Water Company reimbursement program was authorized under State law and included providing reimbursements to developers for expenses to install, upgrade or extend water mains or fire hydrants. The program did not apply to service lines. Reimbursements occurred over a 40 year period. From that point forward, when the Agency approved tax increment financing for eligible Mountain Water Company infrastructure improvements as part of a project, the developer was asked to assign any reimbursements they would receive to the Agency. The reimbursements the Agency received did not include an interest component; therefore were recorded as cash out and as a note receivable on the fund financial statements. The City of Missoula acquired Mountain Water Company in 2017 and therefore the reimbursement program no longer exists. As part of the purchase agreement, the City is honoring all existing notes payable to developers and the Agency.

Notes Receivable (Continued)

Below is a summary of the Agency's current primary government notes receivable projects that included water main installations or upgrades or primary government infrastructure improvements that previously qualified for the reimbursement program and were assumed by the City of Missoula.

Project Name	Final Amended Contract	Total Payments to 6/30/20	Outstanding Balance as of 6/30/20	URD II	URD III	NRSS URD
Eaton Street (Bitterroot) Townhomes	$ 40,000	$ 9,000	$ 31,000		$ 31,000	
URD II Fire Hydrant Installation (2)	18,592	3,674	14,919	14,919		
URD III Fire Hydrant Installation (4)	35,397	7,124	28,273		28,273	
Western Montana Mental Health Center	64,915	12,983	51,932	51,932		
Russell Street (Corso) Apartments	130,179	22,781	107,398	107,398		
Wyoming Street	259,178	45,356	213,822	213,822		
South Crossing/Dore Lane	8,989	1,348	7,640		7,640	
South 1st Street West Fire Hydrant	14,394	1,799	12,595	12,595		
Bretz RV Fire Hydrant	9,919	1,240	8,679			8,679
Burlington Regent Fire Hydrant	7,479	935	6,544		6,544	
Consumer Direct	73,464	7,535	65,930			65,930
Total	$ 662,506	$ 113,775	$ 548,731	$ 400,665	$ 73,458	$ 74,609

Fund Balances and Transactions of Individual Governmental Funds

	URD I	URD II	URD III	Front Street
Beginning Balance 7/1/19	$ 44	$ 3,441,763	$ 3,061,845	$ 403,273
Ending Balance 6/30/20	44	2,218,789	3,724,045	647,780
$ Change	$ -	$ (1,222,974)	$ 662,200	$ 244,507
% Change	0%	-36%	22%	61%

	Riverfront Triangle	N. Reserve Scott Street	Hellgate	Debt Service
Beginning Balance 7/1/19	$ 202,839	$ 867,391	$ 133,758	$ 1,979,928
Ending Balance 6/30/20	291,126	1,141,830	451,976	1,981,136
$ Change	$ 88,287	$ 274,439	$ 318,218	$ 1,208
% Change	44%	32%	238%	0%

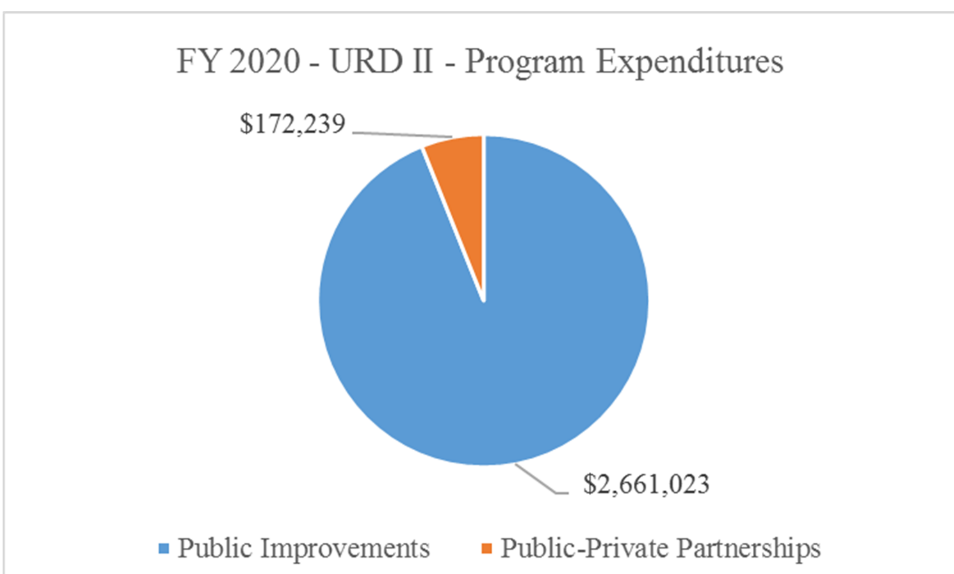
Changes in district fund balance are tracked from year to year. When revenues and transfers in exceed expenditures, remittances and transfers out, an increase in fund balance results. When expenditures, remittances and transfers out exceed revenues and transfers in, the opposite occurs and fund balance decreases. When a public project or a grant or loan to a public-private partnership is approved by the Board of Directors, the resulting expenditures may span several fiscal years (typical with public projects) or may not be paid out for several fiscal years (normal timing for a public-private partnership). Monies committed to public-private partnerships typically remain in the district fund until the project is complete and all requirements of the agreement have been met.

Fund Balances and Transactions of Individual Governmental Funds (Continued)

URD II saw a 36% decrease in fund balance in fiscal year 2020. This decrease can be attributed to another tax increment remittance to the taxing jurisdictions and several public improvement projects undertaken in the district. The district expended funds on 23 projects during the year; eight were public-private partnerships and 15 were public improvement projects. Total revenues into the district, net of the required amount for debt service, were $2,782,199. Total expenditures, tax increment remittances and transfers out were $4,005,173 and included $433,737 for administrative expenses (as a transfer out reimbursement to URD III), $738,174 in tax increment remittances and $2,833,262 for project related expenses under the Agency's various redevelopment programs.

The public improvement projects included:

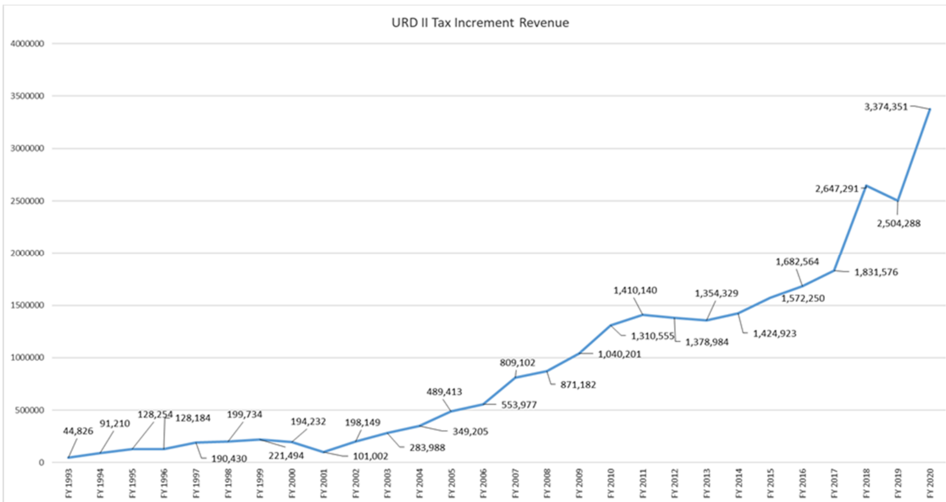
- 4 park, trail and recreation related improvement projects
- 2 planning efforts
- 2 public art grants
- 1 housing policy implementation grant
- 1 grant assisting a federally qualified health center expansion at the Food Bank & Community Center
- 1 grant for Police Facility acquisition on Catlin St (disbursement #2 of 4)
- 1 sidewalk project
- 1 land & building acquisition for Covid-19 related use and future mixed use redevelopment
- 1 road reconstruction project
- 1 grant for a family housing center and domestic violence shelter



Fund Balances and Transactions of Individual Governmental Funds (Continued)

URD II (Continued)

The first table below reflects trends in budgeted tax increment revenue only. The second table is a summary of expenditures and transfers out for the district.



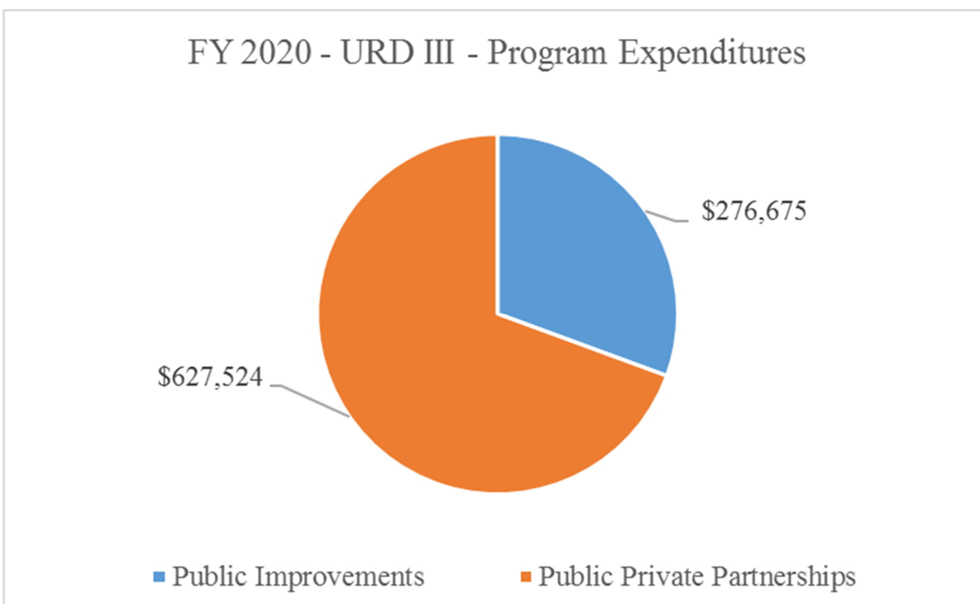
Urban Renewal District II - FY 2020 Expenditures & Transfers Out		
Project Name	**Amount**	
Admin - Contributions - Tax Increment Remittance	$	738,174
Admin - Transfers to Other Funds		433,737
Bitterroot Trail - Pine Street Link - Construction		340,511
Bitterroot Trail - Pine Street Link - Design, Engineering & Const. Admin		8,071
Bitterroot Trail - Pine Street Link - Lighting		612
Clark Fork Riverbank Stabilization		2,555
Housing Policy Implementation Position		10,000
Max Wave		5,000
North Riverside Parks & Trails Master Plan		1,667
Opportunity Zone - Special Initiative Project		25,000
Police Facility on Catlin		250,000
Silver Park - Public Art - Lighting		17,524
Sleepy Inn - 1427 West Broadway - Due Diligence		2,600
Sleepy Inn - 1427 West Broadway - Purchase		1,096,672
The ROW at Milwaukee Way - 201 S Catlin Street		122,239
Traffic Signal Box - Wyoming & Russell Streets		1,500
URD II - 2nd & 3rd St Sidewalk - Construction		128,864
URD II - 2nd & 3rd St Sidewalk - Design, Eng. & Const. Admin		70,066
West Broadway Island - 2019 Improvements - Construction		81,025
West Broadway Island - Miscellaneous		1,992
Westside Lanes - 1615 Wyoming Street		50,000
Wyoming Street - Prince to California - Construction		561,828
Wyoming Street - Prince to California - Design/Engineering/CA		55,304
Wyoming Street - Prince to California - Lighting		232
Total	**$**	**4,005,173**

Fund Balances and Transactions of Individual Governmental Funds (Continued)

URD III saw a 22% increase in fund balance in fiscal year 2020. This modest increase is primarily attributable to another tax increment remittance to the taxing jurisdictions and the completion of several projects and their grant funds dispersed. The district expended funds on 11 projects during the year; six were public-private partnerships and five were public improvement projects. Total revenues and transfers into the district, net of the required amount for debt service, were $3,427,512. Total expenditures, tax increment remittances and transfers out were $2,865,312 and included $961,112 for administrative expenses, $1,000,002 in tax increment remittances and $904,199 for program project related expenses. (Note: A $100,000 loan under the Agency's Façade Improvement Program was reclassified as a Note Receivable on the fund financials at year-end.)

The public improvement projects included:

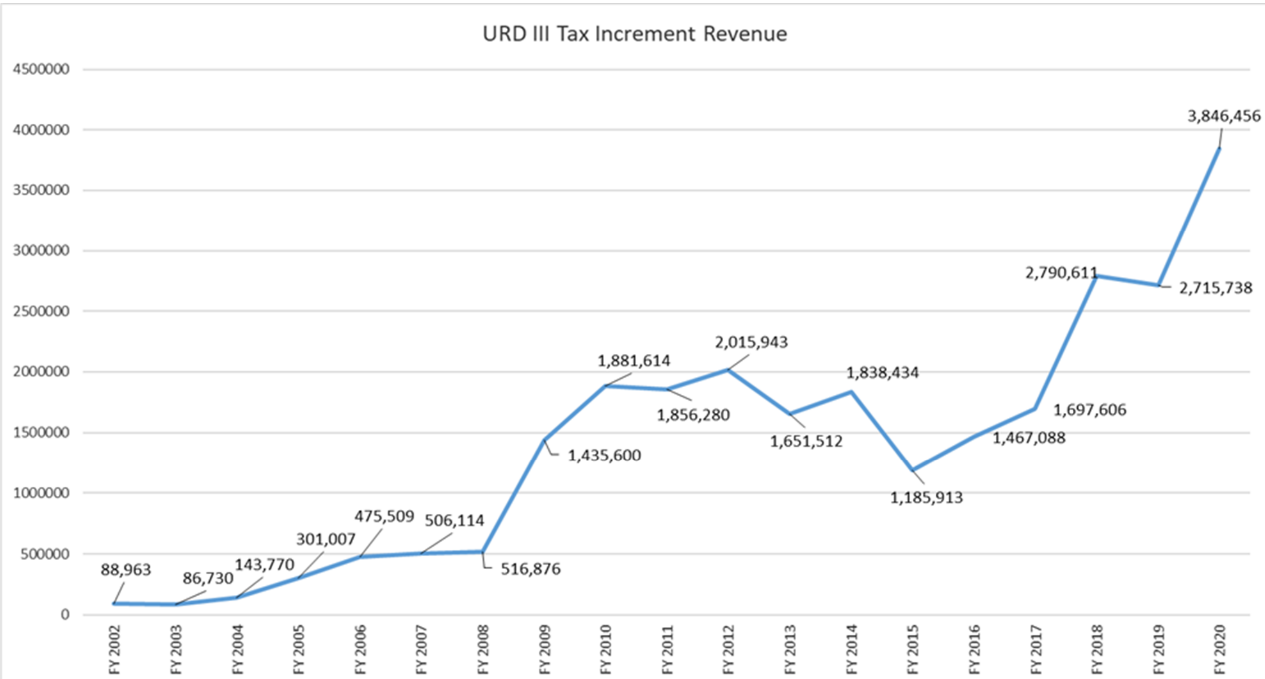
- 1 park and recreation related improvement project
- 1 planning effort
- 1 housing policy implementation grant
- 1 sidewalk project
- 1 street tree planting project



Fund Balances and Transactions of Individual Governmental Funds (Continued)

URD III (Continued)

The table below reflects trends in budgeted tax increment revenue only.



Fund Balances and Transactions of Individual Governmental Funds (Continued)

URD III (Continued)

The table below is a summary of expenditures and transfers out for the district.

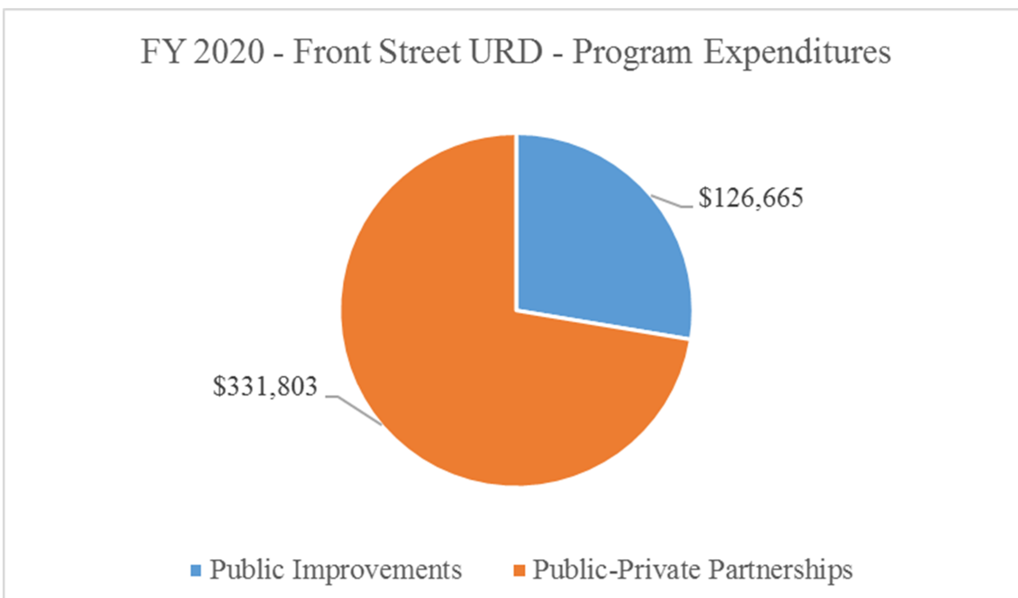
Urban Renewal District III - FY 2020 Expenditures & Transfers Out	
Project Name	**Amount**
2019 URD III Street Tree Project - Mary Ave West	$ 2,646
2019 URD III Street Tree Project - Misc streets	1,554
Admin - Communication & Transportation	69
Admin - Contributions - Tax Increment Remittance	1,000,002
Admin - Electricity & Natural Gas	332
Admin - Employer Contributions	148,166
Admin - Gasoline	225
Admin - Office Supplies	4,463
Admin - Operating Supplies	993
Admin - Other Repair & Maintenance Supplies	1,161
Admin - Overtime	3,285
Admin - Printing, Duplication, Typing and Binding	5,222
Admin - Professional Services	327,903
Admin - Publicity, Subscriptions and Dues	5,786
Admin - Repair & Maintenance Services	5,421
Admin - Repair & Maintenance Supplies	15
Admin - Salaries & Wages	454,742
Admin - State Retirement Contributions	470
Admin - Training	525
Admin - Travel	2,332
Big Dipper South - 2700 Paxson	43,986
Brooks Corridor TOD Infrastructure Study	3,644
Cornerstone Dental - 3111 Grant Street	50,000
Fine Line Building - 2505 S Russell St	50,000
Housing Policy Implementation Position	10,000
MRL Park - Construction	11,729
MRL Park - Design & Engineering	404
MRL Park - Miscellaneous	13,108
MRL Park - Temporary Fence for Johnson St Property	1,800
South Crossing - NE Parcel - 3620 Brooks Street	64,822
Stockman Bank - 3601 & 3611 Brooks Street	268,716
The Trail Head - River Sports - 2505 Garfield	150,000
URD III - Northern Sidewalk - Construction	112,400
URD III - Northern Sidewalk - Desgin, Eng. & Const. Admin	119,390
Total	**$ 2,865,312**

Fund Balances and Transactions of Individual Governmental Funds (Continued)

Front Street URD saw a 61% increase in fund balance in fiscal year 2020. This increase is primarily attributable to an increase in tax increment revenue coming into the district upon completion of two significant public-private partnerships in fiscal year 2019: The Mercantile hotel and ROAM student housing project. The district expended funds on five projects during fiscal year 2020; two public-private partnerships and three public endeavors. Total revenues into the district, net required amount for debt service, were $702,975. Total expenditures were $458,468 and were all program project related. Due to its debt service requirements and historically low tax increment revenue, this district did not provide funds for the tax increment remittances, nor did it contribute to the administrative costs of the Agency. The administrative costs are tracked for reimbursement to URD III in the future when tax increment revenues are anticipated to be more robust due to several urban renewal projects recently completed and more currently underway in the district.

The public improvements projects included:

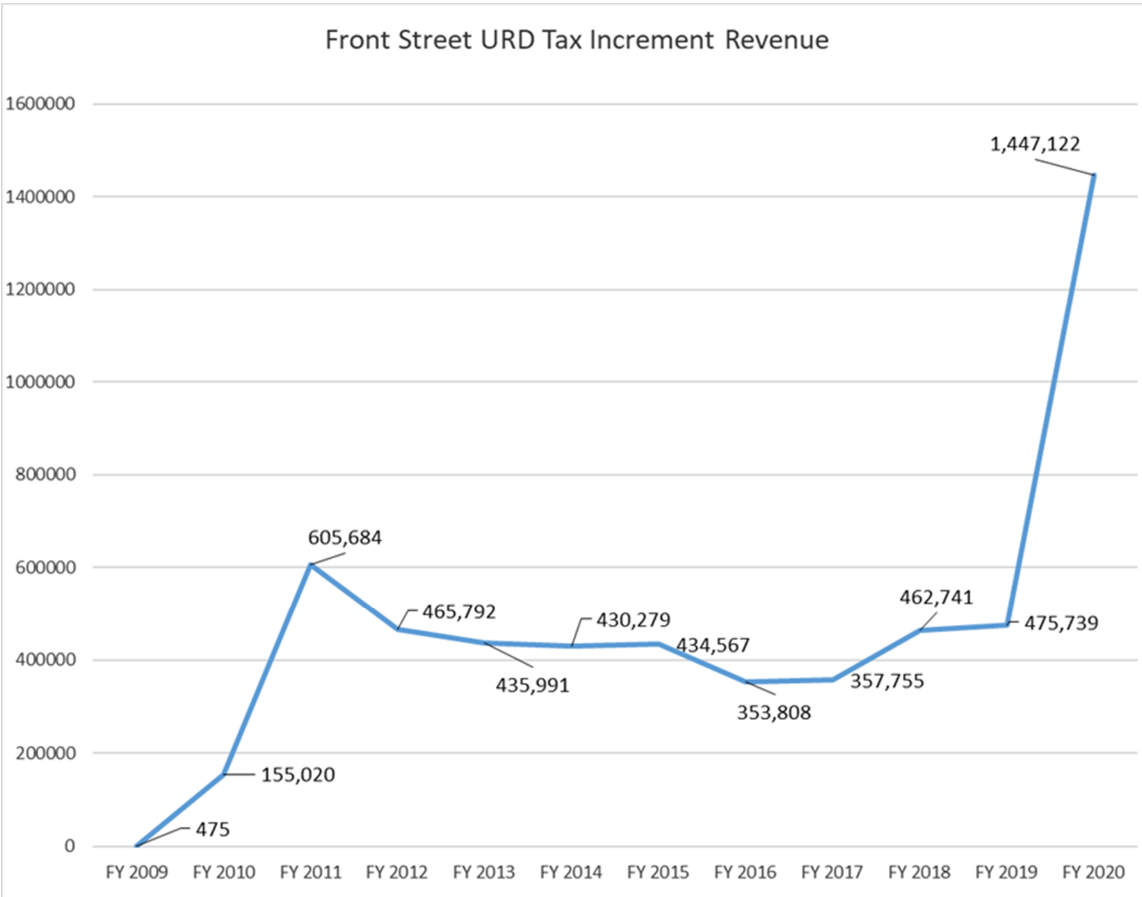
- 1 park and recreation related improvement project
- 1 grant to new library construction ($275,000 disbursed to date; $225,000 remaining)
- 1 sidewalk project



Fund Balances and Transactions of Individual Governmental Funds (Continued)

Front Street URD (Continued)

The first table below reflects trends in budgeted tax increment revenue only. The second table is a summary of expenditures and transfers out for the district.

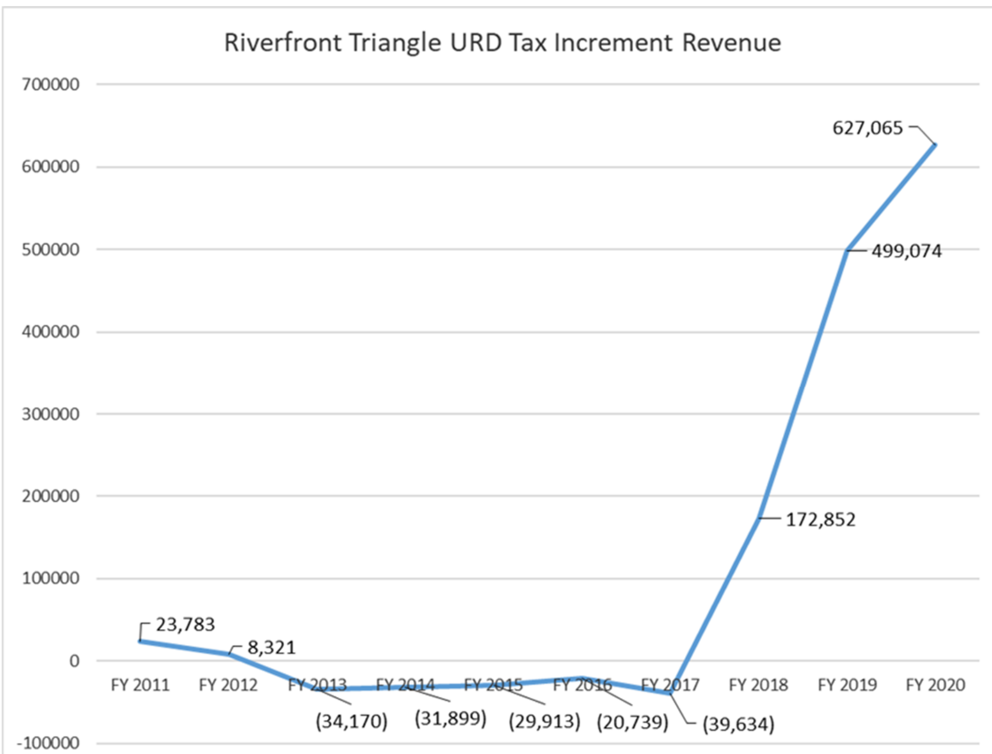


Front Street Urban Renewal District - FY 2020 Expenditures		
Project Name		**Amount**
Dragon Hollow Playground	$	50,000
Levasseur Street Townhomes - 310 Levasseur Street		184,914
Missoula Public Library - New Building		75,000
North Riverside Parks & Trails Master Plan		1,665
Radius Gallery - 120 North Higgins Avenue		146,889
Total	**$**	**458,468**

Fund Balances and Transactions of Individual Governmental Funds (Continued)

Riverfront Triangle URD saw a 44% increase in fund balance in fiscal year 2020. This increase is attributable to the district having no project expenditures during the year. The only expenditures from the fund were for administration and tax increment remittances. The Hotel Fox project is currently on hold due to the effects Covid-19 has had on the economy and the live entertainment industry. More information on that project is found later on in this report. Total revenues into the district, net required amount for debt service, were $428,288. Total expenditures and transfers out were $340,001.

The first table below reflects trends in budgeted tax increment revenue only. The second table is a summary of expenditures and transfers out for the district.



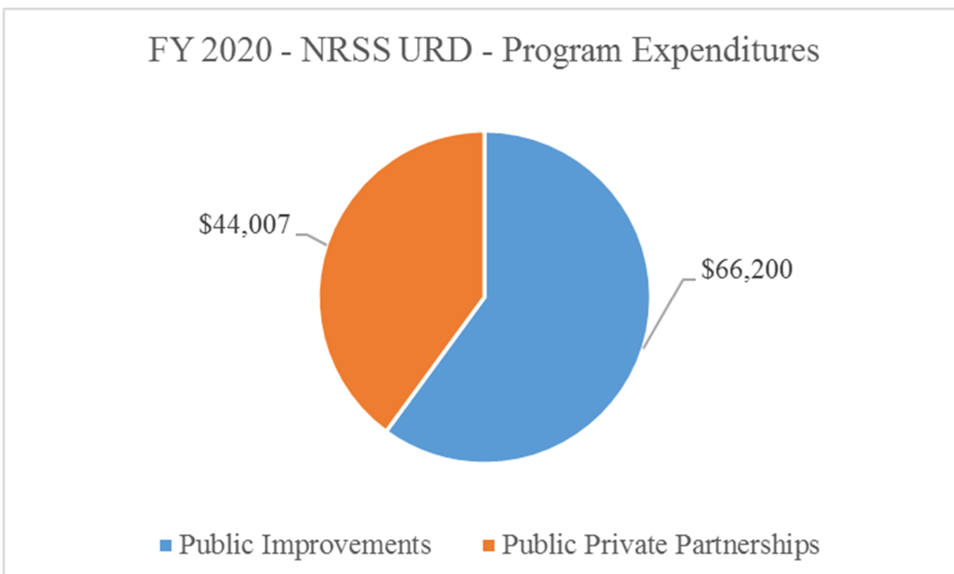
Riverfront Triangle URD - FY 2020 Expenditures & Transfers Out	
Project Name	**Amount**
Admin - Contributions - Tax Increment Remittance	$ 240,001
Admin - Transfers to Other Funds	100,000
Total	**$ 340,001**

Fund Balances and Transactions of Individual Governmental Funds (Continued)

North Reserve – Scott Street (NRSS) URD saw a 32% increase in fund balance in fiscal year 2020. This increase is attributable to moderate expenditures that did not exceed revenues. In addition to funds contributed to tax increment remittances and administration expenses, the district expended funds on four projects during fiscal year 2020; one public-private partnership and three public endeavors. Total revenues into the district, net required amount for debt service, were $1,218,004. Total expenditures, tax increment remittances and transfers out were $943,565 and included $83,359 for administrative expenses, $749,999 in tax increment remittances and $110,207 for program project related expenses.

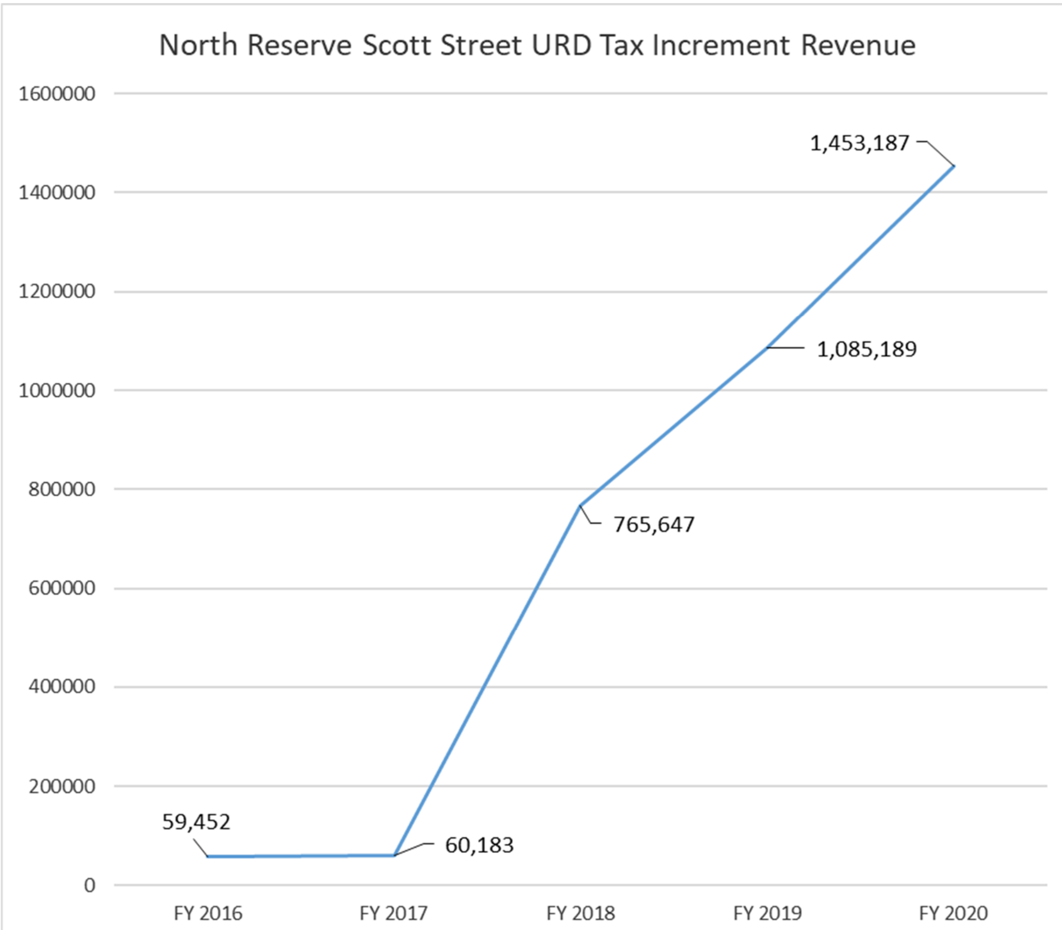
The public related projects included:

- 1 opportunity zone grant
- 1 property acquisition – due diligence
- 1 housing policy implementation grant



Fund Balances and Transactions of Individual Governmental Funds (Continued)

North Reserve – Scott Street (NRSS) URD (Continued)
The first table below reflects trends in budgeted tax increment revenue only. The second table is a summary of expenditures and transfers out for the district.

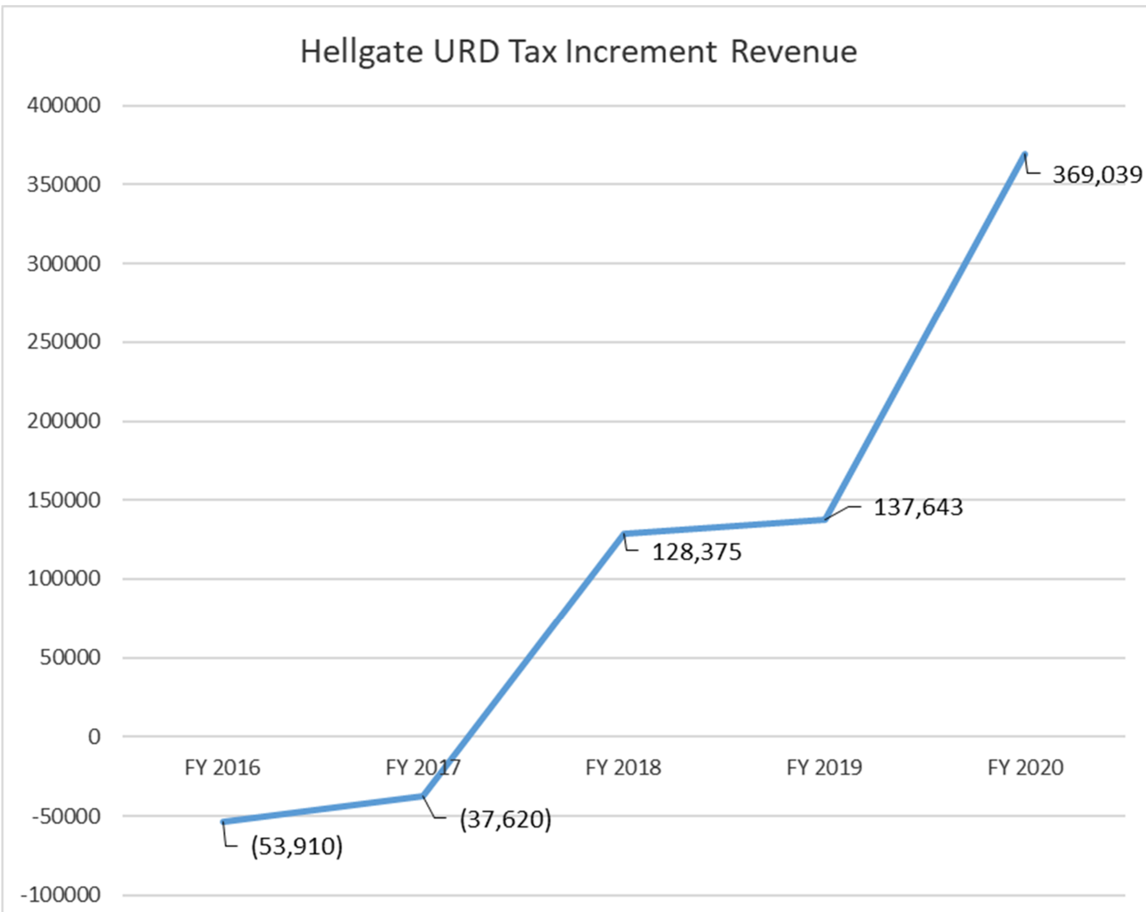


NRSS URD - FY 2020 Expenditures & Transfers Out	
Project Name	**Amount**
Admin - Contributions - Tax Increment Remittance	$ 749,999
Admin - Transfers to Other Funds	83,359
Housing Policy Implementation Position	10,000
Opportunity Zone - Special Initiative Project	25,000
Scott Street Property - Due Diligence	31,200
Scott Street Village - Phase II-III	44,007
Total	**$ 943,565**

Fund Balances and Transactions of Individual Governmental Funds (Continued)

Hellgate URD saw a 238% increase in fund balance in fiscal year 2020. This increase is directly attributable to an increase in taxable values (2019 was a revaluation year) and limited expenditures. The district expended funds on only two items during the year; administrative expenses and a master planning process. Total revenues were $352,229. Total expenditures, tax increment remittance and transfers out were $34,011.

The first table below reflects trends in budgeted tax increment revenue only. The second table is a summary of expenditures and transfers out for the district.



Hellgate URD - FY 2020 - Expenditures & Transfers Out		
Project Name	**Amount**	
Admin - Transfers to Other Funds	$	32,344
North Riverside Parks & Trails Master Plan		1,667
Total	**$**	**34,011**

Overall Financial Position
Changes in the Agency's overall financial position from 2019 to 2020 from the Government-wide perspective include a decrease in total assets and deferred outflows of resources of $321,191 and a decrease in total liabilities and deferred inflows of resources of $2,211,016 with a resulting overall net position of ($29,456,329). The decrease in assets can be attributed to project timing. The decrease in liabilities can be attributed to a reduced accounts payable amount at year end. No bonds were issued during fiscal year 2020.

Due to ever-changing project completion schedules, it is not uncommon for projects that are budgeted in one year to be completed in another year. The Agency's tax increment funds, as they are accrued, are *planned, pledged or committed* to projects or held in contingency accounts for projects that arise during the year.

Planned Projects
Planned projects are projects that are under consideration and in the pre-development stage. During this stage, estimated budgets are created as "place holders". As project planning proceeds, the Agency's Board may pledge or commit to the projects, or abandon them if costs or circumstances warrant it. Similarly, the Agency funds a number of redevelopment programs adopted by the Missoula City Council. These programs are made available to assist private property owners with smaller projects that fit the program objectives and criteria. Since it is impossible to determine in advance how many property owners might apply for assistance under these programs, at any given time the program budgets may be underutilized. Still, it is the Agency's practice to be responsive to private sector redevelopment initiatives—even small ones—so these programs are adequately funded each year.

There were two projects primarily in the ***planning*** phase during fiscal year 2020, the **Brooks Street Transit Oriented Development Study** in URD III, and the **Fox Site** in Riverfront Triangle URD.

Brooks Street Transit Oriented Development (TOD) Study: The Agency is leading a steering committee that has engaged HDR as the consultant team to prepare a study identifying strategies to establish high-frequency transit and foster transit-oriented development (TOD) along the Brooks Street corridor. The scope of the study also includes examining ways to make it easier for pedestrians and bicyclists to cross and move along Brooks Street. HDR completed "*Transforming the Brooks Street Corridor: Brooks Street Corridor Transit-Oriented Development (TOD) Infrastructure Study*" in early 2020 and presented it to the MRA Board at its May meeting. Recommendations include establishing center-running bus rapid transit (BRT), and other infrastructure changes such as curb reconfiguration, wider sidewalks, bike lanes and streetscape amenities that improve walkability and livability, with the goal of redeveloping the Brooks corridor into a desirable place to live, work and play. The Agency has teamed with the Missoula Urban Transportation District (MUTD) to fund the next phase of the process that includes engaging the Montana Department of Transportation (MDT) as a project partner and determining right-of-way needs. Results of this effort will be used to pursue funding opportunities such as a BUILD grant (formerly TIGER grant) or Small Starts grant from the Federal Transit Authority.

Planned Projects (Continued)

Fox Site: Much of the land that makes up the Fox Site was given to the City by the owners of the Fox Theater in the mid-1980s. Two more adjacent properties were added a few years later to make up a comprehensive redevelopment site. Since that time, the City, through the Agency, has demolished structures, improved utility infrastructure and removed a buried landfill that was used in the early part of the 20th century. The City authorized the Agency to conduct development agreement negotiations with one of the respondents to the most recent Request For Proposals, Hotel Fox Partners, for redevelopment of the Fox Site into an upscale hotel and conference center. At the request of the Mayor, Hotel Fox found that, with City participation, it is feasible to build and operate a much larger regional conference center. It also found that a larger full-service hotel may be feasible and for the hotel design to include residential condominiums. After several years of working to achieve the hotel-regional conference center, Hotel Fox was unable to find adequate financing for the large development and, with permission of the City Council, transferred its development rights to Clark Fork Riverfront Project. Through its partner entity, Stonefly Capital, Clark Fork Riverfront Project intended to complete the Hotel Fox deal with a changed emphasis of the conference center to a multi-use civic events center. The center, to be called "Drift", would be able to host large dinners, lectures, live music and theatrical performances, and a variety of art exhibitions and tradeshows. By mid-February 2020, Clark Fork Riverfront Project had presented its conceptual design and site plan to the Agency and City Council which included innovative parking, fully accessible access between Front Street and the Ron's Riverfront Trail, and architecture, all achieved through close collaboration with City departments. Intending to be under construction in the early autumn of 2020, COVID-19 halted progress on the project in the spring. Focusing on the survival of its existing local businesses, the developer set aside its work on the Fox Site and, by the end of FY20, indicated it may not ever be able to restart its efforts to develop the area. After the COVID-19 pandemic is settled, the Agency and City will re-evaluate the future of the site.

Pledged Projects

Often times the Agency Board will make a conditional pledge to a public or private project that is not fully financed or completely planned. The purpose of the pledge is to create "seed money," "matching funds," or other financing incentives for the project sponsors or investors. This period also allows for further development of the project design and time to acquire the necessary approvals.

The most significant ***pledged*** projects in fiscal year 2020 was the **Montana Rail Link (MRL) Property** (URD III) and the **Scott Street Property** (North Reserve – Scott Street URD).

MRL Property – Development Overview: The City was in negotiations with Montana Rail Link (MRL) for years in an effort to get the necessary easements to complete the Bitterroot Trail, which runs adjacent to the Bitterroot Branch Railroad line through Missoula. Late in fiscal year 2016, it appeared that MRL might be open to selling the City the 12 acre property adjacent to the major missing trail segment between North Avenue and South Avenue. The sale of the property to the City was successfully completed in fiscal year 2017 through the use of TIF funding.

Pledged Projects (Continued)

MRL Property – Development Overview (Continued)
The Agency began planning for construction of the remaining missing trail segment and the development of a 4 acre park in a dense neighborhood with a large deficit of park land. The trail project and the park were completed in fiscal year 2019. Bonds were issued in early fiscal year 2019 to reimburse the district for acquisition costs and costs for construction of the park and trail. The City is in the process of completing an Environmental Assessment on the balance of the property, the bulk of which was accomplished in fiscal year 2020. Remediation will be undertaken in fiscal year 2021, after which the City will engage in a public process around redevelopment and from there will seek out partnerships to redevelop the former industrial land into an asset for the neighborhood, which addresses the City's housing needs.

Scott Street Property – Development Overview: The City was able to secure a contract to purchase approximately 19 acres in the North Reserve-Scott Street URD. This formerly industrial property has been undergoing remediation for several years under the guidance of the Montana Department of Environmental Quality (DEQ) and at the expense of the former owner. The eastern most 9.8 acres has been cleaned up to residential standards and the western portion will be remediated to commercial/industrial standards. Remediation on the western acreage will be underway for several more years; however, portions of the property can be used by the City in the interim. The western portion of the newly acquired property is adjacent to the City Public Works/Streets facilities and purchase of this tract will allow consolidation of those operations, freeing up City owned land to the north for redevelopment. It is anticipated that both the remediated 9.8 acres and the 21+ acres currently being used for storage by the City will ultimately be redeveloped as mixed use, residential and possibly park land. In fiscal year 2021, the MRA and other City departments will work to develop private and/or non-profit partnerships to facilitate the reuse of the 9.8 acres with the additional City owned land to follow.

Committed Projects
If and when project sponsors complete fundraising to a level that allows a project to proceed, *pledged* funds become *committed* through use of development agreements. Development agreements specify required performance by the project sponsor in order to obtain tax increment funding. The funds become contractually committed in the development agreement and often the commitment will bridge one or more fiscal years. When the Agency undertakes public infrastructure improvements within a district, tax increment funds become committed when the project receives approval by the Agency Board of Commissioners. Below is a list of significant ***committed*** projects in **URD II** in fiscal year 2020. Following the list is a descriptive narrative of each project.

- 2nd & 3rd Street Sidewalks
- Bitterroot Trail - Pine Street Link
- Sleepy Inn
- The ROW at Milwaukee Trail
- Westside Lanes
- West Broadway Island
- Wyoming Street Improvements

Committed Projects (Continued)

2nd & 3rd Sidewalk Project: The 2nd & 3rd Street sidewalk project is the 2020 phase of the URD II Sidewalk Program. The Sidewalk Program was initiated as a systematic effort to complete the sidewalk network in URD II prior to sunset of the district. Under the sidewalk program, missing sidewalk segments in the City sidewalk network are constructed with the goals of reducing a blighting condition as defined in state urban renewal law, increasing public safety - particularly along school routes, and enhancing the pedestrian and active transportation environment making the URDs more walkable. The 2nd & 3rd Street project consisted of constructing missing sidewalk segments on S. 2nd Street between Oak Street and the irrigation canal; missing sidewalk segments on Ivy, California, Inez, and Prince Streets between S. 3rd Street and the URD boundary; Garfield Street between S. 3rd Street and the URD boundary; and Garfield Street between S. 2nd Street and Trail Street. The project was deemed Substantially Complete on August 14, 2020.

Bitterroot Trail – Pine Street link: For many years, the Agency, City, and Westside Neighborhood promoted a trail along Montana Rail Link's Bitterroot Branch Line between West Broadway and the north boundary of URD II, just north of Toole Avenue. Construction of the trail was fragmented over time as it has been associated with specific projects. Those included Safeway (now Fresh Market), Spruce Street Plaza and redevelopment of the building at 806 West Spruce that includes Draught Works Brewery. The remaining segment, between West Pine Street and the alley between West Pine and West Spruce Streets, was left undeveloped due to its topographic complexity and the City's uncertainty of the ultimate West Pine Street configuration. The area had become a very unpleasant place with an accumulation of trash, transient camps, and criminal activity. The trail was completed and opened in early fiscal year 2020. The trail includes an accessible pedestrian and bicycle path and crossing of Pine Street, a rebuilt rail crossing of the street, and pedestrian lighting from Broadway to Toole Streets.

Sleepy Inn: The City has recognized the need for redevelopment along West Broadway for a number of years. This area is a gateway to the downtown and is in poor condition with a number of buildings which have far outlived their useful life. With the reconstruction of Russell Street from Broadway to 3rd Street, the development potential of the W. Broadway corridor is further enhanced. One piece of property that the City and MRA have long recognized as a key reuse opportunity is the Sleepy Inn Motel at the intersection of Broadway and Russell.

When the COVID 19 virus became a major issue for Missoula, the need for a facility that could provide a non-congregate shelter to house homeless members of our community became a paramount concern. MRA was able to negotiate the purchase of the Sleepy Inn in fiscal year 2020 and it has been in continuous use as a shelter for COVID positive or high-risk individuals since the purchase. The intention is that once it is no longer needed for COVID purposes, the buildings will be deconstructed and the site redeveloped. MRA has engaged a consulting firm to conduct a public planning process for the W. Broadway corridor from Russell to California Street, with the Sleepy Inn property likely being the first piece to redevelop. This corridor, like the Scott Street property is not only in Urban Renewal District II, but is also in the City's only Opportunity Zone which should enhance its attractiveness for private investment.

Committed Projects (Continued)

The ROW at Milwaukee Trail: For many years, this neighborhood was a model of an area envisioned in creating the Montana Urban Renewal Statutes in that there was little in the way of public infrastructure, roads were in bad condition, and there were many highly-packed deteriorating mobile home parks interspersed with manufacturing businesses and auto wrecking yards. Recognizing 20 years of slow change, this project removed a poor quality house converted to a duplex and three aging mobile homes to construct eight townhouses along the Milwaukee Trail. All former tenants were appropriately relocated. TIF assistance was for deconstruction and site clearing, and new natural gas and power main lines to the property. Construction was completed and all townhouses occupied in the late spring of 2020.

Westside Lanes and Fun Center – 1615 Wyoming Street: The Westside Lanes bowling alley and casino is an anchor business in the River Road neighborhood, where the Agency has fostered substantial redevelopment. The large building had been constructed over two different building periods, and exhibited two distinct and incongruous building styles. With assistance through the Façade Improvements Program the owners of the Westside Lanes were able to expand the scope of their exterior improvements to make the various segments of the building look cohesive and more visually appealing in the neighborhood.

West Broadway Island: The West Broadway Island is a roughly five-acre site along the Clark Fork River and West Broadway. The City purchased the property through the Agency in 2012 for use as public open space and conservation lands. Much of the site is within the 100-year floodplain and floodway. The north boundary of the property is an irrigation canal. The project design includes a new pedestrian bridge at the east end of the property, renovation of an existing bridge to the property, a new pedestrian trail along the irrigation canal, and stabilization of the south bank of the canal. Additionally, efforts to minimize noxious weeds and restore native riparian vegetation are ongoing and will continue into the future. Construction of the project was completed in early fiscal year 2020.

Wyoming Street – Reconstruction: The Wyoming Street Reconstruction Project was completed in the summer of 2019. The Project was a cooperative effort between the Agency and City Public Works and involved the installation of a water main between Prince Street and California Street, and the reconstruction of the street between Prince and California along with the installation of public improvements in the right-of-way: curb/gutter, boulevard sidewalks, streetlights, and boulevard trees. The Public Works Project and MRA Sidewalk Project were combined in order to minimize disruption to the neighborhood and capitalize on economies of scale by completing the two projects under one engineering contract and one construction contract.

Below is a list of significant ***committed*** projects in **URD III** in fiscal year 2020. Following the list is a descriptive narrative of each project.

- Big Dipper - South
- Stockman Bank – Brooks Street
- The Trail Head – River Sports
- Northern Sidewalks

Committed Projects (Continued)

Big Dipper - South: A longtime popular downtown fixture, this ice cream business expanded to a second location in Midtown near Southgate Mall. The interior of the former retail site was extensively remodeled for ice cream manufacturing and retail sales. Participation in the Façade Improvement Program included subsidy for new siding, an attached patio extension, exterior lighting, and a new awning and entry.

Stockman Bank – 3601 and 3611 Brooks Street: Stockman Bank completed its second new Missoula bank building in the heart of Midtown, on a site that had previously housed a vacant building that was attracting quite a bit of illegal activity. During the design and permitting process, the developer worked with City staff to meet the City's desire for a more pedestrian-friendly, urban environment on Brooks Street, pulling the building to the corner, siting it orthogonal to the street, and increasing the building height to three stories. The developer also relocated property boundaries, creating two building lots, creating more opportunity for infill development in Midtown. The Agency provided nearly $254,000 in tax increment assistance for demolition and site preparation costs, overhead utility relocation, and curbs, sidewalks, and street trees in the public right-of-way. The Agency also worked with the developer to include installation of a new fire hydrant on Brooks Street concurrently with the building project to take advantage of economy of scale.

The Trailhead - River Sports: A longtime downtown outdoor sports store split off its river sporting division to a new location in a vacant former warehouse near Southgate Mall. The interior of the facility was renovated for retail and boat rental use while the exterior windowless block façade was extensively changed including installation of windows from near ground to roof line along the NE corner of the building to create a highly visible and attractive business location. The project participated in the Facade Improvement Program through both a grant and 10-year loan.

Northern Sidewalk Project: The Northern Sidewalk project is the 2020 phase of the URD III Sidewalk Program. The Sidewalk Program was initiated as a systematic effort to complete the sidewalk network in the district prior to its sunset. Under the sidewalk program, missing sidewalk segments in the City sidewalk network are constructed with the goals of reducing a blighting condition as defined in state urban renewal law, increasing public safety - particularly along school routes, and enhancing the pedestrian and active transportation environment making the URD's more walkable. During the design phase of the Northern Sidewalk Project, MRA determined to phase-in the construction of the sidewalk project to spread the cost of construction over several years. Phase 1 was deemed substantially complete on August 13, 2020. Phase 1 consisted of constructing missing sidewalk segments on the west side of Bow Street between Kensington and Kent Streets, the north side of Kent Avenue between Stephens Avenue and Bow Street, the west side of Regent Street between Central and Sussex Avenues, and the east side of Regent Street between South and Sussex Avenues. Phase 2 construction is slated for summer 2021.

Committed Projects (Continued)

Below is a list of significant ***committed*** projects in **Front Street URD** in fiscal year 2020. Following the list is a descriptive narrative of each project.

- Levasseur Street Condos
- North Riverside Parks & Trails Master Plan
- Radius Gallery
- Union Block
- AC by Marriott Hotel & The Wren Hotel

Levasseur Street Condos: This is a two-phase project in which two apartment facilities (one a two-story former large house that had been divided into apartments and sleeping rooms, the other a concrete block building) were deconstructed/demolished and replaced by six, three-story townhouses and a 20-unit apartment structure. Redevelopment includes TIF eligible items of extending 3-phase power to the neighborhood, updated water and sanitary sewer mains, replacing 100-year old sidewalks, and paving a public alley.

North Riverside Parks and Trails Master Plan: The Agency assisted with funding for the Downtown Business Improvement District and the City's Department of Parks and Recreation to undertake a master plan for the parks and trails on the north shore of the Clark Fork River between California Street and Missoula College. This planning effort grew out of the Missoula Downtown Master Plan Update, which the Agency also supported. MRA staff participated on the leadership team for the parks and trails master plan effort, which focused on Caras, East Caras, and Bess Reed Parks. These parks are the outdoor heart of downtown, and provide a venue for an abundance of local and regional activities. The Master Plan was developed through a robust public engagement process which identified the following five big ideas: 1) A Park for Everyone and for All Seasons; 2) Enhance Ecological Functions and Improve Views and Access to the Clark Fork River; 3) Update Materials, Elements, and Landscaping; 4) Improve Gateways and Circulation; and 5) Support Existing Uses and Design Multi-Functional Spaces.

Some specific programmatic recommendations include prominent gateway features including big art in the park; making the trail into a promenade as it goes through the parks, constructing an ice ribbon; refurbishing the amphitheater and lawn areas; including elements that stitch the parks together under Higgins Avenue Bridge; and enhancing restroom facilities. The Plan will be implemented in phases. In a first phase, areas in Caras Park disturbed by construction activities for the Higgins Avenue Bridge and a new storm water infiltration structure will be built back according to the new plan.

Radius Gallery: This project involved deconstruction of a one-story former restaurant building along North Higgins Avenue that was constructed in the 1950s and replacing it with a two-story art gallery. The new building design utilizes materials and influences from nearby historic downtown buildings. TIF funds associated with the project included reimbursement for the cost of deconstruction, replacement of the Higgins Avenue sidewalk, and reconstruction of the adjacent alley.

Committed Projects (Continued)

Union Block: Since its construction in 1900, the street level of this building (called the "Radio Central Building" for many years) has been occupied by retail uses while the second two levels are office uses and the basement is used for storage. While upgrading the entrance on Main Street used for the upper story offices, the new owner found large decorative columns and an apparently intact brick façade under metal backed ceramic siding panels installed in the 1950s that cover the entire Main Street elevation. Research into the building's original appearance found a remarkable example of late 1800s Victorian architecture. Subsequent studies have found that a majority of the façade materials may have been preserved enough to allow a historic restoration. Although there is no formal facade program in the Front Street URD, the Agency utilized the model used in restoration of the Wilma Building and Mercantile Pharmacy building in requiring a historic facade preservation easement for reimbursing restoration of a very important piece of Missoula history.

AC by Marriot Hotel & The Wren Hotel: These are two hotel projects directly across the street from each other in the Front Street URD on the corners of Pattee and Main Streets. They are separate developments by two different developers, but warrant being discussed together as there are several similarities. Both project are possible as a result of the construction of Park Place parking structure a block to the south. It enabled these to be developed without dedicated off street parking. Both sites are modest in size and could not have supported parking and a hotel. The AC is a new six story, 70,000 square foot building with approximately 105 hotel rooms. The building occupies the entire site, which formerly housed a Firestone Tire building that was deconstructed using TIF funding. TIF funds were also approved for public right of way improvements, including a curb extension at Pattee and Main, which will improve the pedestrian crossing. The AC Hotel is anticipated to be completed and operational by mid-2021.

The Wren Hotel is the renovation and addition on a fifty-year-old motel that was structurally sound but had long ago out lived its useful life. The building had parking underneath at street level and two stories of motel rooms above. The new hotel will consist of approximately 73 rooms on three levels as a result of the addition of an upper floor. The ground level will be converted to retail businesses addressing the street, a much more urban application than the previous motel. TIF funds are being used for improvements in the public right of way including new curb, gutter and sidewalks with a curb extension at the intersection, alley reconstruction and utility relocation needed to allow the additional floor on the building. Completion is anticipated to be in early fiscal year 2022.

Below is a significant ***committed*** project in **North Reserve-Scott Street URD** in fiscal year 2020.

Villagio Apartments: The Villagio Apartments project is complex both due to the site topography and the private/public financing model needed to help address a major need in Missoula by constructing a significant number of housing units affordable to lower income households. The project involves construction of two, five-story apartment buildings with a total of 200 units at the northern end of Scott Street near Interstate-90. Rents will be set by the Missoula Housing Authority at 40% - 60% of the Area Median Income (AMI). Parking is underground to maximize outdoor space for residents. A trail that is a section of one that will eventually connect Grant Creek and downtown will be part of Otis St. reconstruction.

Committed Projects (Continued)

Villagio Apartments (Continued)
TIF has been pledged to reimburse the costs of public sidewalk, curb, gutter and trail, water and sanitary sewer main line extensions, power line stabilization and construction of a large retaining wall that allows maximum use of the property. Completion of the project is anticipated by mid-2022.

In addition to the above, the Agency financially participated in several smaller public-private partnerships and publicly funded ***committed*** projects during fiscal year 2020. These were included in the districts' expenditure summaries presented earlier.

Taxing Policies
Taxing policies adopted by the Montana State Legislature, for example those that decrease the valuation of personal property or business equipment, have had an effect on the growth of the tax increment funds. Often the Legislature will provide reimbursement or other mechanisms to offset the financial impact their policy changes have on local taxing jurisdictions. The Agency's revenues are tied to revenues collected by the local taxing jurisdictions. The Agency itself does not have any taxing authority. State reimbursements or entitlements are intended to "make whole" on the losses experienced as a result of tax policy changes.

An example of such revenue the Agency receives from the State of Montana is the State Entitlement Share funds authorized under 2001 Legislative House Bill 124. Looking forward, one negative aspect of this situation is that, as the current law reads, the State Entitlement funds that the Agency receives disappear upon the sunset of a district. Unlike the tax increment revenue normally captured by a district, which will revert back to the taxing jurisdictions upon sunset, the State Entitlement amount received annually by the Agency will revert back to the State of Montana. When House Bill 124 was passed into law, only URD I and II received Entitlement funds.

More recent legislative changes to the taxes assessed on personal property included reimbursement components to local tax increment financing districts through the Entitlement Share program. As of fiscal year 2020, all of the Agency's urban renewal districts except North Reserve-Scott Street URD and Hellgate URD, receive state reimbursements through the Entitlement Share.

State Reimbursements

FY20 MRA Entitlement Share & Class 8 Personal Property Reimbursement Schedule

County Name	TIF Name	TIF Number	Annual Entitlement Share Payments Per 15-1-121(8)(b), MCA (1) (HB 124)		Annual Class 8 Personal Property Reimbursement (SB 372)		Annual Class 8 Personal Property Reimbursement (SB 96)		Total Annual Entitlement & Reimbursement Payment
Missoula	Urban Renewal District III (1-1D)	04-0583D	$0.00	+	$121,115.56	+	$156,734.48	=	$277,850.04
Missoula	Urban Renewal District II (1-1C)	04-0583C	$225,251.00	+	$57,789.45	+	$117,245.55	=	$400,286.00
Missoula	Urban Renewal District II (4-1C)	04-0586C	$30,009.00	+	$4,238.69	+	$8,057.61	=	$42,305.30
Missoula	Front Street URD (1-1F)	04-0583F	$0.00	+	$22,982.54	+	$30,992.04	=	$53,974.58
Missoula	Riverfront URD (1-1R)	04-0583R	$0.00	+	$4,494.11	+	$4,821.74	=	$9,315.85
			$255,260.00		**$210,620.35**		**$317,851.42**		**$ 783,731.77**

2017 Legislative Session

House Bill 30: Passed during the 2017 legislative session, this bill, which was requested by the Revenue and Transportation Interim Committee, amends Montana Code Annotated section 7-15-4286. The bill amends tax increment provisions related to certain local mill levies and exempts levies voted on after the adoption of tax increment financing. It applies to tax increment provisions adopted by urban renewal districts and targeted economic development districts established on or after April 6, 2017 and voted levies approved after April 6, 2017.[1]

House Bill 76: Passed during the 2017 legislative session, this bill, which was requested by the Revenue and Transportation Interim Committee, amends Montana Code Annotated section 7-15-4291. The bill requires remittances of unused tax increment to be made proportionally to all affected taxing jurisdictions and applies to remittance agreements entered into on or after October 1, 2017. [1]

House Bill 396: Passed during the 2017 legislative session, this bill amends Montana Code Annotated section 7-15-4221 and 7-15-4282. The bill revises laws related to tax increment financing, and requires consultation with affected local taxing jurisdictions when adopting tax increment financing provisions as part of an urban renewal plan or a targeted economic development district comprehensive plan and when modifying an urban renewal plan related to the use of general obligation bonds. The bill was effective April 4, 2017. [1]

Senate Bill 27: Passed during the 2017 legislative session, this bill amends Montana Code Annotated section 2-7-503, 7-15-4221, 7-15-4236, 7-15-4237 and 7-15-7279. The bill revises tax increment financing laws, requires a public meeting with opportunity for public comment for urban renewal agencies, requires local government annual financial reports to include information on the financial activities of districts using tax increment financing, and requires an urban renewal agency to include certain additional information in its annual report. The bill was effective October 1, 2017. [1]

2019 Legislative Session

House Bill 462: Introduced during the 2019 legislative session by Tom Burnett (R), this bill proposed revising the administration of tax increment financing districts, providing for reporting on an annual basis, requiring the Department of Revenue to administer the reporting requirements and provide information to the public through the internet and biennial report, limiting certification of base taxable value of new or amended districts based on a percentage of local government taxable value, and requiring an impact analysis if the adopt or expansion of a tax increment financing provision will result in a base taxable value greater than 35% of the jurisdiction's certified taxable value. This bill died in committee. https://www.billtrack50.com/BillDetail/1065706

House Bill 367: Introduced during the 2019 legislative session by Rodney Garcia (R), this bill proposed requiring an urban renewal district that approves a tax increment financing provision to create a committee to make recommendations to the municipality to about the administration of the district and the tax increment financing provision. This bill died in process. https://www.billtrack50.com/BillDetail/1050300

Senate Bill 321: Introduced during the 2019 legislative session by Brian Hoven (R), this bill revises targeted economic development district laws; providing that the tax increment that is not utilized to pay costs or bonds by a targeted economic district that has issued bonds must be remitted to taxing jurisdictions in the same manner as it would have been distributed without tax increment financing; amending sections 7-15-4286, 7-15-4291, 20-9-104, and 20-9-141, MCA. Signed into law on May 2, 2019. https://leg.mt.gov/bills/2019/billhtml/SB0321.htm

Budget to Actual Variances

Occasionally, there will be variations between budgeted amounts for projects and the actual amount expended. This is due to timing anomalies that are driven by project completion dates. Often times the Agency may budget funds for a project in one fiscal year but expend them in a later year if the project takes several years to complete, is put on hold or delayed for other reasons. A variety of factors from weather and financing to the availability of supplies, material or equipment may cause a project schedule to slip. In Montana, where the construction season straddles two fiscal years, it is not uncommon for a project to begin in one fiscal year and be completed in a subsequent fiscal year.

Currently Known Facts

The Missoula Redevelopment Agency administers six active urban renewal districts (URDs) within the city that generate tax increment revenue. URD II and III have existed for a number of years and have established revenue streams. Several years ago, the City created the Front Street and Riverfront Triangle Districts, both of which are part of what was the original downtown district, URD I. They are areas that did not experience the level of redevelopment investment enjoyed by other parts of the downtown district. In 2014, the City created two new districts, the Hellgate Urban Renewal District and the North Reserve-Scott Street (NRSS) Urban Renewal District.

Currently Known Facts (Continued)
Both have a base tax year of 2014 and per state law their tax increment financing (TIF) provisions run 15 years and expire in 2029 (fiscal year 2030) unless outstanding debt exists in the districts. Subsequent to its creation, the City has issued four bonds in the NRSS URD, extending the life of that district to fiscal year 2045, if the bonds are not retired early.

The Agency's involvement in the Old Sawmill District project in URD II provided the opportunity to assist in the development of a long vacant lumber mill site located in the heart of the city. Issuance of the 2006 TIF Revenue bonds allowed this property to become unencumbered and, at the same time, extended the life of the district to 2031. With the life of the district extended, the Agency expanded the URD II boundaries to more appropriately reflect areas of need and is focusing on several large redevelopment projects as well as smaller spinoff projects that rely on the Agency for assistance. The first phase of the reconstruction of Russell Street is basically completed. The newly configured street and expanded bridge is already becoming a catalyst for redevelopment with new buildings either being constructed or planned with the assistance of TIF funds needed for deconstruction of obsolete structures and public improvements. In addition to commercial redevelopment along Russell Street, new residential buildings have been completed in and around the Old Sawmill District. Two permanently affordable housing projects have been completed along with the construction of new market rate rental units, purpose-built student housing and higher end condominium and apartment units. The investment of TIF funds in these projects has enabled both for profit and nonprofit developments to maximize their potential.

During fiscal year 2020, the impact of the COVID virus became a major concern for Missoula. The City recognized the need to provide safe shelter for members of the city's homeless population who had contracted the virus, been exposed and needed to be quarantined or were in a high risk category. The City, through the MRA and the use of URD II TIF funds, was able to purchase the Sleepy Inn Motel, an old motel on West Broadway at Russell Street for that purpose. The Agency had long recognized the redevelopment potential and need along the W. Broadway corridor, particularly in light of the reconstruction of Russell Street and the fact that the area serves as a gateway to downtown. The long range plans for the Sleepy Inn property are to redevelop it as part of a public-private partnership to provide new housing and mixed use commercial space. To that end, MRA began the process of engaging the consulting firm that led the Downtown Master Plan effort. Efforts will begin in fiscal year 2021 to conduct a public process to determine how to move forward with redevelopment once the property is no longer needed as a COVID shelter.

The City has issued three bonds in URD III for infrastructure projects that were used to enhance both motorized and non-motorized transportation in the district. The boundaries for URD III were also adjusted in 2015 to more accurately reflect needs in that part of Missoula. A $5 million bond with a 25-year term was issued in December 2015 to finance the construction of a bicycle/pedestrian bridge over South Reserve Street, completing the Bitterroot Trail between Missoula and Hamilton. Additionally, the bridge provides safe connectivity between dense residential neighborhoods deficient in parkland and the Fort Missoula Regional Park, which contains acres of developed and passive open space. This project was completed in fiscal year 2017 and the bond issue extends the life of URD III until 2040.

Currently Known Facts (Continued)

A second bond in the amount of $7.065 million was issued in October 2016 for the construction of the extension of Mary Avenue (east) through the Southgate Mall property. A third bond was issued in June 2017 to make improvements to Mary Avenue (west) to create a much needed east-west connection across the Bitterroot Branch Line railroad tracks between Brooks and Reserve Streets. This new and long sought after infrastructure has already been a catalyst for significant private investment in the area.

MRA has now turned its attention to identification, design and implementation of a project that will transform the heart of URD III by radically changing the nature of Brooks Street, the spine of the district. After several years of deliberation as to how to radically change the nature and functionality of the street to accommodate all modes of transportation and encourage investment in an area geared toward mass transit, a multi-disciplinary committee is committed to a concept that will consist of a center lane, fixed transit route supported by nodes of new mixed use development along the corridor. It is understood that if the provision of transit is a fixed route, the private sector is much more inclined to invest in the area. The magnitude of this project exceeds the City's capacity to implement without a major infusion of Federal funds. It is believed that this project would be a strong contender for a BUILD grant, likely in fiscal year 2021 or 2022, with a significant match being provided through TIF funds. This effort has also been a catalyst for a public-private effort to develop a master plan for Midtown, as the area has come to be called. It is anticipated that MRA will be as involved in this planning effort as it has been in the two downtown master plans.

During fiscal year 2017, Montana Rail Link agreed to sell a 12-acre tract of land in URD III to the City at a greatly reduced price enabling the MRA to build a much-needed park for the neighborhood along with one of the last missing Bitterroot Trail segments. The sale closed on May 2, 2017 and planning for the trail and park began shortly thereafter. Construction of the trail was completed in early fiscal year 2019 and the 4-acre MRL Park was completed later in fiscal year 2019. Tax increment revenue bonds were sold to reimburse the district for both acquisition and the improvements. The balance of the property will be developed as a mixed-use project with an emphasis on a mix of housing types and price points in a public-private partnership. Limited environmental remediation is required and the Environmental Assessment and remediation plan have been the focus during fiscal year 2020. These are anticipated to be completed during fiscal year 2021 with cleanup to follow, thus paving the way to full scale redevelopment of the approximately eight acres located on Johnson Street and North Avenue in the densely populated Franklin to Fort and Southgate Triangle neighborhoods.

The Missoula County Fairgrounds, located in the heart of Midtown Missoula, has been isolated from the community by being fenced off from the public. MRA has been working with the new County leadership to transform the Fairgrounds in a way that meets the needs of many different constituents. In fiscal year 2018, the MRA Board approved funding for trail connections through and around the Fairgrounds, opening up the grounds' large acreage and providing connections between neighborhoods and public facilities. Work on the project began in fiscal year 2019 and the portion funded with TIF was nearing completion in fiscal year 2020.

Currently Known Facts (Continued)
At the beginning of the recession, the Agency embarked on a project to build sidewalks in those areas of URD II and URD III that do not presently have any sidewalks or have gaps in the system. The Agency has built over 14 miles of new sidewalks in the past several years and will continue the program until there is a complete sidewalk system where adequate right of way is available in both districts. This program provides sidewalks and improves drainage in low-income neighborhoods that would otherwise not have these amenities in the foreseeable future. One of the major adjustments to the URD III boundary was to include a five-block area on the western edge of the District that was not included when URD III was created in 2000. The Agency funded the construction of new sidewalks in this area and they were built in fiscal year 2018. Work on these projects will continue for another 5-8 years.

In 2008, the Agency partnered with the Downtown Business Improvement District, the Missoula Parking Commission, the Missoula Downtown Association and private investors to create the Greater Downtown Master Plan. The Master Plan encompasses much of the West Broadway corridor, the east-west spine of URD II and all of the Front Street and Riverfront Triangle Urban Renewal Districts. The Agency staff continues to be a part of the Downtown Master Plan Implementation Committee, with the Director serving as Chair of the Committee. Numerous projects that were recommendations from the Master Plan have been accomplished with assistance from the Agency and the use of tax increment funds. The Downtown Master Plan Implementation Committee acknowledged the need for an update to the Plan and in fiscal year 2018 were able to raise $400,000 and issue a Request for Proposals for a consulting team to update the plan. The updated plan was completed in fiscal year 2019 and was adopted by City Council in fiscal year 2020. The Implementation Committee has been reconstituted and is dedicated to bringing the Plan to reality.

In fiscal year 2011, the Agency sent out a Request for Proposals for the development of the City owned portion of the Riverfront Triangle. The City Council subsequently entered into an agreement with Hotel Fox Partners, LLC to grant them the exclusive right for one year to perform their due diligence and negotiate a Development Agreement with the Agency/City. Several extensions were granted to study the feasibility of a larger hotel and community conference center. Decisions about moving forward with development of a conference center, the size, ownership and management structure continued through fiscal year 2016. Those efforts resulted in a Master Development Agreement approved in fiscal year 2017 that included a hotel, large conference center, three floors of residential condos and structured parking.

The hotel/conference center is another important component in the implementation of the Downtown Master Plan. Work continued on this complex project during fiscal year 2018 with the expectation that building permits would be issued in fiscal year 2019. The development group purchased most of the balance of the Riverfront Triangle property from Providence Health Care and continued working on development of that property for retail, office and residential uses. As a result of lack of available financing, building permits were not issued as anticipated and the deal was restructured with approval by the City Council for the assignment of the development rights to another entity.

Currently Known Facts (Continued)

The newly defined development was expanded to include a 6,000 capacity performance center in addition to the hotel, conference space, restaurants and condominiums. The goal was to break ground by late fiscal year 2020 or early 2021. This project, like many other across the country, was disrupted as a result of the COVID 19 pandemic. Its fate will not be determined until the long term impacts of the virus are clearer, particularly with respect to the entertainment and hospitality industries.

In fiscal year 2020, the City through the Agency was able to negotiate a Buy-Sell agreement for 19+ acres in the North Reserve-Scott Street URD. The land was a former industrial site with the typical environmental constraints. The eastern most 9.8 acres has been cleaned up to residential standards and it is anticipated that the purchase of that property will close in early fiscal year 2021. The property is located in not only an urban renewal district, but also is in the city's only Opportunity Zone. The Agency will be instrumental in attracting private partners for the redevelopment of this property as primarily residential, mixed use with affordable housing components. It is anticipated that a public-private partnership will be finalized in fiscal year 2021 with redevelopment following closely behind.

In fiscal year 2017, the City created an office of Housing and Community Development with a goal of creating the City's first housing policy and finding more targeted and efficient uses of the federal housing funds received by the City. During fiscal year 2018 and into fiscal year 2019, an intensive process was conducted involving city leaders, elected officials, developers, lenders, affordable housing providers, City staff and other interested parties crafting this new policy to address Missoula's housing shortage which exists at every level. The Agency staff has played a major role in the development of this newly adopted policy and understands that the use of TIF funds will be critical in the implementation phase. One of the most critical components of the housing policy is the creation of an Affordable Housing Trust Fund. The Agency has pledged a minimum of $1,000,000 annually to that fund, either through investment in affordable housing projects, land acquisition for affordable housing or a direct contribution to the fund.

Summary

The Agency will work with its partner organizations to update and continue implementation of the new Downtown Master Plan and redevelopment of the Riverfront Triangle. The Agency continues to seek out redevelopment opportunities in URD III that include design elements that reflect good urban design and add diversity to the housing supply, particularly through the transformation of Brooks Street as an urban street that invites automobile, transit, pedestrian and bicycle use.

The Agency's efforts continue to be targeted on the creation of connectivity, more pedestrian friendly, sustainable development patterns and economic development projects. That effort is evidenced by the trail and sidewalk construction projects in URD II and URD III with a commitment to completing the sidewalk networks in both districts.

Summary (Continued)

Major undertakings in the coming year will focus on expanding housing opportunities, further implementation of the NRSS URD Master Plan, transformation of the Brooks Street corridor, redevelopment in the Front Street URD, and redevelopment of the Riverfront Triangle property.

Ellen Buchanan
Director
Missoula Redevelopment Agency

Megan Moore, R. A. (June 2017). *Summary of Tax Legislation Enacted and Vetoed During the 2017 Legislative Session.*

FINANCIAL STATEMENTS

MISSOULA REDEVELOPMENT AGENCY
(A Component Unit of the City of Missoula)
STATEMENT OF NET POSITION
June 30, 2020

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	Governmental Activities
CURRENT ASSETS	
Cash and investments	$ 8,812,860
Taxes/assessments receivable, net	1,209,554
Current portion of notes receivable - unrelated	23,337
Current portion of notes receivable - primary government	16,622
Other current assets	121,855
Due from other governments	155,001
Total current assets	10,339,229
NONCURRENT ASSETS	
Notes receivable - unrelated	124,110
Notes receivable - primary government	532,109
Restricted cash	674,645
Total noncurrent assets	1,330,864
DEFERRED OUTFLOWS OF RESOURCES	
Unamortized loss on debt refunding	15,361
Pension and OPEB adjustments	101,977
Total deferred outflows of resources	117,338
Total assets and deferred outflows of resources	$ 11,787,431

The Notes to Financial Statements are an integral part of this statement.

MISSOULA REDEVELOPMENT AGENCY
(A Component Unit of the City of Missoula)
STATEMENT OF NET POSITION (CONTINUED)
June 30, 2020

LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	Governmental Activities
CURRENT LIABILITIES	
Accounts payable	$ 830,876
Accrued wages	18,647
Accrued interest	600
Compensated absences	55,817
Current portion of notes payable	112,000
Current portion of tax increment revenue bonds payable	600,149
Total current liabilities	1,618,089
NONCURRENT LIABILITIES	
Post employment benefits	154,239
Compensated absences, less current portion	66,786
Net pension liability	474,115
Notes payable, less current portion	5,161,666
Tax increment revenue bonds payable, less current portion	33,707,805
Total noncurrent liabilities	39,564,611
Total liabilities	41,182,700
DEFERRED INFLOWS OF RESOURCES	
Pension and OPEB adjustments	61,060
NET POSITION	
Restricted for debt service	674,645
Unrestricted	(30,130,974)
Total net position	(29,456,329)
Total liabilities, deferred inflows of resources, and net position	$ 11,787,431

MISSOULA REDEVELOPMENT AGENCY
(A Component Unit of the City of Missoula)
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2020

FUNCTIONS/PROGRAMS	Expenses	Governmental Activities
Governmental Activities		
Housing and community development	$ 7,971,135	$ (7,971,135)
Interest expense	1,765,235	(1,765,235)
Total governmental activities	9,736,370	(9,736,370)
Total primary government	$ 9,736,370	(9,736,370)
General Revenues		
Property taxes for general purposes		10,713,108
State contribution - PERS		10,486
State entitlement funds (HB124)		255,260
Personal property reimbursement (SB372 and SB96)		528,472
Grant revenue		5,000
Miscellaneous		113,869
Total general revenues		11,626,195
Change in net position		1,889,825
Net Position		
Beginning of year		(31,346,154)
End of year		$ (29,456,329)

The Notes to Financial Statements are an integral part of this statement.

MISSOULA REDEVELOPMENT AGENCY
(A Component Unit of the City of Missoula)
BALANCE SHEET – GOVERNMENTAL FUNDS
June 30, 2020

	Urban Renewal District I	Urban Renewal District II	Urban Renewal District III	Front Street District	Riverfront Triangle District	N. Reserve Scott Street District	Hellgate District	Major Debt Service	Total
ASSETS									
CURRENT ASSETS									
Cash and investments	$ 44	$ 1,788,306	$ 3,878,260	$ 419,201	$ 139,200	$ 971,940	$ 395,431	$ 1,220,478	$ 8,812,860
Taxes/assessments receivable, net	-	-	-	-	-	-	53,879	1,155,675	1,209,554
Current portion of notes receivable - unrelated	-	-	23,337	-	-	-	-	-	23,337
Current portion of notes receivable - primary government	-	12,194	2,296	-	-	2,132	-	-	16,622
Other current assets	-	-	35,845	-	-	-	-	86,010	121,855
Due from other governments	-	-	-	-	-	-	3,459	151,542	155,001
Interfund receivable	-	235,127	170,286	228,579	151,926	158,245	-	600	944,763
	44	2,035,627	4,110,024	647,780	291,126	1,132,317	452,769	2,614,305	11,283,992
NONCURRENT ASSETS									
Notes receivable - unrelated	-	-	124,110	-	-	-	-	-	124,110
Notes receivable - primary government	-	388,471	71,162	-	-	72,476	-	-	532,109
Restricted cash	-	-	-	-	-	-	-	674,645	674,645
	-	388,471	195,272	-	-	72,476	-	674,645	1,330,864
Total assets	$ 44	$ 2,424,098	$ 4,305,296	$ 647,780	$ 291,126	$ 1,204,793	$ 452,769	$ 3,288,950	$ 12,614,856
LIABILITIES									
CURRENT LIABILITIES									
Accounts payable	$ -	$ 205,309	$ 562,604	$ -	$ -	$ 62,963	$ -	$ -	$ 830,876
Accrued wages	-	-	18,647	-	-	-	-	-	18,647
Interfund payable	-	-	-	-	-	-	-	944,763	944,763
Accrued interest	-	-	-	-	-	-	-	600	600
Total liabilities	-	205,309	581,251	-	-	62,963	-	945,363	1,794,886
DEFERRED INFLOW OF RESOURCES									
Uncollected tax revenue	-	-	-	-	-	-	793	362,451	363,244
Total deferred inflow of resources	-	-	-	-	-	-	793	362,451	363,244
FUND BALANCES									
Nonspendable	-		5,845	-	-		-	-	5,845
Restricted	44	2,218,789	3,718,200	647,780	291,126	1,141,830	451,976	1,981,136	10,450,881
Total fund balance	44	2,218,789	3,724,045	647,780	291,126	1,141,830	451,976	1,981,136	10,456,726
Total liabilities deferred inflows and fund balances	$ 44	$ 2,424,098	$ 4,305,296	$ 647,780	$ 291,126	$ 1,204,793	$ 452,769	$ 3,288,950	$ 12,614,856

The Notes to Financial Statements are an integral part of this statement.

MISSOULA REDEVELOPMENT AGENCY
(A Component Unit of the City of Missoula)
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION
June 30, 2020

Total fund balances - governmental funds	$ 10,456,726
Property taxes receivable will be collected this year, but are not available soon enough to pay for the current period's expenditures, and therefore are deferred in the funds	363,244
Deferred outflows of resources related to unamortized loss on debt refunding are applicable to future periods and, therefore, are not reported in the funds	15,361
Deferred outflows and inflows of resources related to pensions and OPEB are applicable to future periods and, therefore, are not reported in the funds	
Deferred outflows of resources related to pensions and post employment benefits	101,977
Deferred inflows of resources related to pensions and post employment benefits	(61,060)
Long-term liabilities, both current and noncurrent portions, are not due and payable in the current period and therefore are not reported as liabilities in the funds	(40,332,577)
Total net position - governmental activities	$ (29,456,329)

The Notes to Financial Statements are an integral part of this statement.

MISSOULA REDEVELOPMENT AGENCY
(A Component Unit of the City of Missoula)
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS
For the Year Ended June 30, 2020

	Urban Renewal District I	Urban Renewal District II	Urban Renewal District III	Front Street District	Riverfront Triangle District	N. Reserve Scott Street District	Hellgate District	Major Debt Service	Total
REVENUES									
Tax increment property tax	$ -	$ -	$ -	$ -	$ -	$ -	$ 352,156	$ 10,287,203	$ 10,639,359
State contribution - PERS	-	-	470	-	-	-	-	-	470
Grant revenue	-	5,000	-	-	-	-		-	5,000
State entitlement funds (HB124)	-	-	-	-	-	-	-	255,260	255,260
Personal property reimbursement (SB372 and SB96)	-	-	-	-	-	-	-	528,472	528,472
Investment earnings	-	-	-	-	-	-		-	-
Miscellaneous	-	49,630	48,154	5,032	636	1,458	73	8,886	113,869
Total revenues	-	54,630	48,624	5,032	636	1,458	352,229	11,079,821	11,542,430
EXPENDITURES									
Housing and community development	-	1,904,004	2,633,747	458,468	240,001	860,206	1,667	-	6,098,093
Capital outlay	-	1,667,432	131,565	-	-	-	-	-	1,798,997
Debt service expense - interest	-	-	-	-	-	-	-	1,765,235	1,765,235
Debt service expense - principal	-	-	-	-	-	-	-	1,513,792	1,513,792
Miscellaneous	-	-	-	-	-	-	-	428	428
Total expenditures	-	3,571,436	2,765,312	458,468	240,001	860,206	1,667	3,279,455	11,176,545
Excess (deficiency) of revenues over expenditures	-	(3,516,806)	(2,716,688)	(453,436)	(239,365)	(858,748)	350,562	7,800,366	365,885
OTHER FINANCING SOURCES (USES)									
Transfers in	-	2,727,569	3,378,888	697,943	427,652	1,216,546	-	3,271,775	11,720,373
Transfers out	-	(433,737)	-	-	(100,000)	(83,359)	(32,344)	(11,070,933)	(11,720,373)
Total other financing sources (uses)	-	2,293,832	3,378,888	697,943	327,652	1,133,187	(32,344)	(7,799,158)	-
Net change in fund balances	-	(1,222,974)	662,200	244,507	88,287	274,439	318,218	1,208	365,885
FUND BALANCES									
Beginning of year	44	3,441,763	3,061,845	403,273	202,839	867,391	133,758	1,979,928	10,090,841
End of year	$ 44	$ 2,218,789	$ 3,724,045	$ 647,780	$ 291,126	$ 1,141,830	$ 451,976	$ 1,981,136	$ 10,456,726

The Notes to Financial Statements are an integral part of this statement.

MISSOULA REDEVELOPMENT AGENCY
(A Component Unit of the City of Missoula)
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2020

Amounts reported for *governmental activities* in the statement of activities are different because:

Net change in fund balances - total governmental funds	$ 365,885
Tax increment revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the fund financial statements	73,749
The change in compensated absences payable is reported in the statement of activities as an expense	(19,617)
The change in the other postemployment benefits is reported in the statement of activities as an expense	(3,758)
The change in the proportionate share of the net pension liability related to proportionate share of collective pension expense is reported on the statement of activities as an expense	(49,978)
On-behalf State contributions to pensions are revenues in the statement of activities, but do not provide current financial resources to the governmental fund	10,486
The change in the deferred outflows of resources related to unamortized loss on debt refunding is reported in the statement of activities as an expense	(734)
Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position	1,513,792
Change in net position - statement of activities	$ 1,889,825

The Notes to Financial Statements are an integral part of this statement.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

Missoula Redevelopment Agency (the Agency) was established in 1978 by the City of Missoula (the City) as a separate legal entity in accordance with state urban renewal laws (Section 7-15-4201, MCA). The Agency has the authority to renovate property within blighted areas legally designated as urban renewal districts, but the authority to exercise the power of eminent domain, acquire and resell property, and to issue tax increment bonds remains with the City. The City has established seven urban renewal districts (URDs): URD I in 1978, URD II in 1991, URD III in 2000, Front Street district in 2007, Riverfront Triangle district in 2008, North Reserve – Scott Street Urban Renewal District in 2014 and Hellgate Urban Renewal District in 2014. The five-member governing board is appointed by the Mayor and approved by City Council. Due to the control exercised by the City and the limited powers of the Agency, the Agency is considered a component unit of the City.

The Agency has no authority to levy taxes. However, under the City's Urban Renewal Plans, revenue derived from incremental property taxes, which result from increases in the taxable value of property within an urban renewal district, are designated for urban renewal purposes and provide the primary funding source for the Agency.

State law provides that the tax increment provisions applicable to a renewal district established prior to 1980 be terminated seventeen years after enactment or when all tax increment debt has been retired. For districts established after 1980, state law provides they be terminated fifteen years after enactment or when all tax increment debt has been retired. Because the tax increment provisions for URD I were enacted on December 18, 1978, the Agency was scheduled to terminate on December 18, 1995. However, the City issued tax increment bonds on December 15, 1989, as permitted by state law. The issuance of these bonds extended the tax increment provisions for the term of the bonds, whose final maturity was July 1, 2005. URD II was scheduled to terminate in 2006, but was extended to 2031 through the issuance of tax increment bonds on August 15, 2006. URD III was scheduled to terminate in 2015 but was extended to 2040 through the issuance of a tax increment bond on September 13, 2018. Front Street URD was scheduled to terminate in 2022 but was extended to 2043 through the issuance of a revenue bond on May 10, 2019. Riverfront Triangle URD was scheduled to terminate in 2023 but was extended to 2043 through the issuance of a revenue bond on June 6, 2019. On August 25, 2014, the North Reserve – Scott Street (NRSS) Urban Renewal District Plan and the Hellgate Urban Renewal District Plan were approved. Hellgate URD will sunset in 2030. NRSS URD was extended to 2042 through the issuance of a tax increment bond on December 21, 2017.

Basis of Presentation and Basis of Accounting

The Agency complies with generally accepted accounting principles (GAAP). GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation and Basis of Accounting (Continued)

Government-wide Statements
The statement of net position and the statement of activities report information about the overall financial position and activities of the Agency.

These statements are reported using the economic resources measurement focus and the accrual basis of accounting. The activities of the Agency are generally financed through incremental property taxes and state entitlements. Revenues are recorded when earned and expenses are recorded at the time the liability is incurred, regardless of when the related cash flows take place. On the accrual basis, revenues from property taxes are recognized in the fiscal year for which the taxes are levied. Revenues from grants, entitlements, and donations are recognized in the fiscal year in which eligibility requirements have been met.

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the Agency's governmental activities. Direct expenses are those that are specifically associated with a program or function. However, the Agency does not collect any program revenue. Accordingly, all revenues, including all property taxes, are presented as general revenues.

Certain eliminations have been made as prescribed by GASB Statement No. 34 in regards to interfund activities, payables, and receivables. All internal balances in the Statement of Net Position have been eliminated.

Fund Financial Statements
These statements provide information about the Agency's funds. The emphasis of fund financial statements is on major governmental funds. Each major fund is displayed in a separate column in the governmental funds statements. The Agency reports all of its urban renewal districts as major funds. Individual debt service funds are aggregated into a single debt service major fund.

Governmental fund financial statements use the current financial resources measurement focus and the modified accrual basis of accounting. Under this basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they are measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Agency considers all revenues available if they are collected within 75 days after year-end. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on long-term liabilities which is recognized when due, and certain compensated absences which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation and Basis of Accounting (Continued)

Fund Financial Statements (Continued)
Real and personal property taxes and interest earnings are susceptible to accrual. Other receipts and taxes become measurable and available when cash is received by the Agency and are recognized as revenue at that time. The Agency recorded real and personal property taxes for the current year as revenue. Taxes and assessments receivable remaining unpaid at year-end and not expected to be collected soon enough thereafter to be available to pay obligations of the current year were reserved and off set against taxes/assessments receivable, with a corresponding reduction in revenues, as required by GAAP. In addition, prior period delinquent taxes collected in the current period were recorded as revenue in the current period as required by GAAP. Entitlements and shared revenues are recorded at the time of receipt or earlier if the susceptible to accrual criteria are met. Expenditure driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met.

Due to the nature of the Agency, there is no General Fund.

Major Funds
GASB Statement No. 34 requires that all governmental funds whose assets, liabilities, revenues or expenditures exceed 10% or more of the total for all government funds be reported as major funds. An entity may also determine if a fund should be reported as major that does not meet the above requirement. Accordingly, the Agency has chosen to record all of its URD development funds as major funds. A description of these funds follows:

Special Revenue Funds

- Urban Renewal District I – used to account for all activities of District I
- Urban Renewal District II – used to account for all activities of District II
- Urban Renewal District III – used to account for all activities of District III
- Front Street District – used to account for all activities of Front Street District
- Riverfront Triangle District – used to account for all activities of Riverfront Triangle District
- North Reserve/Scott Street District – used to account for all activities of North Reserve/Scott Street District
- Hellgate District – used to account for all activities of Hellgate District

Debt Service Funds
These are used to account for the accumulation of resources for, and the payment of, tax increment debt principal, interest and related costs, and to comply with the requirements of the tax increment bond and note covenants and resolutions. These funds are included as a debt service fund in the Agency's financial statements.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation and Basis of Accounting (Continued)

Classification of Fund Balance
The Agency has adopted GASB Statement No. 54, which defines how fund balances of the governmental funds are presented in the financial statements. This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balances more transparent. The following classifications describe the relative strength of the spending constraints:

- Nonspendable – Amounts that cannot be spent either because they are not in a spendable form or because they are legally or contractually required to be maintained intact.
- Restricted – Amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions or by enabling legislation.
- Committed – Constraint is imposed by City Council by resolution. The Agency Board does not have the authority to issue resolutions.
- Assigned – Amounts the Agency intends to use for a specific purpose. Constraint is internally expressed intent by government body or authorized official through budget approval process or express assignment.
- Unassigned – No constraints and negative balance in non-general funds.

Expenditure Order for Resource Categories

Order	Special Revenue Funds	Debt Service Funds
First:	Restricted	Assigned
Second:	Committed	Committed
Third:	Assigned	Restricted
Fourth:	Unassigned	Unassigned

Budgets and Budgetary Accounting
An annual appropriated operating budget is adopted each fiscal year for the governmental funds on the modified accrual basis of accounting. Revenues are budgeted in the year they are measurable and available. Expenditures are budgeted in the year they are expected to be incurred. As required by Montana law, the full amount of increment derived from property taxes levied for the fiscal year is included in the Agency's budget.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation and Basis of Accounting (Continued)

Budgets and Budgetary Accounting (Continued)
As required by State statute, the Agency follows these procedures to develop its annual budget:

a) On or before June 10, department heads and supervisors file with the City detailed and itemized estimates, both of the probable revenue from sources other than taxation and of all expenditures required by the office or department for the next fiscal year.

b) The City finance department prepares a tabulation showing the complete expenditure program of the Agency for the next fiscal year and the sources of revenue by which it is to be financed.

c) On or before the fourth Monday in July, the City Council shall make any revisions it considers advisable.

d) Public hearings are held.

e) By the second Monday in August, the City Council adopts the final budget.

Budget appropriation transfers may be made between the general classifications of salaries and wages, maintenance and operations and capital outlay. Final reported budget amounts represent the originally adopted budget as amended by resolution of the City Council. It is management's responsibility to see that the budget is followed to the fund level.

The City Council may amend a final budget when shortfalls in budgeted revenues require reductions in approved appropriations to avert deficit spending; when savings result from unanticipated adjustments in projected expenditures; when unanticipated state or federal monies are received; for bonding; or when a public emergency occurs which could not have been foreseen at the time of adoption. The procedure to amend the budget in total can be made only after the Agency prepares a resolution, notice is published of a public hearing, and a public hearing is held in accordance with state law.

Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

The Agency's cash is held by the City Treasurer and pooled with other City cash. Interest earned on pooled investments is distributed to each contributing entity and fund on a pro rata basis. Authorized investments allowed by Section 20-9-213, MCA, include savings or time deposits in a state or national bank, building or loan association, or credit union insured by the FDIC or NCUA located in the state; repurchase agreements; and the State Unified Investment Program.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents (Continued)
Further, Section 7-6-202, MCA, authorizes investments in U.S. government treasury bills, notes, bonds, U.S. Treasury obligations, treasury receipts, general obligations of certain agencies of the United States, and U.S. government security money market fund if the fund meets certain conditions. Investments held by the Agency are reported at fair value.

The Agency categorizes its fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets (these investments are valued using prices quoted in active markets); Level 2 inputs are significant other observable inputs (these investments are valued using matrix pricing); Level 3 inputs are significant unobservable inputs (these investments are valued using consensus pricing). The Agency had no investments that required categorization within the fair value hierarchy.

Interfund Receivables and Payables
During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. These short-term interfund loans are reported as “interfund receivables and payables” in the fund financial statements.

Tax Increment
The City’s property tax levies are set on or before the second Monday in August, in connection with the budget process. Real property (and certain attached personal property) taxes are billed within ten days after the third Monday in October and are due in equal installments on November 30 and the following May 31. After those dates, the taxes become delinquent (and a lien is placed upon the property). After three years, the County of Missoula has the authority and may exercise the lien on behalf of the City. Personal property taxes (other than those billed with real estate) are generally billed no later than the second Monday in July (normally in May or June), based on the prior November’s levies. Personal property taxes, other than mobile homes, are due thirty days after billing. Mobile home taxes are usually billed at the end of April. The first half is due thirty days after billing (usually by May 31) and the second half is due November 30. The tax billings are considered past due after the respective due dates and are subject to penalty and interest charges.

Taxable valuations for each Urban Renewal District and the corresponding tax increment amounts for November 2019 property tax billing are as follows:

	Taxable Value	Increment Value
Urban Renewal District II	$ 5,640,253	$ 3,780,430
Urban Renewal District III	12,474,549	4,301,705
Front Street Urban Renewal District	3,031,432	1,618,397
Riverfront Triangle Urban Renewal District	859,140	701,282
Hellgate Urban Renewal District	1,438,165	412,717
North Reserve Scott Street Urban Renewal District	3,149,004	1,657,799

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets
Capital assets are recorded in the City's general capital asset accounts.

Compensated Absences
Under terms of state law, the Agency employees are granted vacation and sick leave in varying amounts. In the event of termination, an employee is reimbursed for all accumulated vacation leave and 25% of accumulated sick leave. Expenditures for these compensated absences are recorded when paid, because the amounts expected to be liquidated from current resources do not vary materially from year to year. Compensated absences to be funded from future resources are reflected as liabilities in the government-wide financial statements to the extent they are vested.

Other Postemployment Benefits
The Agency recognizes and reports its postemployment health care benefits in accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions.*

NOTE 2. CASH AND INVESTMENTS

The Agency's cash is invested in the City's investment pool. The Agency's portion of underlying cash and investments of the City's investment pool consists of the following:

Demand Deposits	$ 9,382,301
Cash on Hand	7,362
Certificates of Deposit	97,842
Less restricted cash held for debt service reserve	(674,645)
	$ 8,812,860

The City's investment pool does not have a credit rating. Investment in the pool exposes the Agency to interest rate risk due to the underlying investment in government securities. This risk is managed by the City.

Information regarding insurance coverage or collateralization, interest rate risk, and investment in derivatives and similar instruments for the investment in the City's investment pool is available in the City's comprehensive annual financial report (CAFR). There is no regulatory oversight for the City's investment pool, and participants' equity in the pool approximates the fair value of the underlying investments.

NOTE 3. OTHER CURRENT ASSETS

Other current assets consist of the following at June 30, 2020:

Prepaid expenses	$	5,845
Other receivables		116,010
	$	121,855

NOTE 4. NOTES RECEIVABLE

In July 2010, the Agency executed a $61,000 note receivable under its Façade Improvement Program. The note bears interest at 0% and calls for annual payments of $6,100 over ten years. At June 30, 2020, the note had an outstanding balance of $6,100. In May 2014, December 2015, and February 2019, the Agency executed additional note receivables under its Façade Improvement Program in the amount of $10,368, $62,000 and $100,000, respectively. The notes bear interest at 0% and call for annual payments of $1,037, $6,200 and $10,000 respectively, over ten years. At June 30, 2020, the notes had an outstanding balance of $4,147, $37,200 and $100,000, respectively.

In October 2011, the Agency was assigned a $40,000 note receivable in relation to a Water Main Extension Contract with Mountain Water Company. The note bears interest at 0% and calls for annual payments of $1,000 over forty years. In 2013, 2016 and 2017, the Agency executed additional notes in relation to the Water Main Extension Contracts and fire hydrant installations with Mountain Water Company for $508,261, $40,781 and $73,464, respectively. The notes bear interest at 0% and call for annual payments over forty years. In June 2017, the City of Missoula assumed all of the Mountain Water notes. At June 30, 2020, the outstanding balances of all the City of Missoula notes were $400,665, $73,458 and $74,608 in URD II, URD III, and the NRSS, respectively.

Collections to maturity at June 30, 2020, are as follows:

Year Ending June 30,		Principal
2021	$	39,959
2022		33,847
2023		33,847
2024		33,846
2025		32,810
Thereafter		521,869
Total	$	696,178

NOTE 5. LONG-TERM DEBT

Changes in long-term debt for the year ended June 30, 2020, were as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Compensated Absences	$ 102,986	$ 19,617	$ -	$ 122,603	$ 55,817
MAEDC Note - direct borrowing	1,540,302	-	(20,987)	1,519,315	-
MPC Note	2,462,000	-	(110,000)	2,352,000	112,000
Stockman Bank Note - direct borrowing	1,439,175	-	(36,824)	1,402,351	-
Bonds Payable - direct placement	32,339,335	-	(1,146,409)	31,192,926	210,000
Bonds Payable	3,314,600	-	(199,572)	3,115,028	390,149
Total	$ 41,198,398	$ 19,617	$ (1,513,792)	$ 39,704,223	$ 767,966

Bonds Payable

Mill Site Bonds

The Agency issued $3,600,000 of Tax Increment Urban Renewal Bonds in August 2006. The bonds were issued to finance acquisition of the Champion Mill Site Property located within District II. The bonds were issued at par, bear interest ranging from 4.5% to 5.125%, and are secured by a first lien upon and pledge of tax increment revenues from District II. The bond resolution requires, among other things, that all of District II's tax increment revenue, except revenues generated by the excluded properties as identified in the bond covenants, be deposited in a debt service fund as required to pay principal and interest on the bonds when due, and to provide certain reserves for future bond payments. After all required amounts have been deposited in the accounts, the remaining tax increment funds may be used to pay costs associated with construction of other urban renewal activities within District II, to redeem all or a portion of the Series 2006 bonds or to return a portion of the tax increment revenues to the taxing jurisdictions located within District II, as provided by state law.

Debt service requirements to maturity on the August 2006 tax increment bonds at June 30, 2020, are as follows:

Year Ending June 30,	Principal	Interest	Total
2021	$ 145,000	$ 101,150	$ 246,150
2022	155,000	94,625	249,625
2023	160,000	86,681	246,681
2024	170,000	78,841	248,841
2025	180,000	69,769	249,769
2026-2030	1,025,000	207,320	1,232,320
2031	235,000	11,162	246,162
Total	$ 2,070,000	$ 649,548	$ 2,719,548

NOTE 5. LONG-TERM DEBT (CONTINUED)

Bonds Payable (Continued)

Silver Park, Wyoming Street and Trestle Bonds – Direct Placement

The Agency issued $5,750,000 of Tax Increment Urban Renewal Bonds in March 2013. The bonds were issued to finance public improvements in Silver Park, the construction of Wyoming Street from Hickory Street to California Street and replace the aging train trestle located within District II. The bonds were issued at par and bear an interest rate of 3.15%. The bonds are secured by a first lien upon and pledge of tax increment revenues from District II. The Agency estimates tax increment revenue to be sufficient to cover the principal and interest requirements of the Series 2006 and Series 2013 Bonds. The bond resolution requires, among other things, that all of District II's tax increment revenue, except revenues generated by the excluded properties as identified in the bond covenants, be deposited in a debt service fund as required to pay principal and interest on the bonds when due, and to provide certain reserves for future bond payments.

After all required amounts have been deposited in the accounts, the remaining tax increment funds may be used to pay costs associated with construction of other urban renewal activities within District II, to redeem all or a portion of the Series 2013 bonds or to return a portion of the tax increment revenues to the taxing jurisdictions located within District II, as provided by state law.

Debt service requirements to maturity on the March 2013 tax increment bonds at June 30, 2020, are as follows:

Year Ending June 30,	Principal	Interest	Total
2021	$ 151,000	$ 126,032	$ 277,032
2022	308,000	116,534	424,534
2023	318,000	106,754	424,754
2024	329,000	96,658	425,658
2025	339,000	86,216	425,216
2026-2030	1,864,000	264,679	2,128,679
2031-2032	618,000	19,564	637,564
Total	$ 3,927,000	$ 816,437	$ 4,743,437

Intermountain Lumber Site – Direct Placement

The Agency issued $1,753,500 of Tax Increment Urban Renewal Bonds in May 2013. The bonds were issued to finance demolition, site preparation, and infrastructure improvements on the old Intermountain Lumber Site Property located within District II. The bonds were issued at par and bear an interest rate of 4.25%. The bonds are secured by a first lien upon and pledge of tax increment revenues derived from the Project Site. The bond resolution requires, among other things, that the Project's tax increment revenue, be deposited in a debt service fund as required to pay principal and interest on the bonds when due.

NOTE 5. LONG-TERM DEBT (CONTINUED)

Bonds Payable (Continued)

Intermountain Lumber Site – Direct Placement (Continued)
After all required amounts have been deposited in the accounts, the remaining tax increment funds may be used to pay costs associated with construction of other urban renewal activities within District II, including additional expenses for the Lumber Site development, to redeem all or a portion of the Series 2013 bonds or to return a portion of the tax increment revenues to the taxing jurisdictions located within District II, as provided by state law.

Debt service requirements to maturity on the May 2013 tax increment bonds at June 30, 2020, are as follows:

Year Ending June 30,	Principal	Interest	Total
2021	$ 46,000	$ 27,019	$ 73,019
2022	95,000	51,085	146,085
2023	99,000	47,005	146,005
2024	103,500	42,755	146,255
2025	107,000	38,314	145,314
2026-2030	611,000	118,299	729,299
2031-2032	210,000	8,989	218,989
Total	$ 1,271,500	$ 333,466	$ 1,604,966

Safeway Bonds
The Agency issued $1,500,000 of Tax Increment Urban Renewal Revenue Bonds in October 2007. The bonds were issued to finance demolition, site preparation and infrastructure improvements and their associated design costs related with the Safeway, Inc. Project site. The bonds were issued at par, bear interest of 6.95%, and are secured by a first lien upon and pledge of tax increment revenues derived from the Project Site. Should tax increment revenues in any given year not be sufficient to pay the principal and interest payments, Safeway, Inc. (the Guarantor) is obligated to pay the deficiency. Tax increment in excess of debt service requirements will be (1) used to make Guarantor reimbursements for prior debt service deficiencies, (2) retained in an excess tax increment fund until the amount equals the maximum annual debt service for the bonds, and (3) used to prepay the Series 2007 bonds.

Repayment of the debt service deficiency to the Guarantor at June 30, 2020, has been estimated at $125,340. In 2019 the previously recorded Guarantor provision was reversed as the Agency does not consider the loss probable. No provision has been made at June 30, 2020.

NOTE 5. LONG-TERM DEBT (CONTINUED)

Bonds Payable (Continued)

Safeway Bonds (Continued)

Debt service requirements to maturity on the tax increment bonds at June 30, 2020, are as follows:

Year Ending June 30,	Principal	Interest	Total
2021	$ 65,000	$ 71,585	$ 136,585
2022	70,000	66,894	136,894
2023	75,000	62,029	137,029
2024	80,000	56,642	136,642
2025	90,000	50,909	140,909
2026-2030	530,000	153,595	683,595
2031	135,028	7,124	142,152
Total	$ 1,045,028	$ 468,778	$ 1,513,806

South Reserve Street Pedestrian Bridge Bonds – Direct Placement

The Agency issued $5,000,000 of Tax Increment Urban Renewal Revenue Bonds in December 2015. The bonds were issued to fund the design and construction of a pedestrian bridge over South Reserve Street connecting the Missoula to Lolo Trail to the Bitterroot Branch Trail. The bonds were issued at par, bear interest of 4.35%, and are secured by a first lien upon and pledge of tax increment revenues derived from District III. The bond resolution requires, among other things, that District III's tax increment revenues be deposited in a debt service fund as required to pay principal and interest on the bonds when due. After all required amounts have been deposited in the accounts, the remaining tax increment funds may be used to pay costs associated with construction of other urban renewal activities within District III, to redeem all or a portion of the bonds or to return a portion of the tax increment revenues to the taxing jurisdictions located within District III, as provided by state law.

Debt service requirements to maturity on the December 2015 tax increment bonds at June 30, 2020, are as follows:

Year Ending June 30,	Principal	Interest	Total
2021	$ -	$ 97,223	$ 97,223
2022	145,000	191,291	336,291
2023	150,000	184,875	334,875
2024	160,000	178,133	338,133
2025	165,000	171,064	336,064
2026-2030	935,000	739,391	1,674,391
2031-2035	1,155,000	512,321	1,667,321
2036-2040	1,435,000	231,746	1,666,746
2041	325,000	7,069	332,069
Total	$ 4,470,000	$ 2,313,113	$ 6,783,113

NOTE 5. LONG-TERM DEBT (CONTINUED)

Bonds Payable (Continued)

North Reserve/Scott Street Bonds – Direct Placement
In December 2015, the City of Missoula approved the sale of $1,364,400 of Senior Subordinate Tax Increment Urban Renewal Revenue Bonds in the NRSS District. The bonds were issued to fund certain public improvements related to redevelopment of Bretz RV & Marine, construction of the new Consumer Direct office building and the Scott Street Village housing project. The bonds were issued as senior subordinate debt to future public improvement bonds approved by the NRSS District. The bonds were issued at par, bear interest of 4.50%, and are secured by a senior subordinate lien upon and pledge of tax increment revenues derived from the NRSS District. The bond resolution requires, among other things, that NRSS District's tax increment revenue, be deposited in a debt service fund as required to pay principal and interest on the bonds when due. After all required amounts have been deposited in the accounts, the remaining tax increment funds may be used to pay costs associated with construction of other urban renewal activities within NRSS District, to redeem all or a portion of the bonds or to return a portion of the tax increment revenues to the taxing jurisdictions located within District, as provided by state law.

Debt service requirements to maturity on the December 2015 tax increment bonds at June 30, 2020, are as follows:

Year Ending June 30,	Principal	Interest	Total
2021	$ 29,015	$ 27,547	$ 56,562
2022	60,004	53,121	113,125
2023	62,734	50,390	113,124
2024	65,589	47,535	113,124
2025	68,574	44,550	113,124
2026-2030	392,616	173,006	565,622
2031-2035	490,456	75,164	565,620
2040	55,318	1,245	56,563
Total	$ 1,224,306	$ 472,558	$ 1,696,864

Front Street Series A Bonds – Direct Placement
In December 2017, the City approved the sale of $1,162,500 of Tax Increment Urban Renewal Subordinate Lien Revenue Refunding Bonds in the Front Street District. The bonds were issued to refund the taxable portion of the Series 2010 First Interstate Bank Note. The bonds were issued at par, bear interest of 5.75%, and are secured by a subordinate lien upon and pledge of tax increment revenues derived from Front Street District. The bond resolution requires, among other things, that Front Street District's tax increment revenues be deposited in a debt service fund as required to pay principal and interest on the bonds when due. After all required amounts have been deposited in the accounts, the remaining tax increment funds may be used to pay costs associated with construction of other urban renewal activities within Front Street District, to redeem all or a portion of the bonds or to return a portion of the tax increment revenues to the taxing jurisdictions located within District, as provided by state law.

NOTE 5. LONG-TERM DEBT (CONTINUED)

Bonds Payable (Continued)

Front Street Series A Bonds – Direct Placement (Continued)
Debt service requirements to maturity on the January 2017 tax increment bonds at June 30, 2020, are as follows:

Year Ending June 30,	Principal	Interest	Total
2021	$ -	$ 31,266	$ 31,266
2022	28,000	61,726	89,726
2023	29,500	60,073	89,573
2024	31,500	58,319	89,819
2025	33,000	56,465	89,465
2026-2030	196,500	250,628	447,128
2031-2035	259,500	185,423	444,923
2036-2040	343,000	109,121	452,121
2041-2042	166,500	-	166,500
Total	$ 1,087,500	$ 813,021	$ 1,900,521

The Agency increased its aggregate debt service payments by $153,521 over the next 25 years by refunding the prior debt and there was an economic gain on the refunding of $114,419. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. In accordance with GASB Statement No. 65 (GASB 65) this amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. At June 30, 2020, the City reports deferred outflows of resources in the amount of $15,361 related to the refunding bonds. The deferred charges will be amortized as a component of interest expense in the Statement of Revenues, Expenses and Changes in Fund Balances.

Front Street Series B Bonds – Direct Placement
In January 2017, the City of Missoula approved the sale of $277,500 of Tax Increment Urban Renewal Subordinate Lien Revenue Refunding Bonds in the Front Street District. The bonds were issued to refund the portion of the Series 2010 First Interstate Bank Note related to financing the 2010 public improvements. The bonds were issued at par, bear interest of 4.50%, and are secured by a subordinate lien upon and pledge of tax increment revenues derived from Front Street District. The bond resolution requires, among other things, that Front Street District's tax increment revenues be deposited in a debt service fund as required to pay principal and interest on the bonds when due. After all required amounts have been deposited in the accounts, the remaining tax increment funds may be used to pay costs associated with construction of other urban renewal activities within Front Street District, to redeem all or a portion of the bonds or to return a portion of the tax increment revenues to the taxing jurisdictions located within District, as provided by state law.

NOTE 5. LONG-TERM DEBT (CONTINUED)

Bonds Payable (Continued)

Front Street Series B Bonds – Direct Placement (Continued)
Debt service requirements to maturity on the January 2017 tax increment bonds at June 30, 2020, are as follows:

Year Ending June 30,	Principal	Interest	Total
2021	$ -	$ 5,783	$ 5,783
2022	7,500	11,396	18,896
2023	8,000	11,048	19,048
2024	8,500	10,676	19,176
2025	8,500	10,294	18,794
2026-2030	50,000	45,113	95,113
2031-2035	62,000	32,558	94,558
2036-2040	76,500	16,999	93,499
2041-2042	36,000	1,641	37,641
Total	$ 257,000	$ 145,508	$ 402,508

Information regarding the change in cash flow and economic gain related to the refunding are noted above under Front Street Series A Bonds. The refunding was completed with the issuance of both the Front Street Series A and B Bonds.

Front Street Series C Bonds – Direct Placement
In January 2017, the City of Missoula approved the sale of $3,260,500 of Tax Increment Urban Renewal Subordinate Lien Revenue Bonds in the Front Street District. The bonds will be used to acquire a public parking unit to be owned and operated by the Missoula Parking Commission as well as fund the issuance costs. The bonds were issued as subordinate debt to the 2014 bonds and any future debt issued at parity with the 2014 bonds approved in the Front Street District. The bonds were issued at par, bear interest of 4.50%, and are secured by a subordinate lien upon and pledge of tax increment revenues derived from Front Street District. The bond resolution requires, among other things, that Front Street District's tax increment revenues be deposited in a debt service fund as required to pay principal and interest on the bonds when due. After all required amounts have been deposited in the accounts, the remaining tax increment funds may be used to pay costs associated with construction of other urban renewal activities within the Front Street District, to redeem all or a portion of the bonds or to return a portion of the tax increment revenues to the taxing jurisdictions located within District, as provided by state law.

NOTE 5. LONG-TERM DEBT (CONTINUED)

Bonds Payable (Continued)

Front Street Series C Bonds – Direct Placement (Continued)
Debt service requirements to maturity on the January 2017 tax increment bonds at June 30, 2020, are as follows:

Year Ending June 30,	Principal	Interest	Total
2021	$ -	$ 69,249	$ 69,249
2022	91,102	136,448	227,550
2023	95,202	132,256	227,458
2024	99,486	127,875	227,361
2025	103,963	123,298	227,261
2026-2030	594,344	540,282	1,134,626
2031-2035	740,661	390,673	1,131,334
2036-2040	922,998	204,233	1,127,231
2041-2042	429,965	19,561	449,526
Total	$ 3,077,721	$ 1,743,875	$ 4,821,596

URD III Series A – Mary Avenue West Bonds – Direct Placement
In June 2017, the City of Missoula approved the sale of $1,600,000 of Tax Increment Urban Renewal Revenue Bonds in District III. The bonds were issued to fund certain public improvements and extensions to Mary Avenue from the Bitterroot Branch Railroad Line westward to Reserve Street. The bonds were issued on parity with other URD III bonds. The bonds were issued at par, bear interest of 4.65%, and are secured by a first lien upon and pledge of tax increment revenues derived from District III. The bond resolution requires, among other things, that District III's tax increment revenues be deposited in a debt service fund as required to pay principal and interest on the bonds when due. After all required amounts have been deposited in the accounts, the remaining tax increment funds may be used to pay costs associated with construction of other urban renewal activities within District III, to redeem all or a portion of the bonds or to return a portion of the tax increment revenues to the taxing jurisdictions located within District, as provided by state law.

NOTE 5. LONG-TERM DEBT (CONTINUED)

Bonds Payable (Continued)

URD III Series A – Mary Avenue West Bonds – Direct Placement (Continued)

Debt service requirements to maturity on the June 2017 tax increment bonds at June 30, 2020, are as follows:

Year Ending June 30,	Principal	Interest	Total
2021	$ -	$ 34,294	$ 34,294
2022	45,000	67,541	112,541
2023	50,000	65,333	115,333
2024	50,000	63,008	113,008
2025	55,000	60,566	115,566
2026-2030	305,000	262,144	567,144
2031-2035	385,000	182,396	567,396
2036-2040	475,000	83,119	558,119
2041	110,000	2,557	112,557
Total	$ 1,475,000	$ 820,958	$ 2,295,958

URD III – Mary Avenue East Bonds – Direct Placement

In January 2015, the City of Missoula approved the sale of $7,065,000 of Tax Increment Urban Renewal Revenue Bonds in District III. The bonds were issued in October 2015 to fund certain infrastructure improvements in connection with the Southgate Mall Project. The bonds were on parity with other URD III bonds. The bonds were issued at par, bear interest of 4.35%, and are secured by a first lien upon and pledge of tax increment revenues derived from District III. The bond resolution requires, among other things, that District III's tax increment revenues be deposited in a debt service fund as required to pay principal and interest on the bonds when due. After all required amounts have been deposited in the accounts, the remaining tax increment funds may be used to pay costs associated with construction of other urban renewal activities within District III, to redeem all or a portion of the bonds or to return a portion of the tax increment revenues to the taxing jurisdictions located within District, as provided by state law.

NOTE 5. LONG-TERM DEBT (CONTINUED)

Bonds Payable (Continued)

URD III – Mary Avenue East Bonds – Direct Placement (Continued)

Debt service requirements to maturity on the October 2015 tax increment bonds at June 30, 2020, are as follows:

Year Ending June 30,	Principal	Interest	Total
2021	$ -	$ 286,295	$ 286,295
2022	210,000	277,356	487,356
2023	219,000	268,025	487,025
2024	228,000	258,303	486,303
2025	238,000	248,168	486,168
2026-2030	1,358,000	1,072,275	2,430,275
2031-2035	1,679,000	743,219	2,422,219
2036-2040	2,078,000	336,168	2,414,168
2041	471,000	10,244	481,244
Total	$ 6,481,000	$ 3,500,053	$ 9,981,053

Scott Street Village – Phase 2 & 3 Bonds – Direct Placement

On December 11, 2017 the City of Missoula pursuant to Resolution 8229 approved the sale of $723,514 in tax increment urban renewal revenue bonds in North Reserve-Scott Street (NRSS) URD to fund public infrastructure improvements related to the construction of phases 2 and 3 of a housing development called Scott Street Village by Edgell Building Incorporated. This bond was issued on parity with other senior subordinate debt in the district. The bonds were issued at par, bear interest of 4.75%, and are secured by a senior subordinate lien upon and pledge of tax increment revenues derived from the NRSS District. The bond resolution requires, among other things, that NRSS District's tax increment revenue, be deposited in a debt service fund as required to pay principal and interest on the bonds when due. After all required amounts have been deposited in the accounts, the remaining tax increment funds may be used to pay costs associated with construction of other urban renewal activities within NRSS District, to redeem all or a portion of the bonds or to return a portion of the tax increment revenues to the taxing jurisdictions located within District, as provided by state law.

NOTE 5. LONG-TERM DEBT (CONTINUED)

Bonds Payable (Continued)

Scott Street Village – Phase 2 & 3 Bonds – Direct Placement (Continued)
Debt service requirements to maturity on the December 2017 tax increment bonds at June 30, 2020, are as follows:

Year Ending June 30,	Principal	Interest	Total
2021	$ 8,883	$ 16,068	$ 24,951
2022	18,403	31,498	49,901
2023	19,288	30,613	49,901
2024	20,215	29,686	49,901
2025	21,187	28,715	49,902
2026-2030	122,223	127,283	249,506
2031-2035	154,558	94,948	249,506
2036-2040	195,448	54,058	249,506
2041-2043	116,335	8,419	124,754
Total	$ 676,540	$ 421,288	$ 1,097,828

URD III Series 2018A – MRL – Direct Placement
In August 2018, the City of Missoula approved the sale of $1,239,404 of Tax Increment Urban Renewal Revenue Bonds in District III. The bonds were issued in September 2018 to finance the acquisition of the Montana Rail Link (MRL) property and the undertaking of certain improvements. The bonds were on parity with other URD III bonds. The bonds were issued at par, bear interest of 5.25%, and are secured by a first lien upon and pledge of tax increment revenues derived from District III. The bond resolution requires, among other things, that District III's tax increment revenues be deposited in a debt service fund as required to pay principal and interest on the bonds when due. After all required amounts have been deposited in the accounts, the remaining tax increment funds may be used to pay costs associated with construction of other urban renewal activities within District III, to redeem all or a portion of the bonds or to return a portion of the tax increment revenues to the taxing jurisdictions located within District, as provided by state law.

NOTE 5. LONG-TERM DEBT (CONTINUED)

Bonds Payable (Continued)

URD III Series 2018A – MRL – Direct Placement (Continued)
Debt service requirements to maturity on the September 2018 tax increment bonds at June 30, 2020, are as follows:

Year Ending June 30,	Principal	Interest	Total
2021	$ 16,792	$ 30,548	$ 47,340
2022	34,918	59,762	94,680
2023	36,775	57,905	94,680
2024	38,732	55,949	94,681
2025	40,791	53,889	94,680
2026-2030	238,905	234,498	473,403
2031-2035	309,568	163,835	473,403
2036-2040	401,131	72,271	473,402
2041	46,129	1,211	47,340
Total	$ 1,163,741	$ 729,868	$ 1,893,609

URD III Series 2018B – MRL – Direct Placement
In August 2018, the City of Missoula approved the sale of $2,681,782 of Tax Increment Urban Renewal Revenue Bonds in District III. The bonds were issued in September 2018 to finance the acquisition of the Montana Rail Link (MRL) property and the undertaking of certain improvements. The bonds were on parity with other URD III bonds. The bonds were issued at par, bear interest of 4.375%, and are secured by a first lien upon and pledge of tax increment revenues derived from District III. The bond resolution requires, among other things, that District III's tax increment revenues be deposited in a debt service fund as required to pay principal and interest on the bonds when due. After all required amounts have been deposited in the accounts, the remaining tax increment funds may be used to pay costs associated with construction of other urban renewal activities within District III, to redeem all or a portion of the bonds or to return a portion of the tax increment revenues to the taxing jurisdictions located within District, as provided by state law.

NOTE 5. LONG-TERM DEBT (CONTINUED)

Bonds Payable (Continued)

URD III Series 2018B – MRL – Direct Placement (Continued)

Debt service requirements to maturity on the September 2018 tax increment bonds at June 30, 2020, are as follows:

Year Ending June 30,	Principal	Interest	Total
2021	$ 39,857	$ 53,094	$ 92,951
2022	82,349	103,437	185,786
2023	85,990	99,634	185,624
2024	89,793	95,662	185,455
2025	93,765	91,515	185,280
2026-2030	534,822	320,798	855,620
2031-2035	664,030	283,106	947,136
2036-2040	824,451	122,684	947,135
2041	92,686	2,028	94,714
Total	$ 2,507,743	$ 1,171,958	$ 3,679,701

Front Street Series 2019 – Direct Placement

In February 2019, the City of Missoula approved the sale of $3,647,844 of Tax Increment Urban Renewal Subordinate Lien Revenue Bonds in the Front Street District. The bonds were issued on parity with other subordinate debt in the district in May 2019 for the Mercantile Project and related improvements. The bonds were issued at par, bear interest of 4.00%, and are secured by a subordinate lien upon and pledge of tax increment revenues derived from the Front Street District. The bond resolution requires, among other things, that the Front Street District's tax increment revenues be deposited in a debt service fund as required to pay principal and interest on the bonds when due. After all required amounts have been deposited in the accounts, the remaining tax increment funds may be used to pay costs associated with construction of other urban renewal activities within the Front Street District, to redeem all or a portion of the bonds or to return a portion of the tax increment revenues to the taxing jurisdictions located within District, as provided by state law.

NOTE 5. LONG-TERM DEBT (CONTINUED)

Bonds Payable (Continued)

Front Street Series 2019 – Direct Placement (Continued)

Debt service requirements to maturity on the May 2019 tax increment bonds at June 30, 2020, are as follows:

Year Ending June 30,	Principal	Interest	Total
2021	$ -	$ 71,478	$ 71,478
2022	97,600	141,003	238,603
2023	101,503	137,021	238,524
2024	105,563	132,880	238,443
2025	109,786	128,573	238,359
2026-2030	618,420	571,982	1,190,402
2031-2035	752,403	435,320	1,187,723
2036-2040	915,413	269,049	1,184,462
2041-2044	873,187	71,567	944,754
Total	$ 3,573,875	$ 1,958,873	$ 5,532,748

Notes Payable

Riverfront Triangle Series 2019 – Direct Borrowing

In March 2019, the City of Missoula approved the sale of $1,529,318 of Subordinate Tax Increment Urban Renewal Revenue Note in the Riverfront Triangle District. The note was issued in June 2019 for the Stockman Bank Project and related infrastructure improvements. The note was issued at par, bear interest of 4.00%, and is secured by a subordinate lien upon and pledge of tax increment revenues derived from the Riverfront Triangle District. The note resolution requires, among other things, that the Riverfront Triangle District's tax increment revenues be deposited in a debt service fund as required to pay principal and interest on the note when due. After all required amounts have been deposited in the accounts, the remaining tax increment funds may be used to pay costs associated with construction of other urban renewal activities within the Riverfront Triangle District, to redeem all or a portion of the note or to return a portion of the tax increment revenues to the taxing jurisdictions located within District, as provided by state law.

NOTE 5. LONG-TERM DEBT (CONTINUED)

Notes Payable (Continued)

Riverfront Triangle Series 2019 – Direct Borrowing (Continued)

Debt service requirements to maturity on the Riverfront note payable at June 30, 2020, are as follows:

Year Ending June 30,	Principal	Interest	Total
2021	$ -	$ 28,047	$ 28,047
2022	38,295	55,328	93,623
2023	39,829	53,766	93,595
2024	41,422	52,141	93,563
2025	43,079	50,451	93,530
2026-2030	242,662	224,440	467,102
2031-2035	295,235	184,851	480,086
2036-2040	359,199	105,572	464,771
2041-2044	342,630	28,082	370,712
Total	$ 1,402,351	$ 782,678	$ 2,185,029

MPC Note Payable

In December 2010, the Missoula Parking Commission (MPC) issued $7,500,000 of bonds to fund the construction of a new parking structure. In April 2014, MPC refunded the 2010 bonds and issued new bonds totaling $7,160,000. The Agency agreed to fund a portion of the bonds which will be supported by parking revenue and tax increment revenue. The bonds bear interest ranging from 2.00% to 4.35%. The Agency has committed to paying 40% of all principal and interest payments for the life of the bond. Under the terms of the agreement, the Agency will transfer $133,425 of pledged tax increment funds to MPC in two equal installments each year.

Debt service requirements to maturity on the MPC note payable at June 30, 2020, are as follows:

Year Ending June 30,	Principal	Interest	Total
2021	$ 112,000	$ 94,830	$ 206,830
2022	114,000	91,470	205,470
2023	118,000	86,910	204,910
2024	122,000	83,370	205,370
2025	128,000	78,490	206,490
2026-2030	706,000	356,762	1,062,762
2031-2035	860,000	110,083	970,083
2036	192,000	8,352	200,352
Total	$ 2,352,000	$ 910,267	$ 3,262,267

NOTE 5. LONG-TERM DEBT (CONTINUED)

Notes Payable (Continued)

Brownfields RLF Note Payable – Direct Borrowing
In 2004, the City of Missoula applied for and received a $1 million grant from the U.S. Environmental Protection agency (EPA) to create a revolving loan fund (RLF) to be used for brownfields remediation. The City entered into a subrecipient agreement with the Missoula Area Economic Development Corporation (MAEDC) to manage the revolving loan fund. MAEDC provided $200,000 in matching funds required under the EPA grant, creating a total loan fund of $1.2 million. In August 2006, MAEDC, at the direction of the Missoula Brownfields Cleanup RLF Committee, made a loan of $1,000,000 bearing interest at 1.5% to Millsite Revitalization Project (MRP) LLC, the developer of the Old Sawmill District, with MRA and the City identified as co-borrowers. The loan will be repaid solely from tax increment revenue resulting from the increased taxable value of the property within the Old Sawmill District post remediation and platting. Subsequent tax increment revenue from property development will be available to the district for other uses. The note is not a general obligation of the City. For these reasons, the loan is reflected as a liability of MRA. The City received additional funding from EPA and in December 2009, MRA, MRP, and MAEDC elected to increase the loan by $400,000 under the same terms. Subsequent to issuance, the servicing on the loan transferred to MoFi. In July 2012, the loan was increased to $1.775 million.

Debt service requirements to maturity on the Brownfields note payable at June 30, 2020, are as follows:

Year Ending June 30,	Principal	Interest	Total
2021	$ -	$ 11,638	$ 11,638
2022	88,782	22,727	111,509
2023	177,562	20,779	198,341
2024	177,562	18,075	195,637
2025	177,562	15,458	193,020
2026-2030	887,812	37,353	925,165
2031	10,035	74	10,109
Total	$ 1,519,315	$ 126,104	$ 1,645,419

2010 Series First Interstate Bank Note Payable
In December 2010, the Agency issued a note with First Interstate Bank (the Bank) for $1,623,380 to repay the Bank for project costs incurred that were legally eligible for reimbursement from tax increment funding. The Agency and the Bank agreed to a repayment schedule that included a subordinate note that was to be financed by the Bank's guaranteed minimum tax payments over 25 years at 6.55%.

NOTE 5. LONG-TERM DEBT (CONTINUED)

Notes Payable (Continued)

2010 Series First Interstate Bank Note Payable (Continued)
On January 12, 2017, the Agency issued two subordinate lien revenue refunding bonds, Series 2017A and Series 2017B, which is a current refunding of the above note. Additional details related to the refunding are included above under the Series 2017A and Series 2017B Front Street Bonds. Due to the refunding, the Bank note was paid in full as of June 30, 2017.

NOTE 6. COMMITMENTS

The Agency has entered into contracts for various projects and activities as approved by the Board of Commissioners. As of June 30, 2020, the Agency had commitments totaling $7,001,702 that will be financed from operating funds and bond proceeds.

Urban Renewal District II:	
Public:	
Missoula Food Bank & Community Center - PHC Satelite Clinic	$ 433,840
Sidewalks - 2nd & 3rd Street	263,272
Silver Park - Public Art	7,476
Legal Services	10,000
YWCA Expansion	142,404
Private:	
Blackfoot River Outfitters	80,582
MSJ Properties Housing	69,885
Burton Street Apartments	123,994
DJ&A Office Building	301,432
Sentinel Property Medical Offices	1,170,611
Ponderosa Village	96,000
	$ 2,699,496
North Reserve/Scott Street Urban Renewal District:	
Public:	
Missoula Cemetery	$ 12,750
Public Works	28,817
Scott Street Redevelopment	23,800
Villagio Housing Project	1,339,178
Private:	
Scott Street Village - Phase II & III	259,047
	$ 1,663,592

NOTE 6. COMMITMENTS (CONTINUED)

Urban Renewal District III:	
Public:	
Legal Services	$ 10,000
Brooks Street Corridor	30,045
Fire Hydrant	15,000
Mary Avenue West - Bond	13,474
Missoula County Fairgrounds	1,155,500
MRL Bond COI	4,219
MRL Park	137,491
Sidewalks	297,861
Street Trees	6,610
Private:	
Aspen Grove Therapy & Wellness	104,200
Tremper's Kent Plaza	226,100
	$ 2,000,500
Front Street Urban Renewal District:	
Public:	
Payne/Library Block	$ 25,000
Private:	
Levasseur Street Townhomes	6,956
Union Block Restoration	579,858
	$ 611,814
Hellgate District:	
Public:	
Railroad Quiet Zone & Traffic Study	$ 26,300

NOTE 7. PENSION PLAN

Summary of Significant Accounting Policies

Montana Public Employee Retirement Administration (MPERA) prepares financial statements using the accrual basis of accounting. The same accrual basis is used by MPERA for the purposes of determining the net pension liability; deferred outflows of resources and deferred inflows of resources related to pensions; pension expense; the fiduciary net position; and additions to or deductions from fiduciary net position. Member contributions are recognized in the period in which contributions are due. Employer contributions are recognized when due and the employer has made a formal commitment to provide the contributions.

NOTE 7. PENSION PLAN (CONTINUED)

Summary of Significant Accounting Policies (Continued)
Revenues are recognized in the accounting period they are earned and become measurable. Benefit payments and refunds are recognized in the accounting period in which they are due and payable in accordance with the benefit terms. Expenses are recognized in the period incurred. Investments are reported at fair value. MPERA adhered to all accounting principles generally accepted by the United States of America. MPERA applied all applicable pronouncements of the Governmental Accounting Standards Board (GASB).

Public Employees' Retirement System (PERS)

Plan Description
The PERS-Defined Benefit Retirement Plan (DBRP), administered by the Montana Public Employee Retirement Administration (MPERA), is a multiple-employer, cost-sharing plan established July 1, 1945, and governed by Title 19, chapters 2 & 3, Montana Code Annotated (MCA). This plan provides retirement benefits to covered employees of the State, and local governments, and certain employees of the Montana University System and school districts. Benefits are established by state law and can only be amended by Legislature.

All new members are initially members of the PERS-DBRP and have a 12-month window during which they may choose to remain in the PERS-DBRP or join the PERS-DCRP by filing an irrevocable election. Members may not be members of both the defined contribution and defined benefit retirement plans. All new members from the universities also have a third option to join the university system's Montana University System Retirement Program (MUS-RP).

The PERS-DBRP provides retirement, disability, and death benefits to plan members and their beneficiaries. Benefits are based on eligibility, years of service, and highest average compensation (HAC). Member rights are vested after five years of service.

Summary of Benefits

Eligibility for Benefit
Service retirement:

Hired prior to July 1, 2011:	Age 60, 5 years of membership service; Age 65, regardless of membership service; Any age, 30 years of membership service.
Hired on or after July 1, 2011:	Age 65, 5 years of membership services; Age 70, regardless of membership service.

Early Retirement

Hired prior to July 1, 2011:	Age 50, 5 years of membership service; or Any age, 25 years of membership service.
Hired on or after July 1, 2011:	Age 55, 5 years of membership service.

NOTE 7. PENSION PLAN (CONTINUED)

Public Employees' Retirement System (PERS)

Summary of Benefits (Continued)

Second Retirement (requires returning to PERS-covered employer or PERS service)

1) Retired before January 1, 2016 and accumulate less than 2 years additional service credit or retire on or after January 1, 2016 and accumulate less than 5 years additional service credit:
    - A refund or member's contributions plus return interest (currently 2.02% effective July 1, 2018).
    - No service credit for second employment;
    - Start the same benefit amount the month following termination; and
    - Guaranteed Annual Benefit Adjustment (GABA) starts again in the January immediately following the second retirement.
2) Retired before January 1, 2016 and accumulate at least 2 years of additional service credit:
    - A recalculated retirement benefit based on provisions in effect after the initial retirement; and
    - GABA starts on the recalculation benefit in January after receiving the new benefit for 12 months.
3) Retired on or after January 1, 2016 and accumulate 5 or more years of service credit:
    - The same retirement as prior to the return to service;
    - A second retirement benefit as prior to the second period of service based on laws in effect upon the rehire date; and
    - GABA starts on both benefits in the January after receiving the original and the new benefit for 12 months.

Member's Highest Average Compensation (HAC)

- Hired prior to July 1, 2011 – highest average compensation during any consecutive 36 months;
- Hired on or after July 1, 2011 – highest average compensation during any consecutive 60 months;

Compensation Cap

Hired on or after July 1, 2013 – 110% annual cap on compensation considered as part of a member's highest average compensation.

NOTE 7. PENSION PLAN (CONTINUED)

Public Employees' Retirement System (PERS)

Summary of Benefits (Continued)

Monthly Benefit Formula

1) Members hired prior to July 1, 2011:
- Less than 25 years of membership service: 1.785% of HAC per year of service credit;
- 25 years of membership service or more: 2% of HAC per year of service credit.

2) Members hired on or after July 1, 2011:
- Less than 10 years of membership service: 1.5% of HAC per year of service credit;
- 10 years or more, but less than 30 years of membership service: 1.785% of HAC per year of service credit;
- 30 years or more of membership service: 2% of HAC per year of service credit.

Guaranteed Annual Benefit Adjustment (GABA)

After the member has completed 12 full months of retirement, the member's benefit increases by the applicable percentage (provided below) each January, inclusive of other adjustments to the member's benefit.
- 3.0% for members hired prior to July 1, 2007
- 1.5% for members hired between July 1, 2007 and June 30, 2013
- Members hired on or after July 1, 2013
  (a) 1.5% for each year PERS is funded at or above 90%
  (b) 1.5% is reduced by 0.1% for each 2% PERS is funded below 90%; and
  (c) 0% whenever the amortization period for PERS is 40 years or more.

Contributions

The state legislature has the authority to establish and amend contribution rates. Member and employer contribution rates are specified by Montana Statute and are a percentage of the member's compensation. Contributions are deducted from each member's salary and remitted by participating employers.

Pension Amount Totals

Employers are provided guidance in GASB Statement 68, paragraph 74, that pension amounts must be combined as a total or aggregate for reporting. This is true when employees are provided benefits through more than one pension, whether cost-sharing, single-employer, or agent plans.

Special Funding

The state of Montana, as the non-employer contributing entity, paid to the Plan, additional contributions that qualify as special funding. Those employees who received special funding are all participating employees.

NOTE 7. PENSION PLAN (CONTINUED)

Public Employees' Retirement System (PERS) (Continued)

Not Special Funding

Per Montana law, state agencies and universities pay their own additional contributions. The employer paid contributions are not accounted for as special funding for state agencies and universities but are reported as employer contributions.

Overview of Contributions

Member and employer contribution rates are shown in the table below.

Fiscal Year	Member Hired <07/01/11	Member Hired >07/01/11	State & Universities Employer	Local Government Employer	Local Government State	School Districts Employer	School Districts State
2020	7.900%	7.900%	8.770%	8.670%	0.100%	8.400%	0.370%
2019	7.900%	7.900%	8.670%	8.570%	0.100%	8.300%	0.370%
2018	7.900%	7.900%	8.570%	8.470%	0.100%	8.200%	0.370%
2017	7.900%	7.900%	8.470%	8.370%	0.100%	8.100%	0.370%
2016	7.900%	7.900%	8.370%	8.270%	0.100%	8.000%	0.370%
2015	7.900%	7.900%	8.270%	8.170%	0.100%	7.900%	0.370%
2014	7.900%	7.900%	8.170%	8.070%	0.100%	7.800%	0.370%
2012-2013	6.900%	7.900%	7.170%	7.070%	0.100%	6.800%	0.370%
2010-2011	6.900%		7.170%	7.070%	0.100%	6.800%	0.370%
2008-2009	6.900%		7.035%	6.935%	0.100%	6.800%	0.235%
2000-2007	6.900%		6.900%	6.800%	0.100%	6.800%	0.100%

1. Member contributions to the system of 7.9% are temporary and will be decreased to 6.9% on January 1 following actuary valuation results that show the amortization period has dropped below 25 years and would remain below 25 years following the reduction of both the additional employer and additional member contribution rates.
2. Employer contributions to the system:
   a. Effective July 1, 2014, following the 2013 Legislative Session, PERS-employer contributions increase an additional 0.1% a year and will continue over 10 years through 2024. The additional employer contributions including the 0.27% added in 2007 and 2009, will terminate on January 1 following an actuary valuation that shows the amortization period of PERS-DBRP has dropped below 25 years and remains below the 25 years following the reduction of both the additional employer and member contribution rates.
   b. Effective July 1, 2013, employers are required to make contributions on working retirees' compensation. Member contributions for working retirees are not required.
   c. The portion of employer contributions allocated to the Plan Choice Rate (PCR) are included in the employers reporting. The PCR was paid off effective March 2016 and the contributions previously directed to the PCR are now directed to member accounts.

NOTE 7. PENSION PLAN (CONTINUED)

Public Employees' Retirement System (PERS) (Continued)

Overview of Contributions (Continued)

3. Non Employer Contributions
   a. Special Funding
      i. The State contributes 0.1% of members' compensation on behalf of local government entities.
      ii. The State contributes 0.37% of members' compensation on behalf of school district entities.
      iii. The State contributed a Statutory Appropriation from the General Fund of $33,615,000.
   b. Not Special Funding
      i. The State contributes a portion of Coal Severance Tax income and earnings from the Coal Trust Permanent Trust fund.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

GASB 68 allows a measurement date of up to 12 months before the employer's fiscal year-end can be utilized to determine the Plan's total pension liability (TPL). The basis for the TPL as of June 30, 2019, was determined by taking the results of the June 30, 2018, actuarial valuation and applying standard roll-forward procedures. The roll-forward procedure uses a calculation that adds the annual normal cost (also called the service cost), subtracts the actual benefit payments and refunds for the plan year, and then applies the expected investment rate of return for the year. The roll-forward procedure will include the effects of any assumption changes and legislative changes. The update procedures are in conformity with Actuarial Standards of Practice issued by the Actuarial Standards Board.

The TPL minus the Fiduciary Net Position equals the Net Pension Liability (NPL). The proportionate shares of the employer's and the state of Montana's NPL for June 30, 2019, and 2018, are displayed below. The employer's proportionate share equals the ratio of the employer's contributions to the sum of all employer and non-employer contributions during the measurement period. The state's proportionate share for a particular employer equals the ratio of the contributions for the particular employer to the total state contributions paid.

NOTE 7. PENSION PLAN (CONTINUED)

Public Employees' Retirement System (PERS) (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)
The employer recorded a liability of $474,115 and the employer's proportionate share was 0.02268 percent.

	Net Pension Liability as of 6/30/2019	Net Pension Liability as of 6/30/2018	Percent of Collective NPL as of 6/30/2019	Percent of Collective NPL as of 6/30/2018*	Change in Percent of Collective NPL
Agency's Proportionate Share	$ 474,115	$ 465,741	0.02268%	0.02231%	0.00037%
State of Montana Proportionate Share associated with Agency	154,456	156,105	0.00739%	0.03002%	-0.02263%
Total	$ 628,571	$ 621,846	0.03007%	0.05233%	-0.02226%

* To be consistent with this year's calculation of the State of Montana Proportionate Share Associated with Employer Percent of Collective NPL, the June 30, 2018 percentage has been recalculated using the actual State percentage presented on the allocation instead of the 100% displayed last year. This does not change the dollar amount of the NPL as of June 30, 2018, just the percentage.

Changes in Actuarial Assumptions and Methods:
There were no changes in assumptions or other inputs that affected the measurement of the TPL.

Changes in Benefit Terms:
There have been no changes in benefit terms since the previous measurement date.

Pension Expense
At June 30, 2019, the Agency recognized $80,987 for its proportionate share of the Plan's pension expense and recognized grant revenue of $10,486 for the state of Montana proportionate share of the pension expense associated with the Agency.

	Pension Expense as of 6/30/2019	Pension Expense as of 6/30/2018
Agency's Proportionate Share of PERS	$ 80,987	$ 61,062
State of Montana Proportionate Share associated with the Agency	10,486	10,418
Total	$ 91,473	$ 71,480

NOTE 7. PENSION PLAN (CONTINUED)

Public Employees' Retirement System (PERS) (Continued)

Recognition of Deferred Inflows and Outflows

At June 30, 2019, the Agency reported its proportionate share of PERS' deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Expected versus actual experience	$ 22,480	$ 22,309
Projected investment earnings versus actual investment earnings	5,749	-
Changes in assumptions	20,128	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	2,667
Employer contributions subsequent to the measurement date	34,744	-
Total	$ 83,101	$ 24,976

Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

For the measurement year ended June 30:	Recognition of Deferred Outflows and Deferred Inflows in future years as an increase or (decrease) to Pension Expense
2020	$ 30,271
2021	$ (14,188)
2022	$ 2,139
2023	$ 5,159
Thereafter	$ -

NOTE 7. PENSION PLAN (CONTINUED)

Public Employees' Retirement System (PERS) (Continued)

Actuarial Assumptions

The TPL in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions:

• Investment Return (net of admin expense)	7.65%
• Admin Expense as % of Payroll	0.26%
• General Wage Growth*	3.50%
*includes Inflation at	2.75%
• Merit Increases	0% to 6.30%

- Postretirement Benefit Increases:
  1. Guaranteed Annual Benefit Adjustment (GABA) each January
     - After the member has completed 12 full months of retirement, the member's benefit increases by the applicable percentage each January, inclusive of other adjustments to the member's benefit.
       - 3% for members hired prior to July 1, 2007
       - 1.5% for members hired between July 1, 2007 and June 30, 2013
       - Members hired on or after July 1, 2013:
         - (a) 1.5% for each year PERS is funded at or above 90%;
         - (b) The 1.5% is reduced by 0.1% for each 2% PERS is funded below 90%;
         - (c) 0% whenever the amortization period for PERS is 40 years or more.

Mortality

- Mortality assumptions among contributing members, service retired members and beneficiaries were based on RP-2000 Combined Employee and Annuitant Mortality Tables projected to 2020 with scale BB, males set back 1 year.
- Mortality assumptions among disabled members are based on RP-2000 Combined Mortality Tables with no projections.

The most recent experience study, performed for the period covering fiscal years 2011 through 2016, was outlined in a report dated May 5, 2017 and can be located on the MPERA website. The long-term expected rate of return on pension plan assets is reviewed as part of the regular experience studies prepared for the Plan. Several factors are considered in evaluating the long-term rate of return assumption including historical rates of return, rate of return assumptions adopted by similar public sector systems, and by using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

NOTE 7. PENSION PLAN (CONTINUED)

Public Employees' Retirement System (PERS) (Continued)

Actuarial Assumptions (Continued)

Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of June 30, 2019, are summarized below.

Asset Class	Target Asset Allocation	Long-Term Expected Real Rate of Return Arithmetic basis
Cash Equivalents	3.00%	4.09%
Domestic Equity	36.00%	6.05%
Foreign Equity	18.00%	7.01%
Fixed Income	23.00%	2.17%
Private Equity	12.00%	10.53%
Real Estate	8.00%	5.65%
Total	100.00%	

Discount Rate

The discount rate used to measure the TPL was 7.65%. The projection of cash flows used to determine the discount rate assumed that contributions from participating plan members, employers, and non-employer contributing entities will be made based on the Board's funding policy, which established the contractually required rates under Montana Code Annotated. The state contributed 0.10% of salaries paid by local governments and 0.37% paid by school districts. In addition, the state contributed a statutory appropriation from the general fund. Based on those assumptions, the Plan's fiduciary net position was projected to be adequate to make all the projected future benefit payments of current plan members through the year 2122. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the TPL. A municipal bond rate was not incorporated in the discount rate.

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the employer's sensitivity of the NPL to the discount rate in the table below. A small change in the discount rate can create a significant change in the liability. The NPL was calculated using the discount rate of 7.65%, as well as what the net pension liability would be if it were calculated using a discount rate 1.00% lower or 1.00% higher than the current rate.

	1.0% Decrease (6.65%)	Current Discount Rate (7.65%)	1.0% Increase (8.65%)
City of Missoula's Net Pension Liability	$ 32,336,134	$ 22,506,990	$ 14,246,839
Missoula Redevelopment Agency's Net Pension Liability	$ 681,169	$ 474,115	$ 300,113

NOTE 7. PENSION PLAN (CONTINUED)

Public Employees' Retirement System (PERS) (Continued)

PERS Disclosure for the Defined Contribution Plan

The Agency contributed to the state of Montana Public Employee Retirement System Defined Contribution Retirement Plan (PERS-DCRP) for employees that have elected the DCRP. The PERS-DCRP is administered by the PERB and is reported as a multiple-employer plan established July 1, 2002, and governed by Title 19, chapters 2 & 3, MCA.

All new PERS members are initially members of the PERS-DBRP and have a 12-month window during which they may choose to remain in the PERS-DBRP or join the PERS-DCRP by filing an irrevocable election. Members may not be participants of both the defined benefit and defined contribution retirement plans.

Member and employer contribution rates are specified by state law and are a percentage of the member's compensation. Contributions are deducted from each member's salary and remitted by participating employers. The state Legislature has the authority to establish and amend contribution rates.

Benefits are dependent upon eligibility and individual account balances. Participants are vested immediately in their own contributions and attributable income. Participants are vested after 5 years of membership service for the employer's contributions to individual accounts and the attributable income. Non-vested contributions are forfeited upon termination of employment per 19-3-2117(5), MCA. Such forfeitures are used to cover the administrative expenses of the PERS-DCRP.

At the plan level for the measurement period ended June 30, 2019, the PERS-DCRP employer did not recognize any net pension liability or pension expense for the defined contribution plan. Plan level non-vested forfeitures for the 320 employers that have participants in the PERS-DCRP totaled $714,024.

Pension Plan Fiduciary Net Position

The standalone financial statements of the Montana Public Employees Retirement Board (PERB) *Comprehensive Annual Financial Report* (CAFR) and the GASB 68 Report disclose the Plan's fiduciary net position. The reports are available from the PERB at PO Box 200131, Helena MT 59620-0131, (406) 444-3154 or the MPERA website at http://mpera.mt.gov/index.shtml.

NOTE 8. INTERFUND TRANSACTIONS

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statue or budget requires to expend them. Transfers are also used to reimburse Urban Renewal District III for the fund's share of administrative costs. A summary of interfund transfers follows:

	Transfers In	Transfers Out
Urban Renewal District II	$ 2,727,569	$ 433,737
Urban Renewal District III	3,378,888	-
Front Street URD	697,943	-
Riverfront URD	427,652	100,000
NRSS URD	1,216,546	83,359
Hellgate URD	-	32,344
Debt Service	3,271,775	11,070,933
	$ 11,720,373	$ 11,720,373

NOTE 9. RISK MANAGEMENT

The Agency is exposed to various risks of loss related to torts, damage or loss of assets, errors and omissions, injuries to employees, employee medical claims, and natural disasters. The Agency manages these risks through participation with the City's risk management practices. Information related to the City's risk management is available in its CAFR.

NOTE 10. POSTEMPLOYMENT BENEFITS

The Agency participates in the City of Missoula's defined benefit health plan. The single employer plan administered by the City is named the Health Benefits Plan for the Employees of the City of Missoula. Benefits and contributions rates are established by the City, with input from the Employee Benefits Committee, and are approved by City Council. The plan's financial information is included as part of the City's self-insurance internal service fund in the City of Missoula CAFR. Terminated employees of the Agency may remain on the City's health insurance plan for up to 18 months if they pay the monthly premiums. This benefit is required under the federal C.O.B.R.A. law. Retirees of the Agency may remain on the City's health plan as long as they wish, provided they pay the monthly premiums. State law requires the Agency to provide this benefit. There are no other postemployment benefits provided by the Agency. The Agency has six employees participating in the plan, one retiree, and no C.O.B.R.A. participants.

NOTE 10. POSTEMPLOYMENT BENEFITS (CONTINUED)

The Agency adopted the provisions of GASB Statement 75, "Accounting and Financial Reporting for Postemployment Benefits other than Pensions," in fiscal year 2018. GASB 75 addresses accounting and financial reporting for postemployment benefits other than pensions (OPEB) that are provided to the employees of state and local governments, establishing standards for measuring and recognizing liabilities, deferred inflows and outflows of resources, and expenses. For defined benefit OPEB plans, this statement identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. Information on the City's health benefits plan for retirees is included below.

The City's medical plan is a self-funded PPO plan. The table below presents a high-level summary of the medical benefits offered in the plan year beginning July 01, 2019, which was used for the June 30, 2020 valuation. Dental benefits are not provided for retirees.

Medical Deductible (Individual/Family)	$750/$2,250
Out-of-Pocket Maximum (Individual/Family)	$3,170/$6,350
Coinsurance (In Network/Out of Network)	30%/50%
Prescription Deductible	$50
Prescription Copays (Tier 1/Tier 2/Tier 3)	10% (min $5)/20% (min $20)/50% (min $35)
Prescription Out-of-Pocket Maximum	$3,400/$6,800

The retiree contributes 81% of the total active premium, excluding dental coverage, and the City contributes the remaining 19% to the plan. The plan is financed on a pay-as-you-go basis with City and Agency contributions ensuring that adequate reserves are maintained in the plan. Reserves maintained by the City are not considered assets of the post-employment benefits plan since they are not contributed to a trust that meets the criteria in GASB 75, paragraph 4.

The retiree and Agency contribution rates for the plan for fiscal year 2020 were used for the June 30, 2020 valuation and are as follows.

Coverage	Retiree Contribution	MRA Contribution	Total Premium
Retiree	$ 774.35	$ 136.65	$ 911.00
Retiree, spouse	890.80	157.20	1,048.00
Retiree, spouse, child	939.25	165.75	1,105.00
Retiree, child	822.80	145.20	968.00
Each additional child	48.45	8.55	57.00

NOTE 10. POSTEMPLOYMENT BENEFITS (CONTINUED)

The following table reports the changes to the OPEB liability for fiscal year 2020, as well as deferred inflows and outflows of resources and OPEB expense recognized.

Changes in OPEB Liability		
OPEB Liability, Beginning Balance	$	160,783
Service Cost		8,571
Interest (2.66%)		3,878
Difference between expected and actual experience		(33,250)
Changes in assumptions		19,780
Employer Contributions		(5,523)
OPEB Liability, Ending Balance	$	154,239
Deferred Inflows of Resources		
Deferred Inflows of Resources, Beginning Balance	$	(9,259)
Difference between expected and actual experience		(33,250)
Current year amortization of experience differences		6,425
Ending Balance	$	(36,084)
Deferred Outflow of Resources		
Deferred Outflow of Resources, Beginning Balance	$	2,353
Changes in assumptions		19,780
Current year amortization of assumption changes		(3,257)
Ending Balance	$	18,876
OPEB Expense	$	3,758

The Agency's total OPEB liability is $154,239 as of June 30, 2020 and was determined by an actuarial valuation as of that date. The following assumptions and other inputs were used to calculate the total OPEB liability using the entry age normal cost method in the actuarial valuation.

Discount Rate	2.66% - S&P Municipal Bond 20 Year High Grade Rate Index as of June 30, 2020
Payroll Growth	2.75% to 3%, used midpoint 2.875%
General Inflation	3.0% per year
Participation Rate	40% of eligible employees are assumed to elect healthcare coverage in retirement
Admin Trend Rate	3%
Mortality Rate	Male and Female RP-2000 Combined Employee and Annuitant Mortality Tables, projected to 2020 using scale BB, males set back 1 year

NOTE 10. POSTEMPLOYMENT BENEFITS (CONTINUED)

Medical Trend Rate	Effective July 1	Trend Rate
	2020	6.40%
	2021	6.30%
	2022	6.20%
	2023	6.10%
	2024	6.00%
	2025	5.90%
	2026	5.80%
	2027	5.70%

Cost Sharing Projections related to the sharing of benefit-related costs are based on an established pattern of practice with the City of Missoula contributing 19% of retiree premiums

The table below shows the assumption changes from the beginning balance at June 30, 2019.

Changes of Assumptions	2020	2019	2018
Discount Rate	2.66%	3.36%	3.45%
Medical Trend	6.40%	6.20%	6.20%

The following tables disclose the sensitivity of the total OPEB liability to changes in the discount rate and the medical trend rate, showing how the total OPEB liability would change if the rates used were increased or decreased by 1%.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate:

	1% Decrease (1.66%)	Discount Rate (2.66%)	1% Increase (3.66%)
Total OPEB Liability	$ 189,115	$ 154,239	$ 127,419

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates:

	1% Decrease (5.4%)	Trend Rate (6.4%)	1% Increase (7.4%)
Total OPEB Liability	$ 124,178	$ 154,239	$ 194,762

Changes in the total OPEB liability due to changes in actuarial assumptions and differences between expected actuarial experience and actual experience are deferred and recognized in the OPEB expense over a closed period equal to the average expected remaining service lives of employees and retirees, starting with the current reporting period. The average remaining service lives as of June 30, 2020 was 6.89 years.

NOTE 10. POSTEMPLOYMENT BENEFITS (CONTINUED)

Amounts reported as deferred inflows and outflows of resources will be recognized in OPEB expense as follows.

Year	Actual to Expected Experience (Inflow)	Changes in Assumptions (Outflow)	Combined
2020	$ (4,826)	$ 2,871	$ (1,955)
2021	(4,826)	2,871	(1,955)
2022	(4,826)	2,871	(1,955)
2023	(4,826)	2,871	(1,955)
2024	(4,826)	2,871	(1,955)
2025	(4,826)	2,871	(1,955)
2026	(4,294)	2,554	(1,740)
Total	$ (33,250)	$ 19,780	$ (13,470)

The City of Missoula allocated the annual retired contributions and the liability to the component units based on the number of active participants in the plan as of June 30, 2020.

The schedule of changes in the total OPEB liability, presented as required supplementary information following the notes to the financial statements, presents a multi-year schedule of changes in the total OPEB.

NOTE 11. RELATED PARTY TRANSACTIONS

The Agency paid the City of Missoula $298,657 for Administrative Services for fiscal year 2020 including $138,180 for administrative assistance, $5,990 for the Agency's pro rata contribution to the City's employee health benefits fund, $4,487 for the City's worker's compensation fund, and $150,000 for other various expenses.

The City of Missoula provides the Agency with office space through a development agreement. The office space is currently being provided rent-free.

As set forth in the Tax Increment Remittance Agreement, dated December 16, 2019, the Agency paid the City of Missoula $725,000 in fiscal year 2020.

In June 2017, the City of Missoula acquired Mountain Water Company and assumed all of the notes between Mountain Water and the Agency. See Note 4 for additional information.

NOTE 12. GOVERNMENTAL FUND BALANCE REPORTING AND SPENDING PRIORITIES

The Agency has adopted GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. The objective of this statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. This Statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in government funds.

At June 30, 2020, the Agency had a total fund balance in Governmental funds of $10,456,726. In accordance with GASB Statement No. 54 this fund balance has been classified as follows:

Special Revenue Funds		
Nonspendable	$ 5,845	Prepaid expenses and notes receivable
Restricted	8,469,745	Restricted for urban renewal development
Debt Service		
Restricted	1,981,136	Restricted for debt service
	$ 10,456,726	

NOTE 13. SUBSEQUENT EVENTS

Subsequent events have been evaluated through January 29, 2021, the date which the financial statements were available to be issued.

On August 3, 2020 the City of Missoula pursuant to Resolution 8443 approved the sale of $6,604,000 principal amount of tax increment urban renewal revenue bonds, consisting of $3,302,000 Tax Exempt Series 2020A and $3,302,000 Taxable Series 2020B, to finance the acquisition of the Scott Street Property described as Lot 3, Scott Street Lots, a platted subdivision in the City of Missoula, located in the north one-half of Section 16, Township 13 North, Range 19 West, Principal Meridian, Montana, Missoula County, Montana, containing 19.15 acres. This bond Series 2020A and Series 2020B was issued on August 14, 2020 and was completely drawn down at closing. The bond was issued on parity with other senior-subordinate debt in the district. The original purchaser of the negotiated sale bonds was First Security Bank Division of Glacier Bank, Missoula MT. The final maturity date is July 1, 2045. The interest rate on the Series 2020A Tax Exempt bond is 3.80% per annum. The interest rate on the Series 2020B taxable bond is 4.50% per annum. Interest only payments are due January 1 and principal and interest payments are due July 1 payable from tax increment generated by the North Reserve-Scott Street URD directly to the bondholder commencing January 1, 2021.

NOTE 14. DEFICIT NET POSITION

As of June 30, 2020, the Agency had a deficit net position of $29,456,329. Liabilities and deferred inflows exceed assets and deferred outflows due to the inherent nature of the Agency. Debt is issued to fund urban renewal projects, which are not held as assets by the Agency. The debt held by the Agency is secured by tax increment revenues derived from related districts.

REQUIRED SUPPLEMENTARY INFORMATION
OTHER THAN MANAGEMENT'S DISCUSSION AND ANALYSIS

MISSOULA REDEVELOPMENT AGENCY
(A Component Unit of the City of Missoula)
BUDGETARY COMPARISON SCHEDULE – SPECIAL REVENUE FUNDS
For the Year Ended June 30, 2020

	Urban Renewal District II				Urban Renewal District III			
	Budgeted Amounts			Variance with	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget	Original	Final	Actual	Final Budget
Budgetary Fund Balance, July 1, 2019	$ 3,441,763	$ 3,441,763	$ 3,441,763	$ -	$ 3,061,845	$ 3,061,845	$ 3,061,845	$ -
Resources (Inflows):								
Miscellaneous	21,815	21,815	49,630	27,815	9,061	9,061	48,154	39,093
Investment earnings (expense)	-	-	-	-	-	-	-	-
Tax increment property tax	-	-	-	-	-	-	-	-
State contribution PERS	-	-	-	-	449	449	470	21
State personal property tax reimbursement	-	-	-	-	-	-	-	-
Grant	-	-	5,000	5,000	-	-	-	-
State entitlement	-	-	-	-	-	-	-	-
Long-term debt proceeds	-	-	-	-	1,155,500	1,155,500	-	(1,155,500)
Transfers in	2,918,662	2,815,267	2,727,569	(87,698)	3,277,256	3,179,780	3,378,888	199,108
Amounts available for appropriation	$ 6,382,240	$ 6,278,845	6,223,962	$ (54,883)	$ 7,504,111	$ 7,406,635	6,489,357	$ (917,278)
Charges to Appropriations (Outflows):								
Housing and community development	$ 5,920,744	$ 5,366,206	1,904,004	$ 3,462,202	$ 5,404,614	$ 6,354,661	2,633,747	$ 3,720,914
Capital outlay	939,659	762,639	1,667,432	(904,793)	1,328,186	547,755	131,565	416,190
Transfers to other governments	-	-	-	-	-	-	-	-
Transfers out	150,000	150,000	433,737	(283,737)	4,219	4,219	-	4,219
Total charges to appropriations	$ 7,010,403	$ 6,278,845	4,005,173	$ 2,273,672	$ 6,737,019	$ 6,906,635	2,765,312	$ 4,141,323
Budgetary Fund Balance, June 30, 2020			$ 2,218,789				$ 3,724,045	

Budget and Actual are presented on the budget basis of accounting. The Agency prepares its budget on the cash basis. Generally accepted accounting principles (GAAP) require the use of the modified accrual basis of accounting for governmental fund financial statements.

MISSOULA REDEVELOPMENT AGENCY
(A Component Unit of the City of Missoula)
BUDGETARY COMPARISON SCHEDULE – SPECIAL REVENUE FUNDS (CONTINUED)
For the Year Ended June 30, 2020

	Front Street District				Riverfront Triangle District			
	Budgeted Amounts			Variance with	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget	Original	Final	Actual	Final Budget
Budgetary Fund Balance, July 1, 2019	$ 403,273	$ 403,273	$ 403,273	$ -	$ 202,839	$ 202,839	$ 202,839	$ -
Resources (Inflows):								
Miscellaneous	2,516	2,516	5,032	2,516	318	318	636	318
Investment earnings (expense)	-	-	-	-	-	-	-	-
Tax increment property tax	-	-	-	-	-	-	-	-
State contribution PERS	-	-	-	-	-	-	-	-
State personal property tax reimbursement	-	-	-	-	-	-	-	-
Grant	-	-	-	-	-	-	-	-
State entitlement	-	-	-	-	-	-	-	-
Long-term debt proceeds	-	-	-	-	557,881	(15,891)	-	15,891
Transfers in	752,432	715,759	697,943	(17,816)	-	557,881	427,652	(130,229)
Amounts available for appropriation	$ 1,158,221	$ 1,121,548	1,106,248	$ (15,300)	$ 761,038	$ 745,147	631,127	(114,020)
								-
Charges to Appropriations (Outflows):								-
Housing and community development	$ 1,145,755	$ 1,121,548	458,468	$ (663,080)	$ 600,583	$ 645,147	240,001	$ (405,146)
Capital outlay	-	-	-	-	-	-	-	-
Transfers to other governments	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	100,000	100,000	100,000	-
Total charges to appropriations	$ 1,145,755	$ 1,121,548	458,468	$ (663,080)	$ 700,583	$ 745,147	340,001	$ (405,146)
Budgetary Fund Balance, June 30, 2020			$ 647,780				$ 291,126	

Budget and Actual are presented on the budget basis of accounting. The Agency prepares its budget on the cash basis. Generally accepted accounting principles (GAAP) require the use of the modified accrual basis of accounting for governmental fund financial statements.

MISSOULA REDEVELOPMENT AGENCY
(A Component Unit of the City of Missoula)
BUDGETARY COMPARISON SCHEDULE – SPECIAL REVENUE FUNDS (CONTINUED)
For the Year Ended June 30, 2020

	North Reserve Scott Street District				Hellgate District			
	Budgeted Amounts			Variance with	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget	Original	Final	Actual	Final Budget
Budgetary Fund Balance, July 1, 2019	$ 867,391	$ 867,391	$ 867,391	$ -	$ 133,758	$ 133,758	$ 133,758	$ -
Resources (Inflows):								
Miscellaneous	729	729	1,458	729	37	37	73	36
Investment earnings (expense)	-	-	-	-	-	-	-	-
Tax increment property tax	-	-	-	-	378,391	369,039	352,156	(16,883)
State contribution PERS	-	-	-	-	-	-	-	-
State personal property tax reimbursement	-	-	-	-	-	-	-	-
Grant	-	-	-	-	-	-	-	-
State entitlement	-	-	-	-	-	-	-	-
Long-term debt proceeds	-	-	-	-	-	-	-	-
Transfers in	1,326,086	1,289,462	1,216,546	(72,916)	-	-	-	-
Amounts available for appropriation	$ 2,194,206	$ 2,157,582	2,085,395	$ (72,187)	$ 512,186	$ 502,834	485,987	(16,847)
								-
Charges to Appropriations (Outflows):								-
Housing and community development	$ 2,098,096	$ 2,137,582	860,206	$ (1,277,376)	$ 487,283	$ 487,834	1,667	$ (486,167)
Capital outlay	-	-	-	-	-	-	-	-
Transfers to other governments	-	-	-	-	-	-	-	-
Transfers out	20,000	20,000	83,359	63,359	15,000	15,000	32,344	17,344
Total charges to appropriations	$ 2,118,096	$ 2,157,582	943,565	$ (1,214,017)	$ 502,283	$ 502,834	34,011	$ (468,823)
Budgetary Fund Balance, June 30, 2020			$ 1,141,830				$ 451,976	

Budget and Actual are presented on the budget basis of accounting. The Agency prepares its budget on the cash basis. Generally accepted accounting principles (GAAP) require the use of the modified accrual basis of accounting for governmental fund financial statements.

MISSOULA REDEVELOPMENT AGENCY
(A Component Unit of the City of Missoula)
BUDGETARY COMPARISON SCHEDULE – BUDGET-TO-GAAP RECONCILIATION –
SPECIAL REVENUE FUNDS
June 30, 2020

Explanation of perspective differences between budgetary inflows and outflows and GAAP revenues and expenditures	Urban Renewal District II	Urban Renewal District III	Front Street District	Riverfront Triangle District	N. Reserve Scott Street District	Hellgate District
Sources/Inflows of Resources						
Actual available for appropriation from the budgetary comparison schedule	$ 6,223,962	$ 6,489,357	$ 1,106,248	$ 631,127	$ 2,085,395	$ 485,987
The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes	(3,441,763)	(3,061,845)	(403,273)	(202,839)	(867,391)	(133,758)
Issuance of long-term debt is a budgetary resource but is not a current year revenue for financial reporting purposes	-	-	-	-	-	-
Transfers from other funds are inflows of budgetary resource but are not revenues for financial reporting purposes	(2,727,569)	(3,378,888)	(697,943)	(427,652)	(1,216,546)	-
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds	$ 54,630	$ 48,624	$ 5,032	$ 636	$ 1,458	$ 352,229
Uses/Outflows of Resources						
Actual total charges to appropriations from the budgetary comparison schedule	$ 4,005,173	$ 2,765,312	$ 458,468	$ 340,001	$ 943,565	$ 34,011
Transfers to other governments are outflows of budgetary resources but are not expenditures for financial reporting purposes	-	-	-	-	-	-
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes	(433,737)	-	-	(100,000)	(83,359)	(32,344)
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	$ 3,571,436	$ 2,765,312	$ 458,468	$ 240,001	$ 860,206	$ 1,667

MISSOULA REDEVELOPMENT AGENCY
(A Component Unit of the City of Missoula)
SCHEDULE OF CHANGES IN OTHER POST EMPLOYMENT BENEFITS LIABILITY
AND RELATED RATIOS FOR THE LAST TEN FISCAL YEARS
June 30, 2020

Schedule of Changes in Other Post Employment Benefits Liability and Related Ratios
For the Last Ten Fiscal Years*

	2020	2019	2018
OPEB Liability, Beginning Balance	$ 160,783	$ 154,831	$ 37,224
Restatement-Change in Accounting Principle	-	-	110,299
Restated Beginning Balance	160,783	154,831	147,523
Service Cost	8,571	8,955	9,097
Interest	3,878	5,202	5,090
Deferred Inflows - Difference between expected and actual experience	(33,250)	(7,572)	(3,823)
Deferred Outflow - Changes in assumptions	19,780	2,668	82
Employer Contributions	(5,523)	(3,301)	(3,138)
Net Change	(6,544)	5,952	7,308
Ending Balance	$ 154,239	$ 160,783	$ 154,831
Covered Payroll	489,342	406,381	395,024
Total Other Post-Employment Benefits Liability as a percentage of Covered Payroll	31.5%	39.6%	39.2%

Note to Schedule: Assets are not accumulated in a trust to pay related benefits that meets the criteria in GASB 75, paragraph 4.

**The amounts presented above for each fiscal year were determined as of June 30th. The schedule is intended to show information for 10 years, additional years will be displayed as they become available.*

MISSOULA REDEVELOPMENT AGENCY
(A Component Unit of the City of Missoula)
SCHEDULE OF PROPORTIONATE SHARE OF PERS NET PENSION LIABILITY
FOR THE LAST TEN FISCAL YEARS
June 30, 2020

Schedule of Proportionate Share of the Net Pension Liability for the Last Ten Fiscal Years*

	2019	2018	2017	2016	2015	2014
Employer's proportion of the net pension liability as a percentage	0.02268%	0.02231%	0.02584%	0.02805%	0.02372%	0.02343%
Employer's net pension liability as an amount	$ 474,115	$ 465,741	$ 503,250	$ 477,765	$ 331,558	$ 291,968
State of Montana's net pension liability associated with the Agency	154,456	156,105	6,819	5,838	4,073	3,565
Total	$ 628,571	$ 621,846	$ 510,069	$ 483,603	$ 335,631	$ 295,533
Employer's covered payroll	$ 374,241	$ 366,991	$ 320,532	$ 335,973	$ 279,336	$ 265,198
Employer's proportionate share as a percentage of covered payroll	126.69%	126.91%	157.00%	142.20%	118.70%	110.09%
Plan fiduciary net position as a percentage of the total pension liability	75.43%	74.90%	98.66%	98.79%	98.79%	98.79%

**The amounts presented for each fiscal year were determined as of June 30, the measurement date.*

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

MISSOULA REDEVELOPMENT AGENCY
(A Component Unit of the City of Missoula)
SCHEDULE OF CONTRIBUTIONS FOR THE LAST TEN FISCAL YEARS
June 30, 2020

Schedule of Contributions for the Last Ten Fiscal Years*

	2020	2019	2018	2017	2016	2015
Contractually required contributions	$ 32,187	$ 31,083	$ 26,829	$ 30,804	$ 24,657	$ 22,861
Contributions in relation to the contractually required contributions	32,187	31,083	26,829	30,804	24,657	22,861
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -
Employer's covered-employee payroll	$ 374,241	$ 366,991	$ 320,532	$ 335,973	$ 279,336	$ 265,198
Contributions of covered-employee payroll	8.60%	8.47%	8.37%	9.17%	8.83%	8.62%

**The amounts presented for each fiscal year were determined as of June 30, the most recent fiscal year end.*

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Changes of Benefit Terms
The following changes to the plan provisions were made as identified:

2017 Legislative Changes:

Working Retiree Limitations – for PERS
Effective July 1, 2017, if a PERS retiree returns as an independent contractor to what would otherwise be PERS-covered employment, general contractor overhead costs are excluded from PERS working retiree limitations.

Refunds

1) Terminating members eligible to retire may, in lieu of receiving a monthly retirement benefit, refund their accumulated contributions in a lump sum.
2) Terminating members with accumulated contributions between $200 and $1,000 who wish to rollover their refund must do so within 90 days of termination of service.
3) Trusts, estates, and charitable organizations listed as beneficiaries are entitled to receive only a lump-sum payment.

Interest Credited To Member Accounts
Effective July 1, 2017, the interest rate credited to member accounts increased from 0.25% to 0.77%.

Lump-Sum Payouts
Effective July 1, 2017, lump-sum payouts in all systems are limited to the member's accumulated contributions rate than the present value of the member's benefit.

Disabled PERS Defined Contribution (DC) Members
PERS members hired after July 1, 2011 have a normal retirement age of 65. PERS DC members hired after July 1, 2011 who became disabled were previously only eligible for a disability benefit until age 65. Effective July 1, 2017, these individuals will be eligible for a disability benefit until they reach 70, thus ensuring the same 5-year time period available to PERS DC disabled members hired prior to July 1, 2011 who have a normal retirement age of 60 and are eligible for a disability benefit until age 65.

Changes in Actuarial Assumptions and Methods

Method and assumptions used in calculations of actuarially determined contributions
The following Actuarial Assumptions were adopted from the June 2016 Experience Study:

General Wage Growth*	3.50%
Investment Rate of Return*	7.65%
*Includes inflation at	2.75%
Merit salary increases	0% to 8.47%
Asset valuation method	4-year smoothed market
Actuarial cost method	Entry age normal
Amortization method	Level percentage of pay, open
Remaining amortization period	30 years
Mortality (healthy members)	For males and females: RP 2000 Combined Employee and Annuitant Mortality Table projected to 2020 using Scale BB, males set back 1 year
Mortality (disabled members)	Form males and females: RP 2000 Combined Mortality Table
Admin expenses as % of payroll	0.26%

Administrative expenses are recognized by an additional amount added to the normal cost contribution rate for the System. This amount varies from year to year based on the prior year's actual administrative expenses

S U P P L E M E N T A R Y   I N F O R M A T I O N

MISSOULA REDEVELOPMENT AGENCY
(A Component Unit of the City of Missoula)
BALANCE SHEET – COMBINING DEBT SERVICE
June 30, 2020

	URD II Bonds	Brownfields RLF Note	Safeway St. Patrick Hospital Bonds	Front Street Notes & Bonds	Inter-Mountain Bonds	URD III Bonds	N. Reserve Scott Street Bonds	Riverfront Bonds	Total
ASSETS									
CURRENT ASSETS									
Cash and investments	$ 267,798	$ -	$ 67,784	$ 275,448	$ 1	$ 420,531	$ 94,175	$ 94,741	$ 1,220,478
Taxes/assessments receivable, net	426,773	-	-	171,437	-	248,197	152,884	156,384	1,155,675
Other current assets	-	-	-	86,010	-	-	-	-	86,010
Due from other governments	38,849	-	-	91,147	-	13,642	7,832	72	151,542
Interfund receivable	-	-	-	-	600	-	-	-	600
	733,420	-	67,784	624,042	601	682,370	254,891	251,197	2,614,305
NONCURRENT ASSETS									
Restricted cash	674,645	-	-	-	-	-	-	-	674,645
Total assets	$ 1,408,065	$ -	$ 67,784	$ 624,042	$ 601	$ 682,370	$ 254,891	$ 251,197	$ 3,288,950
LIABILITIES									
CURRENT LIABILITIES									
Interfund payable	$ 235,727	$ -	$ -	$ 228,579	$ -	$ 170,286	$ 158,245	$ 151,926	$ 944,763
Accrued interest payable	-	-	-	-	600	-	-	-	600
Total liabilities	235,727	-	-	228,579	600	170,286	158,245	151,926	945,363
DEFERRED INFLOW OF RESOURCES:									
Uncollected tax revenue	229,894	-	-	34,005	-	91,552	2,469	4,531	362,451
Total deferred inflow of resources	229,894	-	-	34,005	-	91,552	2,469	4,531	362,451
FUND BALANCES									
Restricted	942,444	-	67,784	361,458	1	420,532	94,177	94,740	1,981,136
Total fund balances	942,444	-	67,784	361,458	1	420,532	94,177	94,740	1,981,136
Total liabilities, deferred inflows and fund balances	$ 1,408,065	$ -	$ 67,784	$ 624,042	$ 601	$ 682,370	$ 254,891	$ 251,197	$ 3,288,950

MISSOULA REDEVELOPMENT AGENCY

(A Component Unit of the City of Missoula)

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – COMBINING DEBT SERVICE

For the Year Ended June 30, 2020

	URD II Bonds	Brownfields RLF Note	Safeway St. Patrick Hospital Bonds	Front Street Notes & Bonds	Inter-Mountain Bonds	URD III Bonds	N. Reserve Scott Street Bonds	Riverfront Bonds	Total
REVENUES									
Tax increment property tax	$ 3,283,423	$ -	$ -	$ 1,429,306	$ -	$ 3,681,125	$ 1,380,272	$ 513,077	$ 10,287,203
State Entitlement/CMAQ Funds	255,260	-	-	-	-	-	-	-	255,260
State Personal Property Tax Reimbursement	187,331	-	-	53,975	-	277,850	-	9,316	528,472
Miscellaneous	-	-	8,886	-	-	-	-	-	8,886
Total revenues	3,726,014	-	8,886	1,483,281	-	3,958,975	1,380,272	522,393	11,079,821
EXPENDITURES									
Current:									
Interest expense	239,061	23,137	77,407	481,971	58,086	737,561	90,444	57,568	1,765,235
Principal expense	434,000	20,987	59,572	304,648	89,000	495,480	73,281	36,824	1,513,792
Miscellaneous	-	-	428	-	-	-	-	-	428
Total expenditures	673,061	44,124	137,407	786,619	147,086	1,233,041	163,725	94,392	3,279,455
Excess (deficiency) of revenues over expenditures	3,052,953	(44,124)	(128,521)	696,662	(147,086)	2,725,934	1,216,547	428,001	7,800,366
OTHER FINANCING SOURCES (USES)									
Transfers in	673,862	41,928	135,568	785,338	147,087	1,229,526	163,725	94,741	3,271,775
Transfers out	(3,726,014)	-	-	(1,483,281)	-	(3,958,974)	(1,380,271)	(522,393)	(11,070,933)
Total other financing sources (uses)	(3,052,152)	41,928	135,568	(697,943)	147,087	(2,729,448)	(1,216,546)	(427,652)	(7,799,158)
Net change in fund balance	801	(2,196)	7,047	(1,281)	1	(3,514)	1	349	1,208
FUND BALANCES									
Beginning of year	941,643	2,196	60,737	362,739	-	424,046	94,176	94,391	1,979,928
End of year	$ 942,444	$ -	$ 67,784	$ 361,458	$ 1	$ 420,532	$ 94,177	$ 94,740	$ 1,981,136

MISSOULA REDEVELOPMENT AGENCY
(A Component Unit of the City of Missoula)
BUDGETARY COMPARISON SCHEDULE – DEBT SERVICE
For the Year Ended June 30, 2020

	Major Debt Service			
	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
Budgetary Fund Balance, July 1, 2019	$ 1,979,928	$ 1,979,928	$ 1,979,928	$ -
Resources (Inflows):				
Miscellaneous	15,930	6,969	8,886	1,917
Long-term debt proceeds	-	-	-	-
Tax increment property tax	11,020,316	10,748,181	10,287,203	(460,978)
State personal property tax reimbursement	528,472	528,472	528,472	-
State entitlement	255,260	255,260	255,260	-
Transfers in	3,260,950	3,278,873	3,271,775	(7,098)
Amounts available for appropriation	$ 17,060,856	$ 16,797,683	16,331,524	$ (466,159)
Charges to Appropriations (Outflows):				
Debt service expenditures	$ 3,277,457	$ 3,279,654	3,279,027	$ 627
Miscellaneous	-	-	428	428
Transfers out	11,804,048	11,531,912	11,070,933	460,979
Total charges to appropriations	$ 15,081,505	$ 14,811,566	14,350,388	$ 462,034
Budgetary Fund Balance, June 30, 2020			$ 1,981,136	

MISSOULA REDEVELOPMENT AGENCY
(A Component Unit of the City of Missoula)
BUDGETARY COMPARISON SCHEDULE – BUDGET-TO-GAAP RECONCILIATION –
DEBT SERVICE
June 30, 2020

Explanation of perspective differences between budgetary inflows
and outflows and GAAP revenues and expenditures

Sources/Inflows of Resources	
Actual available for appropriation from the budgetary comparison schedule	$ 16,331,524
The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes	(1,979,928)
Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes	(3,271,775)
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds	$ 11,079,821
Uses/Outflows of Resources	
Actual total charges to appropriations from the budgetary comparison schedule	$ 14,350,388
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes	(11,070,933)
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	$ 3,279,455

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Commissioners
Missoula Redevelopment Agency
Missoula, Montana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of Missoula Redevelopment Agency (the Agency), a component unit of the City of Missoula, Montana, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements, and have issued our report thereon dated January 29, 2021.

Internal Control Over Financial Reporting
In planning and performing our audit of the financial statements, we considered the Agency's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the Agency's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We did not identify any deficiencies in internal control we that we consider to be material weaknesses. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters
As part of obtaining reasonable assurance about whether the Agency's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report
The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Agency's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Anderson Zurmuehlen & Co., P.C.

Missoula, Montana
January 29, 2021

CERTIFIED PUBLIC ACCOUNTANTS & BUSINESS ADVISORS

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MEMBER: AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS

MEMORANDUM

TO: MRA Board

FROM: Annette Marchesseault, RLA ARM
Project Manager/Redevelopment Specialist

DATE: February 23, 2021

SUBJECT: **3100 Brooks Street (URD III) – FIP Request**

Align Properties LLC, is planning exterior and interior rehabilitation for the building at 3100 Brooks Street. The building houses three separate business spaces. Rodda Paint is located in the west end unit, and Papa John's Pizza is in the center. The east end unit recently housed Craigs Mart, but now is currently vacant. The property owner Dr. Aaron McDonough is planning a two-phase renovation of the property.

Phase 1 will be façade improvements for the entire building, and some additional landscaping. Phase 2 will be a gut renovation of the vacant space where Dr. McDonough plans to relocate his orthodontic practice when renovations are complete. The cost of the Phase 1 project is estimated at $402,049, which includes construction costs and design/permitting fees. The cost of the Phase 2 project has not yet been finalized. The property was purchased for $2,050,000, with about $3,000 additional in previous improvements.

Align Properties has submitted an application for URD III façade improvement program (FIP) assistance in the amount of $50,000 for the Phase 1 project.

FAÇADE IMPROVEMENT PROGRAM (FIP)

The URD III FIP allows for grants of up to 25% of the total project cost, or $50,000, whichever is less, to reimburse an applicant for façade improvements that meet the design and materials of the program. The intent of the program is to provide businesses and property owners with assistance to afford a greater level of improvement to façade areas, to increase energy efficiency, and to enhance the appearance of the overall area.

The base project, without FIP assistance, includes a new entry vestibule for the east unit, removal of the parapet on the north façade, modest awnings over the doorways, repainting the masonry, and landscaping.

With $50,000 in FIP assistance the project would be enhanced to include more substantial metal and wood awnings with lighting at the doorways and storefront windows, additional metal paneling to better articulate the entrances and the northwest building corner on Brooks Street, and more energy efficient windows and doors. Illustrations are attached showing the proposed improvements in each condition.

Phase 1 FIP-Eligible Cost Estimate

Metal Awnings	$ 10,200
Wood Awnings	$ 6,542
Lighting in Awnings	$ 5,750
Replacement Windows and Entry Doors	$ 18,687
Metal Siding	$ 8,821
Total FIP-Eligible Costs	**$ 50,000**

FIP ANALYSIS

The FIP allows for grants of up to 25% of the total project cost, or $50,000, whichever is less, to reimburse an applicant for façade improvements that meet the design and materials of the program. Align Properties estimated cost for the Phase 1 project is $402,049. A FIP grant of $50,000 would represent approximately 12% of the Phase 1 cost. The project meets the design criteria of the FIP and satisfies the intent of the program.

Tax Generation – The 2020 tax bill for the property was approximately $39,640. Taxes are current.

Land and building taxes may not increase substantially as a result of the project. However, professional office space typically is taxed at a higher rate than commercial business space, so locating an orthodontic practice in the renovated space is likely to result in increased tax revenue. Additionally, the building improvements could act as a catalyst for more investment in the area.

Employment Generation – The project will generate some temporary construction jobs. Initially, Dr. McDonough plans to relocate his practice, which includes 10 employees, into the renovated space. He plans to add approximately six (6) more employees over the next three years.

Elimination of Blight – The existing building is architecturally dated and architectural features and finishes are reaching the end of their useful life. The exterior renovations will make the building more pedestrian-friendly, improve energy efficiency with new windows and doors, and enhance the appearance of the building and of the adjacent commercial area.

Impact Assessment – The project is expected to have a positive impact on adjacent properties, and on Midtown in general.

Design Excellence – The project is located on a Type 1 Corridor (Brooks Street Corridor) identified in the City's Design Excellence. The project is currently going through Design Excellence review. Staff and the architects feel confident that it meets Design Excellence criteria.

Brooks Corridor TOD/BRT – Additionally, staff examined project impacts with regard to the Brooks Corridor TOD/BRT Infrastructure study. If the Brooks TOD/BRT concept required additional right-of-way in this area, the only impact to this project likely would be to the sidewalk connection. The Brooks TOD/BRT concept proposes closing the alley immediately south of this project, and eliminating the Brooks/Grant Street intersection to the northeast. Presumably access to the site could be maintained from Brooks Street and access also could be maintained from Grant Street, even if the Brooks/Grant intersection were closed. Therefore, staff believes there is likely to be minimal impact from the Brooks TOD/BRT concept.

Financial Assistance – The project will be funded with a construction loan from First Security Bank.

Developer's Ability to Perform – While Align Properties has not previously worked with MRA, the developer's architect JCM Architecture has successfully completed several projects with MRA, including Riverfront Place, Ace Garden Center, and Allegiance Benefit Management on Brooks Street and on South Avenue.

Timely Completion – The Phase 1 project is expected to be completed by the end of Summer 2021.

RECOMMENDATION: Staff recommends the MRA Board move to approve a Façade Improvement Program grant to Align Properties LLC in an amount not to exceed $50,000 for exterior renovation of the building located at 3100 Brooks Street, pending final Design Excellence Review and other City permit approvals, and with the stipulation that reimbursement will be made at the conclusion of the project under submission of required lien releases and proof of expenditures, and authorize the Chair to sign the Development Agreement.

JCM
ARCHITECTURE

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Missoula, MT 59802
T: (406)543.9659
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Monday February 22nd, 2021

Missoula Redevelopment Agency
140 W Pine Street
Missoula, MT 59802

RE: Façade Improvement Program Funds Application and Request

Dear MRA Staff & Board Members:

We are pleased to submit and are requesting assistance with our building project for a new façade at 3100 Brooks Street.

Project Description

Phase I and II of our project includes demolishing a dated E.I.F.S. portion of the main street façade, architectural improvements for three tenant entrances, site and sidewalk upgrades, new paint color scheme, new lighting, and significant landscaping improvements. Phase II of the project includes a major interior tenant improvement for the west section of the building.

- The current tenants of Rhoda Paint and Papa John's will remain. The New Phase II space is for Granite Peak Orthodontics.
- The current building is 12,620 square feet. The tenant improvement will remodel 5,320 square feet with a new addition of an 80 square foot entrance.
- The building is one story.
- The current parking requirement is 40 spaces and the lot will provide 61 spaces after the sidewalk and landscaping improvements.
- New Phase I window awnings will add aesthetic value, enhance the pedestrian experience, and help control light/solar heat gain.
- New Phase I Building materials will be metal panel, fiber cement board, composite wood slat/soffit canopies, new aluminum storefront windows and doors, new landscaping, and painted masonry.
- New Phase I entry windows and doors will improve energy efficiency and the overall look of the façade.
- Granite Peak Orthodontics currently employs 10 people and plans to add 6 more employees over the next three years.

The existing building and façade are primarily one single plane, which is dated and lacks visual appeal. The new façade will add architectural dimension with elements of color, texture, light, and shadow to a building with a prominent place on the Brooks Street Corridor that has significant exposure to the community. The project will help eliminate neighborhood blight, fill unused building space, improve the visual aesthetic of the building, and add pedestrian viewing with new window displays. It will also connect pedestrians on a human scale with appropriately scaled entrances, soften the hard feeling of the Brooks Street Corridor with natural wood materials and improved landscaping. This project will also bring at minimum, ten well-paying jobs and diversify the mixed use of the building.

Design Excellence
Our project has been submitted and in review for Design Excellence Review (DER). We have had conversations and meetings with Development Services to review the requirements for the building and project. We have addressed the requirements of DER and feel confident that it meets the criteria.

Demolition/Deconstruction
The selective demolition of the building will remove metal studs, aluminum doors and windows, concrete block, and EIFS siding. Exterior demolition will include concrete and asphalt removal in select areas. Due to the age of these materials, 30+ years, they have reached the end of their useful life and are no longer safe to use and maintain a safe and healthy building environment. All materials will be properly disposed of per all regulations and recycled as much as possible.

Project Renderings

Existing Building North Elevation

Existing Building North and West Elevation

Proposed Elevation North and West Elevation <u>without</u> MRA Assistance

Proposed Elevation North and West Elevation <u>with</u> MRA Assistance

Proposed West Awnings with MRA Assistance

Proposed North Awnings with MRA Assistance

It is our belief with the improvements listed above, this project will have a positive impact on the Brooks Street Corridor and the City of Missoula, thus meriting maximum financial assistance from the MRA.

Thank you for your consideration,

Sincerely

Jeff C. Maphis
Principal Architect
JCM Architecture

M E M O R A N D U M

TO: MRA Board

FROM: Chris Behan, Assistant Director

DATE: February 18, 2021

SUBJECT: **Union Block Façade Renovation (127 East Main Street)**
Front Street Urban Renewal District – Second Tax Increment Request

MRA Action History: An informational presentation was made to the MRA Board at its June 18, 2019 meeting regarding a restoration of the façade of the 127 East Main Street building by its owner, Radio Central, LLC. At its August 28, 2019 meeting, the MRA Board approved a request by Radio Central, LLC enabling it to proceed with certain activities without precluding those items from being included in a future assistance application. On September 19, 2019, the MRA Board approved $579,858 for restoring the original 1900 façade of the structure subject to recording a Historic Preservation Façade Easement to protect the public investment. The model for TIF investment in the Union Block through an historic preservation façade conservation easement is the same as TIF participation in restoration of the Wilma Building and Mercantile Pharmacy facades. After discovering heretofore unknown façade elements while performing the original project over the past year, Radio Central, LLC is requesting $125,000 in continued assistance to conserve and rehabilitate those items.

Summary of Original Project: Radio Central, LLC acquired the 127 East Main Street property in early 2018. It immediately began a multi-year interior renovation plan for the three-floor (plus basement), 33,700 square-foot building. The cost of the total renovation plan is estimated at nearly $4 million. Since its construction in 1900, the street level of the building has been occupied by retail uses while the second two levels are office uses and the basement used for storage. While upgrading the entrance on Main Street used for the upper story offices, the owner found large decorative columns and an apparently intact brick façade under metal backed ceramic siding panels that had been installed in the 1950s or 1960s covering the entire Main Street elevation (picture attached). Subsequent research into the building's original appearance found the original structure to be a remarkable example of late 1800s Queen Anne architecture (see attached article published as the building was under construction). The owner also found that it appeared that the mid-20th century covering did not irreversibly damage the brick or stone and only masked the original window frames leading them to conclude that the façade had been adequately preserved to allow a near-complete historic restoration.

Progress to Date: The Union Block project architect, DVG Architecture and Planning, PC, had found a few renderings of the original façade which, led them to believe that, if restored, could be one of the most spectacular buildings in downtown Missoula. However, good pictures have continued to be hard to find so research is through use of photos of other buildings and downtown panoramas with the Union Block in the background. The primary investigation tool has been discovery on site as the metal siding and its underlying lumber structure was slowly removed. Co-owner, Nick Caras, details some of the discoveries in his attached letter to the Board. Among those was finding that some parts of the building were either not built as portrayed in the early renderings (e.g. a parapet railing ("widow's walk") or certain areas may have been destroyed in a fire and replaced with a non-recorded design. Other unexpected finds include: marble banding, carved stone quoins (aesthetic building corner pieces) in the tower, carved granite capitals (decorative tops) on the first floor attached columns (pilasters), hand-carved hardwood mullions separating window bays on the first and second floors, and second floor window tops as oak carved with a rope detail. (There are pictures of these items in linked slideshow). Unfortunately, many of the newly found items were damaged by installation of the 1950s siding and require significant repair or remanufacturing.

As the project progressed and the owner was able to better understand the entire original design and materials used, they chose to adapt some materials for more consistent aesthetics and longevity. For example, the new capitals that project over the roof line were going to be manufactured with a high density foam material and once a picture was found of their actual 1900 dominant presence, it was decided fiberglass would create a better appearance and damage resistant representation. The owner also found that many of the window openings took much more brick restoration than had been believed when the only view was from the interior through cut drywall and insulation. Initial testing (removal of select metal panels) indicated the first and second floor window framing was nearly intact but later work revealed that most had been destroyed or removed during the siding project. While the façade was being transformed, the privately financed renovation of the building's interior to upgrade all three floors to modern office space also encountered additional costs, primarily due to the unexpected necessity to perform an asbestos remediation effort.

The first TIF request amount has been expended or obligated to currently ongoing work. That amount included a contingency that was felt to be able to cover unexpected issues. However, the contingency has been spent on remanufacturing of the top capitals and some mullions, and window masonry repair. The owner is now requesting continued TIF investment to reproduce the remaining mullions separating windows along with hardwood window framing on the first and second floors ($80,000), and restoration of the granite pilaster capitals and cornice ($45,000) in the total amount of $125,000.

Restoration of the Union Block is an opportunity to greatly change the overall ambiance of this area of downtown. Many of the standard list of evaluation criteria for TIF applications do not fit well for the first request or this request to cover additional work. However, there is a direct correlation between improving the exterior of buildings in Missoula's downtown (and across Montana), particularly historic restoration, and subsequent investment in nearby properties. According to studies by the National Trust for Historic Places as well as real estate investment publications, historic restoration creates a sense of permanence and stability that draws customers and tenants, making nearby properties better investment opportunities. Over its tenure, MRA has invested heavily in prominent downtown buildings that had not deteriorated to the point of no return. Examples include the Wilma Building, Florence Building, Higgins Block, Mercantile Pharmacy, Headquarters Building on West Front Street, both the Northern Pacific and Milwaukee railroad stations, etc. The total cost of the first and second Union Block requests is similar to the total TIF expended over several projects to revitalize the Wilma Building and Florence Building, as well as the Mercantile Pharmacy.

The metal Union Block façade made it difficult to draw customers to retail uses on Main Street from the busy Higgins Avenue commercial corridor. Together with many years of deferred upgrades and maintenance on the upper floors, the building long operated with a large percentage of the retail and office vacant. Restoring the Union Block to the 1900 façade, along with the adjacent AC Hotel and nearby Wren Hotel projects, is changing the streetscape and surrounding commercial neighborhood as well as the entire downtown. According to the owner, even unfinished, the new Main Street is leaving a lasting positive impression to both the pedestrian and driver passersby, as well as influencing business location decisions.

Even when a building isn't encapsulated in metal, restoration is very difficult to predict and plan due to incomplete or non-existent construction drawings and pictures, the impact of numerous isolated and ad hoc changes and additions over time, etc. In the case of the Mercantile Pharmacy, no one could know how unstable the structure was until it started to collapse. As another restoration example, the Wilma cornice work included in MRA façade assistance changed more than once due to findings of unforeseeable internal structural integrity issues.

The MRA Board has a tradition of not approving additional assistance to projects for items that were foreseeable but overlooked in design, inadvertently not included in applications, cost more than estimated in the TIF application, did not include required wage rates, etc. Staff believes this request to assist continued work on the Union Block façade does not fall into that list of past MRA Board's actions because the request is for items that could not be foreseen or anticipated given absence of accurate visual records and the inability to see through the metal siding.

The FY21 Front Street District budget includes the amount of assistance approved in 2019 as well as the Wren Hotel and AC Hotel TIF bonding for eligible items and is not currently able to handle an additional investment into the Union Block. The alternative is for MRA to reimburse the previously approved amount upon completion and to have the option to reimburse the additional amount on an annual schedule over multiple years, which is the method used on the Wilma Building project. Radio Central, LLC is agreeable to that method.

Staff continues to believe that the chance discovery of the intact 1900 Queen Anne façade is a unique opportunity, one that entire community can celebrate. Therefore, Staff recommends MRA pledge up to $125,000 for additional eligible façade improvements based on the following contingencies:

1. **Reimbursement would be based on paid invoices with contractor lien waivers for eligible activities.**

2. **Within an amended development agreement, the owner shall agree that reimbursement of approved additional eligible items may, at MRA's sole discretion, be spread over two fiscal years (FY22 and FY23).**

THE UNION BLOCK.—(I. J. GALBRAITH, ARCHITECT.)

The Union block is being erected jointly by Messrs. F. G. Higgins, T. L. Greenough and Wm. H. Houston. The building has a frontage of 138 feet by 90 feet deep, and will cost when completed $100,000. The foundation walls are built and as soon as the weather will permit the walls will be erected. The building is designed for store rooms, offices and flats, the basement front rooms to be used for stores or offices; the first floor for store rooms exclusively. The second story front rooms are in suites of offices, with open plate glass fronts, the large lights being swung on top and bottom pivots. The interior of each block has an open court from second story to roof, with flats of five and six rooms surrounding the courts. The entire front of the building will be of (Chicago) Anderson pressed brick, laid in black cement, and native granite, polished and carved. The front entrance tower will be supported with polished Clarks Island granite column plinths, carved caps and lintels, carried up prominently and roofed with vitrified tile. The first and second story fronts of stores and offices will be finished in polished white oak wood. All the store entrance vestibules and the main entrance vestibule will have floors alternating in black and white marble; the main entrance corridors will be finished in red oak. The building will be fitted with both passenger and freight elevators, and will be fitted up with three separate steam heating plants, lavatory rooms, closets and pantries and electric light. The structure is located on East Main street, nearly opposite the Higgins block, and will prove a valuable acquisition to that portion of the city.


Google Earth
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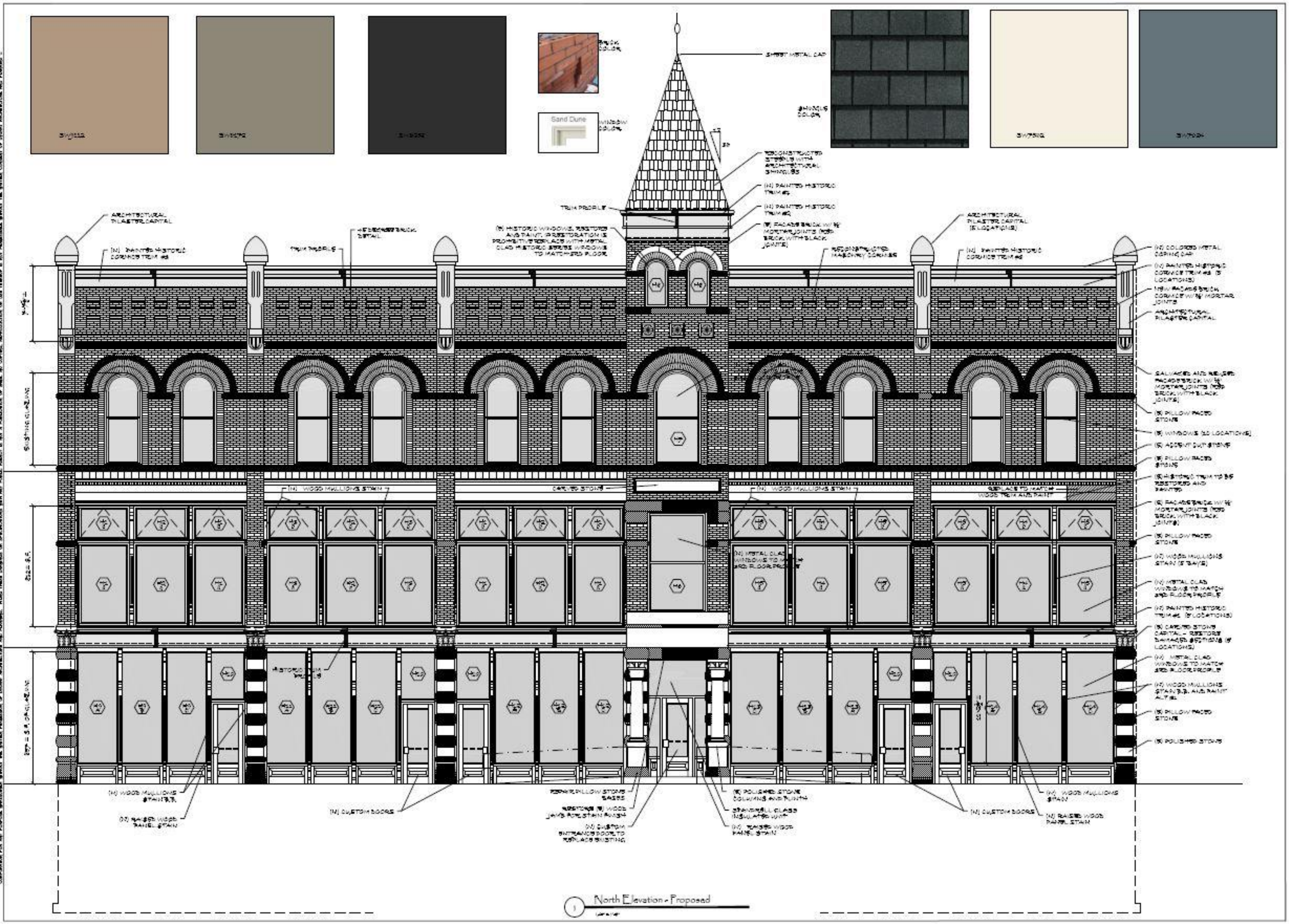
OPEN
TBK



North Elevation - Proposed

111 North Higgins Ave.
Suite 420
Missoula MT 59802
tel: 406.241.7707

D V G Architecture and Planning P.C.

Radio Building / Union Block
Facade Reconstruction
127 East Main Street
Missoula Montana

REV. #	DESCRIPTION	DATE

DRAWN BY: DAVID V. GRAY - ARCHITECT

July 29, 2020

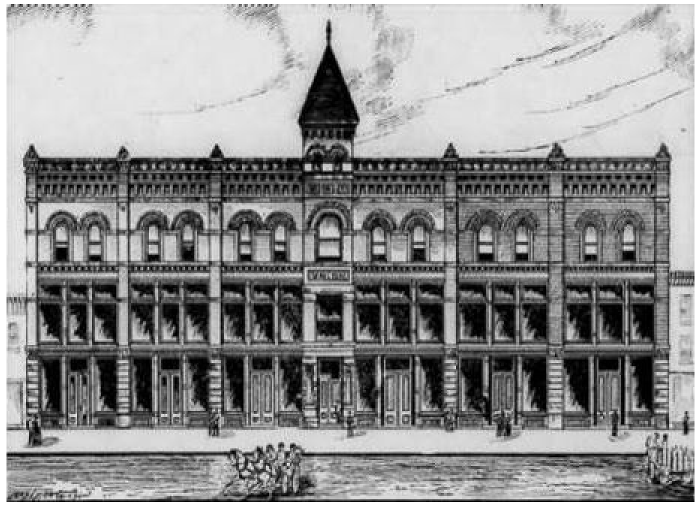
Elevation & Details

A3.0

PERMIT SET

Dear MRA Board,

I am writing to request additional assistance for the historic Union Block Restoration. As the community is now aware, this is a project of rarity and importance, rivaling some of the greatest redevelopments in Missoula's past such as the Wilma, Milwaukee or Northern Pacific Stations. The uniqueness of this project is a gift to the Missoula community - this funding will aid economic revitalization while preserving the character and architectural value of one of the oldest brick structures in the downtown core. An opportunity of this caliber will not likely present itself in downtown Missoula again.



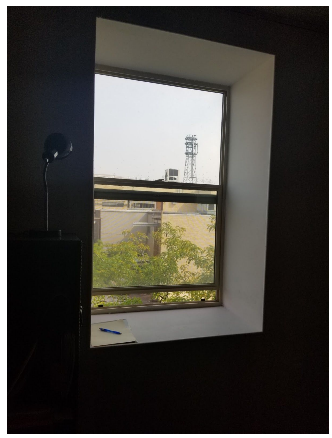
Original rendering of the Union Block. It was not completed quite as drawn or maybe a section burned and was torn down. Rafter pockets and an old roof are visible on the West façade showing some history of what existed and could have been intended.

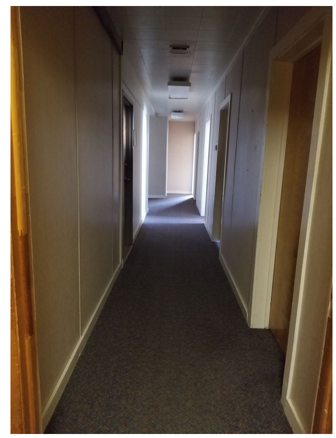
From Archives & Special Collections, Mansfield Library, The University of Montana-Missoula

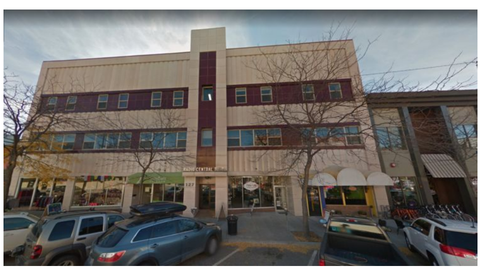
The historic Union Block was completed in 1891, funded for $100,000 by prominent developers of the time and those who shaped Missoula as we know it today - Higgins, Greenough and Houston with the help of architect I. J. Galbraith. Built in the Queen Anne Style, the Union Block boasted an abundance of architectural detailing, including an ornate cornice, stepped parapet, square turret and finial, dentil belt course, arched window openings, articulated pilasters, granite Corinthian columns, and rounded wood moulding.

Buildings of this style were common of the era, yet alarmingly few survive today as many burned down or were redeveloped to contemporary taste. The Union Block is a rare example which retains a high degree of integrity. The building was designed to be of highest architectural quality and beauty, with similarities to the Higgins Block across the street. It was built to display the wealth, class and sophistication of development at that time. Skilled laborers, woodworkers and masons were employed in the construction resulting in workmanship that withstands time and is rarely found in building construction today. The scale, craft and use of high-quality materials would be a tremendous feat in 2021, let alone 1891.

The Union Block adapted to the modern era in design and class a half of a century later, becoming a leading example of mid-century modern commercial style in the 50s. Once again, the Union Block, now Radio Central, became an updated showstopper of the times. Over the years various styles came and went and Radio Central's interior sadly fell victim to a myriad of modifications and abuses in the 1970s, 80s and 90s. Deferred maintenance, dropped ceilings, narrow hallways and decreased fenestration resulted in offices which felt more like closets than usable spaces. Like many historic buildings in downtown Missoula, by the 2000s Radio Central became prime for demolition.







Drop ceilings, composite siding and small windows covered the historic character of the Radio Central building until 2018.

In 2018 we purchased the building with the intention of making the space usable once again. That same year, tenant improvement on the second floor of Radio Central was started to upgrade the existing lease space to "Class A" office. During the renovations historic wall coverings, windows, and doorways were quickly discovered. The Tenant Improvement was finished with the Missoula County CAPS office leasing the entire floor. Our interests were piqued at the discovery of these features and some were left exposed to display the building's history and superior craftsmanship for current tenants.

The third-floor tenant improvement phase uncovered many more historically significant features. The project shifted course when the historic façade was found hiding under the mid-century metal façade. The project team started doing selective demolition on portions of the façade to see what the metal was hiding. What we found surprised even the most knowledgeable architectural historians. To everyone’s surprise, the majority of the 1890s facade remained having been covered and protected for 60+ years. Renovating the façade was not planned when the tenant improvement work was started but we quickly realized we had a building of great significance and integrity on our hands. Here is an awesome opportunity to bring one of Missoula’s oldest and most incredible downtown buildings back to life. Yet, with this opportunity comes great burden in making sure the restoration is done right.

Removal of the mid-century medal facade revealed original arched windows, Corinthian columns, wood entry moulding, a dentil belt course and carved UNION signage in masonry. Unfortunately the historic storefronts, cornice and turret did not survive.

Where nearly all other buildings of this era have burned or been demolished we have a essentially a 50 foot time capsule of our city’s history and it is my privilege and that of my partners to restore it. We are honored to bring an important piece of Missoula’s former glory back into the community.

Our group is grateful to the city and the MRA board for their substantial and impactful support over the years. The progress is detailed below and I’d like to recognize our architecture and design team David Gray and Ashley Torbett of DVG Architecture and Planning P.C, Marc Umile and Sirius Construction and the equity investors in the project -

all have gone above and beyond what's typically demanded because it's become a passion project for everyone.

Current Status

We have largely accomplished what we set out to do: deconstruction of the mid-century sheet metal cladding and restoring or replicating what was damaged or removed during the 1960s 'upgrade'. But our scope of work has expanded largely because of 2 discoveries:

- We pulled back multiple layers of the facade until we got to the granite and mullions - we knew of one existing mullion but the others had been concealed through a gap on the third floor and between an existing brick wall. We discovered many more mullions which we didn't know existed, and which require significant restoration, well-beyond the scope of our initial facade budget.
- We also found additional granite in need of restoration at the building's main entrance and on the the capitals at the top of the first floor pilasters. These capitals and columns were a complete surprise, and the scroll work on the top of the capitals had been knocked off with sledgehammers presumably during the 1960's facade renovation.

Our intent now is to restore these mullions and granite where possible, and recreate these features in the areas where it had been demolished prior. When we started this project, many of these features were concealed by sheet metal and old stud walls. Additionally, in removing many of the 1960's improvements, we have had to complete additional asbestos abatement beyond our initial project scope

Through exposing the original facade, we have discovered many more historic and stunning features, but the historically-accurate restoration of these additional features comes at a cost.

Our Request

With significant assistance from the MRA the ability to restore the majority of the North Façade and exterior 3rd floor windows would be possible, bringing back the history of East Main. We know the parapets, queens-hat roof and windows have been removed. Some granite has been severely damaged at the front doors. The parapets will need to be recreated from scratch as what is currently left is CMU fill. The majority of the windows have been removed and replaced with units that are of different proportion and size. The majority of the face brick and stone uncovered has been in excellent shape but, the North Façade masonry is covered with years of accumulation of pigeon waste that needs to be delicately cleaned off. There will also be damage from the connection of the Metal cladding that will need to be repaired.

The main floor storefronts have been structurally altered and will not be able to be restored to their original configuration without excessive cost. We are proposing to replace the storefronts, so the street façade has the proportional glazing area of the original façade and a unified look. The second-floor glazing is currently a horizontal strip and not floor to ceiling glazing. We are proposing to bring back the exterior appearance of the original glazed area. The third floor will have new windows installed in the original openings tripling the amount of glazing the building currently has at that level.

The queens-hat roof will be reconstructed on the current masonry parapet with a historically-accurate molding at the eave line. The original queens-hat supporting masonry matched the parapets, but we feel would be cost prohibitive in this restoration.

The windows on the West and South facades would be restored to their original sizes and locations.

Summary

We understand that Façade improvements are not specifically addressed in the Front Street URD. The ownership of the building is investing significantly into revitalizing this historic building when others would just tear it down, removing one more piece of Missoula's history. The Downtown master plan recognizes that the history and historic preservation of the downtown is an important part of its success. There's an opportunity for this building to be a piece of the gateway to the revitalized East Main street leading to the new Library.

The 2nd and 3rd floors are being completely modernized with tenant improvements. The basement is under-utilized and partially unfinished. All of that area is being assessed for redevelopment into commercial space with new atrium, entries on the South façade, bike storage rooms, and common spaces bringing more vitality to a revitalizing block of the downtown.

The restoration of the Union Block building is a monumental effort which will return tremendously in economic and community development. The community reaction to this project has been inspiring, from news requests to social media to passersby, proving the necessity and obligation we have as building owners, designers and decision makers to restore it and ensure the Union Block remains in the heart of downtown for another 100+ years. We are asking the MRA to continue to further partner in this project and continue its legacy of restoring downtown buildings and preserving Missoula's rich history.

We are grateful for the MRA's involvement to-date. At this juncture, conditioning or delaying the payment of the initial MRA grant, we would like to respectfully request an additional $125,000.00 to be allocated towards reproducing mullions and hardwood window framing and granite restoration. This will allow our final product to be as historically accurate as possible, based on the materials we've found during our demolition process.

Sincerely,

Nick Caras

1 North Elevation - Proposed
1/4" = 1'-0"

D V G
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tel:406.241.7707
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david.dvgarchandplan@gmail.com

Radio Building / Union Block
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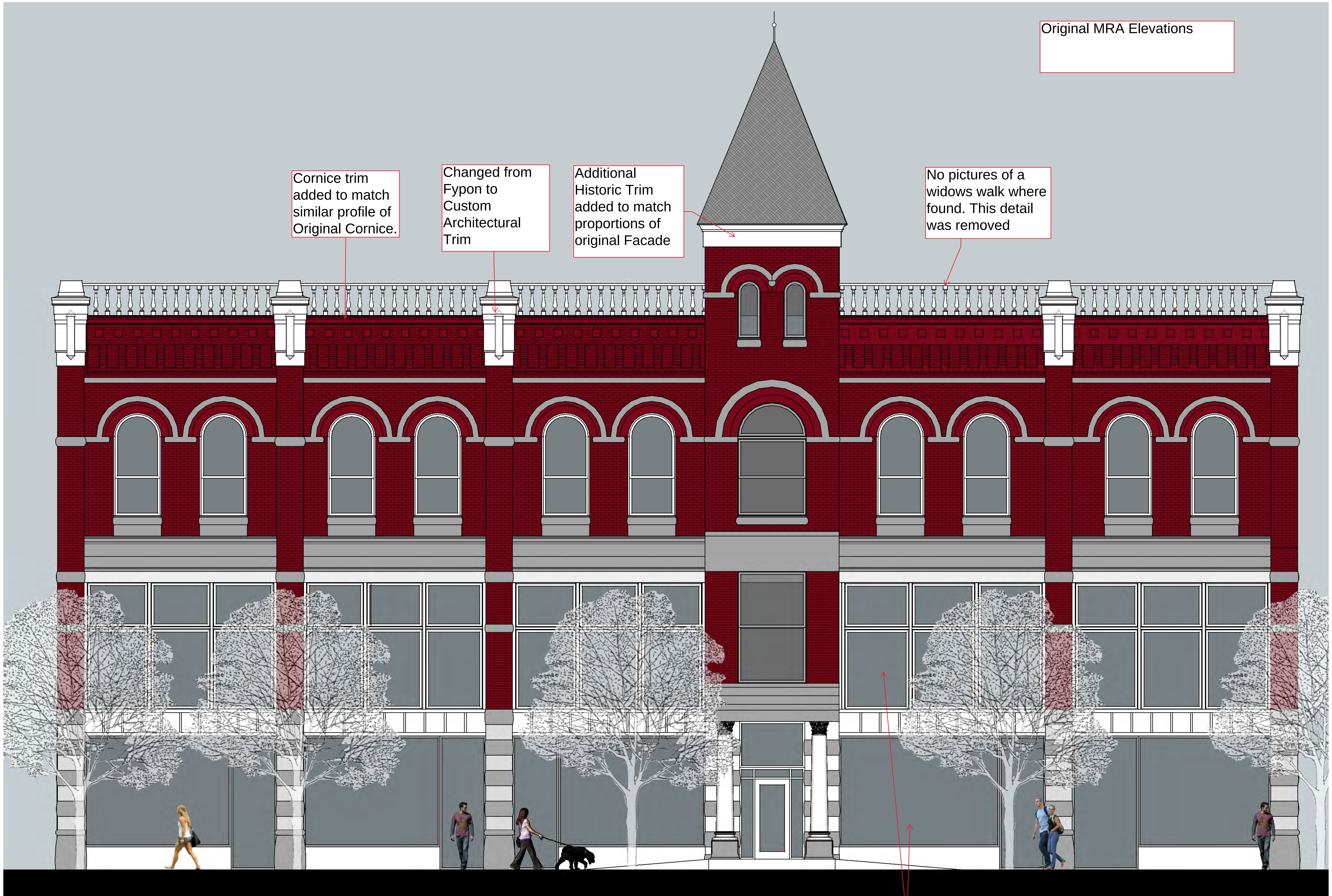

1 North Elevation

Scale: 1/4" = 1'-0"

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The Union Block Restoration

127 East Main Street

3 October 2019

Front Elevation Colored

PR-1B

Radio Building Beginning

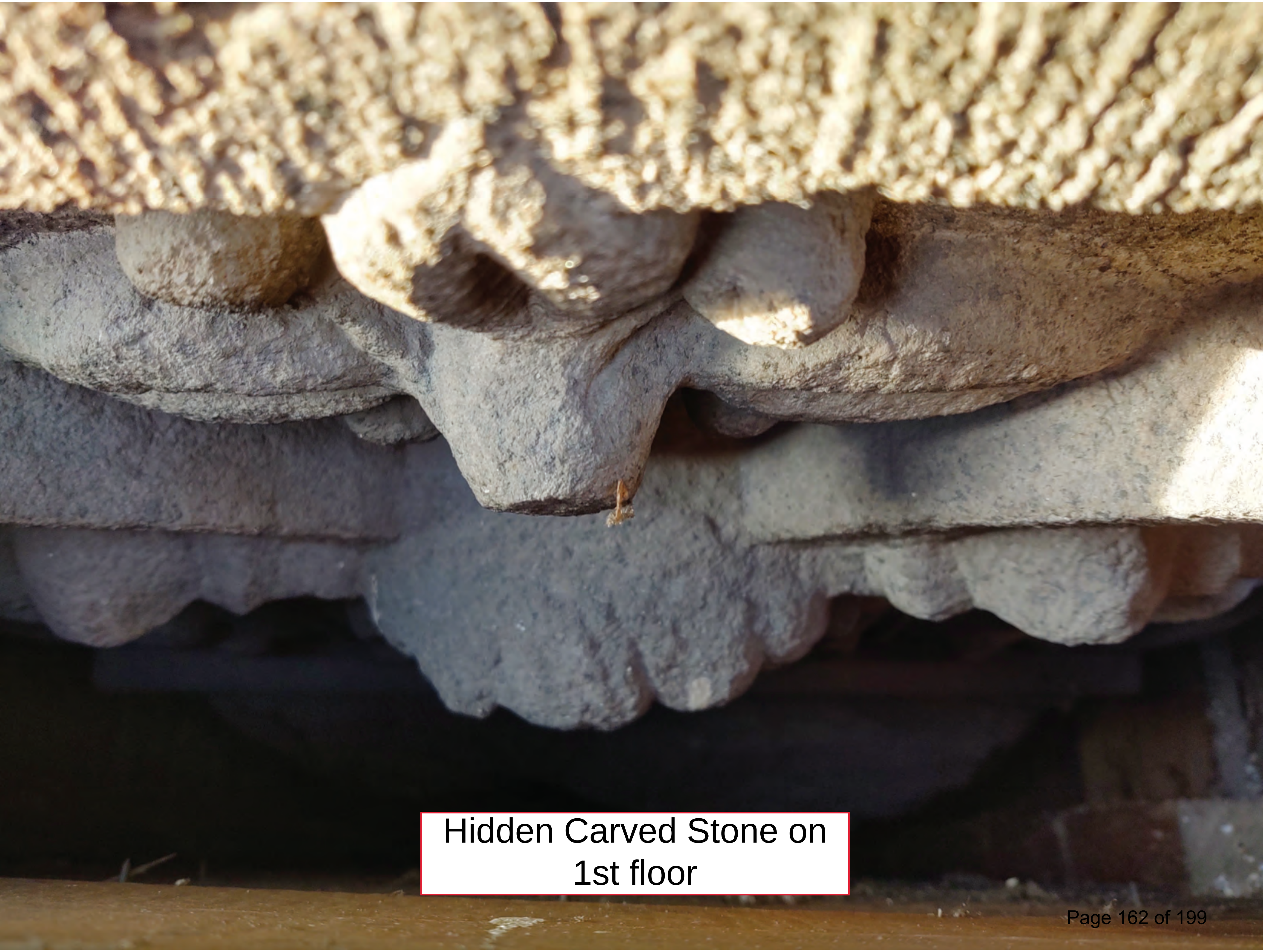
Radio Building Demo

3rd Floor Exposed

Tower being Exposed
Hidden Stone

Tower being Exposed

3rd Floor Windows



Hidden Carved Stone on 1st floor

Hidden Pilaster Capitals discovered

Hidden Pilaster Capitals discovered

Hammer Damage on all
Capitals. This is the best one

Original Cornice profile discovered

Brick Restoration is extensive

Brick Restoration is extensive

Brick Restoration is extensive

Brick Restoration is extensive

Oak 2nd Floor window head and carved Rope Detail

Hidden Mullions Found

Hidden Mullions Found


Hidden Mullions Found

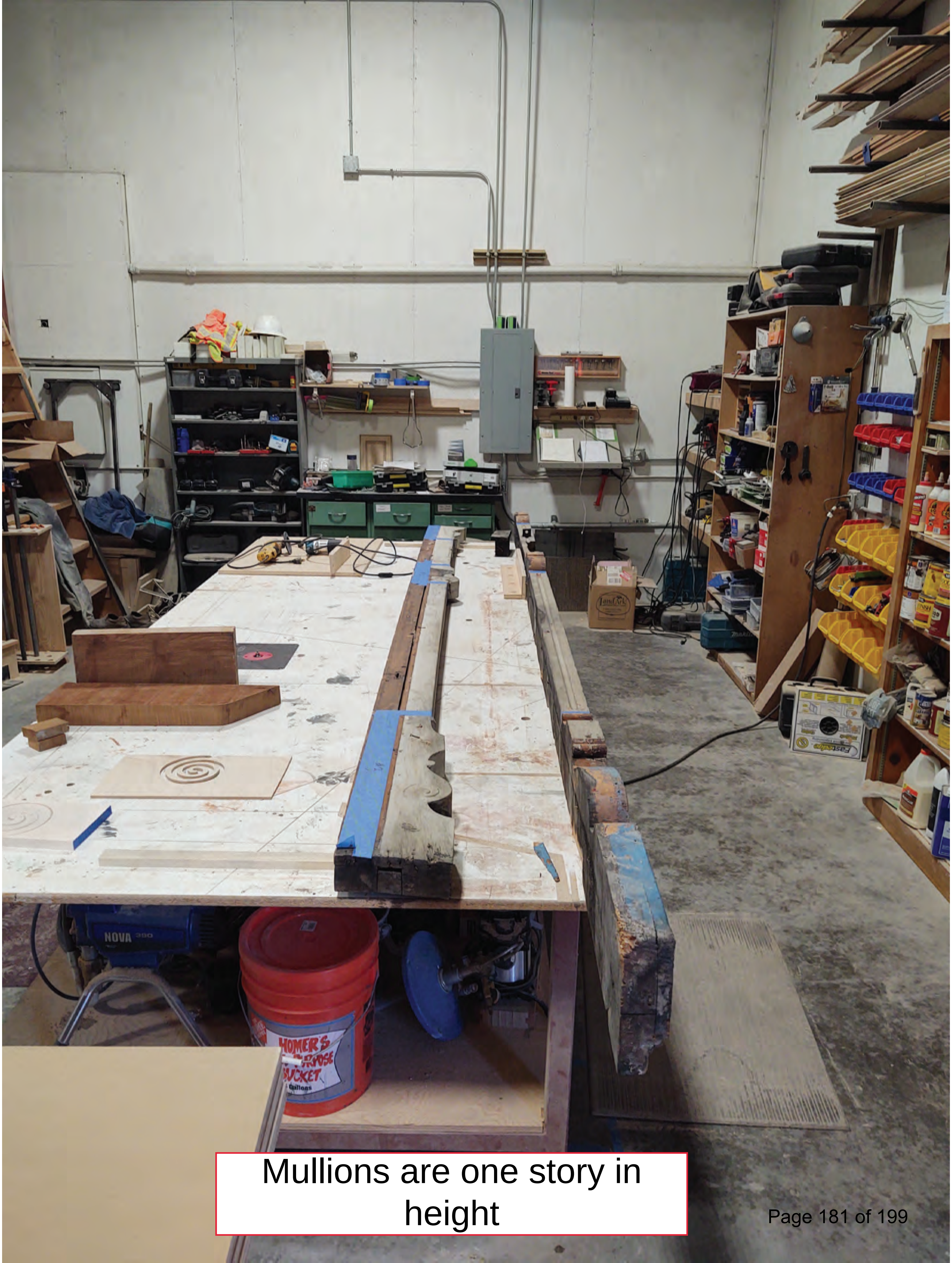
Hidden Mullions Found

Hidden Mullions Found

Hidden Mullion brought to shop for restoration effort

Hidden Mullion brought to shop for restoration effort

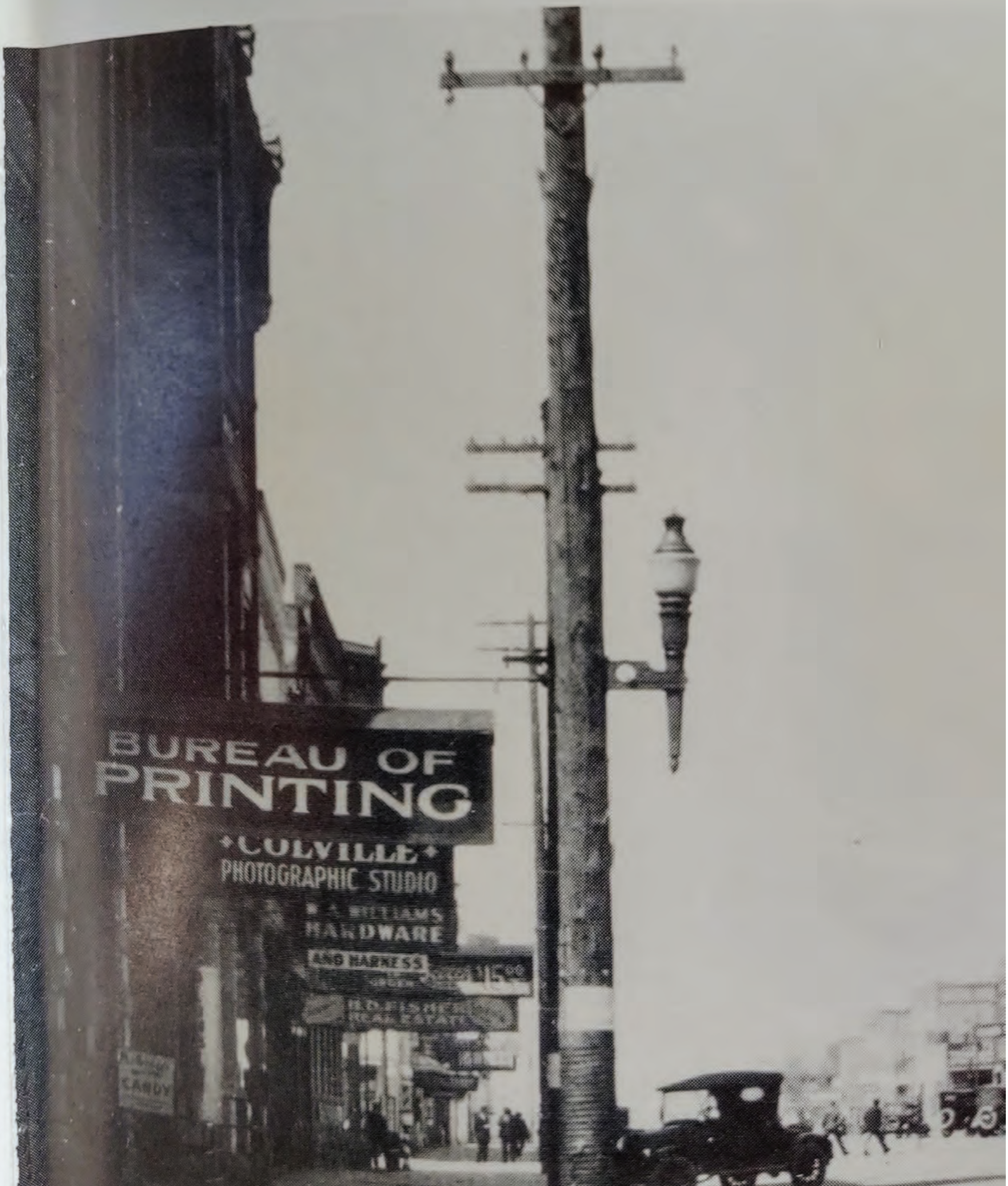
Hidden Mullion brought to shop for restoration effort



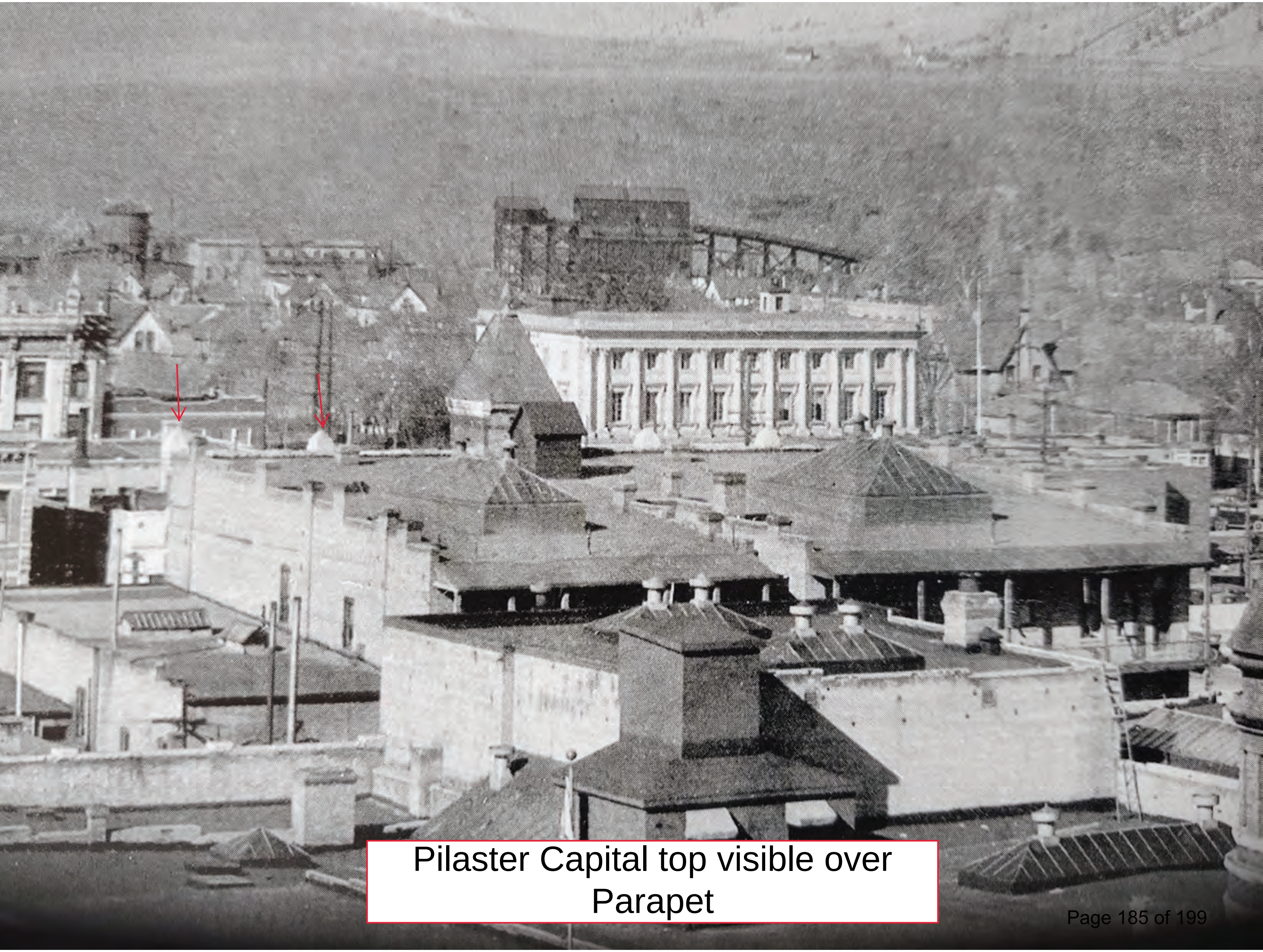
Mullions are one story in height

This may be a photo of the original
Mullions and windows

The Union Block at the corner of Higgins and Main, 1900. The corner building housed the Western Montana National Bank until it moved to the new Montana Block Building on the next corner in 1910. The large building to the east, is now the Radio Central Building. The Chicago Bee Hive store occupied the other corner which is now the site of the Darkroom. UM 86-62



This could be the Union Block
Front Facade



Pilaster Capital top visible over Parapet

Architectural Pilaster Capital

Tower Roof and Capitals Installed

Capitals Installed

Capitals Installed. Waiting for Cornice Trim

M E M O R A N D U M

TO: MRA Board of Commissioners

FROM: Ellen Buchanan, Director *EB*

DATE: February 22, 2021

SUBJECT: Proceed without Prejudice Policy

Staff would like for the Board to have a discussion about the applicability of the prohibition of work commencing on a project before MRA approval of funding. MRA has been inconsistent over the years with respect to where this applies. The primary question revolves around interior demolition/deconstruction work which does not qualify for any type of TIF assistance. This issue is particularly prevalent with Façade Improvement Projects where the majority of the work is interior and the improvements that can be most influenced through the use of TIF funding are exterior improvements and work in the public right of way. One of the primary reasons for the prohibition of an applicant starting work prior to funding approval is the impact on the ability of MRA to influence design in a way that benefits the public realm and aesthetics of the area. Interior deconstruction rarely has an impact on that, but could enter into design decisions.

Below is the language that is included in our program narratives and application instructions. It refers to approval before **construction** starts with no specific reference to deconstruction, particularly on the interior of the building, as well as to "Costs to be paid with MRA Program funds", which clearly does not include interior deconstruction.

FIP and TIF Program Narratives:

> MRA BOARD APPROVAL REQUIRED BEFORE CONSTRUCTION: Failure to receive approval of an Application before construction starts WILL affect a project's eligibility for Tax Increment Financing. The MRA Board of Commissioners generally meets once per month. Upon request to MRA staff that includes adequate project information, the MRA Board of Commissioners may waive this rule.

Program Application:

> Costs to be paid with MRA Program funds may not be incurred by the Applicant prior to funding approval and the satisfaction of any conditions of such approval.

Staff does not have a strong preference as to how this should be applied; however, clarification and the Board's preference leading to consistent application is important.

140 West Pine Street, Missoula MT 59802 **phone** 406.552.6160 **fax** 406.552.6162 **email** mra@ci.missoula.mt.us www.ci.missoula.mt.us/mra

M E M O R A N D U M

TO: MRA Board of Commissioners

FROM: Jilayne Dunn, Business/Project manager

SUBJECT: **Online Public Comment Feature for Board Meetings**

Non-Action Item: Review of online public comment feature in eSCRIBE and discussion regarding protocol of handling online public comments.

MRA is now conducting its Board meetings using the Zoom Webinar and eSCRIBE platforms. From the eSCRIBE website: "eSCRIBE is a cloud-based meeting and agenda management tool. It is built to help governmental, educational and health care institutions maintain records and handle all stages of the meeting lifecycle. The product offers features that are relevant to both participants and administrators."

Through eSCRIBE, citizens may submit general public comment or comment on a specific item on the City meeting agendas once they are posted on the City's public meeting website: http://www.ci.missoula.mt.us/1149/AgendasWebcastsMinutes

Staff would like to review this new feature for the Board and discuss any parameters they would like to follow regarding its use. For example, do we want a cut off time prior to our meetings for comment submittal so Staff and Board have a chance to review any comments prior to the meeting, etc.

Staff will ask the Clerk's office to give an overview of the feature and explain how City Council currently uses this citizen participation tool.

140 West Pine Street Missoula MT 59802 **phone** 406.552.6160 fax 406.552.6162 **email** mra@ci.missoula.mt.us
www.ci.missoula.mt.us/mra

M E M O R A N D U M

TO: MRA Board of Commissioners

FROM: Ellen Buchanan, Director EB

DATE: Director's Report

SUBJECT: February 22, 2021

West Broadway Master Plan

- Staff had a kickoff meeting with the consulting team and the Steering Committee on February 16. The meeting was very productive, setting the stage for the public process to get underway later in March. Annette is heading up this effort and can brief the Board on details and timeline at the meeting on Friday.

Scott Street Redevelopment Project

- Thanks, in large part, to the efforts the Missoula Economic Partnership through funding from MRA, the City has a strong team of private partners, led by Ravara, dedicated to the redevelopment of the +/- 9 acres of property purchased from the Scott Street Partners group last year. The City Council has approved a Letter of Intent between the City and Ravara outlining the process anticipated for development of the acreage. The group is currently working on engagement of a consulting team to guide the public involvement process resulting in a conceptual plan for the development of 6 acres of work force targeted rental housing and 3 acres of permanently affordable owner occupied housing units, along with recommendations for mitigation of offsite impacts on the surrounding area. It is anticipated that there will be approximately 70 units of affordable housing, the largest income qualified ownership development in the state, and over 200 multifamily units priced for workforce housing. Staff anticipates bringing a proposal to the Board for funding for engagement of the consulting team in the next month.

Emergency Winter Shelter – SHEC Buildings

- This temporary reuse of the property purchased through the use of TIF funds has proven to be a critical service for our homeless community particularly during the recent frigid weather, likely resulting in the saving of lives. The modifications to the use of the buildings which were facilitated by Annette working with the Poverello Center and the City's property management company have reduced adverse impacts on the surrounding neighborhood. The use of the building that formerly housed SHEC will continue through the end of March.

MRL Property Redevelopment

- The City continues to work toward finalizing the environmental remediation and delisting of the undeveloped property purchased from MRL and currently housing Camp Mak-A-Dream and the temporary emergency winter shelter. Once the environmental work is complete, staff will begin the process of engaging a consulting team to conduct a public process around reuse of the approximately 8 acres, likely as a mixed use, primarily residential redevelopment. The work that we are undertaking on the Scott Street property will be valuable in informing that process and outcome.

Street Reconfiguration Projects –Front/Main Conversion, Higgins Avenue between Broadway and Brooks & Brooks Street Corridor

- These three projects are linked in a way that is exciting for the future of transportation and connectivity in the urban core. MRA has an RFP out for engineering services to finalize construction documents for the conversion of Front and Main to two-way streets in an effort to position that project to take advantage of any Federal funding opportunities that might become available in the near term. The MRA and Mountain Line are continuing work on the transformative project on Brooks Street which will create a transit oriented, high density corridor that will include a bus rapid transit system on Brooks. The City's Transportation Division is in the process of issuing an RFP for a public process and conceptual design of Higgins Avenue from Broadway to Brooks based on the recommendations in the Downtown Master Plan. The Front/Main conversion will impact design decisions effecting Higgins and the design of Higgins will help inform the route of the Brooks TOD corridor. We have the choice of bringing that transit route up Stephens or continuing it up Brooks to Higgins through the Hip Strip. It is conceivable that the three projects could ultimately become one very large transportation investment with impacts from downtown to Brooks and Reserve Streets.

As always, if you have questions or want information on any other projects not covered here, please contact me at buchanane@ci.missoula.mt.us or 552-6156.

MRA RIVERFRONT TRIANGLE URD FY21 Budget Status Report As of: 1/31/21

Prepared: 2/24/21

FY21 COMMITTED refers to projects approved by the Board or projects being prepared for Board approval.

FUND BALANCE

	FY21 BUDGET	FY21 ADJUSTED	FY21 COMMITTED	FY21 TO DATE	FY21 REMAINING	Status
BEGINNING FUND BALANCE	**$ 350,916**	**$ 291,126**	**$ 291,126**	**$ 291,126**		
Revenue (less Debt Service)	$ 394,882	$ 394,882	$ 394,882	$ 129,156	**$ 265,726**	33%
TOTAL FUNDS AVAILABLE	**$ 745,798**	**$ 686,008**	**$ 686,008**	**$ 420,282**		

EXPENDITURES

	FY21 BUDGET	FY21 ADJUSTED	FY21 COMMITTED	FY21 TO DATE	FY21 REMAINING	Status
Administrative Expenses:						
Transfers to URD III	100,000	100,000	100,000	-	100,000	
subtotal	$ 100,000	$ 100,000	$ 100,000	$ -	$ 100,000	NA
Private Projects (tax generating):						
	-	-	-		-	
	-	-	-		-	
	-	-	-	-	-	
subtotal	$ -	$ -	$ -	$ -	$ -	NA
Public Improvement Projects:						
	-	-	-		-	
	-	-	-		-	
	-	-	-		-	
	-	-	-		-	
	-	-	-		-	
					-	
subtotal	$ -	$ -	$ -	-	$ -	NA
Program Projects (tax generating)						
		-	-	-	-	
		-	-	-	-	
subtotal	$ -	$ -	$ -	-	$ -	NA
TEA 21 Projects						
	-	-	-		-	
subtotal	$ -	$ -	$ -	-	$ -	NA
TOTAL EXPENDITURES	**$ 100,000**	**$ 100,000**	**$ 100,000**	**-**	**$ 100,000**	NA

CONTINGENCY FUNDS

	FY21 BUDGET	FY21 ADJUSTED	FY21 COMMITTED	FY21 TO DATE	FY21 REMAINING	Status
Contingency Funds Available:						
Acquisition of Property	-	-	-		-	
Public Works	645,798	586,008	586,008		586,008	
CRLP/CCP Assistance	-	-	-		-	
Relocation Assistance	-	-	-		-	
Planning & Management	-	-	-		-	
Clearing & Demolition	-	-	-		-	
subtotal	$ 645,798	$ 586,008	$ 586,008	$ -	$ 586,008	NA
Effect of Tax Appeals as of 11/30/20			$ -			
Adjusted Contingency			**$ 586,008**			

BUDGET SUMMARY	FY21 BUDGET	FY21 ADJUSTED	FY21 COMMITTED	FY21 TO DATE	FY21 REMAINING	Status
TOTAL FUNDS AVAILABLE	**$ 745,798**	**$ 686,008**	**$ 686,008**	**$ 420,282**	**$ 265,726**	
TOTAL EXPENDITURES	$ 100,000	$ 100,000	$ 100,000	$ -	$ 100,000	
TOTAL CONTINGENCY	$ 645,798	$ 586,008	$ 586,008		$ 586,008	
TOTAL BUDGETED BUT UNCOMMITTED	$ -		$ -		$ -	
TOTAL APPROPRIATIONS	**$ 745,798**	**$ 686,008**	**$ 686,008**	**$ -**	**$ 686,008**	NA
CURRENT FUND BALANCE	**$ -**	**$ -**	**$ -**	**$ 420,282**		

MRA FRONT ST URD

FY21 Budget Status Report As of: 1/31/21

Prepared: 2/24/21

FY21 COMMITTED refers to projects approved by the Board or projects being prepared for Board approval.

FUND BALANCE

	FY21 BUDGET	FY21 ADJUSTED	FY21 COMMITTED	FY21 TO DATE	FY21 REMAINING	Status
BEGINNING FUND BALANCE	**$ 447,600**	**$ 647,780**	**$ 647,780**	**$ 647,780**		
Revenue (less Debt Service)	$ 727,887	$ 727,887	$ 727,887	$ 120,378	**$ 607,509**	17%
TOTAL FUNDS AVAILABLE	**$ 1,175,487**	**$ 1,375,667**	**$ 1,375,667**	**$ 768,158**		

EXPENDITURES

	FY21 BUDGET	FY21 ADJUSTED	FY21 COMMITTED	FY21 TO DATE	FY21 REMAINING	Status
Administrative Expenses:						
Transfers to URD III	-	-	-	-	-	
subtotal	$ -	$ -	$ -	$ -	$ -	NA
Private Projects (tax generating):						
AC by Mariott Hotel - 175 Pattee St - $1,886,105 bond when available	-	-	-		-	
Levasseur Street Townhomes - 304 Levasseur St	6,956	6,956	6,956	-	6,956	ongoing
Union Block Restoration - 127 East Main	579,858	579,858	579,858	-	579,858	ongoing
Wren Hotel - 201 E Main St - $587,212 when available	488,673	587,212	587,212	-	587,212	ongoing
					-	
subtotal	$ 1,075,487	$ 1,174,026	$ 1,174,026	$ -	$ 1,174,026	NA
Public Improvement Projects:						
Missoula Public Library - $500K total; $225K remain for FY21+; up to $	75,000	75,000	75,000		75,000	ongoing
Payne/Library Block - Redevelopment Plan	25,000	25,000	25,000		25,000	ongoing
		-	-	-	-	
					-	
subtotal	$ 100,000	$ 100,000	$ 100,000	-	$ 100,000	NA
Program Projects (tax generating)						
	-	-	-	-	-	
		-	-	-	-	
subtotal	$ -	$ -	$ -	-	$ -	NA
MAP-21 Projects						
	-	-	-		-	
subtotal	$ -	$ -	$ -	-	$ -	NA
TOTAL EXPENDITURES	**$ 1,175,487**	**$ 1,274,026**	**$ 1,274,026**	**-**	**$ 1,274,026**	NA

CONTINGENCY FUNDS

	FY21 BUDGET	FY21 ADJUSTED	FY21 COMMITTED	FY21 TO DATE	FY21 REMAINING
Contingency Funds Available:					
Acquisition of Property	-	-	-		-
Public Works	-	101,641	101,641		101,641
CRLP/CCP Assistance	-	-	-		-
Relocation Assistance	-	-	-		-
Planning & Management	-	-	-		-
Clearing & Demolition	-	-	-		-
subtotal	$ -	$ 101,641	$ 101,641	$ -	$ 101,641
Effect of Tax Appeals as of 11/30/20			$ (48,646)		
Adjusted Contingency			**$ 52,995**		

BUDGET SUMMARY	FY21 BUDGET	FY21 ADJUSTED	FY21 COMMITTED	FY21 TO DATE	FY21 REMAINING	
TOTAL FUNDS AVAILABLE	**$ 1,175,487**	**$ 1,375,667**	**$ 1,375,667**	**$ 768,158**	**$ 607,509**	
TOTAL EXPENDITURES	$ 1,175,487	$ 1,274,026	$ 1,274,026	$ -	$ 1,274,026	
TOTAL CONTINGENCY	$ -	$ 101,641	$ 101,641		$ 101,641	
TOTAL BUDGETED BUT UNCOMMITTED	$ -		$ -		$ -	
TOTAL APPROPRIATIONS	**$ 1,175,487**	**$ 1,375,667**	**$ 1,375,667**	**$ -**	**$ 1,375,667**	NA
CURRENT FUND BALANCE	**$ -**	**$ -**	**$ -**	**$ 768,158**		
CONTINGENCY REMAINING + PROJECT SAVINGS					**$ 52,995**	

MRA URD II

FY21 Budget Status Report As of: 1/31/21

Prepared: 2/24/21

FY21 COMMITTED refers to projects approved by the Board or projects being prepared for Board approval.

FUND BALANCE

		FY21 BUDGET	FY21 ADJUSTED	FY21 COMMITTED	FY21 TO DATE	FY21 REMAINING	Status
BEGINNING FUND BALANCE		**$ 2,400,000**	**$ 2,218,789**	**$ 2,218,789**	**$ 2,218,789**		
Revenue (less Debt Service)		$ 2,792,894	$ 2,792,894	$ 2,792,894	$ 1,313,354	**$ 1,479,540**	47%
TOTAL FUNDS AVAILABLE		**$ 5,192,894**	**$ 5,011,683**	**$ 5,011,683**	**$ 3,532,143**		

EXPENDITURES

		FY21 BUDGET	FY21 ADJUSTED	FY21 COMMITTED	FY21 TO DATE	FY21 REMAINING	Status
Administrative Expenses:							
Transfers to URD III		150,000	150,000	150,000	-	150,000	pending
	subtotal	$ 150,000	$ 150,000	$ 150,000	$ -	$ 150,000	NA
Private Projects (tax generating):							
1901 Maple Street - MSJ Properties Housing		69,885	69,885	69,885	-	69,885	ongoing
Blackfoot River Outfitters - 225 N Russell Street		80,582	80,582	80,582	75,320	5,263	done
Burton Street Apartments - 525 Burton Street		123,994	123,994	123,994	-	123,994	ongoing
DJ&A Office Building - 2000 Maple Street		301,432	301,432	301,432	-	301,432	ongoing
Ponderosa Village - 1029 West Pine Street		96,000	96,000	96,000	-	96,000	ongoing
Sentinel Property Medical Offices - 1900 West Broadway		1,170,611	1,170,611	1,170,611	-	1,170,611	ongoing
				-		-	
				-		-	
	subtotal	$ 1,842,504	$ 1,842,504	$ 1,842,504	$ 75,320	$ 1,767,185	4%
Public Improvement Projects:							
Housing Policy Implementation - $10K/yr (FY20, FY21, FY22)		10,000	10,000	10,000	-	10,000	ongoing
Clark Fork Bank Stabilization		-	2,035	2,035	2,035	-	ongoing
Legal Services		10,000	10,000	-	-	10,000	set aside
Missoula Food Bank & Community Center - PHC Satelite Clinic		433,840	433,840	433,840	385,322	48,518	done
Police Facility - 101 North Catlin - FY18 Purchase/Renovations ($250K/yr FY19		250,000	250,000	250,000	-	250,000	ongoing
Police Facility - 101 North Catlin - FY21 Renovations (showers, changing area,		-	233,718	233,718	-	233,718	ongoing
Sidewalks - 2nd & 3rd Street - Construction		462,202	234,604	234,604	223,331	11,273	ongoing
Sidewalks - 2nd & 3rd Street - Design, Engineering, Const. Admin		-	22,926	22,926	21,835	1,092	ongoing
Sidewalks - 2nd & 3rd Street - MRL Crossing		-	5,742	5,742	-	5,742	ongoing
Silver Park - Public Art - "Perseverance" Lighting		7,476	7,476	7,476	-	7,476	ongoing
Sidewalks - Inez, 1st & 2nd Streets - Construction		450,000	450,000	-	-	450,000	pending
Sidewalks - Inez, 1st & 2nd Streets - Design, Engineering, Const. Admin		-	130,082	130,082	47,642	82,440	ongoing
Sleepy Inn - 1427 West Broadway - Fence Installation		-	2,650	2,650	2,650	-	done
Trinity Apartments - Mullan Site		-	53,256	53,256	-	53,256	ongoing
YWCA Expansion - 1800 S 3rd St W		142,404	142,404	142,404	-	142,404	ongoing
West Broadway Master Plan		-	65,000	65,000	-	65,000	ongoing
						-	
	subtotal	$ 1,765,922	$ 2,053,733	$ 1,593,733	$ 682,814	$ 1,370,919	33%
Program (CCP/CRLP/FIP) Projects (tax generating)							
				-		-	done
				-		-	
Unidentified Program Projects			-	-	-	-	
	subtotal	$ -	$ -	$ -	$ -	$ -	NA
Federally Assisted Projects							
			-	-		-	
	subtotal	$ -	$ -	$ -	-	$ -	NA
TOTAL EXPENDITURES		**$ 3,758,426**	**$ 4,046,237**	**$ 3,586,237**	$ 758,133	**$ 3,288,103**	19%

CONTINGENCY FUNDS

Contingency Funds Available:							
Acquisition of Property		100,000	100,000	100,000		100,000	
Public Works		1,134,468	665,447	665,447		665,447	
CRLP/CCP Assistance		-	-	-		-	
Relocation Assistance		-	-	-		-	
Planning & Management		100,000	100,000	100,000		100,000	
Clearing & Demolition		100,000	100,000	100,000		100,000	
	subtotal	$ 1,434,468	$ 965,447	$ 965,447	$ -	$ 965,447	
Effect of Tax Appeals as of 11/30/20				$ -			
Adjusted Contingency				**$ 965,447**			

BUDGET SUMMARY	FY21 BUDGET	FY21 ADJUSTED	FY21 COMMITTED	FY21 TO DATE	FY21 REMAINING	
TOTAL FUNDS AVAILABLE	**$ 5,192,894**	**$ 5,011,683**	**$ 5,011,683**	**$ 3,532,143**	**$ 1,479,540**	
TOTAL EXPENDITURES	$ 3,758,426	$ 4,046,237	$ 3,586,237	$ 758,133	$ 2,828,103	
TOTAL CONTINGENCY	$ 1,434,468	$ 965,447	$ 965,447		$ 965,447	
TOTAL BUDGETED BUT UNCOMMITTED	$ -		$ 460,000		$ 460,000	
TOTAL APPROPRIATIONS	**$ 5,192,894**	**$ 5,011,683**	**$ 5,011,683**	**$ 758,133**	**$ 4,253,550**	15%

CURRENT FUND BALANCE	**$ -**	**$ -**	**$ -**	**$ 2,774,010**	**Adj. Contingency**
Less Long Term Receivables (MWC Notes) not readily available for projects				**$ (400,665)**	**$ 564,782**
ADJUSTED FUND BALANCE				**$ 2,373,345**	
CONTINGENCY + PROJECT SAVINGS - MWC NOTES					**$ 618,562**

MRA URD III   FY21 Budget Status Report   As of: 1/31/21

Prepared: 2/24/21

FY21 COMMITTED refers to projects approved by the Board or projects being prepared for Board approval.

FUND BALANCE

	FY21 BUDGET	FY21 ADJUSTED	FY21 COMMITTED	FY21 TO DATE	FY21 REMAINING	Status %
BEGINNING FUND BALANCE	**$ 3,054,135**	**$ 3,724,045**	**$ 3,724,045**	**$ 3,724,045**		
Revenue (less Debt Service)	$ 4,259,504	$ 4,259,504	$ 4,259,504	$ 1,322,153	**$ 2,937,351**	31%
TOTAL FUNDS AVAILABLE	**$ 7,313,639**	**$ 7,983,549**	**$ 7,983,549**	**$ 5,046,198**		

EXPENDITURES

	FY21 BUDGET	FY21 ADJUSTED	FY21 COMMITTED	FY21 TO DATE	FY21 REMAINING	Status %
Administrative Expenses:						
Personnel Services	660,538	660,538	660,538	359,353	301,186	
Supplies	9,126	9,126	9,126	897	8,229	
Purchased Services	352,200	352,200	352,200	173,619	178,581	
Grants & Contributions					-	
Capital Outlay					-	
subtotal	$ 1,021,864	$ 1,021,864	$ 1,021,864	$ 533,869	$ 487,995	52%
Private Projects (tax generating):						
Aspen Grove Therapy & Wellness	104,200	104,200	104,200	97,105	7,095	done
Horizon Credit Union - 1502 Dearborn Avenue	-	13,607	13,607	-	13,607	ongoing
Tremper's Kent Plaza - 1200-1210 West Kent Ave	226,100	226,100	226,100	-	226,100	ongoing
					-	
subtotal	$ 330,300	$ 343,907	$ 343,907	$ 97,105	$ 246,802	28%
Public Improvement Projects:						
Brooks Street Corridor - TOD Infrastructure Study	60,045	60,045	60,045	7,828	52,217	ongoing
Housing Policy Implementation - $10K/yr (FY20, FY21, FY22)	10,000	10,000	10,000	-	10,000	ongoing
Legal Services	10,000	10,000	-	-	10,000	set aside
Mary Avenue West - Bond - Street Trees	13,474	13,474	13,474	-	13,474	ongoing
Missoula County Fairgrounds - 1101 South Avenue West	1,155,500	1,155,500	1,155,500	-	1,155,500	ongoing
MRA Communication Plan	-	46,500	46,500	-	46,500	ongoing
MRL Bond - Remaining to Transfer to DS	141,709	141,709	141,709	-	141,709	ongoing
MRL Property - 1835 North Avenue - Building Deconstruction	-	24,800	24,800	-	24,800	ongoing
MRL Property - 1919 North Avenue - building acquisition	-	46,500	46,500	-	46,500	ongoing
MRL Property - Voluntary Cleanup Plan - Environmental Assessment	-	36,000	36,000	-	36,000	ongoing
Sidewalks - URD III Northern - Phase 1 - Construction	271,498	271,498	271,498	256,534	14,964	done
Sidewalks - URD III Northern - Phase 1 - Design/Eng/Const. Admin	31,727	26,363	26,363	26,356	7	done
Sidewalks - URD III Northern - Phase 2 - Construction	510,000	503,390	-	-	503,390	pending
Sidewalks - URD III Northern - Phase 2 - Design/Eng/Const. Admin	-	56,600	56,600	11,272	45,328	ongoing
South Reserve Pedestrian Bridge - Upgrades	-	30,150	30,150	30,150	-	done
Street Trees	6,610	6,610	6,610	-	6,610	ongoing
subtotal	$ 2,210,563	$ 2,439,139	$ 1,925,749	$ 332,140	$ 2,106,999	14%
Façade Improvement Program Projects (tax generating)						
Uncommitted Program Funds		-	-	-	-	
Aspen Grove Therapy & Wellness	50,000	50,000	50,000	50,000	-	done
Horizon Credit Union - 1502 Dearborn Avenue	-	50,000	50,000	-	50,000	ongoing
The Dram Shop Central - 2700 Paxson Street	50,000	50,000	50,000	50,000	-	done
Tremper's Kent Plaza - 1200-1210 West Kent Ave	150,000	150,000	150,000	150,000	-	done
subtotal	$ 250,000	$ 300,000	$ 300,000	$ 250,000	$ 50,000	83%
Federally Assisted Projects						
None	-	-	-	-	-	
subtotal	$ -	$ -	$ -	$ -	$ -	
TOTAL EXPENDITURES	**$ 3,812,727**	**$ 4,104,910**	**$ 3,591,520**	**$ 1,213,114**	**$ 2,891,796**	30%

CONTINGENCY FUNDS

	FY21 BUDGET	FY21 ADJUSTED	FY21 COMMITTED	FY21 TO DATE	FY21 REMAINING
Contingency Funds Available:					
Admin Year-End Set Aside	500,000	500,000	500,000		500,000
Acquisition of Property	100,000	100,000	100,000		100,000
Public Works	2,700,912	3,078,639	3,078,639		3,078,639
MRA Programs	-	-	-		-
Relocation Assistance	-	-	-		-
Planning & Management	100,000	100,000	100,000		100,000
Clearing & Demolition	100,000	100,000	100,000		100,000
subtotal	$ 3,000,912	$ 3,378,639	$ 3,378,639	$ -	$ 3,378,639
Effect of Tax Appeals as of 11/30/20			$ (2,613)		
Adjusted Contingency			**$ 3,376,026**		

BUDGET SUMMARY	FY21 BUDGET	FY21 ADJUSTED	FY21 COMMITTED	FY21 TO DATE	FY21 REMAINING	
TOTAL FUNDS AVAILABLE	**$ 7,313,639**	**$ 7,983,549**	**$ 7,983,549**	**$ 5,046,198**	**$ 2,937,351**	
TOTAL EXPENDITURES	$ 3,812,727	$ 4,104,910	$ 3,591,520	$ 1,213,114	$ 2,378,406	
TOTAL ADMIN SET ASIDE	$ 500,000	$ 500,000	$ 500,000	$ -	$ 500,000	
TOTAL CONTINGENCY	$ 3,000,912	$ 3,378,639	$ 3,378,639		$ 3,378,639	
TOTAL BUDGETED BUT UNCOMMITTED	$ -		$ 513,390		$ 513,390	
TOTAL BUDGET	**$ 7,313,639**	**$ 7,983,549**	**$ 7,983,549**	**$ 1,213,114**	**$ 6,770,435**	15%

CURRENT FUND BALANCE	$ -	$ -	$ -	**$ 3,833,084**	**Adj. Contingency**
Less Long Term Receivables (MWC Notes & FIP Notes) not readily available for projects				**$ (198,605)**	**$ 3,177,422**
ADJUSTED FUND BALANCE				**$ 3,634,479**	
CONTINGENCY + PROJECT SAVINGS - NOTES RECEIVABLE					**$ 3,199,488**

MRA NORTH RESERVE/SCOTT ST URD FY21 Budget Status Report As of: 1/31/21

Prepared: 2/24/21

FY21 COMMITTED refers to projects approved by the Board or projects being prepared for Board approval.

FUND BALANCE

	FY21 BUDGET	FY21 ADJUSTED	FY21 COMMITTED	FY21 TO DATE	FY21 REMAINING	Status
BEGINNING FUND BALANCE	**$ 1,148,357**	**$ 1,141,830**	**$ 1,141,830**	**$ 1,141,830**		
Revenue (less Debt Service)	$ 7,389,588	$ 7,389,588	$ 7,389,588	$ 6,470,862	**$ 918,726**	88%
TOTAL FUNDS AVAILABLE	**$ 8,537,945**	**$ 8,531,418**	**$ 8,531,418**	**$ 7,612,692**		

EXPENDITURES

	FY21 BUDGET	FY21 ADJUSTED	FY21 COMMITTED	FY21 TO DATE	FY21 REMAINING	Status
Administrative Expenses:						
Transfers to URD III	25,000	25,000	25,000	-	25,000	pending
subtotal	$ 25,000	$ 25,000	$ 25,000	$ -	$ 25,000	NA
Private Projects (tax generating):						
$723,514 Scott Street Village - Phase II & III - Transfer to DS	259,047	259,047	259,047	259,047	-	done
subtotal	$ 259,047	$ 259,047	$ 259,047	$ 259,047	$ -	100%
Public Improvement Projects:						
Housing Policy Implementation - $10K (FY20, FY21, FY22)	10,000	10,000	10,000	-	10,000	ongoing
Missoula Cemetery - Strategic Plan	12,750	12,750	12,750	-	12,750	ongoing
Public Works - Maintenance Facility Plan	28,817	28,817	28,817	-	28,817	ongoing
Scott Street Property - Series 2020AB Bond - Purchase & Fees	6,508,151	6,508,151	6,508,151	6,508,151	-	done
Scott Street Property - Series 2020AB Bond - COI	63,020	63,020	63,020	63,212	(192)	done
Scott Street Property - Series 2020AB Bond - Rounding -Transfer to DS	1,629	1,629	1,629	-	1,629	ongoing
Scott Street Property - Feasibility Due Dilligence, Misc	23,800	23,800	23,800	2,027	21,773	done
Villagio Housing Project - Otis & Shakespeare	1,339,178	1,339,178	1,339,178	-	1,339,178	ongoing
					-	
subtotal	$ 7,987,345	$ 7,987,345	$ 7,987,345	6,573,390	$ 1,413,955	82%
Program Projects (tax generating)						
	-	-	-	-	-	
		-	-	-	-	
subtotal	$ -	$ -	$ -	-	$ -	NA
TOTAL EXPENDITURES	**$ 8,271,392**	**$ 8,271,392**	**$ 8,271,392**	**6,832,437**	**$ 1,438,955**	83%

CONTINGENCY FUNDS

	FY21 BUDGET	FY21 ADJUSTED	FY21 COMMITTED	FY21 TO DATE	FY21 REMAINING
Contingency Funds Available:					
Acquisition of Property	-	-	-		-
Public Works	216,553	210,025	210,025		210,025
CRLP/CCP Assistance	-	-	-		-
Relocation Assistance	-	-	-		-
Planning & Management	50,000	50,000	50,000		50,000
Clearing & Demolition	-	-	-		-
subtotal	$ 266,553	$ 260,025	$ 260,025	$ -	$ 260,025
Effect of Tax Appeals as of 11/30/20			$ -		
Adjusted Contingency			**$ 260,025**		

BUDGET SUMMARY	FY21 BUDGET	FY21 ADJUSTED	FY21 COMMITTED	FY21 TO DATE	FY21 REMAINING	
TOTAL FUNDS AVAILABLE	**$ 8,537,945**	**$ 8,531,418**	**$ 8,531,418**	**$ 7,612,692**	**$ 918,726**	
TOTAL EXPENDITURES	$ 8,271,392	$ 8,271,392	$ 8,271,392	$ 6,832,437	$ 1,438,955	
TOTAL CONTINGENCY	$ 266,553	$ 260,025	$ 260,025		$ 260,025	
TOTAL BUDGETED BUT UNCOMMITTED	$ -		$ -		$ -	
TOTAL APPROPRIATIONS	**$ 8,537,945**	**$ 8,531,417**	**$ 8,531,417**	**$ 6,832,437**	**$ 1,698,980**	80%

CURRENT FUND BALANCE	**$ -**	**$ 1**	**$ 1**	**$ 780,254**	**Adj. Contingency**
Less Long Term Receivables (MWC Notes) not readily available for projects				**$ (74,608)**	**$ 185,417**
ADJUSTED FUND BALANCE				**$ 705,647**	
CONTINGENCY + PROJECT SAVINGS - MWC NOTES					**$ 207,190**

MRA HELLGATE URD

FY21 Budget Status Report As of: 1/31/21

Prepared: 2/24/21

FY21 COMMITTED refers to projects approved by the Board or projects being prepared for Board approval.

FUND BALANCE

	FY21 BUDGET	FY21 ADJUSTED	FY21 COMMITTED	FY21 TO DATE	FY21 REMAINING	Status
BEGINNING FUND BALANCE	**$ 449,258**	**$ 451,976**	**$ 451,976**	**$ 451,976**		
Revenue (less Debt Service)	$ 338,739	$ 338,739	$ 338,739	$ 163,655	**$ 175,084**	48%
TOTAL FUNDS AVAILABLE	**$ 787,997**	**$ 790,715**	**$ 790,715**	**$ 615,631**		

EXPENDITURES

	FY21 BUDGET	FY21 ADJUSTED	FY21 COMMITTED	FY21 TO DATE	FY21 REMAINING	Status
Administrative Expenses:						
Transfers to URD III	25,000	25,000	25,000	-	25,000	pending
subtotal	$ 25,000	$ 25,000	$ 25,000	$ -	$ 25,000	NA
Private Projects (tax generating):						
	-	-	-	-	-	
	-	-	-	-	-	
	-	-	-	-	-	
subtotal	$ -	$ -	$ -	$ -	$ -	NA
Public Improvement Projects:						
Railroad Quiet Zone & Traffic Study	-	26,300	26,300	-	26,300	ongoing
	-	-	-		-	
	-	-	-		-	
	-	-	-		-	
					-	
subtotal	$ -	$ 26,300	$ 26,300	-	$ 26,300	NA
Program Projects (tax generating)						
		-	-	-	-	
		-	-	-	-	
subtotal	$ -	$ -	$ -	-	$ -	NA
Federally Assisted Projects						
	-	-	-		-	
subtotal	$ -	$ -	$ -	-	$ -	NA
TOTAL EXPENDITURES	**$ 25,000**	**$ 51,300**	**$ 51,300**	**-**	**$ 51,300**	NA

CONTINGENCY FUNDS

	FY21 BUDGET	FY21 ADJUSTED	FY21 COMMITTED	FY21 TO DATE	FY21 REMAINING	Status
Contingency Funds Available:						
Acquisition of Property	-	-	-		-	
Public Works	762,997	739,415	739,415		739,415	
CRLP/CCP Assistance	-	-	-		-	
Relocation Assistance	-	-	-		-	
Planning & Management	-	-	-		-	
Clearing & Demolition	-	-	-		-	
subtotal	$ 762,997	$ 739,415	$ 739,415	$ -	$ 739,415	NA
Effect of Tax Appeals as of 11/30/20			$ -			
Adjusted Contingency			**$ 739,415**			

BUDGET SUMMARY	FY21 BUDGET	FY21 ADJUSTED	FY21 COMMITTED	FY21 TO DATE	FY21 REMAINING	
TOTAL FUNDS AVAILABLE	**$ 787,997**	**$ 790,715**	**$ 790,715**	**$ 615,631**	**$ 175,084**	
TOTAL EXPENDITURES	$ 25,000	$ 51,300	$ 51,300	$ -	$ 51,300	
TOTAL CONTINGENCY	$ 762,997	$ 739,415	$ 739,415		$ 739,415	
TOTAL BUDGETED BUT UNCOMMITTED	$ -		$ -		$ -	
TOTAL APPROPRIATIONS	**$ 787,997**	**$ 790,715**	**$ 790,715**	**$ -**	**$ 790,715**	NA
CURRENT FUND BALANCE	**$ -**	**$ -**	**$ -**	**$ 615,631**		