

## **Missoula City Council Committee of the Whole Minutes**

**February 3, 2021**

**11:00 AM**

**ZOOM Webinar**

**Members present:** Stacie Anderson, Mirtha Becerra, John P. Contos, Heather Harp, Jordan Hess, Gwen Jones, Julie Merritt, Amber Sherrill, Sandra Vasecka, Bryan von Lossberg, Heidi West

**Members absent:** Jesse Ramos

### **1. ADMINISTRATIVE BUSINESS**

#### **1.2 Approval of the Minutes**

##### **1.2.1 Minutes from the January 6, 2021 meeting**

The minutes were approved as submitted.

### **2. PUBLIC COMMENT**

### **3. COMMITTEE BUSINESS**

#### **3.1 Resolution and agreements for the sale and conveyance of the City-owned land commonly known as Parcel A of Lot 3, Scott Street Lots**

von Lossberg - We are discussing the sale of the Scott St. lots today. Mayor Engen will introduce the item.

Mayor - This is an exciting project and a model for how we might move forward. We have discussed what might happen with this property. Today we present a development proposal and sale. We contracted through the Missoula Redevelopment Agency with the Missoula Economic Partnership on this project. Funds were part of the Trump tax incentives for particular census tracts. This is an opportunity zone. This is a place where quality redevelopment can occur. We have been cautious that a tax incentive does not create projects we can't be proud of. Grant Kier and his team brought us an inquiry from Goodworks Ventures. This is a partnership that deploys the opportunity fund and resources of Goodworks with our design partner. We will get a mixed use development with permanent affordability. It will be designed within the context of the neighborhood. We want to improve the neighborhood. This reflects our interest in land banking. We will be approving some contracts later that are related to this City parcel. There is a remainder parcel that the City of Missoula will continue to own, which is not cleared to residential standards but a commercial standard, which will allow us to consolidate our operations. I am turning this over to Ms. McGee.

Dawn McGee, Good Works Ventures - We have a number of development entities. We were created about 15-years ago. High Stakes Foundation was created about the same time. We developed Goodworks Evergreen to buy and transition businesses so we

would not lose jobs in our state. Ravara Development was created for affordable housing. Last fall there was an office in California that became aware of us, they approached us about opportunities for investment. We began to work with Grant and his crew and the City to ask what we could do with this parcel. We identified priorities for the community and later lost the investment. Kiah will speak to that.

Kiah Hochstetler, Good Works Ventures - We reached out to a company in Utah about investment in this project. We looked at how different aspects of our community needs matched with the investor and developer. Questions.

von Lossberg - No questions. Dale, Eran and Ellen may speak to it.

Dale Bickell, Chief Administrative Officer - We will get in the details of our presentation. Eran will talk about how this project achieves City goals. This is an orientation of the site (a photo was shared). I'm going to turn this over to Eran.

Eran Pehan, Director of Community Planning, Development and Innovation - This project is a wonderful representation of our guiding principals. These challenges us to encourage diversity, create house at different price points and set achievable goals. A Place to Call Home was reviewed. The five-year plan is to construct 100 homes for families earning up to 120% of area Median Income. As estimated 70 permanently affordable Community Land Trust homes will be constructed. Upon completion this will be the largest permanently affordable housing development in the state. We successfully created an Affordable Housing Trust Fund early this year. The fund can be used for down payment loans. The Housing Policy provides to loan \$1million to \$3 million a year. Goals are to provide diversity of housing options that are more sustainable. This projects supports the mission of our department. This particular area has a need for childcare which this project will provide.

Dale Bickell - This first thing to note is that this is a private sector driven project. Good Works is the acting developer. There are other projects in the area that are impacting infrastructure. The approximately 6 acres will be selling for \$7.30 per square foot. Goodworks will act as the master developer. The City will convey this as a community land trust. The Ravara Parcel, 6 acres, is all about housing. There is a potential of an employment center and a commercial building with Pubic Works as the tenant. The 3 acre parcel will be for the permanently affordable home ownership units. The Letter of Intent establishes a minimum density of 24 units per acre. We do have opportunities to share parking so there is less land needed to park cars. I'm going to turn it over to Ellen.

Ellen Buchanan, Director Missoula Redevelopment Agency (MRA) - The MRA partnered with the Missoula Economic Partnership (MEP) to create opportunities for investment. They looked at the work in other communities. The brought us the partner of Goodworks Ventures. This is right in the middle of a opportunity zone and a redevelopment area. There is a clock ticking on maximizing opportunities for investment. There has been an urgency move forward due to the tools that are available and the deadlines they are subject to. We sat down and looked at whether or not there is a rationale for the reconveyance of the property for this venture. We looked at the City policies and redevelopment zones to see that this property can be reconveyed for this development. This is a huge win-win for the City. The next piece will be moving into a public process to look at the design of this area - how we maximize these sites for mixed

development. We hope to take a proposal to the MRA board on the 18th of this month to look at the design of this area. The plan is that the board would consider this and the design team would scope it with Goodworks by March. In summer of this year we would be able to execute the rest of the agreements to create the partnership to maximize what we do on this site. We bought this property in August and we are looking at a conveyance in less than a year.

Dale Bickell - The recommendation to Council is to adopt the resolution that will execute this process.

von Lossberg - We covered a lot of material in a short amount of time.

West - I would like to move the motions. I am two blocks away from this site. I am thrilled by what has happened with this space. I want to thank everyone who has worked to make this possible. Two things to note: the creation of space for a daycare facility and it is exciting how many boxes this checks off with our housing goals.

Sherrill - I love this project. It is complex and I am thankful for everyone's involvement. Eran what is the goal?

Eran Pehan - We wanted to create 100 units of permanent housing - this project gets us 77% the way to that goal.

Anderson - I have a couple of questions. What is the public process that will be engaged in to inform this?

Dale Bickell - The Scott St. Master Plan does address a lot of that. The direct result is going to be transpiration, open space and parks.

Harp - The failure that we had a last year to not have that other investor come through led to this partnership. How with the 9-acres did you come up with the split?

Dawn McGee - We looked at how we get the most affordable housing as possible. Usually these are created by complex income requirements. We worked with the City to look at a model that has a more expansion definition than Federal requirements. We ran a robust set of financials to come up with the City would need. We focused on home ownership.

Harp - There is often a stigma associated with affordable housing.

Dawn McGee - Our idea is to develop a repertoire of housing stock in mixed areas to avoid creating separated housing types so it is woven through the community with a wide range of people who live there.

Hess - It sounds like the 3-acres will be throughout the development?

Dawn McGee - The entire development will flow.

Kiah Hochstetler - The main constraint will be right-of-way.

Hess - Eran what is the ongoing impact?

Eran - The Affordable Housing Trust Fund was started with a seed investment and there are ongoing contributions of a minimum of \$100,000. This will meet the needs of 80% of median income to 120% of area median income. We are talking about two individuals that

are making around \$16/hour. This will allow us to think about how we are going to use the remaining funds. We will be working with the Citizen Oversight Committee.

Hess - I will save my other comments for Monday. This is a big deal.

Merritt - I have complete support for this project. Thank you all, this is monumental.

Vasecka - I'm not sold on this idea yet. I would like to put this on committee reports for Monday.

Grant Kier, Missoula Economic Partnership - Thank you for the chance to make public comment. Many of you participated in a workshop in 2019. When we talked about opportunity zones and how they could be used, we started this process two years ago. This is the place we saw as the best place for us to succeed. I'm thrilled with this. I'm looking forward to this project.

Madison Donner - What is the address for these acres and what will the price be?

Dale Bickell - There is not street address for this parcel. It is North of the Cities shops. The City will receive money on the sell of the parcels that will go into the affordable housing trust fund and the MRA is investing as well.

von Lossberg - Given time, I have a lot to say about this. I want to say thank-you. I will elaborate more on Monday. This will go on committee reports.

**Moved by:** Heidi West

Adopt a resolution of the Missoula City Council to authorize sale of the real property located in the City of Missoula consisting of the eastern most portion of Lot 3, Scott Street Lots; and defined as "Parcel A" in the Grant Deed to the City, found at Book 1037, Page 150 of the records of Missoula County.

AYES: (10): Stacie Anderson, Mirtha Becerra, John Contos, Heather Harp, Jordan Hess, Gwen Jones, Julie Merritt, Amber Sherrill, Bryan von Lossberg, and Heidi West

NAYS: (1): Sandra Vasecka

ABSENT: (1): Jesse Ramos

**Vote results: Approved (10 to 1)**

**Moved by:** Heidi West

Approve the sale and conveyance of Parcel A of Lot 3, Scott Street Lots subject to the conditions and covenants stated in the letter of intent, and authorize the Mayor to execute and sign the letter of intent, the purchase agreement, development agreement, and any ancillary documents for the sale and conveyance of the property.

AYES: (10): Stacie Anderson, Mirtha Becerra, John Contos, Heather Harp, Jordan Hess, Gwen Jones, Julie Merritt, Amber Sherrill, Bryan von Lossberg, and Heidi West

NAYS: (1): Sandra Vasecka

ABSENT: (1): Jesse Ramos

**Vote results: Approved (10 to 1)**

**3.2 Review items held in City Council committee**

Review the follow items held in committee to determine if they require a new sponsor and/or whether or not they will continue to be held in committee.

von Lossberg - I am sponsor on all of these items. Without objection, the only one we need to keep is the Water Litigation.

**4. ADJOURNMENT**

12:03 PM