

MISSOULA REDEVELOPMENT AGENCY
CONDENSED BOARD MEETING MINUTES

April 20, 2023

FINAL

A Regular meeting of the Board of Commissioners of the Missoula Redevelopment Agency was held on Thursday, April 20, 2023 in the Hal Fraser Conference Room, 140 W. Pine St., and via Microsoft Teams at 12:00 p.m. Those in attendance were as follows:

Board: Karl Englund, Tasha Jones, Ruth Reineking, Melanie Brock, Jack Lawson

Staff: Ellen Buchanan, Annie Gorski, Annette Marchesseault, Jilayne Dunn, Maci MacPherson, Lesley Pugh

Public: Colin Lane, MMW Architects; Hope Fisher, Gavin Hanks Architects; Cory George, Gavin Hanks Architects; Matt Sullivan, Front Street Apartments; Daniel Carlino, Missoula City Council; Tyler Walls, City of Missoula Brownfields Coordinator; Residents: Brian Walker, Tony Hilliard, Georgia Balius, Patricia Harris, Bob Moore, Matt Hammerstein, Sam Duncan; MCAT

CALL TO ORDER

12:00 pm.

INTRODUCTIONS

APPROVAL OF MINUTES

[March 16, 2023 Regular Board Meeting Minutes](#) were approved as submitted.

PUBLIC COMMENTS AND ANNOUNCEMENTS

Daniel Carlino, Missoula City Council, said there was a bill in State Legislature that was going to help renters by allowing a 60-day notice to change/cancel the lease or increase the rent. It made it through the House but got killed in the Senate. He said there were housing groups and others coming together to try and fight for renters' rights in Missoula and across the state. He said renters are really struggling right now and they were hoping to have a 60 day notice rather than the 30 days which leaves renters with barely any time to find anywhere to go. Carlino said one of the only opponents to that bill is the same person who is asking for a quarter of a million dollars and went in front of City Council to help expedite taking out the renters on Front Street, which was an important rental for Missoulians and culture in Missoula. He said if the City is going to give money towards landlords to

redevelop sites then they should work with people that aren't trying to kick renters out in 30 days or testifying at the Legislature against renters' rights.

ACTION ITEMS

Fiscal Year 2022 Audit Report – Request for Acceptance (Dunn) FY22 Audit Report | Power Point

Dunn said MRA's audit was conducted by Pinion who purchased Anderson Zurmuehlen. MRA has one year left under the current contract with Pinion. MRA received an unmodified, unqualified opinion. Jan Schweitzer, Principal at Pinion, was unable to attend the MRA Board meeting because she already has a standing meeting every Thursday, but she did make a [Power Point](#) presentation hitting the audit report highlights, which Dunn reviewed on her behalf. Dunn noted that Pinion also audits the City of Missoula and does independent audits for MRA and Missoula Parking Commission. Therefore, MRA is not part of the City's general audit, it is done separately and just looks at MRA. Dunn said the staff request is that the MRA Board accept the audit report.

Englund wanted to note the Board did receive the full audit report and have reviewed it. Dunn said page 25 of the audit report starts the recap of what all the districts have done individually for the year. It also includes charts and trends over the years.

REINEKING: I MOVE TO ACCEPT THE FISCAL YEAR 2022 AUDIT REPORT.

Brock seconded the motion.

No further discussion. No public comment.

Motion passed unanimously (5 ayes, 0 nays).

406 Commons – 2101 & 2105 Bow Street and 825 Kent Avenue (URD III / Ward 4) – Request to Proceed Without Prejudice (Marchesseault)

Marchesseault said the developers for 406 Commons, a proposed development bounded by Bow Street, Central Avenue, Holborn Street and Kent Avenue, have been in conversations with MRA staff regarding a proposed mixed-use development with approximately 200 new housing units in Midtown. Potential Tax Increment Financing (TIF) assistance could include building deconstruction and improvements in the public right-of-way (ROW). Discussions have also included ongoing conversations on potential assistance with workforce housing, which is currently being worked on by the working group to come up with a policy for MRA. In the meantime, the developers would like to be able to proceed with removing the buildings while they have a window with a contractor lined up. They hope to come back to the Board as soon as the workforce housing policy is established. The request today is to approve the request from the 406 Commons development to proceed without prejudice. Colin Lane, MMW Architect, was available to answer questions.

Englund asked for a project schedule. Lane said it is somewhat to be determined. They'd like to be able to deconstruct buildings in the next couple of months. Englund asked when the whole development plan will be ready for the Board to look at. Lane said late summer at the latest. Buchanan said the ball is in MRA's court to an extent because of working

through the creation of the workforce housing policy. That policy will drive decisions they make about the project.

JONES: I MOVE THE MRA BOARD APPROVE THE REQUEST FROM THE 406 COMMONS DEVELOPMENT TEAM TO PROCEED WITH WORK ON CERTAIN PROJECT ITEMS FOR THE PROJECT LOCATED AT 2101 & 2105 BOW STREET AND 825 KENT AVENUE WITHOUT PRECLUDING THOSE ITEMS FROM BEING INCLUDED IN A FUTURE TIF PROGRAM APPLICATION WITH THE UNDERSTANDING THAT THIS APPROVAL DOES NOT GUARANTEE FUTURE APPROVAL OF FUNDING.

Reineking seconded the motion.

No further discussion. No public comment.

Motion passed unanimously (5 ayes, 0 nays).

[Front Street Apartments – 333-401 East Front Street \(Front Street URD / Ward 1\) – TIF Request \(Buchanan\) Public Comments](#)

Englund noted that there were several public comments received on this item. They were forwarded onto the Board members and all of them have been read.

Buchanan said this project has been in front of City Council, as eluded to in earlier comments. This project backs up to Kiwanis Park. The developer, MC Real Estate Development, LLC, needed an easement to have egress from the buildings so they could maximize what they can put on the lots. There was a fair amount of discussion at City Council. It didn't put anything on the ground in the Park, it basically gave them the right to open their door out onto the Park as egress. That request was granted several months ago. Staff has been working with the developers and their architects on an application for TIF assistance. The assistance being requested is standard of 95% of the projects staff brings to the Board including deconstruction of buildings and improvements in the ROW that benefit the public. The rest is private investment. The ratios on the project are extremely good. The private investment is \$6,214,546 and the TIF funding request is for \$257,924 for a total project cost of \$6,472,470. The private to public ratio is 25:1 (\$25 of private investment for each \$1 public funds). TIF investment in this project would be just under 4% of the total project cost.

Buchanan said there has been a fair amount of concern expressed over five tenants (previously six when discussions began, but one has relocated) that are living in the two structures currently on the site. In a situation like this, MRA requires that the developer provide staff with a relocation plan. In this case, staff received a relocation plan from the developer. The plan forgives two months' rent, returns 100% of tenant's security deposit, gives first dibs on apartments that MC Real Estate Development, LLC owns in Missoula, waives application fee and provides \$100 credit or disbursal to anyone applying for an apartment with a different property management company. Buchanan said it is her understanding that the plans to redevelop this property were in place or being developed as these spaces were being rented on a short-term basis. Everybody there has 30-day leases. There has never been any misunderstanding as to what was going to happen with the property. The tenants all knew it was a short-term lease and a lot of them were looking for

that for a variety of reasons including them being students and the semester ending or relocating for another job somewhere else. Buchanan said there have been concerns expressed publicly related to these tenants so she wanted address those.

Buchanan said this project removes two very old houses that have fallen into disrepair. MC Real Estate Development, LLC has not owned them for an extended period of time. They have invested some back into the buildings since they purchased them. One was built in 1908 and one in 1920. They will be deconstructed and in their place will be a multi-story apartment building which would provide 26 one-bedroom apartments and 15 covered parking spaces. It is in CBD zoning which has no off-street parking requirement. It is close to the parking under ROAM Student Living which would be available to the tenants.

Tax generation for this project is impressive. Currently the property taxes are \$9,441. Projected property taxes once the project is complete are \$43,500 which would add approximately \$34,000 in increment to the Front Street URD. The public benefit is that this will add housing to the market, and at the end of the day Missoula needs housing at all prices ranges.

Buchanan reviewed the proposal and renderings from MC Real Estate Development, LLC. The image of the current conditions shows graffiti on the buildings. Matt Sullivan, MC Real Estate Development, LLC, said building tenants graffitied the buildings and they are not well respected by the tenants. Buchanan said what is being proposed is a multi-story building with 26 one-bedroom apartments that will attract an array of tenants from students to older folks moving out of larger homes. She reviewed the floor plans and said the units are around 600-700 square feet. Each unit will have a balcony and storage area outside of the unit.

Buchanan said this meets a couple of the City's Strategic Plan goals adopted by City Council including Safety and Wellness and Community Design and Livability. Buchanan said this is the poster child for Safety and Wellness because it prioritizes growth and development patterns that reduce household transportation and provides equitable access to parks, trails and recreation opportunities necessary for a healthy lifestyle. There is a park in the back yard and the trail system is right there. It also has good transit nearby and a very walkable downtown, making it easy to get just about anything one would need without getting in a car.

Sullivan said he and his wife Caroline purchased the two homes in 2018 and have always intended to redevelop them and they have always told their tenants they plan to redevelop them. Despite what they have heard from many people, he and Caroline are very upfront and pride themselves on taking care of their properties. They have faced public inaccuracies about this project before and thankfully have had people come to their aid in helping better understand them and what they are trying to do. On the taxes, Sullivan said he estimates them to be higher and more comparable to another apartment building they have. He said property taxes are a main driver of why and when they have to issue rent increases. It is their number one cost overall in comparison to other things.

Sullivan said he and Caroline are most excited in providing back to the community something to be proud of. His wife came up with the design and has worked very closely

with Cory George and Hope Fisher with Gavin-Hanks Architecture. They have continually heard that their projects are nice and provide homes for people. They try to take care of people like it is their home and have a long-term strategy in Missoula. They aren't going to flip the properties unless they were to fall on hard times or something and had to sell them.

Sullivan said "MC" of MC Real Estate Development, LLC is it. There is no backup to them. There is no institutional investor, there is no hedge fund or private equity shop. Neither he nor his wife are from means that didn't allow them to work. Sullivan said he worked up until this year and is now fully transitioning to managing their properties. He and Caroline do all the maintenance, leasing and everything involved with running their properties. They do that to reduce costs so they can pass that cost reduction onto their tenants. They are forecasting the average price per unit for this development to be about \$1,400. He said no doubt \$1,400 for one person for one bedroom is a lot, however when you compare it to Corso, those units start at \$1,800. They are really trying to put together a project that delivers a product to people in this town. He said if they could get it for any cheaper then the rent would be cheaper. Sullivan said if they took this to a financial advisor they would be told not to do this project because the amount of money they will clear before taxes would equate to a \$16/hr. job. Sullivan said they are forecasting to make \$38,000/yr. before tax, while taking out and personally guaranteeing well over \$4 million in loans. So when he hears people say things that are untrue about he and his wife, who work very hard for what they do, it makes him upset. It makes him even more upset when it is elected representatives who mischaracterize their character.

Englund asked where the parking is. Sullivan said it is on the main level as you come into the property from Front Street. Sullivan noted he is the one who does snow removal and they are hoping to have heated sidewalks surrounding the property.

Brock said it is a beautiful building. She said she has read all of the comments that came in and appreciates people commenting because the Board doesn't often hear from the public directly on the record about the work the MRA does. She asked for clarification of what MRA can and can't dictate to developers about how many units are affordable, and what the Workforce Housing Working Group is doing and what that will wrap up with. A lot of the public comments asked MRA to make requirements for affordable units if it makes an investment in this project. She said this project hits all of the metrics for MRA investment and then some. Buchanan said the Working Group is trying to work through what housing policy is going to be for MRA, particularly in light of the change in state statutes in the last session of the Legislature that opened up the ability to invest in workforce housing. She believes MRA can get that work done and there needs to be a policy in place that is applied consistently across the board. There are several housing projects MRA is juggling right now and some of them have an affordable component and some do not. Some have an affordable component because they needed something from the City in the way of a ROW abandonment and the City Council makes those decisions. Buchanan said Missoula needs housing on every level and that is one reason it is such a struggle to work through what is the best policy for MRA to adopt that doesn't have unintended consequences, that maximizes the use of MRA resources and has the maximum impact on what the community's needs are. MRA doesn't have that policy and at this point are not requiring that a certain amount or percentage of units be workforce housing or a lower income level. The Working Group is currently working through that. Brock asked if City Council will have

to approve that policy. Buchanan said no, but it can be brought to them as an informational item. Reineking, who is part of the Working Group, said it is incredibly complicated and the need for more workforce housing is great. There are a lot of other sources of funding for low income, but there are a limited number of resources in the moderate income level. There is a limit of TIF that can be applied to that unless MRA just wanted to do housing, and MRA's mission is not just to provide housing. Reineking said she is struggling with just how little MRA may be able to do.

Reineking said she is in favor of this project and as Brock said, the metrics are great. The location is great and it helps MRA to satisfy other City policies and plans. It is a mixed area right now with ROAM Student Living, Lee Gordon Place townhomes and Levasseur Street townhomes. She said MRA can be proud of what it has done to help all of the low income housing in Missoula and there is a need at all levels. Reineking said she thinks this will hit some of that mid-level because while \$1,400 is a lot, it's not the highest end housing and this will contribute to the solution.

George noted this project has been approved by the Design Excellence Review Board. The design also meets zoning requirements. Englund asked what the construction schedule is. Sullivan said once the bids are finalized and they find out if there is investment from MRA, they will make a go/no-go decision based on the bids. They will rerun the math to see what has changed from four months ago and will make the final decision at that point. They have already secured financing from Farmer's State Bank. Once they decide to go, they will submit to the City for building permits. They are hoping it is a quick turnaround and ideally are looking to start in July or August.

Jones said the Board really appreciates the comments on both sides of this project. She said she wished there was this level of public engagement on many projects. To those that took the time to comment, Jones said the Board read every single one of the comments and those that commented online during the meeting have been delivered to the Board and those have also been read. She said the Board is sensitive to the issues that have been raised around this project that are relevant to so many projects MRA sees.

Jones wanted to make a few clarifications that were important to her and guide how she thinks about a project like this. It starts with blight. MRA only works in blighted areas and these homes currently on the property are the definition of blight. There comes a time that a wooden home that was built in 1908 cannot be salvaged, and the time for these structures has passed. They are the definition of blight. Blight hurts our community, it hurts us economically, it hurts our safety and creates all sorts of community problems. We, as a community, have to fight blight and when we fight blight we have an opportunity. We have an opportunity to increase the taxable values for everybody in these neighborhoods to create opportunities for economic advantages for all in housing. She said that is MRA's mission here. It isn't about catering to any one segment of the community, it's about the entire community. The beauty of MRA's programs is that they are available to anyone to apply for public participation in. When folks want to add requirements, what that is is government regulation of private property rights. Jones said her fear is that folks like MC Real Estate Development, LLC, a husband and wife team who have established a commitment to this community, will be priced out of these programs by virtue of demands for more regulation of these types of projects. They have to be sensitive to that because

they want local people to come to MRA and allow the public to participate in the project. This is how this program works. She said MC Real Estate Development, LLC, has a project that probably barely pencils and yet the owners are willing to think of the public and allow them to have a seat at the table on their development. Jones said every time you bolt regulation on top of that, what it does is make the project unaffordable and then it takes the public out of the mix because they can no longer afford to think about the public. She said they have to be so cautious about bolting on further regulation that is going to make sure our local business owners and investors aren't priced out of MRA programs. She said she's not saying they aren't sensitive to the issues that have been communicated to the Board, they are very sincere comments that have been read and taken into consideration. MRA cares about housing and cares about affordable housing. Jones said she was born and raised in Montana and it hurts her that her children may not be able to afford to live in this community. She also wants locals to be able to participate in redeveloping blighted areas. Sometimes those are little projects, sometimes medium projects and sometimes big projects. She wants local people in the mix and the public to have a seat at the table when places get redeveloped, because they are going to get redeveloped because homes that were built in 1908 don't last forever. Jones said before they open the discussion for public comment she wanted the folks in attendance that might be inclined to read what they've already sent to the Board to know that the Board has already read them, or if they are inclined to say the things they've already said, the Board has already considered it.

JONES: I MOVE THE MRA BOARD APPROVE THE REQUEST FOR REIMBURSEMENT FROM MC REAL ESTATE DEVELOPMENT, LLC IN AN AMOUNT NOT TO EXCEED \$257,924 FOR THE REMOVAL OF TWO SUBSTANDARD BUILDINGS AND IMPROVEMENTS IN THE PUBLIC RIGHT-OF-WAY AND KIWANIS PARK AND AUTHORIZE THE BOARD CHAIR TO SIGN THE DEVELOPMENT AGREEMENT WITH THE CONDITION THAT NO REIMBURSEMENT SHALL BE PAID UNTIL THE PROJECT IS COMPLETE AND FINAL INVOICES AND LIEN WAIVERS FOR ELIGIBLE ITEMS HAVE BEEN PROVIDED TO THE MRA STAFF.

Reineking seconded the motion.

Carlino said Senate Bill 523 is working its way through the Legislature. There are five affordable rental units currently on this property with beautiful trees by the park. He said he understands that redevelopment needs to happen, but MRA does not need to give a quarter of a million dollars of taxpayer money towards capitalists to cause this gentrification and take away those five affordable units. He said if MRA is going to give money towards redeveloping housing in Missoula he wants to see an affordable requirement. He asked MRA to not keep giving away millions of dollars towards redeveloping market-rate housing because it isn't helpful. He said if MRA wants more market-rate housing in Missoula, the City needs to liberate zoning and change land-use code. MRA does not need to give millions of dollars to capitalists who are going to do market-rate unaffordable housing. He asked the Board vote no, or vote to have an affordability requirement. Carlino said there must not be any renters' rights bills going on at the Legislature today because he knows that Sullivan would be there to push against them and try to make sure landlords have more power than the tenants like he did just a couple of weeks ago on the 60-day Notice to Vacate bill.

Georgia Balius, student at UM and resident of ROAM Student Living, voiced her support for affordable housing options and wanted to echo Carlino's comments. She said even at ROAM Student Living they are seeing a lot of people are getting priced out of that option. She said she understands the difficulties and how stressful it can be trying to manage everything and get affordable housing for all levels. However, she wanted to voice her support for affordable housing requirements in areas like these. She doesn't want her home to become a place where she can't afford to live or see gentrification take over the City and have these units be demolished or taken away in favor of units being put in that people like her simply cannot afford.

Patricia Harris, resident, said this has been an interesting meeting and she has learned a lot about this project and the way City Council is thinking about things. She said Matt and Caroline have done a lot for her personally in the context of a tenant/landlord relationship. She said they are exactly the type of people the City needs running housing developments here in Missoula. They could be run by corporate interests or by locals, and the Sullivans are the type of people that will take care of their tenants and do what they need to to get them on their feet when there are issues. Harris said it is important to know that moving forward with a project like this does not mean MRA can't also pursue other affordable housing opportunities. She feels like there is a false equivalency going on right now and is interested to hear what the City of Missoula has to come up with in terms of other opportunities for affordable housing, but it doesn't seem like this project means they can't pursue those other opportunities.

Buchanan noted Waste Less Works is deconstructing the building and estimates that about 60% of the material can be salvaged and kept out of the landfill. She said that's pretty good for structures this old.

Englund said he thinks the MRA Board is being asked to say no to this based on policies that don't exist and policies they are being asked to create on the fly, and in the case of Councilman Carlino's request that they deny it because of Mr. Sullivan's political beliefs, these are all policies that are blatantly illegal in Montana. He said what MRA was asked to do by the Mayor and others was come up with a policy on workforce housing and how it can balance some of these things. It is a process that is ongoing and a process that is not going to be done without knowledge and/or approval of City Council, and whether or not they formally approve it is up to them. MRA is being asked to deny it because there is no set aside policy for the amount of affordable housing when that is something that is a matter of significant public policy that only the City Council can make. MRA may want to recommend that, but only City Council can make a City-wide policy that no City resources go into housing unless a certain percentage is deemed affordable. The MRA Board has to administer its programs according to state law which requires them to administer it according to the URD Plans, and there is nothing in the Plans that says they are required to do that. It is entirely within the City Council's authority to change the Plans. Englund said to have a City Council person come to the MRA Board and tell them to basically operate different than what the Plans say is inconceivable and nothing he would ever do as someone that is sworn to administer funds in accordance with the Plans. The same thing is true about policy the Board is being asked to follow that says in rental housing they can't give any money if the rents are not going to stay the same. Again, there is nothing like that in the URD Plans. In fact, the Plan for the Front Street URD says housing across the

spectrum. If it is going to become the policy of the City, then the elected policymakers of the City need to tell MRA that's the policy of the City and they need to go through the process that it takes for the City to make that policy. Englund said he looks at this as being exactly what Buchanan said it was from the beginning, which is a standard request for redevelopment of blighted pieces of property that creates more housing than is already there in an area where MRA has given to affordable housing at a cost greater per unit than this is costing per unit. TIF went into Lee Gordon Place which was more per unit than this is. On top of that, the developers are local and have a very good project and he is all in favor of it.

No further discussion. No public comment.

Motion passed unanimously (5 ayes, 0 nays).

[Sleepy Inn – 1427 West Broadway \(URD II / Ward 1\) – Request to Amend Construction Services Agreement with Three Rivers Landworks \(Gorski\)](#)

Gorski gave an update on the Sleepy Inn project. In February 2023 the MRA Board approved entering into a contract with Three Rivers Landworks for hazardous building abatement, deconstruction and building removal. Three Rivers Landworks started the work in late February and it is currently ongoing. There is a lot of wood material being salvaged from the site that will be recycled or sold. Heritage Timber is doing that work and estimates about 60% of the wood material is being salvaged. Gorski said they have learned the building was renovated in phases and the contractor has discovered some extra drywall and plaster behind existing drywall as well as additional floors below the existing floor. As a result, they have found more material containing asbestos than they could have even tested for. There was a test done in 2022 to identify asbestos containing material of existing wall and floor surfaces. They did not do demolition to do additional testing and as a result, through the current deconstruction, have found more asbestos-containing surfaces.

Gorski said the contract amendment request is two-fold. One is to increase the total contract amount. The funding is being split between MRA and the City Brownfields program so part of the additional cost will come from that. The other component of the contract change is a schedule extension. Because of the additional work, the contractor is estimating the schedule may be delayed by about four weeks. That puts substantial completion at or around May 12th. Gorski shared photos of the findings. She said the bid asks the contractor to fill any crawl space and they assumed it was just a small portion, but have discovered more fill material is now needed to make sure anyone coming onto the site doesn't fall into the pit and get hurt.

Gorski said staff originally received a quote from the contractor for the change order for just over \$20,000. To save some costs there, particularly on the MRA side, staff worked with the City Streets Department to utilize some fill material they have available. That will save some costs. Gorski said it is assumed that anyone developing the site will do their own geotechnical analysis.

Gorski said the staff is recommending the Board approve increasing the total contract amount from \$283,665.65 to \$318,828.65. The URD II contract portion would increase from \$200,513.87 to \$211,630.87. Staff is recommending MRA maintain the previously

authorized TIF contingency amount of \$9,486.13, making the total TIF contribution to the work up to \$221,117. Brock asked if staff anticipates any other changes. Gorski said they asked the contractor and they do not expect any additional asbestos in the wall or flooring, however they do not know if there is any more piping material in the flooring that was shown in the photos of the findings. If there is, there could be additional participation asked from the City's Brownfields program. Gorski said they think the unknown can be handled through the "miscellaneous" bid item of \$15,000 which is available for contingency and that is in addition to the MRA contingency amount of \$9,486.13.

BROCK: I MOVE THE MRA BOARD AUTHORIZE THE BOARD CHAIR TO SIGN THE CONTRACT AMENDMENT WITH THREE RIVERS LANDWORKS IN THE AMOUNT OF \$318,828.65, WITH THE UNDERSTANDING THAT UP TO \$221,117 WILL BE FUNDED WITH TIF, CONTINGENT UPON THE MAYOR'S APPROVAL OF THE CONTRACT AMOUNT AND THE BROWNFIELDS PROGRAM FUNDING INCREASE.

Reineking seconded the motion.

No further discussion. No public comment.

Motion passed unanimously (5 ayes, 0 nays).

NON-ACTION ITEMS

STAFF REPORTS

Director's Report

Legislative Session

Buchanan said it appears that most of the bills that would have had a negative impact on the City's budgets have been tabled. The bills out there that would have a negative impact on tax increment are both still alive and well. One is going to the Senate floor for vote today that won't impact the districts MRA has now, but it says any newly created URDs can only spend TIF dollars on debt service and admin costs related to the debt service once debt is issued in the district.

Buchanan said the other bill sponsored by Senator Hertz would basically put MRA out of business. There is no way to amend it that makes it functional or less efficient, it destroys TIF. With all of the discussion around MRA requiring affordable housing, one of the arguments being made by some of the folks testifying for this bill is that TIF districts have no business doing housing and all they are supposed to do is remove blight and housing is not something permitted under TIF statues. The bill was heard in the Senate Local Government Committee and passed. It went to the floor of the Senate and passed. It was in House Taxation Committee on Tuesday morning and there were a lot of people that testified for and against it. Hertz requested to delay the vote so amendments could be made to the bill and as of right now it has not been rescheduled. Buchanan said her fear is that they won't be able to speak to the amendments. It is a very complicated bill and Buchanan said she's read it over and over. It is not reasonable to expect that the room full of committee members is going to understand or have the time to really figure out what the amendment actually does. If it passes, Buchanan said URD II and its Strategic Exit Plan are out of business because it's already capped to do nothing but pay debt service. There are many

supporters of TIF across the state trying to lobby the committees and help them understand the impact of it. Board members thanked Buchanan for everything she is doing for Missoula and the state.

Scott Street Development

Buchanan said staff and Ravara are working through numbers and trying to figure out how to piece it together and make it work. Ravara is waiting for contractor estimates on the market-rate piece of it and should get those in the coming weeks. It will be a critical piece of the development.

FY23 Budget Status Reports

Dunn said all of the journal entries on the back end for the bonds that were sold in October have been completed. Nicole Noonan, Auditor, helped staff with those entries. They are now booked in URD II under Revenue and Expenses. Staff is working on closing out projects that are completed with the fiscal year-end approaching.

COMMITTEE REPORTS

TIF Workforce Housing Working Group

Lawson said the Working Group is having great conversations. They are circling around and going back over a number of issues and decisions they will be bringing forward soon. He said the conversation today shows how important it is that they get to a decision and policy.

OTHER ITEMS

ADJOURNMENT

Adjourned at 1:40 p.m.

Respectfully Submitted,



Lesley Pugh