

**ADMINISTRATION AND FINANCE COMMITTEE
CITY COUNCIL CHAMBERS
140 WEST PINE STREET
MISSOULA MONTANA
January 6, 2010 1:05pm**

Members present: Stacy Rye, Chair; Ed Childers; Renee Mitchell; Pam Walzer; Jason Wiener; Lyn Hellegaard; Dave Strohmaier; Jon Wilkins; Bob Jaffe.

Members absent: Marilyn Marler; Roy Houseman; Dick Haines.

Others present: Mike Barton, Mick Bouchee, Rick Wishcamper, Nancy Harte, Dee Andersen.

I. Administrative Business

A. Approve committee minutes dated: [December 16, 2009](#)- approved as submitted.

B. Public Comment on items not listed on the agenda-None

II. Consent Agenda

A. Approve claims (accounts payable). -Consent Agenda (Brentt Ramharter)

Motion: The committee recommends the City Council approve claims totaling \$1,593,581.52 (Detailed Claims). 12/29/09 acted on 1/04/2010.

Motion: The committee recommends the City Council approve claims totaling \$313,318.44 (Detailed Claims). 1/05/10 acted on 01/04/09

Motion: The committee recommends the City Council approve claims totaling \$143,948.73 (Detailed Claims). 1/12/10

III. Regular Agenda

A. Approve Community Development Block Grant (CDBG) Loan Agreement 09-10 with Partnership Health Center in the amount of \$275,000 for the purchase of the Creamery Building at 401 West Railroad Street ([memo](#)).—Regular Agenda (Mike Barton) (Referred to committee: 12/21/09)**REMOVE FROM AGENDA**

Motion: The committee recommends the City Council approve and authorize the Mayor to sign the Community Development Block Grant (CDBG) loan agreement with Partnership Health Center in the amount of \$275,000 (Loan Agreement Number 09-10) for the purchase of the Creamery Building at 401 West Railroad Street; as authorized in City Council Resolution Number 7400.

Mike Barton, Office of Planning and Grants, presented the loan agreement and explained that the Council approved \$275,000 to Partnership Health Center (PHC) in the form of a loan with the provision that the loan would be repaid when they sell the current building they are in. He said at this point it doesn't look like they will sell the building and more than likely the loan will be forgiven and become a \$275,000 contribution to the acquisition of the Creamery Building.

Jason Wiener asked what the plans are for the current building they are in.

Mr. Barton said they will continue to use it as part of the clinic.

Mr. Wiener asked what the square footage of the new building is, and how much of an expansion the new building will provide.

Mr. Barton replied that he wasn't sure of the square footage but it will be a major expansion for them. They do still have an agreement with the American Red Cross to lease out a portion of the building until PCH needs the space.

Mr. Wiener commented that when it came before Council originally it was as a loan and the ownership of the current building was expected to change. He requested that someone from PHC come to Council Monday night and give further explanation for the facilities long term plans.

Mr. Barton agreed that he would pass that information on.

Stacy Rye asked if Mr. Wiener would like to hold the item in committee for further discussion.

Mr. Wiener declined and said that Council could send it back to committee if they chose to do so on Monday night.

Jon Wilkins asked if there were any conditions on paying back the loan if they decided to lease any part of the old building.

Mr. Barton pointed out that is part of the government campus and didn't think that it would happen without public approval. We could consider a change in the structure of the loan agreement. What caused staff to recommend a loan versus an out right grant was the fact that there was a substantial CDBG contribution to the acquisition to the current facility. There was some thought that if the old facility were sold, it would be sold to help finance the purchase of the new building, but that does not appear to be necessary at this point.

Ed Childers moved to approve the loan agreement. He said that he would like Kim Mansch from PHC to come to A&F to explain more of their future plans. He commented that Partnership Health Center is a great asset to our community.

Ms. Rye asked how many stories the Creamery building has.

Mr. Barton replied that there are three floors.

Mr. Wiener asked why the Mayor's signature is required on the loan by January 15, 2010.

Mr. Barton said the original closing was scheduled for February 21st and have now asked for the closing to be moved up. He said he thought they wanted to close later this month, but no alternative date has been set yet.

Committee then discussed how to best arrange for more discussion with PHC but also move the item forward as to not hold up the closing.

Upon a voice vote the motion was approved unanimously however Mr. Childers and Ms. Rye requested the item be placed under committee reports for further discussion from Kim Mansch at Council Monday January 11, 2010.

- B.** Discuss a contract with the Montana Department of Commerce for the award of \$5 million in funds from the Neighborhood Stabilization Program to purchase property, demolish existing structures, and construct 115 units of affordable rental housing at 1311 E. Broadway (formerly the Missoula Athletic Club site) ([memo](#)).—Regular agenda (Nancy Harte) (Referred to committee: 12/21/09)**REMOVE FROM AGENDA**

Motion: The committee recommends the City Council approve and authorize the Mayor to sign a contract with the Montana Department of Commerce for the award of \$5 million in funds from the Neighborhood Stabilization Program to purchase property, demolish existing structures, and construct 115 units of affordable rental housing located at 1311 E. Broadway (formerly the Missoula Athletic Club site).

Nancy Harte, Office of Planning and Grants, reviewed the [handout](#) provided and explained that the contract is between the City of Missoula and the State of Montana Department of Commerce to deconstruct the current structures and construct a 115 unit of affordable housing at the old Missoula Athletic Club site. The contract requires that 25% of the units must be occupied by

people of 50% of area median income. The handout shows what area median income is for various household sizes and income amount. There is also a breakdown by number of units designated for those income levels, and the fair market rent rates. For example a 2 bedroom unit the maximum rent amount would be \$722.00. She requested approval by committee so the project can proceed.

Bob Jaffe supported the project and stated there is a tremendous public subsidy to provide market rate housing.

Ms. Harte said that the rents are considerable lower than most people would be paying a third of their income.

Mr. Jaffe said efficiency apartments already go for \$500 per month.

Ms. Harte said that lower income people can't afford to pay fair market rent and there will be assistance with that and they will pay 35% of their income.

Ms. Rye asked what determines whether they pay 35% of their income.

Ms. Harte said it is the lesser of.

Mr. Jaffe asked what qualifies or controls that those lower income individuals have priority in getting accepted into these units.

Ms. Harte said she imagines it will be a standard application process and on a first come first serve basis. It will be 100% managed and administered through the Missoula Housing Authority.

Rick Wishcamper, Rocky Mountain Development Group, pointed out the amount of subsidy compared to the public benefit. In reviewing the gross rents which include utilities, he said you must subtract the amount of utility allowances for each unit. The utility allowance for a 1 bedroom is approximately \$78.00 and approximately \$119.00 for a 2 bedroom unit which lowers the rents more.

Mr. Wilkins supported the project commented that he would like to see more ADA accessible units.

Pam Walzer moved to approve the contract.

Mr. Wiener asked what the overall budget is.

Ms Harte replied \$11 million. She then pointed out that they have higher standards for the ADA units to accommodate larger wheel chairs, so wider doorways and stronger materials are being used.

Upon a voice vote the motion passed with Renee Mitchell voting nay.

IV. Held in committee

- A. An ordinance amending the municipal code as it relates to bike licensing. ([A&F](#)) (Returned from council floor: 12/15/08)
- B. Amend City Council Rule 21(a) to clarify quorum requirements ([memo](#)).—Regular Agenda (Jason Wiener) (Referred to committee: 04/28/08) (*Tabled in Committee on 02/11/09*)
- C. Implications of establishing maintenance districts. ([memo](#)) – Regular Agenda (Bob Jaffe) (Referred to committee: 05/11/09)
- D. Review the FY 2010-14 CIP projects in committee ([memo](#)).—Regular Agenda (Brentt Ramharther) (Referred to committee: 03/23/09)
- E. Consider the establishment of Parks and Street Maintenance Districts ([memo](#)).—Regular Agenda (Bob Jaffe) (Referred to committee: 05/04/09)

- F. Clarify position of council member who also serves on the board of a non-profit agency that has dealings with the city. ([memo](#)) – Regular Agenda (Ed Childers) (Referred to committee: 07/20/2009)
- G. [Resolution](#) of the Missoula City Council establishing a tourism business improvement district consisting of non-contiguous lands within the City of Missoula for the purpose of aiding tourism, promotion and marketing within the district. ([Exhibit A](#)) ([Exhibit B](#)) ([memo](#)) ([A&F](#)) (Returned from Council floor: 10/05/09)
- H. Consider a [resolution](#) revising fees for services related to the review and processing of land use applications pursuant to city adopted regulations pertaining to zoning, subdivision and floodplain services ([memo](#)) ([Revised resolution 10/21/09](#)).—Regular Agenda (Denise Alexander) (Referred to committee: 10/09/09)
- I. Review and determine whether City Council actions pertaining to the adoption of ordinances in general comply with state law MCA 2009 7-5-103 Ordinance requirements and city council rules for the conduct of meetings and business (Rule 24 Adoption of Ordinances) ([memo](#)).—Regular Agenda (Renee Mitchell) (Referred to committee: 10/26/09)
- J. Quarterly report by North Missoula Economic Development Corporation (NMEDC) ([memo](#)).—Regular Agenda (Lyn Hellegaard) (Referred to committee: 12/21/09)

V. Adjournment

The meeting was adjourned at 1:40pm

Respectfully submitted,

Dee Andersen

Administrative Secretary
Finance Department