

**ADMINISTRATION AND FINANCE COMMITTEE
CITY COUNCIL CHAMBERS
140 WEST PINE STREET
MISSOULA MONTANA
November 17, 2010, 1:05pm**

Members present: Stacy Rye, Chair; Ed Childers; Renee Mitchell; Pam Walzer; Dick Haines; Lyn Hellegaard; Roy Houseman; Dave Strohmaier; Jon Wilkins; Bob Jaffe.

Members absent: Jason Wiener.

Others present: Seth McClain, Paul Hubbard, Ellen Buchanan, Anne Guest, Rod Austin, Dan Kemmis, Dee Andersen.

I. Administrative Business

A. Approve committee minutes dated: [November 10, 2010](#) -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 \$679,393.91 ([Detailed claims](#)) 11/23/10

MOTION: The committee recommends the City Council approve [claims](#) totaling \$534,908.86 ([Detailed claims](#)) (11/16/10 already acted on 11/15/10)

B. Appoint one member to the Impact Fee Advisory Committee for the term commencing December 1, 2010 through November 30, 2014. ([memo](#))—Regular Agenda (Marty Rehbein) (Referred to committee: 11/08/10) **REMOVE FROM AGENDA**

MOTION: The committee recommends the City Council appoint Paul Hubbard to the Impact Fee Advisory Committee for the term starting December 1, 2010 through November 30, 2014.

Applicant Paul Hubbard answered the following questions:

1. What is your interest in serving as the City Council's representative on the Impact Fee Advisory Committee?

Mr. Hubbard said he is especially curious about growth, and impact fees are one financial mechanism for providing for community needs and infrastructure as we go. He is particularly interested in efficient growth using infrastructure and services well with tax-payers dollars.

2. What Knowledge, skills and experience could you bring to the committee?

Mr. Hubbard said he has a good understanding of the City's growth policy and the subdivision process, and the issues facing growth. The stated community values in the growth policy. He said he is pro-development in efficient and best use and meeting community values as we grow.

3. What do you see as the role of the Impact Fee Advisory Committee

Mr. Hubbard said that was one of his questions to the committee. How the Impact Fee Advisory Committee can enable the Council to make the best decision for the City. As he sees it, it is important there is a very clear process for evaluating what the costs are in terms of services and infrastructure. Establishing a good assessment method for determining zoning in new developments, and then a decision on what to do based on community values. Planning for future efficiencies in infrastructure and services. His approach would be to first learn as much as possible, and then start to thinking about what kind of growth are we subsidizing and what

kind of growth we are penalizing. He said he was glad to see the Council reduce the impact fee for downtown developments because of the efficiency of transportation.

4. The Impact Fee Advisory Committee will meet on an as-needed basis. There will be materials to review and meetings to attend. Do you have time to fulfill the demands of the new position?

Mr. Hubbard said yes he has a busy but flexible schedule.

Ms. Rye asked Mr. Hubbard if he had any questions for the committee.

Mr. Hubbard asked the committee what they see the role is for the Impact Fee Advisory Committee.

Mr. Jaffe explained the role of the Impact Fee Advisory Committee and the challenges they face. He said he would be interested in using the impact fee as a land use tool and how that could be developed.

Mr. Childers said he would not like to think of an impact fee as a penalty, it is simply a cost of doing business.

Mr. Wilkins said he wants Missoula to be known as a business friendly community and the impact fees have a lot to do with that. He suggested the board keep that in mind.

Mr. Jaffe said when the impact fee was implemented it was supported by the business community. He said the impact fee is good for business. You can just make everything free or it would fall apart and that is bad for business.

Ms. Rye stated that you can have growth in an area where it has been a green field; you have this incremental growth with a grocery store and then a new box store and then a few subdivisions, it's not the last subdivision that should be paying for it all, they should have all been paying for it all along. How do you measure that fairly? She said a flat impact fee doesn't make sense in terms of impacts, as there are different impacts depending on what you build.

Mr. Jaffe moved the appointment

Mr. Wilkins said he will support the appointment; he has a good head on his shoulders and will do a good job.

Mr. Rye supports this appointment as he does live in the City and many of the other members do not.

Upon a voice vote, the motion passed unanimously.

- C. Approve the recommendation of the Missoula Parking Commission to engage MacArthur Means & Wells to provide architectural services and Gordon Construction to provide preconstruction services for construction of the East Front Street parking structure with the understanding that if Gordon Construction provides an acceptable Guaranteed Maximum Price for construction of the facility, they will enter into a contract as Construction Manager at Risk to build the parking structure. ([memo](#))—Regular Agenda (Ellen Buchanan) (Referred to committee: 11/15/2010)**
REMOVE FROM AGENDA

MOTION: The committee recommends the City Council approve the selection of MacArthur Means & Wells to provide the design services and Gordon Construction to provide the preconstruction services for the East Front Street Parking Structure with the understanding that if Gordon Construction provides an acceptable guaranteed maximum price for construction of the facility, they will enter into a contract as Construction Manager at Risk for construction of the parking structure.

Ellen Buchanan, Director, MRA, said we have 3 separate items today that all deal with the design, financing and construction of the Front Street Parking Structure. This first item is to

select the architects and construction manager at risk. Last year, the Council authorized us to use a method called alternative project delivery contract for the parking structure. The requirements of this method are that you have issue an RFQ for the architectural and construction teams. We did that and qualified three architectural firms and two construction firms. The pre-qualified architectural firms were CTA, OZ Architects, McArthur, Means & Wells. The pre-qualified construction firms were Gordon and Quality Construction.

We had a selection committee that consisted of the Parking Commission, the MRA and Greg Wood from City Engineering Division. That committee carried through from the RFQ to the RFP process with one change, Carol Williams replaced Tom Wilkins. The committee interviewed all five firms and formulated a recommendation for the MPC board and MRA board.

One of the requirements is that you have to put in writing the reasons for your selection and make it available to the firms being considered and to the public. Ms. Buchanan said she has done that and it will be made available as soon as you approve this selection.

We don't have any visuals conceptions yet, we do have the ramp diagram.

We held a mini-design work shop last week with adjacent property owners and those who had an interest in this; we had 25 people and spent 3 hours finding out what the community had in mind for this project. We wanted to know if they wanted stay with the historical architecture of the area or go with something more forward thinking like MMW's response to the RFP.

Our recommended for the Architecture firm is McArthur, Means and Wells, under the guidance of Don MacArthur and Gordon Construction for the pre-construction services as construction manager at risk.

One reason MMW ranked as highly as they did was the creativity in their approach to design and for their sensitivity to future technologies. They have charging stations for electric cars and the possibility of solar panels on the roof to generate the lights and charging stations, and accommodations for bicycles.

What that means is that the contractor will work with the design team through the design of the structure until the point when they can go out and get their sub-contractor bids then give us a guaranteed maximum price for the construction of the facility. At that time we enter into a second contract with the construction company to build the structure.

Ed Childers said it seems straight forward and moved to select MMW and Gordon Construction as architect and construction manager at risk.

Pam Walzer asked what the MRA board's recommendation was.

Ms. Buchanan said it was approved unanimously.

Mr. Wilkins will support the motion

Mr. Jaffe expressed some concerns about City representation on this project

Ms. Buchanan said there is plenty of City representation

Mr. Wilkins said this will minimize change orders when you have the architect and builder working on the project at the same time.

Ms. Rye mentioned how most parking structures are very dark and creepy and this one is full of light.

Mr. Haines he says he agrees with Ms. Rye and likes the way this is laid out and says personal safety is a priority.

Upon a voice vote, the motion passed unanimously.

- D. Approval of a development agreement between the City of Missoula (City), the Missoula Redevelopment Agency (MRA), the Missoula Parking Commission (MPC) and First Interstate Bank (FIB) relative to the East Front Street Parking Structure. ([memo](#))—Regular Agenda (Ellen Buchanan) (Referred to committee: 11/15/2010) **REMOVE FROM AGENDA**

MOTION: The committee recommends the City Council approve the Development Agreement between the City of Missoula, the Missoula Parking Commission, the Missoula Redevelopment Agency and First Interstate Bank.

Ellen Buchanan provided a [memo](#) for the background on this item. It is a Development Agreement between the City of Missoula, the Missoula Parking Commission (MPC), the Missoula Redevelopment Agency (MRA) and First Interstate Bank (FIB). It is the instrument that ties together all of the various elements needed to bring this project to fruition. It outlines conditions of the transfer of the former Macy's lot on the corner of Front and Pattee from FIB to MPC, a commitment by MPC to build a parking structure, a commitment by MPC to reimburse certain costs eligible for reimbursement under tax increment law incurred by FIB in the construction of their office building.

It has been a lengthy and complex negotiation. One of the most difficult issues to resolve has been how to structure the Development Agreement in a way that property can be transferred prior to having the financing in place and prior to having the final design. One of the conditions in the Holiday Inn purchase agreement is that the MPC will build a structure with a minimum of 200 parking spaces. It is the desire of the MPC to build approximately 400 spaces, but that would require the issuance of bonds in order to have adequate financing in place to make an assurance of 400 spaces.

The Development Agreement is now structured to commit MPC to build a 200 space parking structure, termed the Parking Facility, while still referring to the Parking Structure as approximately 400 spaces. MPC has adequate resources to build the 200 space building with minimal or no bonding; therefore, FIB and the Holiday Inn have agreed to convey the land upon execution of these agreements. Control of the site is critical for the public sale of the bonds needed to build the 400 space Parking Structure.

She said one issue that has not been resolved is FIB's desire to delete a section in the Development Agreement regarding indemnification. Jim Nugent, City Attorney, will need to review this section and we will want to defer to his opinion about this request.

Mr. Jaffe stated that the Wilma and Caras Park they will still get their money they just may have to wait if the district doesn't have the money. He asked if interest will accrue if we don't pay them on time.

Ms. Buchanan said the Wilma agreement will accrue interest at 3.25%.

Mr. Jaffe asked what projects are impacted by the MPC's decision to use 100% of their bonding capacity.

Ms. Buchanan said the primary one was the Main Street project which is now 3-5 years out. The day we open this parking garage we gain bonding capacity. Because you can't use the revenue stream from the new facility toward these bonds. So they will have 400 new parking spaces that is a new revenue stream.

Mr. Wilkins moved the Development Agreement with the indemnification changes.

Public Comment:

Dan Kemmis, MRA board member, said in order to qualify for the stimulus assistance, we have to move this along at a fast pace and it would be worth it if we could accomplish that. Everyone involved has worked very hard and are we all very glad we are to this point. A lot of care has gone into what you see before you now, and he requested support on the motion.

Upon a voice, the motion passed unanimously.

- E. Resolution relating to Front Street parking structure ; authorizing the Missoula Parking Commission to issue parking facilities revenue bonds in the approximate amount of \$8,000,000 and designate them as Economic Recovery Zone Development Bonds. ([memo](#))—Regular Agenda (Ellen Buchanan) (Referred to committee: 11/15/2010) **REMOVE FROM AGENDA**

MOTION: The committee recommends the City Council approve a resolution relating to the Front Street Parking Structure; setting forth the intention to allocate certain Front Street Urban Renewal District Tax Increment Revenue to the repayment of the bonds issued for the Front Street Parking Structure; authorizing the Missoula Parking Commission to issue Parking Facilities Revenue Bonds in the approximate amount of \$8,000,000 and designate them as Economic Recovery Zone Development Bonds.

Mr. Houseman moved the resolution relating to the Front Street Parking Structure.

Upon a voice vote the motion passed unanimously.

Ms. Walzer supports the whole project and she appreciates all the work that has gone into it.

Regular Agenda

- A. Appoint one member to the position of a city resident representative to the Missoula Civic Television Advisory Committee for the term starting immediately and ending on December 31, 2013. ([memo](#))—Regular Agenda (Kelly Elam) (Referred to committee: 11/15/2010)

HELD IN COMMITTEE FOR OTHER APPLICANTS INTERVIEW

Applicant, Seth McClain answered the following questions:

- 1. Please tell us how your education, experience and training can contribute to the Government Chanel Cable Advisory Committee.**

Mr. McClain said he is familiar with many technical things. He said he is not specifically trained for being on boards or television, but has experience with MCAT and Missoula politics as a citizen. He listed his board experience as Clark Fork Commons, Missoula Community Food Co-op and Neighborhood Council. He said knowing the Robert's Rules of Order may contribute.

- 2. Describe your familiarity with Missoula Community Access Television and Missoula's cable franchise ordinance.**

Mr. McClain said his familiarity started in High School; performing and editing skits and getting them on MCAT. He also recorded Neighborhood Council meeting for MCAT. He gave a brief summary of the cable franchise ordinance.

- 3. What community benefits do you see in Missoula's decision to offer government cable access channel focused on delivering programming relating to local government.**

Mr. McClain said it is a means to get more informed and active citizenship.

- 4. One of the committee's primary responsibilities is to suggest governmental programming that MCAT could offer on Channel 11. Do you have any suggestions or ideas about existing programming or any ideas for new programming?**

Mr. McClain said that he would like to see these meetings live on television and doesn't know if that is fiscally possible with budget restraints. He would also like to see them available on the internet cheaply and effectively, and as far as the existing program content, he is not sure.

- 5. Are you aware of any potential conflicts of interest that may arise during your service on the committee? If you found you had a conflict of interest, how would you handle that situation?**

Mr. McClain said the only potential conflict would be when he was working to create a system to get meetings on the internet freely and cost effectively, currently he doesn't see a conflict with that. If he did feel there was a conflict he would inform others on the board before voting.

6. The Government Channel Cable Advisory Committee meets the third Tuesday of every month from 3:00-4:00pm. In addition to meetings, there will be materials to review and tasks delegated by the committee. Do you have sufficient time to devote to the activities associated with serving on this committee?

Mr. McClain said he believes he does.

7. Do you have any questions for us?

Mr. McClain said no.

Renee Mitchell asked Mr. McClain what it was that he was trying to get out on the internet.

Mr. McClain said everything that is being recorded, stored and broadcast on Bresnan Channel 11. He would like both live and archive copies available to the public. Not every citizen wants to own a television, but everyone needs the internet essentially. He said it would make it easier for referencing what has happened.

Mr. Wilkins cautioned Ms. Mitchell on asking the same question to each applicant.

Ms. Mitchell said she was trying to get more info from what he had mentioned.

Ms. Rye thanked Mr. McClain and said after they interview the other applicant someone would contact him.

III. Held in committee

- A.** Approve claims. (Ongoing) (Consent Agenda)
- B.** Approve journal vouchers. (Ongoing) (Consent Agenda)
- C.** Approve budget transfers. (Ongoing) (Consent Agenda)
- D.** An ordinance amending the municipal code as it relates to bike licensing. ([A&F](#)) (Returned from council floor: 12/15/08)
- E.** Implications of establishing maintenance districts. ([memo](#)) – Regular Agenda (Bob Jaffe) (Referred to committee: 05/11/09)
- 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.** Review the FY 2011-15 capital improvement projects (CIP). ([memo](#)) – Regular Agenda (Brentt Ramharter) (Referred to committee: 04/19/2010)
- H.** Amend Council rules to change the Council's regular meeting schedule to two meetings per month ([memo](#)).—Regular Agenda (Marty Rehbein) (Referred to committee: 06/07/10)
- I.** Discuss the disposition of surplus city property. ([memo](#))—Regular Agenda (John Newman) (Referred to committee: 10/25/10)
- J.** Confirm the reappointment of Mark Muir to the Impact Fee Advisory Committee completing a term commencing December 1, 2010 and ending November 30, 2014. (Returned from Council floor: 11/1/10)
- K.** Amend the FY 2010 budget to appropriate expenditures that were not identified in the original budget. ([memo](#))—Regular Agenda (Brentt Ramharter) (Referred to committee: 11/01/2010)
- L.** Quarterly report by North Missoula Community Development Corporation. ([memo](#))—Regular Agenda (Lyn Hellegaard) (Referred to committee: 11/08/10)
- M.** Discuss outstanding third-party contracts. ([memo](#))—Regular Agenda (Lyn Hellegaard) (Referred to committee: 11/08/10)

IV. Adjournment

The meeting adjourned at 2:35pm

Respectfully submitted,

Dee Andersen
Administrative Secretary