

**JOURNAL OF PROCEEDINGS
MISSOULA CITY COUNCIL MEETING
August 21, 2017**

I. CALL TO ORDER AND ROLL CALL

The meeting of the Missoula City Council was called to order by Acting Mayor Marilyn Marler at 7:00 PM in the City Council Chambers at 140 West Pine Street. The following members were present: Julie Armstrong, Emily Bentley, Michelle Cares, Jordan Hess, Gwen Jones, Marilyn Marler, Ruth Ann Swaney, Bryan von Lossberg. The following members were absent: John DiBari, Annelise Hedahl, Heidi West, Jon Wilkins. The following staff members were also present: Chief Administrative Officer Dale Bickell, City Attorney Jim Nugent, City Clerk Marty Rehbein. The following staff members were absent: Mayor John Engen, Communications Director Ginny Merriam, Central Services Director Steve Johnson.

II. APPROVAL OF THE MINUTES

1. Minutes for August 14, 2017 were approved

III. SCHEDULE OF COMMITTEE MEETINGS

1. Committee schedule for the week of August 21, 2017

Parks & Conservation Committee, August 23, 8:30 – 9:45 a.m.

Land Use & Planning Committee, August 23, 9:50 – 10:00 a.m.

Administration & Finance Committee, August 23, 10:05 – 10:20 a.m.

IV. PUBLIC COMMENT

Jesse Ramos, 425 Whitaker Drive, said he's running for City Council in Ward 4. He had the privilege of meeting with Presidential Cabinet Member and Secretary of Veterans Affairs, David Shulkin in Helena. David Shulkin has served as the Secretary under both President Obama and President Trump and is highly respected on both sides of the aisle. Mr. Ramos commended him on the progress that has been made for veterans at the national level and asked him what could be done more at the local level. He told David that Missoula had \$184 million of total appropriations for fiscal year 2018 and didn't have a single set allocated specifically to veterans. He told the Secretary that this seemed a little bit bizarre, because Missoula County had the highest veteran's suicide rate in the state of Montana and the state of Montana had the highest veteran's suicide rate in the entire country, and we don't even have a veterans' coordinator. David agreed with him that municipalities really need to chip in to help out the federal government, because the VA is expanding and making a clinic here in Missoula but that won't be enough and they can use all the help they can get. We have the largest budget ever passed in the history of Missoula right now and we spend money on all kinds of different things. The fact that we don't have anything allocated to veterans leads him to believe that City Council thinks that all the things that we're spending money on right now is more important to you than helping the men and women that have served our country and fought for our freedoms. He is asking the City Council to consider a Veterans Advisory Council. They have one in Williston, North Dakota and it works really well. They just have a team of local veterans and they meet with the City Council and tell them some of the issues that are affecting them and some of the services that are out there so you can get those folks in touch with them.

Kandi Matthew-Jenkins continued to read from the Soviet Art of Brainwashing Psychopolitics: The Art of Mental Healing as read into the Congressional record on Un-American Activities between the years of 1936 and 1939. "The psychopolitician realm of defamation and degradation is Man himself. By attacking the character and morals of Man himself, and by bringing about, through contamination of youth, a general degraded feeling, command of the populace is facilitated to a marked degree. There is a curve of degradation that leads downward to a point where the endurance of an individual is almost at an end, and any sudden action toward him will place him in a state of shock. Similarly, a soldier held prisoner can be abused, denied, defamed, and degraded until the slightest motion on the part of his captors will cause him to flinch. Similarly, the slightest word on the part of his captors will cause him to obey, or vary his loyalties and beliefs.

Given sufficient degradation, a prisoner can be caused to murder his fellow countrymen in the same stockade. Experiments on German prisoners have lately demonstrated that after seventy days of filthy food, little sleep, and nearly untenable quarters, the least motion toward the prisoner will bring about a state of shock beyond his endurance threshold and will cause him to receive hypnotically anything said to him.”

V. CONSENT AGENDA

1. [Claims](#)

Recommended motion:

Approve claims (accounts payable) in the amount of \$2,287,647.75 for checks dated August 22, 2017.

2. [Appointment to the Missoula Redevelopment Agency Board - Ms. Prinzing Jones](#)

Recommended motion:

Confirm the Mayor's appointment of Natasha Prinzing Jones to the Missoula Redevelopment Agency Board for a term to commence immediately and expire on April 30, 2021.

3. [Resolution regarding the conduct of the 2017 city general election](#)

Recommended motion:

Adopt a resolution of the Missoula City Council notifying the Missoula County Election Administrator of the City's desire to conduct the 2017 city general election by mail ballot in accordance with 13-19-202 Montana Code Annotated (MCA), setting the date for ballots to mailed and requesting ballot drop off locations for voters who prefer to mark and/or drop their ballot off at a polling site.

4. [Agreement to Extend the Collateral Agreement Deadline within the Fox Site Master Development Agreement between the city, Hotel Fox Partners, LLC and Missoula Redevelopment Agency](#)

Recommended motion:

Approve an agreement to provide a 90-day extension of the deadline for executing the collateral Agreements within the Fox Site Master Development Agreement between the City of Missoula, Hotel Fox Partners, LLC and Missoula Redevelopment Agency, and authorize all appropriate city signatures thereon.

5. [Resolution to reimburse expenditures related to sidewalk, curb, gutter and alley approach improvements from the proceeds of tax-exempt bonds](#)

Recommended motion:

Adopt a resolution declaring the official intent of the City of Missoula, Montana to reimburse certain original expenditures related to sidewalk, curb, gutter and alley approach improvements from the proceeds of tax-exempt bonds to be issued by the City after the payment of such original expenditures.

6. [Resolution to reimburse expenditures related to Capital Equipment from the proceeds of tax-exempt bonds](#)

Recommended motion:

Adopt a resolution declaring the official intent of the City of Missoula, Montana to reimburse certain original expenditures related to the purchase of capital equipment from the proceeds of tax-exempt bonds to be issued by the City after the payment of such original expenditures.

7. [Resolution levying final assessments for pooled special sidewalk, curb, gutter and alley approach bonds, series 2017](#)

Recommended motion:

Set a public hearing on September 11, 2017 on a resolution to levy a special assessment and tax upon all property situated within Pooled Sidewalk, Curb, Gutter And Alley Approach Bonds, Series 2017 of the City of Missoula, Montana to defray the cost of installing sidewalks, curbs, gutters and alley approaches, and return this matter to the Administration and Finance Committee.

8. [Tourist Home Processes: Published Registry and Notification Process](#)

Recommended motion:

Direct Development Services staff to no longer publish the list of registered tourist homes on the City website.

9. [Resolution to confirm final order curb and sidewalk improvements Project 15-016: Margaret St. Ph. II](#)

Recommended motion:

Adopt a resolution relating to Margaret Street Phase II, Project 2015-016, of the city's sidewalk, curb, gutter and alley approach program; approving the final ordering in of improvements.

10. [Bid Award for curb and sidewalk improvements Project 15-016: Margaret St. Ph. II](#)

Recommended motion:

Award the bid for curb and sidewalk improvements Project 15-016 Margaret Street Phase II to HM Concrete, Missoula, MT for the sum of \$203,916.07 and authorize return of bid bonds.

Acting Mayor Marler said, are there any public comments on any of the items on the consent agenda?

Kandi Matthew-Jenkins said, and I wanted to correct myself. I was talking about the meetings.

Acting Mayor Marler said, oh.

Kandi Matthew-Jenkins said, yea.

Acting Mayor Marler said, well, then I should have listened to you then.

Kandi Matthew-Jenkins said, I'm sorry. And I don't think we've had a mayoral election by mail and ballot and I don't want anything like that. That's my view on the mail-in ballot. I know you know a right to do that, but I think that when the Mayor's office and the voting for Mayor comes, we should all get out and go to our polling places. Thank you.

Acting Mayor Marler said, and for the record that Kandi Matthew Jenkins. Any other comments? Questions from Council? Okay, let's do a roll call vote.

Upon a roll call vote, the vote on the consent agenda was as follows:

AYES: Armstrong, Bentley, Cares, Hess, Jones,
Marler, Swaney, von Lossberg

NAYS: None

ABSTAIN: None

ABSENT: DiBari, Hedahl, West, Wilkins

Motion carried: 8 Ayes, 0 Nays, 0 Abstain, 4 Absent

VI. COMMENTS FROM CITY STAFF, AGENCIES, BOARDS, COMMISSIONS, AUTHORITIES AND THE COMMUNITY FORUM

None

VII. SPECIAL PRESENTATIONS

1. UM Retirees' Day

Acting Mayor Marler proclaimed, for Mayor Engen and the Missoula County Commissioners, August 23, 2017 as UM Retirees' Day.

VIII. PUBLIC HEARINGS

1. Resolutions on the acquisition of Creekside Apartments and conduit financing through the City.

Recommended motion:

Adopt a resolution relating to a project on behalf of Creekside Apartments, LLC, a Montana Limited Liability Company, and the issuance of revenue bonds or notes to finance the costs of acquisition of a multifamily rental housing project commonly known as Creekside Apartments and associated costs under Montana Code Annotated, Title 90, Chapter 5, Part 1, as amended; approving the project and authorizing the issuance of bonds or notes therefor.

Recommended motion:

Adopt a resolution authorizing a project under Montana Code Annotated, Title 90, Chapter 5, Part 1, as amended, and the issuance and sale of \$10,312,500 multifamily housing revenue bonds (Creekside Apartments Project), Series 2017, to finance the same; approving the form of documentation in connection therewith; and authorizing the execution and delivery of the bonds and documentation.

Acting Mayor Marler said, tonight we have two public hearings. The first one is on the two resolutions on the acquisition of Creekside Apartments and conduit financing through the City. We have a staff report from Dale Bickell. And we have representatives from Homeword in the office and from the Housing and Community Development office. Mr. Bickell?

Dale Bickell, Chief Administrative Officer, said, all I'm going to do tonight is introduce Andrea Davis and Matt Joseph with Homeword who are going to give a PowerPoint presentation related to the project, but I'd like to remind Council and the public that this is a conduit debt issuance so there is no liability to the City. The mechanism that we're using allows for certain nonprofit organizations to piggyback on the City's tax-exempt status. And so Homeword is able to acquire these Creekside Apartments at tax-exempt interest rates and without any liability to the City.

Andrea Davis, Homeword, said, good evening everyone. President Marler and members of Council, thank you for being here for quorum. I really appreciate it. And a real special shout-out to City Clerk Marty Rehbein for making sure that we could have this public hearing this evening. We wanted to briefly speak to the need for this housing...oh, introduce myself. Sorry. I know. I think it's the first time I've been up here. My name's Andrea Davis and I'm the Executive Director of Homeword. Thanks, Jim. So, Homeword uses sustainable methods to provide safe, healthy housing that people can afford and we strengthen community through housing counselling, an education for those in need. I think I need to do this manually. So, a little bit about us. Homeword is a community housing development organization. We are a nonprofit that's been serving Montana since 1994. We're headquartered here in Missoula. We do affordable housing development work around the state and we have a home ownership center here in Missoula. And that's where we provide our housing counseling and education. I thought I'd share a little bit about housing and financial issues for Montanans and related this a little bit to the specificity of our city here. So, we have high home costs. That is the reality here in Missoula. It's the reality actually across the state as we do affordable housing work in

small and large communities in the state of Montana. We conducted a market study when we were preparing to build our Sweet Grass Commons property at the Old Saw Mill District and that was published in 2015. And at the time a two-bedroom average rental in the City of Missoula was \$905. So, we have a wage-to-housing issue and it's not one or the other. Both of these issues in our community need to be addressed. But in order to afford that \$905 of rental, one would need to earn \$17.42 an hour. But the mean wage in our community is about \$11 an hour so that leaves a pretty significant gap when it comes to being able to afford a market rate two-bedroom. In the state of Montana, unfortunately, we are one of the highest states in terms of lack of savings and a lot of us live paycheck-to-paycheck. It's hard to read upon the screen, but what that chart shows you, the one on the right-hand side, shows that the minimum wage for Montana is \$8.15 an hour. That might be a retail worker or a retiree, a single parent, a person with a disability or a recent graduate. An affordable rent, when you earn \$8.15 an hour would be \$424 a month and the average rent, and this is County statistics that was reported in the 2016 Missoula Organization of Realtors is \$769. So, that, I want to point out, and people say, well, how come your market rate says \$905? That was the City of Missoula and those were market conventional rates. That \$769 figure is Missoula county-wide and it also includes Homeward's affordable properties in there, so there's certainly some impact in terms of that number. Regardless, there's still a gap in that chart. 47% of Missoulians spend over 30% of their income on rent. 30% is what's considered affordable, when you pay 30% of your income towards rent or mortgage. And then half of those spend over 50%. The area median income for a single person living in Missoula is \$42,815, but in order to afford a median priced home, the household would need to earn \$89,916. So, this just illustrates that we have an affordable housing, I'd say probably on the verge of crisis in our community and we do in much of Montana and much of the United States actually. Missoula is a great place to live and that can make it an expensive place to live. In December of 2016, the *Missoulian* reported that the skyrocketing price of housing was the biggest economic story in Missoula of 2016. 52% of Missoulians are renters and that's significant. Over half of our community are renters. And, like I mentioned earlier, 47% of Missoulians spend over 30% of their income on housing, and half of those spend over 50%. And another interesting fact here is that in the 2017 Missoula Organization of Realtors Report, there is a large disparity between the area median and of Missoula's homeowners, 63,000 and renters, which is about 28,000. So, this is just basically proving the point that affordable rentals are necessary for our workforce. So, along comes the opportunity of Creekside Apartments, an existing property, located at 1405 East Broadway. There's 161 total apartments and there's a number of community amenities there including a swimming pool, playground, basketball court, clubhouse, on-site laundry for residents, a fitness center and leasing center and then there's some optional garage spaces that residents can lease. The apartment amenities include dishwasher, balcony or patio, additional storage space and air conditioning. The opportunity came up because the property came up for sale in May of this year. The offering memorandum was pretty clear that they were looking for top bids from all over the country. We saw this as an opportunity to acquire and preserve 160 apartments with affordable rents. There is one manager's unit. That's what makes it 161, but 160 of those apartments are rent capped at 60% of the area median income. Creekside has studio, 1s, 2s and 3-bedroom apartments so a really nice range of apartment sizes. And then I included some examples up there for the audience and for all of you on Council that 60% of the area median income equates to \$27,720 for a single person, so that's about \$13 an hour. And if you open the paper, that's quite a few jobs in both the service industry but also several beginning professional jobs, personal care attendants, bank tellers, any number of positions in our community. A four-person household at 60% of the area median income is a little less than \$40,000 or if it's a single-earning person in that household, that would be about \$19 an hour. So, if you've got a single parent with three children, then they would income qualify at 60% of the area median income earning that wage. So, the rents at Creekside are set for the 60% area median income level and so they range approximately \$600 to \$1,000 a month. And so they're anywhere, depending on the unit size, 25 to 40% under market. 33% of the apartments that are occupied at Creekside residents utilize a Section 8 voucher. It's one of the larger properties in the community that welcome Section 8 holders and meet the Section 8 voucher payment standards. So, location, location, location. It's located on the Clark Fork River along a walking trail. It's near several trails, open space and parks. It's near the new Missoula College just blocks away. It's across the river from the University of Montana. It's close to downtown Missoula, near schools, grocery stores and other services. And Mountain Line has a bus stop along East Broadway as well as the University's bus system just right down the road, so it's got public transportation in close proximity. The property was built in 1996 and it already is an affordable housing deed-

restricted property. Like I mentioned, 160 of the units are at 60% of the area median income and that deed restriction is set to expire in 9 years, in 2026. The property is also eligible for what's known as a qualified contract. And there's a mechanism within the low-income housing tax credit law that would allow a buyer to take this out of the affordability pool. And I won't bother you with the nuances of that, but this property was ripe for that opportunity, partly because of the location, its proximity downtown and proximity to necessary student housing as well as trails and open space. This was a pretty prime candidate to drive this property into market rate housing. The Montana Board of Housing estimates that for the last 10 years in the state of Montana, we've produced about 200 low income housing tax credit units on an annual basis in the entire state. This property is 160 units had we lost this, either now or in 9 years to market rate conventional, that would be a pretty devastating blow for the state as well as our community. As Dale outlined for you all, we're utilizing a City 501C3 conduit bond which allows a private placement with a financial institution. That financial institution is First Security Bank and basically they serve as the lender and there is no risk to the City or taxpayers. The loan is secured by real estate just like a typical mortgage. I think what is really exciting for us is this is the first time Homeward has worked with the City of Missoula or any city to do a 501C3 conduit bond. I want to thank First Security Bank actually for their suggestion and then city staff, Dale Bickell and Eran Pehan for seeing that this was a very viable option for us to generate the necessary financing to acquire the property and act very quickly. We had to put an offer on the property, sign a purchase and sale agreement and close within 60 days in order to compete with our for-profit national competitors, and we were able to do that. And so Homeward's intention here is to acquire the property and keep it as affordable. So, really nothing has changed other than we're ensuring that these units last into perpetuity for our community. So, with that, I am available for any questions you might have.

Acting Mayor Marler said, thank you. Are there anymore portions to the staff presentation, Mr. Bickell? Okay. I will open the public hearing. If anyone would like to come forward and say anything about this project, this is the time. Come up to the mic, make sure that you say your name and then try to keep your comments to three minutes or less.

Jana Staton said, I'm actually here on behalf of the Faith and Justice Class which I'll ask to rise. This is only a small part of our big class. We are studying housing this year because First United Methodist Church is a host church for Family Promise, so we shelter people who are homeless. We, you know, 4 people out of 40 families at a time can go to Family Promise so that's a small drop in the bucket and we're interested in seeing that those families have a place to go at the end of the Family Promise Day, so they don't just keep coming back through us. So, we are very committed to studying housing and supporting the City of Missoula and the City Council in certainly keeping Creekside as an affordable housing for the future, perpetuity if possible, and we would like to see more efforts like this so that we increase the housing supply, because we know how tight it is. So, thank you.

Acting Mayor Marler said, thank you.

Kandi Matthew-Jenkins said, I have a question I think. I don't know if you can answer it. But does being nonprofit take these apartments off the City tax rolls? I would like to know if that does it. And the comment made about the single parent with three children, I hope that was a slip of the tongue and it was a divorced mom with three kids or are we supporting promiscuity too?

Acting Mayor Marler said, additional public comments?

Cathy Deschamps said, I just wanted to also add that I'm a member of the First United Methodist Church and we are going through major renovations so we don't have the space that we normally would. If there is also other options maybe that the community can look at to help with people that we may not have room for, that would be great. Thank you.

Acting Mayor Marler said, thank you. Any additional public comments?

Jesse Ramos, 425 Whitaker Drive, said, I just wanted to come up and say that this sounds like a pretty good project and I usually oppose projects that compete directly with the private sector, but it seems like if this is done properly, that both sides can benefit, both the private sector and the government, and a lot of folks can get the affordable housing they need, so I enjoy this project. Thank you, guys.

Acting Mayor Marler said, alright. Is there any other public comment? Don't be shy? Alright, I am going to close the public hearing and we'll have questions from City Council. Ms. Cares?

Alderwoman Cares said, Ms. Davis, could you address the question that was presented by the public around taxes, property taxes? Thank you.

Andrea Davis, Homeward, said, Ms. Cares, I'd be happy to. So, this property currently pays taxes and while a property like this with nonprofit ownership would allow us to restructure the rents and take it off the tax rolls, we are not. It will continue to stay on the tax rolls and continue to pay taxes at this time.

Acting Mayor Marler said, thank you. Any other questions? Okay, I don't see any more questions or public comment so, Ms. Cares?

Alderwoman Cares said, there are two. I move that we adopt a resolution relating to a project on behalf of Creekside Apartments, LLC, a Montana Limited Liability Company, and the issuance of revenue bonds or notes to finance the costs of acquisition of a multifamily rental housing project commonly known as Creekside Apartments and associated costs under Montana Code Annotated, Title 90, Chapter 5, Part 1, as amended; approving the project and authorizing the issuance of bonds or notes thereof. I also move that we adopt a resolution authorizing a project under Montana Code Annotated, Title 90, Chapter 5, Part 1, as amended, and the issuance and sale of \$10,312,500 in multifamily housing revenue bonds (the Creekside Apartments Project), Series 2017, to finance the same; approving the form of documentation in connection therewith; and authorizing execution and delivery of the bonds and documentation.

Acting Mayor Marler said, thanks. Those motions are both in order. Is there discussion on these motions? Mr. von Lossberg and then Mr. Hess.

Alderman von Lossberg said, thanks. I just briefly wanted to say thank you to the folks at First Security Bank and especially to the folks at Homeward, Ms. Davis. She covered a lot of important data in the presentation, both in committee and tonight, and I'm just really pleased that we'll continue to see this resource both in Ward 1 and in the City to serve these needs for affordable housing, so very supportive.

Acting Mayor Marler said, Mr. Hess?

Alderman Hess said, thanks. I'd also like to commend City staff and Homeward staff, Ms. Davis and the folks at First Security Bank for this innovative approach. Homeward is no stranger to innovating and it's very exciting to have such a community partner that it does such good work in our community.

Acting Mayor Marler said, addition comments? I'll add my thanks to everyone involved. Yeah, thank you. And I think that we are ready to vote. Let's have a roll call vote on both motions unless someone wants to split them, which I don't think. No. So, we'll vote on both motions.

RESOLUTION 8203

MOTION

- Motion to adopt a resolution relating to a project on behalf of Creekside Apartments, LLC, a Montana Limited Liability Company, and the issuance of revenue bonds or notes to finance the costs of acquisition of a multifamily rental housing project commonly known as Creekside Apartments and associated costs under Montana Code Annotated, Title 90, Chapter 5, Part 1, as amended; approving the project and authorizing the issuance of bonds or notes therefor.

RESOLUTION 8204

MOTION

- Motion to adopt a resolution authorizing a project under Montana Code Annotated, Title 90, Chapter 5, Part 1, as amended, and the issuance and sale of \$10,312,500 multifamily

housing revenue bonds (Creekside Apartments Project), Series 2017, to finance the same; approving the form of documentation in connection therewith; and authorizing the execution and delivery of the bonds and documentation.

Upon a roll call vote, the vote on Resolution 8203 and Resolution 8204 was as follows:

AYES: Armstrong, Bentley, Cares, Hess, Jones,
Marler, Swaney, von Lossberg

NAYS: None

ABSTAIN: None

ABSENT: DiBari, Hedahl, West, Wilkins

Resolution 8203 and Resolution 8204 carried: 8 Ayes, 0 Nays, 0 Abstain, 4 Absent

Acting Mayor Marler said, great. That was a great piece of business and so is the next one which is about the conservation easement proposed for the Oxbow Cattle Company.

2. [Oxbow Cattle Company Conservation Easement - Elizabeth Erickson](#)

Recommended motion:

Adopt a resolution of the Missoula City Council to expend up to \$175,000 of 2006 Open Space Bond proceeds toward the purchase of a conservation easement across 168 acres of agricultural land and open space on the Oxbow Cattle Company property in the Miller Creek area of Missoula, and pay a portion of the transaction costs associated with purchasing the conservation easement.

Elizabeth Erickson, City of Missoula's Open Space Acquisition Attorney, said, thank you, President Marler. I just want to reiterate that thanks to all of you for being here tonight making it possible to have our public hearing. Good evening, I'm Elizabeth Erickson, the City's Open Space Acquisition Attorney, and I'm very excited to get to help present the Oxbow Cattle Company open space bond proposal. And the request is for, or excuse me, to expend up to \$175,000 of the City's portion of the 2006 Open Space Bond to help purchase this conservation easement and pay part of the transaction costs. And the project is sponsored by Five Valley Land Trust, and I'm going to turn it over to Vicki Edwards, the Conservation Project Manager with Five Valleys to tell you details about the project.

Acting Mayor Marler said, thank you. Ms. Edwards?

Vicki Edwards said, I'll just put the presentation up here real quickly. Thank you so much, Elizabeth, and I would also like to thank you all for being here tonight. I know it was challenging for folks to get together and have a quorum this evening, so I do appreciate everyone being here. And my name is Vicki Edwards. I am a Project Manager for Five Valleys Land Trust and that means I am fortunate to work with landowners on placing conservation easements on their properties to protect special places within our community that provide a substantial amount of public benefit. And I'm really pleased to present to you all the Oxbow Cattle Company Miller Creek conservation easement. This is a conservation easement on approximately 168 acres in the Lower Miller Creek area. It's within the Missoula Planning Region. The conservation values associated with this property include open space for continued agricultural production, open space for conserving important agricultural soils and then also fish and wildlife habitat. And, as Elizabeth mentioned, we are requesting up to \$175,000 to help us complete this project. Fortunately, we have already secured funding through the Natural Resources Conservation Services Program, the Agricultural Land Easement Program, which is also called ACEP-ALE. And we have already secured \$165,000 that will go towards the conservation easement for this project. Five Valleys Land Trust will make a contribution as well and so will the landowners. And so, with that, I'll first introduce Bart and Wendy Morris and you'll actually get to hear from Wendy Morris during the public comment period of this presentation. And Bart and Wendy Morris own Oxbow Cattle Company. Oxbow Cattle Company, as many of you probably know, is our locally natural grassed finish cattle company here within the Missoula valley. And they

started their business a few years ago and have really integrated, not only in providing locally grown beef here in the Missoula valley, but then also integrating within the community and having opportunities and working with folks on all of the great work that they do. And they have just such an amazing land ethic. They're quite the stewards of the land, even those lands that they end up leasing. They've done a lot of work on those, where they replace fencing, put in wildlife-friendly fencing and they really want to leave this place in a better place than what it is now. And for those reasons they would like to place a conservation easement on a portion of their ranch. And, as I mentioned, you'll get a chance to hear from Wendy a little later here. This project is in connection with other conserve lands as well. On this map, the kind of light colored tan, white, that's private lands. Those lands that have horizontal blue lines through them, those have conservation easements on them. They are held by Five Valleys Land Trust. There are other conservation easements held by other land trust entities as well and those are in the gray with the horizontal lines. And other land ownership on this map includes the Forest Service in green and Weyerhaeuser in the gray and then we have some nature conservancy in some DNRC lands. But you can see, in this Lower Miller Creek area, this really provides a nice piece of the puzzle of expanding that conservation footprint within this area. And there is, on that south side of the property, where that other conservation easement is, there's a ridge that runs through there that connects the Northern Sapphires across that ridge line over the Bitterroot and up into the hills going into the Weyerhaeuser lands as well as Forest Service. And this property would provide an additional buffer there from development. And when we look at a Google Map of this property, you can really see that this mulch of development that's occurring and coming in from the city of Missoula and this is a really high risk for development, very vulnerable to it, and this would provide on this property there would be no residential development and it would connect in with those other protected properties as well. And I also wanted to mention, those two parcels, Bart and Wendy through Oxbow Cattle Company recently acquired those two parcels. There's approximately 140, 145-acre parcel that they acquired, I believe, it was about in April and then the 28-acre parcel that they acquired just in June or July here. And so for folks that were out on the property, it can only get better than what it is there, because now they own the land and there's an opportunity for them to do some great work on it. And so conservation values associated with this property, as I've mentioned, include those important agricultural soils, open space for continued agricultural production, open space within a cornerstone, a portion of the property is within the Bitterroot cornerstone. And then also fish and wildlife habitat as well. And those important agricultural soils. We're looking at 92% important ag soils as mapped by the Inner CS. Of those 51 are farmland of local importance and then we also have 104 acres that are prime farmland if irrigated. And Oxbow Cattle Company and Bart and Wendy, they actually have the most senior water rights on Miller Creek and so there's a lot of great opportunity here to make this land as productive as possible. And then I also wanted to mention that in the information packet that Elizabeth sent out to you all, there's a letter of support from C Fact that speaks to those values and the important agricultural soils, but then also some of the work that Bart and Wendy has done with the community including C Fact as well. And so that other conservation value protecting that open space for continued agricultural production and ensuring that that opportunity continues into the future. And our other value is that a portion of it is located within the Bitterroot River cornerstone. And so this would help secure an additional parcel here that would not allow for any residential development or subdivision of those two parcels. And as per the 2006 Open Space Plan, priorities there include conservation easements and acquisitions within these cornerstone areas. And the property includes a little over a mile of Miller Creek meandering through it. And, as I've mentioned, Bart and Wendy just recently acquired the properties and had leased it before that. And you can see that there is a lot of opportunity here to do some restoration work and some habitat enhancement along this riparian area of the creek and the conservation easement would have a riparian buffer zone on it that is a total of 50 feet, 25 on each side. And one of the things about some of the impacts to this riparian area in the past, so it isn't just about cattle grazing. There's actually quite a few ungulates that have had an enormous amount of impact on the habitat on this property as well and elsewhere, and that includes a really robust elk population. There are approximately 200 elk that'll go down onto the property during the wintertime. This is becoming more common winter range for those elk but also whitetail deer and mule deer as well. And so there are opportunities to improve that riparian habitat. Now, Miller Creek is a Westslope Cutthroat Trout Stream and Westslope Cutthroat Trout are a species of concern in the state of Montana. I actually had a conversation with the Fisheries Biologist in this area and he had mentioned that the upper portions of Miller Creek, and then some of those reaches still

have genetically pure populations of Westslope Cutthroat Trout. And so being able to provide some connectivity here with the Bitterroot River up to those upper regions would be very beneficial. And within the township and section of this property, when I pulled up the Montana Natural Heritage Program: Species of Concern, Threatening Endangered Species. There were 18 total species within that township and range. And so this property would help protect many of those species. And the property is just outside of city limits and so the Missoula County Growth Policy comes into play here. And this quote, when I was reading through the Growth Policy, a healthy agricultural sector is essential to the wellbeing of our community due to benefits such as food security, open space, wildlife habitat, economic activity, health promotion and quality of life. And when I think about what Oxbow Cattle Company, what Bart and Wendy are trying to do with their business here in the Missoula valley as well as with this conservation easement, this really is one of those projects that is so showcase project that reflects everything that's described within this Missoula County Growth Policy. And this conservation easement would help ensure protecting those values. And so how would the easement protect those values? Well, there would be no home sites permitted on 168 acres. There would be no subdivision either. So, those two parcels will be sealed together and they would have to be sold as one. Also, because it is a NRCS agricultural land easement, there are minimum terms associated with that and those terms are, for example, no more than 2% of impervious soil or impervious surfaces on the entire property, and that includes paved roads or a hay shed that doesn't allow for a water filtration into the soils. And so there are other limitations as well. And I just want to mention that this project really has been a showcase project for the NRCS for funding. It competed at a state-wide level and it was one of the top projects within the state. And I think part of that is not only for those agricultural soils that the program is set up to protect, but also just the risk of potential development on this parcel being so close to the city of Missoula as well as Lolo. And so it really has become a showcase project for NRCS as well. And then, as I mentioned, that riparian buffer zone to protect Miller Creek enhance that wildlife habitat and also from a degradation standpoint as well, it'll help protect that stream. So, just briefly, looking over the budget here, total project costs are estimated at about \$374,000. As I've mentioned, those transaction costs are running approximately \$26,000. Five Valleys Land Trust is contributing, of course, our time, fundraising efforts and all of that and we do that through memberships and individual donations. And then the landowners are also contributing in cash to the project and we have secured that \$165,000 from NRCS, and we're requesting from the City of Missoula Open Space Bond Program \$175,000 to help us complete this project. If funded, we're hoping to be able to close on this project the end of February or beginning of March of next year. And so with that, we hope that you will join us in protecting this special place. And I know Elizabeth would like to step up again and go over a few more things. Thank you.

Acting Mayor Marler said, thank you. Ms. Erickson?

Elizabeth Erickson said, I just have a couple of additional details to add which Vicki certainly covered substantively, but just to make sure we're covering all our bases with the requirements. The conservation easement accomplishes a number of the purposes of the bond which are actually the language that was listed in the actual bond itself, ballot itself, which include conserving a working ranch, protecting wildlife habitat, providing open space and scenic landscape, protecting water quality of rivers, lakes and streams which include Miller Creek as well as the Bitterroot River nearby and then paying the non-personnel related transaction and project-related costs. The project is consistent with the goals of the City's 2006 Open Space Plan and the City's Open Space Ordinance. And the project received a unanimous recommendation from the City's Open Space Advisory Committee. And they met on July 13 and their letter of support is attached in SIRE. And, finally, the current balance of the open space bond is just slightly over \$492,000. The City's portion, which is that portion of the \$5 million that went to the City, and if this project is approved at the requested funding amount, the balance will be just over \$317,000 and that's based on the approved amounts of projects. And that's all I have. Thank you.

Acting Mayor Marler said, thank you. I'm going to go ahead and open the public hearing.

Wendy Morris said, good evening. Thank you, Councilmembers for considering this proposal and I have to apologize, I'm Wendy Morris of Bart and Wendy Morris of Oxbow Cattle Company. I have to apologize that Bart couldn't make it tonight. He had a family medical issue that he had to attend to. So, my husband and I own Oxbow Cattle

Company and we produce grass finished beef and provide it locally to our community. And we are in our fourth year of doing that and it's been such a positive journey for us mostly because of the Missoula community itself. I don't know that we would have been as successful in other communities, because they really have embraced this healthy local meat that we're providing for our community. We sell it to grocery stores, restaurants, the Farmer's Market and direct to consumers. And we've become very passionate about providing local healthy food for our community. In that process we had the opportunity to purchase this land and two reasons: 1) if we didn't purchase it, it would go to someone else and who knows what their intentions were and we really value the opportunity to run our business right on the edge of Missoula. And so, we felt strongly that it should continue in ag soils and help solidify our opportunity to provide this healthy food to Missoula. We have also seen the sprint of the development coming towards our land that we recently purchased and on those maps that they showed, you could see all the development, but there was an open hillside just directly north of the property that we bought that is slighted already for 700-family unit homes. And so, what we would really love to see is to stop that sprint of development at our property. As Vicki mentioned, there are important ag soils as well as wildlife habitat and we have Miller Creek running through this property, so there are a lot of positive benefits to maintain this space as open and an agricultural production. Our goal is to be stewards of the land and we're starting with land that needs some help in improvement, but we do feel like we can only go up, and our goal, while it's in our care, is to improve the land. The open space bond funds and our conservation easement will ensure that this land is kept open and available for these resources, ag production and wildlife in perpetuity, but we really feel like ultimately this easement is not about us and what we're doing on the land, it really is beyond us and about what this land will be in perpetuity. And so we want those values and those things to stay with the land even when we're gone. So, we also wanted to mention that we understand that these are public dollars and we don't take it lightly that this money is funded from taxpayers and we just really feel like the public benefit of what we're doing is not only the open space and the opportunity for ag production, but we also really tried to engage the community and have people out to see what we're doing, and we're about as local a rancher as you can get to Missoula so we'd like to maintain that, and maintain that for whoever wants to be in this space in the future. So, thank you for your time.

Acting Mayor Marler said, thank you so much.

Kim Gilchrist, Community Food and Agriculture Coalition, said, and I'm here on behalf of Annie Heuscher. She was really hoping to make it this evening to emphasize our support for this project, but she couldn't be here so I am going to read our letter of support instead. The Community Food and Agricultural Coalition is writing to urge your support of Five Valleys Land Trust proposed conservation easement on the Morris property. C Fact is a strong advocate for the conservation of Missoula's most important agricultural soils. The Morris property is situated in an area with few remaining contiguous agricultural parcels and the preservation of these is critical to the long-term liability of agriculture in the area. Conserving farmland helps protect our treasured rivers and riparian areas, provides essential ecosystem services and contributes to the continuation of our cherished agricultural history and economy. This easement will ensure that fertile soils will remain in agriculture in our community in perpetuity. In addition, your approval of this conservation easement will support the viability of Oxbow Cattle Company, a grass finished beef operation owned by Bart and Wendy Morris. Bart and Wendy are outstanding and committed members of our community and Annie has worked very closely with them, volunteering, posting events and sharing knowledge or them of sharing knowledge with other farmers and ranchers to enhance the long-term sustainability of our farming community in Missoula County. Bart has participated in our farm business planning and farm law workshops and has presented at land access and grazing workshops including a field day hosted at their Missoula ranch. Their excellent beef can be found in establishments from grocery stores to fine dining restaurants to food trucks across Missoula and they represent a truly local approach to beef production. We strongly encourage you to support this conservation easement and use the funds you manage to preserve key natural resources while enhancing the long-term viability of an upstanding member of our local food system and agricultural economy. Thank you for your considerations. If you have any questions or further comments, please feel free to contact Annie. Thanks.

Acting Mayor Marler said, thank you. Any more public comment? Okay, I don't see more public comment, so I'm going to close the public hearing and we will go to questions from City Council. No questions from City Council? Mr. von Lossberg?

Alderman von Lossberg said, thank you. I move we adopt a resolution of the Missoula City Council to expend up to \$175,000 of 2006 Open Space Bond proceeds toward the purchase of a conservation easement across 168 acres of agricultural land and open space on the Oxbow Cattle Company property in the Miller Creek area of Missoula, and pay a portion of the transaction costs associated with purchasing the conservation easement. May I speak to it briefly?

Acting Mayor Marler said, please.

Alderman von Lossberg said, I just want to say thanks to a number of people. Thank you, Ms. Erickson, for continuing to do your good work and bring us these projects. Thanks to the folks at Five Valleys Land Trust, a phenomenal partner for the community. Thank you for all your good work. Thanks to the folks on the Open Space Advisory Committee for the diligent work they do in redoing these projects and most importantly, I want to thank Bart and Wendy Morris. Thanks so much for doing what you do and there's a lot of reasons to love this project. I believe, of Miller Creek that runs through here and the riparian and the opportunity for riparian protection and restoration it is right up there for me, in particular, so thanks. It's an easy project to support.

Acting Mayor Marler said, more discussion? Ms. Jones?

Alderwoman Jones said, I just wanted to add that I had the pleasure of going on a field trip to see this property and it really is a key piece. If you were looking at the maps, its location is just incredibly important so I'm really glad to be supporting this. And when I had my field trip out to the property, I had the pleasure of meeting Bart and Wendy Morris and I was really impressed by their commitment to this land and these values and I think things are in really good hands, so I'm very happy to be supporting it tonight.

Acting Mayor Marler said, additional discussion? I'm excited too. Thanks everybody. This is great. Okay. We had our public comment and we had our discussion. Let's have a roll call vote.

RESOLUTION 8205

MOTION

Motion to adopt a resolution of the Missoula City Council to expend up to \$175,000 of 2006 Open Space Bond proceeds toward the purchase of a conservation easement across 168 acres of agricultural land and open space on the Oxbow Cattle Company property in the Miller Creek area of Missoula, and pay a portion of the transaction costs associated with purchasing the conservation easement purchasing the conservation easement.

Upon a roll call vote, the vote on Resolution 8205 was as follows:

AYES: Armstrong, Bentley, Cares, Hess, Jones,
Marler, Swaney, von Lossberg

NAYS: None

ABSTAIN: None

ABSENT: DiBari, Hedahl, West, Wilkins

Resolution 8205 carried: 8 Ayes, 0 Nays, 0 Abstain, 4 Absent

IX. COMMUNICATIONS FROM THE MAYOR

Acting Mayor Marler said she hoped everyone enjoyed watching the eclipse today. She watched from Lewis & Clark Caverns State Park, which she had never stopped at before and it was wonderful, except she didn't know she couldn't see the eclipse from inside the

caverns. She said she was kidding. They watched it at the Amphitheatre first and then they went into the caverns. It was great. Also, someone spoke in public comment section that we have never had either a mayoral or municipal election by mail ballot and, for the record, that's inaccurate. The last five municipal elections were by mail so doing it by mail is pretty standard procedure. She thanked City Attorney Nugent for pointing that out.

X. GENERAL COMMENTS OF CITY COUNCIL

Alderman Hess thanked our resident expert on all things space-related and our City Clerk for pushing him off the fence and encouraging him to drive 529 miles today for a 1 minute and 40 seconds that he will never forget watching the eclipse. It was very humbling and awesome.

Alderwoman Armstrong thanked the Big Sky Equestrian Park for accommodating their 3:00 a.m. exodus from Lolo with 35 horses last week and letting them stay there for free. Hopefully, they get to go back home this week sometime.

Alderwoman Cares said by this time next week kids will be back in school. Her oldest is starting kindergarten so for the first time ever she knows the anxiety and the work that goes into back to school and she wanted to tell all parents and students it's going to be a great year and good luck.

Alderwoman Swaney thanked the Helena Commissioners and Mayor for the removal of their Confederate statute monument. Also, she spoke about the proclamation that was read today. Her and her family moved to Missoula 10 years ago because of the University of Montana and her life and her academic experiences were greatly enriched by faculty, staff and administrators who have since retired. Dr. Fred Allendorf was her Master's Advisor and he's now retired. Dr. Rich Clow served on her doctoral committee and he also has retired, and there's many more who have retired. She just wanted to acknowledge their contributions to her experiences here in Missoula and thank them.

Alderwoman Jones said she's been missing Councilman Jon Wilkins because he's been gone for a couple of weeks on a family vacation and looking forward to seeing him back soon. She acknowledged that he is a veteran and it is always very helpful having that first-hand experience and his insight into veterans' issues, and that's a very valuable thing that he brings to Council. She's looking forward to seeing him soon.

XI. COMMITTEE REPORTS

1. Administration and Finance Committee Report
 - a. [August 16, 2017 Administration and Finance report](#)
2. Land Use and Planning Committee Report
 - a. [August 16, 2017 Land Use and Planning report](#)
3. Parks and Conservation Committee Report
 - a. [August 16, 2017 Parks and Conservation report](#)
4. Public Works Committee Report
 - a. [August 16, 2017 Public Works report](#)

XII. NEW BUSINESS

None

XIII. ITEMS TO BE REFERRED

1. Administration and Finance Committee
 - a. [Resolution levying assessments for the Downtown Business Improvement](#)

[District \(BID\) for fiscal year 2018.](#)

- b. [Resolution levying assessments for the Tourism Business Improvement District](#)
2. Land Use and Planning Committee
 - a. [Appointment to City Board of Adjustment](#)
 3. Parks and Conservation Committee
 - a. [Missoula County Public Schools fiber optic line encroachment license: Madison Under-bridge](#)
 - b. [Contract for prefabricated picnic pavilion - Kiwanis Park](#)
 - c. [Energy and Climate Team Update](#)

XIV. [MISCELLANEOUS COMMUNICATIONS, PETITIONS, REPORTS AND ANNOUNCEMENTS](#)

1. Administratively approved agreement report
 - a. [No administrative report](#)

XV. [ADJOURNMENT](#)

Acting Mayor Marler thanked the council members and the staff for their service.

The meeting adjourned at 8:06 p.m.

ATTEST:

APPROVED:

Martha L. Rehbein, CMC
City Clerk

John Engen
Mayor

Respectfully submitted by,

Kelly Elam
City Clerk Office