

COMMITTEE OF THE WHOLE
City Council Chambers
140 W. Pine
MISSOULA MONTANA
March 5, 2012, 6:00 PM to 6:55 PM

Members present: Marilyn Marler, President; Bob Jaffe, Vice President; Ed Childers, Caitlin Copple, Dick Haines; Adam Hertz; Mike O'Herron; Dave Strohmaier; Alex Taft; Jason Wiener; Jon Wilkins and Cynthia Wolken

Others present: James Grunke, Brigitta Freer, Susan Ash, Martha Rehbein, John Engen, Keila Spzaller

I. Administrative Business

- A. [Minutes of February 15, 2012](#) (Joint with BCC meeting)
- B. [Minutes of February 15, 2012](#)

No action taken.

II. Public Comment on items not listed on the agenda

There was no public comment.

III. Regular Agenda

- A. [Joint meeting between the Missoula City Council and the Missoula County Public Schools' Board of Trustees \(memo\)](#).—Regular Agenda (Dave Strohmaier) (Referred to committee: 09/17/07) (Remove from agenda)

Mr. Strohmaier sought Council support to have a meeting to collaborate with Missoula County Public Schools. Decisions made by Council and the school district affect one another and a regular meeting will provide an opportunity to communicate and collaborate. Alex Apostle, Superintendent of Schools, embraced the idea and offered to host the first meeting.

Council members agreed to meet noting the school district and the city have common interests in land use matters and economic development.

Council members are asked to share agenda items with the City Clerk who will contact the school district and make arrangements for a meeting in the near future.

- B. [Invite James Grunke and Brigitta Freer from the Missoula Economic Partnership \(MEP\) to discuss with the committee on the status of recruitment of a new Director and progress made on their strategic goals. \(memo\)](#).—Regular Agenda (Caitlin Copple) (Referred to committee: 02/27/12) (Remove from Agenda)

Ms. Copple thanked everyone for attending the meeting and noted it's important for City Council members to understand MEP's initiatives, so they can communicate with the community. The City is one of the largest investors in the partnership.

James Grunke and Brigitta Freer from MEP and Susan Ash from Partners Creative attended the meeting. MEP is currently recruiting a new CEO to lead the organization. Five candidates will be interviewed this week by an MEP committee, and they hope to have two finalists emerge to introduce to the board and the investors. The recruitment process is projected to conclude in five weeks.

Mr. Grunke has served as an interim head of the partnership in the meantime, focusing on organizational matters. Their website is www.missoulaworks.org. Their annual budget is \$700,000.

Economic development is measured by results. MEP has established four benchmarks to measure their progress including:

- Creation of 2,500 jobs over next five years that pay \$37,500 per year.
- Generate \$150,000,000 in capital investment
- Twenty-five business startups

- Twenty-five business recruitments.

The partnership is focused first and foremost on business retention and expansion and is looking to the local area to generate half of the jobs to meet the job creation benchmark

Examples of initiatives MEP is undertaking include:

- **Innovation based economic development crafted toward the startup community** There is a lack of space for business startups to collaborate with other startups, meet potential investors and access professional advice for their business endeavors like intellectual property attorneys and marketing. MEP and the University are creating such a space at the Montec conference room.
- **Developing local capacity to access the equity capital funding stream.** One of the inhibitors to creating high tech jobs is access to equity capital including: angel investment, venture capital and private equity. MEP is assembling angel investors and is helping local entrepreneurs learn how to successfully present their ideas to potential investors. MEP is holding the first screening for entrepreneurs to present to their angel investors soon. This initiative has been widely embraced.
- **Establishing a medical residency program in Montana with Partnership Health Center** Montana is currently last in the nation for attracting medical residents. This program brings thirty medical residents to Missoula to serve underserved and rural populations. Statistics show that most medical residents stay in the vicinity when they complete their residency. These are well paying jobs.
- **Visiting with local businesses** MEP plans to visit with fifty local businesses every year and have already worked with a host of local companies putting them in touch with local resources. Generally, people in Missoula love the quality of life in Missoula, but they are frustrated with the lack of opportunity. In response to a City Council question posed about business attitudes about the City, Mr. Grunke and Ms. Freer indicated the Office of Planning and Grants is viewed as an obstacle and barrier to doing business. Streamlining the review process and making it more consistent would be helpful. As Ms. Freer interviews local businesses, there is a perception that the business climate is difficult here. This sentiment spans across all local industries and businesses. Businesses consider the challenges they will face in the development review process as they think about whether to expand or remodel their facility. Those perceptions and challenges are communicated in the local business community over and over again and with a broader audience outside of Missoula.

When MEP approaches a business about locating in Missoula, one of the first things that business will do is talk with local businesses about what it is like to do business here. MEP wants local businesses to have a positive response when that question is posed.

Councilman Wiener noted he supports creating good places, but he cannot ignore his responsibility to his constituents' concerns about growth. MEP needs to help businesses understand that things people love in Missoula are because of the process here.

Given the lack of a CEO, Mr. Grunke characterized MEP's efforts relating to business recruitment as passive.

- Several MEP partners recently attended a site selector's conference and gauged attitudes about doing business in Montana. Most businesses don't think about Montana when considering site selection. Site selection is about relationship building and site elimination. Montana is not on the radar screen of many companies unless they have been exposed to it.

- MEP has developed an Air Service Task Force with the airport composed of St. Patrick Hospital, GT Solar and the University of Montana to provide a \$500,000 revenue guarantee necessary to support a low cost carrier to fly into Missoula. Talks will occur in May. Other Montana cities that have low cost carriers have seen airfares decrease across all carriers. They are also working on reestablishing in state air service from Billings to Missoula. This route will also require a revenue guarantee.

City Council members asked about the opportunities for job creation with the University. MEP believes there are endless opportunities including: computer science, technology, technology transfer, etc. The University has hire Ed Wetherbee to assist faculty in developing their ideas. An additional area MEP has identified to focus on is pharmaceuticals. The University of Montana graduates many highly skilled pharmacy students, but there are no local career opportunities. As the federal government considers decentralizing vaccine production, MEP is exploring the possibility of Missoula becoming a regional vaccine provider.

MEP has met with Tom MacClay about the Bitterroot Resort and referred him to some resources. Given the salary levels projected as a result of the project, MEP has determined it may not be a best fit for the community. Mr. Hertz responded there seems to desire for more jobs, but not "those kind of jobs." Mr. Grunke indicated some kinds of industries that have been here historically may not fit anymore. People choose to live here because of the culture and fabric of the community, and the economic partnership must support that.

Mr. Grunke supported the City Council reactivating its economic development because it is symbolic to the community and will provide a venue for the City Council to communicate their interest in economic development initiatives.

Mr. Grunke indicated MEP is working with Ms. Ash to formulate a marketing plan that focuses on two things:

- Do you have a business you want to grow and expand?
- Do you want to locate in Missoula? Here's why you should.

There was no public comment.

IV. Held in Committee

- Updates from Council representatives on the Health Board, Community Forum, Transportation Policy Coordinating Committee, other boards and commissions as necessary. – (Ongoing in Committee)
- Joint meeting of the Mayor, City Council and County Commission; a facilitated quarterly OPG review as directed in the [Interlocal Agreement](#) (Agenda) —Ongoing (Mayor Engen)
- Examination of Office Planning and Grants ([memo](#))—Regular Agenda (Lyn Hellegaard) (Referred to committee: 09/08/08)
- Biannual meeting with Missoula Chamber of Commerce. ([memo](#))—Regular Agenda (Marilyn Marler) (Referred to committee: 02/13/12)
- Invite Dr. Barry Good, Dean of the UM College of Technology to update the committee on current plans and programs of the COT. ([memo](#))—Regular Agenda (Mike O'Herron) (Referred to committee: 02/13/12)
- Discuss OPG reorganization proposal with Department Heads. ([memo](#))—Regular Agenda (Marilyn Marler) (Referred to committee: 02/06/12)

V. Adjournment

The meeting adjourned at 6:55 p.m.

Respectfully submitted,

Martha Rehbein, CMC
City Clerk