

MISSOULA REDEVELOPMENT AGENCY

CONDENSED BOARD MEETING MINUTES

June 23, 2011

FINAL

A meeting of the Board of Commissioners of the Missoula Redevelopment Agency was held at the MRA Conference Room, 140 West Pine, Missoula, MT 59802 at 12:00 PM. Those in attendance were as follows:

Board: Nancy Moe, Karl Englund, Daniel Kemmis, Rosalie Cates (via phone)

Staff: Ellen Buchanan, Chris Behan, Jilayne Lee, Tod Gass

Public: Courtney Ellis, Dorsey & Whitney, LLP; Myrt Charney, Play Ball Financing Committee; Rena Hansen, Play Ball Missoula; Matt Ellis, Mountain Baseball; Mike Ellis, Mountain Baseball; Gerald Mueller, Play Ball Financing Committee; Wes Spiker, Play Ball Missoula, Chairman; Shane Reely, Reely Law Firm; Mica Lindsey, MCDC; Dave Blaser, MCDC; Gary Clark, Missoula FCU; Mae Nan Ellingson, Dorsey & Whitney, LLP; Susan Estep, Estep, Hope & Weber; Patsy O'Keefe, Private Lender

APPROVAL OF MINUTES

None submitted.

PUBLIC COMMENTS & ANNOUNCEMENTS

Behan said later this month MRA will receive a request from Jennifer Anthony to put graffiti guard on the bench shelters in Silver Park. This will come under the Director's approval threshold. MRA is also sponsoring a Department of Natural Resources and Conservation planning grant to do a comprehensive look at the riverbanks between Russell and Orange Streets.

ACTION ITEMS

Civic Stadium – Refinancing Proposal (Buchanan)

Engen said today's meeting is the product of many months of meetings regarding the financial situation of the Civic Stadium. He provided the following points for the Board to consider:

1. Play Ball Missoula was formed for the sole purpose of building a baseball Stadium that was to be a gift to the City of Missoula. Despite some controversy, the City choose to accept that gift did so by providing land and more than \$2 million of investment in infrastructure and construction. And in doing so, became a partner in the facility with the understanding that the City would own the facility at the time it was free and clear of debt.
2. All parties involved in developing, financing and constructing the Stadium have operated in good faith over the years, but great intentions cannot overcome economics. There is no way, in my experience, for the Play Ball Missoula non-profit organization to retire the debt on the facility and it is facing foreclosure.
3. In the event of foreclosure, the City's investment, including its land, will be in private ownership with no guarantees of continued use.
4. With MRA funds, which do not increase citizens' property taxes but directly benefit Urban Renewal District II, the City has an opportunity to protect the asset, own it outright, much sooner than later, and further protect the millions of dollars of additional investment that the City has made through MRA and other sources at the mill site.
5. Mountain Baseball, which also has significant investment in the Stadium, which often goes forgotten in some conversations, will become a true financial partner in the Stadium with a lease that reflects business realities, covers operational expenses and retires remaining debt through a 25-year commitment.
6. Under this arrangement, the city will own the Stadium free and clear from day one and have no additional liability or encumbrance; no lender may come back to the City in the event of default and the City will still own the Stadium.
7. The Stadium's been appraised at more than \$10 million. The appraisal is a little old but we think replacement value is at least \$9 million. All in, the City, through MRA will own a \$9 million facility with an investment of a little more than \$4 million. We are not counting the value of the ground as a piece of that investment.
8. Play Ball will continue to exist to ensure that a maintenance fund, which has been required but never funded in existing agreements, is created and fully funded, again tempering the City's long-term liability.

Engen said he would be remiss if he didn't thank Mae Nan Ellingson who stepped up a long time ago to help solve this problem. He said the lenders in the room today have been enormously patient and cooperative in this difficult situation. Folks who invested in this facility had expectations of being paid back and folks who took out the loans had full expectations of paying them back. Engen said that hasn't happened for all sorts of reasons, all of them he feels, are legitimate, honorable and reasonable.

Engen said he feels we need to correct the situation, move on and own the Stadium, and let it be the community asset it was promised to be.

Buchanan summarized the deal as far as MRA's involvement. There are two different types of debt against the Stadium. There is secured debt in the form of secured lenders, consisting of Missoula Federal Credit Union (MFCU), Montana Community Development Corporation (MCDC), and eight private lenders. These entities have a lien against the property. There is unsecured debt, which is essentially held by First Security Bank. There were a couple of other unsecured lenders who have written off their debt, Missoula Area Economic Development Corporation (MAEDC) being one of them.

The MRA and tax increment piece of this proposal deals with the secured lenders. It has been proposed that MRA commit \$2 million in tax increment over four years to pay down some of the existing debt, and some of it will be forgiven by the private lenders.

In regards to the debt held by the two institutions, MFCU and MCDC, part of their debt will be paid with the \$2 million tax increment and part if it will be paid with revenue bonds. The revenue bonds will be issued and repaid through a new 25 year lease between the City and Mountain Baseball with annual payments of \$120,000.

Buchanan reiterated that MRA already put \$2 million into the facility; \$1 million was essentially infrastructure around the Stadium such as trails, utility extensions, etc. and the other \$1 million was for construction of the Stadium as a public facility that would be owned by the City. When this investment was made, the City Council on MRA's recommendation, declared the construction of the Stadium an urban renewal project.

If the Board approves today's request, the MRA will ask the City Council to declare the purchase of the Stadium an urban renewal project.

The Mayor has requested MRA to manage the lease for the Stadium. This will involve collecting the lease payments, making payments to creditors, and being involved in some fashion on the extraordinary events committee. This would also include making recommendations with respect to maintenance expenditures that are out of the ordinary. The expenditures would be paid from the maintenance fund.

Buchanan said MRA has two options if we want to move forward with this: 1) pay it out of cash/revenues over four years or 2) issue debt over 20 years. Staff is recommending the Board approve the issuance of \$2 million in tax increment Notes and pay it out over four years. Buchanan said MRA has the capacity to do it over four years. It will have some impact on decisions made for four years but she believes there are not onerous or would damage the district and any way. By not bonding for the money, it saves MRA money on interest, debt service reserve, issuance costs and it also doesn't tie up the bond coverage capacity of the District for a twenty year period.

Buchanan said if the Board approves the recommendation, it will move forward as a referral to City Council to approve:

1. The issuance of \$2 million in tax increment notes payable over four years
2. The City enter into a Lease Agreement with Mountain Baseball

In addition, the Board can decide today or later, to agree to whether MRA will manage the lease agreement.

The tentative schedule set up is:
City Council Committee – June 29th & July 6th
Council adopts resolution of intention – July 11th
Public Hearing – August 1st
Adopt Ordinance – August 1st

Moe asked if the schedule allows for review of the lease, etc. and for the appraisal to be completed. Buchanan said the appraisal is part of the package and MRA has the month of July to review the documents.

Ellingson said the lease is nearly complete. When it is final, Mountain Baseball will need to send it to their regulatory agency and Jim Nugent will need to review it so there will be time for the Board to see it.

Gerald Mueller, Chairman of Play Ball Special Financing Committee, said the Committee was formed last summer and given the task of restructuring the debt and preserving the Stadium as a City asset. None of the members are lenders, guarantors or related to the financing parties.

The Financing Committee, along with Wes Spiker and Rena Hansen from the Play Ball Board, met with all of the creditors, secured and unsecured lenders, the Mayor and MRA. They asked all of the creditors to forgive some of the principal and interest that they were owed.

Mueller said the Committee also asked the City to increase its financial support. The financing package goal was to get all parties to accept it, not to get everyone to see it as fair. Mueller said “fairness” is in the eye of the beholder. The Committee was asking these institutions and individual parties to forgive money that Play Ball owed them, which isn’t fair. Mueller said they are pleased to say the financing package has been agreed to, as Buchanan described.

Mueller said when Play Ball started out, led by Hal Fraser, the intent was to use private dollars, not tax payer dollars and the intent was to donate it to the City. Play Ball succeeded in that there is a Stadium and a baseball franchise.

Mueller said there were over 3,000 people at opening night, filling the Park with families, fans and citizens. As the Mayor said, Play Ball did not succeed in financing the Stadium privately, but not for lack of effort. Mueller said fortunately, many leaders in the

community have stepped up to help solve this problem and help preserve this community asset. Mueller said Play Ball and the Financing Committee are asking the MRA to support the recommendation of the financing package and forward this to City Council.

Cates wanted on the record that she had been part of the negotiations when she was director of MCDC. The Board felt it wasn't a conflict of interest and she could participate in the discussion and vote. Kemmis also disclosed that he and his family are depositors and borrowers of the MFCU.

Kemmis said he is an early and avid supporter of professional baseball in Missoula. He appreciates all of the good will and hard work that has been done to get us here. Kemmis had a specific question regarding the rule regarding MRA involvement.

Kemmis wondered if the City was confident enough about the \$9 million appraisal number to write it into the document. Engen said the 2006 appraisal was at approximately \$10.2 million and so he thought \$9 million was a solid number particularly looking at it from a replacement value perspective. Engen said he wants to confirm that number with an appraisal. Ellingson said she would prefer not to put the number into the documents. She said there is no legal reason that it be included but Engen wanted to show the value to the Council and citizens of what the City would be gaining.

Kemmis felt the Mayor made a strong argument for public ownership. He felt a distinction needs to be made regarding funds from the City and those of the MRA. The MRA has particular responsibilities that are set forth in State law. MRA has responsibilities to all other taxing jurisdictions that don't get the money that MRA has available to invest. Kemmis said the only way that he knows to make a case for using not General City Funds but MRA funds, is if MRA is convinced that there is now \$4 million dollars of redevelopment value in the Stadium.

Kemmis said if he had been asked up front for \$4 million worth of MRA funds, he would have said yes, and that he thinks there is that much of redevelopment potential there. Now, Kemmis felt MRA is in a different situation. Now after all of these years, the investment hasn't spurred further redevelopment in the Millsite as we would have thought. Kemmis said let's keep in mind that we are not talking about another \$2 million in General City funds, but MRA funds.

changing tape – tape 1, side 2

Engen felt the reason he is relying on the MRA and URD II is because he believes that the Stadium as a redevelopment project has the potential to spur the area and contributes and will continue to contribute to reinvestment in URD II long after the district sunsets. Engen felt that because the MRA has twice before declared this an Urban Renewal Project, and has already invested in the area, MRA and URD II is the appropriate place for this financing to come from.

Engen said a few years ago, voters did not support doing a General Obligation Bond for the construction of the Stadium. Engen said he'd like to honor two principles:

1. The Stadium is a community asset and he feels MRA funds can be used to preserve the asset.
2. Generally speaking, a few years ago, voters didn't support using General Fund money to construct the Stadium.

Engen felt the financing package proposed is a solution that addresses both of these principles.

Buchanan said the Millsite has had a bumpy road for the past seven years. The cleanup has been really complicated. The economy also became a problem. Both Kevin Mytty and Ed Weatherbee would probably tell you that if the Stadium goes dark, their project might take a different turn. Buchanan felt the Stadium was directly related to their decision to redevelop the Millsite.

Kemmis said there will probably be some public push back, so he has a couple of questions. What analysis has been done of remaining elasticity of ticket pricing?

Mike Ellis, Mountain Baseball, said in minor league baseball, our charge is to be a community asset, and pricing is everything. Once we lose the ability to get families and children to come, we have lost our obligation and our objective. As great as Grizzly football is, it's very difficult for a family to get tickets and bring a group of kids to the games. Ellis said Mountain Baseball never has that problem. They have a "Hit the Books" program where kids earn free tickets and they fund it at their expense so they can bring kids out to the ball park. Ellis said for all of these reasons they are very thoughtful when pricing their tickets. Up until now, \$1 of every ticket has gone to help fund the Stadium. Ellis said they evaluate prices every year but they believe in being the most affordable entertainment they can be and still make it work.

Kemmis said he appreciates that approach but in these circumstances, he felt everyone involved has to be pushing themselves. Ellis said Mountain Baseball has committed to a tripled lease payment and taken on all of the maintenance costs. They are getting additional revenues to pay for this so they would like to maintain the same type of price structure.

Kemmis asked Play Ball Missoula representatives if they are convinced they've done everything they think they can do in the fund raising effort. Rena Hansen, Play Ball, gave a history of what they've done. More has been raised on this project than any other. Hansen said they've involved some different folks in trying to revive a capital campaign and did a survey to assess the potential of raising more money. The survey was taken by existing donors and potential donors. It became clear there was not the appetite or willingness in the community to get it done. Play Ball Missoula has \$6 million in debt; therefore the fundraising effort becomes very large. The fact that the Stadium is completed was a battle they couldn't overcome. Hansen said they looked at other approaches. In reality, with this financing package proposing to put in \$3.5 million and in

reality, with accrued interest, the debt is just over \$7 million, Play Ball has effectively done another capital campaign for \$3.5 million. Hansen said she's confident in saying that they've taken from everyone, including a lot of the people in this room, every ounce they could get to make this work.

Cates asked a few questions regarding the Resolution of Intent, such as the written notice of default. Ellingson responded saying Play Ball notified their lenders they could not make good on their obligations but the financing committee got involved before any papers could be filed. Cates felt that would trigger the City's action. Moe asked about the clear title situation. Ellingson responded. Discussion ensued. Cates said her concern was with Section 1.09 of the Resolution.

Cates asked about the documents memorializing the financing package indicated on page five of the Resolution. Cates said it indicates that MRA will review the lease, Civic Stadium agreement, tax increment notes and revenue bonds on behalf of the City. Cates wanted to know if the Board wanted to see copies or leave it up to staff. Moe felt the Board should review the documents.

Cates reiterated that the \$120,000 lease payment paid by Mountain Baseball goes to MCDC/MFCU for twenty-five years to retire that debt. Englund asked if the entire lease payment goes to the secured lenders? Ellingson said there will be a debt service schedule that leaves a couple of thousand dollars extra, which will go into a surplus fund. The City would be allowed to transfer that to the Replacement and Depreciation (R&D)/maintenance account or use it for other City approved things for the Stadium.

Cates asked if Mountain Baseball goes away, will lease have to be honored. Ellingson said if Mountain Baseball terminates the lease, the damages are the principal amount of debt outstanding plus accrued interest to the day of the payment.

Cates thought Engen's intent was not to use City General tax dollars so she asked if that was the general philosophy when it comes to maintenance. Ellingson said Mountain Baseball will be responsible for all routine maintenance and cost of operations in addition to paying the \$120,000 annual lease. Mountain Baseball is not responsible for making extraordinary repairs. Play Ball is committed to staying in existence until the R&D account has at least \$250,000. So, the City would hopefully have enough money to make any repairs out of this account.

Ellingson said at the end of twenty-five years, the lease payment or a portion of it could go into the Replacement and Depreciation account and build it up even more.

Cates said she didn't want the responsibility of building the R&D account to come back on the City if Play Ball goes away. Ellingson said there will be an Agreement between the City and Play Ball that says they will stay in existence or create a successor entity that will undertake its obligations. Ellingson recognizes that there is no guarantee that you can get people to serve on the board, etc., so the lease obligates Mountain

Baseball to assist any non-profit group with raising funds for the R&D account. Discussion ensued.

Engen felt Mountain Baseball is already carrying a lot of responsibility in this deal so if there's something that need to be buttoned up, then felt it should be done with Play Ball and not Mountain Baseball. Ellingson said they could go back and look at the lease arrangement again.

Cates said the other group that could be approached for coming up with additional money to pay for repairs not covered by the R&D account is MRA and she didn't want that to happen. Buchanan stated there are limitations to what tax increment can be used for and maintenance of a facility is not in state law.

Moe thanked all those who worked on this process and Ellingson for putting the information together. Moe asked how Play Ball, Mountain Baseball and the Extraordinary Events Committee (EEC) work together.

Matt Ellis, Mountain Baseball, said additional money needs to be raised outside of baseball in order pay the lease since the commitment is so much higher. So, Mountain Baseball has agreed to take on the opportunity to generate other revenue and have it come to them. Ellis said if the Extraordinary Events Committee stops letting Mountain Baseball do other events, it jeopardizes their ability to be successful. Ellis said they have discussed restructuring the Committee to add others that are vested with the Ball Park so that the decisions being made are made for the right reasons and not the wrong reasons. Ellis felt they've proven in their operations that the neighborhood is important to them and the lease includes all of the requirements for them to be good neighbors.

Matt Ellis said Play Ball becomes less of a player in the Extraordinary Events Committee as it is proposed. Ellingson said MRA has been substituted for Play Ball because they won't have any responsibility for determining what goes on at the Stadium. Play Ball will continue to undertake fundraising to make their \$25,000 payments per year to the R&D account, primarily through their Hot Stove fundraising event held annually. Play Ball has made revenues from rentals but primarily through Hot Stove. Historically they have raised enough to cover the \$25,000 amount needed.

Moe expressed her concerns over the \$250,000 for R&D account, which she felt didn't seem adequate. Moe also asked why Play Ball was only asked to contribute the \$25,000 for ten years. Ellingson said one reason was that she felt it may not be realistic to assume a non-profit would stay in existence forever. Ellingson said she agreed that the \$250,000 may not be enough. Discussion ensued.

Mike Ellis, Mountain Baseball, said they don't mind being a back-up and they try to be involved in the fund raising. He felt the Stadium is mostly a concrete structure, concourse, etc. He felt insurance would probably cover some extraordinary issues.

Engen asked what Hot Stove brings in. Rena Hansen said it nets about \$50,000. Play Ball realizes that it will lose some of its donor base due to this negotiation and settlement deal. The only purpose of Play Ball or its successor is to fund this reserve.

changing tape – tape 2, side 1

Englund asked about the other lending institution involved, First Security Bank (FSB), and where it fits into the financing picture. Ellingson said FSB's money was secured by a lien on certain pledges made to Play Ball. This was FSB's first level of security before their guarantors. So the workout is that Play Ball will continue to try and collect as much of these pledges as possible and turn them over to FSB. Beyond those pledges, the Agreement says that FSB will release all claims to all future revenues.

Moe asked about the lease and the request to have MRA enforce the lease. She said there is risk there and wondered if MFCU and MCDC are satisfied that Mountain Baseball will be able to pay the \$120,000 per year.

Gary Clark, MFCU, said they have a relationship with Ellis family and they have reviewed Mountain Baseball's financials. They believe Mountain Baseball can make the annual payment.

Englund asked what amount is owed to FSB. Ellingson said it's changing daily due to the collection of pledges made to Play Ball. Rena Hansen said prior to collecting outstanding pledges, and some donations from guarantors, Play Ball had an outstanding principal balance of about \$1,799,000 and an accrued interest balance of about \$265,000 for a total of approximately \$2,065,000. We have provided to FSB through pledge collections and donations (for release of guarantees) about \$325,000. Hansen said she anticipates additional collections and donations coming in like this.

Englund summarized that FSB is still owed about \$1.7 million, outside of this financing deal, and that FSB is still going to release all claims to the Stadium and revenue from the Stadium. Ellingson said FSB never had an interest/claim to the Stadium; they purposely determined not to be involved in the mortgage. FSB took personal guarantees instead.

Ellingson said when we started this process Play Ball had \$7.352 million in debt. That is all going to be satisfied in one way or another by the proposal to pay \$3.555 million through a \$2 million tax increment note paid out over four years and a \$1.555 million note that is paid back with the lease payments over twenty-five years.

FSB is going to enter into an agreement with Play Ball that states they release all claims to future Play Ball revenues except for those pledges that have been assigned and their personal guarantees. FSB never had, nor will they have any claims on the Stadium or Mountain Baseball in the future.

Englund asked if once the \$250,000 is achieved in the R&D account, can Play Ball dismantle? Ellingson felt based on the MRA Board's comments, she wanted to go back and work with Play Ball on a better situation for the City.

Englund asked for examples of routine maintenance. Rena Hansen, Play Ball, said that currently Play Ball pays for all maintenance including utilities, upkeep, etc. Examples include plumbing issues, clay, dirt, and irrigation; all this is handled by Play Ball. This would all be turned over to Mountain Baseball. Mountain Baseball will get the risk and reward in the new arrangement. Play Ball would just become an entity that turns over \$25,000 per year for the R&D account. Mountain Baseball will sign a lease with the City and the lease states they will be responsible for all routine maintenance.

Discussion ensued regarding maintenance issues and what is routine and what is extraordinary. The lease will stipulate what is routine and what is extraordinary and how those repairs will happen. Englund wanted to make sure there is a check on the situation regarding maintenance, i.e. routine inspections. Ellingson said something could be put in there. Matt Ellis said the lease already states the City can come in at any time and inspect the Stadium. Ellis added that the Stadium is an outdoor facility so fans will see whether it is being maintained or not.

Englund and Buchanan reviewed the URD II revenue stream. Moe asked what the Notes would be subordinate to. Ellingson said they are subordinate to the current outstanding Series 2006 Bond debt and any future bond debt. Ellingson said Springsted ran some numbers from MRA and even if the Agency decided to bond for the Millsite and other improvements, there still would be about \$666,000 remaining that the Notes could be paid from.

Moe asked if MRA could enforce the lease when URD II sunsets. Buchanan said yes, MRA does a lot for the City that is not district specific.

Englund asked Matt Ellis if he felt the need to increase the extraordinary events, and if so, by how much. Ellis said the short answer is no. The long answer is if what we are currently attracting on a yearly basis dries up, then yes, other revenue streams will need to be found. Ellis said they are aggressively trying to expand the concept of the Stadium not being there just for baseball but as a community asset. Ellis said one advantage they have is the ticket tax that has gone to Play Ball in the past will now go into their funding stream. Mountain Baseball's desire is to keep ticket pricing as low as possible and still make their \$120,000 lease payment.

Cates expressed her concern over the R&D fund. She felt that if the City doesn't want public money to go into maintenance then it needs to be figured out now and written into the lease.

Kemmis said he understands that we are essentially cutting in half the funds available for redevelopment for the next four years. Kemmis felt he may want more time to consider whether we want to pay it outright or bond for it. Kemmis asked Matt Ellis

about making the facility available to Play Ball for their fundraising. Kemmis felt that we don't want Play Ball to become a burden to its board members and its supporters. These are baseball fans. He felt allowing Play Ball to raise funds for the R&D account at the Stadium would be beneficial. Matt Ellis said they would be fine with including in the lease the opportunity to let Play Ball use the Stadium free of charge for fund raising events as long as the money was going into the R&D fund. Ellis said they would want language that said this was allowed as long as it didn't conflict with Mountain Baseball's fundraising events or operations.

Buchanan said there is more than twenty years left in District II so MRA has more than adequate time to finish sidewalks in the District. In light of this, MRA could suspend the sidewalk program for four years so there would be more money available for projects that walk in the door.

Ellis added that in the lease, the City has the ability to use the Stadium without a rental fee. There are some reimbursement costs that apply that Mountain Baseball would have to pay for an event to take place.

Engen spoke to the option of MRA paying the debt over four years or to finance it over twenty years; he said he's discussed this with Buchanan, Ellingson and others over time. Engen felt doing it early and quickly was more desirable.

Cates left the meeting.

Englund said he understands from the staff memo that bonding for this would be costly. Ellingson said the cheapest way to do it would be to pay it from cash/revenues over four years. She said Buchanan felt strongly about doing it this way and the Mayor had some reservations about combining it with another project bond.

Ellingson said if the Board feels they need more time to decide how it's done, she recommended they forward it without the specific references about how it's done. Kemmis said he doesn't want to hold it up over the method but just wanted to make sure the Board is comfortable with it.

changing tape – tape 2, side 2

Engen said he tried to simplify the process as much as possible. He felt this method was the most explainable and fathomable. Engen said he wanted to come back to the Board and propose other priorities for URD II that will help get the Millsite going, including Silver Park, extension of Cregg Lane and the railroad trestle.

Ellingson spoke to making changes in the Resolution if the Board desired. Moe felt the MRA Board needs to approve certain findings. Englund said he understands that someone from MRA, on behalf of the City, is supposed to review the resolution, lease agreement, etc. before approval. Ellingson said Moe and Cates previously expressed a

desire for the Board to see them so Buchanan can make sure that happens. Discussion ensued.

Kemmis concurred with Moe that the MRA Board needs to make some findings. Discussion ensued.

MOTION

KEMMIS: I MOVE THE BOARD MAKE THE FOLLOWING FINDINGS:

- **THERE ARE ADEQUATE TAX INCREMENT REVENUES TO ISSUE THE NOTES ON A SUBORDINATE LIEN BASIS IN THE AMOUNT OF \$2,000,000 PAYABLE OVER FOUR YEARS; AND**
- **NO PERSONS WILL BE DISPLACED BY THE PROJECT; AND**
- **THE PROJECT IS CONSISTENT WITH THE URBAN RENEWAL DISTRICT II PLAN; AND**
- **MAINTAINING THE CIVIC STADIUM AS A PUBLIC STADIUM OFFERING RECREATIONAL AND OTHER OPPORTUNITIES IN THE DISTRICT IS IN THE BEST INTEREST OF THE CITY AND IS CONSISTENT WITH THE CONTINUED REHABILITATION AND REDEVELOPMENT IN THE DISTRICT BY PRIVATE ENTERPRISE**

Moe seconded the motion. No further discussion. Motion approved unanimously. (3 ayes, 0 nays, Cates absent)

MOTION

KEMMIS: I MOVE THAT THE MRA BOARD FORWARD A RECOMMENDATION TO CITY COUNCIL TO:

- **APPROVE A RESOLUTION DECLARING THE PURCHASE OF THE CIVIC STADIUM TO BE AN URBAN RENEWAL PROJECT IN URD II, AND FURTHER**
- **APPROVE THE EXPENDITURE OF \$500,000 PER YEAR OF URD II TAX INCREMENT REVENUES OVER THE NEXT FOUR YEARS TO BE USED TO SERVICE THE DEBT ON TEN SUBORDINATED LIEN NOTES BETWEEN THE CITY AND THE PRIVATE LENDERS, AND FURTHER**
- **AGREE THAT THE MRA WILL BE THE CITY'S AGENT WITH RESPECT TO ADMINISTRATION AND ENFORCEMENT OF THE LEASE AGREEMENT BETWEEN THE CITY AND MOUNTAIN BASEBALL.**

THESE RECOMMENDATIONS ARE CONDITIONED UPON A COMMITMENT FROM PLAY BALL TO CONTINUE TO RAISE FUNDS AND TURN THOSE FUNDS OVER TO THE CITY FOR A MAINTENANCE AND DEPRECIATION FUND FOR THE CIVIC STADIUM, THE EXECUTION OF A 25 YEAR LEASE WITH ANNUAL PAYMENTS OF \$120,000 BETWEEN THE CITY AND MOUNTAIN BASEBALL, THE RELEASE AND SATISFACTION OF ALL CLAIMS AGAINST THE CIVIC STADIUM LAND AND IMPROVEMENTS AND THE RELEASE OF ALL CLAIMS TO THE REVENUE OF PLAY BALL.

Moe seconded the motion with the understanding that the conditions precedent are set out more fully in the proposed Resolution, Section 2.

Englund said in addition there has been discussion regarding not limiting the maintenance and depreciation reserve fund to \$250,000. There was no further discussion.

Motion approved unanimously. (3 ayes, 0 nays, Cates absent)

OTHER ITEMS

ADJOURNMENT

Meeting adjourned at 1:55 p.m.

Respectfully Submitted,

A handwritten signature in cursive script that reads "Jilayne Lee".

Jilayne Lee