

MISSOULA PARKING COMMISSION

Minutes

November 19, 2013

A meeting of the Board of Directors of the Missoula Parking Commission was held in the Jack Reidy Conference Room, 140 W. Pine at noon. Those in attendance were Board members, Theresa Cox, Matt Ellis, John Smith and Carol Williams. From the Parking Commission office was Anne Guest, Director. Also in attendance was Ellen Buchanan, Missoula Redevelopment Agency.

Call to Order – Theresa Cox

Theresa welcomed all in attendance

Adjustment to the Agenda - None

Approval of Minutes - None

Presentations – None

Action Item

A. Extraordinary Redemption of Recovery Zone Economic Development Bonds – Erin McCrady, Dorsey & Whitney

Erin began with an introductory explanation to the Board as to why we are entertaining the possibility of refinancing our current revenue bonds. She explained that the Missoula Redevelopment Agency is doing the same with their tax increment bonds.

Once everyone got settled, we called David Webber, Executive Assistant, Springsted Incorporated in St. Paul MN. Introductions were made.

Dave proceeded to give the history of what has brought us to this decision. The Parking Commission issued its \$75,000,000 Parking Facilities Revenue Bonds (Taxable Recovery Zone Economic Development Bonds (RZEDB) , Series 2010B on December 29, 2010. The proceeds of the Series 2010B Bonds were used to pay a portion of the costs of the acquisition of land, design and construction of the new parking structure, Park Place. In connection with the issuance of the Series 2010B Bonds, MPC elected to receive a direct payment from the United States Treasury in an amount equal to 45% of the interest payable on the Bonds on each interest payment dates. The intent was for the bonds to be taxable and the federal government would pay the difference in interest between the taxable rate and the tax-free municipal rate.

The Federal government got into trouble under the sequester so on March 4, 2013, the President signed an executive order reducing the budgetary authority in accounts subject to the sequester. This resulted in a reduction of approximately 8.7% in the federal subsidy payments on the interest payments. This represents approximately \$20,000 per year. The first withholding was 10-1-13. This withholding constitutes an “Extraordinary Event” which means that a material adverse change has occurred with respect to the Series 2010B bonds. This action entitled the Parking Commission the ability to redeem the RZEDBs.

Given the federal government’s continued willingness to abandon previous commitments, there is a loss of confidence going forward. It is reasonable to assume that the loss in the subsidy will never be paid retroactively and the reality that the whole amount they are obligated to pay may be dissolved.

In May, Brentt Ramharter, previous Finance Director for the City of Missoula, asked Dorsey & Whitney to look at the situation and advise the Parking Commission regarding the potential of

refunding the bonds and issuing tax exempt bonds which would remove any future influence by the federal government.

Today the Board needs to approve a Resolution that would allow the Parking Commission to move forward in its due diligence and explore the efficacy of refunding the current bonds.

The refinancing of these bonds would lead to a “break even” situation which would include all of the attorney and financial advisors’ costs. It is felt that our original bond rating of A- would remain the same mainly because our current bond coverage is very good and there is no reason to think that it would change.

Dave felt there would not be any pushback from the bond holders. There have been other municipalities that have refinanced similar bonds without any concern from the holders.

Dave advised the Board to approve the Resolution to be in a ready position for when the timing is right. This could be by the end of the current year.

The Board asked several questions and Dave was able to answer the Board’s concerns completely.

After a thorough discussion, the Board voted unanimously to approve the “Resolution Relating to Missoula Parking Commission Parking Facilities Revenue Refunding Bonds: Authorizing the Issuance and Negotiated Sale Thereof”.

Non-action Items

New Business

Missoula Transportation Demand Management (TDM) Program Review & Organizational Plan

Since there were a few minutes left, Anne introduced the Board to the study done by Nelson Nygaard. One of the recommendations in the study is to co-locate the agencies involved in supporting TDM strategies. The TDM group has met and has explored this possibility. Anne shared with the Board some of the positive aspects to this and some of her concerns. These have all been discussed with the TDM group. This was simply an informational discussion. Anne said that there will be more on this once the TDM group meets with the City Administration.

Old Business – None

Financial Statement

Director's Report

Next Meeting Date

December 5, 2013 in the Jack Reidy Conference Room at noon.

Other Business

Adjournment

Respectfully submitted,

Anne Guest
Director