

**MINUTES OF THE MEETING**  
**URBAN REVITALIZATION AGENCY**  
**AUGUST 2, 2016**

1. **CALL TO ORDER AND ROLL CALL** – Dale Mahugh called the meeting to order at 8:40 a.m.

**MEMBERS PRESENT:** Dale Mahugh, Bob Worley, Jim O’Neill, Stephen Coe, Robert Brown

**MEMBERS ABSENT:** None

**STAFF PRESENT:** Karen Byrnes and Sherrie Walsh

**GUESTS:** Mr. Fisher Fisher, Big Fish Properties, LLC, Pam Cote, BLDC, Adam Benson, BLDC, Jon Sesso, BSB Planning Department, Noorjahan Parwana, Mike Smith, Montana Standard

**APPLICANTS PRESENT:** Mr. Fisher Fisher, Big Fish Properties, LLC

2. **APPROVAL OF MINUTES AND FINANCIAL REPORTS**

Robert Brown made a motion that was seconded by Bob Worley to accept the minutes with a change to be made on Page 4, top of page that is a continuation of #7, of the June 28, 2016 minutes. The sentence should read – Dale Mahugh stated that he would like to table this discussion, until the next URA Board meeting. The motion passed unanimously.

The financials for June and July will be presented at the September URA Board meeting. Karen stated that her office is short staffed and has been unable to update the financials.

3. **DIRECTOR’S REPORT**

Karen Byrnes stated that she will address her report later in the agenda.

4. **PUBLIC COMMENT**

No public comment.

**MEETING CLOSED FOR LOAN DISCUSSION – Item 5, a. – MEETING WILL REOPEN AFTER DISCUSSION FOR BOARD ACTION**

5. Adam Benson, BLDC presented and reviewed the packet that was given to the URA Board regarding Big Fish Properties, LLC, owners Buddy and Carrie Fisher regarding requesting financing to purchase the three-story Stevens Block building at 140 W. Park Street in Uptown Butte. The sale price for this acquisition is \$200,000 dollars. Adam stated that the \$25,000 dollars being seller credit towards work that Mr. Fisher will provide to Mr. Francis on the Piccadilly Museum and then some other associated properties as well. Adam stated that the proposed collateral for this project, will be a lead position for the URA on the property located

at 140 West Park Street, as well as personal guarantees from the principals, Big Fish Properties, LLC. Adam stated that the Fisher's monthly payment will be made from the rental income. Adam stated that the Fisher's will renovate the section of the building next door to Taco Del Sol for Cavanaugh's. Mr. Fisher stated that Cavanaugh's will move from their building across the street into this bigger renovated space, which will have better foot traffic. Also, Adam reported that Tom Southwick, owner, Park Street Liquor would like to expand into the space where Cavanaugh's is currently located. Mr. Fisher will renovate the upper part of the building, making apartments. Adam stated that the property was worth an estimated \$270,000 dollars per Shari Broudy, real estate agent who did a comparative market analysis. Adam reviewed the financials, including their rental income. Adam stated that this loan request was reviewed by the BLDC Loan Committee, and they recommended that the URA Board approve the requested loan. Adam reported that some of the items that were of concern have already been submitted. The URA Board stated that the Pita Pit was given \$42,000 dollars in grant funds. Also, the Fisher's had contacted one bank and they would rather have the URA complete this loan, because it is unconventional. The URA Board had questions and discussion regarding the existing status of Taco Del Sol, Pita Pit, and Mr. Fisher not having a credit rating and just using cash to do business. Adam stated that the Fishers make their monthly URA loan payments on time and are current to date. Also, the URA had questions and discussion regarding a five year lease with Cavaughns.

#### **MEETING OPENED BACK-UP FOR BOARD ACTION**

Dale spoke and asked for an open discussion. The URA Board asked if Karen recommended staff approval. She stated that the staff recommends approval of the Big Fish Properties, LLC loan request according to the terms presented, as does Adam Benson, BLDC, Loan Officer. Robert and Dale commended Mr. Fisher for having a vision, a good track record and improving the Uptown area. Stephen Coe made a motion that was seconded by Jim O'Neill to approve a loan request to Big Fish Properties, LLC in the amount of \$181,500 dollars at a fixed interest rate of 5% and amortized over a term of fifteen years. The motion passed unanimously. The proceeds from this loan will be used to purchase the Steven's Block building located at 140 West Park Street. The loan will be secured by the following: \* Lien on real estate located at 140 West Part Street; and \* Personal Guarantees from Mr. Fisher and Carrie Fisher.

#### **6. APPROVAL OF GMP AMENDMENT TO CONSTRUCTION AGREEMENT FOR THE PARKING GARAGE**

Karen presented and reviewed a GMP amendment to the construction agreement with Sletten Construction for the parking garage. The amount of the GMP amendment to the construction agreement with Sletten Construction is \$7,366,000 dollars. Karen stated that there are allowances in Section D. Karen reviewed Section D with the URA Board. Karen stated that she has reviewed this with the engineer and everything is included for an operational garage. Karen stated that Sletten Construction, the project's primary contractor, can only exceed that "guaranteed maximum price" if county officials order up added features to the 248-space garage on West Park Street. Dale stated that listened in on a couple of the weekly calls with Sletten Construction and Karen stated that Stephen Coe is involved in the weekly calls most of the time. The weekly calls will continue throughout the project. Robert stated that he appreciates Stephen being involved in the calls. Karen reported that the bond resolution is passing through for approval by the Council of Commissioners for \$8,080,000 million dollars to fund the project. Karen stated that Glacier Bank had responded to the RFQ and is the funder for

the project. Karen stated that of that \$7.4 million dollars will be put into the construction account, and that will cover the GMP of the \$7,366,000 million dollars. The other amounts that make up the \$8,080,000 million dollars are the debt reserve fund that is required to be purchased up front. This amount is there until the end of the bond, and then that money comes back to the URA. The term of the bond is twenty-three years and earns interest. The cost of the issuance of the bonds is approximately \$120,000 dollars. Robert asked what the \$7,366,000 dollars included. Karen stated that it includes the Uelands and the National Affordable Housing cost of issuance of the development agreements. Karen stated that it does not include the architects contract, which has been paid since approximately 2013, from the URA funds for the design work. Karen stated that the architects contract is two-thirds paid, and the funds have been allocated to pay for the architects contract. Robert asked what the total price of the architects contract would be. Karen stated that if the architects spend their entire contract, it will be \$298,000 dollars. Karen thanked Mike Smith, Montana Standard, for the great parking garage article that was in today's newspaper. Karen stated that the architect will be at the next URA Board meeting. Karen stated that she will review the project budgets at the next URA meeting at the end of next month. Also, Karen reported that she will be meeting with all of the neighbors in the area of the parking garage. The groundbreaking ceremony for the new parking garage will be on Monday, August 22<sup>nd</sup>. Stephen Coe made a motion that was seconded by Bob Worley to approve the GMP amendment, with the guaranteed maximum price language to the construction agreement for the parking garage in the amount of \$7,366,000 million dollars. The motion passed unanimously. Robert commended Karen on the great effort that she has put into this parking garage project. Also, Pam Haxby-Cote spoke on behalf of the BLDC and merchants on Park Street thanking Karen and the URA Board for working with everyone to get this parking garage project done.

## **7. DISCUSSION OF BET LOAN**

The URA Board has come back to the meeting after reviewing the tapes and past minutes of the URA Board meetings, where BET had come to the URA Board asking for a loan and receiving a grant for the festivals. Karen spoke in support of the BET Loan and wanted to give her background of the BET loan. Karen stated that it was a partnership of working with folks from festivals for grant funds. Karen stated that the URA Board had never done a loan, but the URA Board felt like they were done giving grants to the festivals. Karen stated that the \$100,000 dollars was held by Butte-Silver Bow and the budget office did a draw down as BET needed the funds for the festivals. Robert asked if there were invoices. Dale stated that the festivals keep getting better, and have grown, matured and changed. Also, Dale stated that he feels comfortable saying that the \$100,000 dollars has been a good investment and the festivals have not come back to the URA Board requesting more funds. Stephen stated that he was the only other URA Board member at that time and that the URA Board encouraged the festivals to stand on their own. Stephen stated that the festivals have not come back and the intent has worked well. Stephen stated that it seems appropriate to convert the BET loan to a grant. Bob asked how much money has been committed to the festivals by the URA. Karen reviewed this information and how it was revised, since she has taken her job and been involved with the URA. Karen stated that she thinks it has been significant since 1980. Dale spoke on BET being a good partnership and the URA have helped other groups. Jim stated that is this setting a precedent, but it benefits our community, quality of life, and that there are a lot of volunteers that help the festivals. Dale stated that they see the festivals thriving and a success and concurs.

Robert stated that the Montana Folk Festival is one of the finest events in Montana, but also worries about setting a precedent. While reviewing the minutes, he stated that Josh Peck was a good advocate for the festivals. Also, Robert stated that while looking at the minutes, he saw that the URA was trying to separate from funding, and sending a message about not seconding the motion of approving another loan of \$100,000 to BET for the festivals. Robert stated that he sees this as closure and that people acted in good faith. Robert is inclined to right the \$100,000 dollars off. The URA Board then had questions and discussion regarding the language of being adjusted off or a write off on the books. Robert Brown made a motion that was seconded by Stephen Coe to write off the BET Groups loan of \$100,000 dollars. The motion passed unanimously. Dale thanked Jon for representing the festivals and doing a good job.

#### **8. BLDC ANNUAL REPORT**

Adam reviewed the annual BLDC report to the URA Board that included a letter from Pam Haxby-Cote, Executive Director, BLDC. Adam reviewed the BLDC loans and jobs that have been created. Pam reported that there have been nine direct jobs from and many indirect jobs from the loans that BLDC has done. The amount of money that has been loaned from the BLDC is \$318,000 dollars. Also, Adam reviewed the loan map with the URA Board. Robert stated that he would like to see a list of the loans that BLDC has given. Pam stated that she will send the list of the loans to the URA Board.

#### **9. BLDC CONTRACT 2016-17 – PAM HAXBY-COTE AND ADAM BENSON**

Pam stated that the BLDC contract outlines that the BLDC partners with the URA to do consulting and loans. Pam stated that the BLDC is happy to be a partner with the URA and the uptown area. Pam spoke on how the BLDC operates partnering with the URA on loans. Also, Pam stated that the BLDC looks at collateral of the projects that have filled out an application for a loan. Pam stated that the BLDC Loan Committee helps people with their project. Pam stated that the BLDC Loan Committee tables and denies some requests and doesn't bring it to the committee unless it is fundable and the staff recommends the loan. Karen stated that she couldn't do it without the partnering of the BLDC. The contract is the same as last year. Dale commended Pam on the great job that she does at the BLDC. Bob Worley made a motion that was seconded by Jim O'Neill to accept the BLDC Contract 2016-17 as presented. The motion passed unanimously.

#### **10. OTHER ITEMS**

The next URA Board meeting will be on Tuesday, August 23, 2016.

Dale asked the status of the Dumas loan. Karen stated that she and Adam had a meeting with Michael and Travis, owners of the Dumas. Michael and Travis have some modifications that they are requesting, and will bring to the next URA Board meeting.

Karen reported on the Mountain View Music Hall project. Karen stated that Mr. Goodwin has been very sick, therefore the project has slowed down.

Bob asked about the project on the corner of Front and Utah. Karen stated the Council of Commissioners had requested that the property try to be sold. The property did not have any interested buyers. Karen stated that CTEC Grant was applied for and received. There will now be a granite monument sign engraved with Welcome to Butte. The lot will also be landscaped and striped for approximately twenty parking spaces.

Robert asked that the history of the BET Loan and Grant that the URA reviewed, be attached to the minutes. Also, Robert stated that he appreciates the media coverage of the new parking garage and the nice pictures.

- 11.** Stephen Coe made a motion that was seconded by Robert Brown to adjourn the meeting. The meeting was adjourned at 10:15 am.