

MAYOR JOHN ENGEN AND
MISSOULA ECONOMIC PARTNERSHIP
DEVELOPER SHOWCASE

JUNE 9, 2014



AGENDA

8:00	Breakfast <i>Sponsored by Garlington, Lohn & Robinson</i>
8:15	Welcome Address & Introductions <i>Mayor John Engen</i>
8:40	Missoula Economic Trends <i>Larry Swanson, Economist, Director / O'Connor Center for the Rocky Mountain West</i>
9:00	Missoula Partnerships Supporting Development <i>Mike Haynes, Director / Missoula Development Services</i>
9:30	Tax Increment Financing & Missoula Urban Renewal Districts <i>Ellen Buchanan, Director / Missoula Redevelopment Agency</i>
10:00	Break
10:15	New Markets Tax Credits, DNRC Trust Land Leasing & Other Investment Opportunities <i>Gary Chumrau, Chuck Hansberry / Garlington, Lohn & Robinson</i>
11:00	Tour of Garlington Building <i>Gary Chumrau, Doug Maves / Garlington, Lohn & Robinson</i>
11:30	Lunch <i>Sponsored by First Security Bank</i> Guest Presentation: A Missoula Developer's Perspective <i>Rick Wishcamper, Developer / Wishrock</i>
1:00	Driving Tour of Missoula Development Sites <i>Charter Bus</i>
3:30	Question & Answer Session <i>Ellen Buchanan, Director / Missoula Redevelopment Agency</i> <i>Mike Haynes, Director / Missoula Development Services</i> <i>Barb Martens, Director / Missoula County Development Park</i> <i>Brigitta Miranda-Freer, Director of Business Development / Missoula Economic Partnership</i>
4:30	Professional Services Mixer <i>Sponsored by OZ Architects</i>
5:30	Wrapup & Adjourn <i>Mayor John Engen</i>

OPPORTUNITIES ABOUND



In 2013, I co-hosted Missoula's first-ever Developer Showcase because I believed our community was primed for investment. Since then, developers have broken ground on numerous significant projects here totaling tens of millions of dollars in new investment.

What drew those developers to Missoula remains true today.

First and foremost, the attraction here is the quality of our community. Missoula is a great place to live, work and play. We have mountains and trout streams and running trails. We have a stable, educated workforce of skilled tradesmen, administrative workers and professionals. We have a great university, vibrant economy, and state-of-the-art utility, transportation and communications infrastructures.

We have real estate opportunities. We have business growth opportunities. And in both local government and the private sector, Missoula offers you the resources of professionals who are not only technical experts — they are also approachable, reachable.

If you want to bounce ideas around, please feel free to contact the Missoula Economic Partnership's Brigitta Miranda-Freer at 406.541.6461. We've included a brief directory of other key contacts on page 11.

Missoula is a great place and we all plan to keep it that way. We look forward to helping you live rich quick in Missoula.

Mayor John Engen
City of Missoula



OPPORTUNITY MADE: SOUTH CROSSING DEVELOPMENT

When Missoula's Kmart closed in late 2012, it left a major hole on one of the city's most visible commercial strips. The 40-year-old shopping center that housed the shuttered store needed more than a facelift in order to attract tenants; it needed complete redevelopment.

In 2013, the Woodbury Corporation, owners of the 12-acre property, launched a \$24.5 million transformation of the site.

With the assistance of Tax Increment Financing through Missoula Redevelopment Agency, the Kmart building and parking lot were demolished. In their place, the developers built a 42,000-sq.-ft. Cabela's Outpost, which opens this month; a 55,000-sq.-ft. building for another anchor tenant, slated to open spring 2015; and a newly configured, attractively landscaped parking lot. An existing, 25,000-sq.-ft. building was renovated for a Boot Barn and Petco, and three outparcels were added (all of which should be up and running by the end of this year).

The project, dubbed South Crossing, also helped launch a long-term reconfiguration of Brooks Street aimed at making the area more pedestrian-friendly and attractive for further redevelopment.

"This has been a project that has been a lot of fun watching develop thanks to a very proactive Missoula Redevelopment Agency, the Missoula Economic Partnership and City of Missoula. South Crossing will be a most vibrant, synergistic, and successful project the community will embrace with pride," said Kraig Erickson, Woodbury's development and leasing agent. "The TIF-financed improvements were key in landing quality tenants and ultimately in making the whole project pencil out. This project will be a driver for better things to come in Midtown Missoula."

DEVELOPING AND INVESTING IN MISSOULA

BY THE NUMBERS

+207,718

1

Missoula's effective business population.

Missoula's citizens total more than 68,394¹; plus: 43,413 in Missoula County¹, 40,823 in Ravalli County¹, other Montanans who travel to Missoula regularly for shopping, recreation and professional services, and tourists crossing the state or traveling to Yellowstone and Glacier national parks.

19%

2

Population growth

in the city of Missoula, 2000 – 2013.¹

\$1.21 Billion

3

Total retail purchases made in Missoula,

2010; that's 8.2% of all retail sales in Montana.²
In 2012, \$618 million was spent downtown.³

\$258.8 Million

4

2011-2012 spending in Missoula County just by nonresident travelers.⁴

\$8-\$23/sq. ft. NNN

5

Average commercial lease rate.

Class A in-city in Missoula generally ranged from: \$18-\$23/sq. ft. NNN. Class B in-city generally ranged from: \$12-\$16/sq. ft. NNN; Class B-C or B located further from city center generally ranged from: \$8-\$11/sq. ft. NNN.⁵

2 MILLION sq. ft.

6

Commercial space in downtown Missoula.

Professional and government offices occupy just over 50%; the rest: 200 retail and food/beverage establishments, 49 nonprofit offices, and residential apartments/condos.³

4.6%

7

Annual rental vacancy rate, 2013.

In part due to Missoula's large student community, only 46% of residents own the residence in which they live.⁶

43%

8

Increase in residential lot sales,

2012 – 2013. There was also a 23% increase in homes sold in Missoula in 2013.⁶

\$82 Million

9

Construction value of building permits

issued in 2013 in the city of Missoula.⁵

1

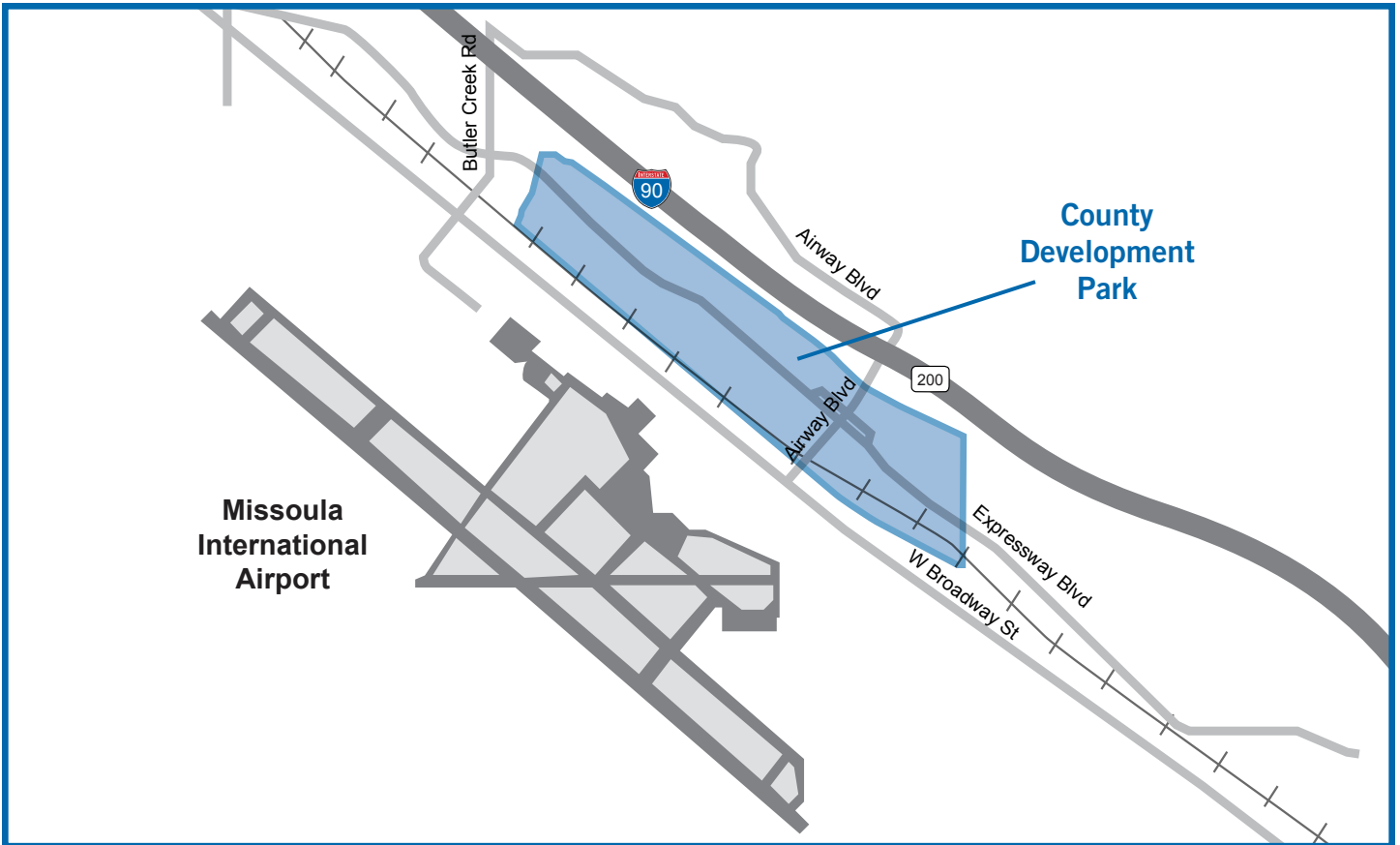
10

Number of agencies & offices that developers need to deal with.

Missoula's new Development Services combines planning, engineering and building services in a one-stop office that is the city's hub for all development projects. From concept plan review to issuance of a certificate of occupancy, Development Services handles it all.

FOOTNOTES ON BACK COVER

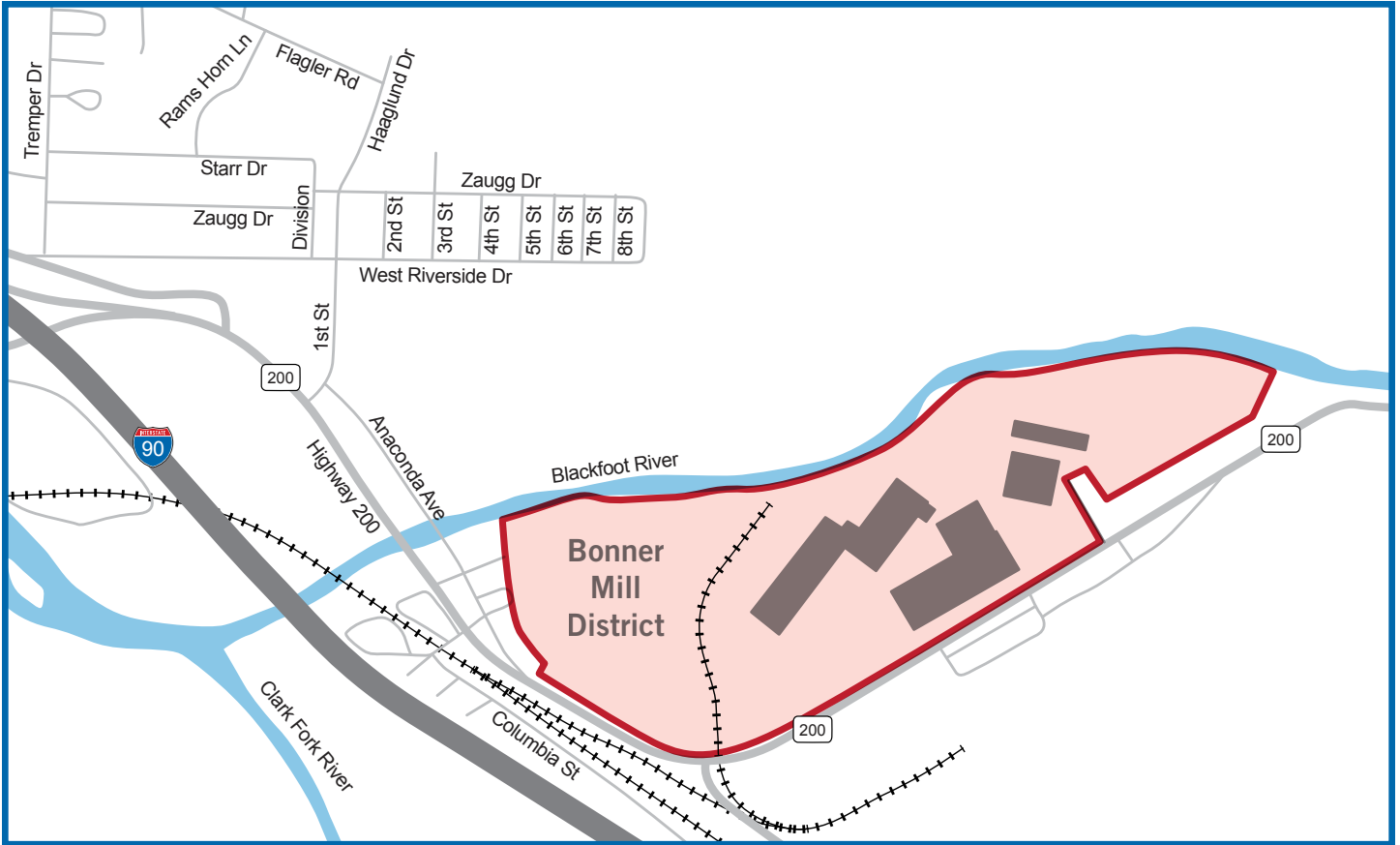
COUNTY



MISSOULA COUNTY DEVELOPMENT PARK

- This 446-acre mixed-use business park has one of the finest locations, just west of Missoula between Interstate 90 and the Missoula International Airport.
- Approximately 83 acres of technology, industrial and commercial lots remain for sale by Missoula County.
- Lot sizes and boundaries can be customized; street, water, sewer, gas, electric provided to each lot.
- The Development Park has its own unique Special Zoning District. There are covenants and Design Guidelines to assure high standards and to protect long-term investment.
- The setting is a campus environment with buildings and streets located in a park-like setting, with common architectural and landscape elements.
- There are over 60 acres of parkland designated within the Development Park, with miles of connecting trails. There is also the Historic LaLonde ranch site.
- The Development Park has two Tax Increment Finance Districts, one industrial and one technology, which were created to finance infrastructure within the Park and the adjacent International Airport. Public infrastructure projects including roads, sewer, water, gas and electricity, telecommunication lines in the Technology District, sidewalks, street lights, hydrants, parks and trails are financed through TIF funds. Bonds have been issued to accelerate the installation of infrastructure improvements. Other incentives may also be available.

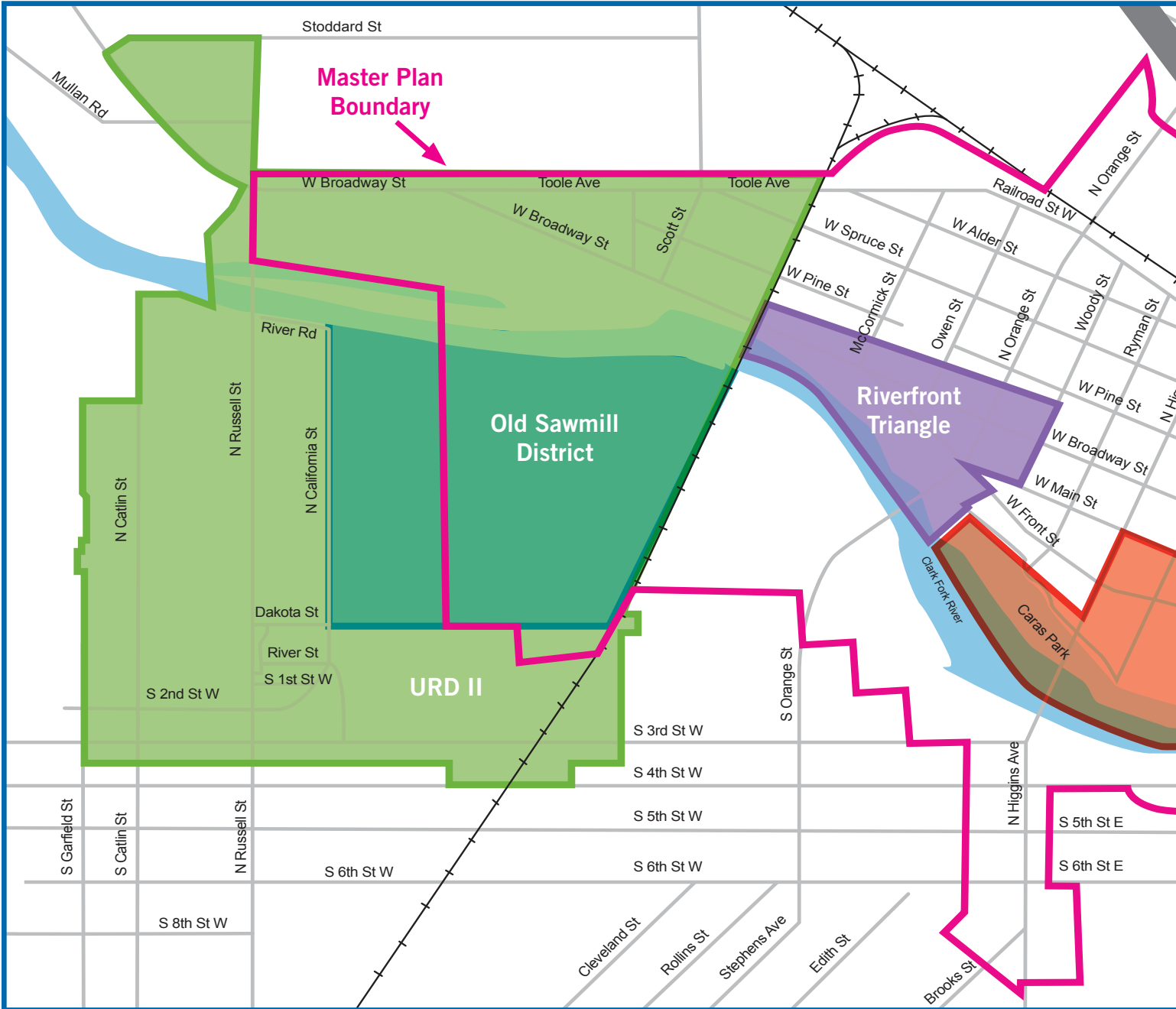
COUNTY



BONNER MILL INDUSTRIAL TIF DISTRICT

- This 148-acre industrial park is located northeast of town on Highway 200 in Bonner. The Blackfoot River forms the northern boundary of the site.
- The site provides excellent opportunities for new industrial activity that can take advantage of existing infrastructure, including rail service and large industrial buildings.
- The district is large enough to host multiple independent tenants.
- The purpose of this industrial TIF is to encourage secondary, value-adding industrial growth, particularly manufacturing business, by providing a financial mechanism to install necessary public infrastructure improvements and grow the area's economy over time.
- USDA Rural Development eligible.

DOWNTOWN



OLD SAWMILL DISTRICT

- 45-acre former lumber mill site being developed as mixed-use residential and commercial neighborhood.
- Plans include: 600–800 residences, 150,000–200,000 sq. ft. commercial/retail space, 18 acres of parks and green space.
- Shovel-ready land available today.
- On riverfront, across from downtown.
- Connects to adjacent neighborhoods and city trail system.



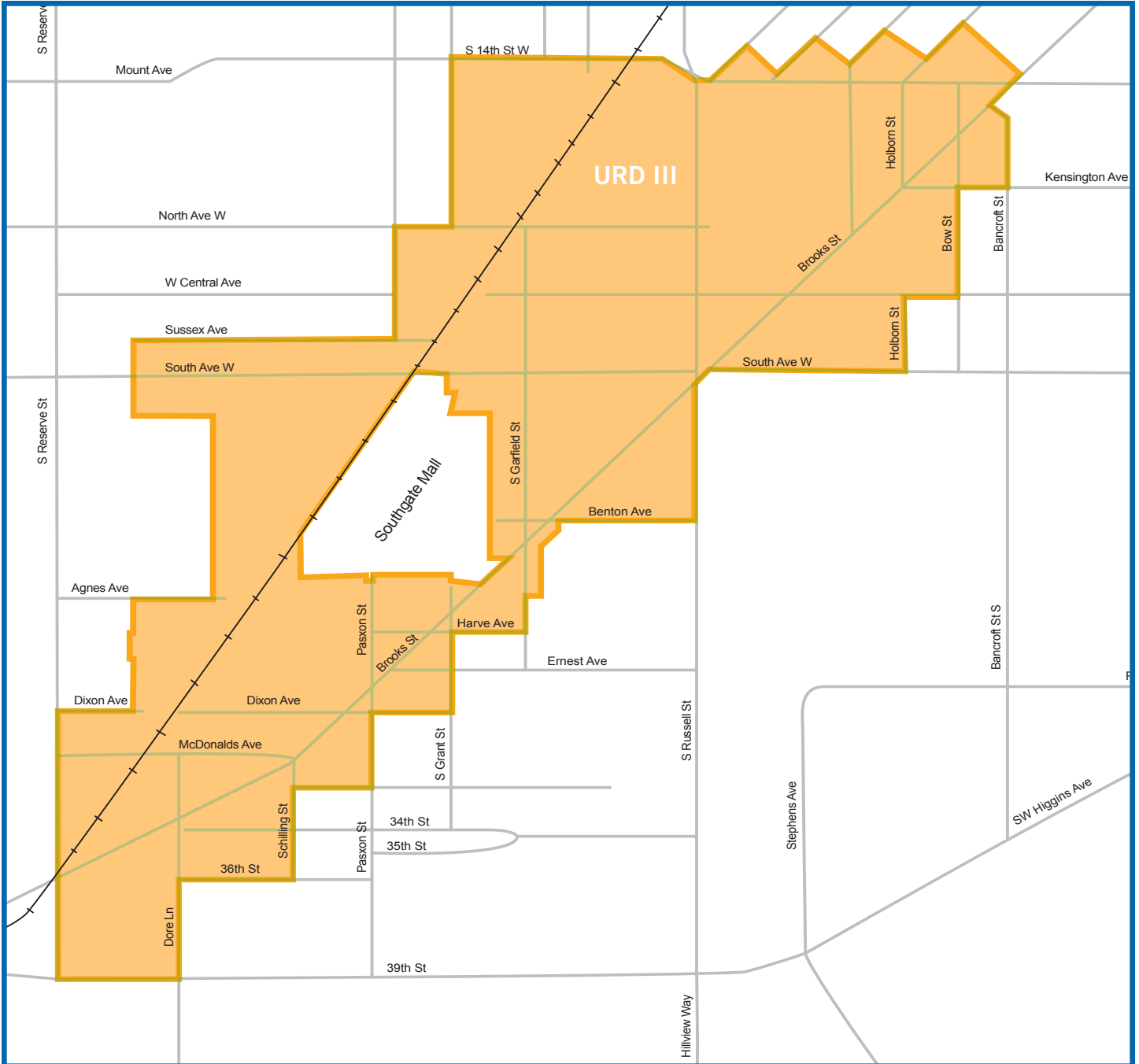
URBAN RENEWAL DISTRICT II, FRONT STREET & RIVERFRONT TRIANGLE DISTRICTS

- Three Urban Renewal Districts consisting of approximately 540 acres.
- Located in the heart of downtown Missoula on both sides of the Clark Fork River.
- Much of the riverfront trail system is located within these three districts, providing easy access to the University of Montana.
- Development opportunities are available in all three districts.
- Notable opportunities are the Riverfront Triangle and south of the river in and west of the Old Sawmill District.
- URD II, the oldest and largest of the downtown districts, is approximately 430 acres and has annual tax increment revenue of \$1,400,000.

DOWNTOWN MASTER PLAN *(boundary outlined in pink)*

- 20-year vision for the heart of Missoula, adopted in 2009. This Master Plan effort included comprehensive inventory / analysis of downtown businesses and buildings.
- Effort led by Missoula Downtown Association and Missoula Redevelopment Agency with strong support from the Downtown Business Improvement District, Missoula Parking Commission and Missoula business leaders.
- Several catalyst initiatives have come to fruition from this master plan — including the three-story parking structure on Front Street, the North Higgins Improvement Project and the communitywide Wayfinding System coming later this year.

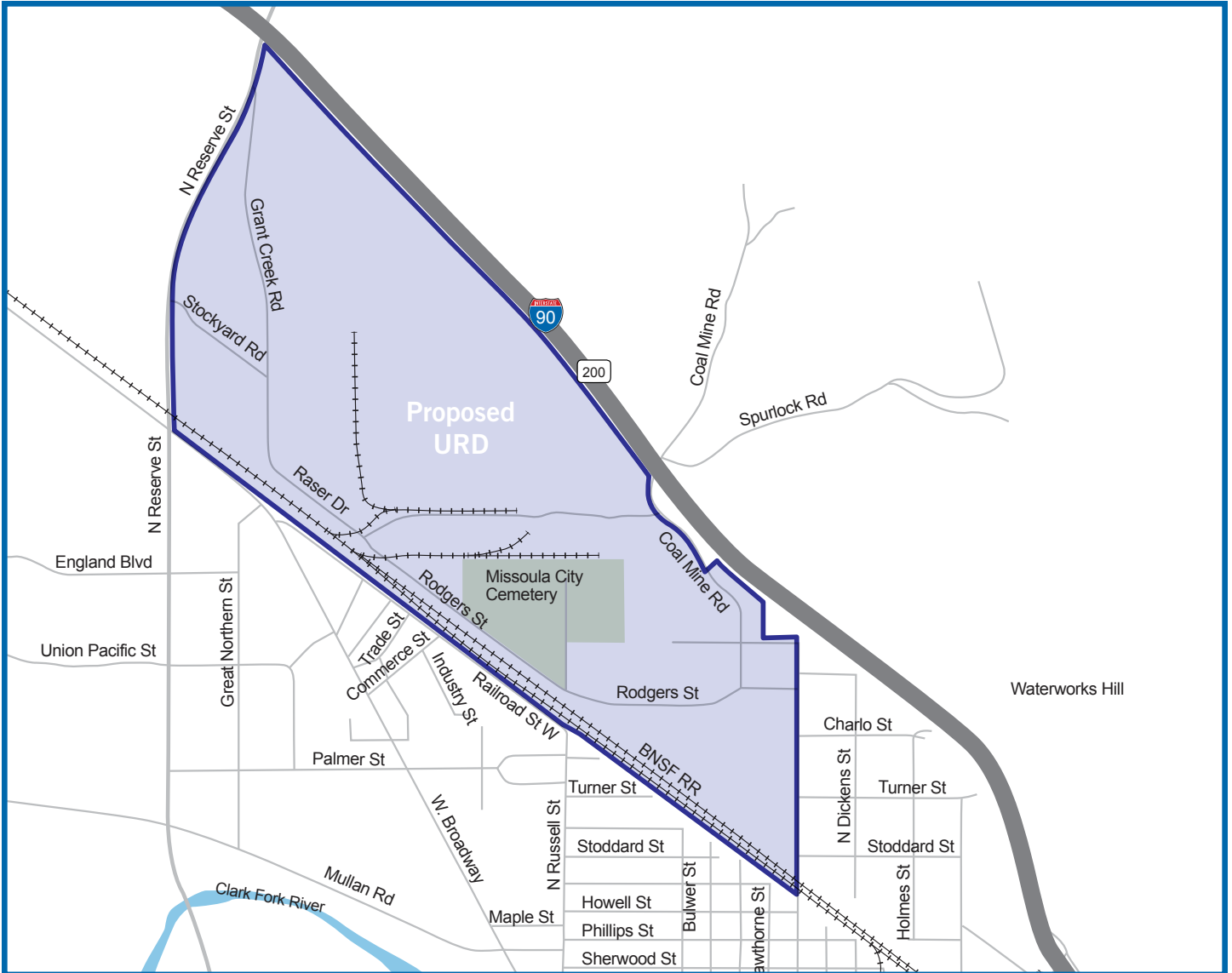
MIDTOWN



URBAN RENEWAL DISTRICT III

- 550 acres in Midtown, the geographic center of Missoula.
- Easy access to downtown, the University of Montana and the Bitterroot Valley.
- Bisected by one of Missoula's primary commuter bike trails, the Bitterroot Branch Trail.
- Numerous development and redevelopment opportunities of various sizes.
- Over \$2,200,000 in annual tax increment revenue available for eligible projects.

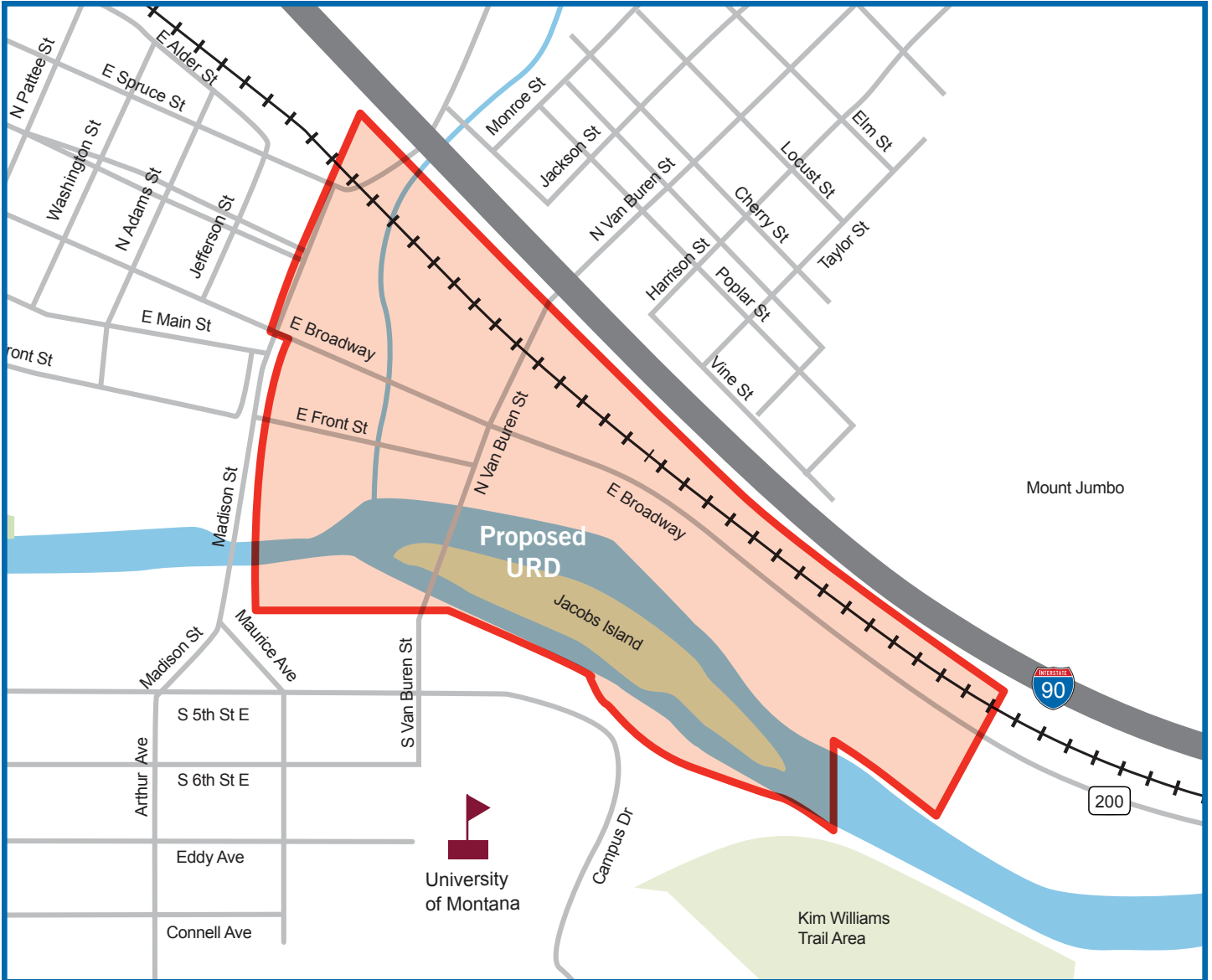
NORTH RESERVE / SCOTT



NORTH RESERVE / SCOTT PROPOSED URD

- 889 acres (420 within city limits, the balance will have access to tax increment financing upon annexation).
- Vast amount of under- or undeveloped former industrial property.
- Opportunities for mixed use development and plenty of potential for new employment centers and clean industrial.
- Master planning process will begin as soon as district is finalized.
- Proximity to Interstate 90 provides excellent exposure.
- Adjacent to the I-90 broadband pipeline.

HELLGATE



HELLGATE PROPOSED URD

- 133 acres.
- District will be anchored by the new UM-Missoula College building.
- Several properties currently on the market.
- Walking distance to main UM campus.
- Transit and parking study currently underway.
- Close proximity to Interstate 90 with improvements to the Van Buren exit planned.
- Adjacent to the I-90 broadband pipeline.

COMMERCIAL DEVELOPMENT

Missoula Economic Partnership helps turn vision into reality by connecting developers, entrepreneurs and businesses with the people, programs and resources that can accelerate their success.

Our savvy, connected staff serves a central role in a broad, collaborative effort involving 100+ business, individual and government investors as well as more than 30 strategic partners, all of whom share our vision of a vibrant, growing and diversified regional economy.

Through our working relationships with government agencies, financial institutions and community development organizations across the region, we will proactively assist you in accessing the most appropriate sources of capital to fit your needs.

To get your project off the ground, contact Brigitta Miranda-Freer or James Grunke at 406.541.6461.



James Grunke
CEO



Brigitta Miranda-Freer
Director of Business
Development

MISSOULA COUNTY SITE LOCATOR TOOL

Working with GCS Research, a Missoula-based leader in geographical information systems technology, the Missoula Economic Partnership created a powerful GIS-enabled tool developed specifically for businesses and developers looking for opportunity in Missoula County. This one tool provides the data and insight you need to make sound decisions when choosing a zone, neighborhood and property.

Visit www.MontanaSiteSelector.com/Missoula to explore this invaluable resource.

DEVELOPMENT SERVICES

The new Missoula Development Services performs a wide range of city government functions including planning and zoning, historic preservation, engineering services, code compliance, regional transportation planning, and programs that promote sustainable transportation options.

But Development Services' core mission is to provide one-stop shopping to the development community and property owners with a team of planning, building and engineering professionals and administrative staff who help applicants navigate the development process. The Development Services team provides support and guidance to applicants from predevelopment and preapplication meetings, through any required land use approvals, plan submittal and review, permitting, and building and engineering inspections, all the way to final approval or issuance of a certificate of occupancy.

Development Services is committed to being an active partner in economic development while maintaining standards that set this community apart from others in Montana.

Development Services is open 8 a.m. to 5 p.m. Monday through Friday and has a Development Review Team available by appointment to discuss and review proposed projects with applicants, free of charge. Call 406.552.6630 to schedule an appointment.



Mike Haynes, AICP
Development Services
Director

MISSOULA REDEVELOPMENT AGENCY

The Missoula Redevelopment Agency fosters redevelopment and new development within Missoula's urban renewal districts by furthering the community goals and objectives identified in the districts' urban renewal plans. Authorized by state and local laws, MRA partners with public and private entities to help improve economic vitality, create jobs and encourage investment. MRA also participates in public improvements involving parks, trails, streets, sidewalks and more. MRA is funded primarily through a tax increment, which is the new tax revenue resulting from construction and development within the districts. MRA has also obtained private, state and federal grants to finance redevelopment activities.

To speak with a staff member about assistance available through MRA, call 406.552.6160.



Ellen Buchanan
Missoula Redevelopment
Agency Director

WHAT THE PRESS SAYS

#5 Best Town Ever, *Outside 2011*

#5 Metro Area with Shortest Commute, *U.S. Census 2009*

#8 Best City for Successful Aging, *Milken Institute 2012*

#13 Highest Density of Information & Communications Technology Startups Among U.S. Metro Areas, *Kauffman Foundation 2013*

#89 Job Growth Rank, *Forbes 2012*

#93 Cost of Doing Business, *Forbes 2012*

Top 100 Best Communities for Young People, *America's Promise Alliance 2012*

#102 Best Small Places for Business and Careers, *Forbes 2012*

SPONSORS

Thank you to our sponsors for today's event. Their continued investment in Missoula makes our community a success.



MISSOULA ECONOMIC PARTNERSHIP INVESTORS

4G Plumbing & Heating, Inc.
Advanced Technology Group
Allegiance Benefit Plan Management
AlphaGraphics
ALPS Corporation
Anderson ZurMuehlen & Co.
Associated Factoring & Finance, Inc.
Beach Transportation
Beaudette Consulting Engineers, Inc.
Big Sky Commerce
Blackfoot Telecommunications Group
Bonner Property Development
Boone Karlberg, PC
Boyce Lumber & Design Center
Christian, Samson & Jones, PLLC
City of Missoula
CM Manufacturing
Community Bank, Inc.
Community Medical Center
Corporate Technology Group / SnapApps.com
Crowley Fleck, PLLP
CTA Architects Engineers
Diversified Plastics
Dorsey & Whitney, LLP
DoubleTree Hotel Missoula Edgewater
Farmers State Bank
Farran Realty Partners, LLC
First Interstate Bank
First Security Bank
Five Valleys Land Trust
Galusha, Higgins & Galusha
Garlington, Lohn & Robinson
Gateway Community Federal Credit Union
GCS Research
The Gillespie Prudential Montana Foundation
Francis Gjeffe

Global Development Services, Inc.
Good Food Store
Gordon Construction Company, Inc.
Grizzly Wine & Spirits, LLC
GT Advanced Technologies
Carol Hedges
Shannon Hilliard, Realtor
Hi-Noon Petroleum
Holiday Inn Downtown at the Park
Jones Brothers Trucking
Junkermier, Clark, Campanella & Stevens
Karl Tyler Auto Group
KECI-TV
Julie Gardner / Peter Lambros,
Lambros Real Estate-ERA
LMG Security
McKinstry
Minerva, PLLC
Missoula County
Missoula Electric Cooperative
Missoula Federal Credit Union
Missoula Independent
Missoula International Airport
Missoula Nissan-Hyundai, Inc.
Missoula Radio Broadcasters Association
Missoula's Office City
The Missoulian
MMW Architects
The Montana Radio Company
Morrison-Maierle, Inc.
Mountain Water Company
Mountain West Bank, NA
NAI Crowley Moore
Neptune Aviation Services
NorthWestern Energy
Nutritional Laboratories Int'l.

Office Solutions & Services
The Old Sawmill District
onXmaps
Opportunity Resources, Inc.
OZ Architects
Pacific Steel & Recycling
PartnersCreative
Terry Payne
PayneWest Insurance
Dave & Suzanne Peterson
Pew Corporation
Poteet Construction
Providence St. Patrick Hospital
Quality Construction, Co.
Republic Services
RiverWorks, Inc.
Roseburg Forest Products
Brian Salonen
Sirius Construction, Inc.
Southgate Mall Associates, LLP
Spiker Communications
Tom Stemler
Summit Beverage
Taco Del Sol
Treasure State Bank
Triple W Equipment
University of Montana
U.S. Bank
WGM Group, Inc.
Windermere Real Estate
Wingate by Wyndham
Dale Woolhiser
Worden Thane, PC
Worden's Market Deli
Zip Beverage

FOOTNOTES

1—U.S. Census Bureau. Missoula primary and secondary trade area statistics compiled by Nielsen Company, Inc., 2013.

2—CLRsearch.com; <http://www.clrsearch.com/Missoula-Demographics/MT/Retail-Sales-Statistics>.

3—Missoula Downtown Association, Master Plan and Downtown Building & Business Inventory. <http://www.missouladowntown.com/about/downtown-master-plan/>.

4—Institute for Tourism and Recreation Research, College of Forestry and Conservation, University of Montana, May 2013.

5—Devin Khoury, Broker / GRI, Windermere Real Estate.

6—Missoula Organization of Realtors.