

Exclusive Negotiation Agreement

City of Missoula and Miramonte Companies

Southgate Crossing Redevelopment Project

This Exclusive Negotiation Agreement ("Agreement") is entered into by and between the City of Missoula, a municipal corporation located at 435 Ryman Street, Missoula, MT 59802 ("City"), and Miramonte Companies, or assigns, with principal offices at 6400 East El Dorado Circle, Suite 300, Tucson, Arizona 85715 ("Developer"). The City and Developer may collectively be referred to as the "Parties." This Agreement shall be considered effective upon once fully executed by the Parties.

Recitals

- The City acquired approximately 13 acres of real property in Midtown Missoula known as Southgate Crossing, generally bounded by the Bitterroot Trail/rail line, Dixon Avenue, and Paxson and Schilling Streets (the "Site"), with the intention to facilitate redevelopment aligned with the adopted 2023 Midtown Master Plan.
- The City partnered with the Missoula Economic Partnership (MEP) to solicit interest from qualified developers to serve as a partner to the City in the redevelopment of the Southgate Crossing property.
- MEP conducted targeted outreach to 30 development teams (as outlined in Exhibit A), including phone calls and emails to promote the opportunity and evaluate interest which led to follow up meetings with 8 teams that expressed meaningful interest. Based on further meetings and due diligence, MEP identified five teams with the experience, interest, and ability to reliably execute the goals of the project and presented information about each team to a group of City staff. The City interviewed all five teams and following those interviews, Miramonte Companies was identified as the most qualified and goal-aligned partner to undertake redevelopment of the Site. The City seeks to enter into an exclusive negotiation period with Developer to evaluate the viability of the Developer's proposed concept plan, to negotiate a formal Development Agreement, and to define a path for community engagement and infrastructure planning.

1. Purpose and Intent

The purpose of this Agreement is to provide a framework for the Parties to:

- Conduct due diligence and evaluate a shared redevelopment vision consistent with the Midtown Master Plan and the Developer's proposed concept plan;
- Collaborate on a public engagement process;
- Negotiate in good faith to establish a Development Agreement ("DA") for the Site.

Execution of this Agreement does not constitute a sale, lease, or other disposition of land, or serve as a promise to do so.

2. Good Faith and Exclusive Negotiations

From the effective date through the term of this Agreement, the City agrees not to solicit or negotiate with any other party regarding the development of the Site. Developer agrees to negotiate in good faith toward a mutually agreeable DA that reflects the City's goals and the Developer's submitted concept. These negotiations may include other parties that would be in partnership with Miramonte relative to the development of the site.

3. Term and Milestones

Development Concept Period: Begins on the effective date and continues for 180 days, during which the Developer shall:

- Finalize a site plan including housing, commercial space, parks and trails, and public infrastructure.
- Incorporate the City's required public park and other elements (e.g., bike/ped infrastructure, affordable housing).
- Conduct necessary due diligence on the site.
- Co-develop and participate in a public engagement process with the City.
- Present findings to City Council and the MRA Board.

Negotiation Period: If after presentation to the City Council and MRA Board, the City Council approves the concept and site plan, a 120-day period will commence to finalize a Development Agreement. This may be extended by mutual written consent.

If at the conclusion of the 120-day negotiation period, or any extensions thereof, if no Development Agreement is mutually agreed upon, this Agreement shall be terminated.

4. Confidentiality

Any proprietary or confidential information exchanged during this process shall be handled in accordance with applicable law and shall not be disclosed without prior written consent, except as required under Montana public records law.

5. Public Engagement

Developer shall participate in a public engagement process led by either the City or Developer, as mutually determined. The process shall align with established community expectations and be similar to prior redevelopment efforts. It is expected that park design is a major element of the public process.

6. Costs

Each Party shall bear its own costs associated with the negotiation and due diligence process. Nothing in this Agreement obligates either Party to fund the other's activities, nor

does anything in this Agreement create a joint venture or other partnership between the parties.

7. General Provisions

Governing Law: This Agreement shall be governed by the laws of the State of Montana.

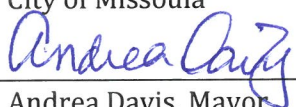
Notices:

City of Missoula
Attn: Dale Bickell, CAO
435 Ryman Street
Missoula, MT 59802
Email: bickelld@ci.missoula.mt.us

Miramonte Companies
Attn: Chris Kemmerly
6400 East El Dorado Circle, Suite 300
Tucson, Arizona 85715
Email: chris@kemmerly.com

No Obligation: This Agreement does not obligate the City to transfer land or approve any permits or development rights, or serve as a promise to do so in the future.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the ____ day of
06/30/2025, 2025.

City of Missoula
By: 
Andrea Davis, Mayor

Miramonte Companies
By:  06/25/25
Chris Kemmerly
Authorized Signatory

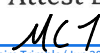
Attest By City Clerk
By: 
Claire Trimble (Jun 30, 2025 09:55 MDT)
Claire Trimble, Legislative Services/City Clerk



EXHIBIT A

Southgate Crossing Development Team Selection Process

Background:

Under contract with the Missoula Redevelopment Agency and in service to the City of Missoula, Missoula Economic Partnership (MEP) conducted a process to solicit interest from qualified developers to serve as a partner to the City in the redevelopment of the Southgate Crossing property.

The City of Missoula acquired this approximately 13-acre Midtown property in December 2024 with the goal of accelerating redevelopment to meet goals expressed in the Midtown Master Plan. MEP played the role of soliciting broad interest from a wide range of qualified developers. MEP's charge was to attract a diverse set of qualified developers who would provide the City with a range of potentially feasible redevelopment scenarios and who, if selected, demonstrated the ability to execute on the development of an agreed scenario.

Summary of Process:

1. Establishing a Baseline of Shared Information for Prospective Teams (July-December 2024)
 - a. MEP worked with MRA staff reviewed historical documentation and materials related to the City's due diligence on the site.
 - b. MEP and City staff reviewed prior planning efforts and studies of the site.
 - c. MEP, City staff, and MRA staff reviewed community goals expressed in the Midtown Master Plan to develop priorities and objectives, such as housing, a park, and commercial development.
 - d. MEP, City staff, and MRA staff agreed on a reasonable timeline for the selection process.
 - e. MEP staff assessed potential site incentives and tools available to support development.
 - f. MEP created a Development Brief to serve as baseline of shared information for outreach to prospective developers. The brief summarized the opportunity, development goals, timeline, incentives, and the selection process.
2. Communication and Outreach (October 2024-March 2025)
 - a. In October of 2024 MEP partnered with the city on a joint press release announcing the land purchase and intent to develop.
 - b. Created web and social media campaigns to publicize and promote the project broadly and attract developer interest, resulting in:
 - i. A website heading on MEP's page linking to the Development Brief
 - ii. Social media posts highlighting MEP's role in the project, generating over 1,000 impressions.
 - iii. A feature article in MEP's monthly Newsletter, reaching over 800 readers with a 50-60% open rate.
 - iv. Fifteen earned media mentions by local media referencing the City's and MEP's involvement in the project.

- c. Conducted targeted outreach to 30 development teams, including phone calls and emails to promote the opportunity and evaluate interest.
- 3. Team Solicitation and Due Diligence (January 2025-April 2025)
 - a. Initial outreach efforts led to follow up meetings with 8 teams that expressed meaningful interest, resulting in several follow up meetings to discuss past work, how it relates to the site, public private experience, and goals for the site.
 - b. Obtained references -specifically 3-4 projects highlighting public/private partnerships and innovative housing, including names and phone numbers of partners.
 - c. Conducted due diligence by calling references, researching past projects and using MEP's existing network to learn more about the teams' ability to execute on projects, their familiarity with public private partnerships, and the quality of their work as judged by third parties.
 - d. Based on these meetings and due diligence, the MEP team identified five teams with the experience, interest, and ability to reliably execute the goals of the project and presented information about each team to a group of City staff.
 - e. The city chose to conduct further interviews with all five teams. MEP scheduled and facilitated those interviews, following a replicable process for each interview.

10539 City and Miramonte Agreement for Southgate Crossing Redevelopment

Final Audit Report

2025-06-30

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