

MISSOULA REDEVELOPMENT AGENCY

CONDENSED BOARD MEETING MINUTES

March 27, 2025

FINAL

A Special meeting of the Board of Commissioners of the Missoula Redevelopment Agency was held on Thursday, March 27, 2025 in the Hal Fraser Conference Room, 140 W. Pine St., and via Microsoft Teams at 11:00 a.m. Those in attendance were as follows:

Board: Tasha Jones, Karl Englund, Ruth Reineking, Melanie Brock, Jack Lawson, Mike Nugent - City Council Ex-Officio Board Member

Staff: Ellen Buchanan, Annie Gorski, Annette Marchesseault, Michael Hicks, Jilayne Dunn, Ashley Warren, Lesley Pugh

Public: Levasseur Group: Mark Edgell & Alex Hazlett; Audrey Handelman; Anne Geiger; MCAT

CALL TO ORDER

11:00 a.m.

Jones chaired the meeting.

INTRODUCTIONS

APPROVAL OF MINUTES

[February 27, 2025 Regular Board Meeting Minutes](#) were approved as submitted.

PUBLIC COMMENTS AND ANNOUNCEMENTS

ACTION ITEMS

318-322 Levasseur Street (Front Street URD / Ward 1) – TIF Request (Hicks)

Hicks said the property under consideration is located at 318-322 Levasseur Street. The developers are requesting Tax Increment Financing (TIF) assistance for site prep, public infrastructure and right-of-way improvements. The property is situated between Kiwanis and Bess Reed Parks. When the developer, Levasseur LLC, purchased the lots in 2020, one of the buildings was in unsafe condition. They came to MRA and the Board granted them a Proceed Without Prejudice (PWOP) to demolish the unsafe structure. Since then, a number of residential redevelopment scenarios have been explored for the site. The current iteration, detailed in Hicks' memo, achieves the greatest density of the scenarios explored. It is a 23-unit podium-style condominium project. The square footage of each unit will range from 835-1400 and the average cost per unit is expected to be \$650,000. Hicks said the project has received approval from Design Excellence and Levasseur LLC have coordinated extensively with the Parks & Recreation Department.

Hicks said chief among the public infrastructure upgrade is replacement of a 100-year-old water line that would serve the proposed development as well as future redevelopment in the vicinity. The current water line is 2" and likely leaking. The new 8" line will provide adequate water flows, support higher density and provide sufficient fire protection for the area. The City's Public Works & Mobility Department is recommending replacement of the 2" line with the new 8" line. Hicks said additional improvements will include alley and sidewalk improvements, upgrade to the electric main serving the development and installation of a light pole. The total public infrastructure improvements are \$558,850.

Hicks said the water main is the bulk of today's request. A bid from Grant Creek Excavating came in a bit higher than normal per linear foot compared to other City projects. Levasseur LLC does have an interest in Grant Creek Excavating and would like to use them so they can get started on the project. Levasseur LLC and Grant Creek Excavating have agreed to use pricing provided by the City for the work based on analysis of past Public Works projects.

Hicks said another aspect of the TIF request is building removal and abatement at 322 Levasseur Street. This was the project that previously received approval from the Board in 2022 to PWOP. The reason why staff is not recommending TIF assistance for the deconstruction of 318 Levasseur Street is because it never got approval for PWOP. While the title for the Board action in 2022 was "318-322 Levasseur Street", the letter the developer provided only centered on a request for 322 and that is the property the Board took action on.

If this project is approved the developers are committing to either allocating 10% of the units as workforce housing or donating 10% of the TIF investment into the Affordable Housing Trust Fund (AHTF) per the MRA TIF guidelines. Hicks said this would equate to a \$60,000 donation to the AHTF. Construction is set to begin April 2025. The overall project is expected to be complete by December 2026. Staff are currently estimating the TIF investment will be paid back in under seven years with annual tax revenue at \$90,000.

Mark Edgell and Alex Hazlett, Levasseur LLC, were present to speak to the project. Edgell spoke to the deconstruction of 318 and said that's on him. He said in his brain it is one big property. An employee of theirs was living at 318 and they paid all of his utilities and everything because he was having a tough time. When he moved out, they moved forward and deconstructed it, and he wasn't thinking about the previous PWOP. Buchanan said the frustrating thing is that 318, not covered by the PWOP, was actually deconstructed. 322 had to be removed because no one could go in and deconstruct it due to sanitary reasons and drug paraphernalia. Hazlett said their ask letter did have both addresses and this definitely was their mistake, and somehow in the shuffle of life and work it got taken down after the renter was out without receiving Board approval.

Hicks said per the Board policy, staff is recommending the TIF request of up to \$605,042 be approved. If the Board decides that 318 should be included, the request including that deconstruction is \$657,677. He noted the second recommendation in his memo is for the Board to affirm that Levasseur LLC may return with a separate TIF request through MRA's

Workforce Housing Program (WHP) to secure workforce housing units in their development. Hicks said right now it is hard for them to determine whether or not it will be feasible.

Reineking said she went back and looked at the letter, original memo and meeting minutes to see if there was any way the Board could approve the deconstruction of 318. She said she does not see that it is eligible. Jones added that others have been in their shoes and had errors, sometimes significant. To be consistent in MRA's approach, as much as the Board would like to work with them on this, she doesn't think they can deviate from prior practice. She said that is her personal view because MRA has historically worked hard to make sure that when people come to the Board they come prepared, otherwise it would be a revolving door of new asks as things develop in the field. She agrees the Board's hands are tied. Hicks noted staff is in full support of Levasseur LLC's commitment to deconstruction of the materials. Englund said this is one of the most important tools MRA has to ensure that projects are well planned and thought out in the first place. To have to use it against somebody who plans well feels terrible, but it is not eligible.

Reineking said some of the condos are a little on the high end but some of them seem reasonable. Missoula needs housing of all varieties, and this is a great location. She said she was happy to see something before the Board for approval. Edgell said it is a tough site for a variety of reasons. Reineking said as the memo points out, the water infrastructure will benefit not only this project, but the whole street.

ENGLUND: I MOVE THE MRA BOARD APPROVE THE REQUEST FROM LEVASSEUR LLC FOR UP TO \$605,042 FOR SITE PREP AND PUBLIC INFRASTRUCTURE IMPROVEMENTS WITHIN THE PUBLIC RIGHT-OF-WAY, AND AUTHORIZE THE BOARD CHAIR TO SIGN THE DEVELOPMENT AGREEMENT. REIMBURSEMENT FOR ELIGIBLE COSTS WILL OCCUR FOLLOWING RECEIPT OF PROOF OF PAYMENT, A CERTIFICATE OF OCCUPANCY, AND LIEN WAIVERS. I FURTHER MOVE THE MRA BOARD AFFIRM THAT LEVASSEUR LLC MAY RETURN WITH A SEPARATE TIF REQUEST FOR SECURING WORKFORCE HOUSING UNITS WITHIN THE DEVELOPMENT UNDER CONSIDERATION IN THE MEMO WE ARE ACTING ON TODAY. SUCH A REQUEST WILL ONLY BE VIABLE IF IT IS LIMITED TO ITEMS ELIGIBLE FOR TIF ASSISTANCE UNDER MRA'S WORKFORCE HOUSING PROGRAM GUIDELINES, WITH ONE OR MORE UNITS ESTABLISHED AS INCOME-RESTRICTED AS A RESULT. I WILL ADD THAT THE SECOND PART OF THE MOTION IS NOT A GUARANTEE FOR FUNDING AND MRA WILL CONSIDER IT AT THAT TIME.

Reineking seconded the motion.

No further discussion. No further public comment.

Motion passed unanimously (5 ayes, 0 nays).

Workforce Housing Program – Request Approval of Amendment to Guidelines (Gorski)

Gorski said there continues to be interest in MRA's Workforce Housing Program. Staff shared an [update with the Board in December](#) on how it has been going. Based on

continuing conversations with developers, property owners and MRA staff, there are two proposed amendments to the pilot WHP guidelines to provide clarity.

Gorski said the first proposed amendment is to remove one of the exceptions to the requirement that TIF recipients receiving \$100,000 on a project without income qualified housing contribute to the City's AHTF. That exception is for "TIF requests where the only eligible item is deconstruction". She said in further discussion with staff, they noted there is rarely a "deconstruction only" project. Most projects that come to the Board include a combination of building removal and true deconstruction in addition to site prep costs. She said this would require some complex tracking on staff's part and working with the applicant to pull out what is truly deconstruction. Looking back at previous projects, the deconstruction element is typically well below the \$100,000 threshold. Staff also know MRA can continue to incentivize deconstruction through the traditional TIF program and is recommending the exception be removed.

Gorski said the second proposed amendment relates to the conversation that just occurred with the Levasseur Street project. Typically the Board does not allow applicants to come back with additional funding requests after initial approval. Given the complexity of the WHP and the time it takes to work with a developer to work through including income-qualified units, staff is recommending language be added to the guidelines to allow the applicants requesting TIF assistance for right-of-way improvements, building removal or related work to be able to come back to the Board in the future to request WHP assistance at the same location.

Lawson said both amendments sound very reasonable to him. Reineking concurred and said she is glad that people are looking into this Program. The working group that put the guidelines together fully expected there would be amendments once people started to go through them and potentially use them. She is glad to hear there is interest in the WHP.

Dunn asked about the timing of a developer making a donation to the AHTF. Right now they have to make a contribution after reimbursement from MRA. Gorski said with the Levasseur project, given they are ready to start vertical construction this season, staff will know from them in the next few months whether they will include income-restricted units or not. MRA would not reimburse them until 2026 and that is when the 10% donation to the AHTF would be due.

Englund said in theory, someone could be several years down the road from an initial approval and then all of a sudden they are able to include income-restricted units. Buchanan said that could happen, but isn't sure they would want to go back and refund their donation to the AHTF. Nugent said MRA doesn't control the AHTF so once the donation is given it is a done deal. Dunn asked if the WHP is for construction of the project. Gorski said it can go toward acquisition, construction or soft costs. Nugent asked if it makes sense to add a sentence that clarifies that once the donation has been made it cannot be refunded. Reineking said it wouldn't have to be part of the motion if that scenario were to arise. She said something is going to come up and MRA will deal with it when it comes up and can make a decision or exception to the Guidelines. Englund said MRA cannot refund the money. If someone comes in and wants an additional amount of credit for their donation then MRA can make a decision at that time. Jones said MRA can consider an

accommodation. Nugent added MRA will want the flexibility to do it case by case as things may arise.

LAWSON: I MOVE THE MRA BOARD APPROVE TWO AMENDMENTS TO THE MRA WORKFORCE HOUSING POLICY GUIDELINES, INCLUDING 1) TO REMOVE THE DECONSTRUCTION ONLY EXCEPTION TO THE AFFORDABLE HOUSING TRUST FUND DONATION REQUIREMENT AND 2) TO ALLOW THE MRA BOARD TO CONSIDER A SUBSEQUENT WORKFORCE HOUSING PROGRAM FUNDING REQUEST FOR THE SAME PROPERTY, AFTER APPROVING TIF FUNDING FOR RIGHT-OF-WAY IMPROVEMENTS, BUILDING REMOVAL, UTILITIES AND FAÇADE IMPROVEMENTS.

Reineking seconded the motion.

No further discussion. No further public comment.

Motion passed unanimously (5 ayes, 0 nays).

NON-ACTION ITEMS

North MRL Triangle Public Engagement Process & Redevelopment Plan (URD III / Ward 4) – Update (Hicks)

Hicks said the process is nearing the end of the discovery phase. The public engagement session had a great turnout. The online survey has gathered over 400 responses and is live until the end of the month on Engage Missoula. The next public engagement session is slated for June and will be centered on graphics that will emerge from analysis of the discovery phase. GGLO, the consultant team, will be trying to establish three highly visualized scenarios for redevelopment based on input received to date.

Warren said staff is very interested in getting as much engagement as possible across the entire city. They expect efforts will be equally as robust for the success of phases of the project with the second and third workshops. Keep an eye out on Engage Missoula for updates.

STAFF REPORTS

Director's Report

2025 State Legislature

Brock asked about Senate Bill (SB) 2. Buchanan said it got pulled because it isn't time sensitive right now. There is another bill that deals with similar issues that is still in House Taxation Committee and has not been discussed yet. There is a brand new bill that was put in a day or two ago that is more comprehensive and looks at the newly taxable issue, caps, and 50% of the rate of inflation as opposed to 75%-100%. It also addresses maximum growth. Nugent said it is confusing. Buchanan agreed and said the Montana League of Cities and Towns (MLCT) has been working with the bill sponsor on it. It could end up being the omnibus bill that pulls all the property tax bills together and tries to figure out how to keep everything functioning but provide property tax relief. Staff is still in full alert mode. Brock asked if the next decision makers on SB2 is House Taxation. Buchanan said yes. The new bill is also in House Taxation. Nugent said he has heard anecdotally that there is

some thought about SB2 that it does make things too complicated for municipalities. Buchanan said it is an interesting process.

COMMITTEE REPORTS

OTHER ITEMS

Dunn spoke about MRA's Fiscal Year 2024 Audit. The auditors, Eide Bailly out of Denver, anticipate issuing a report this week. Dunn said there were no findings, which is great. The audit will look a bit different with a few changes in the report since MRA has different auditors this year, one being that the Management's Discussion & Analysis (MD&A) will not be as robust as years past. Dunn said the FY24 Audit will come to the Board in April or May for acceptance, depending on the auditors availability.

Dunn said the Board approved a remittance for FY25 and the agreements with the taxing jurisdictions were put together by Dorsey-Whitney. They are currently over in the City Attorney's office for their sign off and then they will go out. The payments will also go out soon. Buchanan said staff anticipates another remittance request for FY26. Nugent said it would be helpful for him to have something showing the impact to MRA when the City asks for xxx amount of dollars. Buchanan said roughly speaking, MRA gives \$0.30 on the dollar. Nugent said remittances year after year are not sustainable. Buchanan said the City is fortunate to be in a position to use it as a tool rather than sending people home. Nugent said there are a lot of positives out of it. Buchanan said the City's coffers would not be better off if MRA didn't exist.

ADJOURNMENT

Adjourned at 11:40 a.m.

Respectfully Submitted,



Lesley Pugh