

# NORTH RESERVE - SCOTT STREET URBAN RENEWAL DISTRICT PLAN



*Adopted By the Missoula City Council  
August 25, 2014*



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## Table of Contents

Chapter 1. Introduction and Overview .....	1
Chapter 2. Description of the North Reserve-Scott Urban Renewal District .....	6
Chapter 3. Documentation of Blight .....	32
Chapter 4. Goals and Strategies of the North Reserve-Scott Street Urban Renewal Plan .....	39
Chapter 5. Implementation .....	44
Appendix A. Legal Description and Map of the District .....	59
Appendix B. Parcels Included in the District .....	65
Appendix C. Public Meeting Results .....	66

# Chapter 1. Introduction and Overview

On October 28<sup>th</sup>, 2013, the Missoula City Council directed the Missoula Redevelopment Agency (MRA) to conduct an evaluation of blighted conditions in the area known as the North Reserve-Scott Street district. The intent of the evaluation was to determine the area's suitability as an Urban Renewal District (URD), which in turn would enable the City to embark on a program of area redevelopment and revitalization. This "Statement of Blight" documents those blighted conditions that exist in this district as required under the Montana Urban Renewal Law.

Based on this evaluation, which was incorporated in the *North Reserve-Scott Street Statement of Blight*, the City Council adopted Resolution 7865, on April 7<sup>th</sup>, 2014, finding that the "rehabilitation, redevelopment, or a combination of the North Reserve-Scott Street area is necessary and in the interest of the public health, safety, morals or welfare of the residents of Missoula."

The Resolution of Necessity noted six blighted conditions, as defined in Section 7-15-4206 (2), of the Montana Code Annotated (MCA), in the North Reserve-Scott Street area. These include the following and are described in more detail in Chapter 3:

1. Inappropriate or mixed uses of land or buildings.
2. Defective or inadequate street layout.
3. Faulty lot layout in relation to size, adequacy, accessibility, or usefulness.
4. Unsanitary or unsafe conditions.
5. Diversity of ownership.
6. The existence of conditions that endanger life or property by fire or other causes.

Based on this evaluation and according to 7-15-4209 MCA, a local government "may formulate a workable program for utilizing appropriate private and public resources:

- (a) to eliminate and prevent the development or spread of blighted areas;
- (b) to encourage needed urban rehabilitation;
- (c) to provide for the redevelopment of such areas; or
- (d) to undertake such of the aforesaid activities or other feasible municipal activities as may be suitably employed to achieve the objectives of such workable program"

## **Statement of Purpose – North Reserve-Scott Street Urban Renewal Plan**

To address blighted conditions in the North Reserve-Scott Street Area (detailed in Chapter 3), the City of Missoula is embarking on a program of redevelopment and revitalization through the creation of the North Reserve-Scott Street URD. The district is created by ordinance, which will officially adopt this urban renewal plan. The Plan includes a provision to use tax increment financing, as funds become available, in addition to other resources in implementing its goals and strategies.

The Plan provides a context for activities that will be undertaken by a variety of public and private entities over the next several decades. More particularly, this Plan recommends a series of programs and projects that will be undertaken by the local government to encourage reinvestment in the district, which will in turn address blighted conditions that have diminished the environmental, economic and cultural well being of the area over time.

Although the Montana Urban Renewal Law recognizes that eliminating urban blight is a matter of general public interest, this Plan has been developed, based on the underlying principle that it is the citizens who work, reside and own property in the area who will be engaged directly in the revitalization effort.

## **Guiding Principles**

This Urban Renewal Plan is a reflection of sound public policy and thoughtful planning. To this end the following principles will guide revitalization and redevelopment efforts in the URD.

**Readiness** – The renewal of the North Reserve-Scott Street URD will occur in stages, as resources and opportunities become available. In some cases, specific projects will occur in support of private investment that would otherwise not occur without a corresponding investment in public infrastructure. Also, new program initiatives or funding opportunities may present themselves from time to time, which can help bring certain urban renewal projects forward.

**Leveraging** – Projects that make use of a variety of public and private resources including state and federal grants, loans and specialized tax credits, as well as tax increment funds are encouraged.

**Design** – The North Reserve-Scott Street district serves as an important gateway into Missoula for those traveling from west to east along Interstate 90. Yet, development in the area has occurred sporadically over time with little associated capital improvement

or area-wide comprehensive land use planning. This is evident in the area's lack of even the most basic urban design elements, such as the consistent layout of streets, adequate street lighting or landscaping. At a public meeting held in January of 2014, participants noted that visual appeal and cohesiveness will be important to the overall success of the district as the MRA moves forward with the area's renewal. Thoughtful, well-designed public and private development will, in turn, enhance the area, drawing additional investment.

Public-Private Partnerships – The successful redevelopment of the North Reserve-Scott Street URD will depend on cooperation between the public and private sectors. As noted above, significant private investment will likely require associated public financing of municipal infrastructure improvements. Funding sources for capital projects will include, but not be limited to Tax Increment Financing (TIF). Specific projects will be undertaken in accordance with the Montana Urban Renewal Law, 7-15-42 and 7-15-43, MCA.

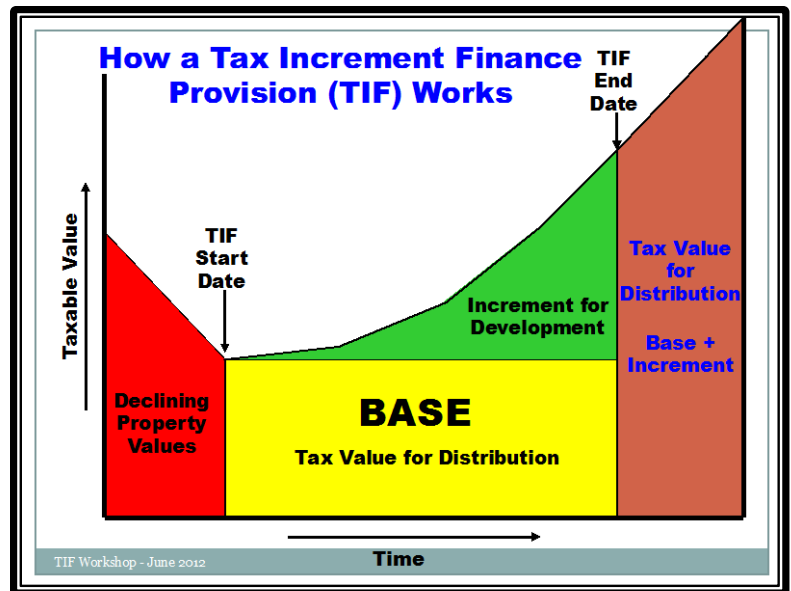
### **Tax Increment Financing**

The City of Missoula plans to utilize Tax Increment Financing (TIF) in conjunction with other funding sources to help foster revitalization within the North Reserve-Scott Street URD. The base year for the purposes of measuring any incremental value in the District will be 2014 and the base value will be calculated as of January 1, 2014.

Tax Increment Financing is a state authorized, locally driven funding mechanism that allows cities and counties to direct property tax dollars that accrue from new development, within a specifically designated *district*, to community and economic development activities. In Montana, TIF districts are authorized in parts 7-15-4201 and 4301, et. Seq. Montana Code Annotated (MCA), the State's Urban Renewal Law.

TIF districts are typically characterized by blight and/or infrastructure deficiencies that have limited or prohibited new investment. A base year is established from which "incremental" increases in property values are measured. Virtually all of the resulting new property tax dollars (with the exception of the six mill state-wide university levy) can be directed to redevelopment and economic revitalization activities within the area in which they are generated.

Taxpayers located within a TIF district pay the same amount as they would if the property were located outside the district. TIF only affects the way that taxes, once collected, are distributed. Taxes that are derived from base year taxable values continue to be distributed to the various taxing jurisdictions – local and state government entities and school districts. Taxes derived from the incremental increase in taxable value are placed in a special fund for purposes set forth in an Urban Renewal Plan.



Tax Increment Financing Schematic

Tax Increment Financing Districts are authorized for 15 years, but may be extended for up to an additional 25 years if TIF revenue bonds are sold any time during the first 15 years. Funds may be used for a variety of purposes as provided for in 7-15-4288 MCA and include improvements to vehicular and pedestrian transportation infrastructure, streetscapes, parks and landscaping, water and sewer lines and for connecting to infrastructure outside the district. While funds are typically used for public infrastructure investments, there are instances where local governments have used TIF funds to partner with private property owners to make improvements to historic buildings, to address life-safety issues and to enhance landscaping. The statutes also provide for the establishment of a TIF revolving loan program that can support private investment in the TIF District. Loan funds can continue to “revolve” beyond the life of the District.

In order to proceed with the creation of the North Reserve-Scott Street URD, the City of Missoula was required to provide documentation that blighted conditions exist within the district and pass a Resolution of Necessity to address blighted conditions. The Montana Urban Renewal law states in 7-15-4210 MCA, that a municipality may not exercise any of the powers authorized by part 43 and this part until after its local governing body has adopted a resolution finding that:

- (1) one or more blighted areas exist in the municipality as documented by the presence of at least three blighted conditions; and

- (2) the rehabilitation, redevelopment, or both of an area or areas are necessary in the interest of the public health, safety, morals, or welfare of the residents of the municipality.

As noted above, the Resolution of Necessity – City of Missoula Resolution 7865 was adopted on April 7<sup>th</sup>, 2014.

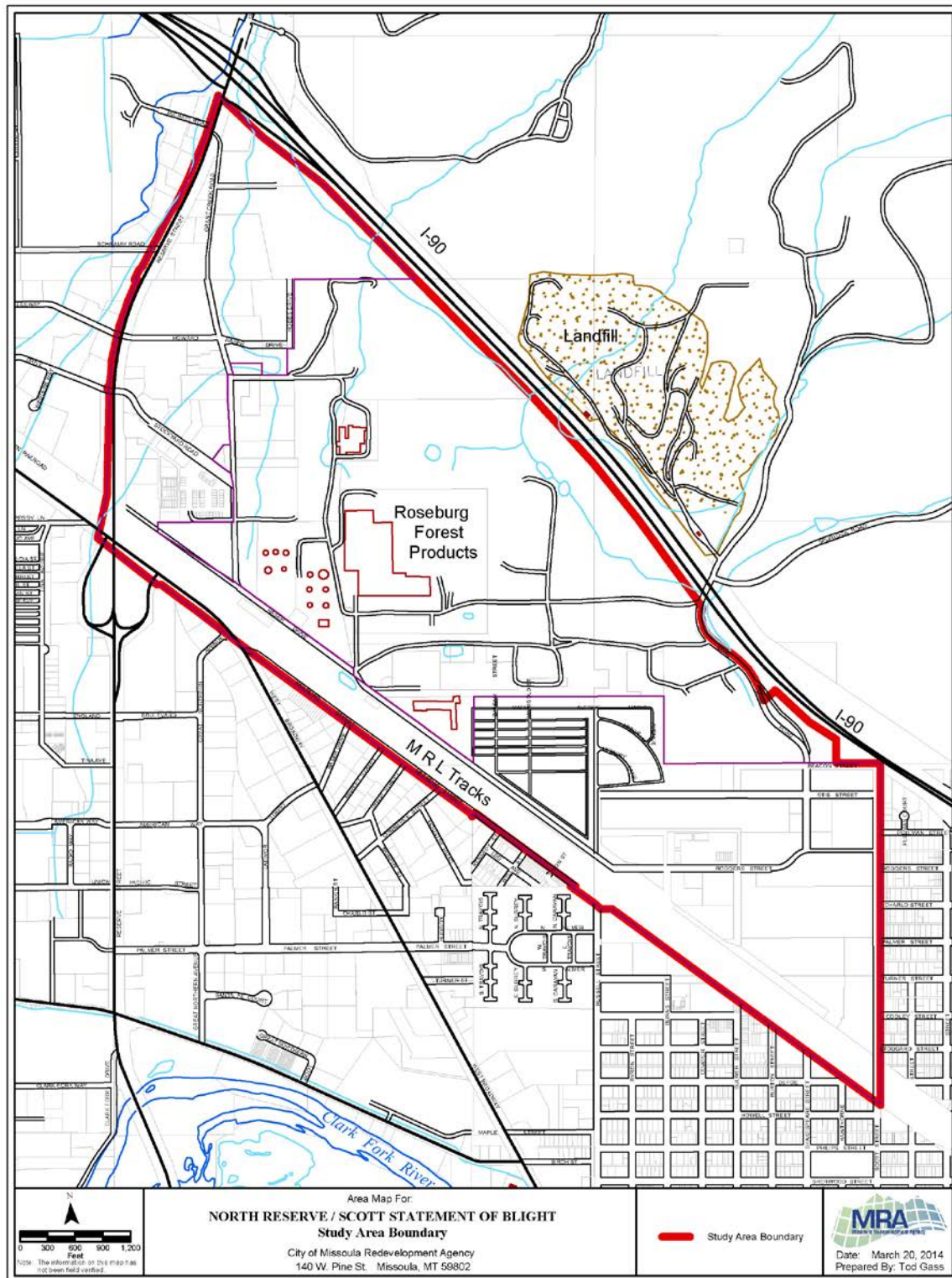


## **Chapter 2. Description of the North Reserve-Scott Street Urban Renewal District**

### **North Reserve-Scott Street Urban Renewal Planning Area Boundaries**

The North Reserve-Scott Street district can generally be described as the area bounded on the north by Interstate 90 (the regional landfill lies across I-90 to the north outside the boundaries of the district), on the south by the south side of the West Broadway (US Highway 10), on the west by North Reserve Street, and on the east by Scott Street, as shown in the map on the following page.

The district is comprised of two major sections, connected by Montana Rail Link's rail yards and associated facilities. The eastern portion is home to several public and quasi-public properties, including cemeteries, a park, and the City shop area, as well as numerous other industrial and vacant parcels. The western portion of the area consists of land adjacent to the North Reserve Street corridor, much of it developed for commercial uses. Wedged between the two halves is land that has not previously been annexed into the City of Missoula. This area includes several wood products facilities, uses associated with the terminus of the Yellowstone Pipeline, and assorted other parcels.



## North Reserve-Scott Street Urban Renewal Planning Area

## **City of Missoula – Historical Overview**

“The first inhabitants of the Missoula area were American Indians from the Salish tribe. They called the area "Nemissoolatakoo," from which "Missoula" is derived. The word translates roughly to "river of ambush/surprise," a reflection of the inter-tribal fighting common to the area. The Indians' first encounter with Euro-Americans came in 1805 when the Lewis and Clark expedition passed through the Missoula Valley.

There were no permanent non-Indian settlements in the Missoula Valley until 1860 when C. P. Higgins and Francis Worden opened a trading post called the Hellgate Village on the Blackfoot River near the eastern edge of the valley. It was followed by a sawmill and a flourmill, which the settlers called "Missoula Mills". The completion of the Mullan Road connecting Fort Benton, Montana with Walla Walla, Washington and passing through the Missoula Valley meant fast growth for the burgeoning city, buoyed by the U.S. Army's establishment of Fort Missoula in 1877, and the arrival of the Northern Pacific Railroad in 1883. With this Missoula became a trading center in earnest, distributing produce and grain grown in the agriculturally prosperous Bitterroot Valley. Businessmen A. B. Hammond, E. L. Bonner, and R. A. Eddy established the Missoula Mercantile Company in the early 1880s.

The city's success was aided by two other factors. First was the opening of the University of Montana in September 1895, serving as the center of public higher education for western Montana. Then, in 1908, Missoula became a regional headquarters for the Forest Service, which began training smokejumpers in 1942. The Aerial Fire Depot was built in 1954, and big industry came to Missoula in 1956, with the groundbreaking for the first paper production mill in nearby Frenchtown.

Until the mid-1970s, logging – lumber production and paper manufacturing were Missoula's mainstay industries. Many ran “teepee burners” to dispose of waste material, contributing to the smoky haze that sometimes covered the town. The saws could be heard over two miles away on a clear summer night. However, by the early 1990s, changes in the economic fortunes in the city had shut down most of the Missoula log yards followed by closure of the paper manufacturing plant.

Today, Missoula is the regional hub for commerce and services in western Montana, with 80 percent of workers employed in non-manufacturing positions such as professional services, health care, business, management, financial operations and sales. Like nearly all of the United States, Missoula was affected by the 2008 recession. Since then, the local economy has stabilized, with the Montana Bureau of Business and Economic Research showing modest growth in the county during 2012. (Missoula

Economic Partnership) According to the US Census, the City of Missoula had an estimated population of 68,394 in 2012, an increase of 2.4% over the 2010 census figure of 66,788. During the same period, the state of Montana grew by only 1.6%.

## **The North Reserve – Scott Street Urban Renewal District**

### **History of the District**

The North Reserve-Scott Street district is emblematic of how the City of Missoula has grown and changed over time and provides clear evidence of the role that industry has and continues to play in the community in the face of broad economic changes. Following are examples of businesses that have operated in the area over time and the associated impacts of their activities.

#### White Pine Sash and Door



The White Pine Sash and Door facility, on the west side of Scott Street, operated as a sawmill and window and door manufacturer from approximately 1920 until 1996. This photo, taken in 1962, shows the extent of the site's operations.

For approximately 50 years, in order to reduce the potential for mold and fungus growth, the wood products manufactured there were treated with a pentachlorophenol flake (PCP, or penta) dissolved in diesel fuel, often creating dioxin as a byproduct. The treatment process involved dipping the wood products into underground vats of the penta solution for approximately three minutes, removing them from the vats, allowing them to drain and dry, and then shipping them to customers across the country.

This treatment, and lack of containment, resulted in penta and dioxin contamination in soil and subsurface water, and in 1994 the site was listed as a state superfund (CERCLA) site. In 1996, White Pine Sash, the last large employer on the Missoula's north side, shut its doors.



White Pine's closure and subsequent property sales left four property holders on the site including Zip Beverage, Scott Street LLP, Clawson Windows Manufacturing, and the City of Missoula. Portions of the site's soil contained unacceptable levels of penta and dioxin, while contamination was also identified in groundwater at a "hot spot" near the former dipping tanks. Huttig Building Products, former owner of the Missoula White Pine Sash Company, based in St. Louis, Missouri, remains the "Principle Responsible Party", liable for cleanup of the site under state law.

In 1998, the City was awarded a \$200,000 EPA Brownfields Pilot Project Assessment Grant. The City used the funding to support contamination sampling and testing of surface soils, garden produce, and indoor air quality in the residential neighborhood adjacent White Pine site and just east of the boundary of the North Reserve-Scott Street district.

In 2004, the City of Missoula received an \$182,538 Brownfields Cleanup Grant from the U.S. Environmental Protection Agency (EPA) to clean its 14 acre portion of the White Pine site. Most of the City owned portion was relatively clean, and met state standards for acceptable levels of penta and dioxin on land in commercial use. However, the City chose to remove approximately one additional foot of soil from a portion of the site, thus meeting the more stringent residential standard for penta and dioxin. On that portion of the site, the City constructed a \$300,000 vehicle repair and maintenance building. The City also erected a large storage shed for winter road sand, and paved a parking lot for City vehicles. Finally, with funding from the Federal Environmental Protection Agency, the City converted a three acre portion of the site into a neighborhood park and soccer field. Today, the City-owned portion of White Pine Sash continues to house the City maintenance shops and the Public Works Department offices.

Discussions between the former owner of the site and the Montana Department of Environmental Quality (DEQ) over cleanup of the bulk of the property continue, and 20 acres of the White Pine Sash site are a weed lot which has localized penta and dioxin issues – the definition of brownfields blight. Further, because elevated contaminant concentrations were detected in soil vapor at the facility, DEQ required Huttig to install additional soil vapor monitoring points of various depths at seven locations within the former operational area and the adjacent neighborhood east of Scott Street. The sampling points were installed and sampled in November and December of 2012. Sample results will assist in identifying the source(s) of volatile chemicals detected in soil beneath buildings, and allow for monitoring of contaminant concentration fluctuations in the future. (*Final Report ~ U.S. Environmental Protection Agency Brownfields*

*Cleanup Grant ~ City of Missoula ~ White Pine Sash November, 2010 and the DEQ web site at <http://www.deq.mt.gov/StateSuperfund/missoulawhitepinesash.mcp>*

### Roseburg Forest Products

The Roseburg Forest Products facility manufactures particleboard & specialty panels with thermally fused melamine. The facility is listed in the State's Toxic Release Inventory Program. The goal of the Toxics Release Inventory program is to provide communities with information about toxic chemical releases and waste management activities and to support informed decision making at all levels by industry, government, non-governmental organizations, and the public.

Roseburg Forest Products, based in Roseburg, Oregon, is one of the largest privately owned wood-products companies in the United States. Originally named Roseburg Lumber, the company was founded by Kenneth Ford in 1937, operating mills throughout Western Oregon. In the early 1980s it was renamed Roseburg Forest Products. It continues to be held by the Ford Family. As of 2010, the company has 3,000 employees and annual revenues of about \$840 million. (*Stevens, Suzanne (July 29, 2011). "List: Oregon's top private companies". Portland Business Journal. Retrieved July 30, 2011.*)

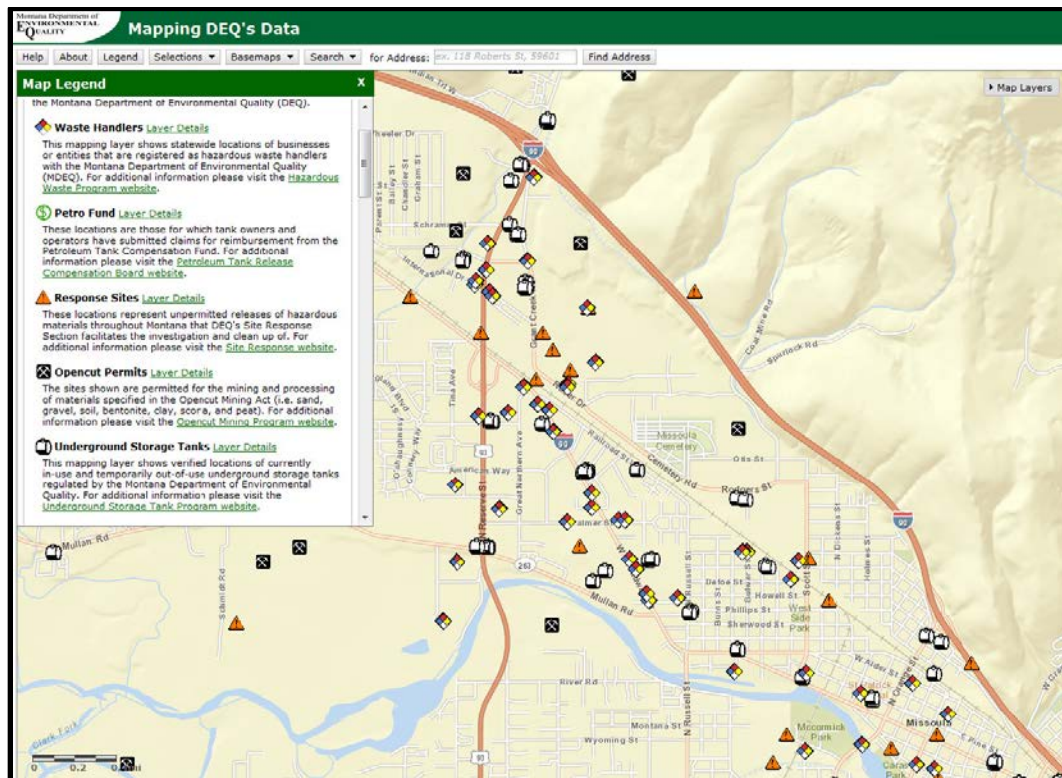
### Borden Chemical Inc.

Borden is an active, 10-acre glue and resin manufacturing plant that has operated since 1970. Borden is located adjacent to the west section of the district but is not annexed to the City of Missoula. Borden Chemical Inc. can be broadly classified into the Chemical Manufacturing sector of the Petrochemical Manufacturing Industry, defined as companies that are based on the transformation of organic and inorganic raw materials by a chemical process and the formulation of products, in other words, manufacturing cyclic aromatic hydrocarbons such as benzene, toluene, styrene, xylene, ethyl benzene, and cumene made from refined petroleum or liquid hydrocarbons. (NAICS 325110)

In 1979, Borden was listed under the historic state superfund program (CERCLA) and delisted in 1984. A 1987-88 investigation found no contaminants in the groundwater monitoring wells. In 1989, Borden was again listed as a State Superfund site under the Comprehensive Environmental Cleanup and Responsibility Act (CECRA). Borden removed all accumulated hazardous wastes from on-site lagoons, and the sludge containing Phenolic was encapsulated on a 0.7 acre site. MDEQ declared the site "no further action" and delisted it in 1996. (*The DEQ web site at <http://svc.mt.gov/deq/OLQS/SRS/Report.aspx?Site=BORD>*)

## General Status of Industrial Sites

According to Montana Department of Environmental Quality, within the general boundaries of the area, numerous “underground storage tanks”, multiple “remediation response sites”, several “waste handlers”, and two “open cut permits” exist. (*The DEQ web site at <http://svc.mt.gov/deq/wmaDST/default.aspx?requestor=DST&type=SRS>*) The following map provides location information of these industrial sites.



## **Current Land Use**

The North Reserve-Scott Street district is characterized by a mix of historic industrial and commercial uses adjacent to newer businesses and multi-family residential developments. The area is isolated from the rest of the community through a combination of man-made barriers including Reserve Street to the west, Interstate 90 to the north and, on the south, the Montana Rail Link rail yards - a portion of the 817 miles of railroad track operated by Montana Rail Link through the state of Montana, originally part of the Northern Pacific Line (Montana Department of Transportation). Many of the internal roads were likely only constructed to a rural standard and are significantly deteriorated and much of the area is without any access whatsoever. In a majority of cases there are no curbs or sidewalks. Vacant properties, gravel pits and

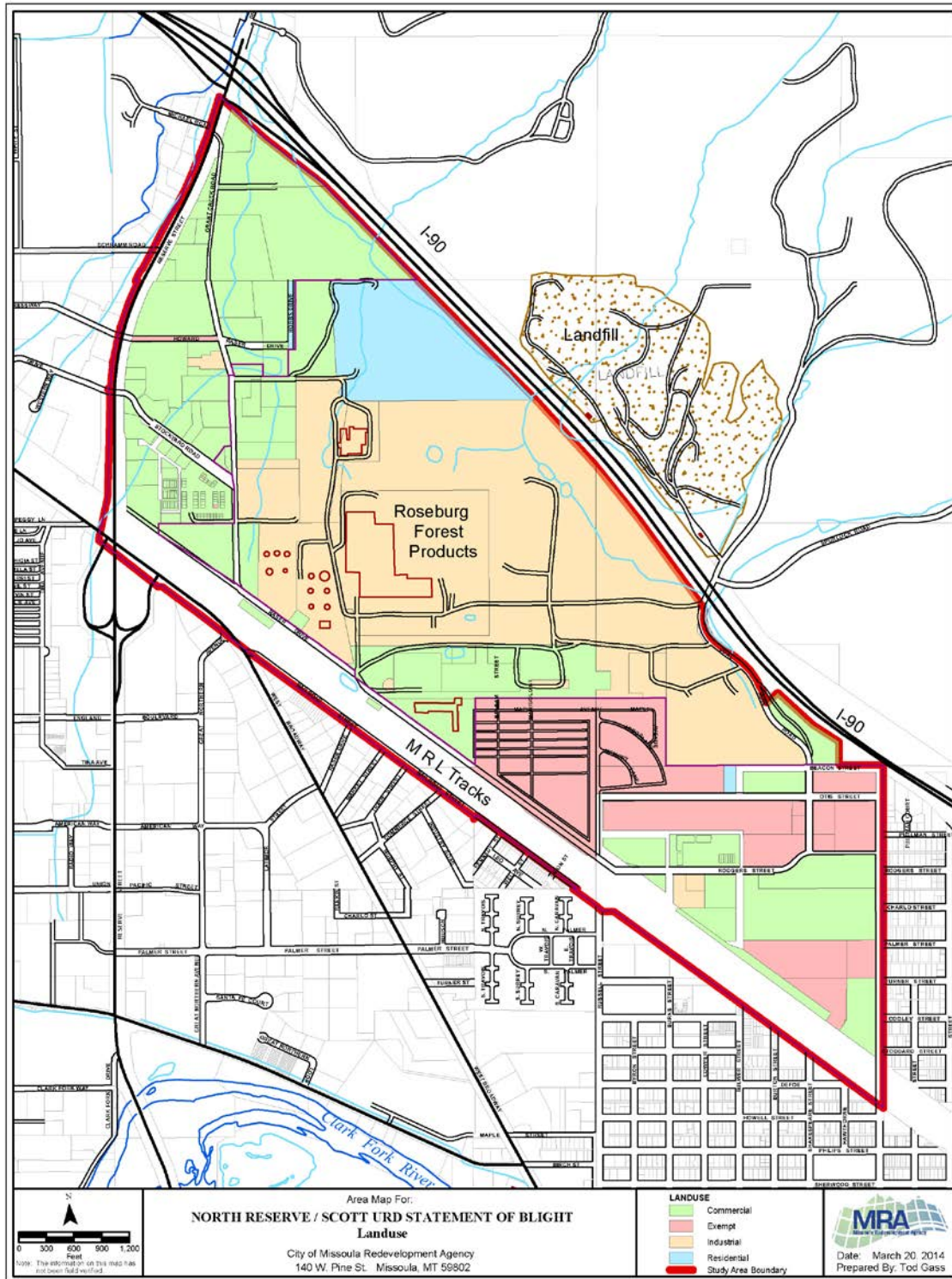
construction storage areas dot the landscape, making the area appear abandoned and forbidding.

The district is comprised of two major sections, connected by the west Broadway Street right-of-way. The eastern portion is home to large green areas, including two cemeteries, St. Mary's and the Missoula City Cemetery, and a park, at the White Pine Site (see below). Industrial uses are common in the eastern two thirds and along the rail yards. The eastern section includes a multi-family residential complex with 84 apartments.

The western portion of the area consists of commercial activity adjacent to the North Reserve Street corridor, interspersed by industrial uses and vacant land. This wide mix of land uses may not be appropriate along a major urban commercial arterial that also serves as a key entryway into Missoula's Reserve Street commercial area. Historically, the lands to the east of the North Reserve Street Corridor have been in industrial use and the area is home to a number of warehouse storage facilities. However, more recently a number of those industries have seen or are currently undergoing significant changes due to the shift in markets and fluctuations in the economy. In addition, vacant lands in the district are increasingly being used for commercial rather than industrial purposes. The result is that the area is experiencing conflicts among incompatible uses that include commercial, residential and industrial.

Wedged between the two halves is land that has not previously been annexed into the City of Missoula. This area includes the Roseburg Forest Products facility, a gravel pit, dumpster storage and a petroleum pipeline off-loading operation with large storage facilities. The following map depicts general land uses in the Reserve Scott Urban Renewal Area as broadly designated by the Montana Department of Revenue for tax purposes:





## Land Use in the North Reserve Scott Street Urban Renewal Planning Area

## **Zoning in the North Reserve - Scott Street Urban Renewal District**

All of the area included within the North Reserve – Scott Street URD is zoned under Title 20, the Zoning Ordinance of the City of Missoula, Montana”. The purposes of the zoning ordinance are:

- A. conforming with §76-2-304(1), MCA;
- B. protecting and promoting the public health, safety and general welfare;
- C. implementing the policies and goals contained in the officially adopted Growth Policy and other adopted plans;
- D. establishing clear and efficient development review and approval procedures; and
- E. accommodating the orderly and beneficial development in accordance with the preceding purposes.

There is a mixture of business and commercial (C1-4, C2-4), industrial (M1-2, M1R-2, M2-4), and open space and public (OP-1 (park), OP-3 (cemetery)), and two special zoning districts, City Maintenance Facility and NRBC Special District, within the North Reserve – Scott Street URD. There are no residential zoning districts within the boundaries.

Between the two major sections of the district, the adjacent land located in the county is zoned C-I2, Heavy Industry. The intent of the Missoula County’s C-I2 zone is to accommodate heavy manufacturing, processing, fabrication, and assembly of products or materials, which can be employed in areas where the land is capable of sustaining such uses. This area includes the Roseburg Forest Products facility, a gravel pit, dumpster storage and a petroleum pipeline off-loading operation with large storage facilities.

Missoula’s business and commercial zoning districts are primarily intended to accommodate and promote neighborhood and community-serving business and commercial uses (e.g., retail, service, office), as well as mixed-use development consisting of business uses and residential uses in the same building or on the same site. Encouraging true mixed-use development can help reduce vehicle travel demand and provide increased housing choice and transit-oriented densities.

Missoula’s industrial (M) zoning districts are primarily intended to accommodate manufacturing, warehousing, wholesale and industrial uses. The M1R2 regulations are intended to promote the economic viability of manufacturing and industrial uses, encourage employment growth but allow residential uses. Other uses such as public parks, recreation, and colleges/.universities are also allowed in the M1R2 district.



## Zoning in the North Reserve - Scott Street Urban Renewal Planning Area

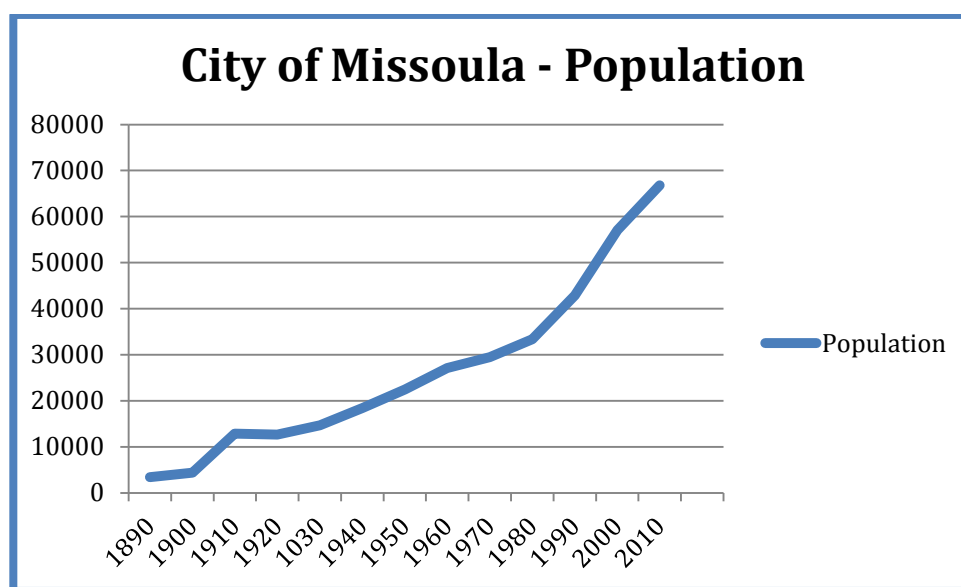


## Current Demographic and Economic Information – City of Missoula

### Populations and Households

Information specific to the North Reserve-Scott Street Urban Renewal Area is not available. Therefore, data presented in this section is for the city of Missoula. This information, however, does provide the overall context that will guide revitalization activities in the North Reserve-Scott Street URD. For example, the median age in the City of Missoula, at 30.9 years, is lower than both Montana (39.8) and the nation (37.2). While persons 65 and older constitute 10.7% of the population, 18% of the households in the community include individuals who are 65 or older. Households with persons under the age of 18 make up 23% of the total. This means that the population will grow at a faster rate than in communities where the population is generally older.

As of July 1<sup>st</sup>, 2012, Missoula's estimated population was 68,394, an increase of 2.4% since the 2010 census. Overall, the population has grown significantly, since the late 19<sup>th</sup> Century, particularly since 1980, as shown in the following figure.



Source: US Census

According to the 2010 Census there are 30,682 housing units in the city of Missoula, of which 1,601, approximately 5%, are vacant. Approximately 60% of the occupied housing units (29,081) were built prior to 1960. Less than half, 48%, are owner-occupied according to the 2010 Census. The median value of owner-occupied housing units is \$238,300 and the median rent is \$717 according to the 2008-2012 American Community Survey (ACS).

## Economic Conditions

There are 9,437 firms the City of Missoula based on the 2007 Survey of Business Owners (the most recent survey conducted by the Census). According to the 2008-2012 ACS, there are 39,086 people in the civilian labor force of which 35,746 are currently employed. The largest segment of the labor force, 27.8% or 9,929, work in the educational services, health care and social assistance sector of the economy. Another 14.4% or 5,148 are employed in the, arts, entertainment, recreation, accommodation and food services sectors and 14% or 5021 are employed in retail trade. The following table shows employment by industry the City of Missoula.

<b>EMPLOYMENT BY INDUSTRY – CITY OF MISSOULA</b>				
<b>INDUSTRY</b>				
<b>Civilian employed population 16 years and over</b>	35,746	+/-887	35,746 (X)	
<b>Agriculture, forestry, fishing and hunting, and mining</b>	752	+/-250	2.1%	+/-0.7
<b>Construction</b>	2,178	+/-346	6.1%	+/-1.0
<b>Manufacturing</b>	1,456	+/-330	4.1%	+/-0.9
<b>Wholesale trade</b>	825	+/-289	2.3%	+/-0.8
<b>Retail trade</b>	5,021	+/-604	14.0%	+/-1.6
<b>Transportation and warehousing, and utilities</b>	1,112	+/-216	3.1%	+/-0.6
<b>Information</b>	1,226	+/-247	3.4%	+/-0.7
<b>Finance and insurance, and real estate and rental and leasing</b>	1,809	+/-308	5.1%	+/-0.9
<b>Professional, scientific, and management, and administrative and waste management services</b>	3,504	+/-415	9.8%	+/-1.1
<b>Educational services, and health care and social assistance</b>	9,929	+/-726	27.8%	+/-2.0
<b>Arts, entertainment, and recreation, and accommodation and food services</b>	5,148	+/-618	14.4%	+/-1.7
<b>Other services, except public administration</b>	1,708	+/-293	4.8%	+/-0.8
<b>Public administration</b>	1,078	+/-249	3.0%	+/-0.7

Source: U.S. Census Bureau, 2008-2012 American Community Survey

Bureau of Labor Statistics data for February, 2014 indicates that the unemployment rate in the city of Missoula is 5.6%, compared to 5.1% for the State of Montana and 6.7% for the nation.

### **Income and Poverty**

According to the 2008-2012 ACS, the median household income in the city of Missoula is \$39,076, well below the state, at \$45,456, and the nation, at \$53,046. An estimated 20.9% of Missoula Families live below the poverty level, compared to 14.8% for the state and 14.9% for the nation.

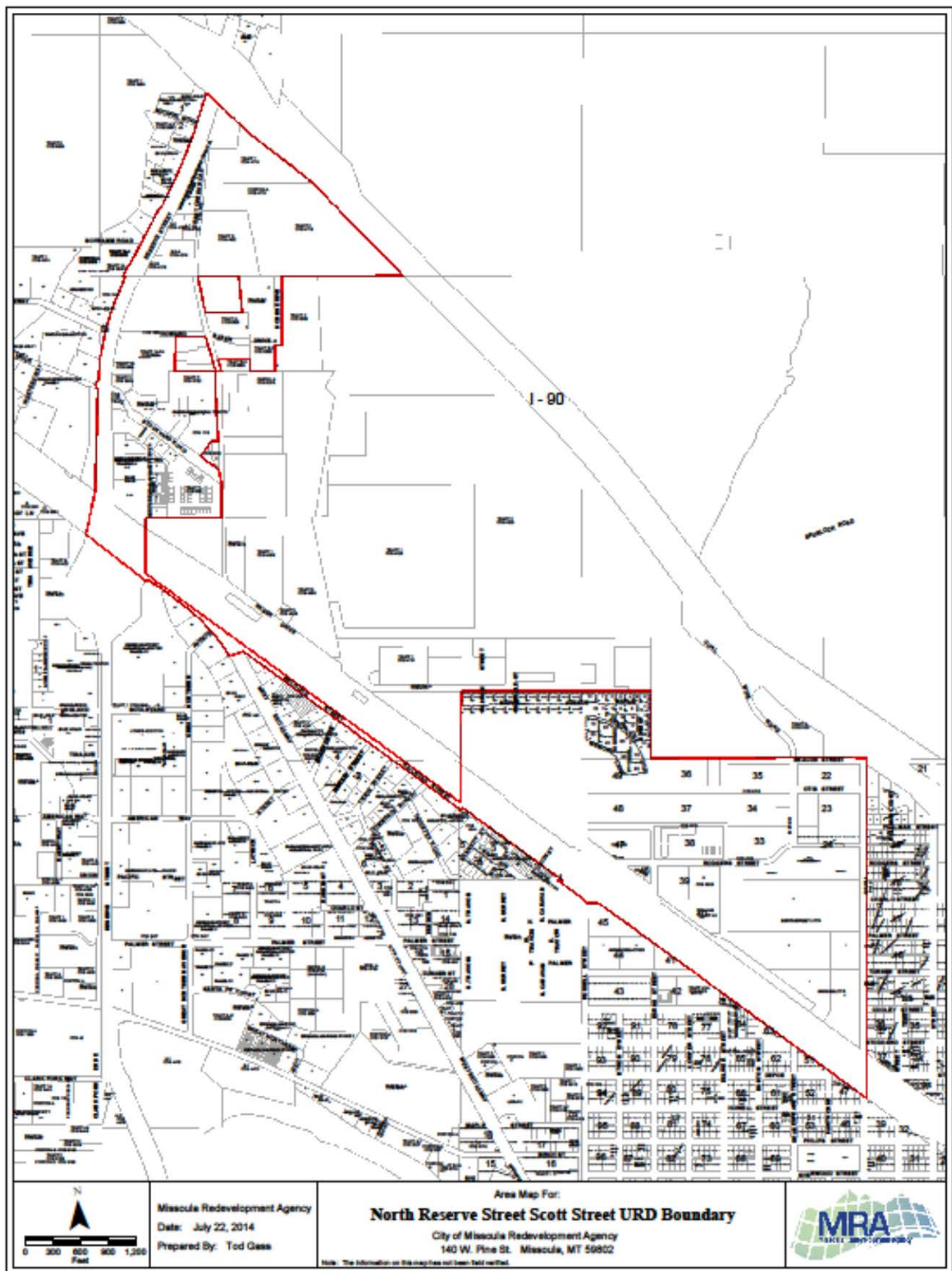
With respect to housing costs, 16.9% of households earning \$20,000 or less (about 20% of all households) are paying more than 30% of their income for housing. Of those making \$20,000 to \$35,000, another 18.5% of all households, 11% are paying 30% or more for housing. Therefore a significant number of Missoula households are facing unaffordable housing costs.

## **Description of the North Reserve-Scott Street Urban Renewal Area and Tax Increment Financing District**

### **MAP of the Urban Renewal District**

On the following page is the map of the North Reserve-Scott Urban Renewal District. The legal description can be found in Appendix A and a parcel listing is in Appendix B.





## North Reserve-Scott Street Urban Renewal District

## **Planning Consistency**

This Urban Renewal Plan must conform to the City of Missoula's Growth Policy per 7-15-4213 MCA. On July 15<sup>th</sup>, 2014, the Missoula City-County Planning Board reviewed the North Reserve-Scott Street Urban Renewal Plan and found it to be in conformance with the Missoula County Growth Policy 2005 Update and other appropriate plan amendments to the Growth Policy, per statutory requirements.

There are several area and issue plans that have some influence on the area included under the North Reserve-Scott Street Urban Renewal Plan. These plans are listed here:

- UFDA amendment, Resolution 7381. November 24, 2008.
- Limited Scope update to the Northside/Westside plan, Resolution 7327, April 7, 2008.
- Wye/Mullan Road Area Comprehensive Plan Amendment, adopted November 16, 2005.
- Northside/Westside Neighborhood Plan, (later brought forward as a Comprehensive Plan amendment to the Growth Policy) Resolution 6335, July 10, 2000.

## **Growth Policy Review**

The Growth Policy was reviewed in order to determine whether the Growth Policy adequately supports the urban renewal project (per 7-15-4213 MCA). The Growth Policy has been found to include:

- Goals and Objectives that support the urban renewal, economic development, and development of infrastructure that encourages urban renewal and economic development in the community.
- Tax Increment Financing is among the strategies to be implemented to achieve the Growth Policy's goals and objectives.
- The identification of land use through maps and/or text of lands.

The following excerpts and specific statements demonstrate conformance of this Urban Renewal Plan with the Growth Policy. The Growth Policy includes several goals and objectives that generally support redevelopment and revitalization of the North Reserve-Scott Street area. Following these general statements for the City of Missoula are goals and objectives that address the topics of land use, the economy, and community services and facilities. Under these broad goals are numerous objectives that support establishment of this urban renewal area.



## **Growth Policy Goals and Objectives**

### **City of Missoula's Growth Policy**

#### **CHAPTER ONE: INTRODUCTION, PURPOSE OF GROWTH POLICY (page 1-1)**

*The overarching goals are:*

*Manage growth in a proactive rather than reactive way, considering both immediate and cumulative impacts.*

*Create a truly healthy community by:*

- 1) protecting critical lands and natural resources, such as wildlife habitat; riparian resources; hillsides; air and water quality; and open spaces; and*
- 2) enhancing the community's resources in the areas of health and safety; social, educational, recreational, and cultural services; employment; housing and the valued characteristics of communities.*

#### **CHAPTER THREE: COMMUNITY GOALS AND OBJECTIVES**

##### **DEVELOPMENT PATTERNS AND LAND USE GOALS AND OBJECTIVES**

##### **DEVELOPMENT PATTERN AND LAND USE GOALS (pages 3-3 thru 3-4)**

- 1. Identify where in Missoula County certain types of growth should or should not occur and how the integration of developed lands and open spaces can best be accomplished.*
- 2. Provide for logical expansion of communities while maintaining environmental quality and keeping the expenditures for public services and facilities at a reasonable level.*
- 3. Preserve the diversity, integrity, and unique values of neighborhoods, communities, and rural areas.*
- 4. Respect the different elements of neighborhood patterns and integrate them so as to form a functional, aesthetically pleasing, and livable whole.*

##### **DEVELOPMENT PATTERNS AND LAND USE OBJECTIVES**

##### **GENERAL**

- 1. Accommodate growth, retain historical resources, and provide appropriate open spaces in the design of development so that areas of greater density remain healthy, safe, and livable.*
- 2. Encourage and support new land development within or immediately adjacent to areas where public services are currently available both to maximize local government efficiency and to promote a logical growth pattern.*
- 3. Encourage low density development in areas distant from sewer or other public facilities and services, in part to maintain rural character and environmental quality. (Included for consistency but not applicable to this Plan).*
- 4. Encourage the continuation of agricultural and forestry operations and protect them from adverse impacts of urban development. Distinguish between urban and rural*

*land use patterns in land use decisions related to agriculture. Support local sustainable agriculture. (Included for consistency but not applicable to this Plan).*

- 5. Preserve and enhance natural vegetation and encourage landscaping that will protect soils, air and water quality, visual amenities, other environmental features, and reduce conflicts between land use activities.*
- 6. Encourage a development pattern along major streets within and leading to the community that is visually pleasing.*
- 7. Encourage the preservation and adaptive re-use of historic structures.*
- 8. Encourage upgrading and maintenance of private property and structures.*
- 9. Balance the consideration of efficient public services, preservation of natural resources, continuation of agricultural opportunities, and availability of existing lands within the Missoula Urban Service Area by referring to the Residential Development Allocation Map (Map 18) for identification of where residential development should occur within the Missoula Urban Service Area.*

#### **RESIDENTIAL**

- 10. Encourage development at appropriate densities within the urban growth area.*
- 11. Encourage a residential land use pattern that provides a high quality living environment in a variety of residential settings, protects public health and safety, minimizes local government service costs, and preserves natural resources.*
- 12. Encourage the design of low density development within or adjacent to the urban growth area in such a way as to accommodate potential re-subdivision and infill. (Included for consistency but not applicable to the this Plan).*
- 13. Refer to the Residential Development Allocation Map (Map 18) when determining the appropriateness of discretionary requests for rezoning within the Missoula Urban Service Area. (Please note: in addition to the allocation numbers, the map indicates the zoned capacity of each area. While the capacity exists, it may not necessarily be in the right locations within the area and/or at the appropriate density. The zoned capacity figure is not intended to preclude applications for changes in zoning. Zoning requests will continue to be reviewed in accordance with the criteria described in MCA Title 76 and adopted local ordinances.)*
- 14. Enhance opportunities for developing a variety of housing and other types of development to meet community needs.*

#### **COMMERCIAL/INDUSTRIAL**

- 15. Conserve resources and minimize transportation demand in rural areas by structuring commercial centers around existing facilities. (Included for consistency but not applicable to this Plan).*
- 16. Support development of neighborhood commercial centers, which satisfy community wide goals and are designed to mitigate negative impacts on residential neighborhoods.*

17. *Allocate land for commercial and industrial land uses that meets their specific needs and adheres to adopted land use policy. Efficiently and economically provide public services to those areas.*
18. *Improve the appearance and functioning of existing commercial strips within and leading to the community.*
19. *Create smooth transitions from commercial to noncommercial uses.*
20. *Encourage new industrial projects to locate within existing industrial parks and areas already developed for industrial use. (Included for consistency but not applicable to the this Plan).*
21. *Encourage interesting and innovative design of structures.*

### **CHAPTER THREE: COMMUNITY GOALS AND OBJECTIVES**

#### **ECONOMY GOALS AND OBJECTIVES (page 3-5)**

##### **ECONOMY GOALS**

1. *Protect and further develop the County's economic base and assure the economic health of the Missoula urban core, smaller communities, and rural areas.*
2. *Encourage economic development to occur in ways that conserve and enhance natural and human resources.*
3. *Manage growth to maintain and enhance the economy of Missoula County to support a diverse population, strong community, and healthy environment.*

##### **ECONOMY OBJECTIVES**

1. *Allow for diverse business and employment opportunities and a competitive business climate.*
2. *Support a stable economy by encouraging "clean" industries that utilize raw materials and diversify demand dependence; concentrating economic expansion on stable industries with long term prospects; encouraging a broad economic base; and encouraging economic expansion that meets residents' needs first.*

#### **LOCAL SERVICES AND FACILITIES GOALS AND OBJECTIVES (page 3-6)**

##### **GENERAL LOCAL SERVICES AND FACILITIES GOALS**

1. *Provide cost effective urban services such as sewer, police and fire protection, libraries, cultural activities, active recreation, and schools.*
2. *Encourage development to locate in areas where facilities are available and where the public costs of providing needed facilities and public services are lowest.*
3. *Ensure that the impacts associated with development are fully addressed and that the costs of mitigating those impacts are fairly distributed.*

4. *Encourage a land use pattern that facilitates use of all modes of transportation and provides for safe, healthy, affordable, efficient and convenient access to transportation connections for residential, commercial, industrial, and emergency traffic.*

#### GENERAL LOCAL SERVICES AND FACILITIES OBJECTIVES

1. *Provide adequate infrastructure to ensure a healthy natural, economic, and social environment in Missoula County. Ensure the availability and affordability of infrastructure such as sewer, water, transportation, public safety, health and social services, public lands, parks and other open spaces, cultural resources, and education.*
2. *Maximize use of present facilities and encourage joint use rather than expansion.*
3. *Develop infrastructure to accommodate present development and plan infrastructure to meet the needs of anticipated growth in accordance with public values and goals.*
4. *Coordinate infrastructure planning among government agencies, private sector groups, and the general public.*
5. *Refer to the Residential Development Allocation Map (Map 18) as a tool to inform infrastructure planning and investment within the Missoula Urban Service Area.*

#### **Growth Policy Implementation Tools**

To accomplish the broad goals and objectives addressing housing, the economy, the environment, and community services and facilities, the growth policy describes potential tools for implementation.

#### **CHAPTER FOUR: IMPLEMENTATION**

##### **POLICY TOOLS**

##### **URBAN RENEWAL DISTRICTS (page 4-5)**

*The State of Montana's Urban Renewal Law provides the opportunity for municipalities to redevelop and rehabilitate "blighted" areas. State law also provides an opportunity to use tax increment financing (TIF) to assist with redevelopment activities.*

##### **FISCAL TOOLS**

##### **TAX INCREMENT FINANCING (page 4-7)**

*Tax increment financing (TIF) is an important fiscal tool that allows jurisdictions to finance certain kinds of development costs. Bonds are sold by a jurisdiction to finance (re)development efforts in a particular area based on anticipated increases in property taxes collected from that locale. The actual increment of increased tax revenue from the area is then used to pay off the bonds. Urban Renewal Districts are TIF supported. There are three Urban Renewal Districts in the City and one in the County at the Missoula Development Park near the airport.*

## **Growth Policy Implementation Strategies**

To complete aspects of the broad goals and objectives, the growth policy lists opportunities and strategies for implementation.

### **CHAPTER FOUR: IMPLEMENTATION**

#### **GROWTH POLICY IMPLEMENTATION STRATEGIES (pages 4-8 thru 4-12)**

##### **1. CONTINUE TO STUDY AND UTILIZE FISCAL TOOLS TO IMPLEMENT PRIORITIES OF ADOPTED POLICY**

- a. Capital budget and improvement program*
- b. Public financing*
- c. Tax incentives to encourage housing rehabilitation*
- d. Fiscal tools such as impact fees and exactions*
- e. Funding mechanism for a recycling program (Included for consistency but not applicable to this Plan).*
- f. Cost reduction strategies, including affordable financing programs to encourage new development to locate near existing service systems*
- g. Grants, tax increments, and other financing for urban renewal districts and redevelopment of brownfield sites*

##### **2. CONTINUE TO GATHER DATA AND COMPLETE STUDIES TO INFORM DEVELOPMENT OF POLICY AND REGULATION (The following list of studies is included for consistency but not necessarily applicable to this Plan).**

- a. Analysis of the of the Missoula County economy*
- b. Study to set standards for subsurface disposal for groundwater quality and expansion of the ambient water quality database*
- c. Performance standards and location studies for pollution producing facilities*
- d. Level of Service (LOS) study to establish the LOS for rural and urban development for police/fire, sewer/storm drainage/sanitation, solid waste disposal, parks and open space, energy/utilities, government services, schools and libraries, transportation, water supply, air quality*
- e. Study of transportation system subsidies and public benefits*
- f. Examination of environmental and health standards to determine their effectiveness in managing growth*
- g. Housing needs assessment*

##### **3. CONTINUE TO COMPLETE AND MAINTAIN INVENTORIES (Included for consistency but not applicable to this Plan).**

- a. Infrastructure*

- b. Land inventories that examine developed, undeveloped, underdeveloped, agricultural lands, and conservation lands; also specific land use inventories for commercial, industrial and residential uses*
- c. Socio-cultural resources and places*
- d. Natural resources such as wildlife habitat, critical lands, scenic land*
- e. Urban forest tree inventory*
- f. Historic structures and historic landscapes*

#### 4. CONTINUE TO CONDUCT MONITORING AND EVALUATION

- a. Critical natural and cultural resources*
- b. Water quality*
- c. Housing preservation, renovation, development, and housing costs*
- d. Economic development standards to measure sustainability of economic sectors and forces*
- e. Environmental and public health indicators*

#### 5. CONTINUE TO CONDUCT LONG RANGE PLANNING (*Included for consistency but updating all listed long range plans are not applicable to this Plan*).

- a. Growth Policy review*
- b. Regional and vicinity plans and updates*
- c. Issue plans and updates*
- d. Natural resource conservation plan*
- e. Comprehensive housing plan*
- f. Water quality management plan*
- g. Urban forest reforestation and maintenance plan*
- h. Non-motorized transportation plan update*
- i. Transportation plan update*
- j. Historic preservation plan*
- k. Economic development plan*
- l. Regional economic strategy*
- m. Urban area infrastructure plan*
- n. Update of the wastewater treatment facility service area*
- o. Fire master plan update*
- p. Airport master plan update*
- q. Solid waste and recycling plan*
- r. Recreation plan and development program*
- s. Riverfront plan*
- t. Redevelopment plans*
- u. Update existing plans as needed*



## 8. INVOLVE THE COMMUNITY IN PLANNING ACTIVITIES

- a. Opportunities for citizen input in government processes and program formation*
- b. Opportunities for public input on street improvements*
- c. Community building activities*
- d. Improvement of pre-application process for projects to allow for early neighborhood and public review*
- e. Review of neighborhood commercial proposals*
- f. Development of commercial and industrial land use policy*
- g. Use of neighborhood associations and councils to encourage participation and promote property maintenance*
- h. Maintenance of ongoing discussion with business community regarding land use issues and concerns*
- i. Refer to the Residential Development Allocation Map (Map 18) when establishing parameters for neighborhood planning within the Missoula Urban Service Area (URSA)*

## 10. DEVELOP PROGRAMS AND FACILITIES

- a. Land conservation program to encourage use of such tools as voluntary conservation techniques, clustered development, development design to reduce conflicts between uses, transfer of development rights, acquisition of land or development rights*
- b. Program to encourage different types of residential development that maximize community resources and provision of services and meet the diversity of needs, including medium to high-density housing*
- c. Central information service for government services*
- d. Housing assistance office*
- e. Transit facilities and services*
- f. Facilities such as libraries, sewer, and water systems as needed*
- g. Parks improvement and maintenance program*
- h. Countywide solid waste disposal system that will provide reasonable service to rural communities (Included for consistency but not applicable to this Plan).*
- i. Public road improvement program*

## **CHAPTER EIGHT: PUBLIC INFRASTRUCTURE STRATEGY**

### **CITY OF MISSOULA STRATEGY (page 8-2)**

*The primary strategy for development, replacement and maintenance of infrastructure for the City of Missoula is through its CIP. CIP projects are those costing more than \$5,000 with a life expectancy of five or more years. Capital improvements covered by this plan*

*include the sewer and stormwater drainage systems, fire protection facilities, parks and recreation facilities, roads and bridges, and other public facilities.*

*CIP requests are preliminarily reviewed for feasibility and accuracy of cost estimates; potential for environmental impact; conformance with land use, wastewater and transportation plans; and correspondence with redevelopment plans for projects located within Urban Renewal Districts.*

### **Growth Policy Land Use**

The Growth Policy discusses land use for the City of Missoula. It describes where and how the City should grow. Then the Growth Policy sets a priority of growth based on the availability of urban services. The North Reserve-Scott Street URA is located within the Primary Urban Growth area and the Secondary Urban Growth area.

#### **THE 1998 UPDATE OF THE MISSOULA URBAN COMPREHENSIVE PLAN CHAPTER 6:**

*Shaping Urban Growth, (page # 61). To encourage development to locate in areas where facilities are available and where the public costs of providing needed facilities and public services are lowest.*

*Shaping Urban Growth, (page # 62). The Urban Service Area characterizes as appropriate for urban development those lands for which public services including wastewater treatment, delivered at urban intensities, will be available over the next twenty to fifty years. Areas where urban services are provided or planned should be encouraged to develop in an urban fashion and comprise, collectively, an “urban growth area.” Within the urban growth area, residential, commercial, public, and other forms of development should be encouraged at urban densities.*

*Shaping Urban Growth, (page # 62-63). Generally, areas appropriate for urban growth are defined by the availability or planned extension of urban services including public safety, cultural, social, health, and transportation services.*

*Shaping Urban Growth, (page # 63-64). **Primary urban growth areas.** Areas are generally considered appropriate for immediate development if they are surrounded by, or contiguous to, existing urban development and served by existing urban services including sanitary sewer infrastructure. Also fitting this category are lands where the extension of sanitary sewer is planned, as reflected in the Capital Improvement Projects (CIP) 1-5 year budget which is adopted annually following a process of public involvement and hearings. Areas for immediate development should be logical extensions*



*of existing neighborhoods, or established in such a way as to connect well with surrounding neighborhoods through transportation and utility linkages and compatible design elements.*

*Quality development is a priority for areas appropriate for immediate growth because their proximity to existing infrastructure can result in lower public cost and less negative impacts to the community. Lower costs due to the availability of infrastructure provide some market incentives for development in this area. The community also should actively encourage growth in areas by providing the highest priority for infrastructure in City and County CIP's. Development proposals which meet the land use designation of this plan should generally be approved. Impact fees, community impact statements and regulatory incentives such as density bonuses and zoning flexibility should be implemented in ways that recognize the minimal cost and added benefit to the community of development located in these areas. Regulatory incentives also should be implemented such as density bonuses, increased flexibility in zoning codes, and other tools.*

***Secondary urban growth areas.*** *Urban growth areas which are suitable for urban development over a longer term include those lands which are currently lacking in one or more of the major elements of infrastructure, such as access to an arterial road or to sanitary sewer, but which are located within the twenty-year Wastewater Treatment Facility Service Area. These areas generally are not contiguous to existing urban development and have neither been identified as appropriate for immediate development nor as unsuitable for development due to topographical or other constraint. Development approval should be conditioned upon the ability of the developer to provide or pay for necessary on-site and off-site improvements and infrastructure. Infrastructure extensions should be sized to accommodate demands of anticipated growth. Low density development should be designed to allow for urban levels of development in the future.*

The Missoula Urban Comprehensive Plan, Land Use Atlas, 1998 Update (Growth Policy), sheet T13N R19W Northwest Missoula Core, illustrates the land use designations for the North Reserve-Scott Street URA. The land use classifications in the North Reserve-Scott Street URA include:

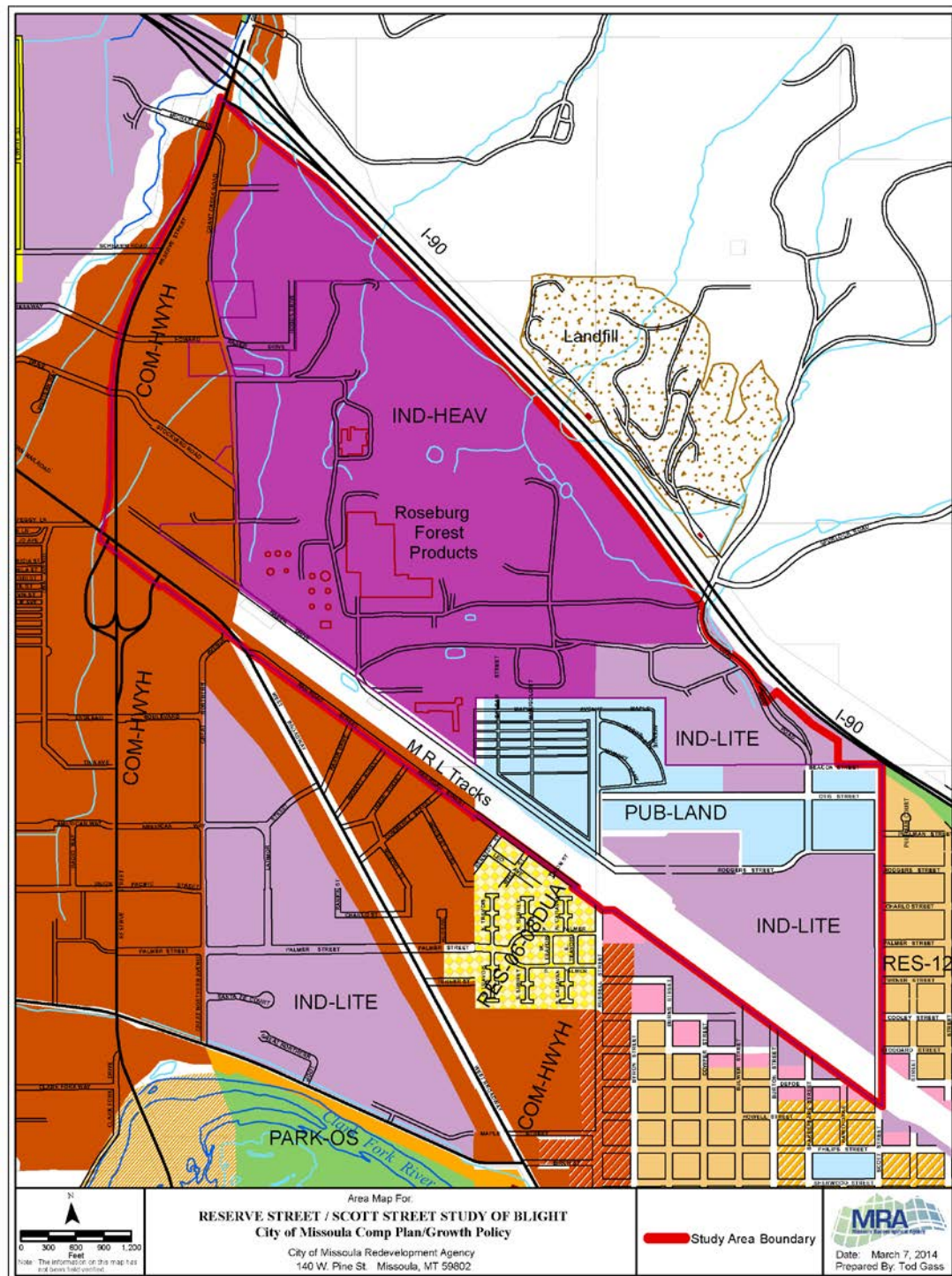
*Highway/Heavy Commercial*

*Heavy Industrial*

*Light Industrial*

*Public and Quasi-public Lands and Facilities*

The Missoula Urban Comprehensive Plan, Land Use Atlas, 1998 Update (Growth Policy), sheet T13N R19W Northwest Missoula Core follows:



## Growth Policy Land Use Classifications in the North Reserve-Scott Street Urban Renewal Planning Area



## Chapter 3. Documentation of Blight

### Blighted Conditions in the North Reserve-Scott Street Urban Renewal District

As noted above, according to 7-15-4210 MCA, a municipality may only adopt a Resolution of Necessity to create a URD, if at least three conditions of blight, as defined in 7-15-4206 MCA, exist in all or part of the area under consideration. A study of the North Reserve-Scott Street URD reveals that the area meets this requirement, based on the following:

7-15-4206 (2) (a) *the substantial physical dilapidation; deterioration; defective construction, material, and arrangement; or age obsolescence of buildings or improvements, whether residential or nonresidential*

Throughout the district, streets are substantially deteriorated as shown here on Otis Street, west of Scott and Coal Mine Road.



7-15-4206 (2) (c) *inappropriate or mixed uses of land or buildings*



a construction materials storage area. In other areas of the district, new commercial developments are located in close proximity to abandoned industrial sites.

The area developed over time without a vision regarding its highest and best use. As a result adjacent uses are often incompatible, such as the building of these multi-family residential properties next to



7-15-4206 (2) (e) *defective or inadequate street layout*



As noted above, the transportation infrastructure within the district is in poor



condition. In most places, street paving is deteriorated or non-existent. There are virtually no sidewalks, curbs or gutters. Access to the district from Scott Street and North Reserve Street is limited and within the area there are only a few streets that serve as public thoroughfares. Debris along roadways is common and it is difficult to determine where public streets end and private roads and driveways begin.

Numerous streets lack connectivity both in legal rights-of way as well as physically, such as Howard Raser Avenue at Hobbs Drive. Otis Street has a dedicated right-of-way but is not constructed to the west beyond the River Rock Apartments.

-15-4206 (2)(f) *faulty lot layout in relation to size, adequacy, accessibility, or usefulness*

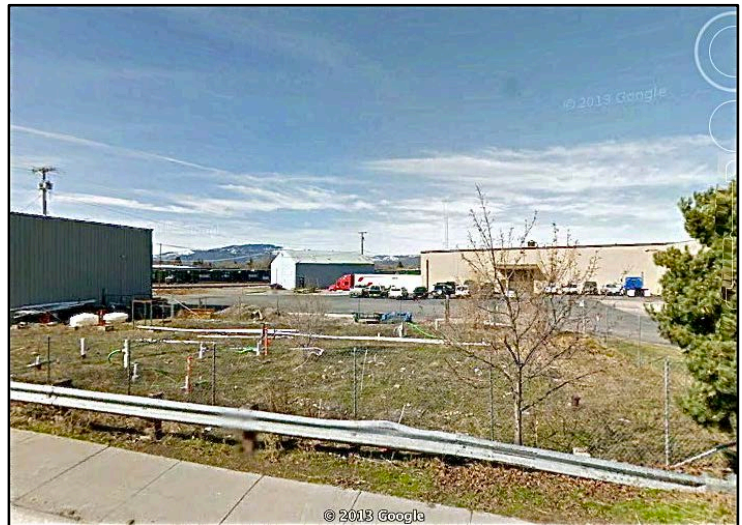


This photo, taken in the western portion of the district along Grant Creek Road shows the shows a mixture of public right of way, driveways, storage and parking. There is no discernable pattern of lot arrangement and no design features to identify how these areas are delineated.



7-15-4206 (2)(h) *unsanitary or unsafe conditions*

As noted above, the former White Pine Sash and Door Facility at the southeastern edge of the district is a State of Montana superfund site and a designated brownfields area. This photo shows the PCP groundwater treatment and monitoring site adjacent to the beverage distributor currently located here.



The abandoned Clawson Window Manufacturing facility near Rodgers Street is an example of urban decay and presents a current and future concern. Historically similar properties have become havens for transient traffic and criminal activities leading to increased calls for service to emergency responders.

7-15-4206 (2)(j) *diversity of ownership*

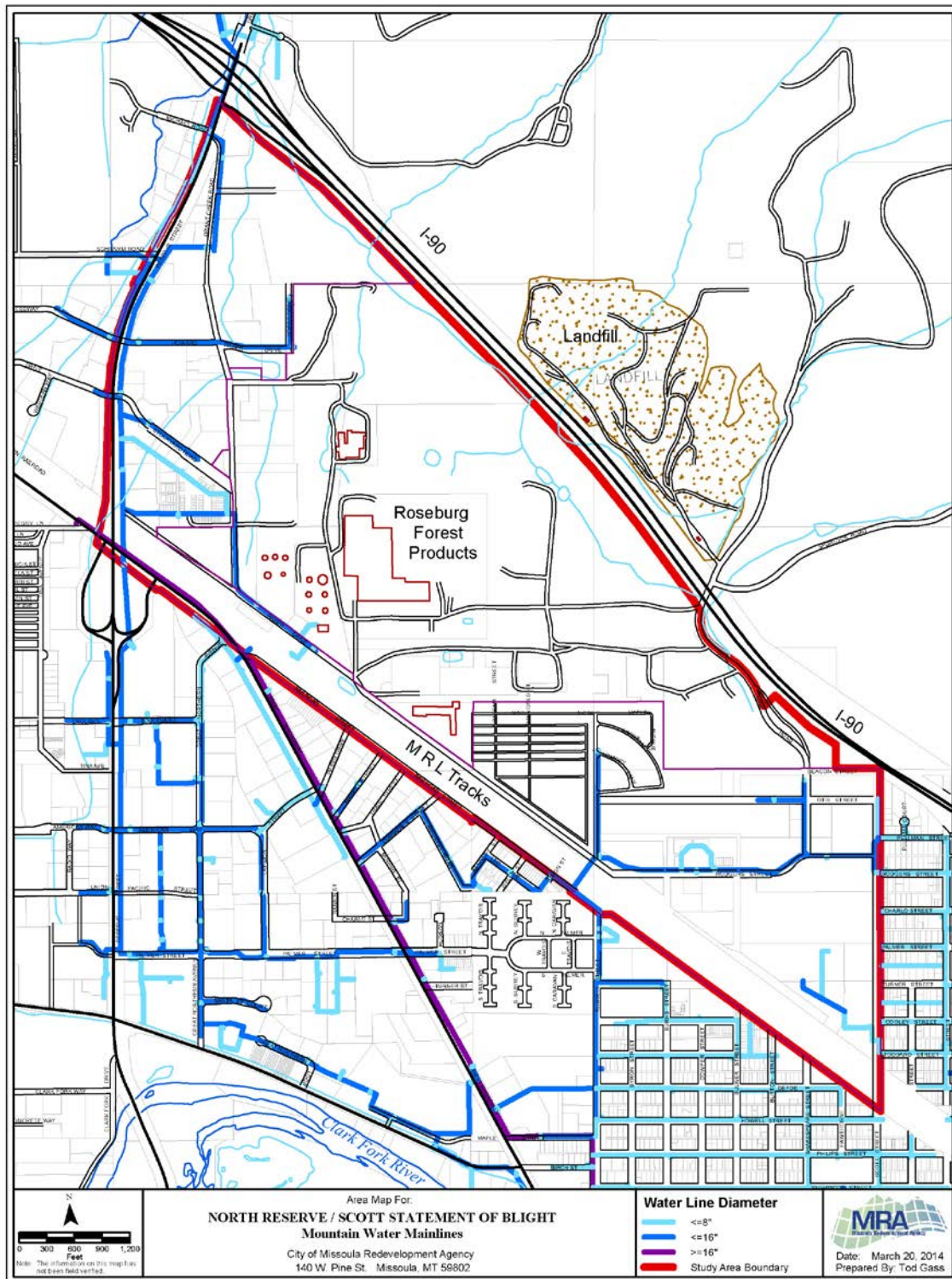
The Reserve - Scott Street area is comprised of 205 separate parcels, owned by 125 property owners. Of those, 37, or approximately 30% are located out of state. Taxes are delinquent on three parcels within the area.

7-15-4206 (2)(n) *the existence of conditions that endanger life or property by fire or other causes*

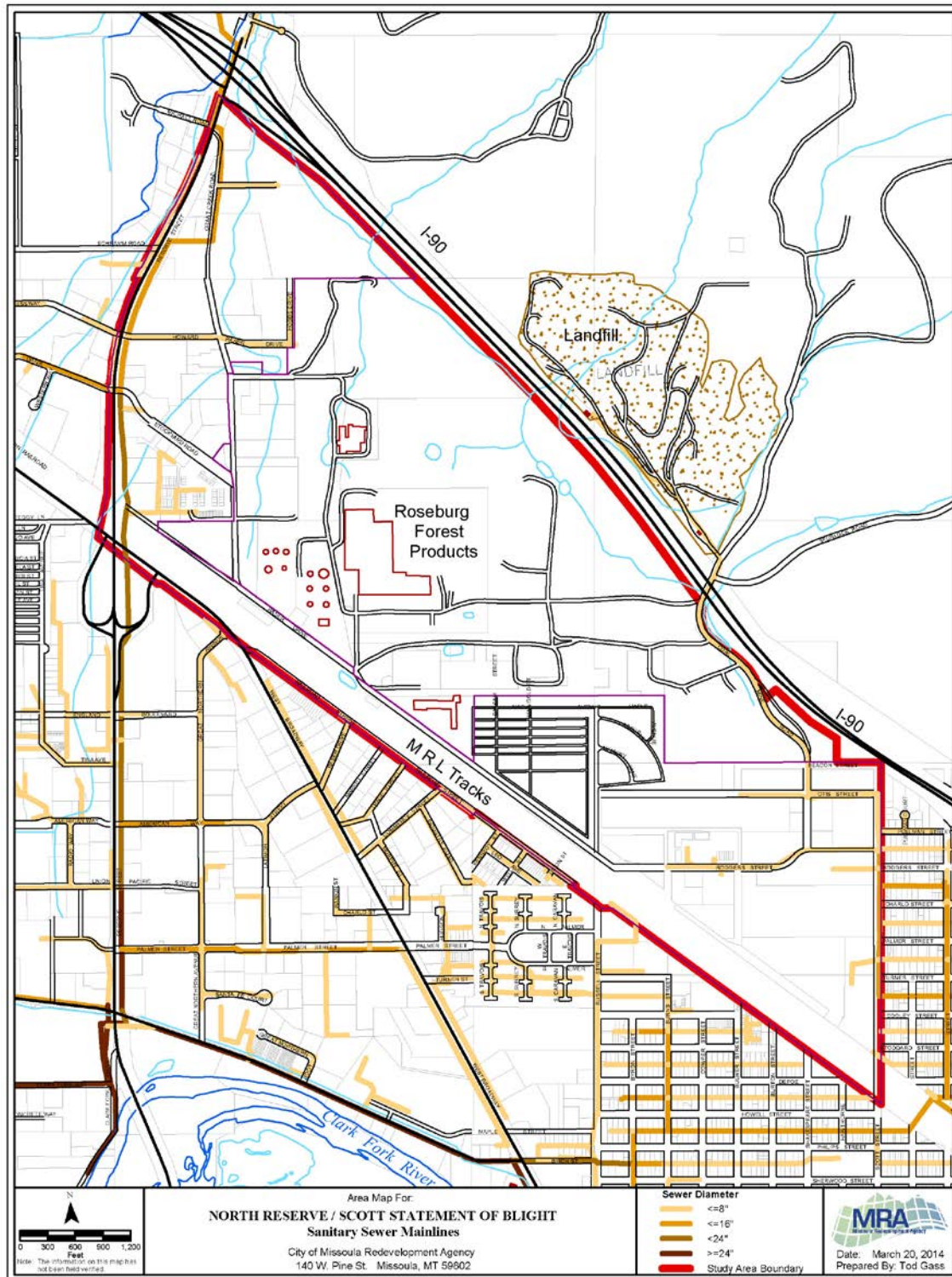
The Reserve – Scott Street has limited sewer and water infrastructure. As noted in the maps on the following pages, much of the area is without these critical capital improvements. The lack of water services in particular places the area at higher risk for loss associated with fire, which in turn creates a significant barrier to investment in the area. Heightened fire risk can often translate into higher insurance premiums for property owners.

Information provided by the Missoula Valley Water Quality District indicates that water quality issues have been of concern in this area for many years. Elevated concentrations of nitrate, chloride and total dissolved solids have been observed in production and monitoring wells in this area. The extension of public sewer and water service to this area is a long term goal of the Water Quality District to provide a better option for commercial and industrial wastewater needs in this area. Public water

service with the capacity for necessary fire fighting pressure and hydrants would also enhance public health and safety.







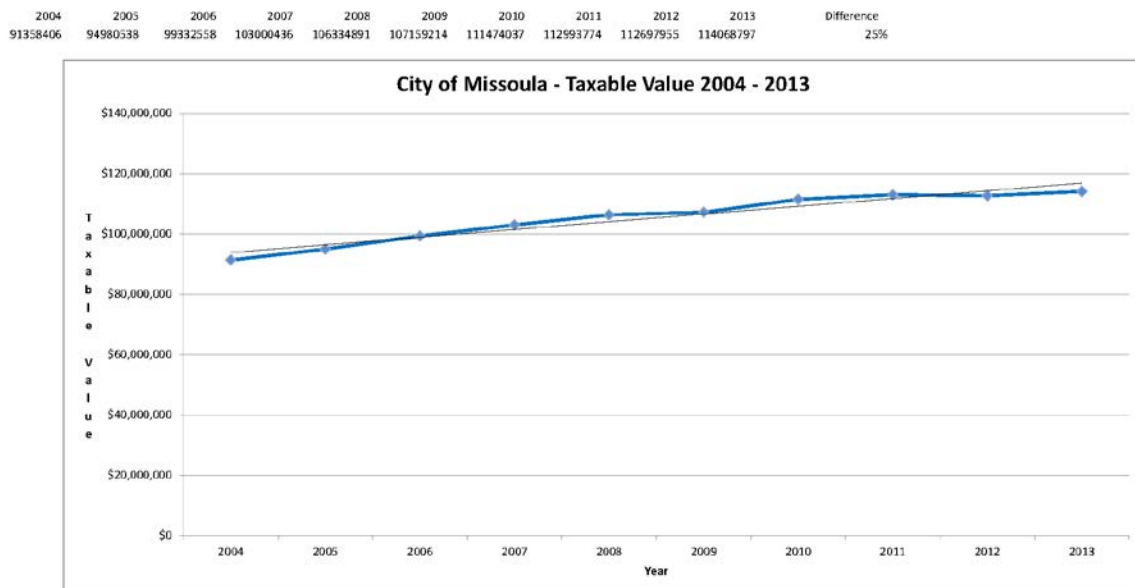
According to the City of Missoula Fire Marshal, the spacing of fire hydrants within the area does not meet the minimum requirement, which is set by the International Fire Code. The Code requires a minimum hydrant spacing of 500' and minimum sustained

flow of 1500 gallons per minute. The area, in most cases, fails to meet this requirement. Some industrial locations within the district would require higher flows based on building size and lack of automatic fire sprinkler coverage. In addition, the Reserve and Scott Street district is bound geographically on two sides by Interstate 90 to the North and MRL rail to the South. This configuration, combined with general limited access and poor roadway conditions, limits the ability of emergency vehicles to access incidents and could result in increased emergency response times.

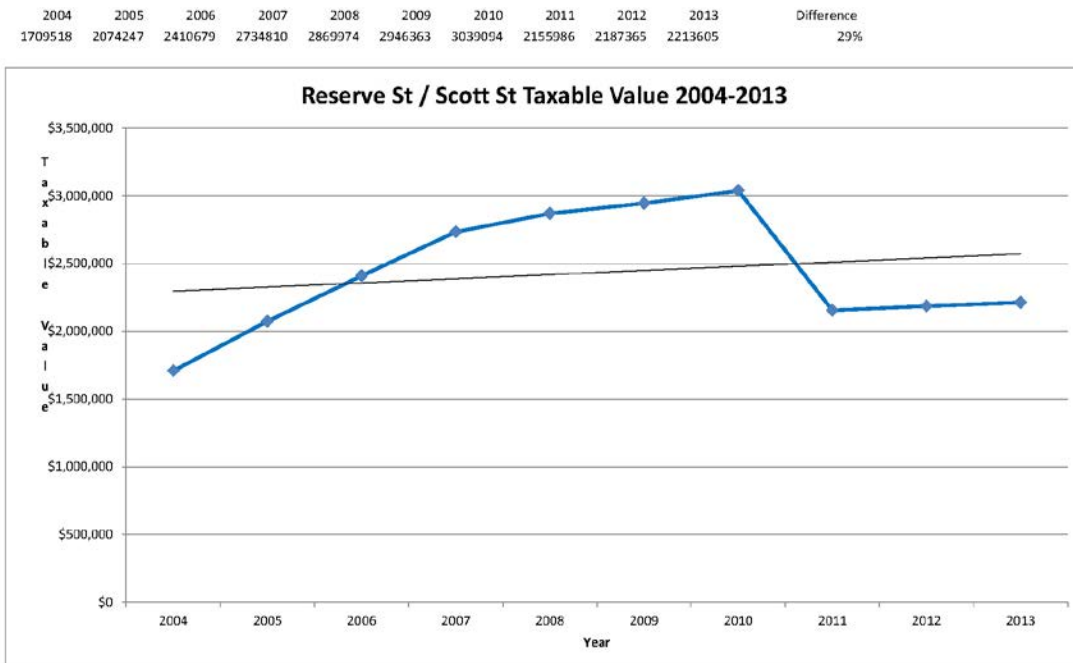
The area includes a significant amount of open space, which can increase the frequency of wildfires. Historically fires have occurred along the rail system, the Interstate and open fields.

### **Taxable Valuation in the North Reserve – Scott Street District**

The taxable value of property within the Reserve-Scott Street district has fluctuated over the past ten years, dropping significantly in 2011. This is of particular concern, given that the taxable value for Missoula has increased steadily over the same period. See the two figures below.







## Conclusion

Based on these findings, the North Reserve-Scott Street Urban Renewal District can be described as blighted per Montana Statute, with respect to the deteriorating condition of property in the area; incompatibility of land uses; defective street layout, faulty lot layout, diversity of ownership, and unsafe conditions associated both public and privately held property.

## **Chapter 4. Goals and Strategies of the North Reserve – Scott Street Urban Renewal Plan**

### **Introduction**

By establishing this Urban Renewal District the City of Missoula intends to present a viable alternative to retail, commercial and manufacturing businesses locating and relocating beyond the current municipal services area. It also intends to promote retention, expansion and development of environmentally sound, labor intensive manufacturing and research businesses. Certain portions of the District offer the opportunity to promote models of mixed use development that include residential uses. The City understands that well planned transitions between and careful mixing of uses is critical to the realization of these goals.

This chapter presents the goals and strategies for addressing blight within the North Reserve-Scott Street Urban Renewal District. Some of these are directed to the entire district, while others are specific to a certain site or area. They are drawn from public input, the Missoula County 2005 Growth Policy Update and other appropriate plans, technical input from the City's staff, and the survey of blight conducted in January of 2014. Public discussion addressed economic development, brownfield remediation, multi-modal connectivity, and urban design. Public comments can be found in Appendix C.

Following are the Goals of this Urban Renewal Plan and associated strategies.

### **Goal #1 Promote Economic Development**

#### ***Planning Initiatives***

- ✓ Conduct studies and planning efforts to identify and determine how best to focus resources in order to develop “activity centers” for economic development and job creation
- ✓ Engage in area and issue specific planning efforts to further retention and/or expansion of existing jobs and economic activity
- ✓ Investigate potential environmental issues that could discourage new private investment

#### ***Program Initiatives***

##### **Business Development**

- ✓ Promote employment centers to take advantage of economies of scale in providing services, access and sustainability
- ✓ Work to increase property values by encouraging private investment
- ✓ Promote mixed-use development and efficient use of the land
- ✓ Develop partnerships among existing property owners, new/expanding businesses and the local government to increase economic activity
- ✓ Support retention and expansion of existing commercial and industrial businesses
- ✓ Support programs to promote innovative and creative use of alternative energy sources
- ✓ Provide opportunities for large footprint economic activities
- ✓ Promote economic development that takes advantage of the area's close proximity to rail and Interstate transportation
- ✓ Support labor-intensive, non-polluting industrial, manufacturing and high-tech business development
- ✓ Promote the proximity to the broadband fiber (backbone) along I-90

#### Job Creation

- ✓ Encourage projects that provide the opportunity to live and work in close proximity to activity centers
- ✓ Promote labor-intensive economic development

#### *Capital Projects*

- ✓ Prepare properties for redevelopment by facilitating land assemblage and property transfer
- ✓ Encourage and facilitate annexation of properties located within the area included in the North Reserve-Scott Street Urban Renewal District Statement of Blight into the City of Missoula, including sponsoring discussions and negotiations between owners and the City.
- ✓ Support the inclusion of newly annexed properties into the North Reserve-Scott Street Urban Renewal District

## **Goal #2 Improve Multi-Modal Access**

#### *Planning Initiatives*

- ✓ Assemble and evaluate existing studies of multi-modal access needs
- ✓ Engage in further study of service gaps identified

#### *Program Initiatives*

- ✓ Support programs that improve multi-modal connectivity within the district as well as connections to the regional network.
- ✓ Support street infrastructure improvements that support transportation mode shift.

#### ***Capital Projects***

- ✓ Provide non-motorized access to regional trail systems connected to and within the district.
- ✓ Provide improved and increased multi-model access throughout the district (such as trails, bike lanes, sidewalks, and public transit access).
- ✓ Achieve increased connectivity through non-motorized access across rail and Interstate corridors.

### **Goal #3 – Improve, maintain and upgrade the public infrastructure**

#### ***Planning Initiatives***

- ✓ Examine the opportunities to improve broadband infrastructure.
- ✓ Study ways to improve overall sense of personal safety.

#### ***Program Initiatives***

- ✓ Develop sustainable standards for public infrastructure design, construction and maintenance.
- ✓ Consider public-private partnership programs to improve broadband infrastructure.

#### ***Capital Projects***

- ✓ Improve overall broadband connectivity in support of business development
- ✓ Improve accessibility to persons of all abilities
- ✓ Improve pedestrian infrastructure
- ✓ Improve public lighting in support of personal public safety
- ✓ Leverage state and federal funds for improvements that address multi-modal transportation, street safety, boulevard and trail landscaping and lighting elements
- ✓ Improve access and egress controls on arterial streets throughout the district
- ✓ Enhance public safety through specific infrastructure improvements such as traffic signals, sanctuary/refuge locations, under-overpass improvements and high intensity activated cross walk signals
- ✓ Improve local multi-modal connectivity including streets and trails
- ✓ Improve and expand water and sewer infrastructure to serve the entire district

- ✓ Improve North Reserve Street and the interchange with I-90 to address such things as motorized – non-motorized conflicts

## **Goal #4 – Promote compatible land use and cohesive urban design**

### ***Planning Initiatives***

- ✓ Develop planning tools that:
  - Incorporate “complete streets” in designing transportation related infrastructure ( bike lanes, boulevards and pedestrian ways, etc.) while maintaining good traffic flow on main thoroughfares
  - Provide consistent design elements including lighting, landscaping, appropriate wayfinding features and signage
- ✓ Develop urban design tools that serve to enhance the area’s character
- ✓ Develop planning tools that enhance transitions between land uses
- ✓ Study the opportunities to increase public open space

### ***Program Initiatives***

- ✓ Foster public-private partnerships to improve design of commercial development
- ✓ Work with community members to address litter and vandalism
- ✓ Support existing public green space and urban forestry programs
- ✓ Promote increased private green space for patron and employee use and to improve general aesthetics of the district

### ***Capital Projects***

- ✓ Improve key transportation corridors, both visually and physically
- ✓ Support and expand brownfield cleanup activities with both public and private investment
- ✓ Support of adaptive re-use of structures and land to reduce sprawl and promote efficient use of the built environment
- ✓ Provide parkland to comply with community park acreage goals to help create an attractive area conducive to new investment.

## **Goal #5 Achieve Urban Density Mixed Land Uses**

### ***Planning Initiatives***

- ✓ Study opportunities for “live-work”, workforce housing, and mixed commercial residential development

- ✓ Study strategies to expand affordable housing opportunities

### ***Program Initiatives***

- ✓ Promote activity centers to take advantage of economies of scale in providing services, access and sustainability
- ✓ Promote public-private partnerships to create urban density mixed land use

### ***Capital Projects***

- ✓ Support rehabilitation of commercial and industrial properties to increase employment and expansion of mixed use opportunities
- ✓ Support upgrading of commercial and industrial properties to reduce impacts to air quality and ground water
- ✓ Support development of new mixed use opportunities
- ✓ Support residential development where opportunities exist for residents to live in close proximity to their workplace

## **Chapter 5. Implementation**

The North Reserve-Scott Street Urban Renewal Plan sets a direction for redevelopment and revitalization of the Urban Renewal District. Upon its adoption, this Plan will serve as the official policy guide for public action. However, these policies can only be transformed to action through an effective implementation program. Key to implementation will be sound processes of administration, financing and program evaluation.

### **Administration**

The implementation of the redevelopment effort outlined in this Urban Renewal Plan will be directed by the Missoula Redevelopment Agency (MRA), which was created in the 1978 by the Missoula City Council by Resolution 3779 as authorized under 7-15-4232, MCA. Decisions about MRA projects are made by a five-member board of commissioners who are appointed by the mayor and approved by City Council. The City Council appoints five members to the Agency's board of commissioners, who are responsible for hiring staff and developing and implementing programs. Each year the MRA prepares an annual work program and budget which lists the activities and costs of the activities for the coming fiscal year, as well as the method of financing those activities. This program and budget can be amended during the course of the fiscal year in light of funding and program opportunities and changes. All budgets and revised budgets are reviewed and approved by the Missoula City Council. Urban renewal activities undertaken by the MRA will be in accordance with Montana State statute. (See specific provisions of 7-15-4233 MCA below.)

### **North Reserve-Scott Street Urban Renewal Program Evaluation and Plan Amendments**

The Plan provides flexibility to accommodate a variety of approaches. However, changes over time may necessitate more formal amendments to the Urban Renewal Plan. Changes in State law may necessitate amendments to the Plan to reflect those changes. The Urban Renewal Plan may be modified by ordinance under 7-15-4221, MCA. In addition, any changes to the land use element shall be made consistent with Missoula zoning regulations.

The City Council may modify and amend the Plan, including modifications and amendments to designate and approve certain urban renewal projects to be undertaken pursuant thereto, by enacting an ordinance providing for and setting forth the



modification and amendment. No such ordinance shall be adopted until after a public hearing has been conducted thereon and notice of said hearing has been given in accordance with State Law.

If the modification or amendment involves the addition or deletion of land from the District, mailed notice shall be given to all persons owning property to be added or deleted at the time and the manner provided by Section 7-15-4215 (1), MCA. All such notices shall provide the information regarding the modification required by Section 7015-4215 (1), MCA.

The Plan will be evaluated on a yearly basis in conjunction with the preparation of the Agency's annual report. Measures that may be used in evaluating program success include:

- Increases in the property tax base
- Creation of jobs within the Urban Renewal District
- Elimination of blighted conditions

**7-15-4233. Powers which may be exercised by urban renewal agency or authorized department.** (1) In the event the local governing body makes such determination, such body may authorize the urban renewal agency or department or other officers of the municipality to exercise any of the following urban renewal project powers:

- (a) to formulate and coordinate a workable program as specified in 7-15-4209;
- (b) to prepare Urban Renewal Plans;
- (c) to prepare recommended modifications to an urban renewal project plan;
- (d) to undertake and carry out urban renewal projects as required by the local governing body;
- (e) to make and execute contracts as specified in 7-15-4251, 7-15-4254, 7-15-4255, and 7-15-4281, with the exception of contracts for the purchase or sale of real or personal property;
- (f) to disseminate blight clearance and urban renewal information;
- (g) to exercise the powers prescribed by 7-15-4255, except the power to agree to conditions for federal financial assistance and imposed pursuant to federal law relating to salaries and wages shall be reserved to the local governing body;
- (h) to enter any building or property in any urban renewal area in order to make surveys and appraisals in the manner specified in 7-15-4257;
- (i) to improve, clear, or prepare for redevelopment any real or personal property in an urban renewal area;
- (j) to insure real or personal property as provided in 7-15-4258;
- (k) to effectuate the plans provided for in 7-15-4254;
- (l) to prepare plans for the relocation of families displaced from an urban renewal area and to coordinate public and private agencies in such relocation;
- (m) to prepare plans for carrying out a program of voluntary or compulsory repair and rehabilitation of buildings and improvements;
- (n) to conduct appraisals, title searches, surveys, studies, and other preliminary plans and work necessary to prepare for the undertaking of urban renewal projects;
- (o) to negotiate for the acquisition of land;
- (p) to study the closing, vacating, planning, or re-planning of streets, roads, sidewalks, ways, or other places and to make recommendations with respect thereto;
- (q) to organize, coordinate, and direct the administration of the provisions of this part and part 43;
- (r) to perform such duties as the local governing body may direct so as to make the necessary arrangements for the exercise of the powers and performance of the duties and responsibilities entrusted to the local governing body.

(2) Any powers granted in this part or part 43 that are not included in subsection (1) as powers of the urban renewal agency or a department or other officers of a municipality in lieu thereof may only be exercised by the local governing body or other officers, boards, and commissions as provided under existing law.

## **Projects and Programs**

The Missoula Redevelopment Agency will implement programs and evaluate projects based on the goals of this urban renewal plan. Measureable objectives should be established with respect to the following to evaluate potential programs and projects.

- Job Creation
- Increased Taxable Valuation
- Value-adding
- Leverage-Ratios of tax increment funds to other sources
- Health and Safety Concerns
- Historic Preservation
- Density and Infill
- Adaptive Re-Use
- Cost of Public Services

Given that private development will be necessary to generate tax increment funds, business development must occur hand in hand with other community based revitalization activities. The North Reserve-Scott Street urban renewal program will make use of a variety of financing in achieving the goals of this plan, including:

### **Public Infrastructure Investments**

- Annual Tax Increment Appropriations – The MRA may finance public infrastructure improvements and renewal programs from its annual tax increment receipts by appropriation. Funds available each year would be determined by the size of the annual increment and any prior commitments (such as bond debt service requirements and administrative costs).
- Tax Increment Revenue Bonds – The City of Missoula may issue tax increment revenue bonds in order to finance major capital projects to serve the growing commercial and residential uses in the central business district. TIF bonds will enable the MRA to finance projects up-front and then retire the debt through annual tax increment receipts.

Conventional Financing – MRA may borrow funds from commercial lending institutions in order to finance public infrastructure improvements. Annual tax increment revenues will pay principal and interest on the loan.

- Local, State and Federal Funding Mechanisms – There are a number of funding resources available to communities to undertake planning and capital improvement projects. These are listed in the funding section below.

## **Private Sector Development**

In addition to public sector investments, the MRA can assist property and business owners in specific renewal activities including the following:

- Tax Increment Financing Revolving Loans – 7-15-4292, MCA provides for the establishment of loan programs, whereby TIF funds may be loaned to private entities in support of the goals of the Urban Renewal District. As principal and interest payments are made, the funds may be loaned again, even after the TIF District sunsets.
- Tax Increment Grants – In some cases urban renewal agencies can make grants to private entities to support projects that are in the community's best interest, and are in keeping with the purposes of the Montana Urban Renewal Law, such as historic preservation, public safety and the removal of blight. Examples include:
  - Restoration of historic building facades
  - Stabilization or demolition of structures that have been neglected or abandoned
  - Installation of life safety equipment such as sprinkler systems
- Other Assistance – The urban renewal program can assist private sector projects in a variety of ways, by providing technical assistance and helping property owners gain access to federal, state and local resources and incentives for development.

## **Partnership Development**

The urban renewal program as administered by MRA will rely on cooperative efforts among City of Missoula agencies, departments, elected officials and administration. It will also rely on close cooperation with, Missoula County, district property owners, and economic development organizations to achieve its goal of fostering revitalization. In many cases, these cooperative partners will work jointly on urban renewal activities including market analyses, TIF program development, business recruitment, and capital improvements planning. Examples of economic development organizations that have successfully formed such partnerships with MRA in the past include the Missoula Economic Partnership (MEP), Montana Community Development Corporation (MCDC), various business and neighborhood organizations, ad hoc committees of developers and lenders, etc.

In addition to financing assistance programs, some State and federal agencies may also participate in area planning and program development. Examples of State agencies with which MRA and the City have partnered for such activities include the Montana

Department of Commerce, Montana Department of Transportation, Montana Governor's Office of Economic Development, and Montana Department of Environmental Quality (DEQ). Federal agencies and programs include the US Environmental Protection Agency (EPA) – Brownfields Program, US Department of Housing and Urban Development (HUD), and the US Army Corps of Engineers. It is anticipated that in the North Reserve-Scott Street Urban Renewal District, MRA and the City of Missoula will actively seek to engage in partnerships with these agencies and others to redevelop the District as envisioned in this Plan.

Also, as noted above, it will be necessary to work with other local, state and federal entities in providing additional financing and matching funds to undertake projects and programs in the URD. Potential partnerships can be forged using a variety of programs and funding mechanisms. A sampling of these is provided in the following section.

## **Program Funding**

### **Tax Increment Financing**

As noted in Chapter 1 of this plan, the implementation of the North Reserve-Scott Street Urban Renewal Plan will include the use of Tax Increment Financing (TIF). More particularly, costs that may be paid using TIF dollars are included in 7-15-4288, MCA as follows:



**7-15-4288. Costs that may be paid by tax increment financing.** The tax increments may be used by the municipality to pay the following costs of or incurred in connection with an urban renewal project, industrial infrastructure development project, technology infrastructure development project, or aerospace transportation and technology infrastructure development project:

- (1) land acquisition;
- (2) demolition and removal of structures;
- (3) relocation of occupants;
- (4) the acquisition, construction, and improvement of infrastructure, industrial infrastructure, technology infrastructure, or aerospace transportation and technology infrastructure that includes streets, roads, curbs, gutters, sidewalks, pedestrian malls, alleys, parking lots and off-street parking facilities, sewers, sewer lines, sewage treatment facilities, storm sewers, waterlines, waterways, water treatment facilities, natural gas lines, electrical lines, telecommunications lines, rail lines, rail spurs, bridges, spaceports for reusable launch vehicles with associated runways and launch, recovery, fuel manufacturing, and cargo holding facilities, publicly owned buildings, and any public improvements authorized by Title 7, chapter 12, parts 41 through 45; Title 7, chapter 13, parts 42 and 43; and Title 7, chapter 14, part 47, and items of personal property to be used in connection with improvements for which the foregoing costs may be incurred;
- (5) costs incurred in connection with the redevelopment activities allowed under 7-15-4233;
- (6) acquisition of infrastructure-deficient areas or portions of areas;
- (7) administrative costs associated with the management of the urban renewal area, industrial district, technology district, or aerospace transportation and technology district;
- (8) assemblage of land for development or redevelopment by private enterprise or public agencies, including sale, initial leasing, or retention by the municipality itself at its fair value;
- (9) the compilation and analysis of pertinent information required to adequately determine the needs of an urban renewal project in an urban renewal area, the infrastructure needs of secondary, value-adding industries in the industrial district, the needs of a technology infrastructure development project in the technology district, or the needs of an aerospace transportation and technology infrastructure development project in the aerospace transportation and technology district;
- (10) the connection of the urban renewal area, industrial district, technology district, or aerospace transportation and technology district to existing infrastructure outside the district;
- (11) the provision of direct assistance, through industrial infrastructure development projects, technology infrastructure development projects, or aerospace transportation and technology infrastructure development projects, to secondary, value-adding industries to assist in meeting their infrastructure and land needs within the district; and
- (12) the acquisition, construction, or improvement of facilities or equipment for reducing,

A tax increment program is authorized for 15 years or longer if the tax increment revenue is pledged to the payment of tax increment bonds. 7-15-4289, MCA provides for the use of tax increments for bond payments. The tax increment may be pledged to the payment of the principal of premiums, if any, and interest on bonds, which the municipality may issue for the purpose of providing funds to pay such costs.

The City of Missoula will establish a Tax Increment Financing program for the North Reserve- Scott Street Urban Renewal District, as defined in this Urban Renewal Plan. The base year for the purposes of measuring any incremental value will be January 1, 2014.

Per 7-15-4291, MCA, The City of Missoula may enter into agreements with the other affected taxing bodies to remit to such taxing bodies any portion of the annual tax increment not currently required for the payment of the costs listed in 7-15-4288, MCA or pledged to the payment of the principal of premiums, if any, and interest on bonds.

### **Other Financing Mechanisms**

There are a number of financial assistance programs that can be used for projects and programs within the North Reserve-Scott Street Urban Renewal Area, in addition to Tax Increment Financing. Financing strategies for addressing urban renewal needs identified in this Plan will likely include combining various funding sources. For example, a local special improvement district might be used in combination with a Montana Board of Investment Intercap loan to match federal or state dollars. The following is a summary of programs available to fund urban renewal projects

#### ***Transportation Infrastructure***

This section describes funds and funding sources that are available to finance urban renewal transportation related projects. These funding methods, such as local option taxes, improvement districts and other types of bonds, enable local citizens to participate in funding projects. In general, however, the ability to use additional property tax levies to fund urban renewal is governed by Montana Statute under 15-10-402 MCA that limits taxes to 1996 levels.

##### ***A. Bridge and Road Mills (Property Taxes)***

Montana law provides for cities (7-14-4101, MCA) to manage transportation infrastructure. Counties are specifically responsible for all the bridges in a county, including those within cities and towns, except those managed by the Montana Department of Transportation. Municipalities may establish a road fund under 7-14-4113 MCA.

##### ***B. Transportation Improvement Authority***

Established under 7-14-1001, MCA, the purpose of a transportation improvement authority is to blend the interests of local, state, and federal governments with the interests of the general public and the business community to build, modify, or improve transportation facilities and systems within its jurisdiction. A county and a

municipality within a county may, by joint resolution, create a transportation improvement authority. The Authority may enter into contracts and accept local, state, federal and private funds to undertake transportation projects.

*C. Transportation Alternatives Program (TA Program), Montanan Department of Transportation*

The Transportation Alternatives (TA) Program authorized under Section 1122 of the Federal Highway Administration's Moving Ahead for Progress program - MAP-21 (23 U.S.C. 213(b), 101(a)(29)), replaces the former Community Transportation Enhancement Program. It provides approximately \$4 million annually to eligible entities including local governments, for activities defined as transportation alternatives, including on- and off-road pedestrian and bicycle facilities, infrastructure projects for improving non-driver access to public transportation and enhanced mobility, community improvement activities, and environmental mitigation; recreational trail program projects; safe routes to school projects; and projects for the planning, design or construction of boulevards and other roadways largely in the right-of-way of former Interstate System routes or other divided highways.

*D. State Fuel Tax*

Under 15-70-101, MCA, Montana assesses a tax on gasoline and diesel fuel used for transportation purposes. Each municipality receives a portion of the total tax funds allocated to cities and Towns based on:

- 1) The ratio of the population within each municipality to the total population in all cities and Towns in the State;
- 2) The ratio of the street mileage within each municipality to the total street mileage in all incorporated cities and towns in the State. The street mileage is exclusive of the Interstate, National Highway, and Primary Systems.

All fuel tax funds allocated to local governments must be used for the construction, reconstruction, maintenance, and repair of rural roads or city streets and alleys. Priorities for the use of these funds are established by the cities receiving them.

*Debt Financing – All Types of Projects*

Local governments can make use of various kinds of debt financing to fund urban renewal projects. These include general obligation bonds, special improvement district bonds and revenue bonds as well as Tax Increment Financing Bonds. Debt financing enables local governments to finance major infrastructure projects using future revenue from special assessments, user fees, and other forms of revenue. Under 7-7-4101, MCA, a local government has power to incur indebtedness by borrowing money, issuing

bonds, issuing notes, entering into leases, entering into lease-purchase agreements, or entering into installment purchase contracts for the following purposes:

- 1) acquiring land for and designing and erecting public buildings;
- 2) acquiring land for and designing and constructing sewers, sewage treatment and disposal plants, waterworks, reservoirs, reservoir sites, and lighting plants;
- 3) supplying the municipality with water by contract and the construction or purchase of canals or ditches and water rights for supplying municipality with water;
- 4) designing and constructing bridges, docks, wharves, breakwaters, piers, jetties, and moles;
- 5) acquiring, opening, or widening any street and improving the street by constructing, reconstructing, and repairing pavement, gutters, curbs, and vehicle parking strips and to pay all or any portion of the cost relating to the project;
- 6) purchasing or leasing fire apparatus, street and other equipment, and personal property, including without limitation, vehicles, telephone systems, and photocopy and office equipment, including computer hardware and software;
- 7) building, purchasing, designing, constructing, and maintaining devices intended to protect the safety of the public from open ditches carrying irrigation or other water;
- 8) funding outstanding warrants and maturing bonds; and
- 9) repaying tax protests lost by the local government or other municipal corporation.

The local government incurs various administrative costs in conjunction with issuing bonds. These costs include the retention of legal counsel and financial consultants, the establishment of reserve funds and the preparation of the prospectus and various required documents. These bonds provide tax-free interest earnings to purchasers and are therefore subject to detailed scrutiny under both state and federal law. The citations in the Montana Code are listed below, for each type of bond described.

#### *A. Special Improvement Districts*

Under 7-12-4101, and 7-12-4102 MCA, cities and towns can create special improvement districts for a number of activities including:

- The acquisition, construction or reconstruction of public streets and roads
- The acquisition, construction or reconstruction of sidewalks, culverts, bridges, gutters, curbs, steps and parks including the planting of trees
- The construction or reconstruction of sewers, ditches, drains, conduits, and channels for sanitary or drainage purposes, with outlets, cesspools, manholes,

catch basins, flush tanks, septic tanks, connecting sewers, ditches, drains, conduits, channels, and other appurtenances

- The construction of sewer and water systems including fire hydrants
- The acquisition and improvement of land to be designated as public park or open-space land
- The conversion of overhead utilities to underground locations in accordance with 69-4-311 through 69-4-314, MCA
- The purchase, installation, maintenance, and management of alternative energy production facilities

#### *B. Business Improvement District*

Business Improvement Districts (BIDs) are authorized under 7-12-1101 et. seq. MCA. This provision of the law allows the local governing body to assess properties, upon the request of property owners within a district to fund the following activities:

- provide special police, maintenance, or cleaning personnel for the protection and enjoyment of the general public using the business district
- landscape and beautify public areas and to maintain those areas
- contract with the governing body to maintain, operate, or repair public parking facilities
- contract with the governing body to maintain streets, alleys, malls, bridges, ramps, tunnels, landscaping, and other public facilities as mutually agreed upon
- promote private investment and business expansion in the district
- provide for the management and administration of the affairs of the district
- promote business activity by advertising, decorating, marketing, and promoting and managing events and other actions designed for the general promotion of business activities in the district
- perform such other functions as are necessary to carry out the purposes of this part and to further the objectives of the district.

#### *C. General Obligation Bonds*

General obligation bonds are backed by the full faith and credit of the local government and must be approved by the voters in an election. General obligation bonds are generally payable from ad valorem taxes (based on the value of property) and expressed in mills. General obligation bonds are attractive to bond buyers because they have voter approval and are not as vulnerable to fluctuations in revenue. Municipalities are assigned a bond debt limit based on a percentage of taxable valuation. General obligation bonds must fall within this limit.



#### *D. Revenue Bonds*

Under 7-7-4401, MCA, a municipality may issue revenue bonds to finance any project or activity authorized. Tax Increment Financing bonds are considered revenue bonds but other types of revenue may be directed to debt service as well.

#### ***Railroad Crossing Related Programs***

##### *A. Federal Surface Transportation Program - Rail/Highway Crossing Protective Devices Program*

The purpose of the Federal Rail/Highway Crossing – Protective Devices Program is to identify high hazard rail crossing sites and install new rail crossing signals. MDT's Rail - Highway Safety manager is responsible for surveying, identifying and prioritizing those railroad crossings that require new protective devices or upgrading of existing devices. The funds are distributed on a statewide basis determined by a priority list ranked by a hazard index. The Federal/State ratio is 90% Federal and 10% State.

##### *B. Federal Surface Transportation Program - Rail/Highway Crossing Elimination of Hazard Program*

The purpose of the Federal Rail/Highway Crossing – Elimination of Hazard Program is to identify high hazard rail crossing sites and construct new rail/highway grade crossings. The program also uses funds to rehabilitate existing grade separations. Grade separation projects are funded with 90% Federal funds and 10% State funds. Since funding for this program is limited, funds are often used in combination with other Federal funding sources to fund costly grade separation projects. Eligible expenditures include the separation or protection at grade crossings, reconstruction of existing crossings and relocation of highways to eliminate crossings. Projects for this program are selected by identifying those sites where only a grade separation will eliminate an identified hazard or where an existing grade separation exists but needs rehabilitation or replacement.

#### ***Funding for Public Improvements (Sewer, Water, Roads, Community Facilities, Parks)***

##### *A. Treasure State Endowment Program ~ Montana Department of Commerce*

The Montana Treasure State Endowment Program (TSEP) is a state-funded program, authorized under 90-6-701 through 710, MCA, and is administered by the Montana Department of Commerce (MDOC). It is designed to assist local governments in financing capital improvements to sewer and water facilities. Funds are derived from the Montana coal severance tax and made available to local governments as matching grants, loans and grant/loan combinations. TSEP also provides matching grants of up to \$15,000 to local governments for preliminary engineering study costs.

TSEP funds may not be used for annual operation and maintenance; the purchase of non-permanent furnishings; or for refinancing existing debt, except when required in conjunction with the financing of a new TSEP project. Grant requests cannot exceed \$500,000 and the local government must typically provide a dollar for dollar match that can include other grant funds. Matching funds can be public or private funds provided by a TSEP applicant to directly support the cost of eligible project activities. There are a number of ways in which local governments can provide matching funds for bridge projects. Eligible types of matching funds include:

- local general funds or other cash;
- proceeds from the sale of general obligation, revenue, special assessment or other bonds;
- entitlement or formula-based federal or state funds such as federal highway funds or payments in lieu of taxes;
- loan or grant funds from a state or federal program (including TSEP loans);
- funds expended for engineering studies, reports, and plans, or other reasonable expenses expended for the preparation of the application, directly related to the project during the period 24 months prior to the TSEP application deadline;
- funds expended after the TSEP application deadline, but before being approved by the Legislature, for project management, final engineering design, and other reasonable expenses necessary to prepare the project as in the TSEP application for the construction phase;
- the value of land or materials provided by the applicant, if appraised within a two-year period preceding the application deadline. The appraisal must be:
  - an impartially written statement that adequately describes the land or materials, and states an opinion of defined value as of a specific date;
  - supported by an analysis of relevant market information; and
  - prepared by a qualified appraiser independent from the applicant.
- the value of labor performed by the applicant's employees on the project, after the TSEP project has been approved for funding and a TSEP contract has been signed, as long as the employee is paid at his or her standard hourly rate of pay and the time worked is adequately documented; and
- the value of machinery used in the process of constructing the project that is owned (or leased) and operated by the applicant. The value of the use of the machinery will be determined using the Federal Emergency Management Agency (FEMA) equipment rate schedules.

#### *B. The Montana Intercap Program ~ Montana Board of Investments*

The INTERCAP Program is a low cost, variable-rate program that lends money to Montana local governments, state agencies and the university system for the purpose of

financing or refinancing the acquisition and installation of equipment or personal and real property and infrastructure improvements. The Board of Investments issues tax-exempt bonds and loans the proceeds to eligible borrowers. In addition to long-term financing, INTERCAP is an excellent source for interim financing.

Funding is always available with no specific cycle. Allocations of \$200,000 and under are considered and approved by the Board of Investments staff. Allocations in excess of \$200,000 are considered and approved by the Board. Funds are released on an on-going basis as the project is completed. The program provides loans at a variable rate plus a one percent loan origination fee on loans over one year and for a term of 5 or 10 years depending on the borrower's legal authority. Short-term loans of less than a year are also available. Interest and principal payments are due bi-annually (February 15 and August 15 of each year). Loans may be pre-paid without penalty with 30 days notice. Types of financing include installment purchase loans, general fund loans, general obligation bonds, revenue bonds and special improvement district and rural improvement district bonds. Gas tax revenues may not be used to service debt. Projects that will use rural improvement district payments to cover the annual debt are limited to a total loan of \$300,000. Inter-cap funds may be used in association with other grant and loan programs as well as local sources.

#### *C. Community Development Block Grant (CDBG)*

The Community Development Block Grant (CDBG) Program is a federally funded grant program that provides assistance to communities with community development needs such as housing, public facilities, economic development and planning grants. All projects must be designed to principally benefit low and moderate-income families. The program was established by the Federal Housing and Community Development Act of 1974 (42 USC 5301) and is administered nationally by the U.S. Department of Housing and Urban Development (HUD). As an "Entitlement City", Missoula receives an appropriation directly from HUD.

#### *D. Public Works Program ~ Economic Development Administration*

The Economic Development Administration (EDA) is an agency within the U.S. Department of Commerce. The purpose of the Public Works Program is to assist communities with the funding of public works and development facilities that contribute to the creation or retention of private sector jobs and to the alleviation of unemployment and underemployment. Such assistance is designed to help communities achieve lasting improvement by stabilizing and diversifying local economies, and improving local living conditions and the economic environment of the area.

Grants are awarded up to a participation level of 80 percent but the average EDA grant covers approximately 50 percent of project costs. Acceptable sources of match include cash, local general obligation or revenue bonds; Community Development Block Grants, TSEP grants and loans, entitlement funds, Rural Development loans; and other public and private financing, including donations.

Projects must result in private sector job and business development in order to be considered for funding. Eligible applicants under this program include any state, or political subdivision thereof, Indian tribe (and other U.S. political entities), private or public nonprofit organization or association representing any redevelopment area if the project is within an EDA-designated redevelopment area. Redevelopment areas, other than those designated under the Public Works Impact Program must have a current EDA-approved Overall Economic Development Program (OEDP) in place.

#### *E. Water, Wastewater and Solid Waste Action Coordinating Team*

In 1982, a group of professionals from state, federal, and non-profit organizations that finance, regulate, or provide technical assistance for community water and wastewater systems, decided to start meeting in order to coordinate and enhance their efforts. This group calls itself the "Water, Wastewater and Solid Waste Action Coordinating Team" or W2ASACT for short. W2ASACT meets several times a year to find ways to improve our state's environmental infrastructure. All of the programs represented in W2ASACT have different missions and meet unique needs. However, it has been the common elements shared by the funding programs that have been the driving force of W2 SACT. These programs provide money (grants or loans), take applications from communities to fund their projects, and administer those monies once the project is funded. While W2ASACT cannot change all of the state or federal requirements, it can identify unnecessary duplication of requirements that make compliance difficult for communities.

#### ***Voluntary Programs***

In some cases, homeowner associations, business groups or other property owners may finance urban renewal projects voluntary basis.

## **Appendix A:**

### **NORTH RESERVE STREET SCOTT STREET URD BOUNDARY DESCRIPTION LEGAL DESCRIPTION**

All those tracts of land and street rights-of-way located in the SW ¼ of Section 5, Section 8, the W ½ and SE ¼ of Section 9, Section 16, and the NE ¼ of Section 17, Township 13 North, Range 19 West, Principal Meridian Montana, Missoula County, Montana within the current city limits and being fully described below:

NOTE: All Subdivision Plats, Certificates of Surveys, Book and Page references are filed in the Missoula County Clerk and Recorder's Office, Missoula, Montana.

BEGINNING at the intersection of the west right-of-way line of North Reserve Street and the south right-of-way line of Interstate 90;

THENCE easterly along the south right-of-way line of Interstate 90 to intersection of the south right-of-way line of Interstate 90 and the south line of Tract 2, COS 4719;

THENCE westerly along the south line of Tract 2, COS 4719 to the east right-of-way line as dedicated to the City of Missoula in Book 836 Micro Page 455 on March 30, 2009, also know as Hobbs Drive;

THENCE southerly along said east right-of-way line of Hobbs Drive to the southeast corner of said right-of-way dedication;

THENCE westerly along the south right-of-way line of said right-of-way dedication to the intersection of the east line of Tract B-2, COS 5855;

THENCE southerly along the east line of Tract B-2, COS 5855 to the southeast corner of Tract B-2, COS 5855;

THENCE westerly along the south line of Tract B-2, COS 5855 to the southwest corner of Tract B-3, COS 5855;

THENCE northerly along the west line of Tract B-2, COS 5855 to the southeast corner of Tract A-2, COS 6229;



THENCE westerly along the south line of Tract A-2, COS 6229 to the southwest corner of Tract A-2, COS 6229 and the intersection of the east right-of-way line of Grant Creek Road;

THENCE southeasterly along the east right-of-way line of said Grant Creek Road to the intersection of the north line of Tract C, COS 3782 extended easterly;

THENCE westerly along said extension to the west right-of-way line of said Grant Creek Road and the northeast corner of Tract C, COS 3782;

THENCE northwesterly along the west right-of-way line of said Grant Creek Road to its intersection with the south right-of-way line of Howard Raser Avenue as conveyed in Book 155 Micro Page 547 on July 31, 1980;

THENCE westerly along said south right-of-way of Howard Raser Avenue to the northeast corner of Lot 1, Missoula Hilton;

THENCE southerly along the east line of said Lot 1 to its intersection with the north line of Tract C, COS 3782, and also a corner on the east line of said Lot 1;

THENCE easterly along the north line of said Tract C to the northeast corner of said Tract C and also on the west right-of-way of said Grant Creek Road;

THENCE southerly along the west right-of-way line of said Grant Creek Road to the southeast corner of COS 1118;

THENCE westerly and southwesterly along the southeasterly lines of COS 1118 to the most southerly corner of COS 118 and on the northeasterly right-of-way line of Stockyard Road;

THENCE southeasterly along the northeasterly right-of-way line of said Stockyard Road to the intersection of the west right-of-way line of said Grant Creek Road;

THENCE southerly to the northeast corner of Tract 1, COS 5081 and also the intersection of the southwesterly right-of-way line of said Stockyard Road and the westerly right-of-way line of said Grant Creek Road;

THENCE southerly along the east line of Tract1, COS 5081 and the westerly right-of-way of Grant Creek Road to the southeast corner of Tract 1, COS 5081;

THENCE westerly along the south line of Tract 1, COS 5081 and the south line of Lot 1, North Reserve Business Center, Phase II to the most easterly corner on the southerly portion of the east line of Lot 2-A-1, North Reserve Business Center, Phase;

THENCE westerly along the east line of said Lot 2-A-1 to the most westerly corner on the southerly portion of the east line of said Lot 2-A-1;

THENCE southerly along the east line of said Lot 2-A-1 to the southeast corner of said Lot 2-A-1, said corner being on the northeasterly right-of-way line of Burlington Northern Santa Fe Railroad right-of-way;

THENCE southerly across said Railroad right-of-way to the northwest corner of Resolution No. 7879 adopted June 16, 2014 extending the corporate limits of the City of Missoula also being the most northerly corner of said resolution;

THENCE southeasterly along the northeastly line of said Resolution No. 7879 and along the northeasterly line of Resolution No. 2877 adopted December 23, 1968 extending the corporate limits of the City of Missoula, along the northeasterly line of Resolution No. 5108 adopted December 10, 1990 extending the corporate limits of the City of Missoula to the intersection of the of the west line of Resolution No. 2217 adopted March 27, 1961 extending the corporate limits of the City of Missoula;

THENCE north along the said west line of Resolution No. 2217 to the northeast corner of said Resolution No. 2217;

THENCE easterly along the north line of said Resolution No. 2217 to the northeast corner of said Resolution No. 2217;

THENCE southerly along the east line of said Resolution No. 2217 to the most easterly southeast corner of said Resolution No. 2217 same being on the north right-of-way line of Beacon Avenue as show on the plat of the North Half, School Addition;

THENCE easterly along the north right-of-way line of Beacon Avenue and an extension of said line to the east right-of-way line of Scott Street extended northerly;

THENCE southerly along said northerly extension of the east right-of-way line and the east right-of-way line of Scott Street to the intersection of the southwesterly right-of-way line of Burlington Northern Santa Fe Railroad right-of-way;

THENCE northwesterly along said southwesterly railroad right-of-way line to the intersection of the south right-of-way line of Charlo (changed from Clark) as shown on the plat of the North Half, School Addition;

THENCE east along said south right-of-way line of Charlo to the intersection of the east right-of-way of Russell Street (changed from Lincoln) as shown on the plat of the North Half, School Addition;

THENCE northwesterly to an angle point on the east line of Tract A, COS 3872;

THENCE continuing northwesterly N53°35'25"W a distance of 312.18 feet as shown on said Tract A, COS 3872 to an angle point on the north line of said Tract A;

THENCE continuing northwesterly to the northeast angle point on the east line of Tract 1, Industry Acres, Tracts 1 and 3 and being on the southwesterly right-of-way line of Railroad Street, this portion of the boundary to include Railroad Street as built;

THENCE continuing northwesterly along the southwesterly right-of-way line of Railroad Street to intersection of said southwesterly right-of-way line of Railroad Street and the northeasterly right-of-way line of West Broadway;

THENCE southwesterly to the southeast corner of Lot 25, Reserve Street Industrial Center – Phase I, also being the most easterly corner of said Lot 25;

THENCE northwesterly along the southwesterly right-of-way line of West Broadway to the northeast corner of Tract B, COS 5422, also being the most easterly corner of said Tract B;

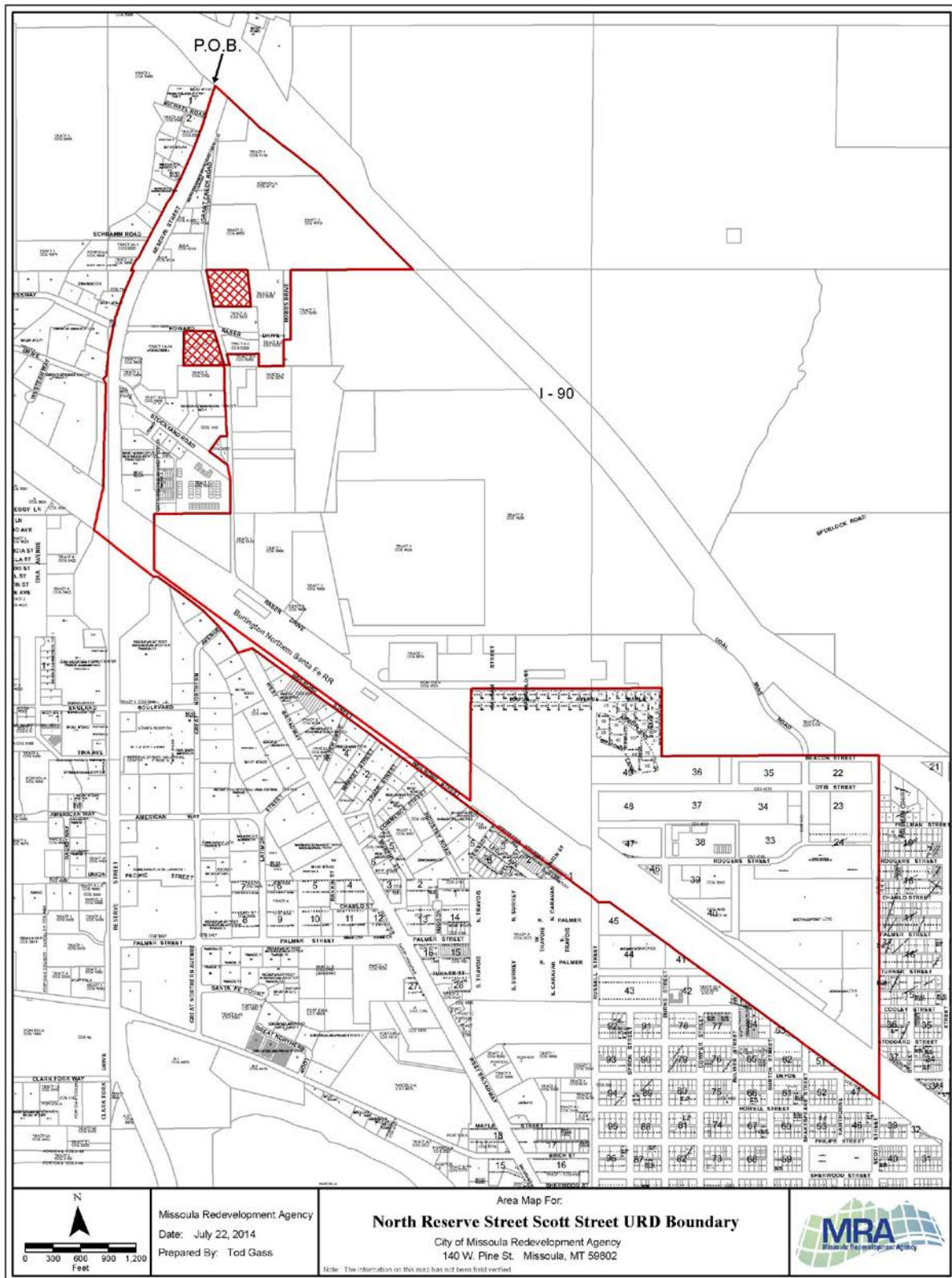
THENCE northeasterly to the intersection of the west right-of-way line of North Reserve Street and the northeasterly right-of-way line of the Burlington Northern Santa Fe Railroad right-of-way;

THENCE northerly along the westerly right-of-way line of North Reserve Street to the intersection of the south right-of-way line Interstate 90, the point of the beginning.

Excepting one parcel of land in the NE ¼ Section 8 Township 13 North Range 19 West being Tract 1, COS 6229 that is not currently in the City Limits.



# NORTH RESERVE STREET SCOTT STREET URD MAP





## **Appendix B:**

### **Parcels Included in the District**

The list of parcels within the district with the identifying geocodes, as well as property owners' names and addresses are located in a separate document.

## **Appendix C:**

### **Public Meeting Results**

January 28<sup>th</sup>, 2014 - Missoula City Council Chambers

#### Design Issues

- It's important to make the North Reserve Street area a visually appealing commercial district.
- It will be important to achieve cohesiveness in the district – to address the “mish mash” by striving to achieve uniformity in design and improving the level of commercial development overall.
- Should the district encompass both sides of Reserve? Residences on the west side are isolated.

#### Economic Development

- Rogers and Raser streets offer significant opportunities for commercial and industrial development.
- Tax abatement as an inducement for economic development is in direct conflict with tax increment financing and should not be supported.

#### Traffic and Circulation

- The area is characterized by limited access. The only major thoroughfares are Scott to Broadway and Reserve to I-90. Loading and deliveries create safety issues and traffic bottlenecks.
- Signal lighting on Reserve needs to be improved; e.g. there is no signal at Reserve and the Interstate, making it difficult to turn left.

#### Pedestrian Accessibility

- The area should be made more accessible to pedestrians.
- The two sides of Reserve should be connected (bridges/walkways) to provide pedestrian access.

#### Land Uses/Conflicts

- Area residents are concerned about proximity to the rail yard. Is rail yard relocation feasible?
- Can existing infrastructure (pipes and high pressure gas lines) be relocated to improve the area?
- Future industrial land uses need to consider visual impact on nearby residential and commercial land uses.