

ORDINANCE NUMBER 2951

AN ORDINANCE ESTABLISHING A COMMERCIAL REHABILITATION LOAN PROGRAM AND PROVIDING FOR PROGRAM IMPLEMENTATION AND ADMINISTRATION BY THE MISSOULA REDEVELOPMENT AGENCY FOR THE URBAN RENEWAL DISTRICT CREATED BY CITY COUNCIL RESOLUTION 5210.

WHEREAS, the State of Montana has provided for the redevelopment and rehabilitation of blighted areas pursuant to the Urban Renewal Law, M.C.A. Parts 42 and 43; and,

WHEREAS, the City of Missoula pursuant to State law adopted Resolution Number 3778 electing to have urban renewal powers and declaring it to be in the public interest that such powers be exercised by an urban renewal agency; and,

WHEREAS, the City of Missoula pursuant to State law adopted Resolution Number 3779 creating an urban renewal agency and authorizing such agency to exercise urban renewal powers; and,

WHEREAS, the City of Missoula pursuant to State law adopted Resolution Number 5210 declaring that a blighted area does exist within the City, defining the boundaries of such area, which can be generally summarized as:

Beginning on North Russell Street at the alley between Toole Avenue and Cooper Street running east along that alley to the Bitterroot Branch of Montana Rail Link (MRL); then south along the Bitterroot Branch of MRL to Walnut Street; then south along Walnut Street to the alley between South Third Street West and South Fourth Street West; then west along that alley to Catlin Street; then northerly following the 1990 Missoula City limit boundary generally along Catlin Street and projected Catlin Street to the midpoint of the Clark Fork River; then east along the thread centerline of the Clark Fork River to Russell Street; then north to the mid-point of West Broadway; then northwest along the centerline of West Broadway to a point in line with projected Stoddard Street; then east to North Russell Street; then south along North Russell Street to the point of beginning, said area commonly referred to as Urban Renewal District II,

and determining that rehabilitation and redevelopment of this area is necessary in the interest of the public health, safety and welfare of the residents of the City of Missoula; and,

WHEREAS, the Missoula Redevelopment Agency, acting in its capacity as the urban renewal agency, may undertake and carry out urban renewal projects as authorized or required by the local governing body within the area described in Resolution Number 5210.

NOW, THEREFORE, BE IT ORDAINED by the City Council of the City of Missoula that a Commercial Rehabilitation Loan Program is hereby established and that the Missoula Redevelopment Agency is empowered to undertake program implementation and administration.

Section 1. Declaration of Purpose. It is the intention of the City of Missoula to establish a Commercial Rehabilitation Loan Program (CRLP) to redevelop and rehabilitate the blighted areas within the area described in Resolution Number 5210 through the encouragement of private enterprise, and to authorize the Missoula Redevelopment Agency to undertake program implementation and administration subject to the provisions contained herein.

Section 2. Program Objectives. The primary objective of the Commercial Rehabilitation Loan Program is to improve public health, safety and welfare through elimination of blight associated with commercial property within the urban renewal area. This objective will be accomplished by providing affordable financing as an incentive to private property owners to upgrade commercial structures through facade improvements. Additional program objectives are to:

- 1.Leverage private investment through public incentives;
- 2.Stimulate the community's tax base through private investment in income-producing properties, and;
- 3.Encourage economic and business development within the urban renewal district.

Section 3. Financing. The Missoula Redevelopment Agency is authorized to use tax increment funds to subsidize market interest rates on commercial rehabilitation loans obtained by eligible applicants from participating lending institutions. An interest subsidization of 50 percent of the market interest rate, but in no case exceeding 7 percent, may be applied to principal amounts of up to \$50,000 for loans used for facade improvement projects with a maximum repayment period of ten years. The City Council reserves the right to increase the eligible principal amounts or adjust the rate of the interest subsidy on a case-by-case basis for individual projects upon the recommendation of the Missoula Redevelopment Agency. The subsidization for each project shall be in accordance with the provisions of the Commercial Rehabilitation Loan Program participation agreement.

Section 4. Eligibility. Applicants must comply with program requirements as established by the Missoula Redevelopment Agency. Requirements shall include but are not limited to the following:

- 1.All commercial property currently or to be assessed local property taxes within the urban renewal area described in Resolution Number 5210 will be eligible with the exception of public buildings and lending institutions;
- 2.Eligibility is extended to property owners of record and or tenants with a leasehold interest equal to the term of the loan upon written approval of the property owner;
- 3.The property, at the time of the application for the loan, must currently be in commercial use or there must exist a legally binding commitment of a commercial enterprise to occupy the structure after rehabilitation is complete; and
- 4.Special improvement district and property tax assessments must be paid to date.

In addition to MRA eligibility requirements, the applicant must qualify for commercial rehabilitation loan approval as required by participating lending institutions.

Section 5. Eligibility Activities. The Commercial Rehabilitation Loan Program is designed to address the need for redevelopment and rehabilitation of commercial property. All construction must be undertaken with a design that has been reviewed and approved by the Missoula Redevelopment Agency to insure compliance with program objectives and must also be in

compliance with all municipal ordinances and the urban renewal plan for the area described in Resolution Number 5210. Eligible activities shall be specified by the Missoula Redevelopment Agency and will include but are not limited to the following:

- 1.Improvements to the building's exterior elements including but not limited to roofs, windows, doors, appurtenances and architectural features, signs attached to the building, awnings, painting and other exterior wall treatments, and upgrading exterior electrical connections.
- 2.Exterior improvements for the handicapped including but not limited to ramps, doors, kickplates, automatic door openers, walks, guardrails, non-slip materials and level platforms at doors.
- 3.Improvements which bring the structure into compliance with applicable local building and fire codes, including and especially the installation of exterior emergency exiting.
- 4.Architectural assistance and design fees are an eligible expense, but may not exceed five percent (5%) of the program eligible loan principal or \$500, whichever is less. In addition, permit fees are an eligible expense up to one percent (1%) of the program eligible loan principal.
- 5.The following activities are ineligible for funding through the Commercial Rehabilitation Loan Program:
 - a.New construction or additions;
 - b. Refinancing existing debt;
 - c.Site improvements including landscaping, fencing, sidewalks, curbs and gutters;
 - d. Utility connections; except exterior electrical connections;
 - e. Property acquisition;
 - f. Structural elements;
 - g. Abrasive cleaning of exterior surfaces;
 - h. Work initiated prior to necessary program approvals.
- 6.This section is not intended to preclude a participating lender from making additional loans or loan amounts to an applicant for financing the activities enumerated in Section 5(4), but such loans or loan amounts shall not be entitled to the interest subsidy.

Section 6. Program Administration. The Missoula Redevelopment Agency is authorized to develop procedures, application materials, and program guidelines necessary to implement and administer this ordinance and to enter into all contracts necessary to accomplish the purpose of this ordinance.

Section 7. Severability. If any section, subsection, sentence, clause, phrase or word of this ordinance is for any reason held to be invalid or unconstitutional, such decision shall affect the validity of the remaining portions of this ordinance. The Council hereby declares that it would have passed this ordinance and each section, subsection, sentence, clause, phrase, and words thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses, phrases or words have been declared invalid or unconstitutional, and if for any reason this ordinance should be declared invalid or unconstitutional, then the remaining ordinance provisions will be in full force and effect.

PASSED by a 12 Ayes, 0 Nays, 0 Passes and 0 Absent vote and

APPROVED by the Mayor this 2nd day of October, 1995.

ATTEST:

APPROVED:

Martha L. Baker
City Clerk

Daniel Kemmis
Mayor

(SEAL)