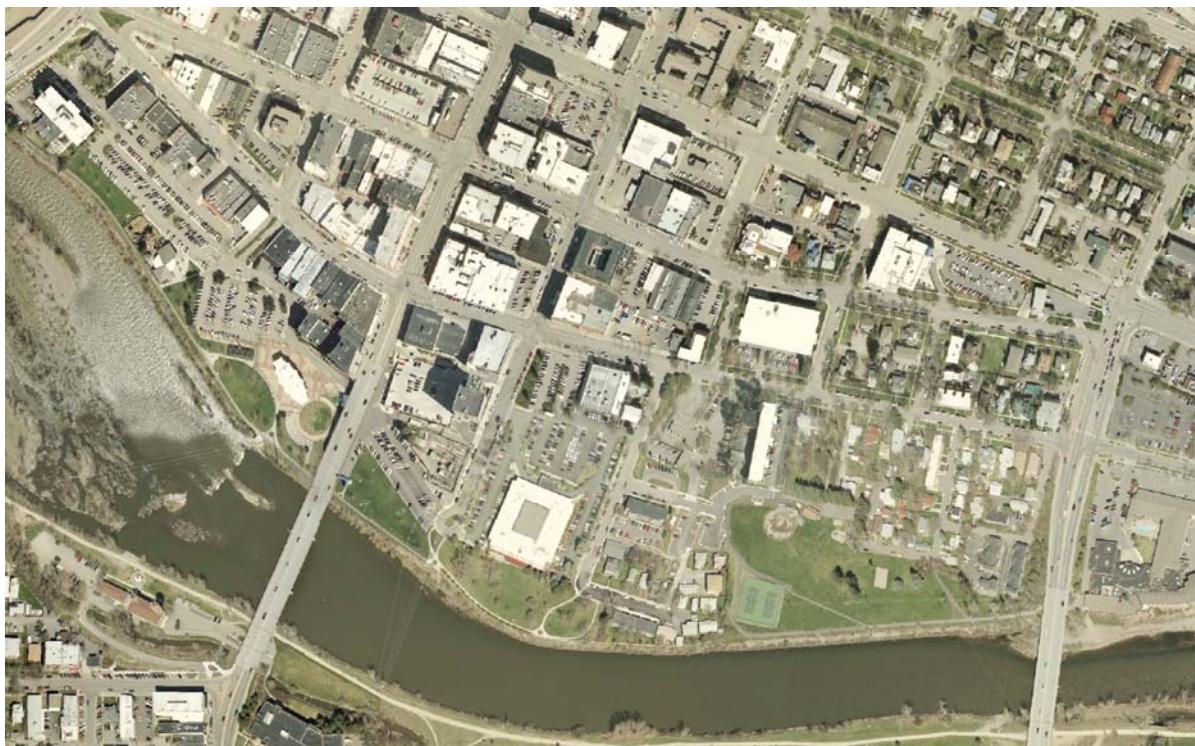


Front Street Urban Renewal District Plan



Adopted October 15, 2007



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Chapter I -Introduction

Background & Statement of Purpose

The City of Missoula, Montana is engaged in urban renewal efforts for an area in Downtown Missoula that is primarily located to the east of Higgins and north of the Clark Fork River. This area, called the "Front Street Urban Renewal District" or "District", has not enjoyed some of the renewal success that took place elsewhere in the downtown during the 1990's and early 2000's. Lack of parking in the area has had an impact on the revitalization of the area as has deteriorating infrastructure. This area which is located at the eastern edge of the central business district, is largely mixed use professional and rental residential. The revitalization of the Front Street District is being undertaken to address the parking and infrastructure needs and deteriorating structures so the area can realize successful redevelopment similar to that in the area west and north of the District.

This urban renewal effort is being undertaken in accordance with the Montana Urban Renewal Law which provides for the renewal of blighted areas in Section 7-15-42 and 7-15-43 Montana Code Annotated, as follows:

7-15-4209. Development of a workable urban renewal program. (1) A municipality, for the purposes of this part and part 43, 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.

(2) Such workable program may include, without limitation, provision for:

- (a) the prevention of the spread of blight into areas of the municipality which are free from blight through diligent enforcement of housing, zoning, and occupancy controls and standards;
- (b) the rehabilitation of blighted areas or portions thereof by replanning, removing congestion, providing parks, playgrounds, and other public improvements; by encouraging voluntary rehabilitation; and by compelling the repair and rehabilitation of deteriorated or deteriorating structures; and
- (c) the clearance and redevelopment of blighted areas or portions thereof.

On March 19, 2007, the Missoula City Council directed the Missoula Redevelopment Agency (MRA) to conduct a study of an area in Missoula to determine if conditions exist that meet the definitions described in Title 7, Chapter 15, Parts 42 and 43 of Montana Code Annotated (7-15-42, 7-15-43 M.C.A.) and allow consideration of an Urban Renewal District to alleviate those conditions. On August 20, 2007, through Resolution No. 7263, the City Council found that "blighted" conditions exist within the boundaries of the Study Area, directed the MRA to produce an Urban Renewal Plan to redevelop the area in order to eliminate the blight, and determined the boundaries of the Plan area.

The first development activities in Missoula were in the area near the corner of East Front Street and Higgins Avenue and included a grist mill and later a steam generating plant. The use of the western half of the area within the boundaries of this Plan has been commercial office and retail activities while the eastern half has historically been primarily residential uses. The Clark Fork River defines the southern boundary of the District. The River's use transitioned in the latter half of the twentieth century from a depository of municipal, human, and industrial waste to an attractive asset for the downtown and adjacent neighborhoods with regionally recognized public parks and a bicycle/pedestrian trail system that accesses many parts of the community.

A portion of the District is within Missoula's downtown central business district. During the late 1970s, the downtown, like many across Montana and the country, was virtually abandoned by retail and office related businesses in favor of strip malls, shopping centers, and office buildings constructed on the outskirts of the community. The State of Montana responded by enacting Urban Renewal and Tax Increment Financing (TIF) legislation which was immediately implemented by Missoula. However, despite years of successful redevelopment elsewhere in the downtown and several large private and public investments within the District, much of the area remains blighted in terms of aging infrastructure and deteriorating buildings.

In particular, the aforementioned Resolution identified the following general blighted conditions:

1. Physical deterioration of buildings
 - Many of the buildings in the defined area have been poorly maintained or are suffering from significant structural and systems problems.
2. Inadequate street layout
 - The residential neighborhood consists of unpaved alleys, disconnected, dead end, and improperly constructed streets. The Main/Front one-way couplet does not adequately serve the District or the adjacent downtown area.

3. Faulty lot layout in relation to accessibility
 - A disorderly combination of lot sizes and shapes along with inadequate street layout has led to reliance on private driveways and public parking lots for residential access.
4. Unsafe and unsanitary conditions
 - Some residential structures are of concern due to poor emergency vehicle access. There are poorly functioning intersections, especially along Madison Street. The primary sewer line is aging and deteriorating and is a concern for potential leaking into surrounding soils and underlying aquifer. Emergency vehicle access is inadequate on Hartman Street and Parsons Drive (a sub-standard private road).
5. Defective or unusual conditions of title
 - The defined area contains instances of building encroachments onto City park land and between private parcels.
6. Conditions that endanger life or property by fire or other causes
 - Deteriorating residential structures with inadequate emergency vehicle access.

A successful urban renewal district using Tax Increment Financing depends primarily on new private investment generating new property taxes. Although the District has been found to meet the State's criteria for Blight, it has many assets that could, under the right conditions, make it a viable place for private investment. It is within easy walking distance of shopping, employment, and entertainment opportunities as well as The University of Montana. It is also adjacent to the Clark Fork River, Kiwanis Riverfront Park Park and Ron MacDonald Riverfront Trail System and to the Broadway vehicle corridor with its connections to Interstate 90.

Statement of Purpose

The East Front Street area did not experience the same level of redevelopment as other portions of the downtown during the tenure of the first downtown urban renewal district. In large part, redevelopment opportunities stalled due to infrastructure, street access, and vehicle parking deficiencies. Two new major commercial buildings were constructed and several others were improved and reused during the 20 years prior to initiating the District. However, much of the commercial portion of the District remains underutilized, in serious need of upgraded infrastructure, and significantly deficient in vehicle parking. Within the residential portion of the District, there are examples of good quality, well maintained housing. However, there is also an abundance of deteriorating, overcrowded, and potentially unsafe residential units.

The study identified conditions of blight which present challenges for redevelopment. The purpose of this plan is to address those conditions of blight by proposing strategies and identifying tools that will help foster reinvestment in the area. This plan will primarily build upon the redevelopment opportunities through public-private partnerships. The City of Missoula has chosen to participate in this redevelopment effort through the creation of an urban renewal program, including a tax increment financing (TIF) provision, to stimulate private investment in the area.

Chapter 2 - **Description and Conditions of the Urban Renewal District**

History of the Area

In 1865, C.P.Higgins and Francis L. Worden relocated their saw mill and grist mill, called Missoula Mills (later called Worden & Company), next to what is now the north end of the Higgins Avenue Bridge. By 1872, there were 66 occupied buildings in Missoula. In 1873 Higgins organized the Montana National Bank and located it in the Worden & Company Store at the corner of Higgins Avenue and Main Street. Worden and Higgins had increasing competition from the Eddy/Hammond Company who established a store in 1866 that later became the Missoula Mercantile. In 1877, the Eddy/Hammond Company constructed a new building at the northeast corner of Front and Higgins, the present-day location of Macy's. By the late 1880's, the Missoula area had established itself as the trade center of Western Montana and the Missoula Mercantile Company became one of the largest mercantile enterprises between Minneapolis and Seattle.

The village of Missoula boomed after the arrival of the Northern Pacific Railroad in 1883. A number of "honkytonks" emerged along West Front Street around the time of the construction of Fort Missoula to the south that served as sources of entertainment for the soldiers and railroad workers. The arrival of the railroad set off a frenzy of economic activity and population growth. By the end of the decade of the 1880s, the commercial center of the downtown radiated from the intersection of Front Street and Higgins Avenue, the site of the Missoula Mercantile, the towering First National Bank, the castle-like Hammond Building and the stately Florence Hotel; were all controlled by A.B. Hammond.

During the latter part of the 1800s, residential dwellings were scattered throughout the blocks between Higgins and Rattlesnake Creek along with large commercial vegetable and flower gardens. As travelers entered Missoula from the east, they passed by the lush gardens of Cyrus and William McWhirk prompting a writer to refer to Missoula as "the very garden of all Montana". City boosters adopted the slogan of "The Garden City". To this day it is known as such with the slogan appearing on the official seal of the City.

Description of the Front Street Urban Renewal District

The boundaries of the District as determined by the City Council are based on well known landmarks and obvious breaks in the consistency of the commercial and residential neighborhood. An exception being the portion of the District located west of Higgins Avenue which was included primarily to assure City participation in the redevelopment of the historic landmark Wilma Theatre and

participate in changes to public parking south of the West Front business corridor. (Please see *Front Street URD Boundary Map*.)

The boundaries are:

- North Boundary: North right-of-way line of East Main Street between the east right-of-way line of Madison Street and west right-of-way line of North Higgins Avenue.
- East Boundary: East right-of-way line of Madison Street
- South Boundary: Centerline of the Clark Fork River
- West Boundary: West right-of-way line of North Higgins Avenue between the north right-of-way line of Main Street and northern property boundary of the Wilma Building; west along the north Wilma Building property line to the northwest corner of the property; then north to the northeast corner of the alley platted along the southern boundary of Block 4 of Original Townsite Addition and Original Townsite, CP Higgins Addition, McCormick's Addition Corrected Plat; then westward along the north right-of-way line of that platted alley to the southwest corner of Lot 20; Original Townsite, CP Higgins Addition, McCormick's Addition Corrected Plat; then southwest perpendicular to the south alley line to the south right-of-way line of the aforementioned alley; then eastward along the south right-of-way line of the platted alley to the northwest corner of Lot 22; Original Townsite, CP Higgins Addition, McCormick's Addition Corrected Plat; then south along the west boundary of Lot 22; Original Townsite, CP Higgins Addition, McCormick's Addition Corrected Plat to the centerline of the Clark Fork River and South Boundary.



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Feet

Missoula Redevelopment Agency

Date: August 8, 2007

Prepared By: Tod Goss

Area Map For:

FRONT STREET URD - Boundary

City of Missoula Redevelopment Agency

140 West Pine Missoula, Montana 59802

Note: The information on this map has not been field verified.



Existing Characteristics and Conditions

The District is made up of several distinct areas described below:

Wilma Theatre and Riverfront Parking

The portion of the District lying west of Higgins Avenue is made up of the Wilma Building and the adjacent Caras Park and parking lots. The Wilma Building was constructed in the 1920s as a 1,000 seat movie theater and performance venue with a seven story office and residential tower adjacent to the theatre space. For many years historically appropriate redevelopment of the Wilma has been a high priority for the City. In the 1990s the theater was closed by the City Building and Fire Departments until most serious fire code issues were resolved. However, despite considerable rehabilitation effort by previous owners, the pace of deterioration of both the theater and tower spaces is accelerating.



Caras Park was redeveloped as a large grassy area in the 1970s, replacing vehicle storage, repair, and dismantling yards. In the late 1980s and through the 1990s the Park was transformed into the community's central gathering place. The design of the parking lots serving both the Park and adjacent West Front Street commercial district did not anticipate the volume of park users or the success of the West Front Street businesses and is currently 20% over capacity.

Commercial Core

The commercial core of the District is made up of large commercial buildings on Higgins Avenue and extends approximately three blocks to the east. Many of the structures are multi-story containing street-front retail and service businesses. The buildings are constructed adjacent to one-another in classic urban style. Businesses rely on metered on-street vehicle parking or detached parking lots for customers. Employees who drive are expected to use various public or private lease lots around downtown for parking. Wide sidewalks are prevalent throughout this area. Important historic buildings in this area include the Macy's Building (originally the Missoula Mercantile) which is over 100 years old, the Elks Building, Radio Central Building, Independent Telephone Building, and others.

First Interstate Bank owns two buildings along East Front Street between Higgins Avenue and Pattee Street. The building currently used by the Bank at the corner

of Higgins Avenue and East Front Street was built in the 1960s and is experiencing structural and systems deficiencies severe enough to warrant an aggressive plan by First Interstate Bank to demolish and replace the building. Although re-faced with a glass façade in the 1970s, the core of the Bank's adjacent office building at the corner of East Front and Pattee Streets is much older. This building also suffers from structural and systems deterioration.

During recent planning for a new multi-story First Interstate Bank building on the 100 block of East Front Street, it was found that water and sewer service are generally inadequate for such a structure in much of the western half of the district.

Remnants of a steam plant that supplied the entire downtown with heat for several decades in the early part of the last century remain under Higgins Avenue in the form of tunnels and large pipes. Portions of the primary steam



system also remain under sidewalks and park area adjacent to the Bank building. Although portions of the tunnel system have been cleaned, some of the tunnels are still lined with asbestos. The structural integrity of tunnels and some piping is beginning to deteriorate to a point that they will require focused attention in coming years. Additional relics of the area's historic industrial past have been found recently in the form of a honeycomb of large concrete

vaults under the intersection of Bank and Pattee Streets. Like the tunnels, the vaults interfere with construction of new buildings on the block bounded by Higgins Avenue, East Front, Pattee, and Bank Streets.

Residential Neighborhood

The Residential Neighborhood includes much of the area between Clay Street and Madison Street and is somewhat separated by Kiwanis Park. In general, the Neighborhood, is made up primarily of randomly intermixed single and two to three story multi-unit structures including both condominiums and apartments. Many of the structures were originally built as single family houses that have been converted to contain several studio and one-bedroom units. There are also a number of single-family properties mixed among the larger buildings. According to the 2000 Census, rental units make up nearly 96% of the occupied residences.

For the most part, the eastern portion of the Neighborhood south of East Front Street is served by narrow private roads and driveways with only Hartman Street as a public street. Although Hartman Street is officially a public right-of-way, it is narrower than standard neighborhood public streets and is only partially paved.

Emergency vehicles find it extremely difficult to maneuver in the area adding time to all calls. Parking is mostly on the narrow streets exacerbating emergency access problems. Water and sewer are available in the area although service may have to be expanded if larger buildings are contemplated. There are no sidewalks or curbs on any street in the area.

The western portion of the Neighborhood is west of Kiwanis Park. It is less dense than the eastern portion and generally more accessible. Basic utilities are available in the area although they may have to be expanded as needs increase. Clay Street, the primary route from the area to connect north to East Front Street, is in need of repair. Sidewalks have been installed in portions of the area.

Infrastructure

Utilities

Sewer- The Missoula Public Works Department has stated that the District has generally adequate wastewater sewer coverage. However, the clay tile main line that runs down East Main Street and serves much of the adjoining area is over 90 years old. Currently, considerable maintenance by the City is required for this line due to tree root infiltration and other damage. Design and financing planning is underway for replacement of the Main Street sewer main in the near future. Information is limited regarding the number of properties connected to sewer in the residential portion of the District; leading to the conclusion that pre-1970 cesspools likely exist in the area. Sewer capacity in localized portions of the area is inadequate to accommodate more dense developments. This is particularly problematic near the corner of East Front and Pattee Streets, and in certain sections of the residential neighborhood.

Storm Water - Many of the storm sewers within the District are fractured and do not function properly. The storm sewers crossing Kiwanis Park to empty into the Clark Fork River drain areas as far away as Pine Street to the north as well as those within Higgins Avenue are in need of replacement. System improvements must include upgrade to USEPA codes for storm water discharge.

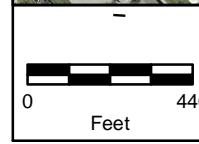
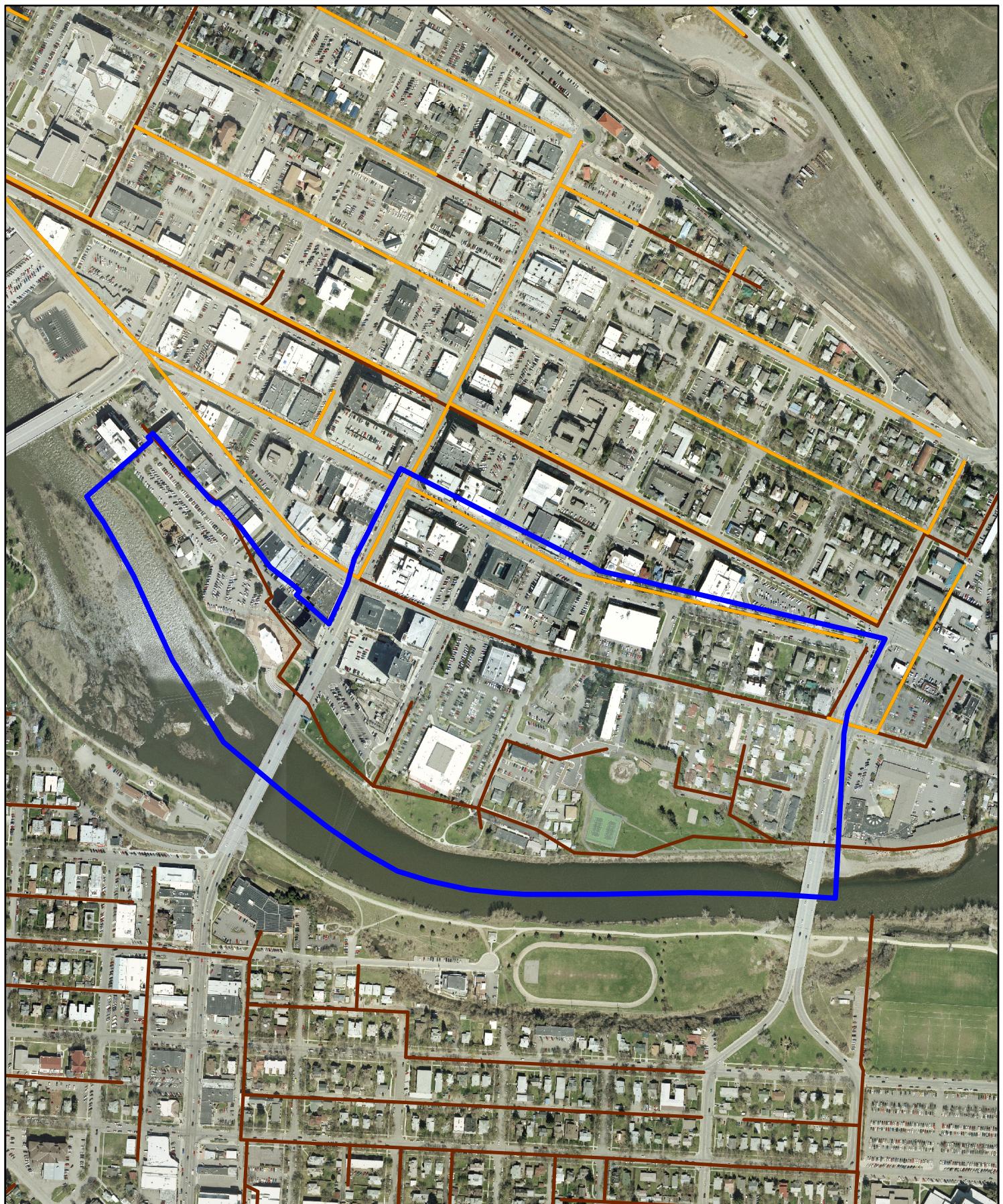
Potable Water – Mountain Water Company has indicated the area generally has adequate water coverage from a 20 inch main that runs down East Main Street. However, many of the lateral water mains in the area are remnants of the City's first water delivery system and are nearly 100 years old. Small water mains (less than 3 inches in diameter) serve a large portion of the residential neighborhood. Development of additional residences, addition of fire suppression sprinklers to residential or commercial buildings, and fire flows could be problematic in localized areas of such inadequate lateral water mains. (Currently the Fire Department obtains adequate flows by way of hydrants on larger mains along primary streets.) Mountain Water Company has not

completed connection of water from redundant sources in this area as indicated by fire codes. To provide such redundancy, Mountain Water Company anticipates the need to join the two parallel mains in Madison Street.

Steam Tunnels – Historically, a large steam generating plant was located between the current First Interstate Bank and the river. Steam tunnels (such as the one shown on page 10) contained pipes that supplied heat to nearby downtown buildings while large direct-burial pipes continued on to serve the remainder of the downtown area. Many of the pipes were insulated with asbestos. Some loose asbestos was removed from the tunnels in 2003. However, both the tunnels, which are beginning to deteriorate, and some asbestos remains. Structural deterioration of the tunnels is from age and water infiltration which also loosens insulation from the long abandoned pipes. The "honeycomb" of concrete vaults recently discovered under Bank Street at its intersection with Pattee Street are likely remnants of the steam plant or perhaps the earlier grist mill operation. Like the tunnels, they pose a significant impediment to nearby construction but have not been evaluated as to their structural integrity under a street.

Power – The area is home to a large power substation adjacent to the eastern portion of Caras Park. Its location near the Park and the heart of downtown is unfortunate, however necessary. Determining a way to conceal it from view or to make it more aesthetically pleasing would be of benefit to the area.





Missoula Redevelopment Agency
Date: September 11, 2007
Prepared By: Tod Gass

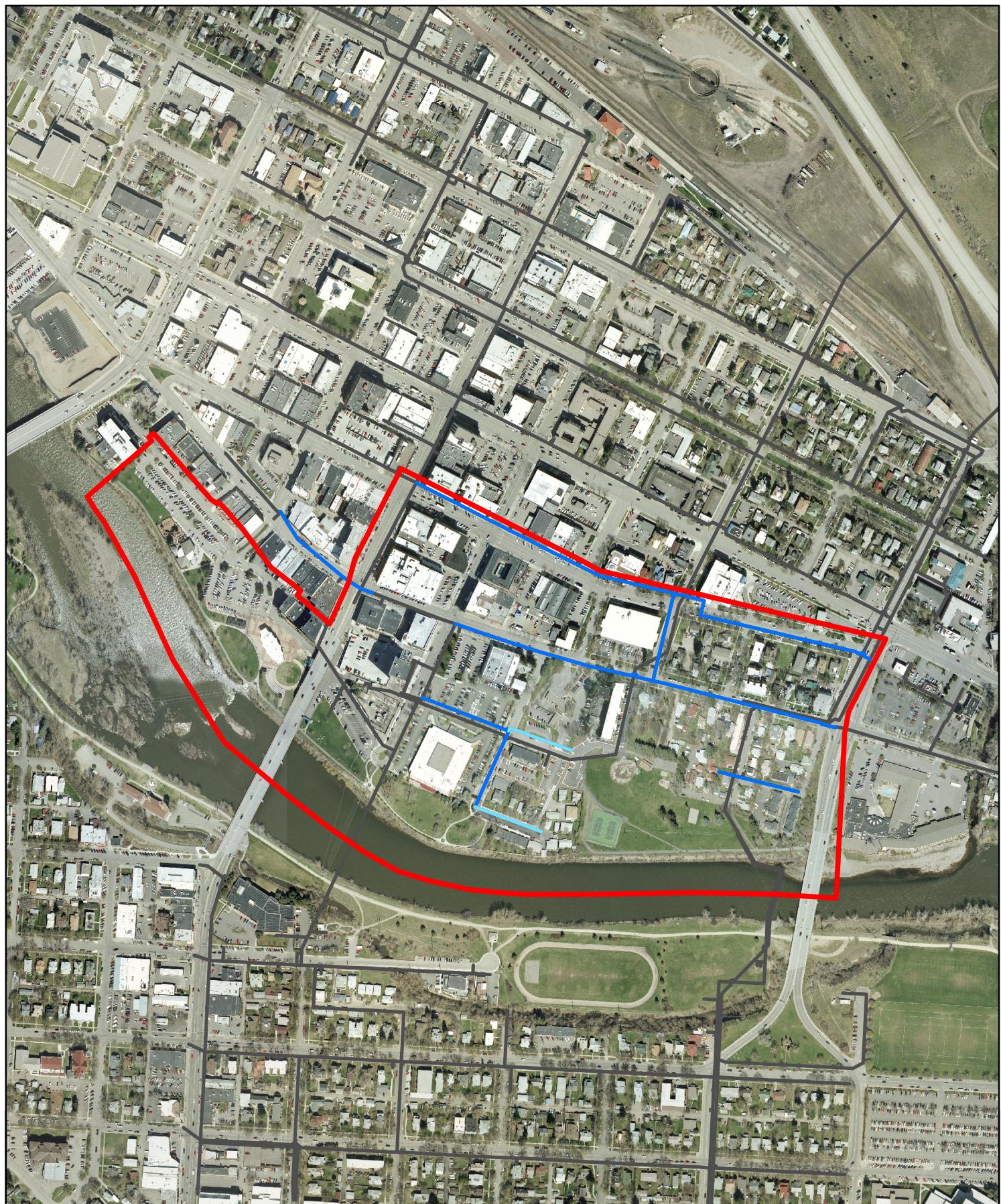
Area Map For:
FRONT STREET URD - Sewer Lines

City of Missoula Redevelopment Agency
140 W. Pine St. Missoula, MT 59802

Note: The information on this map has not been field verified.

— Sewer Lines - 90+Years old
— Sewer Lines





	Missoula Redevelopment Agency Date: September 11, 2007 Prepared By: Tod Gass	Area Map For: FRONT STREET URD - Water Lines City of Missoula Redevelopment Agency 140 W. Pine St. Missoula, MT 59802 Note: The information on this map has not been field verified.	<ul style="list-style-type: none">WaterLine < 3 inWaterLine < 7 inWater Line > 7in	
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Street & Sidewalk Condition

The Public Works Department has stated that East Front and East Main Streets between Pattee and Madison Streets, and the entirety of Clay Street are in need of repair. Hartman Street is the primary public right-of-way access into the portion of the residential neighborhood on the east side of Kiwanis Park. Hartman Street currently is inadequate and requires complete reconstruction; access control; installation of curb, gutters, and sidewalks; and provision of adequate maneuvering space for emergency vehicles.



Other than those properties along Hartman Street, the eastern portion of the Residential Neighborhood is accessed by way of private streets, therefore the City has limited ability to assure adequate maintenance and a clear area for emergency vehicles to maneuver. Unpaved alleys in the area create a dust problem that the Missoula City/County Health Department has indicated must be mitigated in the near future.

The Public Works Department has stated that the sidewalks on East Front Street and Jefferson and Adams Streets have been identified in the City's sidewalk replacement program as being in need of repair/reconstruction. Further, the sidewalks along Higgins Avenue adjacent to the Wilma Building need to be replaced and the structural voids under the sidewalks filled. Pedestrian crossings along Madison Street are a source of significant concern. Additional and better defined links between the street network and the riverfront bicycle/pedestrian trail are needed.

Transportation

The District contains a variety of street and parking configurations including a one-way couplet, diagonal parking, parallel parking, no parking, two lane, four lane, and narrow private streets used for primary access in some cases. The Downtown Streets Plan produced in 2005, mentions that the intersections at Madison/East Front and Madison/East Main Streets do not function well for either vehicular or bicycle/pedestrian traffic. The east terminus of Main Street is at Madison Street. Right and left turns from Madison Street onto East Main Street are allowed although the maneuvers must be made within thirty-five feet of the busy East Broadway/Madison Street intersection. Vehicles traveling east on Front Street are blocked from crossing Madison Street and must merge into its southbound lane. Another section of East Front Street is located east of Madison Street terminating at the East Gate Shopping Center. Planning has begun to

realign the southern approaches to the Madison Street Bridge. Such changes may create an opportunity to address street system problems at East Front and East Main Streets on the northern approach as well.

Other than the street network, pedestrian/bicycle transportation is accommodated through the Ron MacDonald Riverfront Trail which runs along both shores of the Clark Fork River. However, there is a significant gap in the trail on the north side of the river that interrupts pedestrian/bike travel between Kiwanis and Bess Reed Parks. Westbound bicyclists using the Riverfront Trail System wishing to access downtown businesses or activities often exit the trail system onto East Front Street via Hartman Street, Parsons Drive, or Clay Street. In doing so bicyclists are nearly forced to illegally and unsafely travel at least some distance opposing the one-way traffic to continue directly downtown.



Public Safety

Fire – The City of Missoula Fire Marshal supplied several written comments pertaining to life safety aspects within the District. One of the Fire Marshal's main areas of concern in the District is access to Parsons Drive and Hartman Street. The streets are very narrow and difficult for emergency vehicles to navigate. Difficult access poses an impediment to redevelopment of multi-story housing in the residential area as deployment of aerial ladder apparatus for emergency operation would be extremely difficult with the current street layout.

Three buildings in the District, the Elk's Club building, the Radio Central building, and the former Expert Tire building are known to be in need of life safety improvements to bring the buildings up to modern fire codes. Building and fire codes are continually placing more emphasis on adequate emergency egress and fire suppression sprinkler systems especially in residential structures.

The Elk's Club is a three-story historic structure with residential occupancies on the upper floors. Fire sprinklers will be required to bring this building into compliance with modern day fire codes. The Radio Central Building has inadequate exiting on the upper floors, and the building height makes it a candidate for fire sprinklers. The former Expert Tire local would most likely require sprinklers to remain in commercial use.

The First Methodist Church on Main Street is used in several different ways, including a day-care center. A recent fire inspection identified the need for improved exiting systems and fire sprinklers.

Police - The District comprises 0.4% of the total area within the City limits. Analysis of the US Census data reveals that 0.9% of the total City population resides in the District. Utilizing a Geographic Information System and E911 incident records provided through the Missoula Police Department, it was determined that 5.4% of the total E911 incidents occurred in the District during the period of January through August, 2006 (the period E911 records were available). In summary, less than one percent of the Missoula population accounted for over five percent of the E911 incidents. The relatively higher occurrence of E911 incidents compared to the overall population and area of the City suggests the area requires a disproportionate share of police, fire, and other forms of emergency or assistance services; while at the same time, contributing little to the tax base of the state or municipality (see tax discussion). The following table provides an accounting of the E911 incidents within the District by broad categories.

DISTRICT E911 Incidents (Jan. - Sept., 2006)			
Area of City =	17,076	ac.	
Area of District =	69	ac.	
District =	0.4	%	of City area
Population of City =	57,053		
Population of District =	536		
District =	0.9	%	of City population
# of E 911 Incidents in City =	34,343		
# of E 911 Incidents in District =	1,867		
Type of Incident *	CITY	DISTRICT	%
Drug Related	783	73	9.3
Fire Assistance	663	44	6.6
Other	8,494	564	6.6
DUI	495	32	6.5
Traffic	7,564	462	6.1
Crimes Against Property	3,704	179	4.8
Crimes Against Public Order	8,568	366	4.3
Medical Assistance	3,263	130	4.0
Crimes Against People	809	17	2.1
	34,343	1,867	5.4

* See incident type descriptions below.

Description of E911 Incident Types:

- Drug Related: Liquor, tobacco, or narcotics violations.
- Fire Assistance: Police or Fire Dept. assistance.
- Other: Non-criminal related, investigative, or suspicious activity
- DUI: Driving under the influence
- Traffic: Traffic crashes or traffic enforcement.
- Crimes Against Property: Burglary, theft, vandalism, arson, etc.
- Crimes Against Public Order: Weapons, disorderly conduct, public disturbance, etc
- Medical Assistance: Police or paramedic assistance.
- Crimes Against People: Homicide, rape, assault.

Some of the proportionately high statistics in the District as compared to the City can be attributed to its including and being adjacent to a popular entertainment district with several taverns and clubs. Other possible explanations that have been given include the high numbers of younger aged residents in rental units and poorly maintained residential units in the neighborhoods. Such explanations are anecdotal at best so addressing the inordinately high crime rates in the

District will require close coordination with responder agencies and review of such efforts in other small cities.

Demographic Character of the District

The demographic, housing, and income information is from the most recent census in 2000, and is now seven years old. However, it appears the general demographic makeup and housing stock has not changed noticeably since 2000. Many of the following comparisons to the rest of the City should be valid.

Demographics

The District is home to approximately 0.9% of the City's total population where 35% of the residents are between the ages of 20 and 24. 29% of the population is between 25 and 34. 29% is over the age of 34. Over half of the population works in either the educational/health/social services sector (28%) or the service industry sector (arts, entertainment, recreation, accommodation, or food services) (24%).

Housing

Two percent of the City's total housing units are found in this area. 96% of the housing units in this area are renter occupied. 56% of the housing units were built prior to 1950. Much of the housing is targeted toward relatively transient populations such as University students. Many large older homes have been converted to house many studio, one room, and one bedroom units, often with shared bathroom and kitchen facilities. There are several larger apartment buildings of varying ages and conditions dispersed throughout the area. There are also several market-rate condominium developments and single family homes in the area, most of which are very well maintained. Residents of those market-rate units report their choice to locate to this neighborhood was based on its amenities and proximity to services area.

Income

The median income of the residents in this area is about one-half the median income of the City as a whole. Approximately 47% of the households in the area do not have a motorized vehicle. This likely reflects the neighborhood trend toward conversion to housing for transient populations such as University students. Easy access from the neighborhood to the University, downtown, the trail system, and public transportation make not owning a vehicle a reasonable alternative.

Tax Generation from the District

The Montana Department of Revenue assesses the value of property state-wide to determine a market value of property for taxation purposes. The Montana

legislature sets the rate at which property values are taxed, and the assessed market value multiplied by the tax rate gives the taxable value of property. The taxable value is then multiplied by mill rates, established by the various taxing jurisdictions, to calculate tax revenue.

The taxable value of the District was analyzed for the 10 year period of 1997 through 2006. For the purposes of this study, the Personal Property (business equipment, etc.) and Centrally Assessed (utilities) tax classes were excluded from the analysis to provide a clearer indication of the taxable value trends for land and buildings within the District.

The taxable value of land and buildings in the District increased \$247,599, a 14.3% increase over the 10 year period. Taxable value of land & buildings remained rather stagnant for the first 5 years of the analysis period with more significant growth in the tax base occurring in the last 5 years. The recent growth can be primarily attributed to the construction of the Millennium Building located at Pattee and Bank Streets. The Millennium Building accounts for more than 50% of the tax base growth of the District over the last 10 years. If the taxable value of the District is considered excluding the value of the Millennium Building, the growth in taxable value of land & buildings within the District would be 6.1% over the 10 year period - indicating a much more stagnant tax base in the remainder of the District.

Discussions with the Montana Department of Revenue indicate that other improvements in the area not yet reflected on easily accessible tax data available such as on the 200 block of West Front Street (Pearl's Café, Trailhead, Barrett Productions) only impact the above analysis slightly as other properties in the area have decreased in taxable value due to condition (primarily larger residential apartment buildings). No substantial construction or renovation has occurred in the area without significant assistance from the previous downtown urban renewal district.

Taxable value declined for 18.3% of the parcels within the District over the last 10 years. Declining taxable values can be attributed to a lack of new development and renovation of existing structures, rather than from loss of buildings or general changes in use.

Through conversations with a variety of property owners and local developers, MRA received a variety of opinions as to the general lack of new investment in the area. Four complaints seemed to be common among these conversations:

1. Perceived difficulty in obtaining zoning permits for new development
2. Cost of upgrading infrastructure (mainly water and sewer)
3. High cost of land
4. General lack of parking in the area

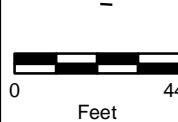
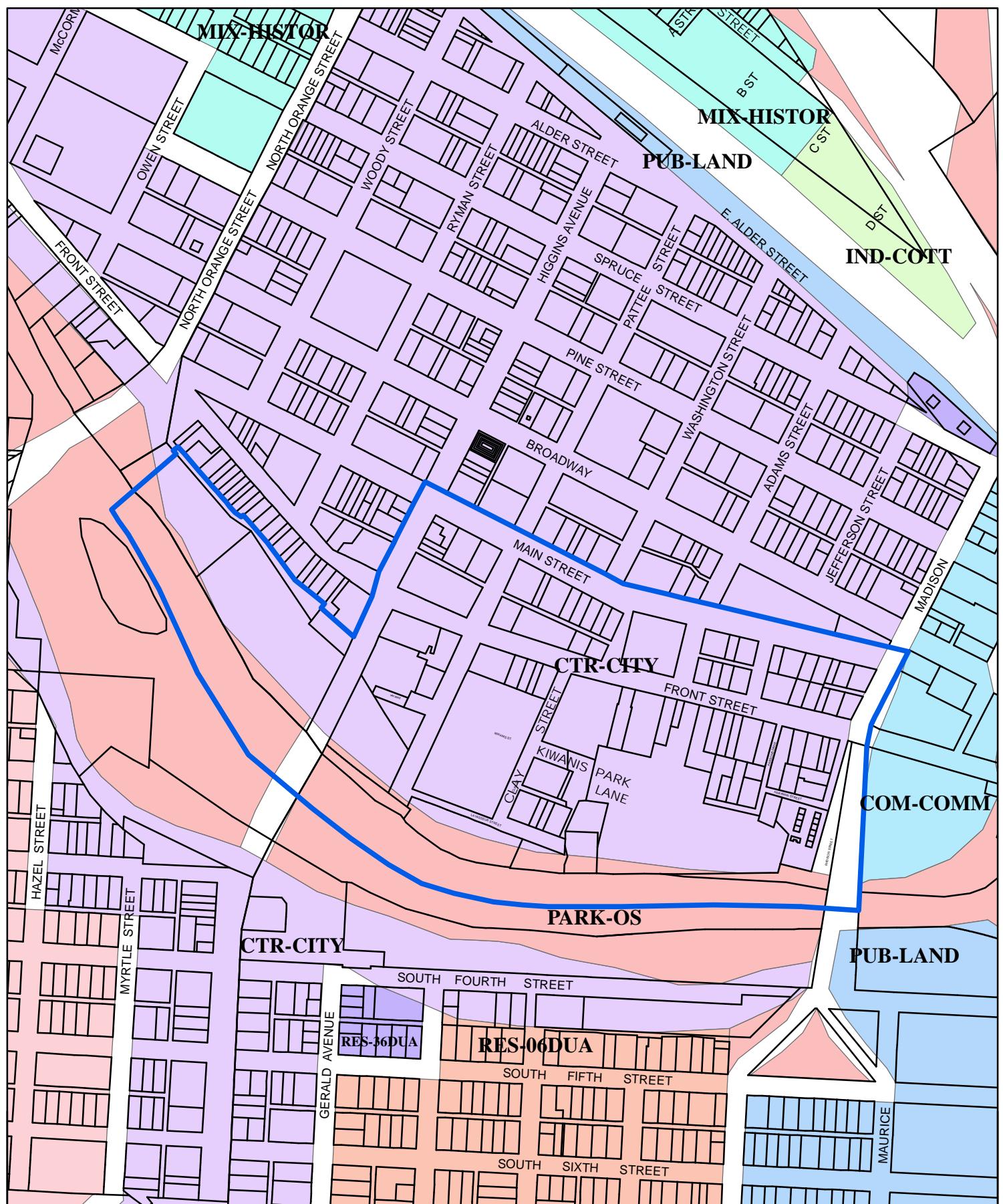
Land Use and Planning

Comprehensive Plan

The 1998 Comprehensive Plan identifies the entire District as City Center District which recognizes the area as a mixture of uses including office, retail, hotel/motel, financial, entertainment, and high density residential. Recognizing the impact of previous urban renewal districts, the Comprehensive Plan encourages the continued commitment to renovation of Missoula's urban core. The Missoula Growth Policy and its most current update do not address this area specifically. However, Growth Policy general goal statements and objectives for other areas are relevant to the Front Street District.

Zoning

The portion of the Front Street District west of Kiwanis Park is zoned as Central Business District for the purpose of providing an area for high density uses or mixtures of uses for general commercial, retail, service, wholesale, and multi-dwelling activities. The residential portion of the District lying south of Main Street is zoned R-IV Multiple-Dwelling Residential which allows for up to two story buildings with generally a minimum front and rear yard of 20 feet and a side yard of 5 feet.



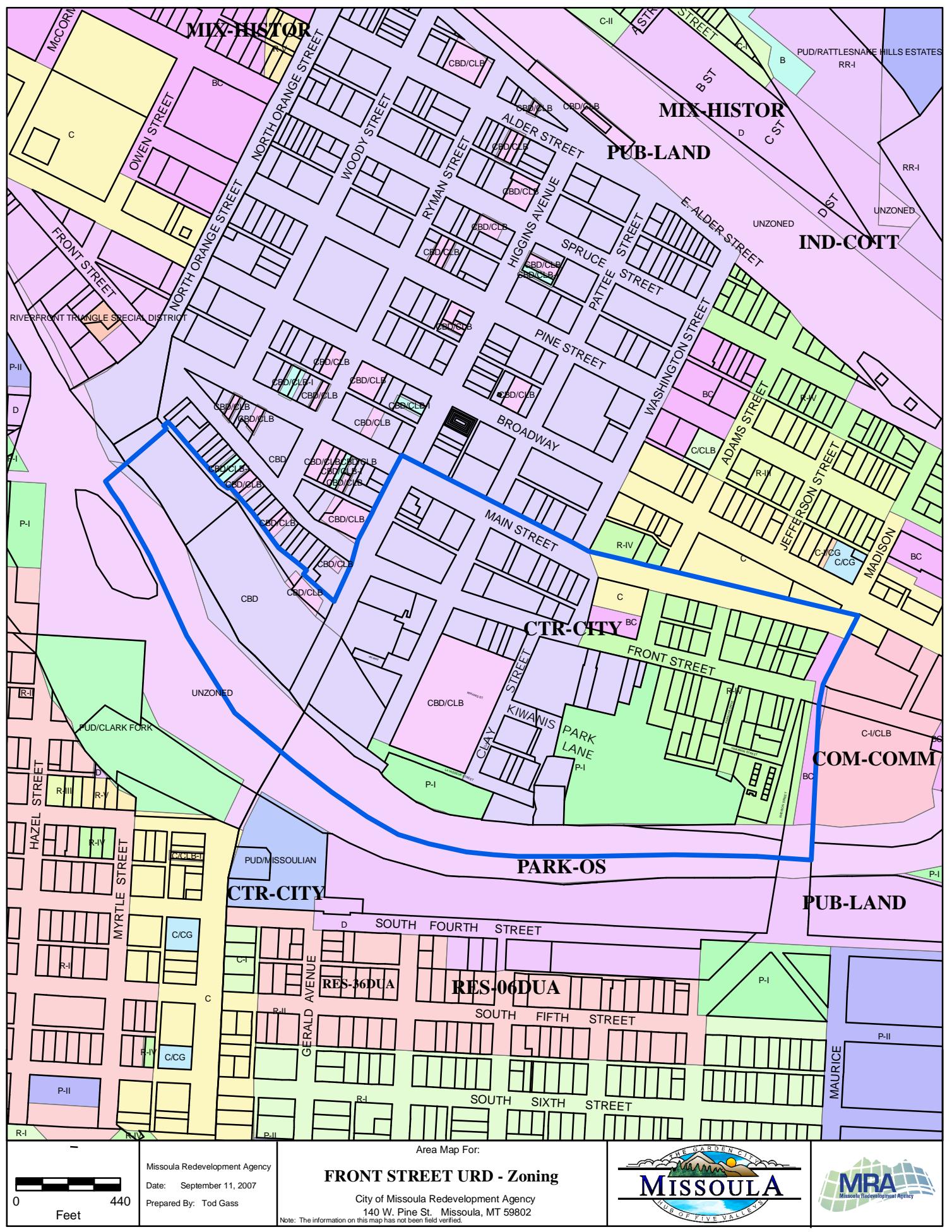
Missoula Redevelopment Agency
Date: September 11, 2007
Prepared By: Tod Gass

Area Map For:
FRONT STREET URD - Landuse

City of Missoula Redevelopment Agency
140 W. Pine St. Missoula, MT 59802

Note: The information on this map has not been field verified.





Chapter 3 - Key Findings

The following findings are taken from the *Urban Renewal Study Area Report*. They are organized according to the factors that define blight under Urban Renewal Law (M.C.A. 7-15-4206).

1. *Substantial physical dilapidation; deterioration; defective construction, material, and arrangement; or age obsolescence of buildings or improvements, whether residential or nonresidential.*

The residential portions of East Main and East Front Streets as well as the Residential Neighborhood include several examples of older single and multi-family housing that have been poorly maintained and appear to be in relatively advanced stages of deterioration. However, there are several portions of the Neighborhood that have received considerable investment over the past years indicating the desirability of the area given the amenities listed elsewhere in this document. If a trend toward more expensive housing in the area is in the offing, close municipal scrutiny and planning should be involved to assure an appropriate neighborhood mix of resident income levels, ages, and structure densities.

The current First Interstate Bank building is suffering from significant structural and systems problems that have forced the Bank to plan for a new facility. The Bank intends to construct on the same site and has the opportunity to create a larger structure. Primary obstacles include presence of underground remnants of previous structures, inadequate water and sewer adjacent to the site, and particularly, inadequate parking available within several blocks of the site.

The interior and exterior of the Wilma building are in immediate need of repair. Basic systems in the building are antiquated, stressed with current uses, and would not be allowed under current codes. Likewise, other landmark buildings in the District such as the Elks Club Building, Radio Central Building, and, to a certain extent, the Macy's Building, are suffering from deferred maintenance on exterior materials and the need to rectify fire safety concerns.

2. *Inappropriate or mixed uses of land or buildings.*

The most glaring example of inappropriate land use is the existence of a major power substation with the accompanying high voltage transmission lines along the Riverfront Trail between Higgins and Pattee. While it may not be feasible to relocate the facility, there may be opportunities to screen and minimize its adverse impact on attracting appropriate private development and redevelopment in the area.

3. Defective or inadequate street layout.

Access within the eastern portion of the Residential Neighborhood (area between Madison, Clay, and East Front Streets) consists of unpaved alleys, disconnected, dead end, and improperly constructed streets. The Missoula Fire Department has stated that it is very difficult to maneuver fire and other emergency vehicles within the area. Structures have been constructed to rely on access from neighboring driveways, public parking lots, and unplatted alleys. The condition of streets within this area is both a present concern and also impacts the ability to construct additional density in the form of higher buildings in that neighborhood.

The Main/Front one-way street couplet has been identified as a deterrent to sound redevelopment and reinvestment in that portion of downtown and has been identified in the Downtown Streets Plan as a top priority to be returned to two-way traffic. Addressing the two streets' interaction with Madison Street would be key to providing better and safer vehicle, pedestrian, and bicycle traffic throughout the Study Area. As of the 2000 Census, 47% of the area residents do not own a motorized vehicle which emphasizes the need to assure safe and efficient non-motorized travel in the area. As additional development in the area occurs, access and traffic problems created by the one-way street couplet will intensify.

4. Faulty lot layout in relation to size, adequacy, accessibility, or usefulness.

Lots within the eastern portion of the Residential Neighborhood are a disorderly combination of sizes and shapes that, in combination with the street network within the area, has led to residences accessed only from driveways on adjacent properties, reliance on access from Kiwanis Park parking lots, and poor identification by emergency responders.

5. Excessive land coverage.

There is very little space between buildings within the eastern portion of the Residential Neighborhood. This density, with nearby Kiwanis Park providing space for outdoor activities and visual relief, is not in itself a problem if condition of some of the structures and access was addressed.

6. Unsanitary or unsafe conditions.

Conditions listed above within localized portions of the Residential Neighborhood appear to be close to achieving unsafe status. In particular, the condition of several residential buildings converted to maximize the number of rental units are of concern as is the poor emergency vehicle access to much of the residential areas.

The intersections of East Main and East Front Streets with Madison Street function poorly for vehicles and dangerous interactions between vehicles

and pedestrians and bicycles are common. The one-way street couplet coupled with the corresponding gap in the trail system leads bicycles to travel in opposition to traffic on West Front Street and forces delivery trucks and some vehicle parking maneuvers in the commercial portion of the Study Area to travel in opposition to traffic on both East Front and East Main Streets.

Potential leaking into surrounding soils and underlying aquifer causes concern over the aging and deteriorating primary sewer line in East Main Street. The current sewer condition also impedes redevelopment of the area. Additionally, this area was one of the original developed areas of Missoula. The City did not standardize recordkeeping of properties hooked to sewer until the mid-1970s. In spite of a concerted City effort to identify buildings not on sewer within the entire urban area, it is likely that there are still cesspools in use within the District. During planning for the new bank building it was found that water and sewer service are generally inadequate throughout much of the commercial portion of the District for such a structure.

7. Deterioration of site.

Aging, deteriorating, and localized infrastructure capacity inadequacies, including water, wastewater, and storm water systems have been discussed above. Deteriorating residential buildings in the eastern half of the Study Area have also been described herein.

Another concern is lack of substantial investment in larger commercial properties in the western portion of the Study Area. This has led to vacancies as office and other uses find safer, more attractive locations; to Fire Department concerns over exiting and other fire code issues; and to visible deterioration. Most of these buildings are large and are on or are eligible for the National List of Historic Places.

Remnants of a steam system that supplied the entire downtown with heat for several decades in the early part of the last century remain under Higgins Avenue in the form of tunnels and large pipes. Portions of the primary steam system also remain under sidewalks and park area adjacent to the Bank building. Although portions have been cleaned, some of the tunnels are still lined with asbestos. The structural integrity of tunnels and some piping is beginning to deteriorate to a point that they will need to be addressed in coming years. Additional relics of the area's historic industrial past have been found recently in the form of a honeycomb of large concrete vaults under the intersection of Bank and Pattee Streets. Like the tunnels, the vaults interfere with construction of new buildings on the block bounded by Higgins Avenue, East Front, Pattee, and Bank Streets.

8. Defective or unusual conditions of title.

There are numerous instances of building encroachments onto City park land and between private parcels. These conditions impede property sales and financing of improvements and redevelopment.

9. The existence of conditions that endanger life or property by fire or other causes.

The Missoula Fire Marshal's Office lists general concerns regarding Fire Code problems in several buildings and provides examples of the Elks building (northwest corner of East Front and Pattee Streets), former Expert Tire Building (southwest corner of East Main and Pattee Streets), and the Radio Central Building (100 block of East Main Street). In the past, the Fire Department has cited and closed portions of the Wilma Building due to code violations. Although most serious violations have been rectified, the building will soon require overhaul or replacement of most major systems in order to address continuing inadequacies for tenants.

The Fire Marshal also mentions the problem of emergency vehicle access within the eastern portion of the Residential Neighborhood and warns that such access will be given serious consideration in permitting future development within both the East and West neighborhoods.

Of additional concern is the inordinate crime statistics in this area as compared to the City as a whole. Crimes against property and persons, and drug related crimes in the District are a large percentage of the total of such crimes in the City given the Study Area's relatively small area and low population number (as compared to the City). This may be partially explained by dense living conditions and age of the population but may be also a function of the deteriorated living conditions in portions of the area. Further study of changes in physical conditions within the Study Area that might be undertaken to alleviate crime should be explored. Such changes could include improving access for fire and police vehicles, improving condition of housing in the densest parts of the neighborhood, added lighting, removal of items that prevent residents from observing the area, and introducing additional designated pedestrian routes through the area.

Chapter 4 - Goals and Strategies

Challenges:

An analysis of the above findings indicates there are major challenges to redevelopment of a large portion of the District. The challenges vary from area to area but are common in that they are, by and large, physical and infrastructure related constraints to redevelopment that could be alleviated by way of use of tax increment financing. The challenges listed above coupled with others not reflected in the State's definition of blight have existed for many years and may continue to discourage significant private investment into the future. The Missoula market for commercial and residential space has been strong for a few years and appears will continue to be active. Attracting significant investment within the District will likely require intervention by the City in improving infrastructure, addressing transportation complexities in the overall District, clarifying zoning issues in the residential area, and increasing vehicle parking opportunities.

Although parking is recognized throughout Montana urban renewal law, the lack of it is not listed as a direct condition of blight. The high land cost and low availability forces consideration of addressing parking needs by way of multi-story structures. However, in the District, lack of available public parking and the high cost of developing private structures are ranked by interested developers, property owners, and business owners, as being the greatest impediment to investment consideration in the District. Lack of adequate water and sewer are also listed as major impediments.

Assets:

For an urban renewal district to be successful it must contain enough potential assets or investment opportunities to attract property tax paying private developers, both to start the tax increment generation and, with mitigation of certain challenges, begin substantial redevelopment.

The District is situated along the most recognized primary arterial in the urban area, Higgins Avenue. It is adjacent to two other major arterial streets; Broadway, the only east-west traffic corridor north of the Clark Fork River with access to Interstate 90, and Madison Street which leads to The University of Montana and dense University area neighborhoods. The traffic arterials create a highly visible area and thus a large potential retail customer base.

The presence of the Clark Fork River provides an aesthetic amenity while the riverfront trail and parks system and Madison Street Pedestrian Bridge provide easy access to downtown businesses, entertainment, and cultural events as well as the University to the south. The District is located in the heart of the central

business district of Missoula and has many cultural and recreation opportunities either inside the District or within several blocks. Kiwanis Park, Bess Reed Park, Caras Park, and a portion of the Ron MacDonald Riverfront Trail system are all located within the District. The Missoula Public Library and Wilma Theater are also located within the District. The Missoula Art Museum, City Hall, and the County Courthouse are within a few blocks of the area. Two farmers markets and a craft market are held nearby weekly throughout the summer months. An art gallery open house event is held monthly throughout the year in the galleries in and around the area. Grocery supermarkets, a wide variety of restaurants, clothing and specialty stores, financial and investment services, a public library, and several motels and other lodging facilities are located in or within short distances of the District.

The District is near some of Missoula's largest employment centers: St. Patrick Hospital and related medical campus; US Forest Service Region I headquarters; City and County government centers; and The University of Montana. The downtown area has become Missoula's center for legal and financial services including several national investment firms, many legal offices, and the location of the Municipal, District, and Federal Courts. Although in certain areas in need of repair or upgrade, basic infrastructure including water, sewer, storm water, power, natural gas and a full range of communications are within or near the District.

The University of Montana is located just across the river from the District, easily accessed with non-motorized transportation by the Madison Street "Under Bridge". Easy access to Interstate 90 can be made via East Broadway and Van Buren Street. Proximity to the downtown and University make the residential areas within the District potentially open to an appropriate mix of housing types, densities and income levels of residents, and the central location also makes bicycle and other non-motorized travel to many other neighborhoods, employment, and shopping opportunities a viable option.

Views of all hills and mountains surrounding the Missoula valley are available from most portions of the District. The parks offer access to the Clark Fork River for in-river recreation, fishing, or viewing.

Residential Redevelopment

According to developers, development consultants, and municipal planners, Missoula has found itself with a rapidly diminishing inventory of developable vacant land. This, combined with other market factors, has led to a steep escalation of the cost of available land which translates into housing costs that have become unaffordable for a large segment of the population. At the same time the cost of transportation from suburban and out-of-county neighborhoods has risen to a point that living in those heretofore more affordable areas has become less attractive. It is generally recognized that increased density, primarily through increased building heights, small-lot and zero-lot line subdivisions, increased utilization of condominiums, and other density tools, are currently the only viable ways to create a greater inventory of housing in the urban area.

The residential portions of the District have been noted in the 10-year old Comprehensive Plan as a neighborhood that should remain at relatively low density in terms of height. However, its proximity to employment centers, The University of Montana, the downtown retail center, and numerous entertainment opportunities make it an obvious area for consideration for increased housing opportunities for persons and families from a variety of income levels. The current zoning, based on Comprehensive Plan comments, restricts developers' consideration of increased density in much of the Residential Neighborhood. The traditionally commercial portions of the district should also be expected to contribute to the community's housing inventory.

As discussed earlier in this document, there are numerous residential buildings that have been converted to contain many studio and one-bedroom units. Many of these units are reportedly in poor condition and may not be in compliance with current fire, building, and health codes. The District should work with the appropriate code enforcement agencies and landowners to rectify this situation.

Residential Redevelopment Goals:

- Provide incentives for private and public investment in deteriorating existing residential units and construction of new units at appropriate urban densities that are attainable at a variety of income levels.
- Maintain a sense of neighborhood and promote a diverse population, emphasizing the importance of the district as a location for students, and University and Downtown employees.

Residential Redevelopment Strategies:

- Collaborate with lenders, developers, property owners, and government agencies to create redevelopment programs that address:

- Compliance with building, health, and fire codes;
 - Promotion of physical changes that enhance public safety and discourage crime;
 - Infrastructure deficiencies;
 - Other impediments than hinder construction of housing attainable at a variety of income levels.
- Recognizing there will be growth and change in all neighborhoods, assist neighborhoods and OPG in developing design guidelines that respect the unique character of the historic built environment and enhance and maintain the urban forest.
- Initiate and support a process that includes OPG, property owners, and neighborhood residents to achieve residential zoning consistent with urban and neighborhood goals.
- Designate a significant amount of the annual available TIF budget to programs and projects that upgrade or create housing at costs attainable by residents with a wide variety of incomes, particularly those with lower – moderate financial resources.
- Work with housing and work with developers, non-profit, and governmental agencies to maximize efficient use of TIF funds for housing purposes.
- To the extent possible, maximize the opportunities for private investment and public/private partnerships.
- Prioritize projects that utilize leading environmental practices in construction methods, materials, and design.

Applicable Comprehensive Plan and Growth Policy Statements:

-Maintain and expand the redevelopment of the City Center though continued public/private partnership.

-Create smooth transitions from commercial to non-commercial uses.

-Improve the pre-application process to ensure timely and thorough review which also provides for early involvement by the public to address neighborhood and community concerns.

-Encourage a residential land use pattern which 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.

-Encourage upgrading and maintenance of private property and structures.

-Develop building guidelines which define the desired scale and character of development within the community without dictating architectural style. Regulations should focus on building mass, building coverage relationships, placement of new additions and infill within existing neighborhoods and in commercial areas.

-Create sustainable relationships between human activities and natural systems.

-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.

-Encourage a viable mix and concentration of residential housing types that serve a diverse population, including the aging and those with special needs.

-Design and locate homes to minimize impacts on natural resources and the physical environment and to maximize social resources while meeting emerging needs. Locate housing in proximity to physical, technological, social, and economic infrastructure.

Anticipated or Potential Residential Redevelopment Projects:

Initial analysis within the District near indicates the greatest potential for near-term construction of housing appears to be in the area roughly between Higgins Avenue and Washington Street. Within that area, the District could provide financial assistance detailed in 7-15-4288 of Montana Code Annotated to provide an incentive to construct housing units for sale, rent, and lease at costs attainable to a variety of citizens. Such assistance would likely include demolition of existing improvements; extension or upgrade of water to achieve mandated fire flows; provision of adequate sewer, storm water, and other utilities; improvement of street access and sidewalk condition; and under certain circumstances, acquisition of land for aggregation and re-conveyance to a developer. At the time of adoption of this plan, potential project locations include parcels along LeVasseur Street, particularly along the riverfront, and the First Interstate Bank Drive-In facility along East Front Street.

Commercial Redevelopment

The Downtown is one of Missoula's retail centers and is the community's primary legal, financial, and investment services district. The commercial oriented western portion of the District offers both opportunities to redevelop existing structures and to construct new facilities. Like development of residential units in Missoula, land that is zoned appropriately for new and expanding businesses, particularly land suitable for office uses, is scarce and often offered only at premium prices. Increased density in terms of building height and improved internal efficiencies in existing structures are viable methods for growth in the commercial economy. Zoning in the District's commercial section is Central Business District (CBD) which allows taller buildings and zero-lot line development, promotes mixed-uses, and has comparatively modest parking requirements. However, infrastructure and parking deficiencies have hindered commercial growth in the District.

As previously described in this Plan, First Interstate Bank must rebuild and is willing to construct a larger structure to accommodate new and expanding professional offices in the Downtown. However, the costs of infrastructure upgrade and provision of vehicle parking jeopardizes the feasibility of the expanded building. Other developers investigating property or planning projects in the vicinity of the Bank property have also encountered the dilemma of being limited by infrastructure capability and available parking rather than the existence of a poor real estate climate.

There are several large buildings in the District that are currently limited in use due to fire and building code issues, and the need to redesign internal configurations and basic systems to increase efficiencies and address the space and utility requirements of modern businesses. Often these structures were constructed prior to the advent of modern building codes for businesses with very different needs for power, access, and personnel arrangement. The costs of code compliance and reconfiguration are often not feasible for owners or tenants so the buildings become underutilized and subject to deferred maintenance.

It is in the best interest of the community to redevelop viable existing buildings and to promote new structures within the District. Criteria to be met in order to receive public investment should prioritize projects in which innovative and creative design, construction practices, materials, and technologies are utilized to decrease harmful emissions; limit on-grid power usage; and employ re-used, recycled, and locally produced materials.

Commercial Redevelopment Goals:

- Encourage a thriving commercial atmosphere that stimulates private investment compatible with adjacent neighborhoods.

- Promote appropriate transitions between commercial and non-commercial uses.
- Maximize the opportunities for private investment and public/private partnerships that create jobs, expand the tax base, and enhance the overall Downtown.
- Promote the use of sustainable and leading environmental practices in construction methods, materials, and design.

Commercial Redevelopment Strategies:

- Investigate and develop programs to provide information and assist developers and property owners to minimize on-grid power usage, reduce impact to air and water quality, and achieve negative or neutral climate impact.
- Promote projects that mitigate visual blight; particularly the sub-station along the river.
- Participate in acquisition and development of parks, trails, open space and public art.
- Promote easily accessible pedestrian and bikeways to and within the commercial area.
- Along with the Public Works Department, facilitate the conversion of the Main Street/Front Street one-way couplet to two-way traffic to act as a catalyst for commercial redevelopment.
- In cooperation with OPG and both the commercial and residential neighborhoods, develop designs and plans for appropriate transitions between commercial and residential areas.
- Promote mixed use and higher density residential redevelopment projects that create a buffer between the core of the Central Business District and the less dense residential area.
- Encourage upper-story residential uses and ground floor retail in the commercial area.
- Create programs to achieve redevelopment goals.

Applicable Comprehensive Plan and Growth Policy Statements:

- Allow for diverse business and employment opportunities and a competitive business climate.
- Maintain and expand the redevelopment of the City Center through continues public/private partnership.
- Create smooth transitions from commercial to non-commercial uses.
- Identify, evaluate, and develop ways to protect historic and cultural sites, structures, and trails.
- Conserve resources and minimize transportation demand in rural areas by structuring commercial centers around existing facilities.
- Create smooth transitions from commercial to noncommercial uses.
- Encourage interesting and innovative design of structures.

Anticipated or Potential Commercial Redevelopment Projects:

At the time of adoption of this Plan there are several commercial projects being contemplated within the District. As previously detailed, First Interstate Bank intends to construct a new facility along the 100 block of East Front Street. The Bank further intends to construct a structure larger than its own foreseeable needs in order to accommodate an existing market of expanding and new office related businesses. However, for the Bank to affordably invest in a larger building there must be public investment in: demolition activities; infrastructure upgrades to water, sewer, storm water drainage, and other utilities; reconstruction of sidewalks, streets and existing public parks and amenities; and particularly additional public vehicle parking in the project area. Consolidation of banking activities to the Bank's project site will allow development of its current drive-in facility on the 300 block of East Front Street as mentioned previously under Potential Residential Redevelopment Projects.

Additional parking and improved infrastructure as described above will also address current unmet parking demand and allow consideration of investment on other nearby properties. A second project involving new construction currently under design and cost feasibility consideration is located at the southwest corner of East Main/Pattee Streets. Similar to the Bank project, the size and affordability of the building is dependent on public investment in infrastructure upgrades, utility extensions, demolition assistance, and additional parking in the vicinity.

Infrastructure Redevelopment

For the purposes of this plan "infrastructure" includes both motorized and non-motorized transportation systems, vehicle parking, and both public and privately owned utilities such as sewer, water, gas, power, and communications. The definition also includes a distinct category of "technology" which is integral to the other categories but separated for emphasis to promote and encourage utility providers to investigate and utilize innovative production and delivery systems within the District.

An unofficial survey of property owners, businesses, and local developers indicates that the cost of providing adequate utility service, upgraded sidewalks and curbs, and parking for projects that include both new construction and renovation of existing buildings is deterring substantial investment in the District. Additionally, inadequate, poorly maintained access within the residential neighborhood, and transportation system difficulties related to the one-way streets are hindering development and expansion of both housing and business services.

Parking Discussion

Long term vehicle parking in the southern portion of the downtown area north of the river is generally unavailable. According to the Missoula Parking Commission, there are often significant waiting lists to lease a parking space in one of the parking lots south of Main Street and the time spent on a list can be lengthy. Much of that current demand for employees is for spaces within two blocks of Higgins Avenue. The situation forces many employees to park in short-term, metered spaces meant for clients and customers impacting the viability of downtown businesses. Part of the solution is to emphasize public transportation and to make pedestrian and bicycle alternatives safe, efficient, and pleasant experiences. However, if the District and downtown in general is to continue to grow and be a viable commercial and residential portion of the City, additional vehicle parking will be necessary. The cost of construction of parking structures in conjunction with new or renovated buildings is generally beyond the feasibility for most private developments. Adding additional surface lots is less expensive in terms of construction but very inefficient in a downtown area as it uses large amounts of potential commercial and residential space and is unsightly. Thus, lack of parking becomes a "blighting" influence on the area in impeding development in the City's core and leading to additional development at the outskirts of the City. Because of its expense, financing the construction of parking facilities will likely need to be partnerships between multiple public agencies and private developers. Availability of land to address the current and potential need for structured parking in the downtown exists in the area north of Caras Park, near the existing structure at Bank Street and along East Front Street.

Infrastructure Redevelopment - Transportation

Transportation Goals:

- Encourage safe, efficient, and accessible multi-modal transportation systems to, from, and within the district.
- Actively participate with developers, Parking Commission, and other financing sources to develop additional public vehicular parking in the District.
- Maximize the opportunity and desirability for use of non-motorized transportation.
- Promote adequate emergency vehicle access to all areas within the district.

Transportation Strategies:

- Initiate a needs and feasibility study regarding the Main/Front Street one-way couplet. Actively participate with City, State and federal financing sources to mitigate issues the study finds.
- Address circulation and safety for pedestrian, bicycle and vehicular traffic where Main and Front Streets intersect Madison Street.
- Facilitate the creation of a plan, in partnership with the Fire Department, Public Works Department, and property owners that provides emergency vehicle access for the district; particularly within the residential areas.
- Collaborate with Mountain Line, Parks Department and the Public Works Department Bicycle Pedestrian office to:
 - Analyze and mitigate conflicts and gaps in the non-motorized transportation system;
 - Determine and develop potential connection points between the motorized and non-motorized transportation system;
 - Maximize opportunities for use of public transportation.
- Engage the Public Works Department to identify street and sidewalk conditions and participate in addressing those conditions.

Applicable Comprehensive Plan and Growth Policy Statements:

-Review existing sidewalk networks and plan sidewalks where warranted for public safety or for pedestrian circulation.

-Revise off-street parking requirements for new uses and explore the use of minimum and maximum parking standards.

-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.

Infrastructure Redevelopment – Public & Private Utilities (Sewer, Water, Storm Water, Power, Gas, Communications, and Technology)

Public & Private Utility Goals:

- Preserve and protect the aquifer and the river through adequate sewer, storm sewer and water service.
- Quantify the condition of existing infrastructure and determine the adequacy of service for current and future needs.
- Mitigate visual blight caused by the prominent location of the power substation.
- Encourage utilities and developers use of innovative infrastructure technologies that increase efficiencies, decrease need for systems maintenance, or reduce negative impacts on the environment.

Public & Private Utility Strategies:

- Assist the Public Works Department in developing strategies to assure all units are connected to sewer.
- Investigate the condition of infrastructure, in conjunction with public and private utility providers, to identify current and projected service needs for all properties.
- Facilitate projects and partnerships with public and private utility providers, developers, and property owners to rectify infrastructure deficiencies.
- Explore potential financing sources and other mechanisms for infrastructure improvements and expansions.
- Prioritize creative projects that use innovative infrastructure technologies or have a positive environmental impact.

Applicable Comprehensive Plan and Growth Policy Statements:

-Encourage and support new land development within or immediately adjacent to areas where public services are currently available to both maximize local government efficiency and to promote a logical growth pattern.

-Determine the location of current infrastructure, and provide information about funding mechanisms through the planning process to expand and maintain existing systems.

*-Provide the necessary public services to commercial areas efficiently and economically.
-Minimize the impact of land development on surface and subsurface water.*

-Develop infrastructure to accommodate present development and plan infrastructure to meet the needs of anticipated growth in accordance with public values and goals.

Infrastructure Redevelopment – Parks and Trails

According to the 2000 Census, a very large number of the residents within the District do not own a vehicle. Relatively large numbers of people walk and bicycle within the District and between the University area and downtown. Likewise, neighborhood and community interest and use of the existing riverfront parks such as Kiwanis and Bess Reed Parks within the District is very high. However, there are trail connection problems between the two parks interrupting the otherwise complete riverfront trail system. Additionally, safe public links between the trail system and street network should be investigated and developed such as pedestrian connections between the trail and Madison Street Bridge, and bicycle and pedestrian connections to East Front Street.

Parks & Trails Goals:

- Advocate for and support expansion and upgrade of parks, trails, open space, and other public facilities.
- With Parks and Recreation Department, review Parks Master Plan for deficiencies and potential enhancements suggested for the District.
- Assure that any change in increased efficiencies and capacity west of Higgins include consideration of additional park space and positive visual impacts.

Parks & Trails Strategies:

- Assist the Parks Department in planning, upgrade, and expansion of parks, trails, and open space.
- Promote easements and other mechanisms that provide easy, safe access between the trail system and street network.

Applicable Comprehensive Plan and Growth Policy Statements:

-Infrastructure includes more than sewers, transportation systems, water, and telecommunications. Included in a cultural infrastructure are libraries, museums, historical landmarks, government buildings, parks and other open spaces, and schools. Social, infrastructure provides for the “public welfare” and includes health, safety, educational, and social services.

- Incorporate artwork into public places and other parts of the urban environment.

Historic Preservation and Public Art Redevelopment

Several commercial structures within the District are either currently listed or are likely eligible for listing on the National List of Historic Places. Among those structures are local historic landmarks including the Wilma Building and Theater, Macy's Building, Elks Club Building, Independent Telephone Building, as well as others. Several residential buildings in the District are also on or candidates for the List. Several of the landmark buildings are suffering from code problems and are in some form of disrepair or advancing deterioration. Currently, most of the large commercial historic buildings are under local ownership including the Elks Club Building and Wilma Building which may offer a better opportunity for upgrade of those structures. Although the lack of historic preservation activities is not specifically a condition of "blight" under State definition, upgrade, reuse, and renovation of older, highly recognizable buildings contributes to the overall well being and marketable ambience of the city center.

Properly located and designed, public art is important in itself as a visual amenity and source of conversation but also contributes to the identity of the area in which it placed. The public art currently placed throughout the downtown accomplishes those objectives. Publicly displayed art should be included in as many commercial projects as feasible and throughout the public portions of the residential area such as trails and parks.

Historic Preservation and Public Art Redevelopment Goals:

- Promote public art throughout the District.
- Where feasible, promote projects that preserve historic structures that significantly contribute to the community's heritage and character.

Historic Preservation and Public Art Strategies:

- Prioritize private projects that include publicly displayed art.
- Where feasible, support preservation of historic structures that significantly contribute to the heritage and character of the community.

Chapter 5 - Implementation

Introduction

The Front Street Urban Renewal Plan identifies community attitudes, problems, and opportunities and sets a direction for achieving redevelopment of a portion of the Central Business District. After adoption, this document is the official policy guide for public action. These policies can only be transformed into action through an effective implementation. The implementation of community policies will depend on sound processes of administration, financing, and evaluation.

Administration

The Missoula Redevelopment Agency is responsible for the administration of the redevelopment effort outlined in this Plan under the provisions of Title VII, Chapter 15, Section 42-43, MCA.

The Missoula Redevelopment Agency may exercise any of the following urban renewal project powers (7-15-4233 MCA):

- (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 replanning 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.

Any powers granted in Title VII, Chapter 15, Section 42-43, M.C.A. that are not included in this section as powers of the Missoula Redevelopment Agency may only be exercised by the local governing body as provided under existing law. The provisions of this Plan or other documents entered into pursuant to this Plan may also be enforced by court litigation instituted by either the Agency or the City. Such remedies may include, but are not limited to, specific performance, damages, reentry, injunctions, or any other remedies appropriate to the purposes of this Plan. In addition, any recorded provisions that are expressly for the benefit of owners of property in the District may be enforced by such owners.

The Agency is authorized to permit persons who are owners of residential, business and other types of real property in the Front Street Urban Renewal District to be given the opportunity to participate in redevelopment by rehabilitation, by retention of improvements, by new development, by retaining all or a portion of their properties, by acquiring adjacent or other properties from the Agency, or by purchasing other properties in the Front Street Urban Renewal District. The Agency is also authorized to enter into participation agreements regarding properties not purchased or not to be purchased by the Agency.

The Agency shall prepare an annual work program and budget that will list the activities and costs of activities for the coming fiscal year, as well as the method of financing those activities. This program and budget may be amended during the course of the fiscal year, in light of funding and program changes. All budgets and revised budgets shall be reviewed and approved by the City of Missoula. Urban renewal activities undertaken by the City of Missoula will be in accordance with Montana State statute.

Nothing herein shall limit or affect the authority of the Council to undertake and carry out renewal activities on a yearly basis as provided by Section 7-15-4220, MCA.

Annual Independent Audit

The Agency shall cause to be performed an annual independent audit covering the operations of the Agency in carrying out this Plan. The first such audit shall be completed within ninety (90) days of the close of the first fiscal year following the adoption of this Plan by City Council. All such annual independent audits shall be maintained as a part of the public records of the City of Missoula

Amendment

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 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.

Relocation of Persons Displaced by Front Street Urban Renewal

The Agency shall assist all persons (including families, business concerns, and others) displaced by acquisition of property in the Front Street Urban Renewal District through the use of Tax Increment Financing funds in finding other locations and facilities and shall pay relocation payments. Unless otherwise required by State or federal law, relocation procedures and payments shall be in accordance with the Federal Uniform Relocation Act rules as defined by the US Department of Housing and Urban Development that are current as of the date of notification of relocation.

Program Funding

The Agency is authorized to develop financing programs for redevelopment projects with funds from the City and State of Montana, property tax increments, Special Improvement Districts (SID), interest income, Agency bonds or any other available sources such as gifts and federal grants.

Tax increment financing will become a major source of funding for redevelopment activities. The implementation of this feature will be in accordance with Title VII, Chapter 15, Part 42, Sections 4282-4292 MCA.

Tax Increment Financing Provision

The implementation of the Front Street Urban Renewal Plan will include the use of Tax Increment Financing (TIF). Under section 7-15-4282 of the Montana State Urban Renewal Law, communities may establish tax increment districts for the purposes of revitalizing blighted neighborhoods and central business districts. Tax increment financing directs new property tax dollars resulting from increases in the market value of real property to the area where the real property is located. The base property tax (before any improvements to real property) continues to be distributed to the local governments and school districts. However, tax dollars that accrue from increase in property values (from rehabilitation, new construction, etc.) are available for urban renewal projects as defined by the Montana Urban Renewal Law. More particularly, costs which may be paid using TIF dollars are included in 7-15-4288, MCA. (See Appendix A).

A tax increment financing provision is authorized for 15 years or longer if the tax increment revenue is pledged to the repayment of tax increment bonds. Section 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 for eligible redevelopment activities.

The City of Missoula shall establish a Tax Increment Financing program for the Front Street Urban Renewal District, as defined in this Urban Renewal Plan. The base year for the purposes of measuring any incremental value will be as of January 1, 2007.

Front Street Urban Renewal Program Evaluation

The Agency will annually develop a program and budget to be reviewed and adopted by the City Council. All documents related to evaluation including annual reports, audits, budgets, project plans, City Capital Improvements Plan

submittals, etc shall be available for community review to allow maximum community input in order to further the redevelopment interests of the community and to evaluate past actions of the Agency.

The Front Street Urban Renewal Plan will be evaluated on a yearly basis in conjunction with the preparation of the annual report. Measures that may be used in evaluating program success within the District include but are not limited to:

- Increase in the property tax base
- Elimination of blighted conditions
- The extent of redevelopment in previously blighted or underutilized areas
- The use of innovative and creative design, material and technologies in projects

Appendix A

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 7-15-4253,7-15-4254,7-15-4255, 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;
- (1)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 replanning 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.

For more urban renewal powers see M.C.A. 7-15-4251 thru 4259