



MEMORANDUM

TO: MRA Board

FROM: Annette Marchesseault, RLA *ARM*
Project Manager/Redevelopment Specialist

DATE: August 16, 2021

SUBJECT: 1600 Otis Street – Otis Street Apartments (URD II) – TIF Request

Overview and Project Description

Otis LLC has recently purchased the lot located at 1600 Otis Street, and intends to build two multi-family residential buildings that will include a total of 39 units. The new buildings will include (3) studio apartments, (24) one-bedroom units, and (12) two-bedroom units. The property currently contains a vacant, deteriorated house and a few out-buildings, which the applicant intends to remove.

The TIF request includes funding for public infrastructure including water and sewer main extensions, and full-profile extension of Otis Street. This is in compliance with the North Reserve/Scott Street Master Plan and the City's Growth Policy. The public benefit will include removal of dilapidated structures and installation of public utilities that facilitate smart growth in this part of the city. The project also will provide much-needed work-force housing. The project site is within a five-minute walk of Mountain Line Bus Route 3, so residents will have convenient access to public transit.

Request for Tax Increment Assistance

The applicant is requesting \$315,100 under the Tax Increment Financing (TIF) Program to remove the existing structures, and to extend public infrastructure including street/curb/gutter sidewalk, water and sewer mains, and landscaping and street trees in the public right-of-way.

Deconstruction/Demolition

Demolition/Deconstruction/Site Clearing	\$ 36,600
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Public Right-of-Way Improvements

Street & Sidewalk Construction	\$ 160,000
Sanitary Sewer Main Extension	23,500
Water Main Extension	60,000
Landscaping and Street Trees in R/W	<u>10,000</u>

Subtotal \$ 253,500

Design Fees

Street, Sidewalk, Water & Sewer Main Design	\$ 25,000
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Total TIF Request \$ 315,100

Economic Stimulus

The total project development cost is estimated at \$5,184,100, including the land cost of \$429,000. If the land cost is not considered, the project development cost is \$4,755,100. The developer's request for \$315,100 represents approximately 6% to 6.6% of the development cost. The relationship of public to developer investment is approximately 1:16.5 if land costs are considered, or 1:15 if not. In either instance, the ratio is well above the minimum recommended ratio of 1:10 between public funds and private investment.

Tax Generation

The 2020 tax on the property was just under \$4,000. The developer estimates that the total construction cost will be approximately \$4,580,100, which could be expected to generate approximately \$44,000 in annual taxes when the new housing comes on the tax rolls.

Employment Generation

As with most residential developments, this project is not expected to generate new permanent jobs, although it will generate temporary construction jobs.

Elimination of Blight

This project site currently lacks basic infrastructure such as street/sidewalk and utility mains. Additionally, the site currently is occupied by an abandoned and decrepit house that is an attractive nuisance. This project will remove the dilapidated buildings and extend public infrastructure.

Improvement of Public Services

Basic infrastructure including street, curb/gutter, sidewalk, and water/sewer mains currently does not exist adjacent to the 1600 Otis Street parcel. TIF assistance for this project would install that basic infrastructure, setting up the opportunity to continue to extend infrastructure to the west as development occurs in that area.

Urban Renewal Goals

This project will replace a vacant, underutilized lot with new, attractive, much-needed work-force housing. The project aligns with the North Reserve/Scott Street Master Plan and the City's Growth Policy. Extending Otis Street and utility mains will expand opportunity for additional development in this area in the future. The project site is within a five-minute walk of Mountain Line Bus Route 3, so residents will have convenient access to public transit.

Impact Assessment

There is a significant need for good quality housing that is affordable in Missoula. The project will replace a vacant, dilapidated house with 39 new dwelling units intended as work force housing. The project will generate normal deconstruction/demolition and construction impacts, such as some dust and noise.

Financial Assistance

The project will be financed with a traditional bank construction loan. MRA's TIF assistance would be the only source of public funding in the project.

Project Feasibility

There is a high demand for housing in Missoula, especially housing that can be considered work-force housing. This project fits within that category.

Developer Ability to Perform

The applicant and the selected contractor have successfully completed several multi-family, commercial residential projects similar in size and scope to the proposed 1600 Otis Street project.

Timely Completion

The developer expects to complete construction in Fall of 2022. This is an aggressive schedule, but staff believes it is reasonable, particularly since the developer and the contractor have experience with this type of construction.

Payment of Taxes

All taxes are paid to date.

RECOMMENDATION: Staff recommends that the MRA Board approve the request from Otis LLC in the amount of \$315,100 for demolition/deconstruction, curb/gutter/street/sidewalk construction, water and sewer main extensions, and landscaping within the public right-of-way, contingent upon all relevant permit approvals, with reimbursement for eligible costs upon receipt of proof of payment and lien waivers, and authorize the Board Chair to sign the Development Agreement.

Executive Summary

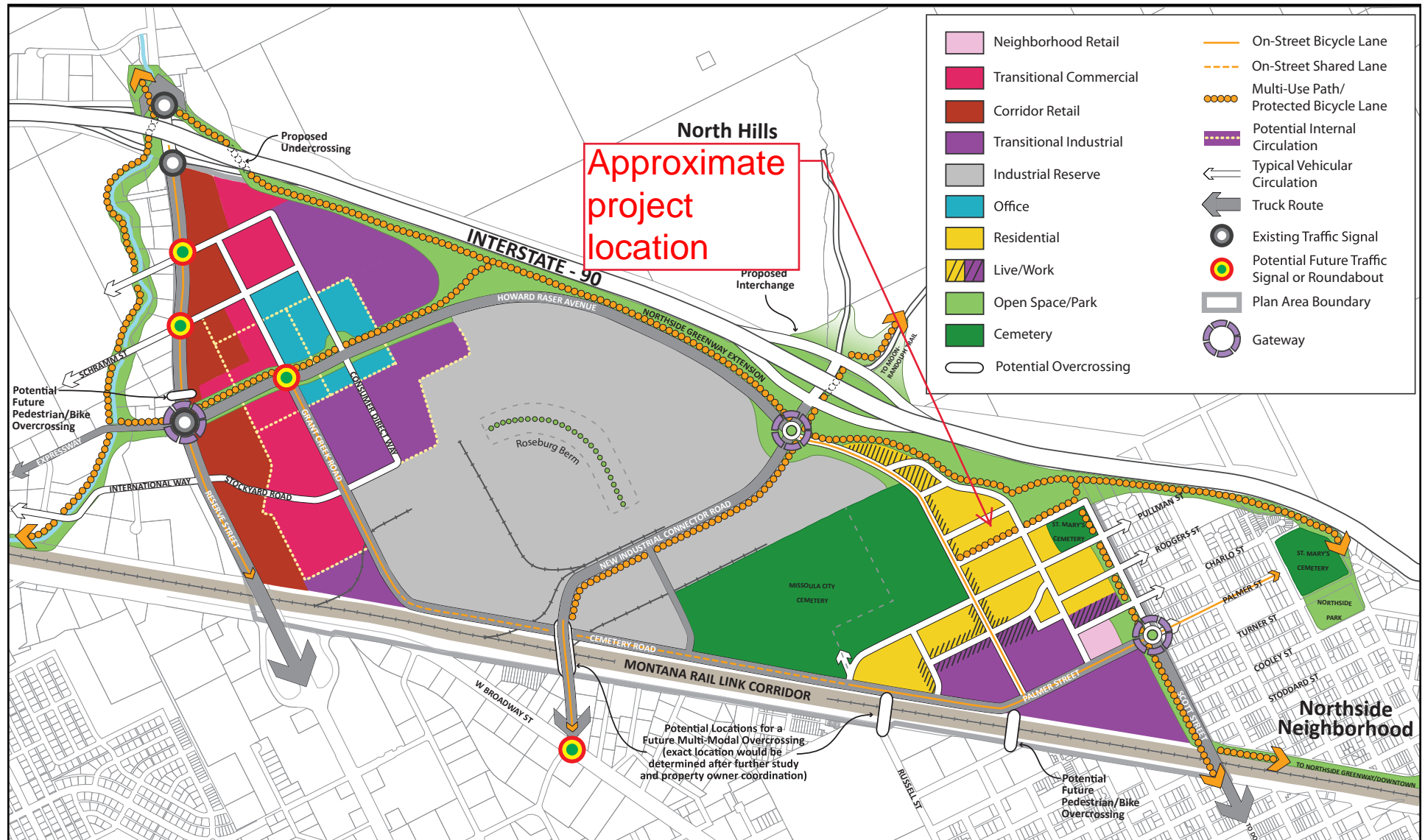
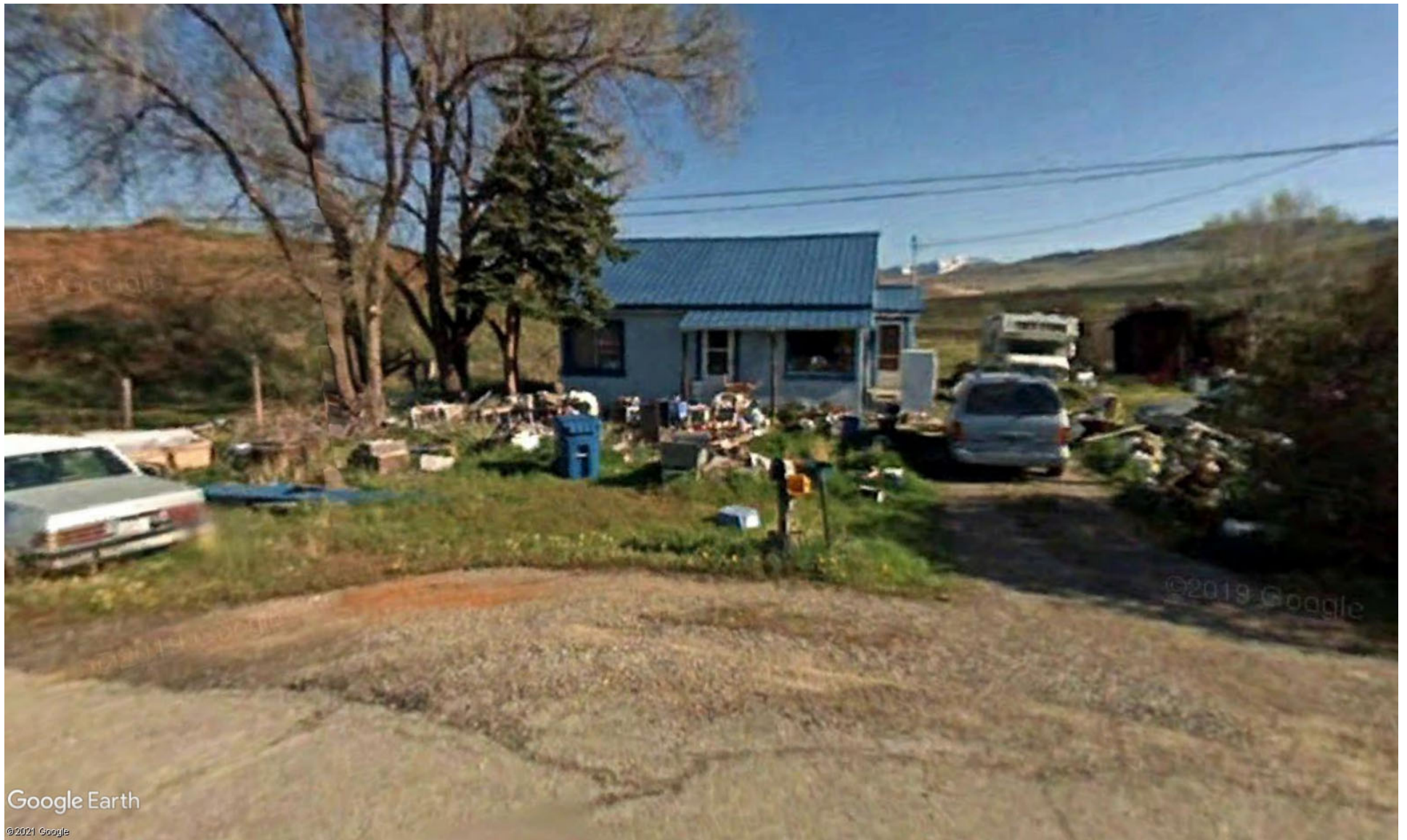


Figure 4-1: Plan Concept Map

Specific land uses are recommended to create synergy and appropriate buffers between different land uses.





Google Earth

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Waste Less Works

1312 Howell St.
 Missoula, MT 59802 US
 (406)396-1710
 wastelessworks@gmail.com
 www.wastelessworks.com

**Estimate****ADDRESS**

OTIS LLC

ESTIMATE #	DATE	EXPIRATION DATE
1079	02/15/2021	03/31/2021

ACTIVITY	ACTIVITY	QTY	RATE	AMOUNT
	XXX Deconstruction and Recycling of 1600 Otis Street in Missoula with Foundation Removal and Backfill. *** Prevailing wage assumed.			
Selected Dismantle	Complete Removal and Deconstruction of +- 700 sq ft home.	1	12,500.00	12,500.00
Selected Dismantle	Deconstruction of three wooden barn wood outbuildings. Includes removal of garbage hoarded inside.	1	3,700.00	3,700.00
Dump Costs	Dump and Hauling including misc debris removal in immediate vicinity of home and outbuildings.	1	1,800.00	1,800.00
Mobilization, overhead	Mobilization and Overhead.	1	1,300.00	1,300.00
	Site clearing and junk removal TBD.			
				Subtotal: 19,300.00
Sitework	Abandon existing septic tank for demolition permit. Disconnect from house. Pump septic tank and Remove septic tank.	1	3,200.00	3,200.00
Sitework	Demolish existing house foundation and dispose of concrete material.	1	3,800.00	3,800.00
Sitework	Backfill and compact foundation site. Import of material included.	1	9,500.00	9,500.00
Services	Permits and Mobilization.			800.00
	No water abandonment included.			

THANK YOU FOR YOUR BUSINESS AND TRUST!

OTIS LLC ,

Thank you for the opportunity. I hope we can be a part of this great infill project. Please keep me in the loop. I am happy to bid the site clearing and further junk removal as well.

TOTAL

\$36,600.00

Accepted By

Accepted Date



WOITH ENGINEERING, INC.

ENGINEERS & SURVEYORS

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Estimate of Probable Cost - OTIS

Schedule 1 - Roads, Grading, Storm Drainage and Dry Utilities

Item No.	Description	Quantity	Unit	Unit Cost	Total Cost
101	Permits	1	LS	\$ 20,000.00	\$ 20,000.00
102	Clearing and Grubbing				
103	Excavation Above Subgrade				
104	Subexcavation / Replacement Below Subgrade				
105	Placement and Compaction of Fill (On-Site)				
106	Placement and Compaction of Fill (Import)				
107	3" Minus Sub Base Course (6" Thick)	455	CY	\$ 35.00	\$ 15,925.00
108	3/4" Minus Crushed Base Course (6" Thick)	546	CY	\$ 40.00	\$ 21,840.00
109	3" Thickness Asphalt Concrete Pavement	2726	SY	\$ 18.00	\$ 49,068.00
110	4" Sidewalk	2485	SF	\$ 5.75	\$ 14,288.75
112	Type "L" Curb and Gutter	1236	LF	\$ 19.50	\$ 24,102.00
Total Cost of Schedule 1					\$ 145,223.75
Construction Contingency (10%)					\$ 14,522.38
Total Cost of Schedule 1 Construction and Contingency					\$ 159,746.13

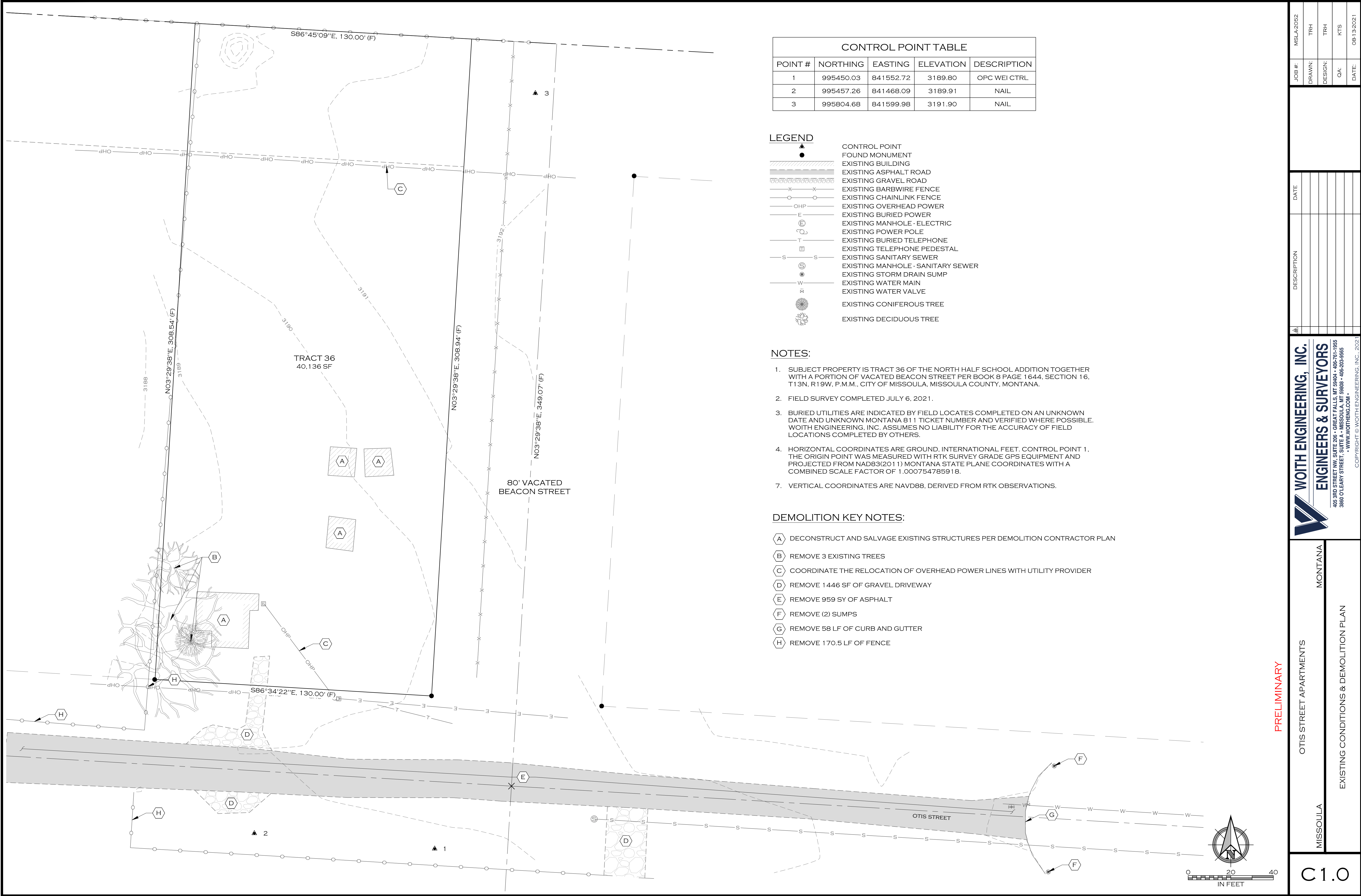
Schedule 2 - Sanitary Sewer

Item No.	Description	Quantity	Unit	Unit Cost	Total Cost
201	8" SDR 35 PVC Gravity Sewer Main	289	LF	\$ 46.50	\$ 13,438.50
202	Connection to Existing Manhole	1	EA	\$ 3,500.00	\$ 3,500.00
203	4' Diameter Basic Manhole (5' Depth)	1	EA	\$ 4,200.00	\$ 4,200.00
Total Cost of Schedule 2					\$ 21,138.50
Construction Contingency (10%)					\$ 2,113.85
Total Cost of Schedule 2 Construction and Contingency					\$ 23,252.35

Schedule 3 Water

Item No.	Description	Quantity	Unit	Unit Cost	Total Cost
201	Connection to Existing Main	1	EA	\$ 2,800.00	\$ 2,800.00
202	12" Class 350 D.I.P. Water Main	493	LF	\$ 93.75	\$ 46,218.75
203	3" Blow Off Assembly	1	EA	\$ 2,500.00	\$ 2,500.00
204	12" Gate Valve & Box	1	EA	\$ 2,450.00	\$ 2,450.00
Total Cost of Schedule 3					\$ 53,968.75
Construction Contingency (10%)					\$ 5,396.88
Total Cost of Schedule 3 Construction and Contingency					\$ 59,365.63

Total Cost of Schedule 1-3					\$ 242,364.10
Mobilization, Traffic Control and Permitting (5%)					\$ 12,118.21
Design (10%)					\$ 24,236.41
Total Cost of Construction and Design					\$ 278,718.72



CONTROL POINT TABLE				
POINT #	NORTHING	EASTING	ELEVATION	DESCRIPTION
1	995450.03	841552.72	3189.80	OPC WEI CTRL
2	995457.26	841468.09	3189.91	NAIL
3	995804.68	841599.98	3191.90	NAIL

LEGEND

●

▲

CONTROL POINT

FOUND MONUMENT

EXISTING BUILDING

EXISTING ASPHALT ROAD

EXISTING GRAVEL ROAD

EXISTING BARBWARE FENCE

EXISTING CHAINLINK FENCE

EXISTING OVERHEAD POWER

EXISTING BURIED POWER

EXISTING MANHOLE - ELECTRIC

EXISTING POWER POLE

EXISTING BURIED TELEPHONE

EXISTING TELEPHONE PEDESTAL

EXISTING SANITARY SEWER

EXISTING MANHOLE - SANITARY SEWER

EXISTING STORM DRAIN SUMP

EXISTING WATER MAIN

EXISTING WATER VALVE

EXISTING CONIFEROUS TREE

EXISTING DECIDUOUS TREE

- NOTES:
1.

2.

3.

4.

7.
- SUBJECT PROPERTY IS TRACT 36 OF THE NORTH HALF SCHOOL ADDITION TOGETHER WITH A PORTION OF VACATED BEACON STREET PER BOOK 8 PAGE 1644, SECTION 16, T13N, R19W, P.M.M., CITY OF MISSOULA, MISSOULA COUNTY, MONTANA.

FIELD SURVEY COMPLETED JULY 6, 2021.

BURIED UTILITIES ARE INDICATED BY FIELD LOCATES COMPLETED ON AN UNKNOWN DATE AND UNKNOWN MONTANA 811 TICKET NUMBER AND VERIFIED WHERE POSSIBLE. WOITH ENGINEERING, INC. ASSUMES NO LIABILITY FOR THE ACCURACY OF FIELD LOCATIONS COMPLETED BY OTHERS.

HORIZONTAL COORDINATES ARE GROUND, INTERNATIONAL FEET. CONTROL POINT 1, THE ORIGIN POINT WAS MEASURED WITH RTK SURVEY GRADE GPS EQUIPMENT AND PROJECTED FROM NAD83(2011) MONTANA STATE PLANE COORDINATES WITH A COMBINED SCALE FACTOR OF 1.000754785918.

VERTICAL COORDINATES ARE NAVD88, DERIVED FROM RTK OBSERVATIONS.

- DEMOLITION KEY NOTES:
- A

B

C

D

E

F

G

H
- DECONSTRUCT AND SALVAGE EXISTING STRUCTURES PER DEMOLITION CONTRACTOR PLAN

REMOVE 3 EXISTING TREES

COORDINATE THE RELOCATION OF OVERHEAD POWER LINES WITH UTILITY PROVIDER

REMOVE 1446 SF OF GRAVEL DRIVEWAY

REMOVE 959 SY OF ASPHALT

REMOVE (2) SUMPS

REMOVE 58 LF OF CURB AND GUTTER

REMOVE 170.5 LF OF FENCE

PRELIMINARY

MISSOULA

OTIS STREET APARTMENTS

MONTANA

EXISTING CONDITIONS & DEMOLITION PLAN

C 1.0

08/13/2021

JOB #:

MSLA/2052

DRAWN:

TRH

DESIGN:

TRH

QA:

KTS

DATE:

08/13/2021

DATE

DESCRIPTION

#

WOITH ENGINEERING, INC.

ENGINEERS & SURVEYORS

405 3RD STREET NW, SUITE 206 • GREAT FALLS, MT 59404 • 406-761-1955

3000 CLARY STREET, SUITE 100 • MISSOULA, MT 59806 • 406-203-5505

WWW.WOITHENG.COM

EXISTING CONDITIONS DWG PLOTTED BY: TONY HILLIARD ON AUG/13/2021



OTIS APARTMENTS - CONCEPT IMAGE

1600 OTIS STREET MISSOULA MT. 59802