



MRA Board Memo Cover Sheet

January 11, 2022

MRA Board Action: January 20, 2022

Urban Renewal District: North Reserve/Scott Street URD

Name of Project: Scott Street Redevelopment Project (Infrastructure)

Applicant: Ravara Development LLC

Project Location: See attached graphic

TIF Funding Request: \$316,527

Other Funding: This funding is for the design of infrastructure improvements that are the responsibility of the City in order to create the required parcels for this project and implement portions of the North Reserve/Scott Street Master Plan; consequently, this is the only funding source for this phase of the project.

Project Description: Design, final engineering and construction documents for the streets and utilities required to create three development parcels, improvements to Scott Street and alley improvements between Scott Street Village and the Scott Street Redevelopment Project. The new streets are an extension of Shakespeare, Charlo and Palmer Streets. This will create parcels of approximately 9 acres which will become part of the Public Works complex, approximately 3 acres that will be donated to a Community Land Trust and provide up to 70 owner occupied, income qualified condominiums and townhomes, and just under 6 acres which will consist of neighborhood commercial and retail uses, a child care facility and over 200 apartments which will provide work force housing.

Funding Breakdown: Design and engineering for streets, utilities, alley improvements and sidewalks and landscaping on Scott Street through bidding - \$316,527.

Advancement of City of Missoula Strategic Plan Goals & Public Purpose

Strategic Plan Goals:

- **Safety & Wellness** – housing for a broad spectrum of citizens, including our low to middle income populations; safe transportation infrastructure which includes sidewalks and landscaping.

- Community Design & Livability – promotion of equitable and sustainable growth; creates a model for investment of public funds to meet the City’s Strategic Plan.

Public Purpose

Creates a development model for the provision of high-density mixed income housing using a variety of housing types which includes the opportunity to provide basic commercial services and employment opportunities. This project addresses the critical housing shortage in Missoula and the absence of basic neighborhood services for the Northside neighborhood.



MEMORANDUM

TO: MRA Board of Commissioners

FROM: Ellen Buchanan, Director *EB*

DATE: January 11, 2022

SUBJECT: Scott Street Redevelopment Project – Design & Engineering for Streets, Utilities and Alley – Request for Funding

The City purchased approximately 19 acres located on Scott Street from Scott Street Partners in 2020 through the use of a tax increment revenue bond. The eastern 9.5 acres of the property had been cleaned up to DEQ and EPA residential standards and it has been the desire of the City/MRA to facilitate the redevelopment of that site as a residential/mixed use, mixed income development with neighborhood commercial and retail uses and a range of housing types that would be available to low- and moderate-income households. The balance of the acreage to the west has been earmarked for expansion of the City's Public Works & Mobility (PW&M) Department along with other compatible operations.

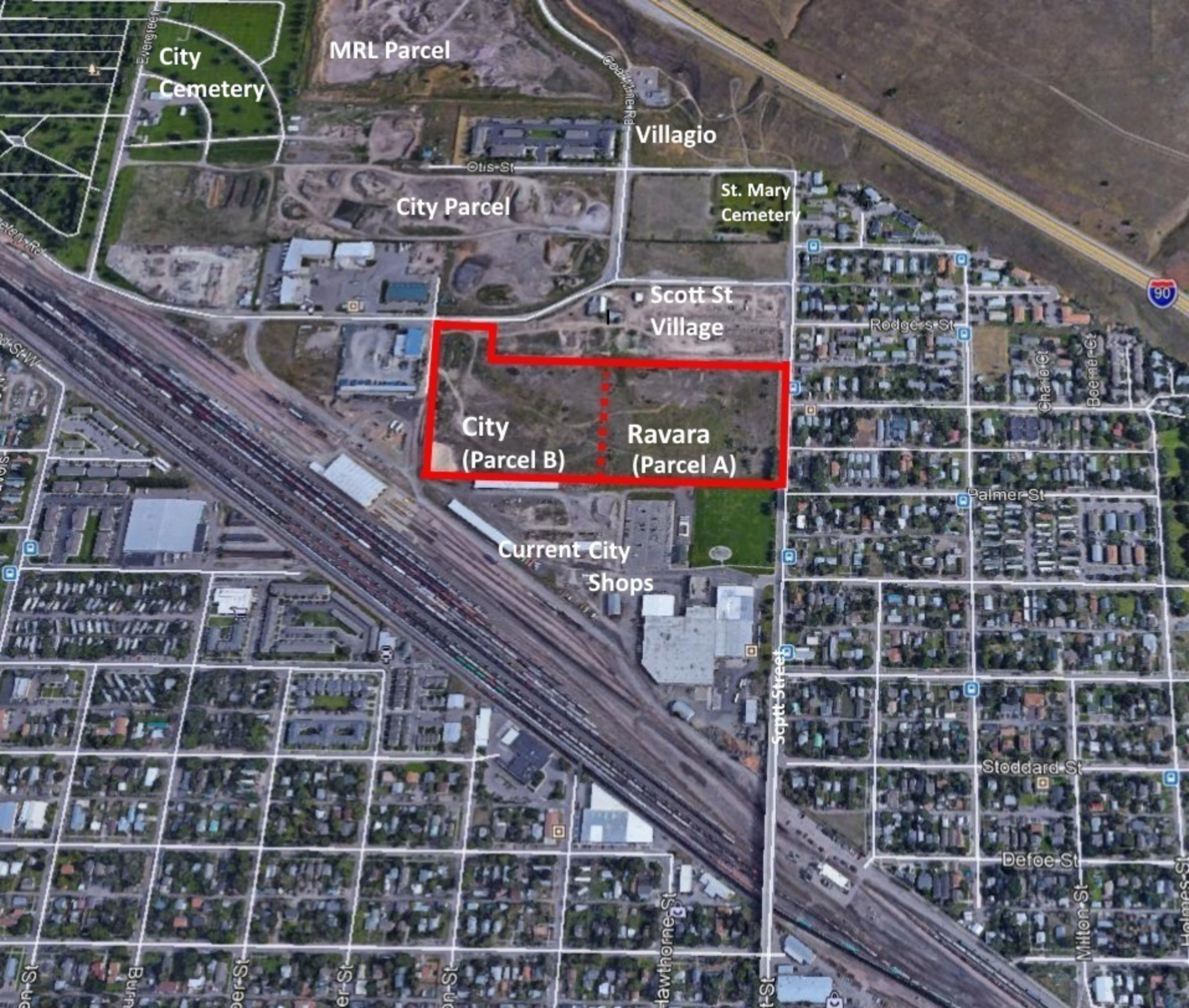
After an appropriate process, the City decided to partner with Ravara Development LLC to move forward with a redevelopment project that meets the City's goals by implementing the North Reserve/Scott Street (NR/SS) Master Plan for that area of the district. Ravara's only member is Goodworks Development, a local investment firm whose mission is addressing housing needs in Western Montana. Ravara and the City negotiated terms for the sale and development of the property and entered into a Letter of Intent (LOI) in February 2021. The proposed development includes a neighborhood commercial component, homes for sale which will take various forms and remain permanently affordable, market rate multi-family units priced as workforce housing and facilities for a childcare center. This is accomplished through the creation of three tracts of land on the 19 acres through the platting and construction of three streets identified in the NR/SS Master Plan, those being Charlo, Shakespeare, and Palmer Streets. These streets create the 9+ acre parcel to be used as part of the Public Works complex, a roughly 6-acre parcel to house the mixed-use commercial and market rate housing and a parcel of approximately 3 acres to house up to 70 units of permanently affordable homes which will be privately. This will be accomplished through the donation of the land to a Community Land Trust which will own the underlying land and limit the price at which the units can be sold. This is the same model that was used for Clark Fork Commons and Lee Gordon Place, assuring that owners can build equity and the units remain affordable. The LOI specifies that the public infrastructure will be provided by the City through the use of TIF funding.

One of the requirements of the LOI is that Ravara in cooperation with the City/MRA engage professional consultants to conduct a robust public process resulting in a concept plan for the development of the two parcels. Ravara engaged the services of Cushing Terrell (formerly CTA), developed a budget and requested that MRA provide the funding needed to carry out this requirement of the LOI. In April, 2021, the MRA Board approved funding in the amount of \$226,160 for this phase of the concept design and the public process associated with creating that plan.

Ravara and their partners have determined that implementation of the attached site plan is feasible in concept and are proceeding with the project. The next steps are to get the entitlements in place and proceed with engineering design and permitting for the streets and utilities for the three streets referenced above. The Subdivision Exemption Affidavit has been submitted to Development Services by MRA on behalf of the City per the LOI. WGM Group has initiated the rezoning request which will allow an increase in the height requirements for the multi-family/mixed-use buildings and provide added flexibility with respect to parking requirements. The current plan is to construct the underground utilities, water and sewer, along with required fire hydrants needed to permit combustible vertical construction in mid to late fall. The street portion of the infrastructure will follow after building construction has reached a point where there will not be damage to the new streets, sidewalks and landscaping. Ravara will purchase the tract for the market rate apartments once they are able to obtain footing and foundation permits. All of the engineering for streets and utilities will be completed on the front end even though construction will be phased.

WGM has prepared an Opinion of Probable cost for the streets and utilities for Charlo, Shakespeare and Palmer Streets, required sidewalk, boulevard and landscaping improvements on Scott Street and improvements to an alley separating Scott Street Village and this development. The preliminary estimated construction cost is just over \$3.6M and the professional fees to get the project through bidding is \$316,527. Once the construction contract is awarded, there will be an additional request for funding for WGM to provide contract administration during construction. With Board approval, this work will be managed by Ravara under a contract with WGM Group. Payment will be made by MRA based on invoices approved by Ravara, as was the case with the recently completed public outreach and concept design phase. After the project has been successfully bid, a request to fund construction will be brought to the MRA Board, possibly in September, depending on how long it takes for permitting through the City and the State. If funding is approved, it will be necessary to issue tax increment revenue bonds to pay for the construction phase. There is adequate capacity in the District to cover the engineering costs that constitute this request for funds.

Recommendation: Staff recommends that the MRA Board approve the request from Ravara to provide funding for the engineering proposal from WGM Group for design of the streets, utilities and alley improvements per the Letter of Intent between the City of Missoula and Ravara in an amount not to exceed \$316,527, authorize MRA staff to make payments based on approved invoices and authorize the Chair to sign the necessary agreements.



Opinion of Probable Costs

Project Name: SCOTT STREET DEVELOPMENT
 Project No.: 210237
 Prepared By: Steve Reichert/Jeff Smith
 Reviewed By: Doug Dahlberg, Stephen McDaniel, Jon Gass
 Approved By: Jeff Smith
 Date: 1/7/2022 (updated 1/11/2022)



*Concept Level
Order of Magnitude*

Description: Order of Magnitude Infrastructure Costs for Estimation of Design Period Services

- Basis of Order of Magnitude Costs - Cushing Terrell site concept 8/30/2021 (attached with utility main schematic)
- Unit prices from recent applicable bid information
- Mobilization and General Conditions includes contractor team management, logistics, bonds, insurance, traffic control, and erosion control
- Conceptual contingency is included at 20% at the Order of Magnitude to account for as-of-yet undesigned improvements (e.g. traffic calming, drainage, water main fittings)
- Does not include construction contingency or escalation / inflation as these items will not affect design fee.

Public Infrastructure Improvements within Right of Way and Public Utility Infrastructure

- Schedule 1 includes public infrastructure - ROW improvements (road, curb/gutter, sidewalk, boulevards, storm drainage) and utility mains (sewer, water)
- Prevailing wage accounted for in Public Infrastructure - Schedule 1 only

Item Number	Description	Quantity	Unit	Unit Price	Sub-Total	Mobilization Conditions	(General 9%	Permits 2%	Conceptual Design Contingency 20%	Total	Notes:
Street Surface Infrastructure and Drainage											
1	Charlo Street Surface Right-of-Way Typical Section ³	790	LF	\$ 475.00	\$ 375,250		33,773	\$ 7,505	\$ 75,050	\$ 491,578	\$620/LF Total
2	Palmer Right-of-Way Typical Section ³	790	LF	\$ 700.00	\$ 553,000		49,770	\$ 11,060	\$ 110,600	\$ 724,430	\$920/LF Total
3	Shakespeare Right-of-Way Typical Section ³	680	LF	\$ 540.00	\$ 367,200		33,048	\$ 7,344	\$ 73,440	\$ 481,032	\$710/LF Total
4	Scott Street Sidewalk, Boulevard, and Landscaping ¹	550	LF	\$ 105.00	\$ 57,750		5,198	\$ 1,155	\$ 11,550	\$ 75,653	\$140/LF Total
5	Alley Typical Section ³ - Removal and Restoration	790	LS	\$ 175.00	\$ 138,250		12,443	\$ 2,765	\$ 27,650	\$ 181,108	\$200/LF Total
Core Utility Infrastructure											
6	12" Water Main Typical Section	1800	LF	\$ 155.00	\$ 279,000		25,110	\$ 5,580	\$ 55,800	\$ 365,490	\$205/LF Total
7	8" Sewer Main Typical Section	1350	LF	\$ 90.00	\$ 121,500		10,935	\$ 2,430	\$ 24,300	\$ 159,165	\$120/LF Total
8	10" Sewer Main Typical Section	870	LF	\$ 105.00	\$ 91,350		8,222	\$ 1,827	\$ 18,270	\$ 119,669	\$140/LF Total
9	Street Lights (One light on each side per 80 feet) ²	30	EA	\$ 8,000.00	\$ 240,000		21,600	\$ 4,800	\$ 48,000	\$ 314,400	\$10,500/EA Total
10	Soil Management - Environmental ⁴	1	LS	\$ 100,000.00	\$ 100,000		9,000	\$ 2,000	\$ 20,000	\$ 131,000	Allowance TBD
Schedule 1 Improvements Subtotal										\$ 3,043,525	
Project Infrastructure Professional Fee Estimate											
Design Period Services: Infrastructure Modelling, Computation, Reporting, and Design, Agency Coordination and Permit Submittal and Coordination, Contract Documents (10%)										\$ 304,353	Professional Fee through Bidding \$316,527
Construction Period Services: Bid Solicitation - 2 Bid Package (0.4%)										\$ 12,174	
Construction Period Services: Contract Administration, TIF Funding Coord, Construction Staking, Construction Code Compliance Observation, Project Closeout Process, Certifications (9.6%)										\$ 292,178	
Project Total										\$ 3,640,056	

Notes:

- 6' wide sidewalk, 4' landscape boulevard, 9' landscape behind sidewalk, trees
- Lighting requirement unknown at time of estimate
- Final pavement design to be determined after a geotech analysis. Native material is generally downtown sand and gravel but areas of imported fill would require imported subbase. Excavation of native and fill material for road sections would need a 3rd-party soil management workplan developed and implemented, cost not included in unit price
- Costs associated with soil mgt/environmental cleanup are unknown due to difficulty of prediction. Additional storm drainage measures including piped conveyance to more suitable locations on the site for infiltration, may be required.
- Dry Utility Services, City Development and Impact Fees, and other items not specifically detailed above have not been included.

