



MRA Board Memo Cover Sheet

February 11, 2022

Project Name: 1417 S 2nd St W – Lainsbury Duplex

Urban Renewal District: URD II

Project Location: 1417 S 2nd St W

TIF Investment: \$13,585

Private Investment: \$463,564

Ratio of Public to Private Investment: 1:34 if purchase costs included; 1:28 if not

Project Description: Clean up a vacant parcel in an existing residential neighborhood, and replace a derelict building with a new residential duplex (2 bedrooms & 2 bathrooms in each unit), off-street parking, and residential landscaping.

Cost Breakdown of TIF Funds:

Deconstruction/Demolition

Decon/Demo/Site Clearing	\$12,385
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Improvements in Public Right-of-Way

Asphalt Repair in the Street	<u>\$ 1,200</u>
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Total TIF Request	\$13,585
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Estimated New Property Taxes from Development: \$4,200

Current Property Taxes: \$1,002.12

Public Purpose and City of Missoula 2020–2023 Strategic Goals: This TIF request is consistent with goals of the City of Missoula's 2020–2023 Strategic Plan, particularly those with regard to Community Design and Livability and Environmental Quality.



MEMORANDUM

TO: MRA Board

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

DATE: February 14, 2022

SUBJECT: 1417 S 2nd St W – Lainsbury Duplex (URD II) – TIF Request

Overview

James Lainsbury and his business partner Brandy Gillespie have purchased property located at 1417 and 1417 1/2 S 2nd Street W, with the intention of removing vacant, dilapidated structures and building two new duplexes as rental property.

These derelict properties, located in an existing residential area, have been attractive to squatters and undesirable activities. Last summer Lainsbury and Gillespie cleared trash from the site and secured the structures from inappropriate access.

While they have purchased the properties jointly, Lainsbury and Gillespie will execute a quit claim deed and develop the parcels individually. They are sharing architectural and engineering design costs, and the same contractor likely will construct both projects. However, they are financing and managing permitting and construction separately.

Project Description

Lainsbury is proposing to develop a duplex at 1417 S 2nd St W – the property that fronts 2nd St. The proposed new two-bedroom, two-bathroom units are compact. One will have 621 SF of conditioned space, and 343 SF of unconditioned space (balcony, carport, and outdoor storage). The other will have 679 SF of conditioned space, and 343 SF of unconditioned space. The exterior materials will be Hardie cement-fiber board and durable metal wall panels. Windows and doors will be energy efficient and low-flow plumbing will be utilized.

The total estimated cost for the project is approximately \$477,149 including land purchase, construction, and design / permit fees. Of that amount, work directly related to construction is estimated at \$380,682.

Request for Tax Increment Assistance

Lainsbury is requesting \$13,585 under the TIF program for demolition/deconstruction/site clearing, and improvements in the public right-of-way.

Deconstruction/Demolition

Decon/Demo/Site Clearing	\$12,385
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Improvements in Public Right-of-Way

Asphalt repair in the street	<u>\$ 1,200</u>
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Total TIF Request \$13,585

City of Missoula Strategic Plan

This TIF request is consistent with goals of the City of Missoula 2020-2023 Strategic Plan, particularly those with regard to Community Design and Livability and Environmental Quality, as described in the *Elimination of Blight* and *Urban Renewal Goals* discussions below.

Economic Stimulus

The total estimated project development cost is \$477,149, if the purchase cost is included, or \$392,407 if not. The developer's request for \$13,585 represents a little under 3% of the development cost if land costs are considered, or nearly 3.5% if not. The relationship of public to developer investment is approximately 1:34 if land costs are considered, or 1:28 if not. In either case the ratio is well below the recommended 1:10 ratio of public to private investment.

Tax Generation

The 2021 tax bill for 1417 S 2nd St W is \$1,002.12. Taxes are current. Taxes for a new residential duplex on this parcel could be expected to increase to approximately \$4,200.

Employment Generation

This project is not expected to create permanent jobs. Construction jobs will be generated during the construction work.

Elimination of Blight

This project is an example of smart urban redevelopment. The new duplex will be located in an existing residential area on a previously developed site that already is served by all necessary utilities. The project is within three (3) blocks of Mountain Line's Route 2, Route 8, and Route 9 bus lines, and convenient walking distance to several retail shopping establishments. The architectural style and scale of the new structure appears to fit well in the adjacent neighborhood.

Improvement of Public Services

All public services necessary for this development are already in place.

MRA has recently undertaken a curb/gutter/sidewalk project in this neighborhood, including on S 2nd St W. The sidewalk project currently stops just east of this project site; it will be completed in 2025/2026 when Russell Street construction is completed.

Urban Renewal Goals

This project is consistent with the goals of the URD II plan, which lays out the desire to “encourage sound residential land use development/redevelopment,” and to “encourage and support new land development within or immediately adjacent to areas where public services are available to maximize local government efficiency and to promote a logical growth pattern.”

Impact Assessment

This project is expected to have a positive impact on the adjacent neighborhood. It will replace a derelict property with two attractive, much-needed housing units.

Temporary dust and noise will occur during demolition and construction, and there may be some temporary disruption of traffic on S 2nd St W.

Financial Assistance

The project is being financed with a construction loan from a local bank.

Project Feasibility

The costs and financing plan submitted to Staff seem reasonable.

Developer Ability to Perform

The applicant is working with In2itive Architects, who have significant experience in Missoula and with MRA projects including Consumer Direct Phase 1, Burton Street Apartments, Westside Lanes, and Ponderosa Village.

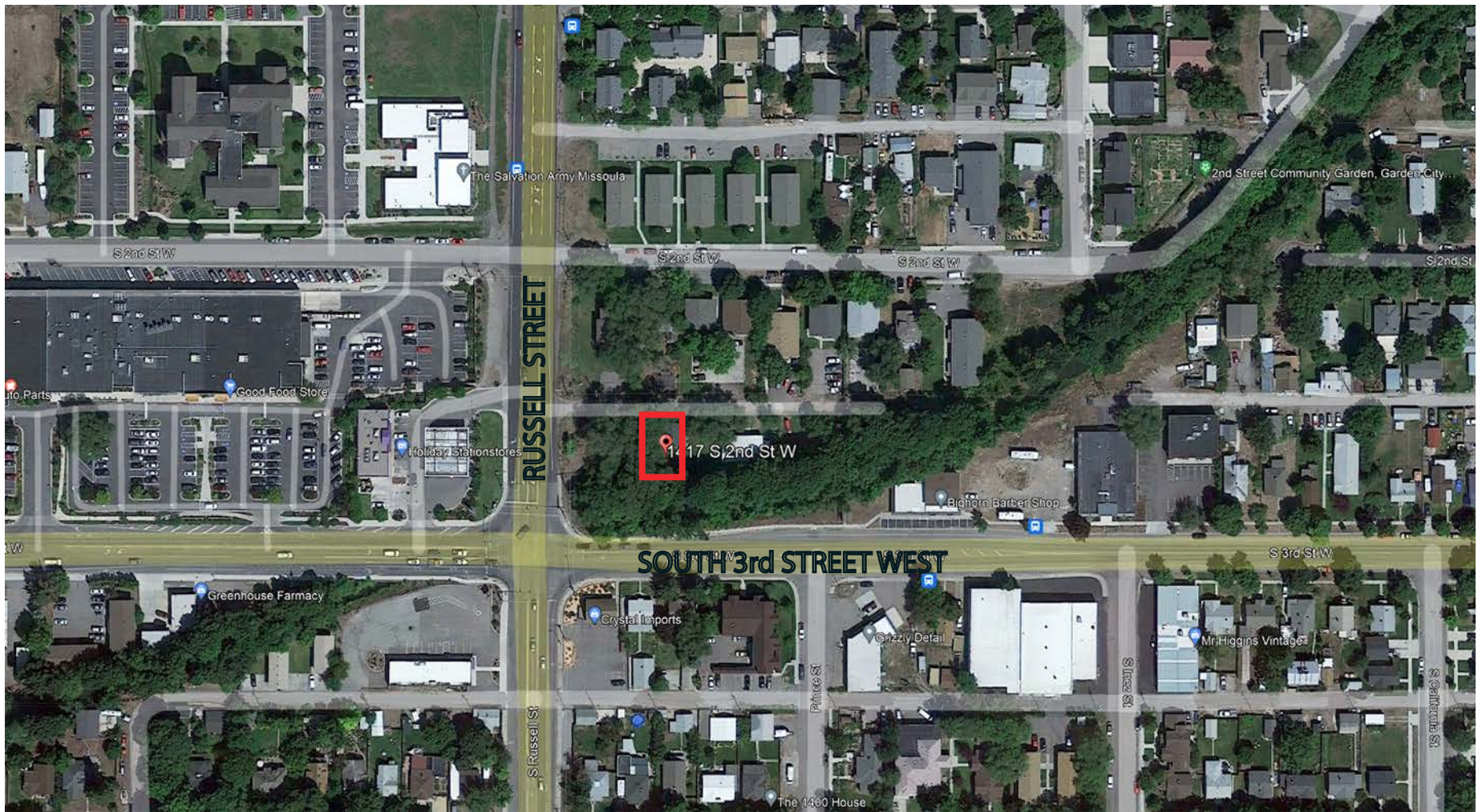
Timely Completion

The applicant expects to complete the project by the end of 2022. Staff believes this is a reasonable time frame for a project of this type.

Payment of Taxes

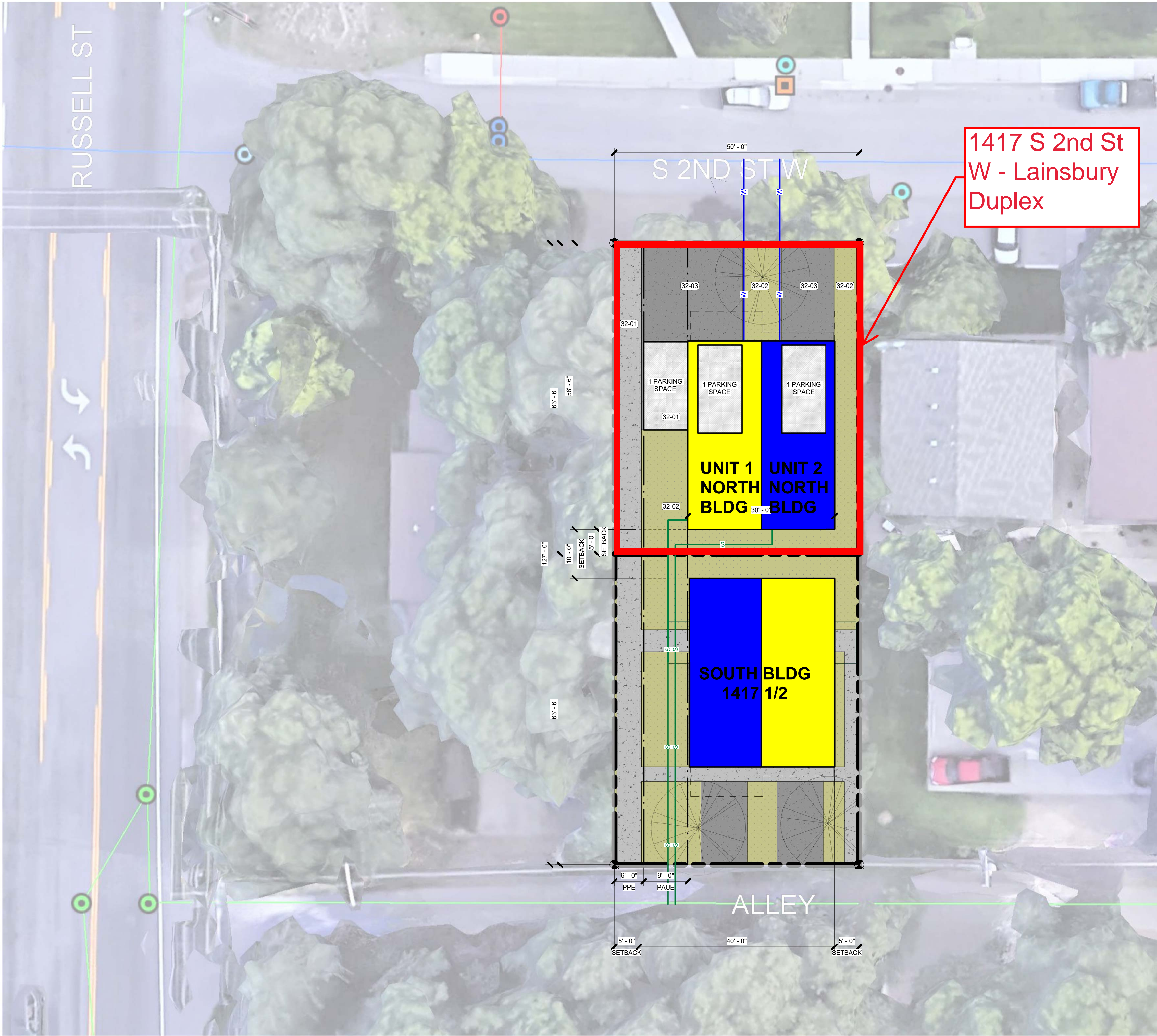
Taxes are current.

RECOMMENDATION: Staff recommends that the Board approve the request from James Lainsbury in an amount up to \$13,585 for deconstruction/demolition and improvements in the public right-of-way, with reimbursement for eligible costs upon receipt of proof of payment and lien waivers, and authorize the Board Chair to sign the Development Agreement.



LOCATION PLAN
1417 S 2nd St W - Lainsbury Duplex





KEYNOTES	
32-01	CONCRETE PAVING
32-02	LANDSCAPE AREA
32-03	ASPHALT PAVING

SITE PLAN LEGEND

	CONCRETE PAVING
	ASPHALT PAVING
	LANDSCAPING
	PARKING SPACE
	PROPERTY BOUNDARY
	(E) WATER LINE MAIN
	(N) WATER SERVICE LINE
	(E) SEWER MAIN
	(N) SEWER SERVICE LINE
	(N) TREE

SITE PLAN NOTES

1. VERIFY ALL PROPERTY LINES BEFORE EXCAVATION.
2. PROVIDE DRIP IRRIGATION AT PLANTING BEDS. PROVIDE AUTOMATIC TIMED IRRIGATION SYSTEM WITH RAIN DETECTION. PROVIDE PLANTINGS AND LANDSCAPING AS REQUIRED TO COMPLY WITH APPLICABLE CODES AND REGULATIONS OR COVENANTS THAT MAY APPLY.
3. SEE GEOTECH REPORT FOR SOIL ANALYSIS AND BUILDING AND DRIVEWAY REQUIREMENTS. IF NO GEOTECH REPORT IS AVAILABLE, COMPLETE SITE WORK IN ACCORDANCE WITH MPWSS AND IN CONFORMANCE WITH BEST TRADE PRACTICES.
4. GNRL CONTRACTOR TO VERIFY AS-BUILT ROAD ELEVATIONS PRIOR TO EXCAVATION AND AS-BUILT SERVICE LINES.
5. COORDINATE ELECTRIC AND GAS METER LOCATIONS & HOOK UPS WITH NORTHWESTERN ENERGY.
6. ADHERE TO NORTHWESTERN ENERGY'S DETAILS ON PLACING UTILITIES IN THE SAME TRENCH.

PERMIT SET



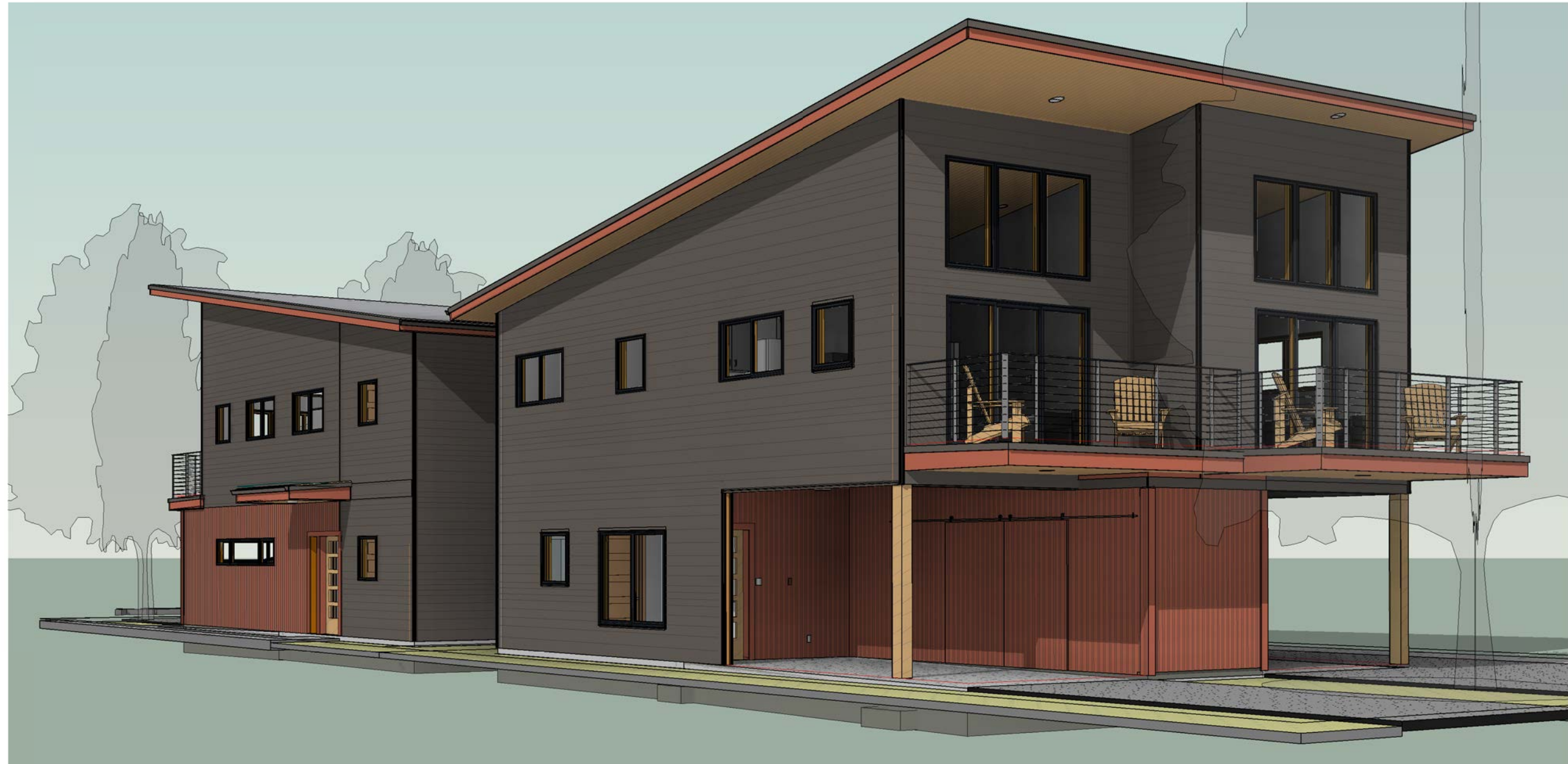
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ARCHITECTURE
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Missoula, MT 59808
www.in2itivearch.com
406.926.2326

JAMES LAINSBURY
DUPLEX AT 1417 S 2ND ST W
MISSOULA, MT 59801
PROJECT #: 21.05.001

REV	DESC	DATE	PHASE	DATE
PRE			PRE	
SD			SD	
DD			DD	
CD			CD	

NORTH BLDG SITE PLAN

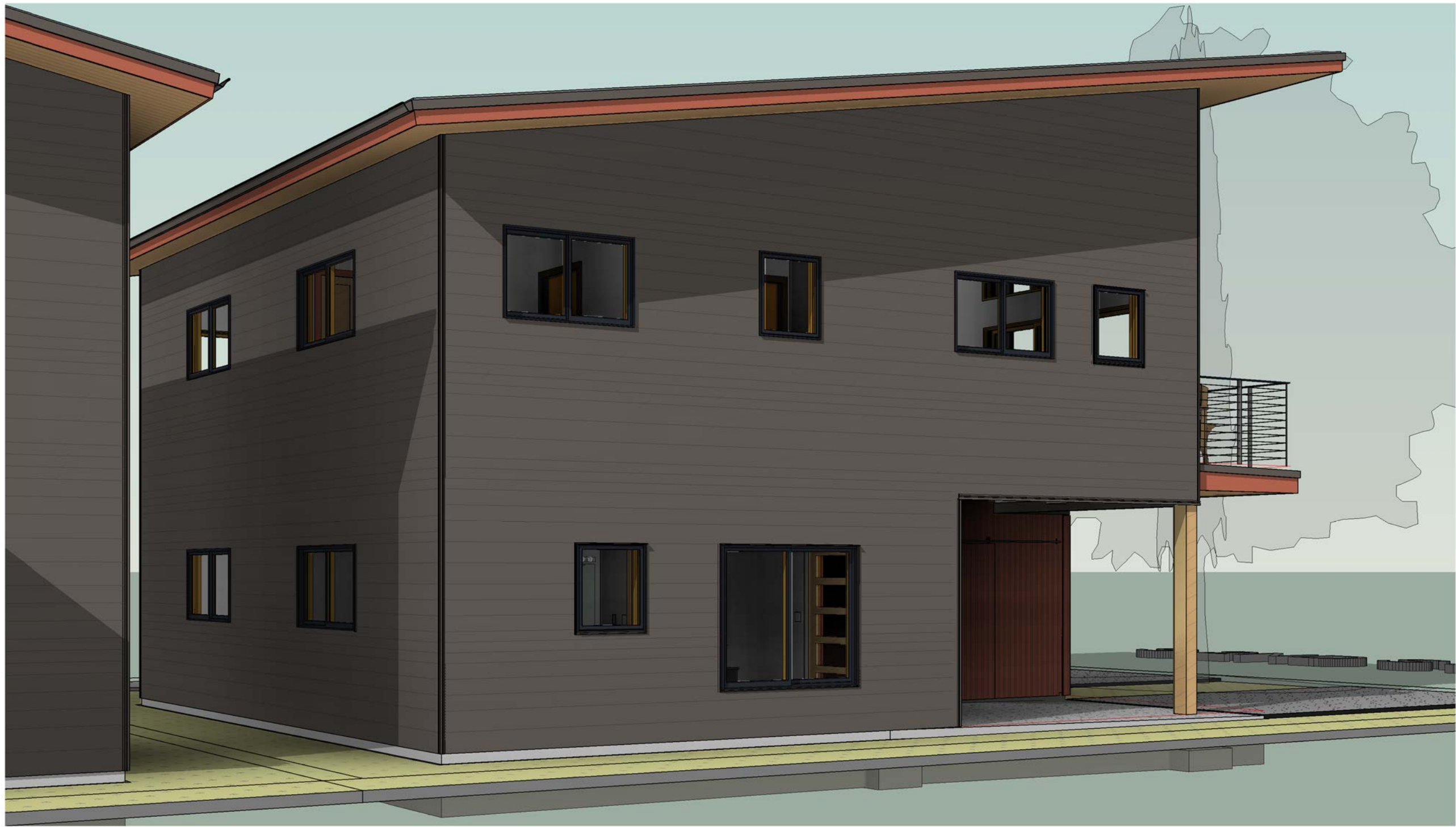
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1 NORTH BLDG VIEW FROM NE
1-A3.0



2 NORTH BLDG VIEW FROM NW
1-A3.0



3 NORTH BLDG VIEW FROM SE
1-A3.0



4 NORTH BLDG BIRD'S EYE VIEW
1-A3.0



JAMES LAINSBURY
DUPLEX AT 1417 S 2ND ST W
MISSOULA, MT 59801
PROJECT #: 21.05.001

REV	DESC	DATE	PHASE	DATE
PRE			PRE	
SD			SD	
DD			DD	
CD			CD	

NORTH BLDG 3D IMAGES

1-A3.0
10.22.21

PERMIT SET