



May 3, 2022

[caldridge@mountainline.com](mailto:caldridge@mountainline.com)

The City of Missoula  
435 Ryman St.  
Missoula, MT 59802

Re: Letter of Intent for the Purchase and Sale and Development of Parcel 7A

Mayor and City Council:

This letter of intent (the “**Letter of Intent**”) constitutes an expression of the parties’ interest in the Missoula Urban Transportation District (“**MUTD**” or “**Buyer**”), aka Mountain Line, acquiring the Property (as hereinafter defined) on the general terms and conditions described herein. It will also serve as the basis for negotiating a definitive purchase and sale agreement for the Property (the “**Purchase Agreement**”). This Letter of Intent supersedes all prior oral and written proposals between the parties. The proposed terms and conditions for the purchase and sale of the Property are as follows:

1. The Property. The “**Property**” for purposes of this Letter of Intent includes certain land owned by the City of Missoula (the “**City**” or “**Seller**”) being a portion of “Parcel 7a” as depicted in the North Scott Street Area – Land Ownership Map as shown in Exhibit A. Parcel 7a has Tax ID # 5908370.

2. The Facility. MUTD intends to develop a headquarters facility including offices, parking, charging stations, maintenance shops, storage areas and facilities, and other improvements and facilities related to MUTD’s operations (collectively, the “**Facility**”). MUTD is applying for a Federal Transit Administration (FTA) grant to fund a portion of the cost of acquiring the Property and constructing the Facility (the “**FTA Grant**”).

3. Execution of Purchase Agreement. MUTD and the City shall negotiate the Purchase Agreement diligently and in good faith. MUTD and the City shall endeavor to enter and execute the Purchase Agreement within sixty (60) days after FTA's approval of a grant application for funding of MUTD's new facility.

4. Purchase Price. Fair market value, all cash, in immediately available funds. The purchase price shall be paid by MUTD at the closing of the sale of the Property. MUTD will procure an appraisal for the Property to determine fair market value. Methodology of appraisal to be mutually agreed upon by the parties.

5. Closing Date. The closing of the transaction will be determined through mutual agreement of Buyer and Seller during preparation of Purchase Agreement. Anticipated Closing Date will be no later than August 2023, assuming FTA funding is awarded in 2022. Closing is contingent upon completion of a boundary line relocation that will create a legal parcel that can be purchased. The closing shall be effected through a customary escrow closing.

6. Closing Costs. The City and MUTD shall split the cost of the title commitment, title policy, and other title-related costs. MUTD shall pay any and all costs related to its due diligence investigation. The City and MUTD shall each pay an equal share of all clerk's and indexing fees related to the deed, and all costs of recording the deed, and any other fees and costs as is customary in transactions of this size and type in Missoula County, Montana. Each party shall pay its own legal fees and one-half of any escrow or closing fee. All due diligence findings related to the site will be shared with City.

7. Credits and Prorations. The Purchase Agreement shall contain customary prorations with respect to real estate taxes and any and all items customarily prorated between the parties in transactions of this size and type in Missoula County, Montana.

8. Due Diligence Investigation. From and after the effective date of this Letter of Intent and continuing until the execution of the Purchase Agreement and continuing as provided in the Purchase Agreement (the "**Inspection Period**"), the City shall allow MUTD to have access to the Property to investigate and inspect (at MUTD's sole cost and expense) the legal, physical, economic, and environmental condition of the Property, and the suitability of the Property for MUTD's intended use thereof. If MUTD determines, in its sole and absolute discretion, that it is unsatisfied with any aspect of the Property prior to the expiration of the Inspection Period, then MUTD shall have the right to terminate this Letter of Intent by written notice to the City given prior to the expiration of the Inspection Period.

MUTD understands and agrees that any on-site inspections of the Property shall occur at reasonable times agreed upon by the City and MUTD after reasonable prior written notice from MUTD to the City (which shall, in all cases, be at least 24 hours in advance) and shall be conducted

so as not to interfere with the use and operation of the Property and rights of the City and its tenants, subtenants, licensees, or other users and occupants of the Property, and in compliance with any and all environmental laws, orders, letters, and restrictions applicable to the Property (“**Environmental Restrictions**”). If MUTD desires to do any invasive testing at the Property, then MUTD shall do so only after reasonable prior written notice to the City (which shall, notwithstanding anything to the contrary contained above, be at least three (3) business days in advance) and obtaining the City's prior written consent thereto, which consent shall not be unreasonably withheld, conditioned, or delayed, and which consent, if given, may be subject to any terms and conditions imposed by the City in its reasonable discretion, including, without limitation, the prompt restoration of the Property to substantially the same condition as existed prior to any such inspections or tests, at MUTD's sole cost and expense. Prior to conducting any physical inspection or testing at the Property, other than a mere visual examination, by MUTD or its agents, employees, contractors, or representatives, MUTD shall deliver insurance certificates to the City evidencing that MUTD carries and maintains such general liability insurance policies with such companies and in such scope and amounts as are acceptable to the City in its reasonable discretion, and in all cases, naming the City as an additional insured party and loss payee thereunder. At the City's request, MUTD shall promptly furnish to the City copies of any reports received by MUTD relating to its inspections of the Property.

MUTD agrees to protect, indemnify, defend, and hold the City, its partners, members, and affiliates and each of their respective officers, directors, shareholders, employees, agents, successors, and assigns (collectively the “**Indemnified Parties**”) harmless from and against any claims for liabilities, losses, expenses (including reasonable attorneys' fees), damages, or injuries actually incurred by any of the Indemnified Parties arising out of, resulting from, relating to, or connected with: (a) any inspections or testing of the Property by MUTD or its agents, representatives, contractors, or employees and (b) any breach or violation of the provisions of this Paragraph 8 on the part of MUTD. The foregoing indemnity shall survive the termination of this Letter of Intent for six (6) months.

9. Representations and Warranties. The Purchase Agreement shall contain representations and warranties from the City with respect to the environmental, physical, and economic condition of the Property, title to the Property, and any other matters reasonably requested by MUTD.

10. Closing Conditions. In addition to reasonable and customary closing conditions and other contingencies as agreed to by the parties, the Purchase Agreement shall be contingent upon the following matters:

- a. Execution of a mutually acceptable Purchase Agreement addressing the matters set forth in Exhibit B.

- b. MUTD's successful acquisition of "Parcel 11" as depicted in the North Scott Street Area – Land Ownership Exhibit (EXHIBIT A).
- c. Award of the FTA Grant.

11. Termination. This Letter of Intent shall automatically terminate and be of no further force and effect upon the earlier of: (a) the mutual execution of the Purchase Agreement by MUTD and the City; (b) the date of the written notice given by MUTD terminating this Letter of Intent to the City; or (c) December 31, 2024.

12. Exclusive Negotiations. The City shall not offer the Property for sale to anyone other than MUTD or enter into or continue any discussions with any third party to acquire the Property until such time as this Letter of Intent has terminated in accordance with the provisions of Paragraph 11 herein.

13. Binding. This Letter of Intent is a binding on the parties in accordance with its terms.

14. Attorneys' Fees. In the event that any party institutes any legal suit, action, or proceeding against the other party to enforce the covenants contained in this Letter of Intent (or obtain any other remedy in respect of any breach of this Letter of Intent), the prevailing party in the suit, action or proceeding shall be entitled to receive, in addition to all other damages to which it may be entitled, the costs incurred by such party in conducting the suit, action, or proceeding, including reasonable attorneys' fees and expenses and court costs.

15. Further Assurances. Each of the parties hereto shall execute and deliver such additional documents, instruments, conveyances, and assurances and take such further actions as may be required to carry out the provisions hereof and give effect to the transactions contemplated hereby.

16. Entire Agreement. This Letter of Intent and all related schedules, constitutes the sole and entire agreement of the parties to this Letter of Intent with respect to the subject matter contained herein, and supersedes all prior and contemporaneous understandings, agreements, representations, and warranties, both written and oral, with respect to such subject matter.

17. Amendment and Modification. This Letter of Intent may only be amended, modified, or supplemented by an agreement in writing signed by each party hereto.

18. Counterparts. This Letter of Intent may be executed in counterparts, each of which shall be deemed an original, but all of which together shall be deemed to be one and the same agreement. A signed copy of this Letter of Intent delivered by facsimile, email or other means of



electronic transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this Letter of Intent.

19. No Assignment. This agreement is not assignable to any other party without written consent of the City.

If the foregoing terms and conditions are acceptable to you, please execute and return to us the executed letter.

Very truly yours,

Missoula Urban Transportation District

By: \_\_\_\_\_

Name: Corey Aldridge

Title: General Manager

AGREED TO AND ACCEPTED this \_\_\_ day of \_\_\_\_\_, 2022.

The City of Missoula

By: \_\_\_\_\_

Name: John Engen

Title: Mayor

Attest:

\_\_\_\_\_

Martha L. Rehbein, CMC, City Clerk

# Exhibit A

## NORTH SCOTT STREET AREA | LAND OWNERSHIP



### Key Sites

- Property Boundary
- ABC Options below - land not available for development to Mountain Line/UDASH
- 1** Montana Rail Link, 42.23ac, vacant/gravel pit
- 2** City of Missoula, 22.32ac, cemetery
- 3** AT&T, 5.36ac, communication building
- 4** Otis Street LLC, 0.9ac, residential
- 5** Otis Street LLC, 3.96ac, apartments
- 6** Madison Crossing-Missoula LLC, 3.67ac, vacant
- 7** City of Missoula, 21.32ac, raw material storage
- 8** Resurrection Cemetery Assoc of Helena, .55ac, construction storage
- 9** Resurrection Cemetery Assoc of Helena, 8.54ac, vacant/cemetery
- 10** Ernest Charles Hunton III, 4.18ac, business
- 11** DHW & Prentice Lumber, 4.96ac, business
- 12** Ernest Charles Hunton III, 0.56ac, storage
- 13** Montana Rail Link, 9.51 ac, vacant/storage
- 14** Browning Ferris Industries of MT, 2.81ac, waste truck storage
- 15** Edgell 2 LLC, 1.10ac, vacant
- 16** Multiple individuals, acreage unknown, residences
- 17** City of Missoula, 35.53ac, parking/storage/park/ future residential
- 18** WWW Investments, 5.71ac, Zip Beverages

### Future Land Use Legend

North Reserve Scott Street Master Plan

- Neighborhood Retail
- Transitional Industrial
- Industrial Reserve
- Residential
- Open Space / Park
- Cemetery
- Excess Land to Divest  
*Cemetery Strategic Plan*
- New Residential Development  
*Public Works Facility Plan*

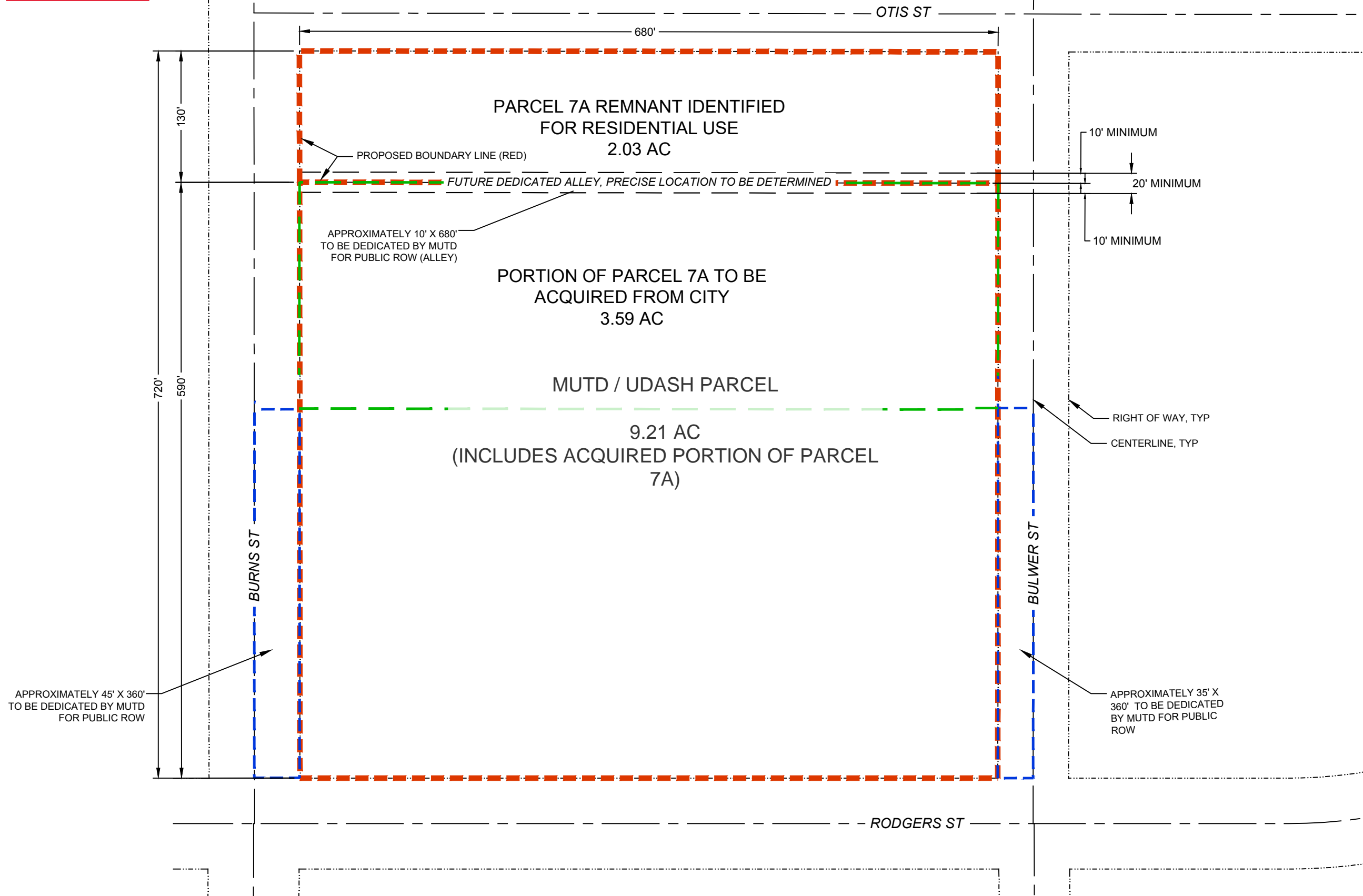
**Exhibit B**

**Purchase Agreement Parameters**

Prior to closing on the Property, MUTD and City will enter into a Purchase Agreement to address the following matters to the satisfaction of both parties:

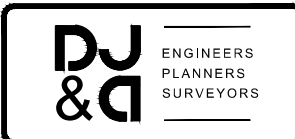
TOPIC	DESCRIPTION
ROW Preservation	<p>MUTD will dedicate those portions of Parcel 11 needed to preserve approximately 90’ and 70’ right-of-ways (ROWs) for Burns Street and Bulwer Street, respectively. MUTD to pay professional fees required to dedicate these ROWs. On-street parking, subject to review and approval of City Engineering, will be constructed on all adjacent streets and may provide for overflow parking.</p>
Additional Transit Service	<p>Within six months of the opening of the new facility, MUTD will perform a transit service review of the area covered by the NRSS master plan to consider increased service in the area.</p>
Design & Operational Guidelines	<p>Although minor adjustments may be made to the precise geometry of the partial acquisition of Parcel 7A during the schematic design process, the boundaries will generally conform to the conceptual plan shown in Exhibit C. MUTD to pay professional fees required to obtain the parcel boundaries shown on Exhibit C through a boundary line relocation, subdivision, or other appropriate process.</p> <p>A mutually agreeable shared-use parking agreement between the City and MUTD, which may be transferred to another entity at the City’s discretion, shall be stipulated in the Purchase Agreement. A minimum of 35 shared use parking spaces to be identified on the northern Boundary of the proposed MUTD parcel.</p> <p>To the maximum extent feasible, MOAB facility will comply with the requirements of zoning and NRSS Design Guidelines, and driveways and circulation will be shared between the two parcels.</p> <p>Building to be 1 to 3 stories, consistent with the desired commercial building type as described on page 90 of the NRSS master plan.</p> <p>Design and construction will comply with all applicable federal, state, and local regulations.</p> <p>MUTD will lead a public process on design and mitigating impacts to the neighborhood (similar to Ravara model).</p> <p>MUTD to complete massing study to demonstrate Parcel 7A remnant retained by the City has suitable development potential. Results of study to be used as a basis for adjusting minimum north-south dimension of Parcel 7A remnant, which is currently assumed to be 120’.</p> <p>MUTD will develop and implement a Transportation Options plan for the facility to promote and encourage non-SOV travel by visitors and employees.</p>

# Exhibit C



REVISION	DATE	DESCRIPTION

DESIGNER	RAB	PROJ. NO.	6935
DRAWN	RAB	DATE	APRIL 2022
CHECKED	PWK	SURVEYED	D&A P.C.



## MOUNTAIN LINE FACILITIES MASTER PLAN

EXHIBIT C FOR LOI MAY, 2022

SHEET	OF
1	1