



MRA Board Memo Cover Sheet

May 13, 2022

Project Name: Casa Loma Mixed-Use Development

Urban Renewal District: URD III

Map and Project Location: 900 Block of South Avenue

TIF Investment: \$ 2,212,046

Private Investment: \$ 29,976,200

Ratio of Public to Private Investment: 1:13

Project Description: Following City approval, Casa Loma, LLC, will vacate the portion of South/Sussex Avenue that cuts through the 900 Block of South Avenue and develop 132 housing units and 18,880 SF of commercial space in its place. The developer will lease 20 percent of the housing units for individuals earning 80 percent of the Area Median Income (AMI). Traffic will be re-routed to a more traditional grid pattern and aligned with a roundabout at South/ Stephens Avenue.

Cost Breakdown of TIF Funds:

Deconstruction, removal of structures, and site clearing	\$ 194,068
Public right-of-way improvements	\$ 1,539,438
Utility relocation	\$ 478,540

Estimated New Property Taxes from Development: \$ 278,000

Public Purpose and City of Missoula 2020–2023 Strategic Goals: The City of Missoula’s 2020–2023 Strategic Plan outlines a number of goals with regard to Safety and Wellness; Community Design and Livability; Environmental Quality; and Economic Health.

- **Support economic growth through implementation of a “A Place to Call Home,”:** The project will redevelop underused property to meet current and future housing needs including by dedicating 20 percent of the units for individuals earning 80 percent of AMI or below. Removing the existing one-way cut-through that bisects the 900 block of South Avenue allows 80 units to be added to the project.
- **Sustainable growth initiatives:** The project involves redeveloping a site in Midtown, at a primary node close to transit, rather than developing a greenfield at the edge of Missoula. High density residential and commercial uses in and near to the Brooks Street corridor will benefit from the planned Brooks Rapid Transit project.



MEMORANDUM

TO: MRA Board

FROM: Annie Gorski, Deputy Director

DATE: May 16, 2022

SUBJECT: Casa Loma Mixed-Use Development, 900 Block of South Avenue (**URD III**) – **TIF Request**

Overview / Project Description / Background

Casa Loma, LLC (led by the principals of Blueline Development Inc., Kelly Gill and Nate Richmond) plans to redevelop the 900 block of South Avenue into 132 housing units and 18,880 SF of commercial space, and improve traffic flow and safety for all modes surrounding the site. The developer will lease 20 percent of the housing units to individuals earning 80 percent of Area Median Income (AMI) or below. A new roundabout will be constructed at the intersection of Stephens/South Avenue intersection, as well as sidewalks, and a two-way cycle track for bicycles. The project is contingent upon receiving approval from City Council to vacate the portion of South/Sussex that cuts through the 900 block of South Avenue.

Request for Tax Increment Assistance

Deconstruction/Demolition	
Demolition, deconstruction, and site clearing	\$ 194,068
Subtotal	\$ 194,068
Public Right-of-Way Improvements	
Public Right of Way Improvements (curb and sidewalk, realignment of South Avenue)	\$ 1,539,438
Utility Relocation	478,540
Subtotal	\$ 2,017,978
Total TIF Request	\$ 2,212,046

City of Missoula Strategic Plan

The project aligns with the following goals in the City's Strategic Plan:

- **Support economic growth through implementation of a "A Place to Call Home,":** The project will redevelop underused property to meet current and future housing needs including by dedicating 20 percent of the units for individuals earning 80 percent of AMI or below. Removing the existing one-way cut-through that bisects the 900 block of South Avenue allows 80 units to be added to the project.
- **Sustainable growth initiatives:** The project involves redeveloping a site in Midtown, at a primary node close to transit, rather than developing a greenfield at the edge of Missoula. High density residential and commercial uses in and near to the Brooks Street corridor will benefit from the planned Brooks Rapid Transit project.

Economic Stimulus

The developer's request for \$ 2.2 M represents approximately 7 % of the development cost. The relationship of public to developer investment is approximately 1:13 if land costs are included. The land cost is \$1.9 M.

Tax Generation

An estimated \$278,000 annually. A portion of the property was previously owned by Missoula County Public Schools and not generating any property tax.

Employment Generation

An estimated 250-600 construction jobs as well as permanent jobs associated with the 18,800 SF commercial component including a possible café and social service provider.

Elimination of Blight

Closing a portion of South/Sussex that cuts through the 900 block of South Avenue will re-route traffic to a more traditional grid pattern and allow for assembly of multiple parcels (including vacant parcels) into a higher density mixed-use development that generates property tax.

Improvement of Public Services

Realignment of South Avenue with a roundabout at South and Stephens Avenue will increase multi-modal safety by reducing vehicle speeds and improving pedestrian crossings. The roundabout provides a higher level of connectivity between residential and commercial uses in the neighborhood, including Sentinel High School, Playfair Park, and the Fairgrounds.

Urban Renewal Goals

The development plan aligns with goals in URD III related to enhancing infill in the urban core, promoting residential development of vacant and underutilized property, and encouraging residential land use development with a mix of housing types. The Brooks Street Corridor Study recommends vacating streets that create small triangular lots and offering them to landowners as redevelopment incentives.

Impact Assessment

Construction activity will likely result in some temporary disruption to local traffic and create noise and dust. The community benefits of the project far outweigh any temporary inconveniences during construction.

Financial Assistance

The project team will utilize bank financing and private investment to fund the majority of the project. The MRA assistance is the only known public funding in the project.

Deconstruction

The site contains a 5,000 SF building which will be deconstructed and materials reused as much as possible. The design team consulted with Martin Fahrney of Waste Less Works.

Project Feasibility

The development team needs to secure right-of-way from the County Fairgrounds, Missoula County Public Schools, and obtain approval from the City to vacate the portion of South/Sussex that cuts through the site. The street must be removed from Montana Department of Transportation's (MDT) urban system, or re-designated to Stephens Avenue (between Sussex and South Avenue). Any MRA financial assistance is contingent upon the City Council's approval of the vacation and the MDT's approval of changes to their urban system.

Developer Ability to Perform

Casa Loma, LLC, working with WGM Group and Envision Commercial Construction, has successfully completed several housing projects of similar size and scope.

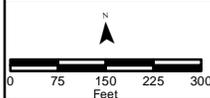
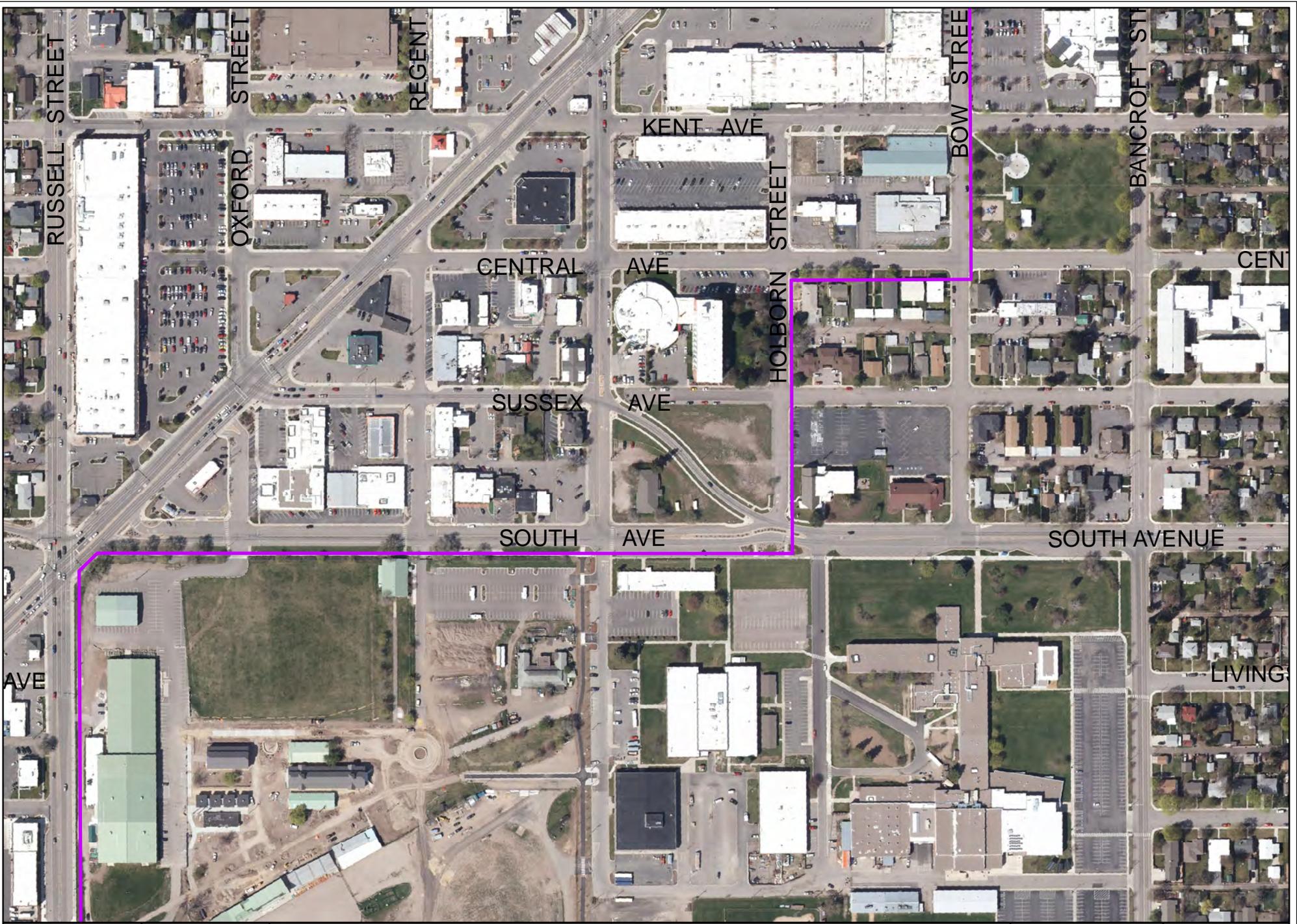
Timely Completion

Construction completion is expected in 2023-2024.

Payment of Taxes

All taxes are paid and up to date.

RECOMMENDATION: Staff recommends that the MRA Board approve the request from Casa Loma, LLC in the amount of \$2,212,046 for deconstruction, removal of structures, site clearing, public right of way improvements, and utility relocation within the public right-of-way, and authorize the Board Chair to sign the Development Agreement. This funding commitment is contingent upon approval of right-of-way vacation and all relevant agency approvals; reimbursement for eligible costs will occur following receipt of proof of payment and lien waivers.



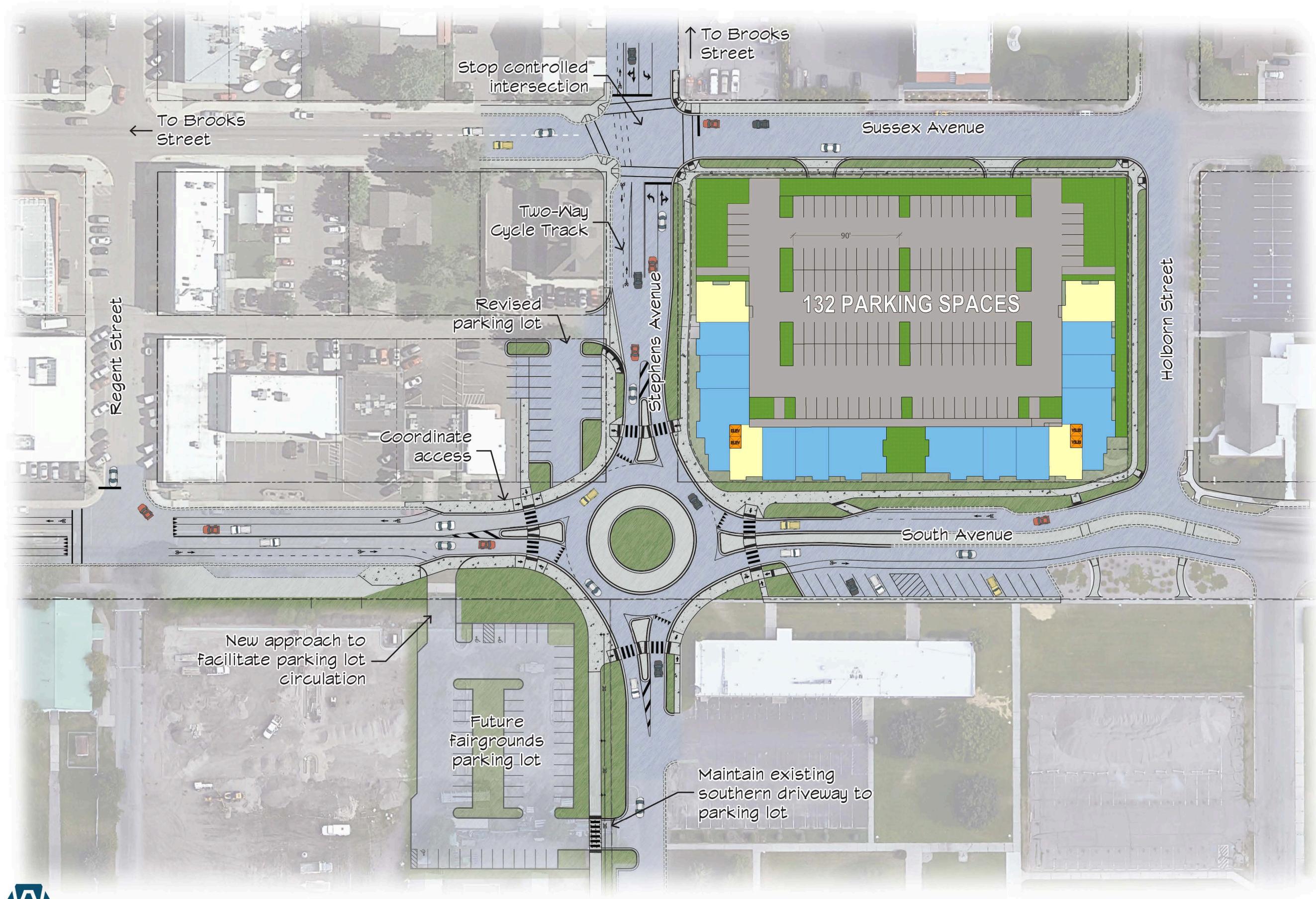
Missoula Redevelopment Agency
Date: May 13, 2022
Prepared By: Tod Gass

Area Map For:
Casa Loma - 900 Bock of South Avenue
City of Missoula Redevelopment Agency 140 W. Pine St. Missoula , MT 59802

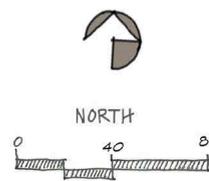
Note: The information on this map has not been field verified.

 URD 3





South Avenue Street Realignment





casa loma