



**City of Missoula, Montana  
City Council Committee Agenda Item**

**Committee:** Housing, Redevelopment and Community Programs

**Item:** The Bridge Apartment Agreement

**Date:** July 21, 2022

**Sponsor(s):** Eran Pehan; Emily Harris-Shears

**Prepared by:** Eran Pehan, CPDI

**Ward(s) Affected:**

- Ward 1
- Ward 2
- Ward 3
- All Wards
- Ward 4
- Ward 5
- Ward 6
- N/A

**Action Required:**

Execute a Development Agreement and Property Management agreement with Blueline Development.

**Recommended Motion(s):**

I move the City Council: Approve and authorize the Mayor to execute a Development Agreement and Property Management agreement with Blueline Development for The Bridge Apartments.

**Timeline:**

Committee discussion:	July 21, 2022
Council action (or sets hearing):	<a href="#">Click or tap here to enter text.</a>
Public Hearing (if required):	<a href="#">Click or tap here to enter text.</a>
Final Consideration	<a href="#">Click or tap here to enter text.</a>
Deadline:	August 8, 2022

**Background and Alternatives Explored:**

In September of last year, the Missoula City Council approved the purchase of The Bridge Apartments from Western Montana Mental Health Center to preserve 20 permanently affordable rental homes and prevent the displacement of the current tenants. Following this purchase, the City of Missoula has worked with our contracted property manager, Zillastate, to run the day-to-day operations of this apartment complex.

In December of 2021 the city issued a competitive Request for Proposals to purchase The Bridge Apartments with the condition of permanent affordability. The city received no proposals for the purchase of this properties under the conditions set. Conversations with several interested parties confirmed that the low fixed rents coupled with significant deferred maintenance made this project difficult to generate even a modest return on. The city received an alternative proposal from Blueline Development Inc. to assist with property management as a contracted entity while exploring potential future redevelopment of this site.

**Financial Implications:**

This property is currently being managed by the City of Missoula. Property management expenses are covered through operational revenues (rental payments). However, this building

has significant deferred maintenance that cannot be adequately addressed through the fixed rental rates. Should the city choose not to partner with an entity like Blueline Development, there will be financial implications to the city to assume the costs of deferred maintenance.

**Links to external websites:**