



MRA Board Memo Cover Sheet

October 17, 2022

Project Name: Site Work for Public Improvements that Implement the North Reserve-Scott Street Master Plan and Support Ravara Development, LLC's Planned Mixed-Use, Mixed-Income Development on Scott Street

Urban Renewal District: North Reserve-Scott Street

Map and Project Location: Scott Street

TIF Investment: Up to \$305,000

Project Description: The planned development is expected to include a mix of housing types and neighborhood commercial (market rate and income restricted home ownership, childcare facility, grocery, and food service). The development necessitates extension of three streets identified in the North Reserve-Scott Street Master Plan (NRSS Master Plan): Charlo, Shakespeare, and Palmer Streets. To obtain the most favorable pricing, Ravara Development, LLC (Ravara) is phasing the bid process and construction. This initial funding request is only for the site preparation including excavation and disposal of materials. We expect to return with a second request to the MRA Board in early 2023, requesting funding for construction of the utilities and streets.

Cost Breakdown of TIF Funds: \$305,000*

Site Preparation for Right-of-Way Improvements (Palmer, Charlo, Shakespeare)

**The final costs may be reduced by approximately \$55,000 if the materials hauled off site do not need to be weighed and a fee assessed based on weight, and if the market rate portion of the project begins this fall and participates in cost sharing for site work costs.*

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.

- **Prioritize infrastructure development that promotes equitable growth and implements adopted policy.** Extension of Charlo, Palmer, and Shakespeare Streets are identified in the NRSS Master Plan and needed for access to the development of new housing and neighborhood commercial uses. Improvements to Scott Street, included boulevard landscaping, sidewalks, and a cycle track, will enhance the experience for bicycles and pedestrians.
- **Design and implement transportation infrastructure to support a safe, healthy, and active community, including extending access to transportation networks in**



currently underserved neighborhoods. The northside neighborhood is experiencing significant housing growth and there is limited east-west and north-south connectivity. The improvements to Charlo, Palmer, and Shakespeare extend existing streets to expand the street network between Shakespeare and Scott Street, and Palmer and the alley north of Charlo. The North Reserve-Scott Street Master Plan recommends “supporting the plan area with an interconnected multi-modal transportation system that is convenient for all modes.”

- **Support economic growth through implementation of “A Place to Call Home,” including redeveloping underused properties in City ownership to meet current and future housing needs.** The Ravara development is expected to include a mix of approximately 300 rental and for sale housing opportunities for individuals earning a range of incomes, including a minimum of 70 income restricted for sale condos and townhomes to be situated on a Community Land Trust. These Community Land Trust units will be permanently affordable.



MEMORANDUM

TO: MRA Board

FROM: Annie Gorski, Deputy Director

DATE: October 14, 2022

SUBJECT: Site Work for Public Infrastructure Implementing the North Reserve-Scott Street Master Plan and Supporting Ravara Development, LLC's Planned Mixed-Use, Mixed-Income Development on Scott Street (**North Reserve-Scott Street URD**) – TIF Request

Overview / Project Description / Background

In 2020 the Missoula Redevelopment Agency purchased approximately 19 acres adjacent to Scott Street. The eastern 9.5 acres was planned for a new mixed-use, mixed-income development. In February 2021, the City and Ravara Development LLC (Ravara) executed a Letter of Intent (LOI) for the sale and development of the property, identifying Ravara as master developer. The planned development is expected to include a mix of housing types and neighborhood commercial (market rate and income restricted home ownership, childcare facility, grocery, and food service). The development necessitates extension of three streets identified in the North Reserve-Scott Street Master Plan (NRSS Master Plan): Charlo, Shakespeare, and Palmer Streets. The LOI outlines a commitment by the MRA to provide Ravara with funding for infrastructure. In January 2022, the MRA Board approved a \$316,527 funding request to design the infrastructure improvements for this development, including utility extensions and street improvements. To obtain the most favorable pricing, Ravara and their consultant, WGM, are phasing the bid process and construction. This initial funding request is only for the site preparation including excavation and disposal of materials. We expect to return with a second request to the MRA Board in early 2023, requesting funding for construction of the utilities and streets.

Request for Tax Increment Assistance

Site Preparation for Public Right-of-Way Improvements (Palmer, Charlo, Shakespeare)

Total TIF Request \$ 305,000*

*The final costs may be reduced by approximately \$55,000 if the materials hauled off site do not need to be weighed and a fee assessed based on weight, and if the market rate portion of the project begins this fall and participates in cost sharing for site work costs.

City of Missoula Strategic Plan

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

- **Prioritize infrastructure development that promotes equitable growth and implements adopted policy.** Extension of Charlo, Palmer, and Shakespeare Streets are identified in the NRSS Master Plan and needed for access to the development of new housing and neighborhood commercial uses. Improvements to Scott Street, included boulevard landscaping, sidewalks, and a cycle track, will enhance the experience for bicycles and pedestrians.
- **Design and implement transportation infrastructure to support a safe, healthy, and active community, including extending access to transportation networks in currently underserved neighborhoods.** The northside neighborhood is experiencing significant housing growth and there is limited east-west and north-south connectivity. The improvements to Charlo, Palmer, and Shakespeare extend existing streets to expand the street network between Shakespeare and Scott Street, and Palmer and the alley north of Charlo. The North Reserve-Scott Street Master Plan recommends "supporting the plan area with an interconnected multi-modal transportation system that is convenient for all modes."
- **Support economic growth through implementation of "A Place to Call Home," including redeveloping underused properties in City ownership to meet current and future housing needs.** The Ravara development is expected to include a mix of approximately 300 rental and for sale housing opportunities for individuals earning a range of incomes, including a minimum of 70 income restricted for sale condos and townhomes to be situated on a Community Land Trust. These Community Land Trust units will be permanently affordable.

Economic Stimulus and Employment

Ravara, the City and MRA are working in partnership to develop this project. The City and MRA hope to develop a model that can be replicated in other areas. Construction of the housing and commercial development is expected to generate significant temporary employment and when complete, full time employment associated with the childcare, food service, and grocery.

Urban Renewal Goals

The development plan aligns with goals in NRSS Urban Renewal District (NRSS URD) related to supporting a mix of uses and expanding infrastructure, including:

- **Promote public-private partnerships to create urban density and a mix of land uses**
- **Improve, maintain, and upgrade public infrastructure, including improving local multi-modal connectivity and incorporating "complete streets."**

Impact Assessment

Construction activity will likely result in some temporary disruption to local traffic and create noise and dust. There will be impacts to the northern portion of White Pine Park, including impacts to irrigation and shortened field length for sports field users. The remainder of the park is expected to remain functional during construction. The City Parks and Recreation Department and Board is aware and is supportive due to near-term future plans for replacing all of White Pine Park with parklands that will better meet the needs of a growing neighborhood along with supporting our community's needs for increased housing opportunities. The City will coordinate with Ravara and the neighborhood to raise awareness with neighbors about these impacts before they occur.

Project Feasibility

The site work is expected to begin in November 2022. The Montana Department of Environmental Quality must first approve of the environmental sampling that has been completed of soils in the area of planned site work and confirm that work will not pose any risk to human health or the environment.

Payment of Taxes

All taxes are paid and current.

RECOMMENDATION: Staff recommends the MRA Board approve an initial request of up to \$305,000 from Ravara to fund site preparation and excavation for infrastructure needed to support a new mixed-income, mixed-use neighborhood along Scott Street and that the amount of the TIF reimbursement will be based on paid invoices submitted by the owner documenting actual costs of the TIF eligible improvements, and authorize the Board Chair to sign the Development Agreement.

