



MRA Project Summary

November 9, 2022

Urban Renewal District: URD III

City Council Ward: 5

Neighborhood: Franklin to the Fort

Name of Project: El Cazador Restaurant FIP Request

Map and Project Location: 2209-2221 South Avenue West

FIP Investment: \$50,000

Private Investment: \$1,194,047 including property purchase & prior developer investment
\$324,047 excluding property purchase & prior developer investment

Ratio of Public to Private Investment:

1:25 including property purchase & prior developer investment

1:7.5 excluding property purchase & prior developer investment

Project Description: Remove outdated solarium-style windows and replace them with energy-efficient and contemporary-styled store-front windows.

Cost Breakdown of FIP Funds:

Demolition	\$ 30,015
Framing Materials	8,500
Framing Labor	11,400
Storefront Windows	3,000
Insulation	2,200
Exterior Paint/Caulk	600
Gutter/Downspouts	<u>800</u>
Total FIP-Eligible Costs	\$ 52,615
Total Allowed FIP Assistance	\$ 50,000

Estimated New Property Taxes (Increment) from Development: negligible

Estimated Increment with and without Project: N/A

Alignment with URD III Adopted Plan & Current Strategic Plan or Goals: This project is in alignment with an URD III goal to foster vibrant commercial areas with “architectural excellence and compatibility with adjacent neighborhoods.”

Alignment with City of Missoula Strategic Plan or 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. This project aligns with the Economic Health and Community Design and Livability goals.

Public Purpose or Benefit: Improved energy efficiency, extending the useful life of an existing building, and enhancing economic viability of an established, locally-owned business.

District Sunset Date with and without Project Bonds: July 1, 2040

Percent of Fiscal Year Available Contingency Funds Represented by the Request: approximately 0.9%



MEMORANDUM

TO: MRA Board

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

DATE: November 9, 2022

SUBJECT: **2209-2221 South Avenue West – El Cazador Restaurant (URD III / Ward 5) – FIP Request**

In May 2022 Maria and Alfredo Hernandez relocated their El Cazador restaurant from Downtown to Midtown (2209-2221 South Avenue West). Their downtown restaurant had been in operation for 27 years. They purchased the South Avenue property in 2017 and invested in a complete overhaul of the kitchen space at that time, in preparation for relocating the business.

The Hernandez' are now planning to undertake a substantial renovation project that will improve energy efficiency, update the building appearance, and expand capacity for additional customers. The project includes interior dining room renovations, a new building addition with windows on the north side fronting South Avenue, an outdoor deck with overhead pergola on the south side of the building, and window replacements. Including recent property purchase and kitchen renovation, the total estimated project cost is \$1,244,047. (If property and prior developer improvement costs are excluded, the estimated project cost is \$374,047.)

Maria Hernandez, on behalf of El Caz Taqueria, LLC, has submitted an application for URD III façade improvement program (FIP) assistance in the amount of \$50,000 to replace outdated, inefficient solarium-style windows with new storefront windows.

FAÇADE IMPROVEMENT PROGRAM (FIP)

The URD III FIP allows for grants of up to 25% of the total project cost, or \$50,000, whichever is less, to reimburse an applicant for façade improvements that meet the design and materials of the program. The intent of the program is to provide businesses and property owners with assistance to afford a greater level of improvement to façade areas, to increase energy efficiency, and to enhance the appearance of the overall area.

Without FIP assistance the applicant would leave the solarium-style windows in place. With \$50,000 in FIP assistance the project would include replacing them with energy-efficient storefront windows.

FIP-Eligible Cost Estimate

Demolition	\$ 30,015
Framing Materials	8,500
Framing Labor	11,400
Storefront Windows	3,000
Insulation	2,200
Exterior Paint/Caulk	600
Gutter/Downspouts	<u>800</u>
Total FIP-Eligible Costs	\$ 52,615
Total Allowed FIP Assistance	\$ 50,000

FIP ANALYSIS

The solarium-style window replacements meet the design criteria of MRA's façade improvement program. The new storefront windows would significantly improve energy efficiency and update the appearance of the building.

A FIP grant of \$50,000 would represent approximately 4% of the total project cost, if property and prior developer improvement costs are included, or approximately 13% of the project cost if not. The ratio of public to private investment would be approximately 1:25 if property and prior developer improvement costs are included or approximately 1:7.5 if not.

Tax Generation – The 2021 tax bill for the property was approximately \$13,660. The 2022 tax bill is approximately \$14,380.35. The 2021 taxes are current. The 2022 tax bill has only recently been issued. Land and building taxes may not increase substantially as a result of the project. However, the building improvements could act as a catalyst for more investment in the area.

Employment Generation – The project will generate some temporary construction jobs. The new building addition will expand capacity for 20 additional customers year-round, and the deck will expand seasonal capacity by another 24 customers. The solarium window replacement will not affect customer capacity but will significantly improve customer comfort. Expanded customer capacity and comfort is expected to provide job security for existing employees and increase the potential for additional cook and server positions.

Elimination of Blight – The existing building is architecturally dated and architectural features and finishes are reaching the end of their useful life. Replacing the solarium-style windows will significantly improve energy efficiency and update the appearance of the building and of the adjacent commercial area. Enhancing the building façade also will enhance the pedestrian experience on South Avenue.

Impact Assessment – The project is expected to have a positive impact on adjacent properties, and on Midtown in general.

Design Excellence – The project is located on a corridor subject to Design Excellence review and has received Design Excellence approval.

Financial Assistance – The applicants intend to self-finance the project.

Developer’s Ability to Perform – While the Hernandez’ have not previously worked with MRA, the developer’s architect Gavin Hanks Architecture and contractor Envision Commercial Construction have successfully completed several projects with MRA, including Cornerstone Dental, Felton Dental, and OnX Maps.

Timely Completion – The project is expected to be completed in Summer 2023, which is a reasonable time frame for this type of project.

RECOMMENDATION: Staff recommends the MRA Board move to approve a Façade Improvement Program grant to El Caz Taqueria, LLC in an amount not to exceed \$50,000 for replacing the outdated solarium-style windows of the building located at 2221 South Avenue West, with the stipulation that reimbursement will be made at the conclusion of the project under submission of required proof of expenditures and lien releases, and authorize the Chair to sign the Development Agreement.

EXHIBIT A

CURRENT FAÇADE IMAGES



Existing solarium-style window façade – Parking Lot



Existing solarium-style window façade – South Ave.



Existing solarium-style window façade – Parking Lot



Existing façade – Hello 1980's!

New deck; not included in FIP request.

FIP request for replacement of solarium windows.

New addition; not included in FIP request.



South Avenue →

Proposed Window Replacement



Proposed Window Replacement



Proposed Exterior Deck & Trellis