



MRA Project Summary

May 18, 2023

Urban Renewal District: [URD II](#)

[City Council Ward](#): 3

[Neighborhood](#): Riverfront

Name of Project: 1245 3rd Street West – JDR Enterprises, LLC

Total Project Cost: \$215,300

Private Investment: \$165,300

Tax Increment Financing Request: \$50,000 under [Façade Improvement Program](#)

Project Description: Façade and interior improvements to offer a new commercial space at street front allowing existing business to expand to include an onsite retail component.

Current Property Taxes: \$9,037

Estimated New Property Taxes (Increment) from Project: unknown

Alignment with [URD II Adopted Plan](#): yes

Alignment with [URD II 9-Year Strategic Exit Plan](#): yes

Alignment with Other Adopted Plans: yes – the Missoula Urban Area Future Land Use Designation (2020) calls for Neighborhood-scale commercial and medium density residential intermixed.

Alignment with City of Missoula Strategic Plan or Goals:

2020-2023 City of Missoula Strategic Plan Community Priorities

<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Safety and Wellness	Community Design and Livability	Environmental Quality	Economic Health	Organizational Excellence
				



MEMORANDUM

TO: MRA Board
FROM: Jil Dunn, Business/Project Manager
DATE: May 15, 2023
SUBJECT: 1245 S 3rd Street W (URD II) – Façade Improvement Program Request

Action Requested: Approval of \$50,000 Façade Improvement Program Grant

JDR Enterprises, LLC is planning exterior and interior rehabilitation of the building at 1245 South 3rd Street West. The building sits at the corner of S 3rd Street W and S Inez Street in Urban Renewal District II. The front portion of the building is currently vacant and the rear of the building is leased by [Xplorer Maps](#) for their warehouse and shipping operations. Xplorer Maps would like to expand their business to include a retail component and utilize the front part of the building for this purpose.

Developer and tenant: The property is owned by JDR Enterprises, which is owned by the John Rimel family and a partner. Colin Rimel is the project lead and acting general contractor. Xplorer Maps is a locally owned business and the Rimel family owns Mountain Press Publishing Company across the street from the project.

Historical uses: The Rimel family purchased the building in the early 2000s. Historical uses of the property include: Rogers Cabinets, Walman Optical, Picasso Paint, Mr. Higgins Vintage Clothing, Peter’s Landscaping, Catalyst Construction and current tenant Xplorer Maps.

Project Scope: The scope of the project includes updating the north and west facades of the building to meet Design Excellence standards and updating the front interior portion of the building to provide a new commercial / retail space.

Interior improvements: Interior work will include the creation of two small offices, retail space, additional storage and updating an existing office and restroom for customer use.

Exterior improvements (if approved for FIP funds): Exterior work will include north and west façade renovations to meet the City’s Design Excellence standards and ADA accessibility.

All materials will be locally sourced, and the overall project will employ several local contractors to perform the work including Montana Deconstruction, Provost Electric, MACA Construction and Montana Glass. Work will include deconstruction, interior framing, insulation, electrical, HVAC, flooring, drywall, glass and door installation, façade upgrades and painting.

The total estimated project cost is \$215,300. JDR Enterprises has submitted an application for URD II Façade Improvement Program (FIP) assistance in the amount of \$50,000 for the project.

Façade Improvement Program – Project Eligibility Analysis

The basis for the FIP is found in State Statute, specifically MCA [7-15-4206](#), [7-15-4233](#), [7-15-4288](#).

The URD II 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. JDR Enterprises' estimated cost for the project is \$215,300. A FIP grant of \$50,000 would represent approximately 23% of the cost.

Without FIP Assistance: The base project, without FIP assistance, would include the interior renovations and repairing the existing façade to the extent necessary to provide a front retail space. The building currently has a large amount of non-tempered single pane glass that is unsafe and not energy efficient. Upgrading these windows is very costly. Without FIP assistance, the owners would replace the existing white panels with new material and repaint the building.





With FIP Assistance: With FIP assistance the project would be enhanced to include additional glazing, wood accents, highly insulated glass doors and windows, stone veneer wainscoting with pre-cast concrete caps, and cementitious panels on the north and west facades. Additional improvements include ADA accessible upgrades to 3rd Street entrance and exterior lighting. The new tenant will be allowed to place signage on the front of the building as long as it complies with City code. **The project meets the design and materials criteria of the FIP and satisfies the intent of the program.**

1245 SOUTH 3RD STREET WEST

MISSOULA, MONTANA



The above rendering details the increased glazing (windows), barnwood vertical and horizontal accents and stone veneer wainscoting. The brown cementitious panels would be painted. This is the color as shipped from the manufacturer.

Façade Improvement Program - Eligible Items - Cost Estimate

New Energy Efficient Doors & Windows	\$ 32,000
Framing & Siding	\$ 20,000
Paint	\$ 4,000
Architectural related to Façade	\$ 5,000
Exterior Lighting	\$ 1,000
Total FIP-Eligible Costs	\$ 62,000
Maximum FIP Grant Allowed	\$ 50,000

Tax Generation – The 2022 tax bill for the property was \$9,037. Taxes are current. Land and building taxes may not increase substantially because of the project. However, upgrades to this property could act as a catalyst for additional investment in the area.

Employment Generation – The project will generate temporary construction jobs. Interior improvements will allow Xplorer Maps to open an onsite retail space creating additional positions.

Elimination of Blight – The existing building is a steel framed and sided Butler building. It has housed a variety of uses over the years without substantial upgrades. The building has been graffitied multiple times. The existing windows and front doors are dated, unsafe and not energy efficient. The proposed project reinvests in and reuses an existing building. The façade improvements will improve safety, increase energy efficiency, create a more enjoyable pedestrian experience, and enhance the appearance of the building and surrounding area.

Impact Assessment – The construction impact will be minimal and isolated to the site.

Design Excellence – The project is located on a Type 2 Corridor (3rd Street) identified in the City’s Design Excellence. The project façade elements comply with these standards.

Financial Assistance – The developer has received pre-approval from Clearwater Credit Union for a construction loan for the total project cost.

Developer’s Ability to Perform – Although this will be JDR Enterprises first project with MRA, it has successfully completed several small and large residential upgrades in Missoula and Dayton, MT. The developer’s architect, Square 1 Architecture, represented by Tony Moretti, has designed multiple buildings in Design Excellence overlay areas.

Timely Completion – The project is currently in the permit approval process. Upon approval, construction will start immediately and is expected to be complete by the end of summer 2023.

Recycling & Reuse Efforts – Occupants and owners have a recycling program. Per application their application, “John Rimel, JDR Enterprises principal, was instrumental in the beginnings of Home ReSource and these values are echoed in his businesses and the businesses and residents to which he leases.” Any unwanted materials will be recycled at Home ReSource or offered to other salvage businesses. Remaining materials will be separated for recycling and proper disposal.

Alignment with [URD II Adopted Plan](#): yes - the Plan states:

“Promote attractive commercial areas by providing guidance and incentives to businesses and property owners whose redevelopment embodies excellence in urban design.” – URD II Plan (pg. 55)

Upon completion of the widening and reconstruction of Russell Street and the Russell Street Bridge, "...it appears that retail outlets and other services based on high visibility and a community-wide market may be successful in this area." -URD II Plan (pg. 54)

Alignment with [URD II 9-Year Strategic Exit Plan](#): yes - the Plan states:

- Support for private development and projects that enhance the city, increase the tax base, build the economy, and have a positive return on investment.
- Support for projects that enhance quality of life and will be unlikely to occur without the use of TIF funding.
- View all projects for their ability to increase equity and opportunity for Missoula's residents. Equity is the full and equal access to opportunities, power, and resources so that all people achieve their full potential and thrive.

Alignment with Other Adopted Plans: yes – the Missoula Urban Area Future Land Use Designation (2020) calls for Neighborhood-scale commercial and medium density residential intermixed.

RECOMMENDATION: Staff recommends the MRA Board approve a Façade Improvement Program grant to JDR Enterprises, LLC in an amount not to exceed \$50,000, for exterior renovation of the building located at 1245 S 3rd Street W and authorize the Chair to sign the Development Agreement, contingent on final approval of a City permit and with the understanding that reimbursement will be made at the conclusion of the project after submission of required proof of expenditures, contractor lien releases, and a Certificate of Occupancy or other release from City that work was completed according to submitted plans.