



City of Missoula, Montana
City Council Committee Agenda Item

Committee: Public Works and Mobility
Item: Construction Agreement with Jackson Contractor Group for the Broadway Building Solar Photovoltaic System
Date: December 3, 2025
Sponsor(s): Andy Schultz
Department or function: Public Works & Mobility
Prepared by: Katie Emery
Ward(s) Affected:
 Ward 1 Ward 4
 Ward 2 Ward 5
 Ward 3 Ward 6

 All Wards N/A

Action Required:
Approve a Construction Agreement with Jackson Contractor Group for the Broadway Building Solar Photovoltaic System.

Recommended Motion(s):
I move the City Council: Approve and authorize the Mayor to sign a Construction Agreement with Jackson Contractor Group for the Broadway Building Solar Photovoltaic System for a cost not to exceed \$410,813.00.

Timeline:
Committee discussion: December 10, 2025
Council action (or sets hearing): December 15, 2025
Public Hearing (if required): N/A
Deadline: N/A

Background and Alternatives Explored:
The project includes the complete supply and installation of a 50 kW photovoltaic (PV) system for the existing Broadway Building and a complete supply and installation of a 50 kW photovoltaic (PV) system for the future Truck Barn as part of the Broadway Building Remodel Project that was approved by the Missoula City Council in the FY26 budget.

To preserve eligibility for the 48E Investment Tax Credit under current rules, the City with Jackson Contracting Group and On Site Energy intends to satisfy the IRS 5% Safe Harbor Test before December 31, 2025. This proposal outlines a path to safe harbor by purchasing a portion of the solar modules in 2025, with title transferred to Jackson Contractor Group prior to year-end. To secure the 48E Investment Tax Credit under current IRS rules, OnSite Energy recommends that the City purchase 100 solar modules for each project prior to December 31, 2025. Purchasing this portion of the total equipment serves two important purposes. First, it represents approximately 10% of the total project cost, which is the threshold we recommend to confidently satisfy the 5% Safe Harbor Test and preserve eligibility for the current credit value. Second, these

modules will be held in On-Site Energy's warehouse, ensuring that the equipment is fully under our control at the time of purchase should the City require contractor possession as part of its procurement process. Additional modules needed for full system construction will be procured and delivered during the build phase, but the initial purchase of 100 modules per project is sufficient to establish safe harbor for both systems.

Financial Implications:

\$410,813.00 using capital financing to be shared between Road District and the Water and Stormwater Enterprise Funds

Links to external websites:

N/A