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August 2017 MIDTOWN U R B A N RENEWAL PLAN

Acknowledgements

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Introduction

The City of Bozeman is a university town with a vibrant downtown, growing industries, and immediate access to mountain and outdoor activities. It is a magnet for young talent and families, and is therefore projected to continue to grow at an annual rate of 4.2 percent. Understandably the community wants to be thoughtful about this growth in order to manage the cost of living, especially for housing, and retain its small town appeal. At the same time, the City desires more compact form with higher densities to reduce congestion and encourage active transportation uses, which reduce environmental impacts. Focused redevelopment of the **Midtown District**, with a deliberate emphasis on new, urban density housing construction, is an important strategy to achieve these community goals regarding overall growth.

Redevelopment of underutilized areas, such as the Midtown District, is challenging compared to traditional "greenfield" development: new construction on vacant land that typically involves one developer on one large parcel with minimal constraints such as existing buildings or challenging road connections. Due to the difficult nature of infill development, public and private collaboration is critical to achieve results. Ideally, the public partner will identify and alleviate barriers and risk, and the private partner will invest in the area and increase property values and provide desired services. This Action Plan provides guidelines and actions for the City to implement their part of the partnership and garner the desired private infill development within the District.

Executive Summary

The intent of this Plan is to attract targeted private investment by leveraging the market potential of the Midtown District, and removing barriers to development through strategic infrastructure investments and incentives. This is especially important for this District as the city does not own any property and is reliant on cooperation and collaboration with property owners to realize the vision for this area. The following information details the type of infrastructure anticipated and the type of private investment that is desired.

Strategic Infrastructure

One of the most important roles for the city is to construct strategic infrastructure projects that benefit several property owners and the broader community. This is especially important for infill development where the perceived value of these types of properties is that the infrastructure (sewer, water, roads) are built to current standard as there was once a use on the property. Proactively determining the status of infrastructure quality, if upgrades are required and the cost, is necessary to engage interest in development.

A detailed list of identified projects within the Midtown District are provided in Attachment B. The projects are separated into two categories: Regional and Private Development as they each serve distinct purposes. These lists serve as both a budgeting tool for staff as well as a direct message to developers regarding the level of investment the city is willing to make in this District.

Regional Investments

The proposed regional investments are projects within the District that benefit the broader community through the provision of key transportation connections or amenities. These projects meet the intent of the urban renewal goals of 1) improve multimodal transportation, and 2) improve, maintain, and support innovation in Infrastructure. It is anticipated that these projects can occur independent of private property owner engagement. While these projects serve the broader community, they also indirectly incentivize private development with the overall improvement of the District.

Private Development Investments

The proposed private development infrastructure is identified through different zones of private property that will benefit from the necessary infrastructure upgrades. There is no prioritization of the improvements as it is dependent on private party engagement, which can't be anticipated. However, by determining these projects in advance, staff can clearly communicate to private property owners the type and cost of infrastructure that would be built that serves as direct incentive for them to consider redevelopment of their property.

The City should only make the significant infrastructure investments when it is clear that the developer can't reasonably construct the project without support from the City. This is often referred to as a "but for" argument based on transparent financial information reflecting costs and revenues from the project. At the same time, through this transparent partnership, the City can work with the property owner to obtain right-of-way or rights to construct a public facility that may be necessary to make the desired improvements. In all public-private partnerships this transparent information is necessary to ensure sound community investments.

In addition, the infrastructure investments should only occur when the private investment is as certain as possible. If the City builds the infrastructure prior to private investment, the infrastructure upgrades are no longer perceived by the private party as an "incentive" but as the basic city services that understandably were presumed to be in place.

Investment Timing

The urban renewal statutes allow for the bonding of substantial public projects within 14 years of establishing the district. The Midtown Urban Renewal District was created in 2006 and the 15th year of inception will be 2021. The Midtown District Urban Renewal Board and City Commission should be cognizant of this timing when evaluating project investments and in communications with private developers. To leverage this financing opportunity, staff should determine projects to consider for bonding by Q1 2019.

Incentives

Infrastructure Projects

Infrastructure projects can often present a significant cost for developers. Infill projects are especially complex as often a small lot will face outsized regional infrastructure costs due to "upstream" deferred maintenance needs that impact the specific site. Urban renewal funds can off-set a significant cost barrier of a regional project that is needed to allow the redevelopment of an individual lot to move forward. See Attachment B for a detailed list of recommended projects and costs based on specific site analysis case studies within Midtown and collaboration with public works.

Off-Set Project Costs

Targeted incentives can close the financial gap in making a project move forward. As discussed previously, City staff and private developers should work together in a transparent manner to identify that an incentive addresses a clear "but for" need of support to off-set costs to encourage the targeted private investment for this area. Future development providing much needed affordable housing should especially be considered to receive incentives. An allocation of incentives for SDC off-sets and demolition costs have been included with the list of projects in Attachment B.

Streamlined Permitting

Streamlined permitting is always cited as a top incentive for developers to attract investment. As discussed, infill development consists of risks regarding untested markets and uncertainty regarding infrastructure requirements. Both risks can result in costs not anticipated by a developer when initially pursuing a project. City staff can provide critical support in removing these uncertainties by providing transparent information as early as possible regarding infrastructure needs, as well as unified direction regarding desired building design and density. Creating a "Midtown team" of staff from various departments provides a consistent group of staff that comprehensively understands the infrastructure, transportation and building design issues in the area. Such a team can serve as a powerful resource to proactively achieve the desired development in collaboration with the developer, and sends a clear signal that this District is a priority to the community.

Targeted Private Investment

The overall objective of the Midtown Urban Renewal District is to create a more vibrant place with pedestrian activity that reduces the dependence on the automobile. Specifically, the goals of the most recently adopted Urban Renewal Plan include:

- Promote Economic Development
- Improve Multimodal Transportation
- Improve, Maintain, and Support Innovation in Infrastructure
- Promote Unified, Human Scale Urban Design
- Support Compatible Urban Density Mixed Land Uses

To achieve these goals, targeted future development should include the following elements:

- Infill. The intent of urban renewal is to remove blight to improve an area for the entire community benefit. Remodeling of existing structures or infill of underutilized lots is the priority of this Plan. As discussed, infill development is more challenging than vacant greenfield development and warrants focused investment of staff time and resources.
- Increased building density. Increased building density increases the number of people in the District, which helps create the desired active pedestrian environment. More density of buildings grouped together in districts is especially desired to encourage pedestrians to explore adjacent buildings. Buildings that are separated by large parking area or vacant lots will impede pedestrian movement.
- Encourages multimodal transportation. New projects should provide amenities such as adequate bike parking or bus schedule real time monitors in lobbies. At the same time, the Urban Renewal District should invest in infrastructure projects such as bike lanes and signals or covered bus stops to make alternative transportation options visible, safe, and desirable.
- **Retail that serves surrounding residents**. To achieve a more vibrant pedestrian-oriented environment the District must consist of uses that are a frequent destination by residents. Retail amenities that are experience based such as restaurants or ice creams shops are desired because they generate activity and are more resilient to emerging ecommerce trends. Such amenities will also attract more housing investment.
- **Housing**. Bozeman is in significant need of all types of housing, therefore it is called out as a specific use that is desired. The Midtown District zoning is intended to accommodate more dense housing projects with potential access to retail amenities nearby.

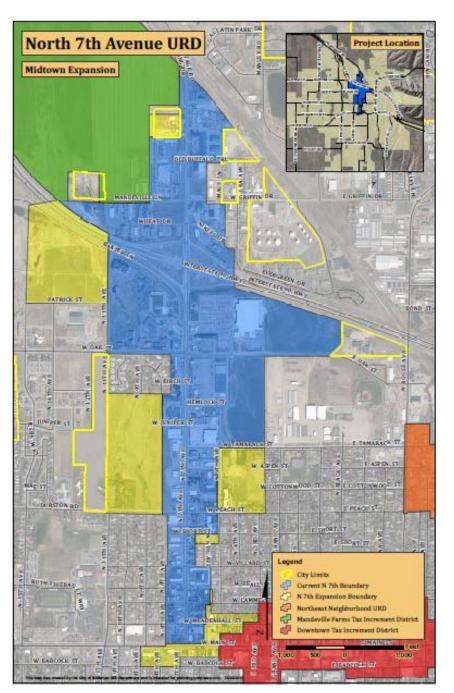
Background

The Midtown District consists of property along the North 7th Avenue corridor between Main Street at the south end of the District and the railroad tracks to the north. The City has taken deliberate steps to foster the infill and redevelopment of properties along the North 7th Avenue corridor. The current Action Plan builds off this prior work to further focus City efforts to continue to realize investment in the District.

Establishment of the Urban Renewal District and Plan

In November 2006, City Commission adopted an ordinance to create the North 7th Avenue Urban Renewal District and adopted the North 7th Avenue Urban Renewal District Plan with a provision for tax increment financing, to be calculated using a base year of 2006. In November 2015, the City adopted a revised Urban Renewal Plan including the expanded urban renewal areas and renamed the district to Midtown. The Plan also adopted the following goals that set the foundation for the envisioned development in the District:

- Promote Economic Development
- Improve Multimodal
 Transportation
- Improve, Maintain, and Support Innovation in Infrastructure
- Promote Unified, Human Scale Urban Design
- Support Compatible
 Urban Density Mixed
 Land Uses



Design and Connectivity Plan for North 7th Avenue Corridor

The Connectivity Plan adopted in 2006 defines specific gateway treatments and streetscape improvements to balance the needs of pedestrians, bicyclists, and automobile users along North 7th Avenue. This work has largely been implemented between Oak and Durston with improved or new sidewalks and distinct streetlights that provide an identifying definition to the District.



Completed streetscape improvements north of Durston Road. The blue streetlights reflect ties to Montana State University.



Future streetscape improvements south of Durston Road. The modern paving and furniture reflect the mid-century design of the original development along the corridor.

The remaining section of North 7th Avenue between Durston Road and Main Street will also include enhanced paving and design as shown in the image at right. This streetscape defines the anticipated modern design of the corridor which is distinct from the more historic feel of the downtown district. The lowmaintenance hardscape design is appropriate for winter months to accommodate snow removal while keeping the streetscape inviting during the warmer months.

B-2M Zone and New Parking Minimums

The City created the B-2M zoning designation during the first phase of the update of the Unified Development Code (UDC) in the spring 2016. The previous B-2 zoning did not encourage the redevelopment of the Midtown corridor in the manner envisioned in the area's adopted neighborhood plan, the Design and Connectivity Plan for the North 7th corridor (2006). This plan specifically called for mixed-use development with "commercial services on the main level fronting the corridor, with residential uses above and behind." The previous B-2 zoning contained yard and setback provisions that made the development of buildings fronting the street difficult, especially given the shallow lots along the corridor.

The new B-2M code allows new buildings to be built near the street, encourages ground floor commercial, and requires that parking occur on the side or the rear of structures. The goal is to enhance the pedestrian experience along the corridor by reducing the amount of parking in front of and around buildings. These changes were consistent with two goals of the 2015 Midtown Urban Renewal Plan included promoting "Human Scale Urban Design" and supporting "Urban Density Mixed Land Uses."

The City Commission will soon consider reduced parking minimums for the B-2M zone that remove a barrier to development and foster the envisioned development form throughout the District.

Opportunities and Constraints

The Midtown District is ripe for redevelopment as identified in the market trends, and is why this Action Plan was created. While the trends bode well for Midtown, there are current barriers that can be addressed to incentivize new private investment. Finally, it should be recognized that infill development is challenging and must be approached differently than traditional greenfield development in order to achieve the goal of redevelopment throughout the District.

Market Trends

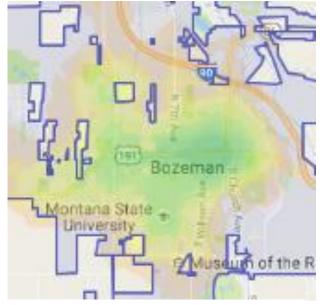
There are several market trends driving infill development across the country. These trends, outlined below, suggest there is a strong opportunity for development within the Midtown District.

Walkability

Current market trends indicate that people of all ages desire access to an urban lifestyle with housing, restaurants, entertainment and retail within pedestrian proximity of each other. This urban lifestyle does not mean that an entire community must conform to urban densities. What is important is that some element of an urban lifestyle through a healthy Main Street, traditional downtown, or denser town centers in suburbs is provided.

This type of urban lifestyle is often measured by developers using a "walk score" that analyzes population density and road metrics such as block length and intersection density, and access to amenities to summarize pedestrian friendliness. As indicated below, the Midtown District is more pedestrian friendly than many parts of Bozeman and can currently cite <u>Walk</u> <u>Scores of 91</u> at its southern end and <u>51</u> at its





Source: Walk Score®

northern end. Considering the limited amenities, such as restaurants, grocery stores and retail, this relatively strong score is likely based on the existing block configurations adjacent to the North 7th corridor. This suggests that with targeted investment of housing and amenities, the Midtown District is ripe for redevelopment into the type of environment desired by the market.

Commute Patterns

In addition to this desired urban lifestyle, people are wanting a shorter commute and often choose to live and work in the same area if possible. Emphasizing this trend is the preference of many Millennials to not drive if they don't have to. As reported in Urban Land Institute (ULI) Emerging Trends 2016, miles traveled by car for those people 34 years old or younger are down 23 percent nationally. Locally, the average miles traveled by any mode – walking, driving, biking, or taking transit – is the lowest for Millennials.

Bozeman commute patterns reflect this market trend. Table 1 shows there is an increase of employment and residents within the city between years 2010 and 2014. What is remarkable is the minimal increase in people commuting into Bozeman for a job and living outside the city. Instead there is an increase in people living and working in Bozeman, as well as the number of people living in Bozeman but working outside the city. What this suggests is that the workforce prefers to live in Bozeman. Therefore, if an employer locates a business within Bozeman they have a competitive advantage in providing a desired location that reduces commute times and congestion and more access to local sector businesses. This is an opportunity for future development within the Midtown District.

Table	1.	City	of	Bozeman	Commute	Patterns
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	2010	2014	Percentage Change
Employment in City	24,384	27,317	11%
Employed Individuals Living in City	13,737	18,266	25%
Commute into City for Employment and Live Outside	16,370	16,637	2%
Live and Work in City	8,014	10,680	25%
Live in City but Leave for Employment	5,723	7,585	25%

Source: U.S. Census LEHD, Leland Consulting Group.

Affordable Lifestyle (Housing and Transportation)

Demand for housing at affordable prices will continue to be a significant issue for the City of Bozeman. More housing, with a range of options, must be provided. In addition, the City can provide the crucial infrastructure to foster affordable lifestyle (not just affordable housing) through active transportation investments. With a focused effort to promote infill housing, employment, and retail amenities and services along corridors, individuals are less compelled to own an automobile, which translates into \$8,560¹ in personal annual savings. The Midtown District has the potential infrastructure network and site locations to accommodate this type of development which would address this significant market demand for affordable housing.

¹ American Automobile Association, June 2016.

Student Housing

The National Center for Education Statistics predicts college enrollment in the U.S. will reach 19.8 million students by 2025, an increase of 14 percent from its 2014 enrollment of 17.3 million. Montana State University (MSU) reflects this trend through their historic growth that is projected to continue.

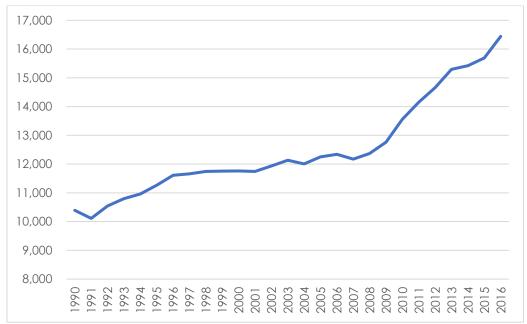


Figure 2. Montana State University Student Headcount

Source: MSU, Leland Consulting Group.

Based on this growth, "it would be pretty hard to overbuild in most markets, there is such strong demand," says Nat Kunes, vice president of product management at AppFolio Inc., a provider of property management software. "In most markets you could double the amount and not overbuild."² What investors find attractive in student housing are the returns relative to conventional apartments because the occupancy rates run higher.

² National Real Estate Investor, Demand for Student Housing Looks Strong for 2017, November 21, 2016.

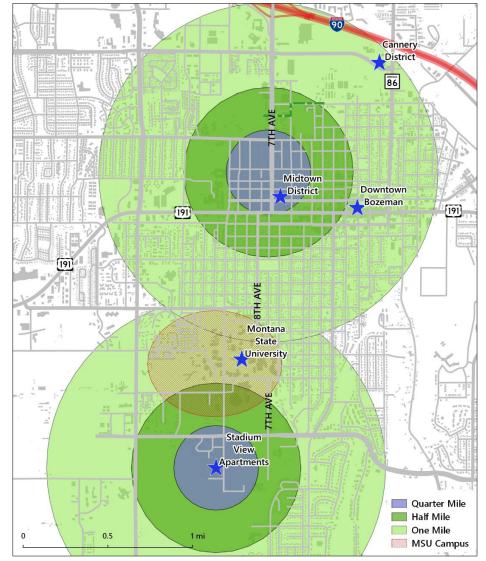
The Midtown District is well positioned to meet the demand of this student housing. As indicated in Figure 3, sites within the Midtown District are immediately adjacent to 8th Avenue, which is the

main bike corridor to MSU. Furthermore, the sites are not that much further than the location of new student housing to the south of MSU, with the distinct advantage of being much closer to amenities in downtown or the Cannery District.

Barriers to Private Development

While there have been plans in place and improvements made to encourage development within the area, results have been limited. Areas such as Midtown often do not receive private development interest due to market and physical barriers that must be overcome. Specific barriers pertaining to the Midtown District include:

Figure 3. Student Housing Location Opportunity



Market barriers:

Source: Leland Consulting Group

- Unknown public infrastructure requirements and uncertain costs
- Current market leases and rents within District are not shown to align with costs for new construction
- Minimum parking code requirements that exceed actual demand and need
- Absentee or disengaged property owners offer limited sites for redevelopment

Physical barriers:

- The policies and approach of the Montana Department of Transportation impede the construction of high-quality, human-scale urban design features for the North 7th corridor
- Poor multimodal connectivity
- Lack of new mixed-use development, especially residential, to generate activity

- Dangerous pedestrian intersections
- No unifying theme as a gateway to city

Embrace Infill Development

Communities across the country over the past few decades have traditionally grown through "greenfield" development: new construction on vacant land. This type of development typically involves one developer with minimal significant development constraints such as existing buildings, challenging road connections, or potential site contamination. Development of vacant land with minimal encumbrances has allowed for new growth to occur in a relatively straight-forward manner with less risk, and why it has typically been the preferred form of development.

This development pattern is changing due to growth trends that are pulling residents and employees back toward urban centers, and communities that desire a more resilient development form that thoughtfully expands utility services. While this repurposing of underutilized land benefits a community with an improved tax base and modern development patterns, it is extremely challenging to actualize due to the nature of infill development in contrast to greenfield development. City staff should embrace the following mindset to foster infill development.

Build Partnerships

Relationships and trust are the key ingredient to realizing infill development. Fortunately, Bozeman staff embraces this philosophy. Direct outreach (not flyers or emails) with property owners, developers, and architects to foster connections, opportunities, and strategic investments is important.

Build Infrastructure

In building partnerships, City staff can hone in on key infrastructure improvements that are impeding development. This is especially important for infill development where the perceived value of these types of properties is that the infrastructure (sewer, water, roads) are built to current standard as there was once a use on the property. Proactively determining the status of infrastructure quality, if upgrades are required and the cost, is necessary to engage interest in development. Building this public infrastructure that will benefit the developer as well as surrounding properties is extremely valuable to developers.

Make Strategic Investments

The City should only make the significant infrastructure investments when it is clear that the developer can't reasonably construct the project without support from the City. This is often referred to as a "but for" argument based on transparent financial information reflecting costs and revenues from the project. At the same time, through this transparent partnership, the City can work with the property owner to obtain right-of-way or easements that may be necessary to make the desired improvements. In all public-private partnerships this transparent information is necessary to ensure sound community investments.

In addition, the infrastructure investments should only occur when the private investment is as certain as possible. If the City builds the infrastructure prior to private investment, the infrastructure upgrades are no longer perceived by the private party as an "incentive" but as the basic city services that understandably were presumed to be in place.

Have Patience

The community needs to understand that development is a risky endeavor. The term "catalyst" development is rarely heard by a developer as an opportunity, but instead as the first project going into an untested market. Developers must make a return on investment (ROI) on a project, otherwise there is no reason to proceed.

Redevelopment of existing buildings is always the first form of investment in an area such as Midtown because it has the most minimal risk to generate an ROI. Once these development pioneers begin to create energy and increased awareness of opportunity, additional investment will occur. Due to the improved environment and demand, eventually tenants will be willing to pay the necessary rents for residential and commercial spaces that will produce enough revenue for a developer to build new construction.

In addition, the type of construction will vary in cost. Early phases of two to three-story buildings and adaptive reuse is typical for entry market development. Eventually mid-rise projects of fivestory with commercial on the ground floor will emerge. Finally, in more urban environments, highrise construction will be built with proven rents and adequate amenity and transportation infrastructure to off-set the need to provide parking and off-set costs. Figure 4 shows how this development phasing emerged in Portland, Oregon.



Figure 4. Phasing of Infill Development: Pearl District, Portland, Oregon

Source: Leland Consulting Group

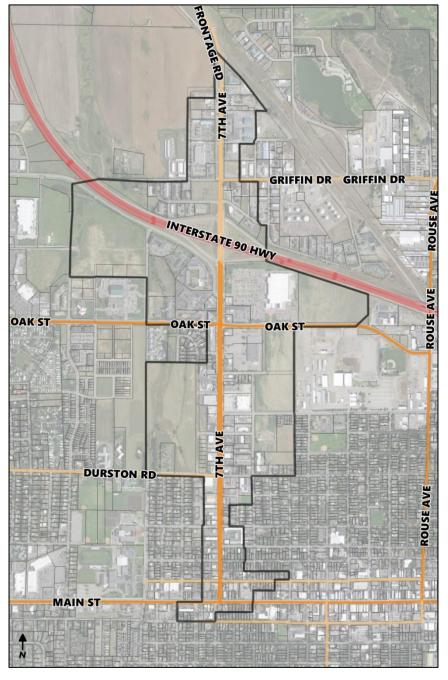
Midtown District Vision

The Midtown District surrounds North 7th Avenue: a post-WWII auto-oriented arterial road under the jurisdiction of Montana DOT. The District is in the northeast portion of the city in between

Interstate 90 and Main Street. North 7th Avenue originally served as the northern gateway into the city and is home to some mid-century motels that lined the corridor for tourists.

Because of North 7th Avenue's classification as a highway, it is a wider roadway that is intended to facilitate automobile movement. The intent of the Midtown District vision is to leverage the current design as an asset that will accommodate the scale of higher building densities. In addition, the roadway should remain a more autooriented facility with parallel parking that accommodates pedestrian uses with wider sidewalks and key crossings with "bump-outs." Bike lanes on parallel routes such as 8th and 5th Avenues will be more attractive to the biking community and remove conflicts between auto and bike traffic.





Why Midtown?

The southern end of the Midtown District intersects with Main Street, which serves the traditional downtown core of the city. The Main Street area is highly desirable for housing, hotel, and commercial activity and is reaching peak redevelopment capacity. As such, growth opportunities and demand are spreading toward the Midtown District, especially at the southern end of the District. At the same time, the Midtown District is surrounded by an established and historic neighborhood with excellent street connectivity and walk score that ties into North 7th Avenue.

Beyond the positive surrounding neighborhoods and commercial area impacts, the Midtown District has a distinct character that should be embraced and attributes that make it a unique place for Bozeman residents. The following local assets should be recognized and incorporated as development occurs to make Midtown a defined area with a cohesive character that builds upon Bozeman genuine brand.

Investors are wisely seizing this authentic quality and adapting existing uses into modern amenities that are highly desired and provide significant activity and energy along the corridor. Rainbow Hotel developer Dean Folkvord understands that "one thing happens at a time, and it might take 10 years, but the investment is going to happen on North Seventh".³

District Vision

The Midtown District embraces its past while it hosts new opportunities. It is a hub for entertainment, business,



Rainbow Hotel currently under renovation and scheduled for completion in Winter 2017.

amenities and residents wanting close connections to MSU and downtown. Midtown is an authentic district for active and engaged Bozeman community members.

³ Bozeman Daily Chronicle, Rainbow Motel changes hands, set for revamp, August 2016.

District Assets

The following assets define the Midtown District and shape the opportunities for future development.

Authentic

Midtown has a unique mid-century heritage with community icons such as Haufbrau, Rainbow Hotel, and the Lewis and Clark Hotel that give the District distinct character.



Iconic Signage

Walkable

Midtown is surrounded by urban neighborhoods with tree lined streets that invite residents to walk and bike to the District. New sidewalks on North 7th Avenue will encourage activity on the street.



West Lamme Street

Dynamic

Midtown is home to the BMX Park and quick access to Story Mill Trail. Residents within Midtown don't drive to recreation spots, they bike there.



Alter Cycle

Community

Whittier Elementary School is in the heart of Midtown and connects the District to surrounding neighborhoods.



Whittier School Classroom

Local Gathering Place

Aspen Street is an emerging entertainment district that provides an accessible alternative and alleviates peak demand pressure on downtown. Connecting Aspen Street, the BMX Park and the Fairgrounds with targeted improvements creates an entertainment destination for the community.



BMX Park

District Opportunities

Amenities and Sites

The Midtown District is poised as a place for families to gather, business to emerge, and young professionals and students to live. As shown in the Opportunities Map there are series of upcoming investments that will enhance connectivity, invite pedestrian activity, and make Midtown the place for locals to gather. The potential development sites identified on the map consist reflect interest property owners willing to explore development opportunities. The phasing is only based on level of interest and is not intended to prescribe how development will occur. See Attachment A for specific site opportunities and preliminary market assessments for private investment.

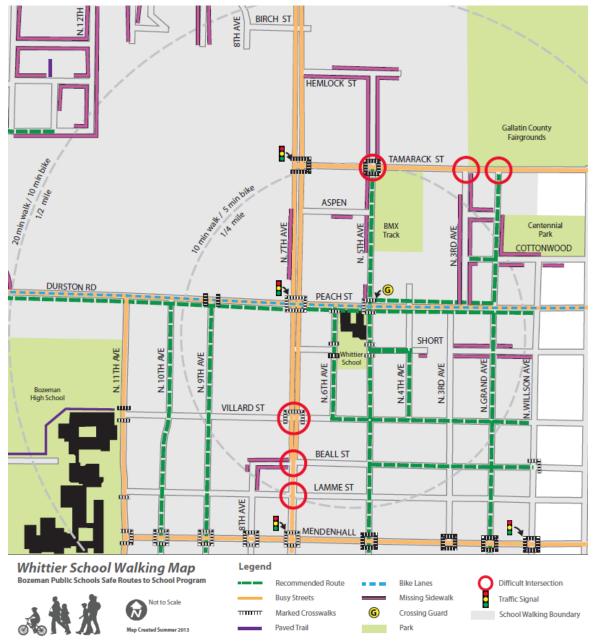
Figure 6. Midtown Opportunities Map



Source: Leland Consulting Group

Safe Connections

In order to realize the envisioned pedestrian activity between surrounding neighborhood and emerging amenities within the Midtown District, safe pedestrian connections must be built. By investing in new sidewalks to complete connections and improving the safety at key intersections this will be achieved. The Bozeman school district has identified where these improvements need to occur, and are included in the list of projects recommended for funding in the Action Plan.





Source: Alta Planning and Design

Future Development

As investment in the Midtown District occurs, it is anticipated that it will manifest in more modern design as opposed to the more historic nature of the downtown district. Additionally, the wider width of North 7th Avenue will accommodate larger scale buildings and make the pedestrian experience along the corridor more inviting. Images of anticipated building design and form are provided below.

Building Design

North 7th Avenue is a classic post-WW II corridor designed for the automobile and hosts midcentury architecture and signage reflecting that era. It is anticipated that the Midtown corridor will continue to embrace this history with a more modern design as represented in the following renderings.



Rainbow Motel: Remodel, Love Schack Architecture



Gallatin Valley Furniture: Remodel, Bechtle Architects



Urbaine Home: Adaptive reuse of former auto-body shop



City Brew: New Construction, A&E Architects



SOBO Lofts: New Construction, Intrinsik Architecture

Building Form

For purposes of conveying the potential building from along North 7th Avenue, the following images, prepared by DHM Design, are focused between Durston Road and Main Street where the enhanced streetscape will occur. Proposed developments are located on sites where property owners have conveyed an interest in future development. As described earlier in the Plan, early development will likely consist of renovations or lower density new construction. All proposed development is designed to maximum densities for purposes of understanding the full scale of development that could occur in the District. This maximum build-out is the desired vision to meet housing and transportation goals, as well as creating an active and vibrant District.



Existing Conditions



Maximum Density Build-Out of Corridor



Maximum Density (four to five story + renovation) with location of perspective for following image



North 7th Avenue looking north, Villard Street is in the next intersection



Intersection of Main Street and North 7th Avenue looking north



Bozeman 7th Avenue Development Study

Action Plan Implementation

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Infrastructure projects can often present a significant cost for developers. Infill projects are especially complex as often a small lot will face outsized regional infrastructure costs due to "upstream" deferred maintenance needs that impact the specific site. Urban renewal funds can off-set a significant cost barrier of a regional project that is needed to allow the redevelopment of an individual lot to move forward. See Attachment B for a detailed list of recommended projects and costs based on specific site analysis case studies within Midtown and collaboration with public works.

Off-Set Project Costs

Targeted incentives can close the financial gap in making a project move forward. As discussed previously, City staff and private developers should work together in a transparent manner to identify that an incentive addresses a clear "but for" need of support to off-set costs to encourage the targeted private investment for this area. Future development providing much needed affordable housing should especially be considered to receive incentives. An allocation of incentives for SDC off-sets and demolition costs have been included with the list of projects in Attachment B.

Streamlined Permitting

Streamlined permitting is always cited as a top incentive for developers to attract investment. As discussed, infill development consists of risks regarding untested markets and uncertainty regarding infrastructure requirements. Both risks can result in costs not anticipated by a developer when initially pursuing a project. City staff can provide critical support in removing these uncertainties by providing transparent information as early as possible regarding infrastructure needs, as well as unified direction regarding desired building design and density. Creating a "Midtown team" of staff from various departments provides a consistent group of staff that comprehensively understands the infrastructure, transportation and building design issues in the area. Such a team can serve as a powerful resource to proactively achieve the desired development in collaboration with the developer, and sends a clear signal that this District is a priority to the community.

Targeted Private Investment

The overall objective of the Midtown Urban Renewal District is to create a more vibrant place with pedestrian activity that reduces the dependence on the automobile. Specifically, the goals of the most recent Urban Renewal Plan which include:

- Promote Economic Development
- Improve Multimodal Transportation
- Improve, Maintain, and Support Innovation in Infrastructure
- Promote Unified, Human Scale Urban Design
- Support Compatible Urban Density Mixed Land Uses

To achieve these goals, targeted future development should include the following elements:

- Infill. The intent of urban renewal is to remove blight to improve an area for the entire community benefit. Remodeling of existing structures or infill of underutilized lots is the priority of this Plan. As discussed, infill development is more challenging than vacant greenfield development and warrants focused investment of staff time and resources.
- Increased building density. Increased building density increases the number of people in the District, which helps create the desired active pedestrian environment. More density of buildings grouped together in districts is especially desired to encourage pedestrians to explore adjacent buildings. Buildings that are separated by large parking area or vacant lots will impede pedestrian movement.
- Encourages multimodal transportation. New projects should provide amenities such as adequate bike parking or bus schedule real time monitors in lobbies. At the same time, the Urban Renewal District should invest in infrastructure projects such as bike lanes and signals or covered bus stops to make alternative transportation options visible, safe, and desirable.
- **Retail that serves surrounding residents.** To achieve a more vibrant pedestrian-oriented environment the District must consist of uses that are a frequent destination by residents. Retail amenities that are experience based such as restaurants or ice creams shops are desired because they generate activity and are more resilient to emerging ecommerce trends. Such amenities will also attract more housing investment.
- **Housing**. Bozeman is in significant need of all types of housing, therefore it is called out as a specific use that is desired. The Midtown District zoning is intended to accommodate more dense housing projects with potential access to retail amenities nearby.

Attachment A: Site Concepts

Attachment B: Midtown Project List