



Annual Work Plan and Budget – Fiscal Year 2013 N. 7th Avenue Urban Renewal Board

In November 2006, the City of Bozeman designated the N. 7th Ave Tax Increment Finance District (TIFD), under which incremental increases in taxes due to redevelopment are accumulated in a TIFD fund. The stated goals and objectives of the District Plan were as follows:

MISSION and VISION: The N. 7th Urban Renewal District Plan is the City's response to remedy the conditions of blight found in the August 2005 report through thoughtful redevelopment of the Corridor. The following Corridor Goals are taken from the Design and Connectivity Plan (DCP). An expanded description of the intent of each goal is found in the DCP Chapter 2.

Corridor Goals

A basic goal is to have an active and exciting corridor that is attractive with a distinct character. A strategy for achieving this goal is to improve the experience for the user by creating safe attractive walkways and streets and by providing buildings and landscaping that are of interest to users and passersby. Several key strategies should be followed:

1. Provide a distinct identity for the corridor
2. Develop the corridor as a focus for commercial and entertainment activities that serve residents and visitors alike
3. Strengthen the corridor as a neighborhood service center
4. Provide mixed use development
5. Clearly define gateways at key locations along the corridor
6. Improve vehicular, bicycle and pedestrian circulation along the corridor
7. Provide pedestrian connections to adjacent neighborhoods
8. Establish a way-finding system
9. Guide new development along the corridor such that it improves the aesthetic experience
10. Coordinate public and private improvements
11. Strengthen connections between complementary uses
12. Provide flexible public space along the corridor

GUIDING PRINCIPLES

In addition to the specifically stated goals for the District the following Guiding Principles have been adopted to provide a basis for decision making over the life of the District. These principles should be applied to any development program or other activity that will affect the District:

1. Ensure the health safety and security of the District
2. Balance commerce and livability in the District within the mixed use framework
3. Public open space is essential to a healthy and appealing urban environment
4. The costs of projects and programs shall be weighed against their benefits to the District
5. Private property shall not be acquired for other private use through the eminent domain process in the implementation of any aspect of this plan
6. The City shall not limit its vision for the District improvements to monies available solely through the TIF funding
7. Projects shall consider impacts on adjacent neighborhoods
8. The city shall consider the impact on the District of all projects undertaken outside of the District

FISCAL YEAR 2012 – ANNUAL REPORT

NSURB's FY12 AT-A-GLANCE

In November 2011, the bus shelter in front of Van's IGA (912 N. 7th Avenue) was completed.

The NSURB moved forward on implementing lighting improvements in the District. Morrison-Maierle completed the initial survey and design phase. A sample fixture has been installed in front of the Comfort Inn (1370 N. 7th Avenue) so NSURB and the public can evaluate the NSURB's color choice for the fixtures and invite comment from the District and broader community. During FY12 the NSURB has expended \$76,438 towards these efforts. Of this, \$65,868 was paid to Morrison-Maierle in partial fulfillment of their contract for engineering services.

In October of 2011, a \$50,000 grant to the property owner allowed for the completion of sidewalk and landscaping improvements in front of the Uhaul property (815 N. 7th Avenue).

During FY2012, the NSURB approved a total of \$16,095 in new N7Rehab grants. This included one grant for Façade and Site Rehabilitation and two additional Technical assistance grants. A total of \$53,500 was awarded to applicants in FY2011 of which \$38,453 was paid in FY2012. Separate from the N7Rehab program, \$50,000 was granted to the Uhaul property owner for frontage improvements. A summary of FY12 grant activity is below.

See Table 1 attached for 2012 expenditures.

N7Rehab GRANTS – STATUS REPORT

N7Rehab – Technical Assistance Grants (TAG)

1) Stockman Bank of Billings – 302 N. 7th, formerly Frontier Pies, NE corner of Beall and N. 7th

Brett Potter of Focus Architects assisted Stockman Bank and a potential purchaser of the property. Focus Architects provided a site analysis, improved parking lot configuration, N. 7th frontage improvements including a landscaped boulevard and reduction in a drive accesses and architectural renderings compliant with the Bozeman Design Objectives Plan. The grant was disbursed in FY2012. The building and site analysis provided by the technical assistance was utilized by the Human Resource Development Council, Inc., (HRDC) for the reuse of the site. The site is now occupied by the The Community Café. The café is an extension of the Gallatin Valley Food Bank and was established to provide hot evening meals to those who need them. The HRDC has expressed interest in making additional site improvements analyzed by Focus Architects with this grant.

Grant amount: \$7,200

2) Nelson Investments – 411 N. 7th, Quonset hut property

Keith Redfern of Concept Seven Design partnered with Madison Engineering to provide building and site analysis to address the following concerns: lack of relationship between buildings and the street, new building locations, pedestrian access, bicycle parking, landscaping deficiencies, storm water control deficiencies, demolition needs, and ADA compliance issues. A conceptual site plan proposing new building locations, parking and site circulation was completed to assist the property owner with marketing the property.

Grant amount: \$7,200

3) BCE, LLC – 416 N. 7th, little brown house

Keith Redfern of Concept Seven Design partnered with Madison Engineering to provide building and site analysis to address the following concerns: lack of relationship between building and the street, pedestrian access, bicycle parking, landscaping deficiencies, storm water control deficiencies and ADA compliance issues. The technical assistance has provided conceptual drawings for a new façade and analysis for site improvements. This work is being utilized to market the property. It is currently for sale or lease.

Grant amount: \$3,600

4) G and C Land, LLC (aka Debos Pawn) – 705 N. 7th

Brett Potter of Focus Architects assisted the property owner with analysis of potential building, signage and parking lot improvements. Building facade and frontage improvements including boulevard and sidewalk (the site currently lacks sidewalk along N. 7th) were proposed. A shared drive access to a parking lot shared with Cats Paw to the north was analyzed. No construction activity has yet resulted from this grant.

Grant amount: \$4,600

5) Haley Enterprises (aka Cats Paw) – 721 N. 7th

Brett Potter of Focus Architects assisted the property owner with analysis of potential building, signage and parking lot improvements. New parking lot striping and circulation plan to be jointly used by Debos Pawn were proposed. Frontage improvements including boulevard and sidewalk (the site currently lacks sidewalk along N. 7th) were proposed. No construction activity has yet resulted from this grant.

Grant amount: \$7,200

6) Amerco Real Estate Co. and Uhaul Real Estate Co. – 815 N. 7th

Brett Potter of Focus Architects assisted the property owner with analysis of potential building, signage and parking lot improvements. Solutions to site drainage issues were explored and frontage improvements including boulevard and sidewalk (the site currently lacks sidewalk along N. 7th) were proposed. Plans were completed allowing the NSURB to consider funding for the sidewalk and landscaping improvements. Ultimately, the NSURB decided to provide a \$50,000 grant to reimburse the property owner for the public improvements completed in October of 2011.

Grant amount: \$7,200

FY12 TAG TOTAL: \$37,000*

**This includes \$25,200 in TAGs awarded in FY11 that were not paid until FY12.*

N7Rehab – Grants for Demolition and Façade/Site Improvement Construction Activities

1) 2LT, LLC – 654 N. 7th Avenue (aka Aaron’s retail store)

NSURB awarded a grant up to \$17,500 for the demolition of an existing foundation. The award was granted upon the completion of building construction and site improvements per Final Site Plan application #Z-10329.

Grant amount: \$13,253

2) 2 LT, LLC – 706 N. 7th Avenue (aka Aaron’s Regional Office)

NSURB awarded up to \$4,295 for site and façade improvements which greatly enhanced the aesthetics of the buildings and brought the site’s landscaping into compliance per completion of improvements under Certificate of Appropriateness application #Z-11153.

Grant amount: \$4,295

FY12 DEMO AND FAÇADE/SITE TOTAL: \$17,548

FY12 N7Rehab TOTAL: \$54,548

Uhaul Grant – 815 N. 7th Avenue

NSURB awarded \$50,000 for public right-of-way improvements including a new sidewalk and landscaped boulevard which greatly enhanced the aesthetics of the property’s frontage and the District. The grant was awarded per completion of improvements proposed and authorized under sketch plan application #Z-11267

Grant amount: \$50,000

Grants TOTAL: \$104,548

FY2013 BUDGET PLAN AND REQUEST FOR APPROVAL

In 2008, the Board began implementing the North Seventh Urban Renewal District Plan by establishing their top three priorities for the District: improving sidewalks, lighting and landscaping along the N. 7th Avenue corridor. During the next fiscal year, the NSURB proposes continuation of the redevelopment incentive program (N7Rehab) and focusing funds towards the installation of new street lights and related improvements in a portion of the corridor. The NSURB recommends allocating their available funds as follows:

Engineering Services

\$ 63,953

Engineering services are needed to assist the Board with three of the District goals:

- Provide a distinct identity for the corridor
- Clearly define gateways at key locations along the corridor, and
- Improve vehicular, bicycle and pedestrian circulation along the corridor.

Morrison-Maierle, Inc. has been hired to provide Lighting Design and Construction Administration for N. 7th Avenue from Interstate 90 to Tamarack Street. The installation of new light fixtures for the corridor was identified as one of their top three priorities for District Plan Implementation in 2008. The NSURB recognizes that new light fixtures will help establish a distinct identity for the corridor, define key intersections, improve vehicular and pedestrian safety and improve the aesthetic experience of the corridor.

It is an allowable expense under Section 7-15-4288, MCA which states, “Costs that may be paid by tax increment financing” allows the municipality to use tax increments to pay the following costs of or incurred in connection with an urban renewal project: (1) land acquisition; (2) demolition and removal of structures; (3) relocation of occupants; (4) the acquisition, construction, and improvement of infrastructure...; and 5) costs incurred in connection with the redevelopment activities allowed under 7-15-4233...

These services will be paid for out of the remaining balance of the Big Box Fund allocation to the NSURB.

Grants

\$261,000¹

This funding proposal is for the N7Rehab redevelopment incentive program to encourage developers to build on parcels along the N. 7th Avenue corridor. It recognizes the complexities of redeveloping parcels which have existing substandard buildings and infrastructure and was created to offset the costs of those complexities with grants for those proposing work which eliminates blight and advances the implementation of the District Plan. The program was approved by Resolution 4307 and is administered by the NSURB. N7Rehab meets the mission and goals of the District Plan by

- guiding new development along the corridor such that it improves the aesthetic experience and by assisting in
- coordinating public and private improvements

These proposed expenditures are allowable under Section 7-15-4233, subsection (1)(a), MCA, which grants the City the power to formulate and coordinate a workable program as specified in Section 7-15-4209, MCA, which states : (1) A municipality may formulate a

workable program for utilizing appropriate private and public resources:

- (a) to eliminate and prevent the development or spread of blighted areas;
- (b) to encourage needed urban rehabilitation;
- (c) to provide for the redevelopment of such areas; or
- (d) to undertake such of the aforesaid activities or other feasible municipal activities as may be suitably employed to achieve the objectives of such workable program.

(2) Such workable program may include, without limitation, provision for:

- (b) the rehabilitation of blighted areas or portions thereof by re-planning, removing congestion, providing parks, playgrounds, and other public improvements; by encouraging voluntary rehabilitation; and by compelling the repair and rehabilitation of deteriorated or deteriorating structures; and

(c) the clearance and redevelopment of blighted areas or portions thereof.

Additionally, Section 7-15-4288, MCA states, “Costs that may be paid by tax increment financing” allows the municipality to use tax increments to pay the following costs of or incurred in connection with an urban renewal project: (1) land acquisition; (2) demolition and removal of structures; (3) relocation of occupants; (4) the acquisition, construction, and improvement of infrastructure;... and 5) costs incurred in connection with the redevelopment activities allowed under 7-15-4233...

<i>¹Façade and Site Rehab</i>	\$50,000
<i>Technical Assistance</i>	\$36,000
<i>Demolition</i>	\$100,000
<i>Public Right of Way Improvements</i>	\$75,000

Part-time staff and other Professional Services **\$ 10,000**

The Board needs staff to assist with District Plan implementation.

This money is a permissible use under state statute 7-15-4288, (5), “costs incurred in connection with the redevelopment activities allowed under 7-15-4233 and 7-15-4288 (7) “administrative costs associated with the managements of the urban renewal area...”

Outreach **\$ 1,500**

The Board has requested money for public noticing and outreach events in the District. The purpose of these outreach events is to inform property owners and the public of the District Plan and the N7Rehab program.

This money is a permissible use under state statute 7-15-4233, “Powers which may be exercised by urban renewal agency or authorized department...(f) to disseminate blight clearance and urban renewal information;”

Lighting, Gateway and related Sidewalk Improvements **\$534,349**

The NSURB plans to implement installation of new street lights, gateway improvements and related sidewalk improvements during the first quarter of FY 2013. Cost estimating is being completed by Morrison-Maierle. The project scope includes new street lights and a few sidewalk improvements from the south side of the Interstate 90 interchange to Birch Street.

See “Engineering Services” above for District Plan goals and applicable sections of the MCA.

Interstate 90 Bridge Enhancement**\$ 25,000**

The NSURB plans to work with the Montana Department of Transportation to improve the visual aesthetics of the I-90 bridge. A number of opportunities have been discussed including installing landscaping enhancements and/or stonework on the end caps of the bridge to extend and define the District's character. The NSURB has also discussed installing a custom made metal sign on the bridge face, visible to I-90 motorists.

See "Engineering Services" above for District Plan goals and applicable sections of the MCA.

Oak Street Shared Use Path (CTEP Match)**\$ 15,000**

The Oak Street Shared Use Path project was recommended by the Bozeman CTEP committee and is a joint project between the City and County. Completion of the project will fill in missing sections of pedestrian facilities on the south side of Oak Street between N. 7th and N. Rouse Avenues. A 10 foot wide asphalt path is planned. The NSURB has pledged this money in partial fulfillment of the CTEP cost share requirement for the City's portion within the District.

Planning Consultant – N. 7th Specific Zone Code**\$ 20,000**

The NSURB sees value in codifying elements of the District Plan to improve predictability and ease redevelopment of commercial parcels within the District. The selected consultant will reconcile inconsistencies between plans previously adopted by the City and reinforce the goals and objectives of the District Plan by creating a development code specific to the commercial and light industrial portions of the District. NSURB staff is currently preparing a Request for Proposals to advertise.

TIF Correction**\$ 30,000**

This money is being set aside for potential tax increment paybacks that may be due as a result of pending applications before the County tax appeal board for reductions in valuation of properties. As of writing this report, the NSURB has not received confirmation that this is no longer a concern, but the general sense is that any overpayments will be corrected in future increment disbursements.

SUMMARY

See FY13 SUMMARY below and Table 1 detailing FY2012 revenues/expenditures and the proposed FY2013 fund expenditure. The North Seventh Urban Renewal District has on-going projects and funding sources allocated in previous fiscal years which have not yet been expended. As such, these funds are included in Table 1 as “rollovers” and deducted from “remaining revenue” for the preparation of the FY13 budget.

Actual Tax Increment Financing Funding fluctuates with on-going building and re-assessing of property values. The FY2013 anticipated TIF amount may be different than estimated in the attached report. Appeals to property valuations are currently under review may result in a reduction in available funds. The NSURB will update their budget on an as-needed basis and with approval from the City Commission.

FY13 SUMMARY	
BALANCES	FY13 TO BUDGET
TIF Balance	896,849
Big Box Funds	0
Total	\$896,849
PROPOSED FY13 BUDGET	
Expenditures	
Grants	261,000
Part-time staff and other professional services	10,000
Outreach	1,500
Lighting and Gateway	534,349
I-90 Bridge Enhancement	25,000
Oak Street Shared Use Pathway (CTEP match)	15,000
Planning Consultant-N. 7th specific zoning code	20,000
TIF correction	30,000
Total	\$ 896,849

Report prepared May 25, 2012 by
Keri Thorpe, Assistant Planner

TABLE 1

FY 2012 AT- A - GLANCE

BALANCES	STARTING ¹	REVENUE	EXPENDITURES	ENDING	FY12 ROLLOVERS	FY12 REMAINING REVENUE	FY13 ANTICIPATED TIF	FY13 TO BUDGET
TIF Balance	475,362	284,193	115,665	643,890	15,617	628,273	284,193	896,849
Big Box Funds	124,774		76,438	48,336	48336	48,336		(0)
HB 645 American Recovery & Reinvest Act								
Energy Conservation Community Block Grant	16,100		16,100					
			208,203	692,226		676,609		896,849

DETAIL

North 7th Urban Renewal Board FY2011 Work Plan and Budget	ACTUAL 2010 Revenues and Expenditures	ACTUAL 2011 Revenues and Expenditures	2012 Anticipated Revenues	2012 Actual Revenues	2012 Expenditure Plan	Fund	2012 Actual	Awarded Contracts				
Starting Balance	92,162	486,311		475,362								
Balance 7/1/10												
Interest	3,221	3,099	3,099	4,605								
Anticipated TIF allocation			252,125									
Actual FY11 TIF allocation	268010	252,125		279,588								
TIF Balance	363,393			759,555								
Big Box Funds	232,000											
HB 645 American Recovery & Reinvestment Act		110,400										
Energy Conservation Community Block Grant		16,100										
Total Revenue Available	595,393	868,035		759,555	868,035		759,555					
Expenditures												PROPOSED FY13 BUDGET
Engineering, contract with Allied Engineering	105,750	26,672										
N7Rehab												261,000
-Façade and Site Rehab					48,000	TIF	4,295					
-Tech Assistance Grant Program		10,800			36,000	TIF	11,800					
-FY2011 rollover					25,200	TIF	25,200					
-Demolition					74,000	TIF						
-FY2011 rollover					17,500	TIF	13,253					
-Public right-of-way improvements					57,000	TIF						
N. 7th Phase I Sidewalk Improvements		110,400										
		80,554										
-Uhaul Grant					50,000		50000					
Bus Shelter					1,000	TIF	901					
-FY2011 rollover					16,100	ECCBG	16,100					
Part-time staff and other professional services		10,000			10,000	TIF	10,000					10,000
Outreach	250	3,726			1,500	TIF	216					1,500
Lighting and Gateway		4			316,173	BBF/TIF	76,438	63,953				534,349
I-90 Bridge Enhancement												25,000
Oak Street Shared Use Pathway (CTEP match)					15,000	TIF						15,000
Planning Consultant-N. 7th specific zoning code												20,000
TIF correction					100,850	TIF						30,000
Totals	106,000	242,156		Subtotal*	709,523							896,849
Summary of Expenditures				Total			208,203					
TIF	106,000	24,530					115,665					
Big Box Funds		107,226					76,438					
HB 645		110,400										
ECCBG							16,100					
Total Expenditures	106,000	242,156					208,203					
Ending Balance	489393	625,879										

*not including FY11 rollovers