

**MINUTES OF THE MEETING**  
**URBAN REVITALIZATION AGENCY**  
**February 22, 2022**

**MEETING WAS HELD IN PERSON AND BY PHONE CONFERENCE**

1. **CALL TO ORDER AND ROLL CALL** – Dale Mahugh called the meeting to order at 8:37 a.m.  
**MEMBERS PRESENT:** Dale Mahugh, Robert Brown, and Bob Worley and (these Board Members were present in person) Stephen Coe on the phone  
**MEMBERS ABSENT:** Kevin Patrick  
**STAFF PRESENT:** Karen Byrnes, Director, Brianne Downey, and Sherry Carpino (all in person)  
**CONSULTANT:**  
**GUESTS:**  
**APPLICANTS PRESENT:**

2. **APPROVAL OF MINUTES**

Bob Worley made a motion that was seconded by Bob Brown to approve the minutes from the January 27, 2022, meeting. The motion carried unanimously.

3. **FINANCIAL REPORT**

A copy of the Projects and Processes Report is made part of these minutes.

Karen Brynes went over the Financial Reports with the URA Board.

Dale stated that just for the minutes Karen did indicate that this is a very brief financial overview and no real financial details have been presented at this meeting but will be updated and presented at the next meeting. So, in moving ahead but documenting this I will not ask for a motion to approve any financial information at this meeting.

4. **DIRECTOR'S REPORT**

Karen states that we did work with Mr. Archer after our last meeting with the loans that were approved, and we are working on getting those set for closing. Those will be reflected in next month's financials as well. Dale stated that it was nice that Mike Archer joined us today last month it was on the phone so it's nice to put a name to a face. Karen continues that we are very happy to have Mike on he has been a great resource. So, an update we are interviewing for our open position with the URA on Friday a couple of applicants and Dale will be sitting in on that interview committee with us. Hopefully next month we are also able to introduce someone as the new URA Financial Project Manager. It goes without saying things are crazy around our office but that is to be expected in terms of staffing. I did report

at the last meeting that we do have a historic preservation officer who will be joining our team on March 7, 2022. So, we have been doing some office arranging and shuffling to make room for Kate. We are responding daily to inquiries not just in the URA district but all of Butte and that is exciting. Bob Brown asked if we have to wait until Brianne's buy out runs out before this new person can start. Karen states no we do not, we did get permission to hire as soon as possible without having to have the buy out complete. We did extend that position a few times to see if we could get more applicants so I'm not sure where we are at with that, but we are set to go as soon as we find someone. Bob Brown states we still will have been down a month without Brianne, and we needed more people before Brianne left so, we are in a tough spot. Karen confirms and thanks the board for their patience during this process. Bob Worley asked if the Historic Preservation Officer will have a desk within your office? Karen states that it's more a semantic sort of situation. So, that position has always been in the Community Development department. And so this person will be joining our team in this department and we did move some offices around but she will be in our corner of the world.

## 5. **GRANT REQUEST**

### a. **654 S. Main Street – Martin Judnich**

Property Renovation  
Project Cost - \$2,375

The applicant is seeking matching grant funds for the tear out to the existing fireplace and install an efficient Rannai 22,000 BTU direct vent all heaters. Includes hook ups of gas and venting. The applicant has provided all the necessary documentation within the application. URA Staff recommended funding in the amount up to \$593.75 or 25% of the eligible costs.

Martin states I do want to say on behalf of the applicants thank you to everyone for the help with this project with being short staffed, but you guys are still doing a great job. As far as this project we had a heater go out and we are going to replace it with a good energy efficient one and I think you have the estimate from Ray's Heating, and they have done the work in these units in the past. Bob Brown stated when we have our retreat one thinks I would like to talk about is what goes into the packet. Because there is a whole string of emails in there that I didn't think was very helpful as far as it effecting my decisions. I really appreciate the photos.

Robert Brown made a motion that was seconded by Bob Worley to approve a grant in the amount up to \$593.75 or 25% of the eligible cost of the property renovation to 654 S. Main Steet. The motion carried unanimously.

### b. **303-307 N. Washington – Emily Barker – Beef Trail Investments, LLC**

Project Renovation  
Project Cost - \$16,587

The applicant is seeking matching grant funds for the removal of 2 prior heaters and install 2 energy efficient Rinnai Ductless heaters. Replacing unstable staircase and landing. The applicant has provided all necessary documentation within the application. URA Staff recommends funding in the amount up to \$4,146.75 or 25% of the eligible cost.

Emily states we are working on getting the property to a place where it's 4 nice units. One of the things when we acquired this property, we knew that we needed to replace the heating units and we have already done this in one of the units and this is an application to help replace 2 additional furnaces. The other piece is to the upper unit, the staircase it's just not safe situation, and we knew that going into it. This would be rebuilding it in the same manor in which it was designed so there will be no changes in it other than making sure it is solid and sturdy. Bob Worley asked if we had any grants outstanding with them now. Emily confirmed we do have a smaller grant that hasn't been paid out yet, it is a smaller one and most of the work has been done but the issue is the electrician that did the majority of the work and the final tie into the box has not been completed just because of the availability of contractors. So, we are waiting for that final piece and our property manager has been working with the electricians trying to get them in there very soon. But we don't have an invoice from them for the work that has been done yet, so I haven't had anything to submit. But we are working on getting that wrapped up and I will follow up with you in email.

Bob Brown made a motion that was seconded by Bob Worley to approve a 25% grant in the amount up to \$4,146.75 for the property renovation at 303-307 N. Washington Street. The motion carried unanimously.

**c. 701 S. Dakota Street – Doug and Rose Jones-Doug was in person**

Property Renovation – Phase 3  
Project Cost - \$23,447.58

The applicant is seeking matching grant funds for the combination of blow in and batt, along with spray foam insulation. The applicant has provided all the necessary documentation within the application. URA Staff recommends funding in the amount up to \$5,861.90 or 25% of the eligible cost.

Doug states that we are getting ready to do the insulation and it's a real old building that is drafty. So, we are trying to get all forms of insulations that work best to make it efficient and seal it up. It sits on a granite foundation underneath so it's interesting down there. We feel like once we get this insulation and seal it up it will be efficient. The project after the insulation the dry wall will be next and then we will have our carpenters' guys coming in after that. We are just finishing up the framing now, it's an open church and we put a loft in the back of it that overlooks the front. I have a bathroom downstairs and upstairs. It's small but it will be a nice living space for us and then in the future if we decide to rent it out it will be a nice spot for them. Bob Brown asked if there is parking behind it? Doug states that there is an alley directly behind it, so you have the side and the front. Bob Brown states that he wanted to know at what point does it become

historic? Karen states that it is historic right now. Everything that is original to the building or 50 years old. Bob Worley asked is it your plan to move in there Doug. Doug confirms yes, we have a son that attends Montana State University, so he is in his 2<sup>nd</sup> year. I grew up in the mid-west and my wife grew up in Colorado and we just love the outdoors. We are looking for something a little smaller than Colorado Springs, we are more small-town people.

Bob Worley made a motion that was seconded by Bob Brown to approve a 25% grant in the amount up to \$5,861.90 for the property renovation phase 3 at 701 S. Dakota Street. The motion carried unanimously.

**d. 206 W. Galena – Elks Lodge – Bert Abbott on phone**

Property Renovation  
Project Cost - \$35,700

The Applicant is seeking matching grant funds for the plumbing repair and replacement along with a hot water tank replacement. The applicant has provided all necessary documentation within the application. URA Staff recommended funding in the amount up to \$8,925.00 or 25% of the eligible cost of the eligible cost.

Bert states I think that everyone is familiar with the Elks building and we as a group we haven't used the 2<sup>nd</sup> floor of the building for probably a little over 20 years. And in December we made a collective decision that we needed to start making that building feasible because the size of the building, we don't have a building fund and we have lost membership and we needed to address how we could make some income to sustain the building. So, we turned on the water on the 2<sup>nd</sup> floor to see where we were without knowing the consequences, and we found out after about a 1 hour that we had some drastic issues with drainage and water. So, when you come in the main door on the main level you are going to see some holes in the ceiling as well as in the office and behind the bar and an area towards the kitchen. With that being said we had Browns Plumbing and Lockmer come over and they did bids for these. But at the same time, I'm going to skip forward the other part of this that Karen was mentioning we had an issue with the lines in the basement if you are familiar with our hand ball court down there we have an old steam boiler and in that back area off the side as you go inside we have an issue with the boiler at the same time and needs to have a tank system put in because when they replaced the original steam boiler I can't tell you what year that was but it was sometime in the 40's so we have some additional issues with that. We are trying to get this up and running we are going to do some fund raisers in the community because this I believe around 35 36 thousand with both of these estimates. Karen states that she will clarify right there so what we have before us is a bid from Lockmer for the second-floor bathroom work for \$20,850 and then we have a bid from Browns for 1 part is for the second-floor bathroom work for \$21,700 and the second piece of the Brown bid is for boiler and condensation piping work and that is for \$17,200. So, what I am understanding is you would like to go with Lockmer for the 2<sup>nd</sup> floor bathroom work which is the \$20,850 and that you are probably are going to work with Brown for the other work or is Lockmer doing everything? Bert states Lockmer will do everything.

Karen states we do not have that estimate in front of us. Bert said I can drop this off this morning. Karen states it is a really straight forward project and something we would support. But we really need to understand what the estimate is then we can make a motion contingent on receiving that estimate. Bert states Lockmer's bid that you don't have is 3708 and the amount of \$14,850 and we would add to \$20,850. So that would be \$35,700 is the total amount of the work that we would be looking at today. And 25% of that is \$8,925 and that is what would be eligible for a matching grant. Karen states that my guidance to the board would be to approve if you so choose, approve this project based on the information given to us today with the contingency with me receiving and reviewing the bid 3708 for Lockmer. Bob Worley states as long as Bert brings that bid to the office and they are put in with the rest of the paperwork I see no problems with going forward with this. Bob Brown states that we had to make changes or adjustments on the fly this project as it was said is straight forward. Assuming that Karen is comfortable with the bid being fair market priced I guess I'm ok with this. If we ever had a serious one significant or more complex one, I would hope that we would do a special meeting, I don't like doing projects on the fly. Dale states good point and I think that anything that is very detailed, or complex requires further determination. I appreciate the board members entering their thoughts on this. Bob Brown states that this is obviously time sensitive. Dale adds that they do have a contractor that can start right away which is surprising these days. Bob Worley adds that the second bid from Lockmer is pretty much in line with the bid from Brown's Plumbing so I'm comfortable with it.

Bob Worley made a motion that was seconded by Stephen Coe to approve a 25% grant in the amount up to \$8,925 with the contingency of receiving the bid #3708 from, Bert for the property improvements at 206 W. Galena Street. The motion carried unanimously.

**e. 57 W. Platinum Street – Keith Brown on the phone**

Property Renovation  
Project Cost - \$13,300

The applicant is seeking matching grant funds for the removal and add new custom metal lashing and fascia, cut back the exiting roof on the back addition that overhangs. Priming entire home, sand light wood trim and restrain natural wood and repainting existing painted areas. Patch siding, hand removal of demo debris, repair demolition damage to front porch, walkway and spread 15 yards of gravel/dirt. The applicant has provided all necessary documentation within the application. URA Staff is recommending funding in the amount up to \$3,325 or 25% of the eligible cost.

Keith states that we have completed the initial demo phase, the garage and the addition that had the roof top deck on it most of that is gone. Of course, some of that was attached to the original house that we are saving and during the demolition there are sorted pieces that need repaired and patched. This phase is to patch up some of the metal roof, which is on the original house and in great shape just needs some repair. There is part of the entry that we are saving, and we are going to connect it back to the house now that the

addition is gone and use the same kind of roof line with the cedar shake roof to tie into how the previous owner had that together. We are going to maintain as much as the distressed barn wood that he added to the house and the fencing that we can. But we need to preserve the wood that is salvageable. There is a lot of debris from the demo that needs cleaned up. Bob Worley said that he took a ride past this property, and it looks like a lot of improvement has been done.

Bob Worley made a motion that was seconded by Bob Brown to approve a 25% grant in the amount up to \$3,325 for the property renovation at 57 W. Platinum Street. The motion carried unanimously.

**f. 75 East Park Street – Ensitio Design Leslie Gilmore on phone**  
Property Redevelopment – Phase 2  
Project Cost - \$600,000

The applicant is seeking matching grant funds for the redevelopment to the commercial property. The second phase requires continued structural stabilization, to correct structural failures and inadequacies, provide upgrades required for seismic reinforcement, and to support the loads associated with the intended uses. The work is being phase in response to the construction climate being experienced in Montana. The applicant has provided all the necessary documentation within the application. URA Staff recommends funding in the amount up to \$150,000 or 25% of the eligible cost.

Bob Worley asked do we have a grant balance from previous. Karen states yes we do and there isn't a balance on that sheet because it was in the prior fiscal year and I cut it off. Leslie we haven't drawn down any of those funds have we? Leslie stated no we have not, we are just waiting for the very end. Karen states with these larger projects they tend to wait til the end of each phase in there entirety instead of piece meal along the way. That is completely acceptable to us we book the funds the way we do for a reason, and it works out just fine. Bob Brown asks if it is \$150,000 from last year so this would take them to 300,000 and in July, they could ask for another 150. Karen states if they want to that is the process. Bob Brown states and when they are done, they get the 450 assuming we approve this and the next. And we don't give any monies out until that part of the project is complete. Karen confirms that is correct. Butte Silver Bow as a whole is very aware of this project and all of our inspectors and everyone that needs to be involved is. We have a commercial project review meeting every 2 weeks with all of Butte Silver Bow staff that has anything to do with permitting, inspections, fire, health or building codes. So, Leslie we appreciate you sending over the pdf about this project and Bob Worley has a question. Bob asks the max they can request for a project like this is the 450,000. Karen states yes that is according to our guild lines.

Leslie states that I feel like you have covered it all. But to clarify the plan is to get reimbursed for the 1<sup>st</sup> phase and then 2<sup>nd</sup> phase we won't ask for the monies all at once, just by phases. Phase 2 what we are asking for is, we met with you back in June and we were thrilled to be awarded for part one the large structural stabilization project and phase one was some demolition, and even more things as you are going along as you can imagine, you wouldn't believe the stuff that has been taken out of that basement and

finding more and more about the conditions down there. Phase 2 does have some continuation of the structural work that we started in Phase 1 that we are working on right now and just as a teaser well you can see it in the presentation, we do have some photos for you and hopefully next time we will have more photos for you. We are continuing with placing channels on either side of the beams to support the load above and we are ending up replacing a lot of the joist with the LDL and dealing with the connection of the joist to the walls because not only are we dealing with the deterioration of the building we are also dealing with some members that were undersized. And as you can imagine that does require a lot of fasteners ties and a fair amount of steel work. So, we could easily spend another 600,000 on continued work in the basement and moving up to the 2<sup>nd</sup> floor and the Mezzanine and I'm going to be blunt about the process for coming to the URA because we have almost mapped out 3 years' worth of requests to you. So, that's what you see as part of the presentation, you can see 2021 is what is the top half and move on to the bottom portion, you can see we asking for money in 2021, in 2022 and that's where we are finishing up work in the basement and dealing with more demo and more steel and structural carpentry and shoring on the first floor and beginning to do work on the Mezzanine. The next slide you will see the bottom portion of that which talks about the 2<sup>nd</sup> floor work. The 3<sup>rd</sup> floor work which will be 2023 you can see we are not going to be coming back to you for 150,000 again. We are going to try and pull back a little. We are also working on a grant with the Department of Commerce to help with some of that roof work. We still have to figure out our strategy there as to how much we ask from you and much for the Department of Commerce, they might not be as gracious as you have been so we might be hitting you back up again for all that roof work. Karen had some questions about overlapping from part one and there is still work that still need to be completed and it's costing more than we thought so that's why it's overlapping into part 2. On slide 6 is part of phase 2 which is share wall framing, new framing members, reframing an old, abandoned stairways because we are locating new stairways the 2 stairways that were there just don't work out with the reconfiguration of the space and so installing 2 new stairways for proper exiting and access. And slide 7 is talking about a lot of work for the mezzanine on the 2<sup>nd</sup> floor. And temporary shoring is required for all this floor to be able to make sure we have proper support while we are removing various components. Slide 8 is an existing total of where we were as of January 26<sup>th</sup> oh it took so many dumpsters to get everything out of there and they are still not done removing but you can see mounds of dirt below columns that is concealing the granite footings which apparently aren't enough, so we must remove those and put in new concrete footings, and they are pretty sizeable. Another thing we are also looking to gain some height the part where the pool was at the south end of the building was lower than the north end and we are looking to have greater head height at the north end and bring that floor level down from what was on the south end. Once we can get everything at the right height then unfortunately the pool can be removed. Please I can't tell you how grateful the owner is, he is going to be pouring 8 ½ million dollars into this building. So, these grants really help. Bob Worley asked if this property had vaulted sidewalks? Karen states yes, that was part of phase 1. Bob asked if they are going to fill or keep it vaulted? Karen stated that it is open I don't know where they are with that do you know Leslie? Leslie states that she doesn't, and I need to revisit with them on it. Karen states that we love to see the vaults preserved but we understand that sometimes it's not possible. The excavator has it

completely tore out as of today. Leslie, I have to check the drawings to see if it shows we are keeping it or not. Bob Brown asked Karen we will put another 150 in and then they will put there 900 in, there is no duplication. Karen states that is correct. Bob asked what the building is going to be used for? Karen states that she doesn't think they have it totally planned out, but she thinks there is a plan for that, and it will be mixed use commercial, professional and retail space on the lower floors and most likely residential above. That is the jest of the plan without detail. Bob Brown asked if we would hear from them in July or August. Karen states I believe so and what Leslie just reported hopefully their grant amount is less than the max is what their hopes are.

Stephen Coe made a motion that was seconded by Bob Brown to approve a 25% grant in the amount up to \$150,000 for the property renovation at 75 E. Park Street. The motion carried unanimously.

## **6. LOAN MODIFICATION**

Karen states that Mike Archer is here, and he has some information to present regarding a couple of loans that we are looking at. Two slight modifications. One we approved at our last meeting, and one was a modification of an existing loan. Mike states the loan commitment modification for the Mike Handley and Masie's Sulser and Larry Oliver loan that was approved at the last meeting. That loan was approved for up to \$21,360 it was to support the acquisition of 18 E. Quartz. We obtained the title for the property, and it turns out that the title for the building is still held by the seller. Which makes sense they are purchasing on a contract for deed. But during the application process the buyers were convinced that they would have title to the property. We are not able to take the originally proposed collateral of the second deed of trust on the 18 E. Quartz property, so they had offered a lien against there 701 S. Arizona which they own. There are a couple of additional liens on that property from Stockman Bank one for \$32,187 for the original purchase of the property and the 2<sup>nd</sup> for \$40,903 that was made for the purchase of this 18 E. Quartz property. Butte Silver Bow has a loan for \$8500 but it sounded like that wasn't thru the URA. Karen states that is correct. Mike continues those are the loans I spoke with Sherry, and we weren't sure if there was a lien for that loan. Karen states there is. Dale asked which property and Mike states it was the 701 S. Arizona. So, the total indebtedness against the property is \$81,655 they just obtained a CMA on February 15<sup>th</sup> that valued the property at \$200,000. The proposed discounted loan to value on with this substituting collateral is 64.4% it's a little bit higher than originally proposed which was 50.2% but that also was under the assumption that the property would be split and sold, and collateral was never really a big strength for this credit. I feel fine making this substitution and would like to request permission to do so. Bob Brown so we are just swapping out one item for another for collateral we don't change the original dollar amount. Mike confirms that everything else stays the same. Bob Worley so does this put us in the 3<sup>rd</sup> position? Mike states that we are technically a 4<sup>th</sup> but we have a shared but behind Butte Silver Bow and Stockman Bank has the 1<sup>st</sup> two. Bob Brown states this is the one that is really important that we help this building get conveyed for our mission. Karen confirms that is correct. Mike and I discussed switching out one piece of collateral for another but it's nonsubstance change to the actual

loan that we approved before. But I did feel it was important to bring the inner workings back to the board for your approval and just so you knew what we are working on.

Bob Brown made a motion that was seconded by Bob Worley to approve the Handley Sulser loan which we approved last time to reflect the collateral change. The motion carried unanimously.

Mike continues with item number tow is the Hilbour Towers LLC, they received loans from the URA back in 2011 and had been paying on the loan as agreed and they made a large payment against the principle back in 2020 when one of the original owners passed away of just under \$105,000 so the current balance is about \$75,000. The remaining owner Fran Doran has requested to re-amortize the loan payments over the remaining term of the loan so that she can have some money to take her grandchildren on trips. The re-amortized loan payment based on that balance would be \$1,379 versus the \$3,100 that she is paying now. There are no changes to the original terms of the loan she is just requesting instead of paying off early she extends the payments through the originally agreed upon term of the loan. I would request the approval of the modification as presented. Karen states that she agrees with this request, they did make a very large payment and would be paying off extremely early if she kept with the current payment and she has been making them regularly. She has found out recently that life is short, and she is a good borrower and strong payer and her request to re-amortize over the remaining term of the loan I fully support. Bob Brown, I don't ever remember talking about her in any meeting for any issues so it's a no brainer to reward her particularly for the grandchildren. Dale states that he had spoke to Fran after the passing of Neil and the large payment being made. And she had indicated to me at that time that she might want to pursue this, but I also support this as well. Bob Worley states that we are about 5 years down the road to it being paid off and we are 1<sup>st</sup> on collateral. Bob Brown states it doesn't get better than this. And the URA staff recommends both of these amended loans.

Bob Brown made a motion that was seconded by Bob Worley for the loan modification of Hilbour Tower LLC at 102 N. Main Street as submitted and presented by Mike Archer. The motion carried unanimously.

**7. PUBLIC COMMENT**

**8. OTHER ITEMS**

**9. ADJOURN**

Bob Brown made a motion that was seconded by Bob Worley to adjourn the meeting at 10:03 a.m. The motion carried unanimously.

