

MINUTES OF THE MEETING
URBAN REVITALIZATION AGENCY
March 23, 2021

MEETING WAS HELD IN PERSON AND BY PHONE CONFERENCE

1. **CALL TO ORDER AND ROLL CALL** – Dale Mahugh called the meeting to order at 8:30 a.m.

MEMBERS PRESENT: Dale Mahugh, Stephen Coe, Robert Brown, Kevin Patrick and Bob Worley (all Board Members were present in person)

MEMBERS ABSENT: All Present

STAFF PRESENT: Karen Byrnes, Director (by phone), Brianne Downey (in person), and Susan Powell (in person)

CONSULTANT:

GUESTS: Mary McCormick, Historic Preservation Officer (in person); Robin Jordan, Butte Weekly (by phone); Mike Smith, The Montana Standard (by phone), Cindy Shaw, Commissioner (in person); Michelle Shea, Commissioner (by phone); Dan Callahan, Commissioner (in person); Russell O’Leary (by phone), Nancy Woodruff (in person), and Noorjahan Parwana (in person).

APPLICANTS PRESENT: Emily and Bill Barker, Applicant (by phone); Amy Cline, Applicant (by phone); Ed Staack, Applicant (in person); and Michelle Casey, Applicant (in person); Corey Markovich, Applicant (in person); Kristi Markovich, Applicant (in person)

Dale Mahugh indicated that two items on the Agenda that we have made a slight change to as far as clarification. Dale has taken the liberty of moving Item No. 7-Public Comment, to take place right after Item No. 5-Grant Take Back Request. This will give the members of the public a chance to go ahead and include their remarks earlier in the meeting on what we have going on.

2. **APPROVAL OF MINUTES**

Stephen Coe made a motion that was seconded by Bob Worley to approve the minutes from the February 23, 2021, with the correction that Bob Worley was present at the meeting. The motion carried.

3. **FINANCIAL REPORT**

A copy of the Financial Report is made part of these minutes.

Brianne Downey, URA Financial and Project Manager, went over the Financial Reports with the URA Board.

Stephen Coe made a motion that was seconded by Robert Brown to accept the Financial Report as presented. The motion carried unanimously.

4. DIRECTOR'S REPORT

Karen Byrnes stated that we are still busy and the amount of interest in our community is very high. Right now, at the State Legislature, we are under attack again. We are dealing with those TIF Bills through our Statewide TIF Network and then our local folks are very much aware of these. We will be traveling to Helena when we can and we are providing testimony to make sure that those stay intact. We are right now following at least three TIF Bills that are in many ways very damaging to local control of Tax Increment Financing and how it can be used. We are definitely going to be fighting that fight.

5. GRANT TAKE BACK REQUEST

Brianne Downey went over the Memo dated March 23, 2021, to take-back the outstanding balances for grant projects. Memo is attached to these minutes. There are ten grants that were awarded over a year ago that we have been following up on to see what the status is and we feel that it is time to take these back. It was recommended for the Board to take back \$90,938.80 to be re-appropriated back into our funds.

Robert Brown made a motion that was seconded by Stephen Coe to accept and approve the recommendation as stated in the Memo dated March 23, 2021, to take back the total of \$90,938.80 in grant projects to be re-appropriated back into our funds. The motion carried unanimously.

7. PUBLIC COMMENT

Dale Mahugh informed the Board that there are a couple of written comments that were received.

Noorjahan Parwana was present at the meeting in person. Noorjahan was at the meeting to oppose the decision of demolition of the Blue Range. Noorjahan stated that the decision to demolish that building is controversial, it is not supported by members of the community. The Council of Commissioners overruled the recommendation of the Historic Preservation Commission. As a result of that, a person who has renovated at least five historic beautiful buildings in this community, has expressed some interest on taking on the Blue Range and saving it was not able to pursue that option. To take public funding to demolish an important historic structure that is unique in this community should not be done. Noorjahan wanted to just mention that there is some concern about the credibility of how decisions about unsafe buildings are made. Noorjahan also understands that the head of Community Enrichment assured the Commission that public funding will not be used to demolish this building.

Noorjahan thinks it would be tragic for this Board that represents the community and community funds to make a decision to use money to demolish that building. Thank you.

Dale Mahugh asked if anyone else had comments that they would like to offer that are on the phone or in person.

Russell O’Leary was present at the meeting by phone. Russell commented that he was looking at the URA guidelines in the Urban Renewal Plan from 2014, it outlined a number of objectives that are considered when evaluated projects that come before the Board. Of those nine objectives, eight of them are either directly in conflict with the project. It is bothersome to Russell that we are using taxpayer money to reduce the taxable valuation of the privately owned property. Russell stated that he does not know of precedence of doing this in the past and he is wary that we are setting precedence for future URA money and he would ask that the Board, how do we justify to future applicants that this project is qualified but their demolition project somehow does not meet the same criteria. Russell stated that he talked to a contractor and asked him how much he would think it would cost to tear down that building. His indicated that the cost would likely be about \$9,000.00 and that he could probably do it in four days. Even if he is off by a factor of three and a destination, that is basically the cost the applicant is asking to be reimbursed just from the URA portion of his project. Russell would like to know from staff and from the Board or whoever has the information, how many competitive bids were submitted to staff on this project. It does seem to be out of line with what this demolition should cost. Russell thinks that it is a huge mistake to use public money for this demolition. If the Board decides to proceed with this grant, he urges to figure out a way to stipulate that reimbursement not happen until after redevelopment of the project is complete. Russell stated that he respects this Board and what it does and he recognizes that they have difficult decisions to make. It is not easy to be a good public shepherd of money. With that in mind Russell encouraged members of the Board to continue being good shepherds with money and vote against this project.

Dale Mahugh asked if there were any other further public comments.

Stephen Coe read a letter from Mitzi Rossillon into the record. Mitzi was not able to attend today’s meeting. Letter is made part of these minutes. Mitzi’s letter expressed her strong opposition to funding for demolition of the Blue Range building.

Dale Mahugh asked if there are any other further public comments to be provided to our group this morning.

Cindy Shaw was present at the meeting in person. Cindy stated that she has reservations and feels that it is a slippery slope for URA. Cindy commented that she has come to meetings the last 14 years and she has never seen a demo come before URA. Cindy was surprised to see this come before this body to ask for money, it is TIF money, it is taxpayers’ money. Public money should not be used for demolition.

Dale Mahugh asked if anyone else has anything to add. Hearing no further public comment at this time, the public comment portion of the meeting is closed.

Dan Callahan, Commissioner (in person) wanted to add to the Public Comment.

Dale Mahugh stated that he would entertain opening the Public Comment, but we need to keep it limited.

Dan Callahan, Commissioner, was at the meeting in person, wanted to add that they received as Council and the Chief Executive a letter from an engineer that he reviewed the engineer report. Stephen Coe said that we already have been given something that has already been discussed and decided and it is not our charge to make these types of decisions. Our charge is to make a decision to what is presented to us on the funding rules.

Dale Mahugh stated that we are not here to act upon something that has been litigated in the past, but something we are acting on the application that was brought to us this morning.

Russell O'Leary asked the question that he would like to just clarify that we are Russell guesses in a way that the URA Board is going to kind of suspend its own rules in a way to allow a single bid to be sufficient in this case. Russell asked whether or not that that is going to be an acceptable thing for future applicants to do. Karen Byrnes responded to Russell O'Leary by saying that is something that we have done multiple times in the past and every individual circumstance. We work on the project as a project and if two bids are warranted, we definitely make sure we get two of them. Especially when it is something that is easily biddable in two bids. We do require two bids most of the time, we do work with individual projects every single day to try to get the best information possible to make the best decisions at our Board meetings.

Dale Mahugh stated that Public Comment period is closed.

6. **GRANT REQUEST**

a. **303-307 North Washington Street – Beef Trail Investments**

Interior Improvements
Project Cost - \$6,680.00

The Applicant, Emily and Bill Barker, was present at the meeting by phone. A copy of the application is made part of these minutes. The Applicant is seeking matching grant funds for the interior improvements to the residential property. The improvements include new 400-amp electrical service and replacement of 4 water heaters. The Applicant has provided all necessary documentation within the application.

URA Staff recommended funding in the amount up to \$1,670.00 or 25% of the eligible costs.

Kevin Patrick made a motion that was seconded by Robert Brown to approve a 25% grant in the amount up to \$1,670.00 to Emily Barker, Beef Trail Investments, for improvements

to include new 400-amp electrical service and replacement of 4 water heaters at 303-307 North Washington Street. The motion carried unanimously.

b. 104 West Granite Street – Amy Cline

Interior Improvements
Project Cost - \$4,700.00

The Applicant, Amy Cline, was present at the meeting by phone. A copy of the application is made part of these minutes. The Applicant is seeking matching grant funds for the interior improvements to the commercial property. The improvements include the replacement of the building's furnace. The Applicant has provided all necessary documentation within the application.

URA Staff recommended funding in the amount up to \$1,175.00 or 25% of the eligible costs.

Bob Worley made a motion that was seconded by Stephen Coe to approve a 25% grant in the amount up to \$1,175.00 to Amy Cline for improvements to include the replacement of the building's furnace at 104 West Granite Street. The motion carried unanimously.

c. 26 North Main Street – Jessika Sayler

Signage
Project Cost - \$795.00

THE APPLICANT, JESSIKA SAYLER, WAS NOT PRESENT AT TODAY'S MEETING. THERE WAS NO ACTION TAKEN ON THIS PROJECT.

The Applicant is seeking matching grant funds for the building signage. The signage is a double faced, flag mount sign. The Applicant has provided all necessary documentation within the application. The Applicant has also received tentative approval from the Historic Preservation Commission.

URA Staff recommended funding in the amount up to \$175.00 or 25% of the eligible cost.

d. 56 East Mercury Street – Staack's Inc

Demolition
Project Cost - \$97,629.00

The Applicant, Ed Staack, was present at the meeting in person. A copy of the application is made part of these minutes. The Applicant is seeking matching grant funds for the partial demolition of the existing structure. The Applicant has provided all necessary documentation within the application. The Applicant has also received approval from the Historic Preservation Commission.

URA Staff recommended funding in the amount up to \$24,407.25 or 25% of the eligible costs.

Dale Mahugh prefaced this project to make sure everyone understands. There were public commenters that spoke earlier in our meeting concerning this project. They had the opportunity and we provided them respect of not interjecting with other comments of our own at that time. We would expect the same now during this comment period, this is between the Board and the Applicant.

Karen Byrnes spoke about this project and that it has a lot of public attention. Karen explained, the URA what we do is we consider projects based on case-by-case basis, based on what those projects are accomplishing to the goals of the District to revitalize and to cure that District. We are about revitalization and sometimes demolition has to take place before we are able to actually rebuild. With Phase I of the Blue Range project, it has been presented at multiple times at meetings that this is just one portion of Mr. Staack's major redevelopment project for this site. This is a major investment by a very businessperson in our community who has been working very hard to try to put a project together that makes both financial sense, economic sense, and preserve a great deal of the structure that will be left on that site. We are not setting a precedence, the URA has been a part of demolitions before and it is something that Karen finds can be used for. These are matching grant dollars to a private project that has been presented to us and we would provide our matching grant dollars to any other applicant who came to us with a project that meets our criteria and guidelines and that is what we are doing today.

Ed Staack talked about his project.

Robert Brown made the comment that they are moving forward feeling comfortable with the information they received today on the project. Stephen Coe agreed.

Robert Brown made a motion that was seconded by Stephen Coe to approve a 25% grant in the amount up to \$24,407.25 to Ed Staack, Staack's Inc., for the partial demolition of the existing structure at 56 East Mercury Street. The Applicant has also received approval from the Historic Preservation Commission. The motion carried unanimously.

e. 2 East Galena Street – The Butte Daily Post, LLC

Building Redevelopment – Phase 1
Project Cost - \$1,041,670.00

The Applicant, Corey Markovich, Kristi Markovich, and Michelle Casey were present at the meeting in person. A copy of the application is made part of these minutes. The Applicant is seeking matching grant funds for the first phase of building redevelopment. The phase includes asbestos abatement, rebuild roof structure and windows. The Applicant has provided all necessary documentation within the application. The Applicant has also received tentative approval from the Historic Preservation Commission.

URA Staff recommended funding in the amount up to \$150,000 or the maximum grant allowed per fiscal year.

Bob Worley made a motion that was seconded by Stephen Coe to approve funding in the amount up to \$150,000 or the maximum grant allowed per fiscal year to The Butte Daily Post, LLC for the first phase of building redevelopment to include asbestos abatement, rebuild roof structure and windows at 2 East Galena Street. The Applicant has also received tentative approval from the Historic Preservation Commission. The motion carried unanimously.

8. OTHER ITEMS

None.

10. ADJOURN

Stephen Coe made a motion that was seconded by Bob Worley to adjourn the meeting at 10:58 a.m. The motion carried unanimously.