

MINUTES OF THE MEETING
URBAN REVITALIZATION AGENCY
March 29, 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 8:30 a.m.
MEMBERS PRESENT: Dale Mahugh, Robert Brown, Bob Worley, Kevin Patrick and Stephen Coe
MEMBERS ABSENT: Karen Brynes
STAFF PRESENT: Kristin Rosa, Pauline Giacomino and Sherry Carpino (all in person)
CONSULTANT:
GUESTS: Mike Smith from the Montana Standard, Gretchin and Greg from the Butte Rescue Mission, Robin Jordan Butte Weekly
APPLICANTS PRESENT: Mark Egge, Peter Lucon and Justin Joyner

2. **APPROVAL OF MINUTES**

Stephen Coe made a motion that was seconded by Bob Brown to approve the minutes from the February 22, 2022, meeting. The motion carried unanimously.

3. **FINANCIAL REPORT**

Dale states the projects and process looks good. Also, in the packet you will see the aging report. There are 3 or 4 loans that have some aging, but I believe there has been contact with those accounts. Pauline stated that I sent out emails and haven't had a response yet. Dale states that Pauline is just getting up to speed, but she has taken that on already. So, there is follow up on the accounts. Pauline states that 3 out of the 4 do make more than 1-month payments when they pay. Kristen Rosa confirmed that we have been monitoring the funds and we have plenty in each fund.

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

4. **DIRECTOR'S REPORT**

Dale states, with Karen not being here we are not going to have a Director's Report we visited yesterday morning and she indicated that there are a lot of project and things that are up in the air right now and being discussed that she will be able to provide more information about in our next meeting. And should there be something come up before our next meeting she will email us and let us know about anything that is pertinent and needs some immediate attention. Kristin Rosa stated that she forgot to mention with Pauline joining our team at

Community Development we are back up to full staff. Dale mentioned that Karen did mention that everyone is working on budgets as well at this current time.

5. GRANT REQUEST

a. 914-916 California Avenue – Bill & Lori Patrick

Property Renovation – Phase 2
Project Cost - \$6,967

The applicant is seeking matching grant funds for the replacement of 11 windows. The applicant has provided all the necessary documentation within the application. Have received approval from the Historic Preservation Office. URA Staff recommended funding in the amount up to \$1,741.75 or 25% of the eligible costs.

Lori states that she lives at this address, and this is our 1900 duplex that was passed down to me 5th generation now and it's a great honor for me to be able to improve this property. This is the last phase of the windows. 11 windows will be replaced at the above-mentioned price. This consists of, there is a picture before you of what the property looked like last year and what the house looked like from 1959. The 2 front windows are part of this 11 and a basement window on the 916 side, there is a side window on the 914 side as you come up the front stairs, a dining room and front window, and one basement on the 914 side, also consisting of this bid is the dining room and basements on the south side of the 916 side and a basement on the east side on the 916 properties.

Bob Brown made a motion that was seconded by Kevin Patrick to approve a grant in the amount up to \$1,741.75 or 25% of the eligible cost of the property renovation to 914-916 California Avenue. The motion carried unanimously.

b. 221 N. Idaho – Horsepower Holdings LLC. – Justin Joyner

Project Renovation
Project Cost - \$6,900

The applicant is seeking matching grant funds for the installation of a new heating system with 80,000 BTU. The applicant has provided all necessary documentation within the application. URA Staff recommends funding in the amount up to \$1,725 or 25% of the eligible cost.

Justin states this house was complete disaster when I bought it a few years ago and last fall you guys helped me with replacing the roof and building a front porch some retaining walls and filling in a massive hole in the front yard also a sidewalk. I very much appreciate the help the grants have given. I was getting to the interior work, there was a miscommunication between my team and the guy putting the furnace in, Ridge Line Heating and Cooling. My guys ended up tearing out the old duck work system and so the cost almost doubled. So, I talked to Karen about this, and we decided that maybe the URA could help in putting a new heating system at this point.

Bob Brown asked if the dollar amount still correct. Justin confirmed yes, and Dale stated that yesterday in our meeting Pauline you did say that you have the amount of money that we have invested in this project. Pauline states yes, he had a project in October 2020 that was approved for \$9,322.50 and another one in June of 2021 for \$6,466.50. This house will be all brand new inside and we are updating the outside as well.

Bob Worley made a motion that was seconded by Stephen Coe to approve a 25% grant in the amount up to \$4,146.75 for the property renovation at 221 N. Idaho – Horsepower Holdings LLC. The motion carried unanimously.

c. 411 W. Broadway Street- Peter & Janice Lucon

Property Renovation
Project Cost - \$6,600

The applicant is seeking matching grant funds for the replacement of the main water line from the street to the mechanical room of the basement. The applicant has provided all the necessary documentation within the application. URA Staff recommends funding in the amount up to \$1,650 or 25% of the eligible cost.

Peter states that this is one of the things that came up with our house renovation. We tore out the part of the basement that we presented back in October and noticed that the old steel line coming in next to the sewer where the water main was leaking and very rusty. It was leaking along the valves and fitting all the way back into the house beneath the original floor so it's time to replace it and this is the quote he said it would be double the price if he did it when the ground was frozen, so we opted to take our chances and wait until now it looks like the ground is thawed and as he said it's planned to be done in the next couple of weeks. We have the addition, so we went through the permitting again because of the new construction and with the new administration at Butte Silver Bow, we had detailed drawings done the licensure signed off on it. So, the addition is standing now, and the plumbing construction should be Thursday of this week. The walls are up, the roof is up and hopefully they will be pouring the concrete for the heated floor next week. The basement, the utility room the pad is poured, and the boiler should be coming Thursday this week which was part of the original plan for the addition. I haven't brought any invoices in yet, but I will be getting those together to bring in for processing. Dale asked Pauline if she had a total of what has been expended to date. Pauline states he was approved in November for \$38,584 and in December \$8,375.

Kevin Patrick made a motion that was seconded by Stephen Coe to approve a 25% grant in the amount up to \$1,650 for the property renovation at 411 W. Broadway Street. The motion carried unanimously.

d. 722 S. Montana Street – Via Butte LLC – Mark Egge

Property Renovation – Phase 3
Project Cost - \$26,800

The Applicant is seeking matching grant funds for the exterior improvements and renovation. This would include rebuilding the parapet, installing a load bearing post with footing, filling in bricks, patio repairs, new exterior doors, and gutters. The applicant has provided all necessary documentation within the application. This has been reviewed by the Historical Preservation Officer. URA Staff recommended funding in the amount up to \$6,700 or 25% of the eligible cost of the eligible cost.

Mark stated I will give you a little background on the project. We are really excited about it. The building is 120 years old it's been sitting empty for the last number of years. The building itself has been known to have good structure to it. We are updating the layout we will have bedrooms in the back and nice kitchens and living rooms in the front half of the unit. We have been before you twice before, once for some preliminary work related to removing asbestos and mold and a second time with a substantial request for all the major building systems including windows, plumbing, electrical and heating etc. That work is all well underway. The plumbing rough in is complete, the electrical rough in is complete the windows are ordered, and the building currently is partially insulated and hopefully finishing sheet rock next. We also received a gap loan from the URA which we are appreciative of as well which is being put to good use. Our 3rd and final request for a few miscellaneous items that we received additional information about through our repairing the parapet, making repairs to the patios where the wood is rotted out. Gutters and a couple of existing openings that have been abandoned. Installing new entry doors in the front and rear to match the existing appearance of what is there right now in accordance with HPC. Dale asked what the dollar amount of what has been awarded currently. Pauline states that there is one from September 2021 for \$825 and one in November 2021 for \$30,681.

Bob Brown made a motion that was seconded by Bob Worley to approve a 25% grant in the amount up to \$6,700 for the project at 722 S. Montana Street. The motion carried unanimously.

6. BUTTE RESCUE MISSION THRIFTSTORE RELOCATION – 123 W. PARK ST.

Dale states that we have Butte Rescue Mission staff, and some board members present. Bill McLaugherty currently President of the board and we have Gretchen Leipheimer who is a board member and Greg Ericson who is the Executive Director. Dale continues with we have had in depth conversation regarding this it started initially that we were involved in as a URA Board for a demolition project at 135 East Park and has grown since. There has been a lot of discussions regarding hazardous buildings and the future of that area. Dale adds before we head into this discussion there was a memo of understanding between Butte Silver Bow and the Butte Rescue Mission that was included in our packets. Karen wanted to provide that and the Quick Claim information for our eyes not to act upon but to let us know as board members that there have been discussions taking place in interest of Butte Silver Bow and the Butte Rescue Mission regarding this project. So, we are not here today to approve or disapprove the agreement per say but we are looking to try to come to a consensus in order to purchase the property under the Butte Rescue Mission buildings now and to provide them

with a little bit of moving costs as they would exit the building. Kristen states that she doesn't know if everyone knows the history but Butte Silver Bow through many years of discussions and lots of wrangling ended up in ownership of 135 and when they went to go take that down they discovered that it had a shared wall and so we hired engineers, and nobody could figure out if it was shared wall or not. As it turns out it is a shared wall and there are some structural issues with trying to take down a building that has a shared wall. You can see in the memo that lots of money would be involved with shoring up that wall and all that would do is shore up that one wall. So, the discussion then translated into talking to the Butte Rescue Mission so what the request is in front of you today is the URA to approve the purchase of the land and to provide moving expenses. Both of those are very much outlined and approved in Montana Code for tax increment finances. Bill from the Rescue Mission stated we want to make sure everyone understands that this is the thrift store building, this is not the actual mission building. The second thing when they first came back and said well it's going to be \$150,000 to build this wall. We as taxpayers and individuals had a hard time seeing the county expend those kinds of funds. The county then had Staley Engineering do a study of the thrift store buildings and there is just over a course of 100 years supporting walls have been removed and just a lot of deficiencies, foundation issues, issues with the brick and certainly beyond the scope of whatever we would be able to do to make repairs to the building. And justify the county's further investment. As we sat and had some very good meeting with representative of the county and Karen and Mark Neary and JP along with Ed Randal could not have been more helpful to us in both educating us and working with us through the process. While we hate to see the buildings torn down to have 3 lots on East Park Street available for redevelopment is probably in the best interest of everybody. We are going to step back from the thrift store business for the time being we have looked at other locations and have not found anything that would be suitable to our needs and so we are going to have a quick sale and get rid of everything some stuff we will continue to store like winter coats we know people will be in need next winter. So, anything like that, that we have a use for our clients we will store while we continue to look for an alternate location. Cindy Shaw, Commissioner of District 11 including that block of Park Street. And to just add to Karen's comment about difficulties 135 was just a cluster and it was perfectly intake building at one time and unfortunately its one of those buildings that ended up on the chopping block for varies reasons which as a Commissioner for the District for Uptown Butte and I know Commissioner Riordan would also agree it will be heart breaking to see the building come down. And we are always trying to save our buildings and we have a new Preservation Officer who can probably see the elements of integrity in a building like that outside of its falling down condition, but I just have to make that comment that I'm very upset about that and then on top of that how old is your building? Bill states that his building was built around 1900. Cindy states that if I'm not mistaken, I have a picture of it when it was a Safeway store long ago. It just breaks my heart to see these things falling down or torn down whatever that might be. My house is 137 years old up on Quartz Street and it's a sad situation and I understand that the wall is shared. I just have a heart for all the vacant buildings. And it will be vacant land that will be sold and back into the tax world? Bill stated that we will sell it to the county. Dale continued Butte Silver Bow would become the owner of that property. And due to the hazardous building situation Butte Silver Bow would demolish what is there and then Butte Silver Bow would be offering it in a developer's packet. It is a desirable area and a situation there probably much higher and

better use going forward with new construction but at the same time Butte Silver Bow can actually monitor and control what the face if that building would look like as well. So, that it is a good fit rather than just putting new construction in old building or surrounding it. Now there is not an old building on the west end side as we know that was the Apache Tire building and that has no historical value at least in my eyes and is newer construction. In that regard that would open up a lot of development space for some things that Butte Silver Bow might like to see as infill into that area to really compliment the uptown. I'm the same way Commissioner Shaw I hate to see the old buildings destroyed as well. The only thing is and I'm talking for myself not necessarily the board because but because of the age of the buildings that are there and because of 50 sometimes 60 years of either neglect or owners not being able to afford to put money into their buildings, deterioration happened beyond what is reasonable to try and bring them back to useful inventory. So, what happens is the fact that we have a situation like this I can thankfully say that due to a lot of our URA efforts on the buildings that we have been able to be involved with and reconstruction and rehabbing probably are not as far gone as these buildings are and that's were I'd like to see us continue to have our emphasis. And that's kind of on the east side of our boundary of the URA district. And we have been able to see some major influx of dollars both of URA and customer dollars in buildings of more of the tight knit Uptown area. And we are starting to see a real difference there. I hate to see this happen but myself it's probably the best option. Bill states to Commissioner Shaw I don't want you to think that we are coming off as very matter of fact about this, we worked through these emotions. So, we kind of are already coming out of this tunnel and at acceptance, and we have had title to the building for 20 years and a lot of those issues predate our ownership of the building. Dale continues with and as a non-profit organization you have limited funds to try and put back in. Commissioner John Riordan states this is my second year as a commissioner my heart as well as Commissioner Shaw is in Uptown Butte, and I think we all recognize the fact that the Uptown Butte portion is what makes Butte somewhat in its entirety. I think the URA is a great component to buildings in Uptown Butte and the tourism. But I also think that we have to get watchful of what we are doing when we sell these buildings. I know there is a process but the particular building that we are talking about at 135 was actually privately owned and returned to the county after it had been basically done. I have done some research and the deal is that I heard, and you can reaffirm is that the person that owned this the LLC, or whatever it was contributed \$25,000 to the county and returned this piece of property. Then the problems started because obviously this building was in disarray already. So, now the URA the citizens of Butte are basically stuck with the project, and I believe there is a huge engineering bill already that has been presented to the council. And I just think we have to get better about the way we do business with these buildings to reaffirm that we don't get in any more jams. I know there are certain circumstances of moth balling, in talking with other commissioners we should look at and this is down the road, we have a new officer, is the fact that when these properties are sold. There should be a bond and basically a time frame for completion especially in Uptown Butte. And then if they don't complete or it goes to disarray like 135 this bond will cover the demolition of the building later on down the road. It's a basic protection of Uptown Butte and the taxpayers. The URA is a great program, Karen and her staff TIFID have done a great job, but I think Butte in general being discovered by developers need to step up our pace. Bob Brown states basically is the long-term goal is to clear out that whole block and then put something new in there. All we are, is

the facilitator providing some resources to make this transition. Number 2 is this building is dead this complex is architecturally and structurally is over with unless you want to spend an enormous amount of money. Dale confirms yes that is correct. Bob Brown continues this is close to the teaching hospital is going to be built and finally as I understand that the county will have the power since it's the owner of it that whoever buys it or whoever develops it has to put in something that is appropriate design for the Uptown and my last point is that we are currently going to put out about \$450,000 into the Exer dance building. We have done \$300,000 so far and we anticipate another request. We are very serious about saving buildings in Uptown I really want people to know that. And so, when a responsible group like the Butte Rescue Mission, we have seen what they have done Uptown for the Rescue Mission they deserve a lot of praise for what they have done, and I think this is the wisest way to go. Dale confirms yes there is an immediate need here I would only clarify about that block the small little 1 story building at the corner of Arizona is not apart of this. Bob Brown states so there is no vision long term for that block. Dale states I think people do have a vision, but reality strikes you in the face and says you have to have a willing buyer and seller. I think Mr. Riordan stated a concern that Karen shared with our group yesterday in the respect that this project is far enough along that there probably is no other recourse. But what you bring up and I don't know about the bonding if that is possible or not, I'm not a county employee or knowledgeable in that area but I think what you are saying in general makes sense that we want to preserve everything that we possibly can some may have reached the end of their useful life but we do want to be able to save and recover and rehabilitate those that we can do. I have seen a magnificent increase in the Uptown area as far as interest especially over this last 12 to 18 months. Local money, outside money and have seen a real desire and indication that they are willing to step forward with checkbooks and pocketbooks to make things happen. And like Mr. Brown stated with the Exer dance building that is a significant piece of our Uptown infrastructure. Multistory this type of thing that really would be dearly missed if something were to happen and that would have to be removed. Thankfully it's being saved so I think we are going to make a very solid effort and concerted effort with Butte Silver Bow with the URA with other interested parties to try to do just what you said and try and make sure that we learn from these experiences and don't take the same avenue forward unless it's the last resort. Bob Worley states I did some research and read this thing over pretty though ally and your right there was money that was paid to the county by 135 East Park in order to demolish or get rid of that building. I see now and I think this has to happen I just don't want to see it as a precedent for our board. We are the keeper of the URA funds, we have to watch how they are spent, and we have to spend it wisely. I have been on this board 10 years Bob Brown has been on for 9 or 10 years and Dale and Steven have been longer than we have, we are going to put a substantial amount of money into this building purchasing for a little over 38 thousand dollars. I guess I don't understand the 12 thousand relocation dollars cost that's in there we are already 50 thousand dollars into engineer costs I have no idea what the demolition is going to run but our only chance to recover on this will be on the sale of the property after it's been cleared out and hopefully there will be a nice building in that space especially with the Praxis Center being across the street. Maybe Bill you can answer me is there any way that your people can do that since you don't have a place to relocate I don't know where you going to put the things you are moving. Bill states that some of the that is to acquire storage facility and some of it for trash removal. Some is for labor and for labor we try to use people who are staying at the

mission to help them stabilize their lives. Bob Brown states that they are going to lose their ability to generate revenue. Bob Worley states I understand that but there was a comment made in the letter that Karen sent our that there is already 3 thrift stores in the city of Butte and you guys didn't really feel that there was room for a 4th. Bill states that we maintain for us the thrift store served people in the uptown area and the needs of the people that stay at the mission. That was our focus of our operations. It did supply some operating funds to support the ongoing operation at the mission on East Platinum. So, we are going to step back and look at it. If another opportunity presents itself for a thrift store, then we will certainly go through and build a business plan, does this make sense for us to reopen a store or are we better off operating a coffee hut or another business that would help us with job skill training, as well as providing some funding for ongoing operations at the Rescue Mission. Bob Worley you guys have done a nice job in building the new mission on Platinum Street that is appreciated. There is a need for these kinds of buildings and these kinds of services for some of the people in Butte. It's appreciated, I spent a couple hours on this over the weekend and again I just don't want this to become a precedent from the board and we are really good about that, we look at each situation individually each time they come up. Bob Brown states that one of the things I want to point out is that we are not making any final decisions we are simply providing some monies available. The Council of Commissioners will be the one deciding if we are doing the memorandum of understanding. So, we are just an intermediary facilitator, we are not the ultimate decision maker and I have the confidence that they will make the right decision. I see this whole process as very rational and appropriate. Bob Worley states I don't think there is any question about have to happen, but I just don't want to see this happen in the future. John what do think the demolition would cost on those buildings. John Reardon states I believe it can be done for \$100,000 it all depends on the bang series where you just go in and it's gone. I think it's more efficient that way. I believe that \$100,000 and mind you I have been out of it for a while, but I think it could be done but there are some variables like the price of fuel and inflation. Dale states there is no bid for that as of now. John states that he feels if it does happen it has to happen fast due to the events upcoming. Dale states I do understand that as a part of a demolition process there will be a lot of salvage and reclamation taking place of everything that can be saved. There are a lot of beams, there is some brick items which would be great for the uptown. I'm guessing the demolition maybe of a more orderly process than bringing in a ball and chain and knocking it over. Now that can do 2 things. That can allow to reclaim everything you possibly can but at the same time, I don't know if it would cost more but you are getting some salvage value out of it at the end it's tough to put a dollar amount on. John agreed and there has been some discussion with Karen it's a common practice with historical preservation that basically that we have an agreement about salvaging all of that and some of the things that have come up I don't know if you noticed those iron beams that are going up, the black ones and some other good things that would be valuable. Bill claims that one side of the building has the tin ceiling so the assumption is that it's probably original so there is certainly the ability to recycle and reused in other buildings uptown. And when all 3 buildings are gone you will have 100 feet of frontage on East Park for redevelopment, I just wish I had money. Dale what it demonstrates very clearly is that we have 2 very willing partners in this, The Rescue Mission with it's limited resources understands that this is the direction that really needs to go and at the same time let's salvage everything we possibly can and put to good use in another area. And just the bricks alone, that are built out of the same

manufacturing process as back then, they are harder to come by now and those can make some major improvements in some other existing buildings that would have a reasonable life ahead of them. Bob Brown asked if Historic Preservation has weighed in on this? Kate states this is not really public knowledge yet there will be a process that will be followed when the time comes. It's a discussion in progress. Kristin states that the MOU will go in front of the Council of Commissioners that is the next step if this is approved today. Bob Brown states we are calling this note that we got that we would pay relocation expenses up to \$12,000 for the Butte Rescue Mission, I would prefer to call it transition expenses because they may not relocate but there are still going to be out of pocket expenses. I think that is a better descriptor of what we are doing than relocation. Dale states I asked several questions about the MOU yesterday and it was clarified that the fact that we don't have input into that agreement, but we can certainly make a suggestion and I think that is a perfectly reasonable change. And we can get Butte Silver Bow's attorney and Butte Rescue Missions attorney to agree on that terminology. I agree relocation is picking up and moving and, in this case, there might be a portion of that, but transition probably makes more sense. Bob Brown states well whatever the Butte Rescue Mission decides ultimately it wants to do that is their choice and their decision independent of us. And if they are in Uptown Butte they can always come and ask us for a grant. Dale states this has been very helpful and constructive in understanding what is going to happen pending on the Council of Commissioners and what portion the URA will be involved in. Bob Worley asked Kristin to give us the flow if we approve this today. Kristin states that the MOU will go the Council and then if the Council approves where does it go? If it's deemed hazardous, I don't believe it goes to the HPC. Kate states HPC doesn't get to weigh in on it at all. HPC will be involved when it is at Council. So, in that MOU there is a funding mechanism to get the land purchased so that eventually that property can be in Butte Silver Bows ownership and long-range Butte Silver Bow does have the option to say you can't put that there. This is our vision; any redevelopment will absolutely go to the Historic Preservation Officer. Mary was very involved in the Northwestern Energy building the Town Pump on Montana street. Cindy Shaw states so the next step this Friday I will be setting the agenda for the next regular meeting the 6th, so it could move along that quickly. John Riordan wanted to interject about the Council, they have been a great Council everybody is starting to step forward and realize the issues we have, and I guarantee you all the issues and the consequences financially will be discussed in its entirety before the vote. And we just have to learn from this deal going forward. Kristen added that this building was gone even before the moth ball ordinance was even put into place, as you know the roof of this building is in the basement of 135. Bill interjects that if it wasn't a for 135 the Rescue Mission would be operating as normal. Bob Worley states so basically all we are a funding mechanism. Dale and Kristin confirmed. Dale states that if we approve the funding today it will be contingent on the MOU being approved by Council. Bob Worley asked if there is a fixed amount for the purchase of the property it is stated as \$38,000 to purchase the land \$12,000 for transition and \$50,000 as a maximum. Kristin confirms that is correct those transition expenses will only be done only on reimbursement bases just like all your other grants.

Bob Brown made a motion that was seconded by Stephen Coe for the funding of up to \$50,000 for the land purchase at 123 and 125 East Park and some transition expenses not to exceed \$50,000. The motion carried unanimously.

7. PUBLIC COMMENT

8. OTHER ITEMS

9. ADJOURN

Stephen Coe made a motion that was seconded by Bob Worley to adjourn the meeting at 9:54 a.m. The motion carried unanimously.