

MINUTES OF THE MEETING
URBAN REVITALIZATION AGENCY
July 28, 2020

1. **CALL TO ORDER AND ROLL CALL** – Dale Mahugh called the meeting to order at 8:32 a.m.

MEMBERS PRESENT: Dale Mahugh, Stephen Coe, Robert Brown, Jim O’Neill, and Bob Worley

MEMBERS ABSENT: All Present

STAFF PRESENT: Karen Byrnes, Director, Brianne Downey, Susan Powell, and Mary McCormick

CONSULTANT: Joe Willauer, Executive Director, BLDC (by phone)

GUESTS: Mike Smith, The Montana Standard (by phone) and Robin Jordan, The Butte Weekly (by phone)

APPLICANTS PRESENT: Ken Clark, Applicant (by phone); Kayla and Eric Lambrecht, Applicant; Jeff and Danielle Zimmerman, Applicant (by phone); Celeste Johnston, Applicant; and Dave Goodwin, Applicant

2. **APPROVAL OF MINUTES**

Bob Worley made a motion that was seconded by Stephen Coe to approve the minutes from the July 7, 2020, meeting with the correction made by Robert Brown on Page 5 to change: Three Board Members ... to: Two Board Members voted yes and one (Robert Brown) voted no. Jim O’Neill abstained from voting on the minutes because he was not present at the July 7, 2020, 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.

Bob Worley made a motion that was seconded by Jim O’Neill to accept the Financial Report as presented. The motion carried unanimously.

4. **DIRECTOR'S REPORT**

Karen Byrnes explained that she will address two main topics today. One is the amount of activity our office is seeing and how busy we are. It keeps getting busier. Karen thinks that we have met with at least five or six new developers in our community in the last two weeks. They are very interested in properties. Most of them are from out of State that are looking to invest in our community. Another note, the Harrison Avenue South URD Board was established, that is our new Urban Renewal District. We have a great set of Board members, we have representation from the School District, Jeremy Whitlock; Rick Edwards from Northwestern Energy; Duane Liebel, Montana Department of Transportation; Rhonda Lee, as a merchant and business owner in the area; and Jim Woy, retired CPA.

Karen talked about that she will probably be approaching the URA Board in the future for additional security measures to the parking garage. We have had some very busy times at the parking garage in terms of our youth in the community using it as a gathering place and it seems to have spread wildfire through social media that that is the fun thing to do. They have been gathering up on the upper floors. There is not a problem with folks gathering up there and looking at the view and taking it in, enjoying what we have built. But when they become destructive and disrespectful to the property, climb up on things they should not climb up on, throw things off that they should not throw off – it becomes an issue. We were having quite a few skateboarders that were enjoying using the elevator as a tram and then skateboard down. What we have come up with is a plan to install a security gate midway through the garage to block off the upper floors at night. The security gate is not going to be a huge expense but it will be some expense and so we may be approaching this Board to help fund that project given that our revenues in the parking garage are down quite a bit because of the pandemic and people working from home. Our architect and our parking garage engineer are pricing out the gate right now. It will be an automatic gate that will roll down at a certain time at night unless we change that if there is an event or something like that. If someone was parked above it, it would have a magnetic loop that would allow it to roll up if you approached it slowly with a vehicle from the upper side and then it would roll back down. That would prevent the fun of skateboarding down and it would prevent those from accessing the upper floors in the evenings. This last weekend on Friday morning we made the decision that we would close those upper levels with a fence and we did that and when we shut down the elevator for the weekend. We did shut down the elevator for the weekend because the folks that were in the garage had used some candy to jam it up and we cleaned that up and it is all working again. There will be more to come on that.

5. **GRANT REQUESTS**

a. **422 South Colorado Street – KRC Properties – Ken Clark**

Interior Upgrades
Project Cost - \$9,200.00

The Applicant, Ken Clark, was present at the meeting by phone. A copy of the application is made part of these minutes. The Applicant was seeking matching grant funds for interior

improvements to the residence. The improvements include plumbing rough in for the bathroom, kitchen, and laundry room. The Applicant has provided all necessary documentation.

URA Staff recommended funding in the amount up to \$2,300.00 or 25% of the eligible costs.

Bob Worley made a motion that was seconded by Jim O'Neill to approve a 25% grant in the amount up to \$2,300.00 to Ken Clark, KRC Properties, for plumbing rough in for the bathroom, kitchen, and laundry room to the residence at 422 South Colorado Street. The motion carried unanimously.

b. 37 West Park Street – Montana Axe Throwing Co. – Kayla Lambrecht

Building Redevelopment
Project Cost - \$117,918.75

The Applicant, Kayla and Eric Lambrecht were present at the meeting. A copy of the application is made part of these minutes. The Applicant is seeking matching grant funds for redevelopment of the commercial building. The improvements include new electrical, plumbing, and a fire suppression system. The Applicant has provided all necessary documentation. There will be 14 targets, a little wine and beer bar, there will be cornhole and other fun things.

Dale Mahugh asked the Applicant that they are taking on all the financial responsibility but do not own the building but if something were to change that you were no longer in that building, the fire suppression system would stay. Karen Byrnes explained that agreement would exist between the Lambrecht's and the property owner, our mission is to improve the property.

URA Staff recommended funding in the amount up to \$29,479.69 or 25% of the eligible costs.

Jim O'Neill made a motion that was seconded by Bob Worley to approve a 25% grant in the amount up to \$29,479.69 to Kayla and Eric Lambrecht, Montana Axe Throwing Co., for new electrical, plumbing, and a fire suppression system at 37 West Park Street. The motion carried unanimously.

c. 101 West Quartz Street – O'Rourke Building, LLC – Jeff and Danielle Zimmerman

Exterior Renovations
Project Cost - \$34,585.98

The Applicant, Jeff and Danielle Zimmerman, were 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 exterior improvements to the building. The improvements include window fabrication and installation, door for rooftop access, and repairs and refinish to parapets. The

Applicant has provided all necessary documentation. The Historic Preservation Officer has been consulted and provided tentative approval.

The Zimmermans are shooting for December for the entire south building to be finished and they are going to stay here until it is complete.

URA Staff recommended funding in the amount up to \$8,646.50 or 25% of the eligible costs.

Robert Brown made a motion that was seconded by Jim O'Neill to approve a 25% grant in the amount up to \$8,646.50 to Jeff and Danielle Zimmerman, O'Rourke Building, LLC, for window fabrication and installation, door for rooftop access, and repairs and refinish to parapets at 101 West Quartz Street. The Historic Preservation Officer has provided tentative approval. The motion carried unanimously.

d. 662 South Washington Street – Robert Markovich

Exterior Renovations
Project Cost - \$584.84

The Applicant is seeking matching grant funds for exterior improvements to the residence. The improvements include paint for the entire exterior of the home. The Applicant has provided all necessary documentation.

URA Staff recommends funding in the amount up to \$146.21 or 25% of the eligible costs.

PROJECT WAS PULLED FROM THE AGENDA BECAUSE OF CHANGES TO PROJECT. WILL BE BROUGHT BACK AT A FUTURE MEETING.

e. 130 West Galena Street – Moon Real Estate – Celeste Johnston

Infrastructure Improvement
Project Cost - \$5,835.00

The Applicant, Celeste Johnston, was present at the meeting. A copy of the application is made part of these minutes. The Applicant is seeking matching grant funds for infrastructure improvements to the property. The improvements include installation of a clean out drain in the alley behind the property. The Applicant has provided all necessary documentation.

URA Staff recommended funding in the amount up to \$1,458.75 or 25% of the eligible costs.

Stephen Coe made a motion that was seconded by Robert Brown to approve a 25% grant in the amount up to \$1,458.75 to Celeste Johnston, Moon Real Estate, for installation of a clean out drain in the alley behind the property at 130 West Galena Street. The motion carried unanimously.

6. LOAN MODIFICATION – MOUNTAIN VIEW MUSIC HALL

Dave Goodwin, Mountain View Music Hall, was present at the meeting. Request for a loan modification from Dave Goodwin is made part of these minutes. Dave is asking for a loan modification on his loan for Mountain View Music Hall at 301 North Montana Street.

Dale Mahugh explained that at the last URA Board Meeting the Board had lengthy discussions about the Mountain View Music Hall and David Goodwin was present at our last meeting. It looks like that there may need to be some clarification necessary on what was approved at the last URA Board meeting.

Karen Byrnes explained that what we approved at the last meeting was really no modification to any agreement – we will take the \$25,000.00 and apply it towards payments for a period of time and that would be a given of any debt obligation if you would prepay, that is no modification necessary. In looking at that, what we approved and accepted at the last URA Board meeting, if the loan went to full term, we would collect \$114,342.00, that is with no modification, and that is basically what we approved at the last meeting. That was not what was being asked of us, so Karen thinks that there was some confusion there so Karen felt the need that we needed to bring this back up before the Board and have further discussion of what was actually being asked of us at the last meeting and clarify what was being asked of us. On the sheet that was included in the Board's packet there is the clarification of what we were asking and what the intention was. The intention was for us to accept \$25,000.00 as a principal payment, paying down the principal on that loan and then starting a modified amortization schedule in September of 2023 of the new balance of the loan, which would be about \$58,200.00 and then paying that at full payment for the rest of the term of the loan. In that scenario, we would be collecting a total amount of \$108,968.41. The other number that is on the sheet that Karen wanted to call out is the original with no modification if Mr. Goodwin did not have his health issues and not had to ask for interest- only payments, if the loan performed as it was originally intended from the very beginning in 2016, we would have collected a total amount of \$101,083.11. What we are bringing forward back to the Board today for your consideration, is the original intention of the loan modification request from Mr. Goodwin. That is originally what we were intending to present to the Board and ask for approval of.

A discussion took place between the Board Members. Dale Mahugh stated that not having any activity on the loan for two years is not really accepting. Dale threw out on the table to make now a \$20,000.00 payment on the principle and then you would take \$5,000.00 of that \$25,000.00 to pay interest from this point forward. \$210.00 is the number for the interest going forward each month to be paid. The Board agreed with what Dale Mahugh suggested.

Stephen Coe made a motion that was seconded by Bob Worley to rescind the motion made last month on July 7, 2020, meeting as presented regarding the Loan Modification Request from Dave Goodwin to be removed. The motion carried unanimously.

Stephen Coe made a motion that was seconded by Bob Worley to approve the Loan Modification Request from Dave Goodwin, Mountain View Music Hall, to accept \$20,000.00 payment on principle on his loan now and then to make interest only payments starting September 2020, in our estimation that interest-only payment would be close to \$210.00 a month for two years from September 2020 to September 2022 and then at that time full payments would begin on the principle and interest balance of \$63,200.00. Three Board members voted yes and one (Robert Brown) voted no. The motion carried.

7. SIDEWALK PARTNERSHIP PROGRAM ALLOCATION

Karen Byrnes explained to the Board that we have traditionally allocated an internal allocation into our books about our sidewalk program. We have not made an internal allocation to this, and Karen would like to put some funds in that internal allocation because we are having some interest in folks partnering on sidewalks. Karen suggested that we move internally \$50,000.00 into that line item and it will show up in our Project-In-Process and what that does for us is it just allows us to track what sidewalks we are doing and where.

Robert Brown made a motion that was seconded by Stephen Coe to approve to move \$50,000.00 from appropriations to the sidewalk fund. The motion carried unanimously.

8. PUBLIC COMMENT

There was no public comment

9. OTHER ITEMS

Robert Brown thinks that with the new URD District coming on that it is going to be more important that we should have the staff to do it. If you stretch it too thin, you cannot do it. Karen Byrnes told the Board that the new District will be called the Harrison Avenue South, HAS URD.

Robert Brown asked if we can amend the URA Programs regarding the \$1,000.00 cap. Karen answered that she has it on her list to do.

10. ADJOURN

Robert Brown made a motion that was seconded by Bob Worley to adjourn the meeting at 10:20 a.m. The motion carried unanimously.

URA Minutes-07-28-2020