

MINUTES OF THE MEETING
URBAN REVITALIZATION AGENCY
July 14, 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 10:33 a.m.
MEMBERS PRESENT: Dale Mahugh, Robert Brown, Bob Worley and Kevin Patrick
MEMBERS ABSENT: Stephen Coe had an excused absent
STAFF PRESENT: Karen Byrnes, Director (in person) Brianne Downey (in person) and Sherry Carpino (in person)
CONSULTANT: None
GUESTS: Mary McCormick, Historic Preservation Officer (in person)
APPLICANTS PRESENT: Jeff Francis (on the phone) and John Richins (on the phone)

2. **GRANT REQUEST**
 - a. 39 E. Park – Jeff Francis
Exterior Improvements
Project Cost - \$105,500.00

The applicant is seeking matching grant funds for the exterior improvement of the commercial building. Improvements include framing and filling the vaulted sidewalk, new storefront, and awning repairs. The applicant has provided all the necessary documentation within the application. The project was approved by the HPC at the July 6, 2021, meeting.

URA Staff recommends funding in the amount up to \$50,165.00 or 25% of the eligible cost of the façade and 75% of the sidewalk repairs. Karen Brynes stated that we based that of the recommendations of our last board meeting and discussion that we had that we thought we could consider a 75% participation the sidewalk as it being a vaulted sidewalk in the realm of getting the whole project completed with the funds that were available to the applicant. I do believe Mary has something to add. Mary stated that the HPD approved the project, but they want to make sure that the new membrane on the roof of the canopy will have the turn buckles instead of pulled down on top of the canopy and I was going to get ahold of Buddy and ask him about that because I'm pretty sure that's what he plans on doing but I haven't been able to get ahold of him. I am confident that Buddy is not going to pull the membrane down over the top. Karen and Jeff were present at the PPC meeting. Bob Brown asks if Jeff understands the concern of the HPC. Jeff

said that he does understand, and he is amenable. Dale asked if there is anything else Jeff would like to add. He stated that he wants to make this building like a show piece for Park Street. And he feels confident that he has a good contractor in Buddy. And while he has Buddy hot to trot on this project, he asks that the board approve and have patience as they go through this process. Bob Worley asked do not we require 2 bids on anything over \$10,000.00. Karen stated that we do like to have 2 and Jeff was working with several contractors and the other bid came in at \$80,000.00 just for the sidewalk. Dale stated that as chair he feels comfortable with the percent for the sidewalk due to it being vaulted and the expense to fix the sidewalk. Bob Brown asked to clarify if we are being asked to pay up to 25% of the \$57,920.00, right? Karen confirmed. Bob asked and we are being asked to pay 75% of the \$47,580.00? Karen confirmed. Bob then asked to have we ever done this on a vaulted sidewalk besides the one by the no parking garage and the one for the Maywa? Karen said yes and we have never done 75 we have done 90. On more than those 2. We have made considerations in the past. Karen states that in her 10 years with URA we have done probably 40 to 50 vaulted sidewalks in multiple fashions. In participation with engineering architecture firms where we do a vaulted sidewalk project that expands across the whole district, we work with individual property owners and 1 contractor that moves from sidewalk to sidewalk those were all done between 50's and 90's. Then we have also done individual side walks thru out the years where we have partnered 50% and then the city counties come in and partnered on some of the costs as well depending on the side walk program during those times so those would result in more of 75% participation between the property owner and other funding coming in, we have also had grants we have partnered with in where the grants would pay part of the match and the URA would pay part of the match. We have done multiple combinations of ways to get these sidewalks done to make the best impact on the community possible. I feel like this is in our wheelhouse to make this consideration on this sidewalk because we have made considerations in the past. Bob Brown asked what in the past determined the 50%? So, prior to guidelines changing decision on the percentage is always on a project basis. We have had our boards discretion sidewalks on a project basis. There has been allocated funds that the people can come deal with the staff of URA and they are not asking for any special consideration we can just approve that project at 50% so they can get moving. When someone is asking for special consideration or a larger project then we bring it to the board for consideration. Right now, our sidewalk program in place is 50% match across the board vaulted or not. If someone comes to the URA and requests getting a big project done, we will bring to your consideration if it is a simple sidewalk project our office will approve at 50%. This is not setting a precedent for 75%. Bob Worley was questioning the change with the side glasses. Mary clarified that the main change is keeping the same window and door

divisions just adding the awning to the top. The recess will stay the same. Bob Brown stated that he is totally comfortable with Mary's and HPC position with this project. Kevin Patrick made a motion that was seconded by Robert Brown to accept the funding in the amount up to \$50,165.00 or 25% of the eligible cost of the facade and 75% of the sidewalk cost with a final sign off from HPC. The motion carried unanimously.

b. 211 W. Park – John Richin
Property Redevelopment
Project Cost - \$15,000.00

The applicant is seeking matching grant funds for the redevelopment of the property. The existing structure is purposed for demolition. The applicant has provided all necessary documentation will be considered at the next HPC meeting. URA Staff recommends funding in the amount up to \$3,875.00 or 25% of the eligible costs.

Karen started with we have been very actively trying to enforce the moth ball provisions of the vacant building ordinance. Mary from historic preservation, myself, Brianne and Ernie Sarace from community enrichment. We have identified multiple buildings thru out our uptown our main corridors. We are working with property owners that are currently empty or have main deficiencies like broken windows etc. One of the buildings that we identified was 211 W. Park which is owned by John Richin. John also owns the buildings to the west. John has invested a lot of money and time to the buildings to the west and they sure would have failed if he had not. He acquired this property which is in not good shape. The plan has always been to turn this spot into something that would be complimentary to the west properties. The façade is in ok shape the problem is behind the façade. The building is failing apart. So, the plan going forward is to leave the façade and demo the building behind there. This is a demo of the decade building so John can move forward with redevelopment. Mary stated that this building is not contributing to the landmark district, so demolition would not come to the HPC. The façade is a separate structure from the 2 buildings behind that and there is nothing that can be done to refurbish the building and the only thing to do is demolition, leaving the façade, to meet the moth ball provision. Bob Brown asked if the façade is structurally sound to withstand the demolition. Mary is confident that this can be done with no damage to the façade. To keep people out after buildings are tore down John is going to fence back by the alley.

Robert Brown made a motion that was seconded by Kevin Patrick to accept the funding in the amount up to \$3,875.00 or 25% of the eligible cost. The motion carried unanimously.

3. LOAN SUBORDINATION – Finlen Properties, LLC – JJ Adams on the phone

Karen has shared with the board about the subordination about the refinance that you are looking at. I shared with them the structure that there will be 2 agreements 1 will be during the construction period on the construction loan and the other subordination

agreement comes in at the end for the permanent financing. But it's important for the board to hear what a benefit this is and how you are restructuring, and our position essentially doesn't change at all it's that were subordinating to a new lender. Dale stated that the information that was sent from the URA staff was very clear. It looks that you are going to do some construction and rehab to bring the property further up in its preservation status and do a lot of work on the inside of the building adding a lot of features. Just one question that I still had, you are looking at a construction loan in 1st part of its short term 12 to 18 months on construction loan and then ultimate take out after that work is completed? JJ stated the owner carry had a balloon payment that they were concerned about, so we just incorporated the ones that the refinance company wanted us to do as a condition of the loan. Robert Brown said we are secondary to Stockman Bank. So, what is the status quo now. Dale stated as today we sit with Stockman's Bank has first position, the family has an interest in this and then we are after that so with the new financing we will move up to the secondary. Dale said we are not releasing our position we are just changing the players. According to the appraisals we received our second position will have more equity than previously. Dale stated that he does not see any downside for the URA at this time. Karen stated that the Rural Community Assist Corporation of California nonprofit public benefit corporation is a huge player in this market of redevelopment assistance to large structures. We have worked with prior with applications on large buildings in Uptown that were not funded. JJ stated that we have been working to solve this problem not just for our historic building but for others to provide a model for them to follow. Bob Brown is trying to understand what this company is like, and Karen stated that it is like a BLDC but in a much larger scale. JJ stated that they specialize in rural which is huge for this area. Dale stated that the documents that Karen sent, there is no way that the URA is going to be in worse position in fact it will be in a much more enviable position by going ahead and participating in this. Bob Worley asked if JJ had a loan value would be when finished. JJ stated that as is the business is worth 6 million it was 3 million when we bought it in 2018 and as constructed it would be 9 but then they wanted an expert in hotels. They found John Sears out of California he came in and used a different approach, this should be treated as a hotel. He also recommended a little bit more on the renovation that we should update the motor inn which was not on the previous appraisal. What he came in and said that the value would be 14 million.

Bob Worley made a motion that we approve the loan subordinate on the Finlan Hotel Properties LLC with JJ Adams thru the construction period of this loan and the final on as the construction is completed. The motion was seconded by Kevin Patrick to accept the loan subordination for the Finlan Hotel Properties LLC. The motion carried unanimously.

Bob Brown said even if he read that he does not feel he would have understood as well as Karen's explanation. Bob Worley asked Brianne where we are at with the Finlan. Brianne stated that we have 2 loans one is the original at like 380 thousand and then the infrastructure loan that is around 35 thousand.

4. PUBLIC COMMENT

5. OTHER ITEMS

The parking garage gates are installed and working along with the cameras except for inside the elevator. All the electrical work related to those items is done. Still waiting for some signage that are permanent. We did roll the gate down for the 4th of July weekend and kept it down just to detour people from getting to the top of the garage. But the restrooms are accessible during Farmers Market and partnered with Main Street Uptown Butte to open and close so it is functioning. Bob Worley stated that the parking garage on Broadway Street can add 2 more floors of parking just to keep in mind. Karen is aware of that also; it is in private ownership but that does not mean it could not come up with agreement.

6. ADJOURN

Bob Worley made a motion that was seconded by Kevin Patrick to adjourn the meeting at 11:51 a.m. The motion carried unanimously.