

**City of Helena, MT  
Railroad TIF District  
Board Financial Report  
As of 12/31/21**

<b>Beginning Cash July 1, 2021*</b>		<b>\$ 308,240</b>
Revenue:		
Real Property Taxes		109,061
Personal Property Taxes		5,073
Penalty & Interest		481
Interest		19
Total Revenue		<u>\$ 114,634</u>
Expenditures:		
Contracted Services		-
Capital Outlay		-
Total Expenditures		<u>\$ -</u>
<b>Ending Cash - December 31, 2021</b>		<b>\$ 422,874</b>
Less		
Project Commitments		-
<b>Cash Available</b>		<u><u>\$ 422,874</u></u>

*\*Reflects audit adjustment in FY21*

**City of Helena, MT**  
**Railroad TIF District**  
**Board Financial Report**  
**Project Listing**  
**As of 6/30/2021**

<b>Project #</b>	<b>FY</b>	<b>Description</b>	<b>Budget</b>	<b>Actual</b>	<b>Balance</b>	<b>Notes</b>
TF99001	2019	Demolition - 1513 National Ave	4,000	4,000	-	Paid to MidTown Industries, LLC
TF1001	2021	Midway LLC ADA Improvements	25,000	25,000	-	Paid to Midway LLC
RD0900	2021	Ray Kuntz Sidewalks	50,568	50,568	-	Paid to Ray Kuntz Development, LLC
	2021	Sidewalks - ADA Improv.	100,000	100,000	-	Transferred to Fund 201 in FY21 - Project Carryover to FY22
<b>Total</b>			<b>\$ 179,568</b>	<b>\$ 179,568</b>	<b>\$ -</b>	

**RURD TIF PROGRAM APPLICATION**

Project Name: 40 E Lyndale Redevelop. Date Submitted: 12-7-2021

**APPLICANT INFORMATION**

- 1. Name: Karli Mosey
- 2. Address: 613 Jackson Street
- 3. City/ST/Zip: Helena MT 59601
- 4. Telephone Number(s): 608 780 2509
- 5. E-mail: Karli.Communitycrate@gmail.com

If the applicant is not an individual doing business under his/her own name, the applicant has the status indicated below and is organized or operating under the laws of:

- A non-profit or charitable institution/corporation
- A partnership or corporate entity known as The Bell Hotel LLC
- District Resident
- Local Government
- Other (explain) \_\_\_\_\_

**PROJECT INFORMATION**

- 1. Property Address: 40 E Lyndale Avenue
- 2. Legal Description: Central ADDN NO 3, S30, T10N, R03 W  
Block 53, lot 1-11 + 30 x 122 closed
- 3. Property Owner: (If property is not owned by the Applicant, list leasehold interests and attach evidentiary materials.)  
Property Owner: Buck + Jeri Rea  
Address: 101 Pine St.  
Telephone Number: 406 431 3937  
Email: buckrea@gmail.com
- 4. Project Architectural Firm (where applicable):  
Address: CWG Architects

Telephone Number: 406 443 2340

Email: kk@cwg-architects.com

5. **Project Financial Lending Institution (where applicable):** \_\_\_\_\_

Address: \_\_\_\_\_

Telephone Number: \_\_\_\_\_

Email: \_\_\_\_\_

6. **Project Contractor (where applicable):** Environmental Contractors LLC

Address: B PO BOX 80107, Billings MT 59108

Telephone Number: 406 652 6337

Email: alex@envca.com

7. **Existing/Proposed Business (where applicable):**

Business Description: NA

8. **Description of Project:** In a separate attachment, please provide a full written description of your project, making sure to address the particular program criteria for review and any applicable program narrative under which your project falls.

9. **Project Renderings:** Submit design schematic and/or site and landscaping plans for project (if applicable).

10. **Total Cost of the Project:** Please summarize. A full breakdown of costs is required on the Project Cost Worksheet. Phase I of redevelopment is abatement + demolition, total cost of this phase is estimated \$302,853

11. **Property Ownership:** Do you own the property or are you currently purchasing it?

Buck Rea is landowner  
Karli Mosey + Buck Rea are entering a partnership in redevelopment w/ a land lease option.

12. **Job Creation:** Will there be any new permanent or part time jobs as a result of this project excluding construction jobs associated with the development of the project? If so how many?

4-6 full/part time positions in Hotel operations

13. **Project Financing.** Briefly describe how the project will be financed. With TIF assistance, grant monies + partnership assets, Karli Mosey intends to finance the full development project with SBA 504 loan

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14. **Project Completion:** What is the expected completion date of the project? \_\_\_\_\_

Demolition complete Spring 2022

New build complete summer 2023

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15. **Property Taxes.** How much are the annual property taxes including any improvements? Is the payment of taxes current (if applicable)?

\$6,875      yes

## PROJECT COST WORKSHEET

### Construction/Rehabilitation Costs (use general construction trade divisions)

1.	Land survey	\$	700
2.	site clean up	\$	1500
3.	abatement	\$	179,573
4.	demolition	\$	94,780
5.	prevailing wages	\$	9,500
6.		\$	
7.		\$	
8.		\$	
9.		\$	
10.		\$	
Subtotal		\$	286,053

### Design and Permitting Costs

1.	Architectural Design/Supervision	\$	15,000
2.	Permit Fees <i>Newfields QEP</i>	\$	1,800
		\$	
3.	Other fees	\$	
		\$	
Subtotal		\$	16,800

**Total Project Development Costs**                      \$ 302,853

**SUPPLEMENTAL INFORMATION FOR ELIGIBLE IMPROVEMENTS UNDER  
SPECIFIC PROGRAMS**

List eligible items that pertain to the particular program you are applying for (see the applicable program narrative for a description of eligible items). Use the "Construction Costs" portion of the Project Cost Worksheet to fill out the information below. If in doubt about an item's eligibility, include it. Staff will review the items and help determine eligibility.

1. <u>Land Survey</u>	\$ <u>700</u>
2. <u>Site clean up : Dumpster</u>	\$ <u>200</u>
3. <u>                    Labor</u>	\$ <u>1300</u>
4. <u>Demolition Permit</u>	\$ <u>1,800</u>
5. <u>QEP testing + oversight</u>	\$ <u>15,000</u>
6. <u>abatement</u>	\$ <u>179,573</u>
7. <u>demolition</u>	\$ <u>94,780</u>
8. <u>prevailing wages</u>	\$ <u>9,500</u>
9. _____	\$ _____
10. _____	\$ _____
11. _____	\$ _____
12. _____	\$ _____
<b>Total Program request</b>	\$ <u>302,853</u>

**PROJECT FINANCING WORKSHEET**

**Owner/Developer Investment**

Total Investment \$ 151,426

**Request for Eligible items (from page 6)**

Total TIF Request \$ 151,426

**TOTAL PROJECT FINANCING** \$ 302,853



PROJECT NARRATIVE, 40 E. Lyndale Redevelopment Plan

1. Description of the project: Proposed is the abatement, demolition and redevelopment of the property at 40 E. Lyndale Avenue. In collaboration with land owner Buck Rea, Karli Mosey and partner AshLy Tubbs intend to facilitate the development of a boutique hotel property.

This TIF application requests assistance for the abatement and demolition of the existing structure at 40 E. Lyndale Ave. Additional TIF assistance will be requested for necessary development including but not limited to updating and maintaining water and sewer lines, installing sidewalks, and improving adjacent roadways.

- a. *Add to downtown vibrancy with a mix of uses*  
Provide a range of housing for a range of incomes

Hotel opportunities with high end experiences are few in Helena. Low to median range accommodations are plentiful in the area, many lack access to small business and favorite features in the Queen City. The Bell will offer an opportunity to host groups, couples, families, and business travellers in a memorable, comfortable setting.

Encourage new business startups

The Bell, Helena's Boutique Hotel will add long term value to the downtown community, offering full and part time employment at competitive wages for 4-6 individuals and substantial contributions to the local tax base. The hotel would engage in collaborations with small businesses as well as employ contract employment for services.

*Upgrade Underperforming Properties:*

Provide for demolition and site preparation as needed to upgrade properties-

TIF monies will be utilized to safely demolish and dispose of asbestos and hazardous materials existing on the current property. Abatement and demolition is necessary for improving this centrally located lot, there is no reasonable improvement other than this method for future development.

Abatement and demolition quotes were collected from three contractors in Montana, this was the most reasonable and timely for the project proposal.

Environmental Contractors LLC

Abatement \$179,573

Demolition \$94,780

Total \$274,353

Prevailing Wages for abatement and demolition are estimated at \$9,500

Cost estimates for the submitted TIF application are reflective of the bid presented by Environmental Contractors LLC

-Prior to applying for a demolition permit a land survey must be conducted

-Additional costs for site clean up prior to and following abatement and demolition

-Services provided by Newfields Qualified Environmental Professional will provide air clearance testing post abatement to clear safe demolition, \$12,500- 15,000

-Demolition permits and fees are estimated at \$1800 for this phase of redevelopment.  
See PROJECT COST & FINANCING SECTION for cost breakdown\*

Develop vacant lots and encourage upgrades to under-performing property gaps-

The existing property is blighted, unsafe and unsanitary. The redevelopment of this property will add a substantial increase to the diameter of improved and maintained properties in the area.

Facilitate facade improvements-

The Bell Hotel's mid century - modern architecture is a new build that compliments the diverse cross-section of architecture existing at the Lyndale/ Last Chance junction.

The Hotel celebrates nearby attractions including parks, walking and biking paths, the skating rink and direct access to small business. Redeveloping this property will improve the aesthetics of the main intersection in Helena, with hopes of encouraging development and improvements in the area.

*Create a quality and unique experience:*

Make improvements to attract more businesses

Initial demolition of the existing property will be the first step towards redevelopment and improvement in the area. Hosting a captive audience of tourists looking to consume small business, the location will be an attractive consideration for new businesses to seek nearby real estate.

Capitalize on downtown's historic assets

The Bell, Helena's Boutique Hotel is named in direct reference to The Bell Motel, located at 40 E. Lyndale Ave in the 1950s. The nostalgia of the previously existing hotel, will be a historic connection point for guests to enjoy vintage details in a modern setting, with luxurious features that provide an updated and special Helena experience.

*b. Local zoning and requirements:*

The property at 40 E. Lyndale is zoned *downtown* and is inside the *Railroad Urban Renewal District*.

At this stage of planning the lot layout is not finalized.

In collaboration with CWG Architects and Diamond Construction, engineers and contractors with years of experience designing new builds according to city code and downtown zoning

requirements in Helena will apply their expertise in successfully producing plans and facilitating the build.

The Bell Hotel will qualify as *R1, Residential Hotels* under building city code.

*c. Demolition/ Deconstruction:*

The existing property is not registered as a historic location.

The State of Montana, Department of Environmental Quality requires state certified contracting the safe removal and disposal of these dangerous materials. Three project estimates have been collected, proceeding with the lowest, Environmental Contractors LLC has bid the abatement and demolition of the property at 40 E. Lyndale Ave. for a total cost of \$274,353. Prevailing wages for abatement estimated at \$5-6,000/ demolition estimate at \$3,500

*d. Dislocation:*

N/A

2. Logistical Considerations:

a. Project Feasibility:

Given multiple factors, the project is feasible with positive projections.

Buck Rea, maintaining land ownership has offered a long term land lease, and partnership with Karli Mosey and AshLy Tubbs. The partnership with assistance in funding from the city will facilitate the financing for abatement, demolition, land development and building of future properties.

Engaging with a secondary business on the property will fully utilize the lot at 40 E. Lyndale, fulfilling zoning requirements and maximizing profit and use potential.

b. Applicant's ability to preform:

Project lead, Karli Mosey

Partner, AshLy Tubbs

Partner, Buck Rae

Land owner and partner, Buck will maintain ownership of the property at 40 E. Lyndale Ave., a long term land lease will be established in addition to partnership percentage in the Hotel.

c. Timely Completion:

Abatement, demolition and clean up in Spring of 2022

Break ground for build late summer 2022

Complete build spring of 2023

Furnish, set up summer of 2023

OPEN FOR BUSINESS SUMMER 2023

d. Payment of Taxes

Buck Rae is current on property tax, listed \$6,875 annually.

3. Economic & Community Development Potential:

a. Tax generation: The current property tax is \$6,875 annually, based on the valuation of apartment housing at 32,000+ sq ft. located at 40 E. Lyndale Ave.

The Bell Hotel's property footprint will maximize at 15,000 sq. ft. allowing for the existing lot to be utilized by a secondary business, an additional taxable property.

Value will increase by demolishing the existing property. 4% lodging and room tax at 12 rooms has an annual contribution of approx. \$22,260 given average capacity rates at 64%. Contributions surpassing \$28,000 annually with projections at 80% capacity rate.

b. Relationship of public and private investment:

Producing a better outcome than what currently exists is the goal for land owner Buck Rea, and project partners Karli Mosey and AshLy Tubbs. Buck's partnership will help facilitate a long term Small Business Loan that will be paid for by Karli Mosey as acting owner and manager of The Bell. Both parties are taking risk, assuming a long term debt and presenting land value as financing assets.

The city of Helena's assistance all the way through this process is integral and will produce community wide benefits, from local economy stimulation to an improved area adjacent to publicly used spaces and amenities. Creating more access to the assets in this central location will be appreciated by tourists and provide broader access with established sidewalks and improved roadways. Counting on the city's assistance to improve the areas surrounding the lot being so heavily invested in, will be good faith support in the improvement of the community at large and the long term vision of what Helena could be as a thriving small town.

Securing TIF monies for this component and future development needs is an initial requirement to secure financing for the project at large. In working with MBAC, Karli is applying to secure grant funding with 50% match through Big Sky Development Trust Fund (BSTF) to put towards site planning.

c. Job Creation:

Hotel Operations Staff:

2/ 3 housekeeping staff, starting wage \$16/hr, (84hrs/wk)

2/ 3 lobby attendants, starting wage \$10/hr (84hrs/wk)

Management, wage \$25/hr (12hrs/wk)

Contract employment:

Night security

Special event staff, i.e. yoga in the park/ shuttle services/ musicians

Food trucks

d. Investment Spin-off

Allocating TIF funds towards the abatement, demolition and clean up of the property at 40 E. Lyndale Ave. will facilitate the outcome of a centrally located boutique hotel hosting 12 rooms. Lodging and facility sales and use tax at 4%/ night would contribute upwards of \$22,000 annually to TBID (Tourism Business Improvement District) at an average capacity rate; contributions surpassing \$28,000 annually with projections at 80% capacity rate.

e. Cost-Benefit Analysis of the Investment/Expenditure

See attachment

f. Health and Safety Concerns:

The only reasonable outcome to improve the property is to safely remove and dispose of hazardous materials according to DEQ regulations, demolish and clean up the property to the point of a clean slate.

State certified service provided by Environmental Contractors LLC will complete material abatement and disposal, demolition and clean up according to current regulations. Based on state certifications and regulations all health hazardous impacts will be managed and pose only risk permissible by state certifications and regulations.

g. Historic Preservation:

The theme and brand of the hotel is inspired by the historic Bell Motel, previously located at 40 E. Lyndale Ave. Referencing the mid-century aesthetic, sustainable design and post pandemic considerations, the legacy of the former Motel will be brought into the 21st century as tourists enjoy the old meets new charm Helena has to offer.

h. Density, Infill, and Adaptive Reuse:

The proposed redevelopment will transform a vacant, dead space into a vibrant hub for tourists and locals alike.

i. Cost of Public Services:

Development of the lot will require maintenance and potential rerouting of water and sewer lines, and the placement of an additional fire hydrant. Traffic cut access points will be moved and placed according to finalized lot layout and MDOT requirements. Sidewalks on both Logan Street and Memorial Dr. will be new features of the development, improved roadways on mentioned adjacent streets is a priority. The roadways along Memorial Drive are in poor condition and lead to confusing non-intersections, improvements would be to the benefit of Memorial Park users and patrons of neighboring businesses.

j. Housing Component:

Offering temporary housing to visitors in our community, the Bell, fulfills the goals of the Downtown neighborhood Plan to promote diverse housing types. Hotel accommodations downtown offer budget and middle range options but few centrally located, luxury stays.

Contributing to the diversity and filling a wide open niche, the Bell Hotel is a welcome and complementary addition to the downtown business economy.

k. Conformance with Requirements for TIF fund Expenditures, per 7-15-42288:

Based on articles from attachment A in the TIF application,

*2. Demolition and removal of structures*

*12. The acquisition, construction or improvement of facilities or equipment for reducing, preventing, abating, or eliminating pollution.*

\*Additional TIF assistance will be requested for upcoming infrastructure development falling into the following articles:

*4. The acquisition, construction and improvement of public infrastructure, including streets, roads, curbs, gutters, sidewalks, (...), parking lots, sewers, sewer lines, waterlines, (...) and items of personal property to be used in connection with improvement for which the forgoing costs may be incurred.*

COST BENEFIT ANALYSIS			
		TIF \$ 50%	
Abate/ Demo	\$302,805	151,426	
Infrastructure	\$35,000	\$17,500	
		BSTF \$	
Site Planning	\$52,000	\$27,000	
Build & furnish	\$2,200,000		
		Total assistance	
	\$2,589,805	\$195,926	
Personal financing			
	\$2,393,879		
SBA 504 loan			
2.5 mill	\$10,705/ month		
20yr./ 2.77%			
Anticipated monthly expense @ 100% capacity			
	23,481		
PROFIT/ EXPENSE BASED ON 30 DAYS AT VARIOUS CAPACITY %			
@ 40%	montlyexpense	Margin/ month	
\$31,056	\$29,317	1,739	
@ 50%			
\$36,232	\$30,128	\$6,104	
@ 64%			
\$46,376	\$31,264	\$15,130	
@ 80%			
\$57,971	\$32,563	\$25,408	



November 19, 2021

Karli Mosey

Phone: 608-780-2569

Email: Karli.communitycrate@gmail.com

RE: Asbestos Abatement  
40 E Lyndale Ave.

**APPROVED BY:** \_\_\_\_\_

**DATE:** \_\_\_\_\_

**PLEASE FAX BACK TO 406-652-1724**

Ms. Mosey,

Thank you for the opportunity to quote the following:

**Abatement:** Environmental Contractors will provide abatement service for the property located at 40 E. Lyndale Ave in Helena. Work to include:

- Removal and disposal of all greater than and less than 1% asbestos containing material identified in the Phase II assessment published by Tetra Tech

This work to include establishing containments as needed, critical barriers, removal, cleanup, and disposal of waste at an approved landfill for the lump sum price of.....**\$179,573.00**

**Demolition:** Environmental Contractors will provide demolition service for the above property. Work to include:

- Total demolition and removal of the structure, trees, curbs, walkways, asphalt lot, and landscaping
- Utilities to be cut and capped
- Excludes backfill and compaction

This work to include all necessary permits for the budget estimate of.....**\$94,780.00**

**Notes:**

1. **Final Air Clearances:** Air Clearance Testing is the responsibility of the Owner and cannot be conducted by or paid by Environmental Contractors in accordance with the Administrative Rules of Montana. Our price does not include final air clearances. Environmental Contractors can recommend companies qualified to do such clearances. If final air clearance testing is not performed, the owner agrees to indemnify and hold harmless Environmental Contractors, LLC from any loss, liability, damage, or costs that may incur as a result of the above-described abatement.
2. **Bid Quote:** This bid is valid for 30 days from the above date. Please call to confirm bid and amount after 30 days.
3. **Wage Rate:** If Davis Bacon or Prevailing Wage rates apply to this project there may be an adjustment required in our price

**ENVIRONMENTAL CONTRACTORS L L C**  
Post Office Box 80107 • Billings, Montana 59108-0107  
Phone: (406) 652-6337 • FAX: (406) 652-1724



4. **Specifications:** Power and water will be supplied by the client. There were no specifications for this project. If there are special clauses or conditions required by the client there may be an adjustment required in our price.
5. **Schedule:** Work is to be performed at a mutually agreed upon time.
6. **Insurance:** Our price includes asbestos specific liability insurance and Workers' Compensation.
7. **Bonding:** Should you require Performance and Payment Bonds, please add 3.5% to our total price.
8. **State Asbestos Permit:** In accordance with the Administrative Rules of Montana, except in the case of an emergency asbestos abatement or removal, an asbestos removal permit must be requested 10 working days prior to start of the project. Environmental Contractors will submit the permit application based on a mutually agreed start date for the project.
9. **Personal Air Monitoring:** The above price includes personal air monitoring as required by Occupational Safety and Health Administration (OSHA) Regulations.
10. **Indemnification:** Notwithstanding any provision to the contrary, any indemnification, defense or hold harmless obligation of either the Contractor or the Subcontractor shall extend only to that part or proportion of any claim, damage, loss or defect which results from the negligence or intentional act of the indemnitor or someone for whom it is responsible.
11. **Prompt Payment:** Payment shall be due within 30 days of invoicing. Any invoice over 30 days past due shall be subject to a 15% surcharge.

Environmental Contractors, LLC is a professional hazardous material operations company with extensive expertise in asbestos abatement, lead base paint, PCB and other hazardous material remediation and handling. Our employees have attended OSHA approved and/or certified training in asbestos, lead and hazardous materials. Our supervisors and workers are certified as required by the State of Montana. Our personnel receive the required annual refresher training and recertification. We have established respirator protection, personal protective equipment and medical surveillance programs in full compliance with OSHA regulations. Our records are in accordance with OSHA and the State of Montana, which must be maintained for at least 30 years.

Please indicate acceptance of this bid proposal by signing at the top of the form, and faxing to our office. **Environmental Contractors will not proceed with any work until proper notification has been received in our office.**

If you have any questions, please contact Bryan Meier or Alex Cummings at 406-652-6337 or fax 406-652-1724. We look forward to working with you.

Respectfully Submitted,  
Environmental Contractors, LLC

<b>Montana Contractor Registration No. 10184 City of Helena 07 0006689</b>
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Bryan Meier  
Director of Operations