

PATTERN HOUSE HOLDINGS, LLC
1229 E. Lyndale Ave.
Helena, MT 59601

September 5, 2023

City of Helena
Community Development Department
316 N. Park Ave.
Helena, MT 59623

**RE: Railroad Urban Renewal District
Tax Increment Financing (TIF) Application Form
Pattern House Improvements – 1229 E. Lyndale Ave.**

To Whom It May Concern:

This letter is supplemental information describing the proposed improvements to the building known as the Pattern House located at 1229 E. Lyndale Avenue within the Railroad Urban Renewal District (RURD). This letter will provide a Project Description and Project Narratives as required in the RURD Tax Increment Financing (TIF) Application Form.

Project Description

The Pattern House is an iconic and historic structure serving as a gateway to Helena's Sixth Ward District. The structure was originally constructed in 1886 as the German Hotel, and shortly thereafter it was sold to the Northern Pacific Railroad for use as their company store. In 1898 it was purchased by Caird and Hawksworth Engineering to house wooden casting molds (patterns) for their foundry operation, hence the nickname "Pattern House". The most recent major renovation was completed by Paul Anderson in the mid 1990's when the property was converted to a coffee shop and coffee roasting facility known as Pattern House Coffee. The history of the structure is further described and summarized in the attached May 18, 2003, Helena Independent Record article by Martin J. Kidston.

The current owner is Pattern House Holdings LLC (PHH) who purchased the structure in September of 2021. Numerous cosmetic improvements have been completed on the interior of the structure which is currently leased to the local small businesses of J Bar T Engineers LLC and Pattern House Realty Group.

We recognize the cultural and historic value of the Pattern House and would like to make further improvements while preserving its historic character. Our ultimate goal is to make improvements to the structure thereby making it a legitimate quaint venue for local music acts, arts and crafts, and various community events in addition to providing exceptional lease space for existing and future local small businesses.

PHH is requesting TIF assistance for the following major exterior improvements:

- 1. New ADA Ramp.** The structure does not have an ADA access route that is in full compliance with current ADA standards. This is common for old structures where ADA accessibility was not a consideration in the design and construction. The proposed ramp will bring the structure into ADA compliance while maintaining as much of the historic character of the building as possible.

Note that PHH has acquired an encroachment agreement with the City of Helena to accommodate the portion of the ramp that would be constructed within the right-of-way of Lyndale Avenue.

2. **New Upper-Level Emergency Exit Stairway.** An elevated covered deck and stairway on the east side of the building was removed in approximately year 2017 by the previous owners. PHH would like to construct a new stairway that is true to the original historic character of the building.
3. **New Upper-Level and Garage Siding.** The building is relatively tall and the upper level exterior finishings are difficult to maintain; the current siding is badly weathered and needs repair or replacement with new board and batton siding (or similar) material. Pictures of the upper-level siding are provided with this letter. The garage siding is also in need of some minor repairs.

Project Narratives

1. Description of Project. Provide a written description of the project, scope of work if a marketing plan or similar plan, number, and types of jobs to be created, etc.

- a. Compliance with the Railroad URD Plan: Identify how your project supports the Railroad URD Plan and how the project benefits the neighborhood, URD, and community (See Attachment B for Goals and objectives of the Plan).

Response: The Pattern House is one of the original buildings within the RURD. Because of its historic nature, safety and accessibility were not prioritized in the original design. Our project will specifically improve the safety and accessibility of the building by adding the ADA ramp and the stairway accessing the second floor (RURD Goal #1).

Adding both the ADA ramp and the stairway will also allow the possibility for employees/clients/visitors with disabilities to access the venue as well as provide private access to each floor. This private access adds function and utilization for the building (RURD Goal #2).

The third portion of our project includes repairing or replacing the existing dilapidated wooden façade of the building. New or rehabilitated siding materials will refresh the exterior of the structure and create a more inviting venue (RURD Goal #4).

- b. Local Zoning and Other Requirements: All projects assisted by Railroad URD TIF funds must, depending on the project location, comply with the City's Zoning Requirements, provide a brief narrative as to how the design successfully meets the requirements of City Zoning. Include any project schematic, site, and landscaping plans.

Response: The project does not represent a land use change; the project site is currently zoned B-2; the existing land use is for professional office space. Proposed uses including the previously described venue for indoor/outdoor entertainment do not conflict with zoning requirements.

- c. Demolition/Deconstruction: If the project request includes removal of structures, it must be done in accordance with the provisions of Helena City Code Title 3 Chapter 15. Provide a brief narrative on how the building will be removed and whether it is a structure within the city that is individually listed on the National Register of Historic Places, or a property located within the city's historic districts which is designated by the state historic preservation office (SHPO) as primary or contributing.

Response: There is no significant demolition required for this project. The new ADA ramp will replace some of the existing sidewalks on the property and in the right-of-way of Lyndale Avenue immediately in front of the building. As previously noted, PHH has an encroachment agreement with the City of Helena for the portion of the ramp within the Lyndale Avenue right-of-way.

- d. Dislocation: If existing tenants are to be dislocated as a result of the project, provide a separate narrative describing how they have been or will be appropriately relocated.

Response: No tenants will be dislocated. All construction will take place during business hours and will be on the exterior of the building. At least one entrance will be available for all tenants, employees, and customers during the entire construction process.

2. Logistical Considerations. Provide a brief narrative describing the following:

- a. Project Feasibility: The Applicant's demonstration of financial readiness and ability to proceed.

Response: We have consulted with our financial institution and are confident that we can secure the necessary funds via loan, available cash on hand, or a combination of both to complete the project.

- b. Applicant's Ability to Perform: The Applicant's capability to undertake the relative complexities of the project.

Response: Our ability to undertake and complete the project is largely dependent upon funding and the availability of contractors. We have had numerous preliminary conversations with local contractors about the project. We hope to secure the necessary funding before securing contract(s) with local contractor(s) to complete the work.

- c. Timely Completion: The feasibility of completing the project according to the Applicant's proposed project schedule.

Response: Our ability to complete the project in a timely fashion is largely dependent upon funding and the availability of contractors after funds become available. We are confident that we have sufficient resources to complete the project on schedule, or within one calendar year after funding is authorized.

- d. Payment of Taxes: All property taxes, special improvement district assessments, and other assessments on the project property must be paid to date, where applicable.

Response: All property taxes and assessments are paid and current.

3. Economic & Community Development Potential: Provide a brief narrative for the following. If not applicable, please note:

a. Tax generation: Describe how the project will increase the taxable valuation in the District.

Response: The project will improve the aesthetic and functional value of 1229 East Lyndale. We also expect neighboring properties to make aesthetic improvements to their properties thereby cumulatively increasing the taxable valuation of the district.

b. Relationship of Public and Private Investment: Describe the relationship of private investment to public investment of a project and discuss how it is a prudent investment of public funds within the urban renewal district.

Response: Many structures within the Sixth Ward district have experienced significant degradation over the last several decades; investment is needed to preserve and redevelop existing structures and infrastructure.

We are asking for a 50%-50% public-private partnership with this project. Without the City's match of RURD funds, we would need to greatly scale back our project and likely not complete it in its entirety. We believe that this project would be a worthwhile use of the RURD funds for the following reasons:

- **The project provides for better and safer access to the property and the use of the sidewalks for clients/employees/and the general public by increasing its utilization and function.**
- **The project improves the property while emphasizing the historic importance of the RURD. The building is historic; we and many Helena residents still refer to the building as the "Pattern House". Adding the ADA ramp, the stairs and the proposed exterior improvements will enhance an already inviting landmark venue by creating a unique space to work and gather.**

c. Job Creation: Are there any jobs created as a result of the project? Please describe.

Response: The Pattern House currently serves as lease space for two small businesses, and this will assist them in attracting new employees and other businesses to the area. We believe that the current businesses at the Pattern House have significant potential for growth and enhancing the building with the new ADA ramp, stairway and siding will help attract new employees. PHH understands that providing a great working environment is essential to attract and retain employees.

d. Investment Spin-off: Describe any potential for investment spin-off having a positive impact on the District.

Response: Our project will enhance the visual appeal of the RURD, thereby attracting other investors to the area, increasing value, and building upon the existing businesses.

- e. Cost-Benefit Analysis of the Investment/Expenditure: For projects that are \$10,000 or more, a cost-benefit analysis should be completed.

Response: Due to the nature of the project it is difficult to estimate the financial benefit of the project. The purpose of the project is to make improvements to preserve a gateway structure of the URD. The improvements will increase the taxable value of the property, which will increase tax revenues.

This project will make improvements and preserve a historic gateway structure within the RURD. It will add value to the property and the neighborhood. The estimated cost of the improvements is \$150,000; we propose a 50% split with \$75,000 paid by TIF funds and \$75,000 paid by Pattern House Holdings. While the improvements will increase the taxable value of the property, the value will likely not be realized for many years. We believe the project contributes to the common goals to “emphasize the district’s historic importance”, to “increase property utilization and function”, and to “create an inviting venue”. Our project accomplishes these goals by using the funds to restore an already historic building.

- f. Health and Safety Concerns: Describe the project’s impact, positive or negative, on the environment in terms of noise, dust, pollution, public safety, traffic congestion, pedestrian access, visual aesthetics, etc.

Response: To create the ramp, two trees located in the front of the building will need to be removed. While this may have a short-term negative impact on the visual aesthetics, it is necessary to accommodate the new ADA ramp while also providing an adequate sidewalk around the ramp. The project will have no negative environmental impact.

- g. Historic Preservation: Describe the project’s ability to preserve and protect the cultural and economic heritage and physical assets of the district.

Response: The Pattern House was constructed in 1886 which predates most of the structures in the Sixth Ward. The purpose of the project is to protect the cultural and economic heritage of the structure that we believe to be an important asset of the district.

- h. Density, Infill, and Adaptive Reuse: Describe if the project increases density in the RURD through infill and adaptive reuse of existing property(s).

Response: Not Applicable

- i. Cost of Public Services: Describe how the projects will improve public services such as water, sewer, sidewalks parking, improved traffic circulation, etc., to an area currently underserved.

Response: Not Applicable

- j. Housing Component: Describe any housing components to the project. One of the main goals of the Railroad Neighborhood Plan and the Railroad URD Plan is to promote all types of housing in the area.

Response: While our project does not contribute directly to creating new housing in the area, our project creates places for employment thereby increasing the demand for housing.

- k. Conformance with Requirements for TIF Fund Expenditures, per 7-15-4288, MCA: Projects must cover eligible project activities stated in Montana state statutes (See Attachment A).

Response: As previously described, we feel that the nature of the project adequately conforms with the Requirements for TIF Fund Expenditures per 7-15-4288, MCA and is therefore eligible for TIF Funding.

Summary

PHH invites you to come visit the Pattern House to see how far we've come and how far we can go with this project. It is truly a labor of love that started with Paul Anderson's renovation that we want to build upon and share with our community.

Thank you for the opportunity to submit this TIF application. Should you have any questions, please feel free to contact Jared Lay or Tony Prothero at your convenience.

Sincerely,

Pattern House Holdings LLC



Jared A. Lay, Member
Email: jared@jbartengineers.com
Mobile: 406.431.3048



Tony J. Prothero, Member
Email: tony@jbartengineers.com
Mobile: 406.439.8027

Attachments:

- TIF Application
- Renderings (2)
- Upper Level Siding Pictures
- 2003 Helena IR News Article



City of Helena
Railroad Urban Renewal District
TAX INCREMENT FINANCING APPLICATION FORM
 Community Development Department
 Phone (406) 447-8490 Fax (406) 447-8460
citycommunitydevelopment@helenamt.gov

Project Name: _____ Date Submitted: _____

APPLICANT INFORMATION

Name (First & Last): _____

Address: _____

City: _____ State: _____ Zip Code: _____

Phone: _____ Cell: _____ Other: _____

Email: _____

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: State of Montana

- A non-profit or charitable institution/corporation
- A partnership or corporate entity known as _____
- District Resident
- Local Government
- Other (explain) _____

PROJECT INFORMATION

Building Address: _____

Legal Description: _____

PROPERTY OWNER INFORMATION

If the property is not owned by the Applicant, written permission from the owner must be included to carry out the project and lease or other materials.

Property Owner (First & Last): _____

Address: _____

City: _____ State: _____ Zip Code: _____

Phone: _____ Cell: _____ Other: _____

Email: _____



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PROJECT ARCHITECTURAL FIRM INFORMATION (WHERE APPLICABLE)

Company/Firm: _____
Point of Contact (First & Last): _____
Address: _____
City: _____ State: _____ Zip Code: _____
Phone: _____ Cell: _____ Other: _____
Email: _____

PROJECT FINANCIAL LENDING INSTITUTION (WHERE APPLICABLE)

Company/Institution: _____
Point of Contact (First & Last): _____
Address: _____
City: _____ State: _____ Zip Code: _____
Phone: _____ Cell: _____ Other: _____
Email: _____

PROJECT CONTRACTOR INFORMATION (WHERE APPLICABLE)

Company/Firm: _____
Point of Contact (First & Last): _____
Address: _____
City: _____ State: _____ Zip Code: _____
Phone: _____ Cell: _____ Other: _____
Email: _____

DESCRIPTION OF PROJECT

In a separate attachment, please provide a full written description of your project. Please indicate if the items are existing or new construction.

PROJECT RENDERINGS (IF APPLICABLE)

Submit design schematic and/or site and landscaping plans for project.



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TOTAL COST OF THE PROJECT

Please summarize. A full breakdown of costs is required on the *Project Cost Worksheet*.

PROPERTY OWNERSHIP

Do you own the property or are you currently purchasing it? Explain.

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?

PROJECT COMPLETION

What is the expected completion date of the project?

PROPERTY TAXES

How much are the current annual property taxes including any improvements? Is the payment of taxes current?



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PROJECT COST & FINANCING SECTION

Summarize the project costs on the Project Cost Worksheet. Use general categories and include items that are in the assistance request. The total cost should include land costs and “soft costs” such as zoning processes, surveys, and permits to enable the RURD Advisory Board to evaluate the entire private investment. If in doubt about an item's eligibility, include it. Staff will review the items and help determine eligibility. Briefly describe how the project will be financed and be sure to include equity and other investments into the project. If financing commitment is contingent on grants or URD TIF commitment to the project, has multiple sources, or other complex factors, provide that information.

NOTE: The TIF Program requests which include demolition/deconstruction activities, public sidewalks, streets, alleys and other right-of-way improvements; and/or work on utility main transmission lines totaling over \$25,000 are subject to Montana Prevailing Wage Rates and must include that in the itemized costs.

PROJECT COST WORKSHEET

Professional Services

1. _____	\$ _____
2. _____	\$ _____
	Subtotal \$ _____

Construction/Rehabilitation Costs

1. _____	\$ _____
2. _____	\$ _____
3. _____	\$ _____
4. _____	\$ _____
5. _____	\$ _____
6. _____	\$ _____
	Subtotal \$ _____

Printing, Advertising, etc.

1. _____	\$ _____
2. _____	\$ _____
	Subtotal \$ _____

Other Miscellaneous Costs

1. _____	\$ _____
2. _____	\$ _____
	Subtotal \$ _____

TOTAL PROJECT DEVELOPMENT COSTS

Total \$ _____



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citycommunitydevelopment@helenamt.gov

PROJECT FINANCING WORKSHEET

Owner/Developer Investment

Total applicant investment in the project \$ _____

Listing of Other Funding Sources & Amounts (Continue on separate sheet if needed)

1. _____ \$ _____

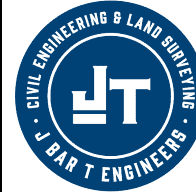
2. _____ \$ _____

3. _____ \$ _____

Request for Eligible items

Total TIF Request \$ _____

TOTAL PROJECT FINANCING \$ _____



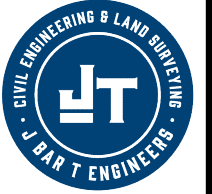
J BAR T ENGINEERS LLC
1229 E. Lyndale Ave.
Helena, MT 59601
www.jbartengineers.com
406.449.1306

Pattern House Improvements
PROPOSED ADA RAMP
1229 E. Lyndale Ave., Helena, Montana

EAST LYNDALE AVENUE

EXHIBIT A

PROJECT: XXXX
DATE: 08/2023
DRAWN BY: TJP



J BAR T ENGINEERS LLC
1229 E. Lyndale Ave.
Helena, MT 59601
www.jbartengineers.com
406.449.1306

Pattern House Improvements
PROPOSED EMERGENCY EXIT STAIRWAY
1229 E. Lyndale Ave., Helena, Montana

EXHIBIT B

PROJECT: XXXX
DATE: 08/2023
DRAWN BY: TJP

1229 East Lyndale Ave. – Upper Level Siding Photos

Photo 1



Photo 2



1229 East Lyndale Ave. – Upper Level Siding Photos

Photo 3



Photo 4



https://helenair.com/news/local/pattern-house-preserved-chunk-of-caird-history/article_0ebb65cd-d84b-5d8f-bd64-0de09091c6c8.html

Pattern House preserved chunk of Caird history

By **MARTIN J. KIDSTON**, IR Staff Writer - 05/18/03

May 18, 2003

Caird Engineering Works may be up for sale, but a big piece of the plant's history, and that of the historic Sixth Ward has already been preserved.

Paul Anderson, owner of Morning Light Coffee, renovated the plant's old pattern house and opened it as a coffee shop and roasting facility.

"Hence Pattern House coffee," Anderson said last week, hosting a reception of old foundry workers during National Historic Preservation Week.

Anderson said the building was built in 1886 as a German hotel. The Northern Pacific Railroad purchased the property a few years later and turned it into a company store. At one point in time, a sign painted on the front of the building mentioned the Plymouth Clothing Store.

But in 1898, three years after going into business, Caird and Hawksworth Engineering purchased the building, added a second floor, and used it to store the foundry's wooden "patterns" for casting molds.

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"When you told us you wanted to buy the building and what you wanted to do to it, we thought you were crazy," Dick Port, a former Caird plant employee, told Anderson. "But you sure have done a wonderful job."

Anderson said the renovation wasn't easy. Some environmental contaminants were discovered, and the building had no electricity or plumbing. It was nearly 100 years old.

"In order to satisfy existing codes and make it functional, the building had to be altered in some way," Anderson said. "The building pretty much told us what to do."

Calling it a labor of love - and one of occasional frustration - Anderson said he couldn't resist putting the old German charm back into the pattern house. That, he said, meant buying the wooden wreck "and putting a new building up around it."

"I wanted to keep that feel," he said. "As much as we possibly could, we maintained the appeal of the building using materials we found in the building."

When Anderson purchased the building it still stored an estimated 180,000 patterns. Some of those remain, giving the property a museum feel. Patterns for stove doors, ball mills, boiler fronts and even pipe fittings are on display.

While the Pattern House now caters to caffeine hounds and doubles as a coffee roasting plant, Anderson said the structure's renovations were kept historically accurate. The results garnered Anderson the Historic Rehabilitation Award in 1995 from the Helena/Lewis and Clark County Historic Preservation Commission.