

October 15, 2021

Emily Brock

Director of Economic and Land Development
Missoula County
C/O Development District Office
200 W. Broadway
Missoula, MT 59802

Re: Missoula County Development Opportunities

Dear Emily:

In the 2021 Missoula County Community Needs Assessment, 67% of respondents identified increasing the supply of housing that is affordable to all income levels as a top priority for Missoula County with 55% of respondents identifying initiatives to maintain and/or increase the supply of affordable housing as their top priority for housing initiatives. Additionally, 67% of respondents said that an increase in supply of housing that is affordable to the workforce is the strategy that most likely will result in increased economic development opportunities. The Missoula Organization of Realtors reported that the median sales price for a home in Missoula hit an all-time high of \$430,000 this summer, increasing 23% over this time last year. Homes in Hellgate Village, designed to provide housing for the “Missing Middle,” are selling for \$390,000 for a carriage home (approximately 650 square feet of living space) and more than \$430,000 for a modest single-family home. According to the State of Missoula’s Workforce report prepared by the Missoula Economic Partnership in July 2021, “by far, housing costs/availability was the most discussed problem in Missoula’s current labor market” and “many Missoula employers report hiring people who cannot find housing.” There is undeniably a housing crisis in our community.

In facing this crisis head on, there is an opportunity to think outside the box, to analyze our options, to act swiftly, and to consider the long-term effects of today’s decisions. While the Larchmont Golf Course is a valued and profitable recreational amenity for the community, imagine transforming the almost 170 acres of the Larchmont Site and adjacent City of Missoula property into a neighborhood with nearly 2,000 new housing units for all income levels, home ownership opportunities, medical facilities, senior living, neighborhood shops, and parks. At the same time, a



Figure 1: Parcels for Development Consideration

vacant piece of land is available, the Future Golf Course Site. This site cannot be developed for residential uses due to the floodplain and could become a productive, year-round recreational amenity for the community as a golf course with integrated public uses such as cross-country skiing trails and river access. Additionally, the State of Montana owns an adjacent 15 acres that potentially could be included in the project. These parcels are shown in Figure 1. With the development of the Future Golf Course Site, there are opportunities for connectivity improvements from the Bitterroot Branch Trail to Fort Missoula Regional Park and across the Reserve Street Pedestrian Bridge as shown in Figure 2.

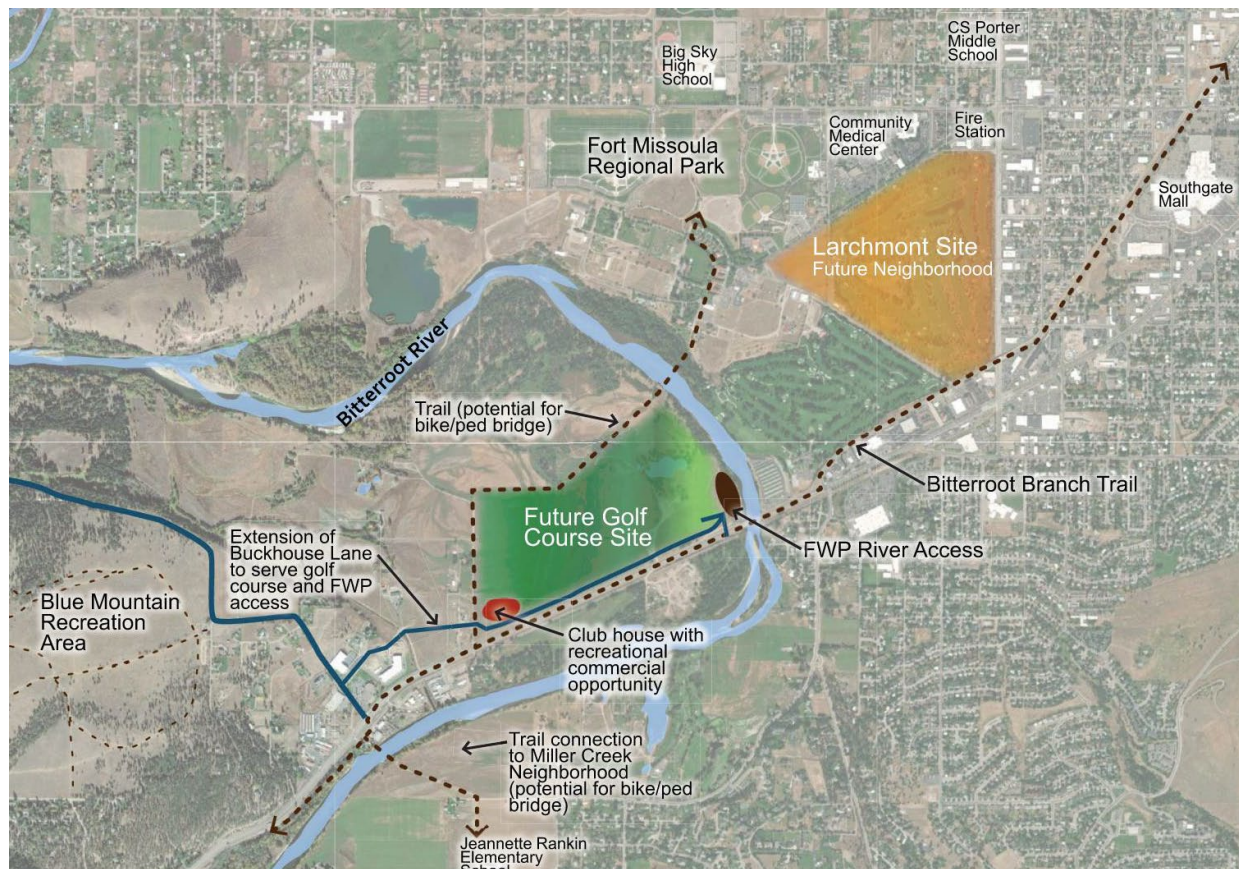


Figure 2: Community Connectivity

Over time, our community has changed and with that change have come needs that didn't exist in the past. The Missoula County Fairgrounds was once on the outskirts of town and is now transformed to meet the needs of today's residents by providing open space, trail connectivity, and event space. Hosting a wedding at the Fairgrounds or biking through the Fairgrounds to get from Southgate Mall to Sentinel High School likely were never imagined when the Fairgrounds was first built, but with a modern vision, the site has transformed to meet the needs of the community while honoring its historic character.

The Larchmont Site

As we re-evaluate properties through the lens of today's needs for our community, uses that made sense in the past may not be the best today. From a preliminary review, the Larchmont Site is ideal for residential and mixed-use development. A land use concept representing the potential uses on the site is shown in Figure 3.

- The **physical features** of the site are favorable to development. The site is relatively flat, and the soils have good structural bearing and drainage characteristics. There are great views out of the site for multi-story buildings.
- The **Missoula County and City of Missoula Growth Policies** promote growth and density within the urban core of Missoula.
- The **Emerging Missoula Housing Policy Plan** supports housing for all ranges of building types and affordability as well as sustainability located housing where there are public services in the vicinity.
- Significant **public investment in infrastructure** has been made within one mile of the site. This includes **TIF investment** in key projects.
 - Reserve Street improvements and re-surfacing
 - Sewer and water mains in Reserve Street
 - Big Sky High School
 - CS Porter Middle School
 - Fort Missoula Regional Park
 - Missoula Rural Fire District Fire Station
 - Reserve Street Pedestrian Bridge
 - Bitterroot Branch Trail
 - Rail Link Park at Johnson & South
 - South Crossing Shopping Center
 - Mary Avenue and Southgate Mall
 - Curb and sidewalks in URD III
- **Fort Missoula Regional Park** is located adjacent to the Larchmont Site. With development of the Larchmont Site, there will be enhanced utilization of the park.
 - \$38 million from the 2014 Missoula County Parks and Trails Bond was allocated to the development of the 156-acre park and sports complex.
- **Private investment** in this area provides essential shopping and social services.
 - Community Medical Center
 - Southgate Mall
 - South Crossing Shopping Center
 - Stockman's Bank
 - WinCo Foods
 - Big Sky Horse Park
 - The Village Health Care & Rehabilitation
- In addition to the existing public and private investment in this area, there are **future investments** planned for this area.
 - Replacement of Maclay Bridge
 - Midtown Master Plan
 - South Avenue improvements
- Development of the Larchmont Site will result in **increased tax revenue estimated to be at least \$1,300,000 per year for Missoula County and almost \$2,000,000 per year for the City of Missoula.**
 - Based on comparative analysis of similar properties and land uses. Assumes Missoula County receives about 20% of the total property tax bill and the City of Missoula receives about 30% of the total property tax bill.
- **Economic development** comes from the new jobs created in the construction industry for new infrastructure, homes, and the golf course.

- The mixed-use structures will provide opportunities for the retail and service sectors.
- For new home construction, jobs are created in architecture and engineering, the financial sector, lumber supply, and real estate sales.
- There are a myriad of other trades and sales that benefit from new construction.
- There are other benefits to the community when we build homes close to existing public services. No new fire stations or schools will be required. The population can be served by the public facilities we have in place. This reduces the average cost of providing public services.
- The new population can walk, bike, or take public transportation to work, saving the cost of maintaining an automobile. All of this translates into more time with family and friends and recreation, increasing demand for goods and services leading to a healthier community, reducing traffic congestion, and strengthening our workforce.

Land Uses

	Community Commercial/Mixed Use 13.9 acres 24 du/ac = 330 units
	Neighborhood Commercial 1.0 acres
	Medical Center Expansion 8.7 acres
	Senior Living 19.3 acres Assumed 24 du/ac = 460 units
	High Density Residential 9.5 acres 32 du/ac = 300 units
	Medium Density Residential 69.8 acres 12 du/ac = 840 units
	Park 7.8 Acres + Trails



Figure 3: Larchmont Site Land Use Concept

- The Larchmont Site provides **attainable and affordable housing** to support Missoula's workforce.
 - New housing inventory is centrally located and keeps Missoula's workforce in Missoula.

- The Larchmont Site provides home ownership opportunities with most residential units being deed restricted to allow for permanent affordability and attainability.
- With 840 attainable single-family homes, affordable multi-family units, expansion of community commercial, medical services, and neighborhood services, the Larchmont Site can support a **desirable neighborhood utilizing existing infrastructure**.
- As our aging community's **health care** needs increase, the Larchmont Site provides medical expansion opportunities, supports access to health care, and creates senior housing.

The Future Golf Course Site

The Future Golf Course Site has been preliminarily reviewed and appears to be a suitable location for a championship golf course. A conceptual layout is shown in Figure 4 to illustrate the potential for the site. This vision includes developing a welcoming southern gateway that enhances the entry to Missoula and captures the character of the community.

- The **physical features** of the site are conducive to a golf course. The site is relatively flat with natural undulations. The soils have good structural bearing and drainage characteristics. There are great views out of the site to the Bitterroot River and the Missoula County Club to the northeast, where the backdrop is Mount Jumbo and the mountains of the Rattlesnake Wilderness. The views to the north and west of Snowbowl and Blue Mountain, with McCauley Butte and the giant Ponderosa pines on the University of Montana property in the forefront.
- The **Missoula County Growth Policy** promotes open space and recreation in this area while supporting limited commercial uses.
- The site is situated on land that is outside of the **floodplain** at the eastern and southwestern portions of the site, providing two options for a clubhouse location.
 - Land in the flood fringe supports golf holes with raised greens to protect the course from extreme highwater events.
- The site can be developed with a championship golf course and clubhouse that allows for a public river access point and potentially shared access and parking.
- **Access** is convenient off US Highway 93 South.
 - Improved access to the site includes an accessible boat ramp, parking, and picnic areas to **support better utilization of the Bitterroot River**. Better river access and parking improves safety and access to public amenities for the entire community.
- The site, with some imagination in siting the clubhouse and driving range and practice holes, can **accommodate 7,000 yards of playable golf holes** required by a championship course.
 - Hole routing can be designed to have, in essence, three, six-hole routes so that golfers can choose to pick up a short course or hop on and off at different intervals.
 - With some re-arrangement, the State of Montana property can be incorporated into the location of the driving range to maximize the utilization of the available property.
 - The clubhouse design can incorporate golf simulators inside for shoulder and off season use and be designed as a community center for winter use. The clubhouse will also include a restaurant and bar.

- During the golf season, there are trails for bikes and pedestrians. In winter, the course can include Nordic skiing and the pond can be used for ice skating.
- There is the opportunity to install more sustainable irrigation systems reducing water use.
- There is an opportunity to secure funding for more youth participation.



Figure 4: Conceptual Golf Course Layout

Development Strategy

History of Success: With success stories at the Missoula Development Park and the Fairgrounds, Missoula County is no stranger to successfully developing and managing County property. Missoula County played a critical role in the Trinity Housing and Navigation Center on Mullan Road. Trinity serves as a contemporary example of Missoula County's success in assisting with the process of housing development on Missoula County land located within the City of Missoula. Trinity also serves as an example of responding to the community's needs with a timely and efficient process which is essential to the implementation of this vision.

Bold Ideas: The acute need for housing in our community requires a public/private partnership and an effective strategy to meet today's needs today and not ten years from now. This concept is innovative and takes bold imagination. The quality of life in our community is at stake. While there may be hesitation in committing to this idea, there's an opportunity to work together as a team to figure out how to make this work.

Perishable Opportunity: There is a perishable opportunity to make a big impact on the housing crisis in Missoula. To implement this opportunity, a Developer Group (our client) is in place to help guide the strategy for introducing this concept to stakeholders and the public. This group will lead the design and disposition process and is prepared to enter into a development agreement with Missoula County. The Developer Group is local, passionate about creating attainable housing options for Missoulians, and has the resources to develop the entire

Larchmont Site with quality homes and a mix of uses. Additionally, the Developer Group can deliver the replacement property described above for Larchmont Golf Course. The design of the new course would require integration of golf community stakeholders. This process can best be managed by Missoula County.

Strategy: The first step is to ensure that the Future Golf Course Site is secure and available. This is time-sensitive and requires our community leaders to be responsive, to imagine the impacts this project can have on the community, and trust in the team of Missoula City and County staff, local consultants, and the Developer Group to implement a legacy project for the community.

The second step is to determine the return on investment of relocating the golf course through an economic assessment along with the completion of a feasibility study for each site to provide a thorough understanding of the physical and cultural capabilities to accommodate the intended future use. During this step, a process to address the existing County resolution's limiting use on the Larchmont Site will be developed.

The third step is to assess the costs to acquire and develop the Future Golf Course Site for a golf course. This step would include revenue projections and cost of annual maintenance and operation of the new course.

The fourth step is to assess the costs to master plan the Larchmont Site for mixed uses including the costs for entitlements and infrastructure.

The first four steps will provide an analysis of whether, from a cost revenue assessment, the project makes sense to move forward. While cost revenue is important, cost benefit should also be considered. What is the benefit to the Missoula community of having a planned neighborhood that will help supply more robust solutions for workforce and senior housing, health care facilities, and commercial services?

If the land purchase and repurposing of Larchmont Site is desirable, generating a process for master planning and creating entitlements is the next step. The Larchmont Site will need a Targeted Growth Policy Amendment and to be rezoned, likely to M1-R3, to allow for high-density housing with mixed-uses and neighborhood services. A development agreement or Neighborhood Character Overlay can be used to modify the zoning to better fit the neighborhood.

A master plan will need to be further developed for the site to communicate the vision and mix of uses. The uses primarily will be a variety of residential building types. The development intent is for all 840 planned single-family homes to be owner-occupied, attainable units for Montana residents. Single-family home rentals will be restricted through provisions within deeds to guarantee home ownership opportunities. The Developer Group proposes collaboration with the North Missoula Community Development Corporation (NMCDC) and/or other prospective organizations to develop land trust models which provide for perpetual affordability of the residential portion of the development. Single-family homes will be provided in a variety of building types along with multi-family units, condominiums, townhouses, senior living, and assisted living.

The County can establish the rights-of-way through the appropriate entitlement process and then sell the blocks bounded by streets. This would enable the Developer Group to be innovative in determining future land uses that meet zoning and market demands while providing the foundational street network that forms the backbone of the development. Infrastructure can be financed by Missoula County or through an SID process.

Concurrent to the master planning of the Larchmont Site, details of the land purchase for the acquisition of property for the relocation of the golf course will need to be negotiated. For the design of the new course, forming a committee of stakeholders to help guide the process of acquisition/disposition, design, and construction is recommended.

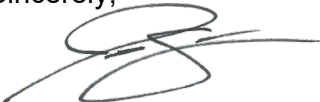
Creating Transformational Impact

The quality of life in Missoula continues to attract people, leading to growth and intensifying the housing crisis. To protect the quality of life that is vital to our community, the current housing crisis demands innovative solutions. Missoula is physically constrained with limited growth opportunities, so it is imperative that the land that is available is utilized to best meet the needs of the entire community.

We appreciate your timely response to this proposal. There is a perishable opportunity to guarantee acquisition of the Future Golf Course Site; a response by December 7, 2021, is requested indicating the County's willingness to enter into an agreement with the Developer Group and proceed with due diligence. Thank you for your consideration.

When Missoula comes together, great things can happen. Let's make this another example of the fortitude, resiliency, and innovation that highlights the spirit of the Missoula community.

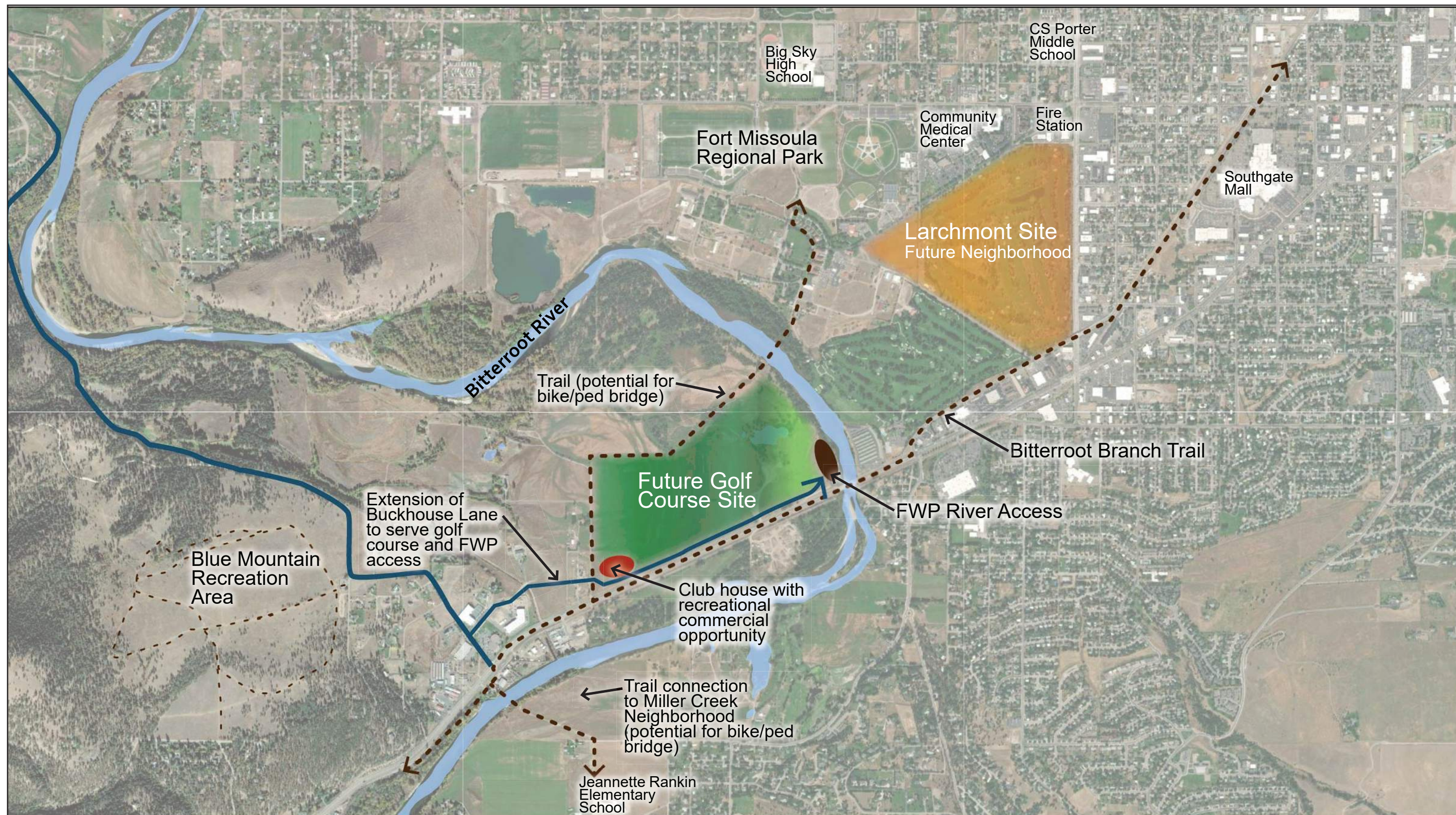
Sincerely,

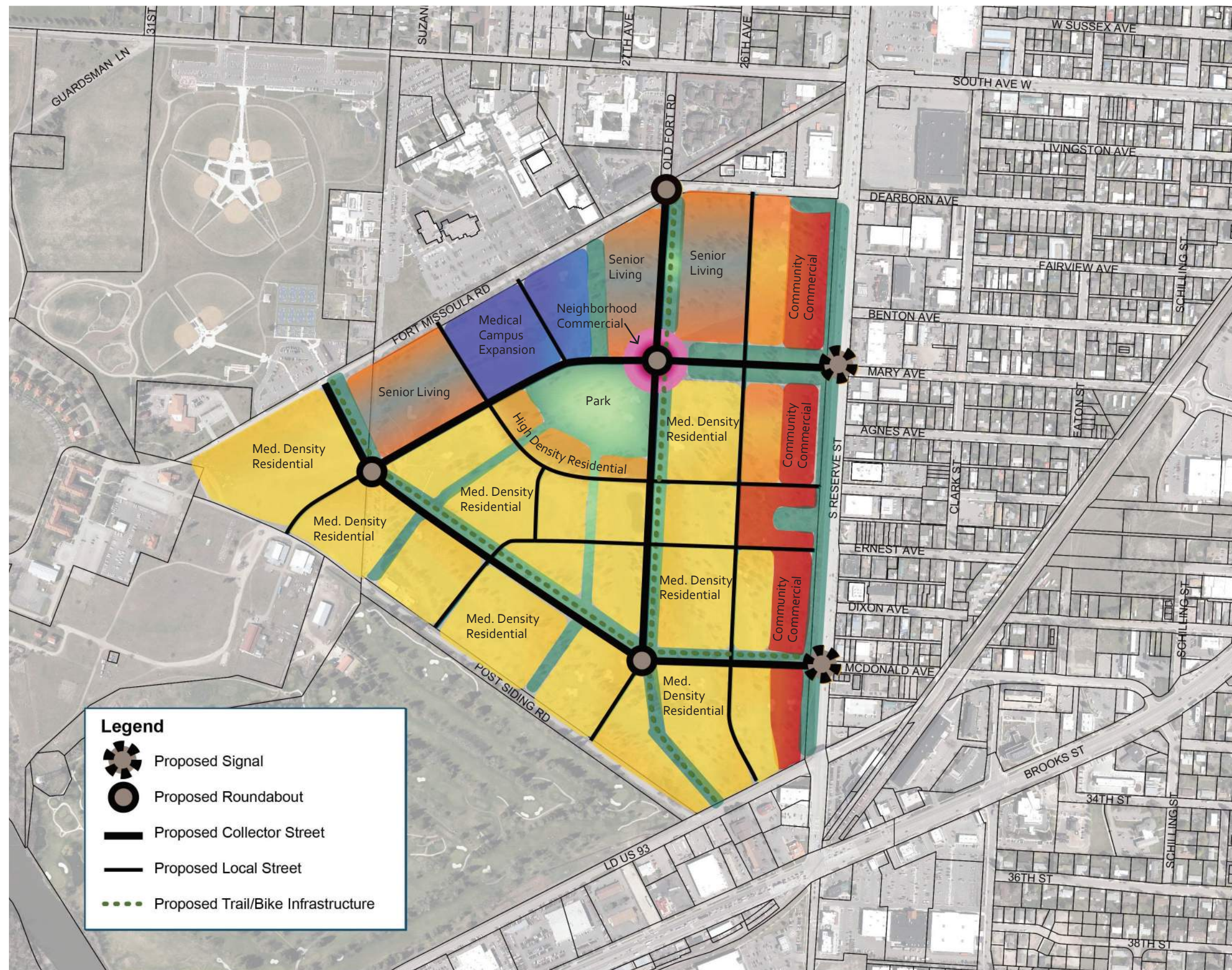


Jeff Smith, PE, LEED AP
Executive Officer/Principal Engineer

cc. Missoula County Commissioners
David Strohmaier
Josh Slotnick
Juanita Vero
Kate Dinsmore, PLA, SITES AP, WGM Group
Nick Kaufman, WGM Group

Encl. Figure 2: Community Connectivity
Figure 3: Larchmont Site Land Use Concept
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