Opportunities and Challenges

Midtown Master Plan

December 2022

Prepared for: Missoula Midtown Association

Draft Report

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What Are the Key Opportunities and Challenges Facing Midtown?

Midtown is an Essential Part of Missoula's Community and Economy

Midtown is a large, centrally located area of Missoula with a prime location along major corridors which include Brooks Street, S Reserve Street, S Russell Street, and Mt Ave. About one in five Missoulians live in Midtown, and nearly a quarter of Missoula's workforce is employed in the area. Midtown is a key regional hub that attracts people to work, shop, and recreate at its regional destinations like Southgate Mall and the Missoula County Fairgrounds.

Source: SERA Architects

Midtown Faces Increasing Development Pressures

Midtown's older building stock, low rents, and large underdeveloped parcels are contributing to housing and commercial development pressures in the area. Vacancies are low for virtually every type of property, including retail, office, and multifamily housing. Rents currently remain relatively affordable compared to Missoula overall. However, very low vacancies are likely to put upward pressures on rent absent new construction of commercial space and residential units in Midtown. According to data from the Missoula Organization of REALTORs, the median home price has been rising quickly since 2019, increasing 74 percent by 2022 (year-to-date). While incomes are on the rise in Missoula overall (increasing 17 percent between 2010 and 2020 when adjusted for inflation), incomes in Midtown remain relatively lower. As of 2020, Midtown households made $7,000 less than Missoula households overall.

Source: ABC FOX Montana

Midtown Needs a Connected and Complete Vision to Reach Its Full Potential.

The existing development patterns in Midtown have made it difficult for the area to form a single, overarching identity. Midtown now is a diverse collection of subareas that comprise different uses and development patterns, but they are fragmented and difficult to navigate. Visitors and residents travel by car to well-known destination hubs for a specific purpose but often abruptly leave Midtown afterwards. The lack of activity clusters reinforces the auto-centric environment and presents the need for more intentional placemaking, improvements to crossings on major streets, and potential investment in transit infrastructure to address these challenges.

What are the challenges for a complete and connected vision?

- Community members want Midtown to feel more like a destination, with a sense of place and identity that it lacks now.
- There is good access to Midtown, especially by car, but travel within Midtown is difficult.
- Bike and pedestrian networks are disconnected and, in some places, non-existent.
- Transit service lacks first and last mile connections.
- Midtown's surface parking lots reduce its visual quality and walkability.
- Midtown lacks a track record for managing parking.

Midtown Could Better Align Development with Community Preferences.

Community engagement for the Midtown Master Plan process and citywide findings from the Our Missoula Growth Policy have shown strong interest in a range of housing types (including "missing middle housing" like duplexes, triplexes, and cottage clusters), mixed-use development, and small-scale, neighborhood-serving businesses. However, existing development standards in the city code, like minimum unit size and parking requirements can make it difficult for developers to create these options. Uncertain review processes, long review timelines, and an unpredictable process do not currently enable the infill options that many envision for Midtown to be built by small or local mid-sized developers.

What are the challenges for aligning development with community desires?

- Speculative new development is challenging to build for small and mid-sized developers.
- Midtown lacks accommodations for visitors.
- Midtown's zoning is too rigid with limited flexibility to attract infill development and a variety of housing types.
- Cumbersome permitting processes and variances decrease developer certainty and limit infill development.
- Aging water infrastructure could create challenges for future development.

Midtown Should Stabilize Existing Businesses and Provide Equitable Opportunities.

Midtown businesses range from large anchor retail stores like Cabela's and established regional centers like Southgate Mall to smaller local storefront businesses like those along South Avenue or tucked between commercial centers. Low vacancy rates and rising demand indicate that Midtown is on the cusp of change. Midtown can pursue strategies now to stabilize conditions and prevent displacement for its legacy businesses while allowing equitable opportunities for new businesses at different scales.

What are the challenges for stabilizing and expanding businesses?

- Commercial vacancies are low in Midtown, but few new spaces are being developed.
- Growing development pressures could displace legacy businesses.
- New development and investments in Midtown could displace current residents.

Opportunities Exist for Midtown to Overcome Barriers in the Master Plan.

As part of the master planning process, Midtown can address existing barriers ahead of fundamental changes anticipated in the area. Midtown's growing population, large-scale investments planned in public transportation, citywide code reform, and rising demand for new types of commercial and residential spaces can all be part of a strategic effort for the area to leverage its assets and direct development to reflect the community's desires. This report details the critical challenges that Midtown faces today and the opportunities it has to address them.

What Opportunities Does Midtown Have to...		
Create a Complete and Connected Vision?	**Align Development with Community Preferences?**	**Stabilize and Create Equitable Opportunities for Businesses and Residents?**
▪ Create "complete neighborhoods" ▪ Leverage subareas to create unique placemaking opportunities ▪ Improve connections across major streets and large blocks ▪ Center equity in transportation ▪ Expand the bicycle network onto the low-stress street network ▪ Support walking and biking by focusing on shorter trips ▪ Align land use with new transit investments ▪ Determine how shared micromobility may fit in Midtown ▪ Increase flexibility of on-site parking requirements ▪ Be proactive about parking	▪ Align zoning with broader policies ▪ Provide development incentives to increase development feasibility ▪ Leverage existing amenities to grow tourism and tourism-related development ▪ Implement simplified and flexible zoning districts ▪ Increase flexibility for community-preferred uses ▪ Create stronger affordable housing incentives ▪ Prioritize water main replacements and extensions in the near-term	▪ Coordinate strategies with the Missoula Economic Partnership ▪ Leverage urban renewal area funding for property reinvestment ▪ Join forces to market Midtown ▪ Support small business assistance programs ▪ Mitigate impacts of development construction ▪ Explore homeownership support and shared community resources ▪ Pursue low-cost housing preservation ▪ Explore community ownership models ▪ Create live-work and flex spaces

Introduction

Project Overview

Midtown is not an area that is broken and needs fixing. It is unfinished. The purpose of this Master Plan is to help Midtown evolve into a complete and essential part of Missoula.

The Missoula Midtown Association (MMA) and community partners are seeking cohesion around a vision for changes in Midtown. Through 2022 and 2023, the MMA is working with the ECONorthwest team and residents to develop a vision and Master Plan. Although Missoula is growing, Midtown residents are not yet benefitting from this growth to the same degree as residents in other areas.

As part of the Midtown Master Plan process, the area can define how to catalyze future investment in a way that reflects Midtown's values and meets the needs and future vision of the community. The Master Plan will guide the City's infrastructure investments and outline where private development could occur to create a place where residents can live, play, and work in Midtown.

The purpose of this Opportunities and Challenges report is to highlight key opportunities and challenges for facilitating more housing, employment, and transportation options. This document summarizes:

- Who lives and works in Midtown
- Current land uses and constraints
- The urban form and character that defines Midtown
- Market conditions and development opportunities in Midtown
- Infrastructure needs, including deficiencies in transportation infrastructure and public utilities
- Opportunities and obstacles to development in the area

Past and Current Planning Work

The Midtown Master Plan draws upon many previous planning studies, referenced throughout our existing conditions work. Although not all of these previous plans directly call out Midtown as a focus area, they contain key recommendations that serve as a basis for our understanding of current conditions. Among others detailed in Appendix A, these include:

- **Brooks Street Corridor TOD Infrastructure Study (2020):** A concept design plan for transit-oriented development on Brooks.
- **Brooks Street Corridor Study (2016):** Visioning for Brooks Street following new development projects and anticipated transit changes.

The City is also spearheading several projects in tandem with the Midtown Master Plan. The plan should anticipate this upcoming work and provide guidance that leaves room for more extensive engagement and analysis. These concurrent projects are:

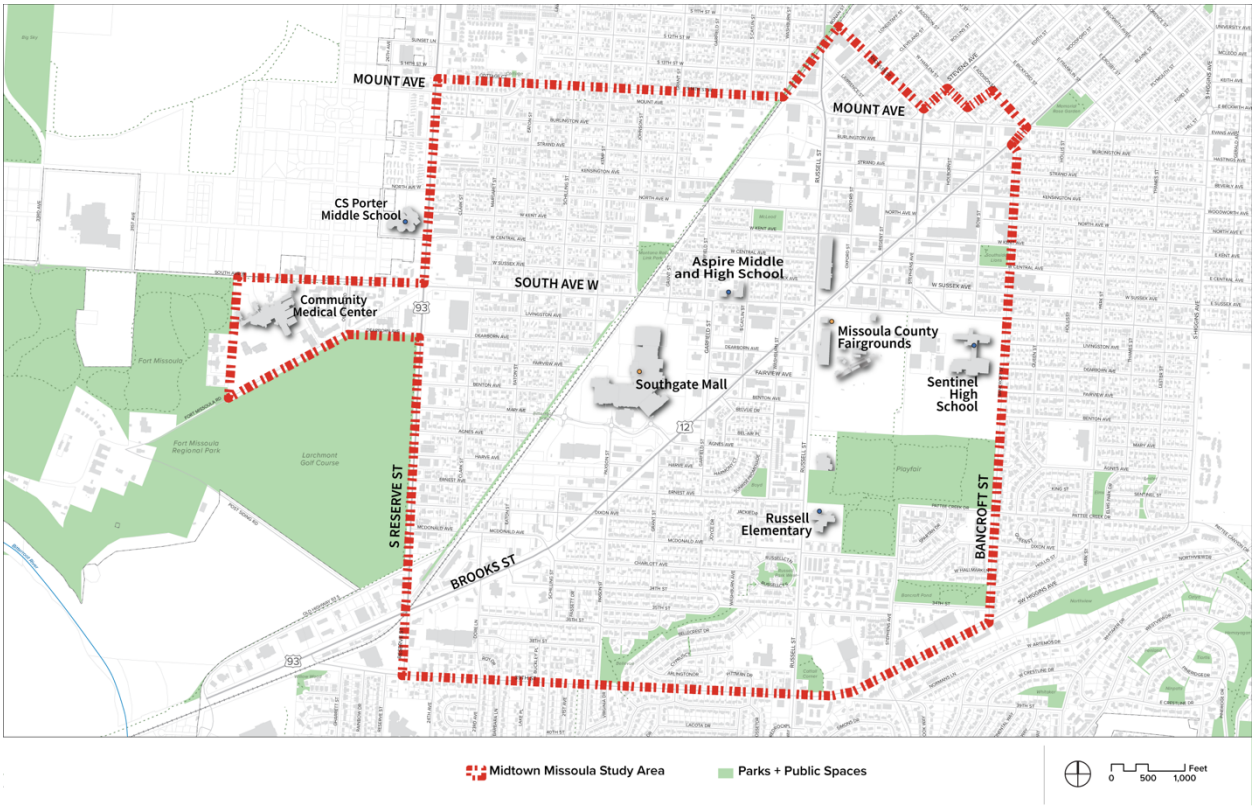
- **Our Missoula: Code Reform Project:** A process for overhauling the zoning code guided by the Growth Policy.
- **Transforming the Brooks Street Corridor:** Federally funded advancement of the Brooks Street visioning and conceptual work.

Midtown Study Area

Anchored by the Southgate Mall, Midtown is home to an abundance of retail and office businesses concentrated along Brooks Street and over 14,000 residents across four neighborhoods: Lewis and Clark, Rose Park, Franklin to the Fort, and Southgate Triangle.

The study area as illustrated in Exhibit 1 is bounded by Bancroft Street to the east, 39th Street to the south, S. Reserve Street to the west, and Mount Avenue and 14th Street to the north. Brooks Street and the Bitterroot Trail bisect the study area diagonally and serve as major transportation arterials for automobiles (on Brooks Street) and pedestrians and cyclists (on the Bitterroot Trail). Midtown is a large area of the city situated south of the Clark Fork River covering approximately 3.2 square miles, or about 9 percent of the city's total land area.

Exhibit 1. Midtown Study Area and Context
Source: ECONorthwest



Community Engagement

Community engagement has been a collaborative effort between the project team and Midtown's grassroots community engagement coordinator, Rachel Huff-Doria. With Rachel's expertise, the project team has been able to conduct engagement with the public and special population groups. The team was able to intentionally reach population groups that often don't have a seat at the decision-making table through events with youth at local schools, organizations for refugee and immigrant families, and the Missoula Food Bank, amongst others. The project team took on an intentional principle to meet people where they are for engagement opportunities. The team held tabling events at major events and set up outside popular hubs to share information and gain insight on community concerns and priorities.

Engagement Methods

Extensive community engagement has been an integral part of the team's existing conditions work. Throughout the document we reference these methods that informed our findings about opportunities and constraints in Midtown. These include:

- Stakeholder Interviews
- Focus Groups
- Coordination with Midtown Community Guides
- Community Visioning Workshop
- Online Survey
- Tabling at Events

Using a variety of engagement opportunities, both in person and online, the project team reached hundreds of individuals as well as key community leaders and organizations to discuss the opportunities and challenges in Midtown. The Community Vision Summary (Appendix B) provides details of the takeaways from each engagement activity throughout this phase of the Master Plan.

The team's engagement process through the Existing Conditions phase of the Midtown Master Plan focused on understanding how residents, workers, and visitors experience Midtown today and what direction they hope to see for Midtown in the future.

To frame these conversations at the outset, the project team also discussed a common understanding of equitable development and the implications for engagement efforts, which resulted in a working definition used by the team through these different methods.

What is Equitable Development?

> *An approach for meeting the needs of underserved communities through policies and programs that reduce disparities while fostering places that are healthy and vibrant; An effective place-based action for creating strong and livable communities; Clear expectations that the outcomes from development need to be responsive to underserved populations and vulnerable groups****; In the process, lower-income residents and people of color are successfully guiding the changes that occur within their communities rather than reacting to them.***[1]

[1] US EPA, "Equitable Development and Environmental Justice," April 13, 2015, https://www.epa.gov/environmentaljustice/equitable-development-and-environmental-justice.

Stakeholder Interviews and Focus Groups

One-on-one interviews and targeted focus groups allowed the team to speak with **over 60 stakeholders,** including representatives from public agencies, city government, nonprofit organizations, business owners, landowners, developers, and residents working in retail and health and social services.

The grassroots engagement team also identified organizational stakeholders who represent or work with individuals from groups who are most at risk of being impacted by and underrepresented and/or underserved due to historical exclusion and barriers to access. This includes people who are houseless, people who are at risk of being displaced, Native Americans, tribal communities, resettled refugees, people with disabilities, people living in areas with least access to services, people with lower incomes, people who rent, families with young children, and seniors.

These conversations gave the team insight into the status of economic development, housing, transportation, infrastructure, urban design, and where opportunities are present for the future.

Visioning Workshop and Online Survey

Over 125 community members (including children) attended the Midtown Visioning Workshop held at the Missoula YMCA in September 2022. This event included a series of interactive stations that covered issues and opportunities related to neighborhood destinations, housing, commercial development, urban design, transportation, parking, and concurrent projects in the city. Attendees had the opportunity to share their thoughts and ask questions with representatives from the MMA, our team, and the city.

Participants at the Midtown Visioning Workshop.
Source: Midtown Missoula Association

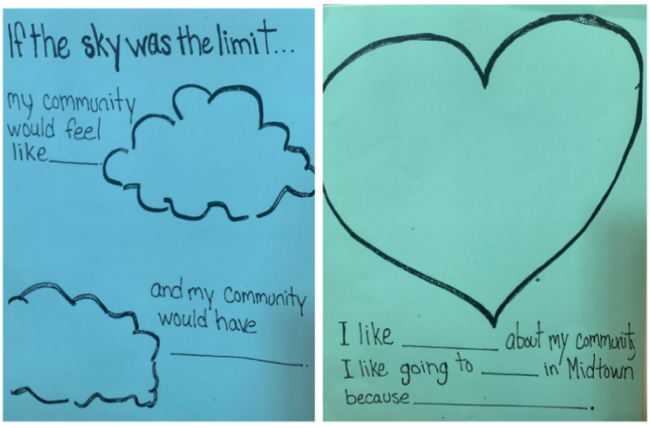
An ongoing online survey to complement this event allowed for people who live, work, and visit Midtown to participate virtually.

The event also included a children's activity held in tandem, where young community members could draw their ideas and vision for the future of Midtown.

Children's activity held alongside Visioning Workshop.
Source: Midtown Missoula Association

Coordination with Community Guides

A group of fifteen volunteer Community Guides has been working with the project to reach special population groups where they are, further enhancing the understanding of community needs in Midtown. Activities were led at multiple events including but not limited to the Franklin to Fort Get the Scoop ice cream social on September 1st, the Lewis & Clark Sunday Streets event on September 18th, the Russell Elementary Walk-a-thon on October 19th, and the Visioning Workshop at the YMCA (detailed above).



Community Visioning Activity Sheets
Source: Rachel Huff-Doria

In the next project phase, the grassroots engagement team will continue an iterative process with the community as we develop plan alternatives and drafts of the Midtown Master Plan.

Summary of Technical Analysis

The challenges and opportunities identified in this report are the culmination of a series of existing conditions analyses conducted by the project team. Appendices that illustrate these are:

- **Summary of Past Plans** (Appendix A) summarizes previous efforts to better understand current context. These plans are referenced throughout the report.
- **Community Vision Summary** (Appendix B) describes and summarizes the community engagement methods, activities, and input received to date.
- **Land Use & Zoning Analysis** (Appendix C) is a review of the Missoula Development Code summarizing implications for Midtown and best practices.
- **Urban Design & Development Characteristic Assessment** (Appendix D) assesses Midtown's built form, buildings, land uses, and public realm characteristics.

- **Market Analysis** (Appendix E) provides an understanding of Midtown's demographics, market conditions, development trends, and demand drivers for different uses.
- **Multimodal Transportation Audit** (Appendix F) summarizes an audit of existing facilities for walking, biking, and transit.
- **Infrastructure Audit** (Appendix G) provides a high-level assessment of sewer and water to support high intensity development in Midtown.
- **Parking & Mobility Best Practices** (Appendix H) presents parking best practices of peer and aspirational communities.
- **Full Version Maps** (Appendix I) provides larger scale maps that are embedded in the report.

Demographic Trends

Midtown Today

About one in five Missoulians live in Midtown.

Almost 15,000 people live in Midtown, in nine percent of the city's square mileage. This makes Midtown one of the city's most densely populated areas. However, Midtown's population grew slower than Missoula's population between 2010 and 2020, potentially due to rising rents and home prices.

Midtown is not seeing the same benefits of growth as the city overall.

Midtown residents have lower incomes than the city's average, despite the growth in household income. The median household income in Midtown is $43,670– about $7,000 lower than Missoula's average. Midtown also has a slightly higher poverty rate compared to the city, by about 2 percentage points. Median income has grown somewhat for Midtown residents since 2010 but remains lower than the city average.

Compared to Missoula, Midtown has…

- **More renters than homeowners.** About 38 percent of Midtown households own their homes, compared to 53 percent of Missoula households. Since 2010, the share of renters has grown by 8 percent in Midtown (compared to 2 percent in Missoula), while homeownership has declined more in Midtown than it has in Missoula overall.
- **A larger share of children and senior residents.** In Midtown, 26 percent of households have at least one child, compared with 22 percent in Missoula, though the average household size is about the same. Residents aged 65 and over make up a slightly greater share of Midtown's population than Missoula, while younger adults between 18-25 are a smaller share of Midtown's population.

- **Slightly more people of color.** Midtown has become slightly more racially diverse than the city in recent years. In Midtown today, 13.4 percent of residents identify as people of color compared to 12.7 percent of Missoula overall.
- **Similar educational attainment**. The share of Midtown residents with some college, bachelor's degrees, and master's degrees or higher has increased in the past ten years, and the share of those with a high school degree or lower has declined significantly, making the area more closely resemble Missoula's average.

Over one in four Missoula employees works in Midtown.

Approximately 14,000 people work in Midtown, making up 29% of Missoula's 48,000 total employees. Although the study area only makes up about a tenth of Missoula's land area, it has a large share of the city's jobs. However, most of these individuals do not live in Midtown. Only a fraction of workers (1,128 people) are also Midtown residents. The large commuter population also increases demand for daily needs like convenience stores and quick service restaurants.

Midtown workers commute from all corners of Missoula.

Only 8% of Midtown workers also live in the study area, but most Midtown workers live in the core of the City of Missoula. Generally, Midtown workers live between Downtown and the South 39th Street Neighborhood and commute to the area. Midtown also draws in workers from throughout the region, indicating that Midtown is a critical part of the regional job market.

Midtown is an employment engine for Missoula's top industries.

Midtown's large workforce in key sectors reflects Missoula's employment trends, including retail, health care, social assistance, accommodation, and food service**.** Between 2010 and 2019, the study area had:

- **Large employers like Community Medical Center and Southgate Mall** that attract workers to Midtown's biggest industries. Over half (54%) of jobs overall are concentrated in retail, healthcare, and services.
- **A lower share of construction, wholesale trade, and manufacturing jobs compared to the city overall**. Despite its industrial lands and large spaces, the study area is not employing as many people to work in these sectors and may have underutilized space that could be leveraged.
- **More jobs in arts, information, and warehousing when compared to the city overall**. Midtown has an increasingly high concentration of creative and information-based jobs, also reflecting changing needs for more flex and office space.

  (See Appendix E: Market Analysis for further details)

Creating a Complete and Connected Midtown

Challenge: Community Members Want Midtown to Feel More Like a True Destination with a Sense of Place and Identity.

Midtown's development patterns could hinder its future growth and evolution if they do not begin to foster a more cohesive area. Midtown today is home to destinations like the Southgate Mall, the Missoula County Fairgrounds, local schools, and community parks and trails, but it remains primarily a destination for necessities, services, and errands. Most visitors and residents in Midtown travel to destinations or activity hubs for a specific purpose but leave abruptly.

What We Heard: Visioning Workshop and Interviews

A major theme that emerged from the visioning workshop and individual conversations was the need for Midtown to evolve into a more 'complete' district. Community members cited the need for placemaking, open space, connectivity, and local neighborhood hubs that build on the existing assets within the study area.

The lack of clusters of complimentary uses or amenities reinforces the auto-centric environment and creates challenges for placemaking opportunities. Community members indicated throughout engagement that Midtown had recognizable destinations but did not express a strong sense of place or identify a core area of Midtown.

Midtown is a gateway to Missoula from southern destinations in the Bitterroot Valley, but that transition into the city is easy to miss. The southwest boundary of Midtown, at the intersection of Brooks and Reserve Streets, is a key transition into Midtown and Missoula as a whole. Some visitors travel through it without realizing they have entered Midtown. For those visiting the shopping centers at this intersection, it is a destination in itself. This area has the potential to serve as a gateway for Midtown with its own identity, but the existing built form and land uses present challenges to future placemaking features.

View of Brooks and South Reserve Streets in Midtown
Source: SERA Architects

Opportunity: Create Complete Neighborhoods

Support the community's desire for "complete neighborhoods'"by creating affordable, livable neighborhoods within Midtown. Throughout individual conversations and visioning events, community members expressed a need for Midtown to support residents, including providing a range of housing options at various affordability levels. There is also a desire to include support for local businesses that allow Midtown to thrive. Creating more allowances for dispersed, small-scale retail and services or mixed-use spaces can help to fill in these everyday needs and increase livability in Midtown.

Striving for Midtown as a Complete Neighborhood

In a complete neighborhood, residents can access quality goods, services, and amenities needed in daily life within a walkable distance (often measured by a 15 -or 20-minute walking distance).

This concept encompasses needs for everything from quality jobs and housing options at a range of price points to retail services, healthy food, parks, and schools. It also integrates convenient transit stops, sidewalks, and often bicycle infrastructure facilities that increase connectivity with the city as a whole. A combination of urban design, transportation, and land use planning is often used to work towards the goal of a "complete neighborhood."[2]

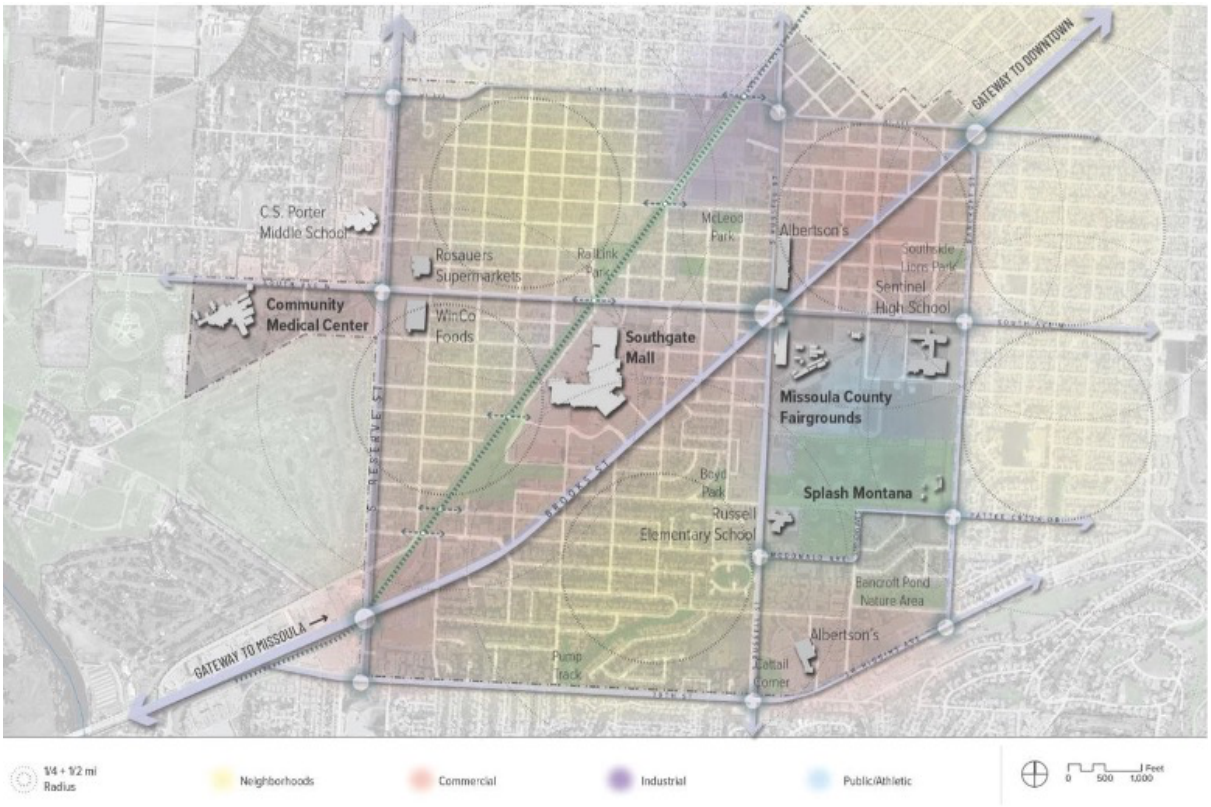
Exhibit 2. Complete Neighborhoods Concept
Source: Portland Plan

Opportunity: Leverage Subareas to Create Unique Placemaking Opportunities

Avoid a "one size fits all" approach. Midtown has unique areas like the Missoula County Fairgrounds and the Bitterroot Trail, among others, which present opportunities for placemaking. These existing areas can be jumping off points for design efforts that create space for the community to gather, socialize, and play—something that is not currently abundant in Midtown. Midtown's distinct areas include the Missoula County Fairgrounds/Splash Montana, Southgate Mall, Tremper's Shopping Center, Bitterroot Trail/Montana Rail Link Park, and surrounding neighborhoods (Franklin to the Fort, Southgate Triangle, Rose Park, Lewis & Clark, and Two Rivers).

[2] City of Portland, "My Portland Plan: What Makes a Neighborhood Complete?" www.portlandonline.com, February 26, 2013, https://www.portlandonline.com/portlandplan/?a=437441.

Exhibit 3. Midtown Land Uses and 15-Minute Walk Radius
Source: SERA Architects



Community members identified several specific potential areas for placemaking opportunities. Building off of existing vibrant areas can provide excitement and enthusiasm around a given place that eventually permeates to adjacent areas. These opportunities include:

- More mixed-use development in the Franklin to the Fort neighborhood adjacent to Montana Rail Link Park
- A mini "Main Street" or food cart pod near Kent Plaza
- Vacant or underutilized areas near the already vibrant Southgate Mall subarea.
- South Avenue west of Brooks Street; near El Cazador
- More residential and mixed-use development

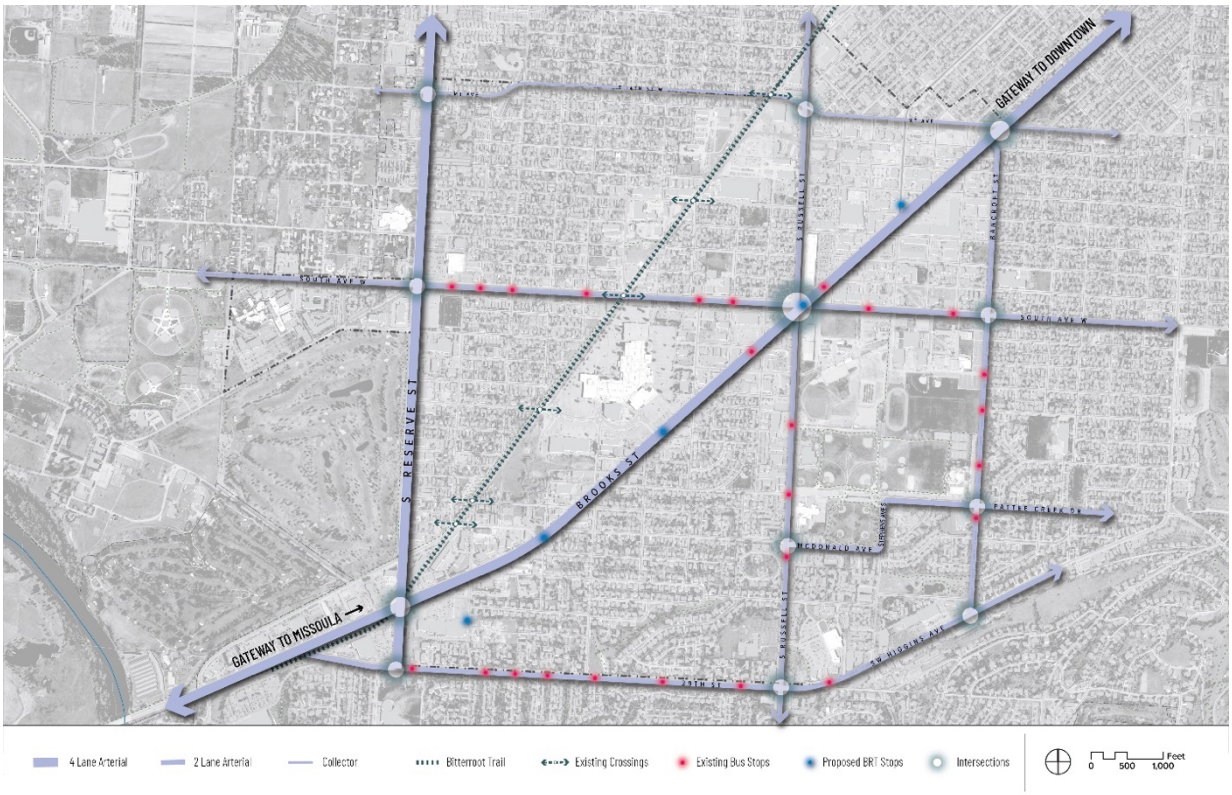
Large open spaces adjacent to Montana Rail Link Park
Source: SERA Architects

Challenge: There is Good Access to Midtown, Especially by Car, but Travel within Midtown is Difficult

Midtown's land uses are auto centric. The urban fabric is made up of large blocks that impede mobility and connectivity. Travel within the area is difficult for all modes of travel, but especially for people walking and biking. This is due to barriers created by existing development, major streets, train tracks, and suburban street pattern. Midtown's layout poses multiple barriers for residents in the surrounding neighborhoods.

Brooks Street is a regional access route that serves not only Midtown but also the Missoula region. As a result, the street has consistently high traffic volumes. Annual average daily traffic (AADT) counts in 2021 indicate AADT over 31,000 along Brooks Street. Mt Avenue, Reserve Street, Brooks Street, Russell Street, 39th Street, and South Avenue West are major corridors in Midtown with significant barriers to mobility. Due to the high traffic that these streets carry, they have been identified as high-crash corridors.

Exhibit 4. Major Street Corridors in Midtown
Source: SERA Architects



Opportunity: Improve Connections Across Major Streets and Large Blocks

Improve crossings on key corridors. To become a more connected area, the first step is to identify existing needs and address opportunities to improve the transportation system. Improving crossings at major corridors—especially Brooks Street—will help connect Midtown

to the surrounding neighborhoods and major destinations. Crossing improvements such as marked crosswalks, ADA accessibility, flashing beacons at crossings, and sufficient street lighting can help improve not only connectivity but also safety. Russell Street between Brooks and 39th Streets is an area that has had pedestrian fatalities that led to coordination with MDT and the City for a new lighting project to increase visibility and safety for pedestrians.

These investments will reduce crashes and congestion by improving intersections and managing demand and street circulation. As the city's population grows and diversifies, and the city's land use and urban landscape changes, Midtown must change with it and proactively determine how to move more people through the area safely and efficiently, regardless of their mode.

Opportunity: Center Equity in Transportation

Equity is a vital component of the Master Plan as well as existing local and regional plans. Centering equity in local transportation planning should prioritize investment in areas most dependent on active transportation and transit. Key initiatives for bicycle and pedestrian travel as well as transit improvements should reinforce a balanced transportation network that provides mobility options, accessibility, and economic vitality for all.

Challenge: Bike and Pedestrian Networks are Disconnected and, in Some Places, Non-Existent

Midtown is missing key features that promote a walkable and bikeable environment. Pedestrian and bicycle facilities in Midtown are limited and discontinuous, with many missing links in the network. Existing bike lanes have gaps in the network and encounter difficult intersections, especially crossing Brooks Street. East-west connections in particular are missing throughout Midtown. Due to the several major street corridors in and around Midtown and the limited facilities, pedestrian and bicycle access to neighborhoods is constrained.

What We Heard: Visioning Workshop

Attendees participated in a "virtual transportation audit" where they provided insight on specific points in Midtown. Community members indicated a desire for better infrastructure to serve cyclists and pedestrians such as bike lanes, sidewalk improvements, and street crossings. They also noted frequent confusion at some intersections and the lack of desirable landscaping in some areas.

Midtown has several neighborhood streets that are low-stress bikeways, but these streets lack wayfinding to guide bicyclists to where they need to go.

Businesses and activity nodes are disconnected from each other, without an easy way to travel within Midtown by any means other than a vehicle. In some cases, it feels safer to drive short distances (such as across Brooks Street) rather than to walk, reducing the potential for "pop-in" trips that are much easier when potential customers are walking between nearby destinations on foot.

The missing links in Midtown's pedestrian network result in pedestrians having to share the street with fast-moving cars. This creates a high-stress environment for pedestrians and discourages residents to walk. The Bitterroot Trail is the only north-south connection that provides pedestrians and cyclists with a low-stress route away from major streets.

Difficult pedestrian crossing at Brooks Street and South Avenue.
Source: ECONorthwest

Opportunity: Expand the Bicycle and Pedestrian Network and Prioritize Safety Improvements Within Midtown

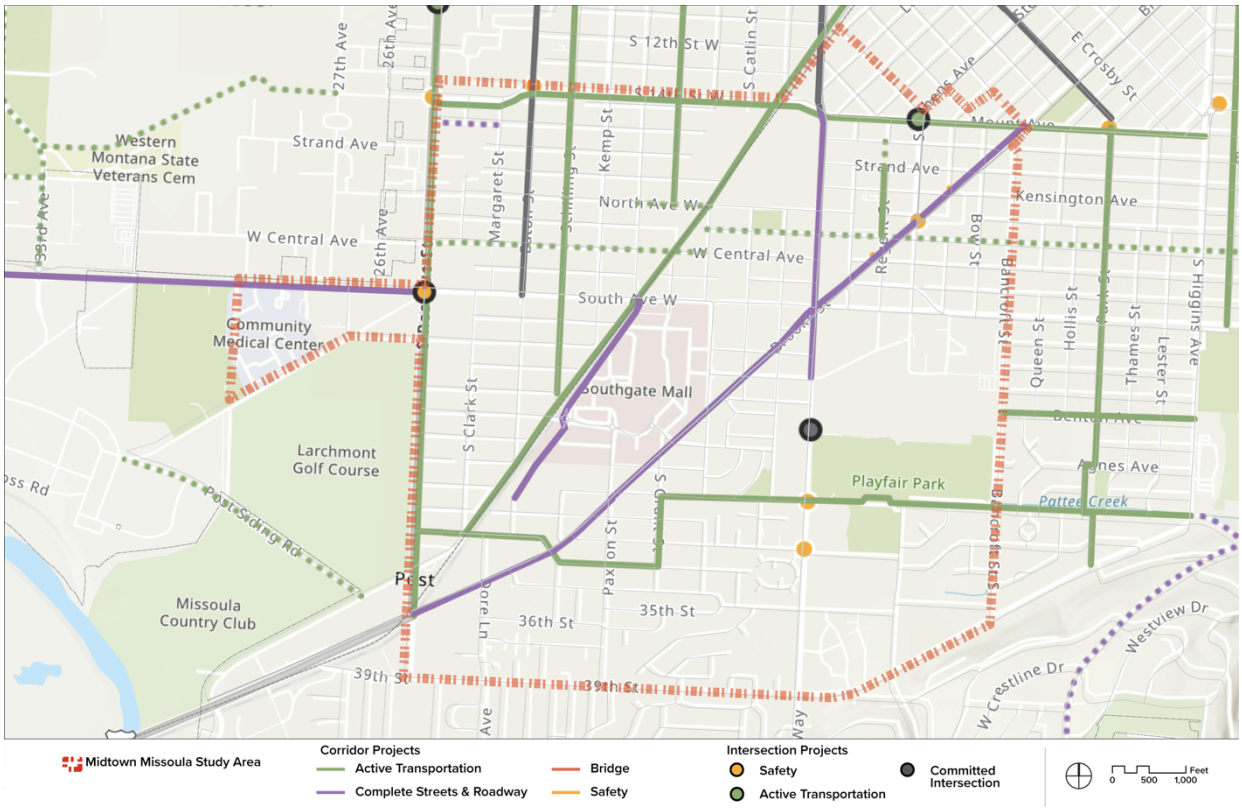
Prioritize identified and planned routes that fill the gap in the pedestrian and bicycle network. Increasing the number of dedicated and separated bicycle lanes in the northern and southwest parts of Midtown would provide better connections from trails to the existing on-street network for bicyclists. In addition, building sidewalks where there are currently none should be a citywide strategy to enhance the overall pedestrian experience. An improved pedestrian network in Midtown will help to build out complete streets in areas that connect major destinations. The City's strategy for Midtown specifically should focus on:

- **Calming traffic and enhancing crossings on the existing bicycle and pedestrian facilities** on Midtown's busiest and most dangerous streets.
- **Prioritizing building complete streets in Midtown** that increase the usability of major bike and pedestrian routes and greenways, while being comfortable to all ages and abilities. The City's 2018 Pedestrian Facilities Master Plan identifies Franklin to the Fort, Southgate Triangle (in its north segment), and Two Rivers as high priority areas for such improvements.

- **Building out identified greenways and dedicated bike lanes on local residential streets and existing trails** to support the low-stress network. Local streets, which are most often low volume and low speed, offer the basics for creating ideal biking and walking environments. Implementing the projects recommended in the 2017 Bicycle Master Plan and Missoula Connect 2050 in the near-term will improve mobility for people walking and biking (see Exhibit 5).

Exhibit 5. Missoula Connect Recommended Projects in Midtown

Source: Missoula Connect 2050



Challenge: Transit Service Lacks First and Last Mile Connections

Multiple bus lines serve Midtown, but their routes are often circuitous and infrequent, with many buses that arrive only once every 60 minutes. These factors increase travel times and could potentially discourage residents from taking public transit. Furthermore, bus stops lack amenities and connections from other modes of transportation such as walking and biking, which makes it challenging for many to take transit.

The Southgate Mall area serves as a central hub for many of Midtown's bus routes, indicating that the mall is a major destination across Missoula; however, the mall's extensive surface parking makes it an uninviting place to make bus transfers, or stay-and-play around the mall.

Opportunity: Support Walking and Biking by Focusing on Shorter Trips

Data indicates that most people drive to work and school when trips are more than 10 minutes long (see Appendix F, page 11). To support citywide climate change and mode shift goals (changing habits to get people to drive less and use active modes of transportation to travel), there is an opportunity to focus on shorter trips that occur within Midtown and to understand what it would take to get more people who are traveling less than 3 miles to choose active transportation (like walking or biking) over a personal vehicle. This also means creating a more efficient transit system that is connected to the active transportation network.

Current Planning: Brooks Street BRT/TOD RAISE Grant Detailed Planning Study

Starting in 2023, the Brooks Street BRT project will examine in-depth what is required to make a center-running bus lane successful on Brooks Street. This work will be an opportunity to leverage the transportation network, advance climate goals, create more equitable and accessible neighborhoods, and influence high-density development in Midtown.

Opportunity: Align Land Use with New Transit Investments.

Planning now for anticipated transit investments in the Brooks Street Bus Rapid Transit (BRT) corridor can ensure that Midtown is proactively preparing for upcoming projects that will change how many people interact with the area. Targeted changes to land use allowances, densities, and design around upcoming station areas can attract development that enhances and supports these areas.

Opportunity: Determine How Shared Micromobility May Fit in Midtown

Connecting people to activity centers and transit stops through micromobility options could help to fill a gap in pedestrian connectivity. Alongside improvements to bicycle and pedestrian infrastructure, shared bicycles or other human-powered vehicles could increase options aside

Shared Micromobility
Source: NACTO

from cars for short trips between Midtown destinations. Currently, the City of Missoula does not have an ordinance to allow for shared micromobility vehicles such as e-bikes and e-scooters. However, the Missoula Connect 2050 Long-Range Transportation Plan provides guidance for integrating shared micromobility programs, including strategies to identify dedicated space for stations, conduct regular maintenance, and update existing policies (see Appendix F, page 21).

Challenge: Midtown's Surface Parking Lots Reduce Its Visual Quality and Walkability

Midtown's large off-street parking lots and parking regulations have created and encouraged low-density and disconnected single uses. This auto-orientation makes Midtown an easy area to access by car, but a difficult place to park once and visit multiple businesses or destinations.

Large surface parking lot at Southgate Mall
Source: ECONorthwest

Opportunity: Increase Flexibility of On-Site Parking Requirements

Consider how much parking is desirable in Midtown for both commercial and residential uses. On-site parking requirements, along with businesses providing ample parking within the commercial corridor, limit the utilization of the efficient land within Midtown. This abundance of surface parking all over Midtown affects the character of the area.

Opportunity: Align Zoning with Broader Policies

Zoning is the most commonly held basis for determining priority use of parking. Management strategies should be directly tied to the priority, such as residential and business parking permit programs for neighborhoods or industrial areas and timed or priced parking in retail and commercial areas where turnover best serves the adjacent land uses.

Challenge: Midtown Lacks a Track Record for Managing Parking

> **What We Heard: Visioning Workshop**
>
> Community members who attended the Visioning Workshop indicated that it is relatively easy to find on- and off-street parking in Midtown. However, some noted that the large supply of parking lots can be unfriendly to pedestrians and encourage low-density and disconnected development.

Midtown's street parking has no on-street time restrictions, meters, or enforcement. Most businesses have on-site private parking lots for their customers and employees (in part due to code requirements). The City does not perceive the on-street system to be constrained enough to warrant active management. To date, the City has developed no detailed policies, goals, or desired outcomes related to parking management in Midtown. In implementing a parking strategy as Midtown grows, the City will need to take a proactive approach to begin managing parking to support higher-density development.

Opportunity: Be Proactive about Parking and Consider How to Incorporate Transportation Demand Management (TDM) into New Development

The City will need to study parking in Midtown as part of its implementation efforts. Specifically, the City will need to know the supply and demand for parking to better develop strategies that support the City's Growth Policy goals to focus growth inward. This will provide insights into how to best manage parking and future demand from new developments. To establish a foundation for decision-making that anticipates and responds appropriately to growth, the City should take the following steps to initiate parking management in Midtown:

- **Centralize and Clearly Define City's Role in Parking.** The complexity and strategic format of any parking management plan is shaped by the role—large or small—that the City itself plays in its implementation. To achieve the City's goals for urbanizing corridors like Midtown requires changes in land use and density that are well beyond what is now the status quo for development and parking management in these corridors. In residential areas, the City may need to consider maintaining priority access for residents if demand for on-street parking from the commercial areas increases in the future, creating spillover conflicts between residents and non-resident users. Parking issues are too complex and widespread for status-quo approaches to management. The City needs to provide more focused, coordinated, and strategic attention to the daily management and delivery of near- and long-term parking solutions in Midtown.
- **Reach Consensus on Priority Users.** There should be a clear consensus on priority users of the parking system based on local land use characteristics, particularly for publicly controlled on- and off-street resources. If priority users are prevented from using the supply, then the parking resource is inefficient, which contributes to conflicts between users and is not supportive of off-street parking or alternative modes.
- **Measure Performance and Demand.** Performance monitoring is an important part of successful parking management. Many cities implement parking programs without setting aside the resources to monitor the outcome of the changes. This makes any

evaluation of the results of the program difficult, and any decisions to make changes difficult to communicate and justify.

- **Consider proactive Transportation Demand Management (TDM) Strategies.** Transportation Demand Management can help expand travel options and create attractive alternatives to driving within Midtown. Decisionmakers should consider how TDM could be implemented through the development of new residential and commercial construction in Midtown. Example strategies that new residential apartments and commercial developments could consider offering to its residents or employees include TDM services, infrastructure, parking management, multimodal subsidies, and education.

Overcoming Development Barriers

Challenge: Speculative New Development is Challenging to Build

Vacancy rates for office, retail, and residential multifamily have remained low in the past decade, with rents increasing only incrementally over time. Limited rent growth across commercial and residential multifamily uses has made speculative development challenging to build because rents are generally not supportive of the ever-increasing costs of construction. Generally, costs for new development require top-of-the-market rents, and Midtown's market trends suggest that new development is challenging to build given the high labor, materials, and land costs.

Opportunity: Provide Development Incentives to Increase Feasibility

Several cities use incentives (e.g., density bonus, additional height, reduced parking, etc.) to encourage desired development patterns in certain locations of a city. Based on industry best practices, the most effective incentives are those that offer the potential to reduce development costs and/or increase development potential of a site, such as building the greatest number of dwelling units or total square footage that may be built. Reducing or eliminating parking minimums is one of the most effective opportunities to encourage denser development and make development more financially feasible. This report's Appendix B: Land Use and Zoning Analysis includes best practices from cities throughout the western United States, including regulatory recommendations.

Challenge: Midtown Lacks Accommodations for Visitors

Midtown's high visibility along U.S Route 12 (Brooks Street) and regional destinations, including the Missoula County Fairgrounds, Splash Montana, Spartan Park, Playfair Park, and Fort Missoula, attract visitors from all parts of Montana. Although Midtown draws in regional visitors, the area currently lacks the level of accommodations and services that cater specifically toward leisure and tourism. While there are four existing hotels serving the Midtown area, they are generally older and categorized as economy or budget accommodations. Most new midscale and upscale hotels in Missoula are concentrated near the airport or Downtown, though conditions in Midtown would likely be supportive of a small, boutique hotel or other related hospitality uses.

Opportunity: Leverage Existing Amenities to Grow Tourism and Related Development

The year-round events in the Missoula Fairgrounds and other destinations bring large crowds to Midtown, but many visitors do not stay in the area due to the lack of new hotels nearby. For much of the past decade, the hotel market has hovered around 60% occupancy in Missoula overall, and there is a growing demand for hotel rooms in Midtown (see data on hotel demand

and methodology in Appendix E: Market Analysis). In the near term, the area's regional destinations and large events could likely support a boutique hotel along Brooks Street.

Properties on Brooks Street offer a combination of high vehicle traffic, easy access to major destinations, and underutilized land with redevelopment potential that could be leveraged for rehabilitation or renovation of a hotel space. Redevelopment of an existing economy hotel into the boutique category would also depend on additional amenities in close proximity, such as unique food options, neighborhood scale retail, and temporary activation events like pop-up markets and food carts. In coming years, new changes in Midtown may increase visitor demand for accommodations and support further development of new midscale or upscale hotels and other tourism-related amenities.

Challenge: Midtown's Zoning is Too Rigid, with Limited Flexibility to Attract Infill Development and a Variety of Housing Types

Midtown's development over time has not remained consistent with the City's land use policy recommendations. The City's Our Missoula Growth Policy is a high-level guide to land use for future residential and commercial growth, but zoning regulations do not always enable the same density and uses that it envisions.

What We Heard: Interviews

Key stakeholders in economic development and real estate echoed that needs are changing in Midtown, with growing interest in a range of low barrier and flexible spaces. Affordable offices, makerspaces, diverse retail options, shared spaces, and mixed-use development are all surfacing as important pieces of Midtown's future.

An example of this disconnect is Midtown's northeast quadrant, composed of light industrial warehouses and flex uses with scattered office uses. This area is designated Community and Neighborhood Mixed-Use by the Growth Policy, which encourages intense commercial uses (such as offices), neighborhood-serving businesses, and medium-high or high-density residential uses. However, the existing zoning includes a combination of eight different commercial, residential, and industrial designations with varying levels of allowed uses across the same area. Some small areas of spot zoning such as the R5.4 parcels along South Avenue have restrictions do not allow for multiunit dwellings beyond duplexes. The collection of different uses (enabled by spot zoning) in the subareas makes it challenging to support the unifying goal of the land use designation.

Spot Zoning in Midtown

In Midtown, the City has implemented a patchwork of about 19 different zoning designations. *Spot zoning* has exacerbated the disconnect between what the City desires for these areas and what is allowed. Spot zoning refers to when one or more parcels have special zoning regulations that differ from what the land use policy dictates. Although rezonings are now required to comply with the land use policy, zoning code updates (like the upcoming citywide Our Missoula Code Reform project) can better align underlying zoning designations and reduce the need for rezoning individual parcels. The maps below show the many zoning districts that exist within the broader land use categories. Spot zoning is an indicator that the City's current zoning regulations are too rigid.

Exhibit 6. Land Use Designations in Midtown

Source: Our Missoula Growth Policy, ECONorthwest

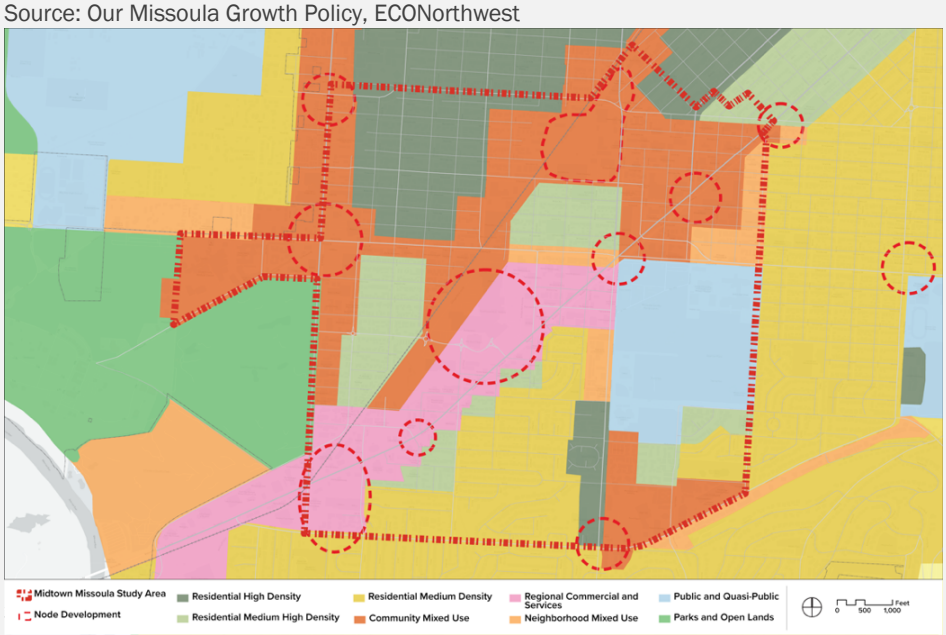
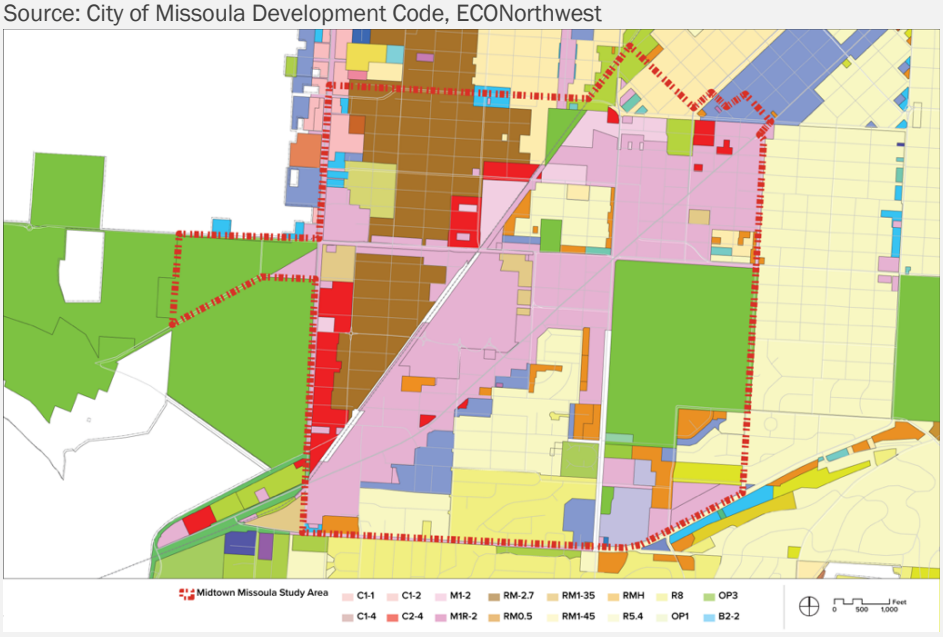


Exhibit 7. Zoning Designations in Midtown

Source: City of Missoula Development Code, ECONorthwest



Opportunity: Implement Simplified Zoning Districts

Reducing the number of residential zoning districts would provide clarity and flexibility for prospective developers. This would promote variation in housing types and increase housing density.

In 2020, the City completed a recommendations report on Subdivision and TED Regulations which identified issues and potential solutions while providing best practices and recommendations for regulations.[3] While the report addressed issues across the city, many of the challenges identified are consistent with Midtown, and it provides a foundation for identifying regulatory challenges and opportunities. The report provided the framework for the Our Missoula City Code Reform Project which is an opportunity to see timely changes to address current challenges.

Current Planning: Code Reform Project

The City of Missoula is currently beginning the planning process for overhauling its building and zoning codes.

A recommendations report on subdivisions and TED regulations published by the City in 2020 identified short-, medium-, and long-term actions that could simplify the development process. The code reform project will be guided by the Missoula Growth Policy, which the City is currently working on updating through the next year. The next phase, which includes the bulk of code reform, will likely be ready to address changes to the zoning code in 2023-2024.

Opportunity: Increase Flexibility for Community-Preferred Uses

Alongside simplifying the existing number of zones in Midtown, allowing for more flexibility in the uses allowed within those zones can help to enable the types of housing, commercial, flex, and mixed-use spaces that community members have identified as part of their vision. Beyond parking requirements (detailed in Appendix G: Parking & Mobility Best Practices), Midtown could benefit from changes through the citywide code reform process. Regulations that code reform could target for updates include creating more flexibility for use allowances in vertical mixed-use buildings, increasing the density threshold for townhome exemption development, revisiting design excellence standards, and allowing more flexibility for density allowances in low-scale and medium-scale residential zones by focusing regulations more on the scale and form of building.

[3] "City of Missoula Recommendations Report: Subdivision and TED Regulations," Engage Missoula, December 2020, https://www.engagemissoula.com/missoula-subdivision-regulations-review.

Challenge: Cumbersome Permitting Processes and Variances Decrease Developer Certainty and Limit Infill Development

> **What We Heard: Focus Groups**
>
> In a focus group with developers and property owners in Midtown, attendees noted that although they currently struggle with review processes, the City is making progress towards alleviating challenges. They noted that increased staff capacity for land use review will help to shorten the long timelines and remove uncertainty that some developers encounter.

The City's layers of policies and regulations have created processes that can be confusing and inconsistently implemented for developers in Midtown. For smaller infill development, townhome exemption, or subdivision projects, the development review processes were noted as difficult to navigate, even if these uses have similar zoning requirements. For larger scale commercial and residential development, unpredictable development review can add months and major costs to projects that are straddling feasibility. Developers need to account for these increased costs and will pass the costs on to future homeowners, renters, and commercial tenants which lead to higher costs and sometimes the end of projects when delays and costs tip projects into no longer being feasible. Unpredictable development review processes also act as barriers to developers who would even consider pursuing projects in Midtown.

At the same time, there are limited incentives in place for infill development. Without incentives for diverse housing types, the City will struggle to attract development at a density and scale that meet the City's land use intent and growth policy goals.

Opportunity: Create More Predictable Development Review Processes

There is a unique opportunity to integrate recommendations and actions from the Midtown Master Plan into the Our Missoula Growth Policy and Code Reform Project. In the interim, the City has already made updates to reduce some of the identified challenges, including providing submittal checklists and development project tracking. The code reform project could integrate further clear and objective development standards and review processes to better support predictability for community desired development in Midtown and citywide.

Opportunity: Create Stronger Affordable Housing Incentives

Effective incentives for desirable types of housing will make them more feasible and attractive for developers to provide. Small-scale, infill, and redevelopment projects are typically more easily burdened by required infrastructure upgrades and more easily deterred by regulatory requirements than market-rate single family homes. Updating regulations to include affordable housing incentives at the city level (such as density bonuses) or streamlining review processes could increase the amount of regulated affordable housing that developers provide in Midtown. This will help support equitable development goals of the Master Plan.

Challenge: Aging Water Infrastructure Could Create Challenges for Future Development

There are some infrastructure deficiencies that could create barriers for redevelopment in Midtown in the near- and mid-future, particularly around water and sewage (detailed in Appendix G: Infrastructure Audit). The most pressing challenges that could impact development include:

The City of Missoula provides public utility infrastructure such as water and sewer in the Midtown study area. NorthWestern Energy is responsible for providing energy to the area, while multiple local and national communication companies provide service in Midtown.

- **Water Main Replacements.** Approximately 16 water mains in Midtown are identified in the City of Missoula 2019 Water System Master Plan as being over 75 years old or of a non-desirable pipe material and are targeted for replacement. The City has begun replacing a few water mains within its FY18-FY22 capital improvement plan.
- **Water Main Extensions.** The City has identified 8 water main extensions within the Midtown area. These extensions help fill the gap to support a better distribution of water and support existing and new development.
- **Non-served Properties.** There are a few large properties that are not served by public utilities and will require water and sewer connections if re/development would occur.

Opportunity: Prioritize Water Main Replacements and Extensions in the Near-Term.

Prioritizing water main replacements and extensions in the near-term will set the stage for redevelopment to happen in Midtown. To help speed up the replacement and extensions of these water mains, MRA has committed tax increment financing (TIF) from Midtown's urban redevelopment area to help bridge the budgetary gap for making these improvements within the area before the plan sunsets in 2040. This type of financing for capital projects will contribute to neighborhood goals, as sewer and water improvements are included in the plan text of the URD III plan.[4]

[4] City of Missoula, "Urban Renewal District III Plan," December 11, 2000, 25.

Stabilizing and Creating Opportunities for Existing Businesses and Residents

Challenge: Commercial Vacancies are Low in Midtown, but Few New Spaces are Being Developed

What We Heard: Focus Groups

Real estate and economic development stakeholders indicated that Midtown provides low barrier spaces that are difficult to find in other areas of the city, but there is little motivation to "fix what isn't broken." Engagement at the visioning event indicated a preference for small scale neighborhood-serving businesses.

Midtown's older building stock and commercially zoned land provide some of Missoula's most affordable options for new retail spaces, offices, and services.

With low vacancy rates for these spaces, many businesses lack the flexibility to expand, move, or start new locations in Midtown. Given the steady supply of tenants and infeasibility of new developments, property owners have little incentive to redevelop even large, vacant properties. Some buildings in Midtown have faced disinvestment. Low rents and vacancies have created few incentives for property owners to invest in their buildings.

Tremper's Shopping Center Extension

Source: ECONorthwest

Some large commercial properties like Tremper's Shopping Center on Brooks and South Avenue have added neighborhood-serving businesses, including Oddpitch Brewing, but it is not currently the norm in Midtown.

Opportunity: Coordinate Strategies with the Missoula Economic Partnership

Missoula Economic Partnership (MEP) could be a strong potential partner to build a relationship with Midtown organizations and coordinate strategies that provide more readily available commercial space in the area. Depending on capacity and funding, the organization could be a partner or leader for creating a land bank of underutilized parcels for redevelopment. Before URD III sunsets in 2040, TIF funds could also be used as a funding source for beginning a land banking program. MEP's experience with promoting catalytic projects throughout Missoula could potentially extend into an administrative role for these properties.

Opportunity: Create Live-Work and Flex Spaces

Live-work and flex spaces would likely be successful for enabling new entrepreneurs in Midtown. The area has older building stock and potential for light manufacturing space that is in short supply in other areas of the city like Downtown. The City Growth Policy also identifies areas around Midtown, particularly to the west side of Brooks Street, as an ideal location for cottage industries.

Opportunity: Leverage Urban Renewal Funding for Property Reinvestment

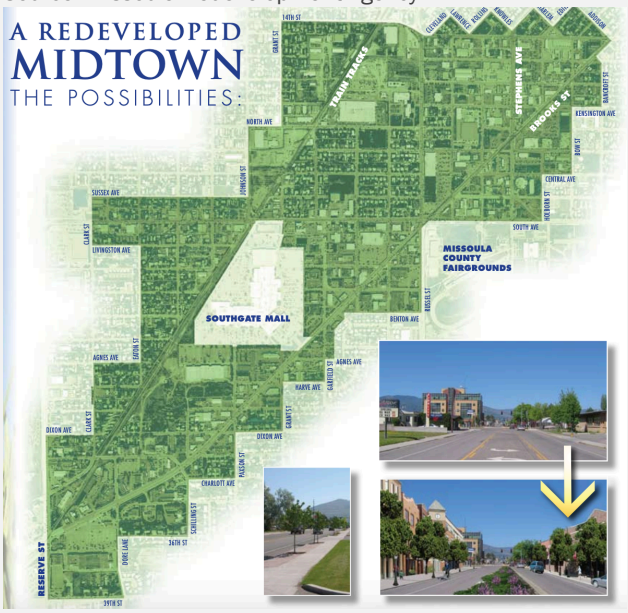
Missoula Redevelopment Agency (MRA) could continue to provide targeted façade and tenant improvement programs and tax increment financing for projects in connection with Urban Renewal District III, which covers a large portion of Midtown adjacent to Brooks Street. The façade improvement program has already been leveraged during the life of the urban renewal district and offers funding for rehabilitation of commercial spaces, mixed-use, and multifamily buildings up to 25 percent of a project's cost or $50,000.[8] The Façade Improvement Program also

Urban Renewal District III

In 2000, City Council adopted Urban Renewal District III. It overlaps with a large portion of the Midtown study area along the Brooks Street and Bitterroot Trail corridors. The Plan sets out goals for streetscape improvements, bicycle and pedestrian amenities, park development, redevelopment of vacant and large industrial properties, and promoting a balance of retail and commercial needs through infill.[5]

In its first twenty years of the District, MRA has provided façade improvement programs, the creation of Montana Rail Link Park, bicycle lanes, and landscape improvements.[6] Before the district sunsets in 2030, remaining revenue could support gap financing, land acquisition, workforce housing, utility extensions, or support for businesses.[7]

Exhibit 8. Urban Renewal District III
Source: Missoula Redevelopment Agency



[5] City of Missoula, "Urban Renewal District III Plan," December 11, 2000, https://www.ci.missoula.mt.us/2003/URD-III.

[6] Missoula Current, "City Council Changes to MRA Would Hurt Evolving District," The Missoula Current News, September 20, 2021, https://missoulacurrent.com/midtown-evolving-district/.

[7] Missoula Current, "City of Missoula Eyes Housing, Infrastructure before District Sunsets," The Missoula Current News, August 4, 2022, https://missoulacurrent.com/missoula-housing-infrastructure/.

[8] Missoula Redevelopment Agency, "Programs & Applications," accessed November 4, 2022, http://www.ci.missoula.mt.us/2004/Programs-Applications.

offers a 10 year no interest loan for the gap between 25% of private investment and the $50,000 cap on the grant. This program could be deployed at high potential sites near emerging activity nodes and on catalytic improvements to existing spaces.

Challenge: Growing Development Pressures Could Displace Legacy Businesses

Midtown today has a reputation for being an affordable place where new entrepreneurs can get their start in a storefront or office space. Home-based businesses like the locally well-known Goertzen Adventure Equipment on South Avenue have gone from garages to their first storefront within the study area.

Commercial rents remain comparatively low in Midtown as of 2022 but rising prices could prevent existing businesses and new entrepreneurs from scaling up and eventually lead them to seek locations elsewhere in the city.

Storefronts on South Avenue

Source: ECONorthwest

Opportunity: Build Relationships and Join Forces to Market Midtown Through Outreach, Business Recruitment, Branding, and Events

The MMA has been extremely successful providing organizational capacity to Midtown businesses and stakeholders, and there is an opportunity to formalize the MMA's business support role longer term. The MEP is also poised to be an important partner to support the stability of current businesses and the success of future businesses in Midtown. Partnership with the MMA could help to highlight and celebrate the area's diverse destinations and increase awareness of existing legacy small businesses through:

- **Nurturing the establishment of an inclusive Midtown business group** to encourage collaboration between businesses and provide a direct communication channel with the City.
- **Creating a business attraction strategy** in coordination with MEP could help to spearhead targeted initiatives (such as a restaurant recruitment strategy) to include a strong emphasis on attracting restaurants and other kinds of businesses that support a sense of belonging for a diverse community, including culturally-specific businesses and businesses that fill gaps in project area residents' ability to meet daily needs.
- **Expansion of family-friendly programming and events** could support community members, local business organizations, and culturally-specific organizations in

providing, coordinating, and expanding culturally-specific and family-friendly programming by the City and public and/or non-profit partners.

- **Prioritize implementing the Missoula Wayfinding Plan recommendations for Midtown.** The City's existing plan for wayfinding and signage included recommendations for large areas that should be prioritized for branding strategies.

Opportunity: Continue Promoting Small Business Assistance Programs and capacity

The Midtown Missoula Association has been a champion for connecting businesses and residents with services in Midtown. Building capacity within the MMA and with partnerships (including the City, MEP, and all economic development groups) could help to coordinate efforts to assist small businesses in navigating available services. Creation of a Business Improvement District (BID) could be a route to explore between these partners. Such activities would help small businesses overcome obstacles to growth (e.g., capital, or technical assistance) and provide a connected and robust network of support that bridges across departments and organizations.

Opportunity: Mitigate Impacts of Development through a Construction Disruption Assistance Program

The City and MRA can mitigate impacts to current businesses from publicly-funded construction activities in the project area through a construction disruption assistance program. These will likely be most applicable on Brooks Street to minimize disruptions to businesses during construction of new transit infrastructure but could be applicable to other large future projects with intensive site work.

What We Heard: Visioning Workshop and Neighborhood Conversations

Discussions with community members revealed excitement about new types of businesses and housing that might come to Midtown in the future. However, there was also hesitancy about rising prices for households and how new development might lead to displacement of longtime businesses and residents.

Challenge: New Development and Investments in Midtown Could Displace Current Residents

Midtown is more affordable than other areas of Missoula, but with continued investment and removal of development barriers, the area will see increased development over time. A revitalized neighborhood could lead to longtime households being displaced by rising rents. Missoula and parts of Midtown are already beginning to see displacement due to these conditions. Stakeholder engagement identified housing stability as a priority for households that are most likely to be vulnerable to displacement. Creating stability for households vulnerable to displacement is a key challenge to supporting an equitable Midtown.

Opportunity: Explore Homeownership Support and Shared Community Resource Programs for Low-Income Households

Supporting homeownership programs can allow existing renters to purchase their first homes and ensure that longtime residents are able to stay in their current locations. There are a variety of tools that can help achieve these outcomes, including low interest loans or grants for down payment assistance to low-income buyers, home rehabilitation projects that keep building stock up to code, accessibility improvements for disabled residents or seniors, and weatherization to reduce utility costs and meet sustainability goals. Taking stock of what is available for residents through existing organizations like Homeword and NeighborWorks and streamlining access could be a first step, followed by identifying paths to fill lingering gaps. These programs could also be targeted to residents of housing types that could be most susceptible to displacement pressures such as manufactured homes.

Opportunity: Pursue Low-Cost Housing Preservation

Generally, manufactured homes are the most affordable form of naturally occurring affordable homeownership in Midtown, though there have been few sales between 2010 and 2022 (see Appendix E: Market Analysis). Many of the area's existing mobile homes are also located near large opportunity sites that have been identified as redevelopment potential. Strategies for investment should include careful consideration for impacts to mobile homes and preservation.

Rents for multifamily buildings are also quickly rising in Midtown with little vacancy, though relatively few new units have been built since 2000 (market trends and data detailed in Appendix E). Partnerships with multifamily property owners could improve stability for existing renters by improving properties and stabilizing rents within Midtown in exchange for low-interest loans or other financial incentives, including connecting with property owners through City or MRA programs.

Opportunity: Explore Community Ownership Models

Exploring options to provide community ownership of property in Midtown could include community real estate investment trusts (REITs), community land trusts for housing (CLT), or similar shared ownership models. Creating alternative structures to fee simple ownership is important to broaden the benefits of homeownership to low-income households and provide stability alongside new development. Cooperative housing models can often meet the goal of providing an opportunity to own a share of a housing unit along with stable housing costs.

Preliminary Framework for Public Action and Investment

This section provides a framework to think about the actions that MMA and its partners can take to encourage the transformation of Midtown into a complete and connected neighborhood.

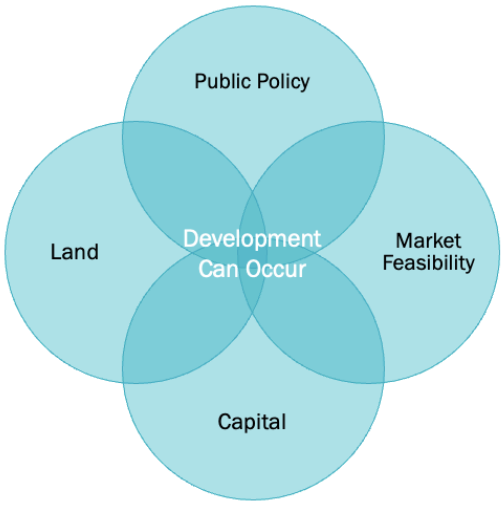
Midtown today faces several critical challenges, from rising development pressures to connectivity issues and a need for a shared sense of identity throughout the area. However, Midtown's strong existing assets and essential role in Missoula offer many ways to overcome these constraints and allow the area to thrive as a cohesive whole. A targeted implementation strategy led by public agencies and partners can reduce these barriers and guide coordinated public and private investment that will allow Midtown to grow in a way that supports an equitable and community-driven vision.

MMA and its partners can influence real estate markets and redevelopment potential using a variety of tools. These include urban renewal investments (in partnership with MRA), development regulations, incentives, infrastructure investments, and, in some cases, partnering with the private sector to improve development feasibility.

What Makes Development Happen?

MMA and the City will need to structure any public actions, like new regulations, infrastructure investments, and development incentives, to work with the market. Market-rate development occurs when the following four factors align:

- **Good market conditions**. Sufficient rents and sales prices to support a profitable project.
- **Public Policies**. Zoning, density, and design requirements—must allow developer to build a profitable project.
- **Available Land**. Developers must control the site with reasonable acquisition costs.
- **Adequate Capital.** Developers must be able to access resources for investment (e.g., equity investment, bank loans).



How Should Public Partners Best Position Their Investments?

Pursue Actions Based on Phases of Development Feasibility.

The public investment framework is a feasibility spectrum with a set of potential effective public-sector roles and related actions for Midtown as a whole and its subareas, which the following Master Plan phases for developing plan alternatives will articulate.

As rents increase relative to development costs, a project's market feasibility increases. When market feasibility reaches the redevelopment hurdle, private investment decisions also lead to new construction. MMA or the City might take different actions to incent or encourage redevelopment. Public partners can think about possible actions in Midtown's subareas in three phases of feasibility: "set the stage," "catalyze," and "support," as outlined in Exhibit 9.

Exhibit 9. Public Actions by Stage
Source: ECONorthwest

	SET THE STAGE	CATALYZE	SUPPORT
Current development activity in the area	None	Limited; the area is "on the cusp"	Recent activity, more expected
Challenge	Significant infrastructure needs, parcel assembly and coordination with property owners, market and feasibility challenges.	Market and/or feasibility challenges, cumbersome development processes	Managing growth to match future development needs.
City Role	Lay policy and infrastructure groundwork for areas that lack proven markets.	Cover infrastructure or other preliminary costs (to reduce development costs). Change regulatory framework.	Support desired types of development. Enforce codes. Maintain infrastructure.
What has been done to date by public agencies	Currently undergoing major land use and zoning code updates that may reduce development challenges	Investments from URD III providing financial support in the area for façade improvements, landscaping, open space development	N/A

As an area grows or market feasibility shifts, the relationship of public actions to private investment in an area also changes. The phases are broad and are not mutually exclusive, yet they do imply different public actions that are part of a dynamic continuum. These can change in relation to a specific opportunity site as market conditions or other factors change.

Exhibit 10. Midtown Investment Framework
Source: ECONorthwest

Ensure That Investments Are Aligned with Shared Equity Goals.

In realizing the community's vision for future development, all partners should have a shared understanding of equity goals specific to Midtown. Developing clear and consistent objectives with MMA, the City, and their partners can help build effective strategies to reduce ongoing disparities and meet the needs of underserved community members. Actively engaging in anti-displacement strategies, providing new opportunities for economic empowerment and stability, and increasing the quality of public space are opportunities to advance equitable outcomes.

Moving Forward: Position Midtown for Success

Think Big, and Also Think Like a Developer

Partners in the Master Plan should be watching the market closely for changing market conditions. New opportunities will arise that may warrant quick action (e.g., purchasing land or providing an incentive for a project that meets the plan's goals). The MMA and the City should consider the same variables that a developer would, including:

- Land price
- Zoning
- Physical features (and buildable acres)
- Transportation access for all modes
- Parking availability
- Government services
- Local attitudes
- Surrounding uses
- Environmental Impact
- Utilities

Develop Relationships with Stakeholders and Property Owners to Learn About Their Interests and Coordinate Stakeholders' Visions for Development.

The MMA and the City's role will be to learn about the interests of property owners, developers, and the community, and coordinate the visions of different stakeholders. This will allow them to clarify and articulate desired outcomes for development. This work will also involve coordinating funding, planning, and implementation with other actors.

Clarify and Articulate Desired Development Outcomes for Each Subarea

The Midtown Master Plan will identify specific public priorities for each area that remove barriers to achieving the community's goals (and attracting development). In addition, the team will identify specific benchmarks to monitor progress and coordinate funding, planning, and implementation with other public stakeholders.

A set of investment criteria that considers factors like the following could help crystallize how potential projects connect with the overall vision for Midtown, such as:

- Leverage *(City property assets, transportation or infrastructure investment)*
- Social equity
- Health outcomes
- Jobs
- Catalytic impacts
- Increase tax base
- Change perceptions
- New housing

Seize Opportunities in Every Part of the Development Cycle

The public sector often attempts to catalyze development at market peaks or shortly thereafter when risk is high. Within Midtown, key partners in implementing the Midtown Master Plan should focus on providing good infrastructure and sound incentives to help development at all points in the development cycle. To ensure effective implementation, partners can create a process to review possible actions and market realities in the context of the plan, both at the market peak (when pursuing policy objectives through public benefits) and non-peak periods.

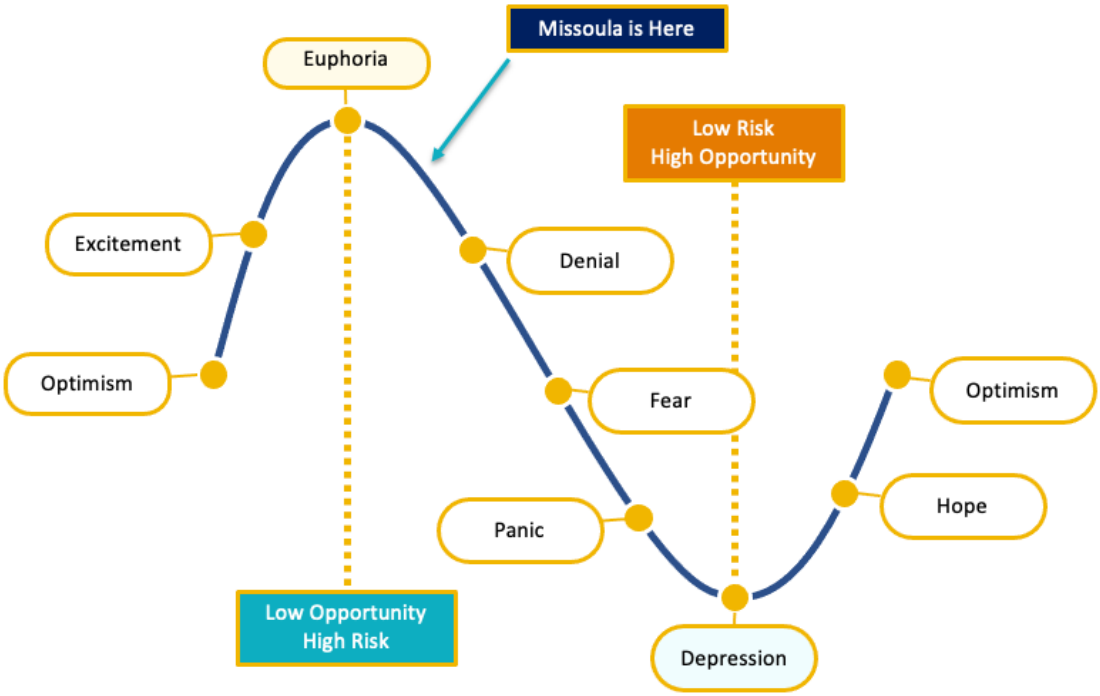



Exhibit 11. Investment Cycle Diagram
Source: ECONorthwest