

FINAL DOCUMENT
JANUARY 2015

LAUREL
GATEWAY *Plan*
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Chief Administrative Officer

Monica Plecker

Planning Director

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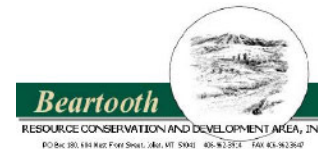


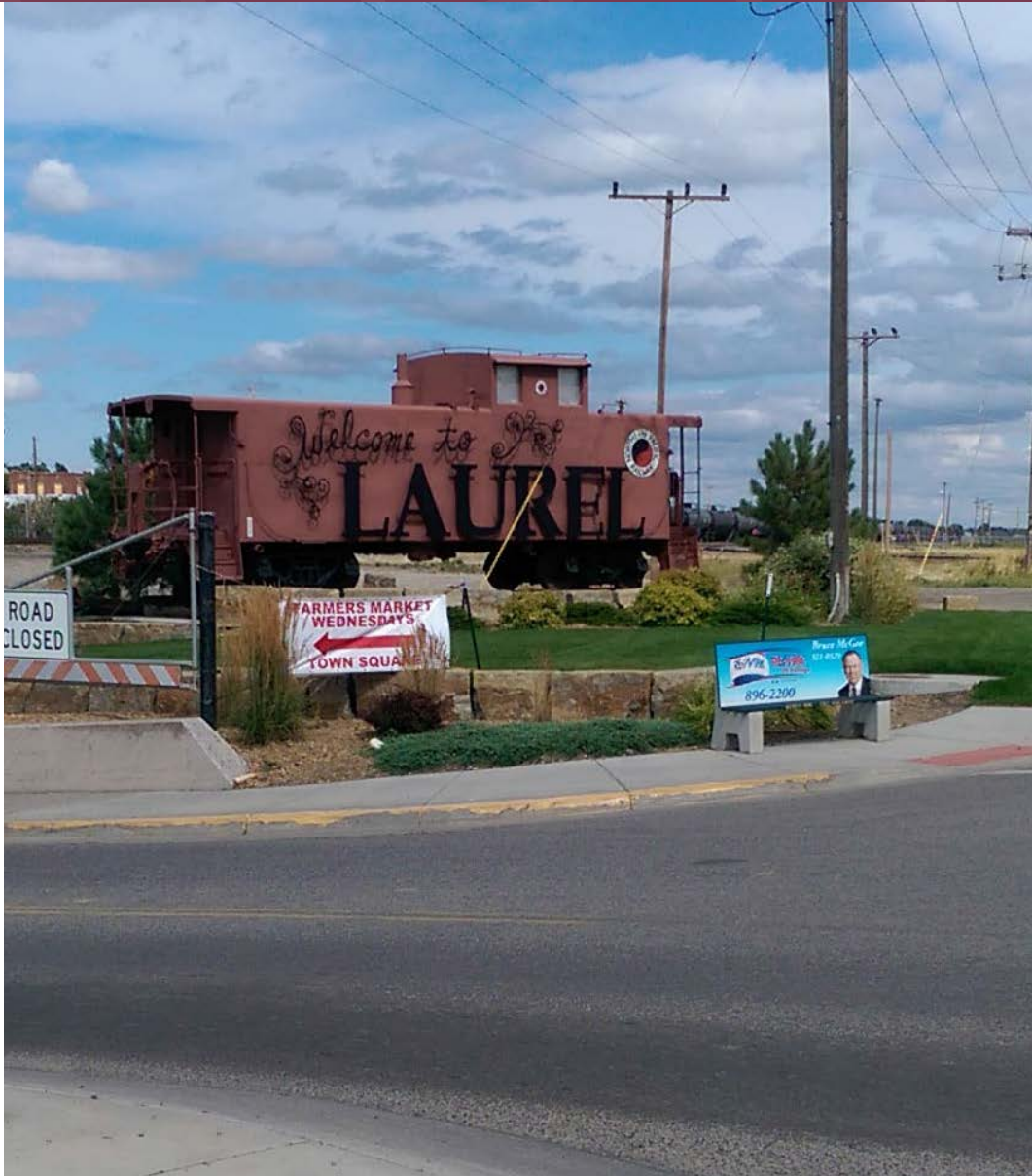


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INTRODUCTION



Laurel Gateway Plan

The Laurel Gateway Plan (Plan) has been created to identify and develop specific actions and strategies to guide redevelopment and economic development efforts within City of Laurel Tax Increment Finance District (District). The Plan identifies the strategic needs of the District by assessing strengths, weaknesses and obstacles to redevelopment. The Plan also identifies specific actions, timelines for implementation, and funding strategies.

PREVIOUS STUDIES

Several plans, studies and documents have been referenced as background information in the preparation of this document. Previous efforts and recommendations are noted that are in alignment with previous documents. Documents referenced include the following:

City of Laurel Growth Management Plan

The City's Growth Management Plan was updated in 2013 to provide the community a set of broad goals and policies to help guide the future growth of the City. Several chapters within the Growth Management Plan relate to and overlap with the goals of the Plan, including Housing, Economic Development, Utilities and Infrastructure, Transportation, and Land Use.

PREVIOUS STUDIES

The Long Range Transportation Plan (LRTP) was completed in 2014 and addresses the broad and long range goals of the transportation system within Laurel. Elements of the LRTP include street network, non-motorized transportation, system improvements and prioritized projects. Several projects identified within the LRTP are located within the District boundaries and those recommendations were considered as part of the overall findings.

City of Laurel Urban Renewal Plan was completed in 2008 as part of the creation of the tax increment financing district. The goals that were established as part of that plan were evaluated and referenced as part of the overall findings. Those goals are:

1. Encourage an economically and culturally vibrant downtown.
2. Create a vibrant and cohesive extension of the core downtown Laurel area.
3. Improve traffic patterns to further enhance the business experience for the owner and consumer.
4. Create a destination place where people will want to repeatedly visit.
5. Have state of the art, updated utilities and infrastructure.
6. Encourage more housing and business choices within the district.
7. Have rational consideration of all neighborhoods and sites for public fund expenditures



PREVIOUS STUDIES



Big Sky Economic Development's (BSED) Industry Cluster Analysis and Marketing Plan, completed in 2013 analyzed the economic conditions of Yellowstone County and provided recommendations for industry clusters that should be targeted for marketing to capture new growth and business expansion. Three industries were targeted because of their existing strength in the market. These including upstream and midstream oil and gas, healthcare and health supply, and regional headquarters. To provide economic diversity, it was recommended that three additional industries be targeted, including, data

centers and IT services, manufacturing, and warehousing and transportation.

BSED recently released its ***Yellowstone County Industrial Park Feasibility Analysis***, a report looking at the feasibility and location for a large scale industrial park. The study determined that an industrial park with approximately five to ten acre sites is needed within the County and evaluated three sites, including one near Laurel, but outside the study area.



Laurel Tax Increment Finance District

The City of Laurel established the Laurel Urban Renewal Agency and the Tax Increment Finance District (TIFD) in 2008. This District was established in accordance with MCA 7.15.42 Urban Renewal. Since 2008, a Board and City staff have been appointed to help assist the City on redevelopment efforts within the District. A Project undertaken to date includes implementing a technical and façade improvements grants program to assist property owners in renovation projects. Additionally, a public water line upgrade was completed in 2010.

PROJECT OBJECTIVES

PROJECT OBJECTIVES

Five objectives were established at the onset of the Laurel Gateway Plan. These objectives were at the center of the planning activities that occurred to develop the plan, and lay out the specific items to be completed within the Plan.



PLAN DOCUMENT DEVELOPMENT

Input from the public open houses, interviews with real estate professionals, development of the needs assessments and market analysis were used to guide the development of this Plan. Responses to questionnaires at the first public open house were also used to help understand community perceptions.

As with most redevelopment strategy plans, there are more needs for redevelopment than there are resources to fund and implement them. A prioritization process was used based on creating a mix of catalyst projects, short term and long term projects to create a work plan for moving forward.

PLAN ADOPTION

This Plan was considered by the Laurel Urban Renewal Agency Board on December 15, 2014, at which time they recommended adoption of the Plan by the Laurel City Council. The City Council considered the Plan on January 20, 2015 and voted in favor of adopting the Plan.

PROJECT ANALYSIS

REGIONAL CONTEXT

Laurel is located in the southwest corner of Yellowstone County, approximately 16 miles from the center of the county seat, Billings. Over 150,000 people reside within the County, and the US Census Bureau estimates population increase since 2000 in Laurel parallels the County increase of 4.7 percent.

Referred to as the "Hub of Montana", several significant highways cross at Laurel, providing access to a larger geographic area. With a full access interchange for interstate 90 located adjacent to the project area, there is convenient access to Laurel for travelers. Additional highways include:

- US Route 310 runs from Greybull, Wyoming to Laurel and terminates at Main Street.
- US Highway 212 combines with Interstate 90 east and provides primary access to Red Lodge and towns in northern Wyoming.
- State Highway 532 leads north and ultimately connects Highway 3.

The railroad has played a prominent role in Laurel since the early 1900s, as both the railroad and the town were in their early formations. With the arrival of three rail lines, and an early rail yard setting up shop, Laurel quickly became integrally linked with the rail business. Today with the largest rail yard in Montana, Laurel identity remains intertwined.

LOCAL CONTEXT

The first task of this planning effort was to gain an understanding of the existing conditions of the District, and to analyze those findings to determine where challenges and opportunities exist.

The background analysis consisted of reviewing multiple sources of information to produce maps assist

Maps Addressed

TIFD Boundary and Context

Zoning

Land Use

Major Street Network

Vacant Land and Structures

BNSF owned/Montana Rail Link leased property

Walking and windshield survey

General Building Characteristics

Sidewalk and Pedestrian

Environment

General Traffic Conditions

Vacant Property Verification

TIFD BOUNDARY AND CONTEXT

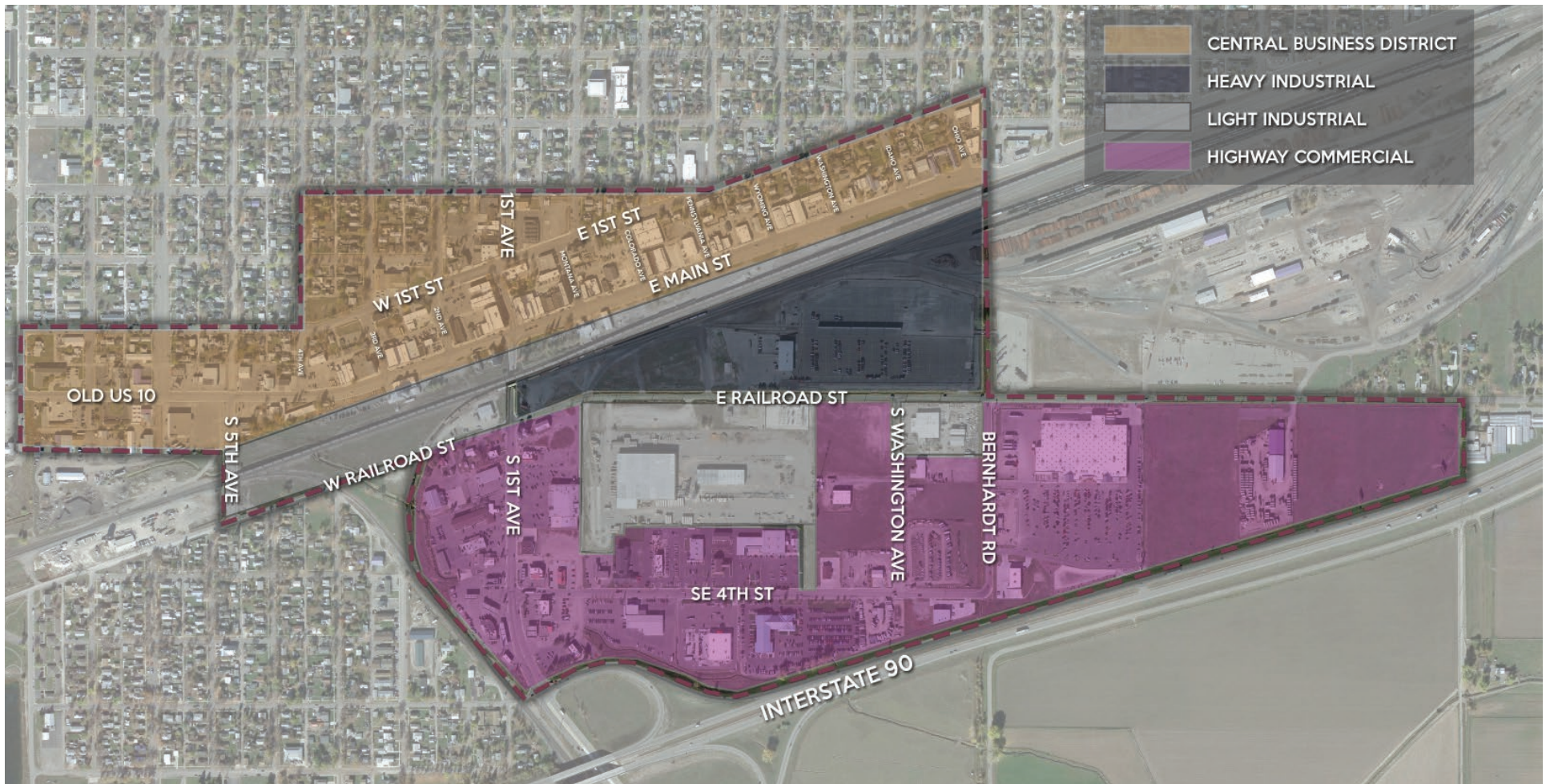
TIFD BOUNDARY AND CONTEXT

The Laurel TIF District encompasses the majority of commercial areas within Laurel and contains approximately 20 percent of the total land area within the City limits. The District includes the historic Main Street area, as well as the newer SE 4th Street area.



ZONING

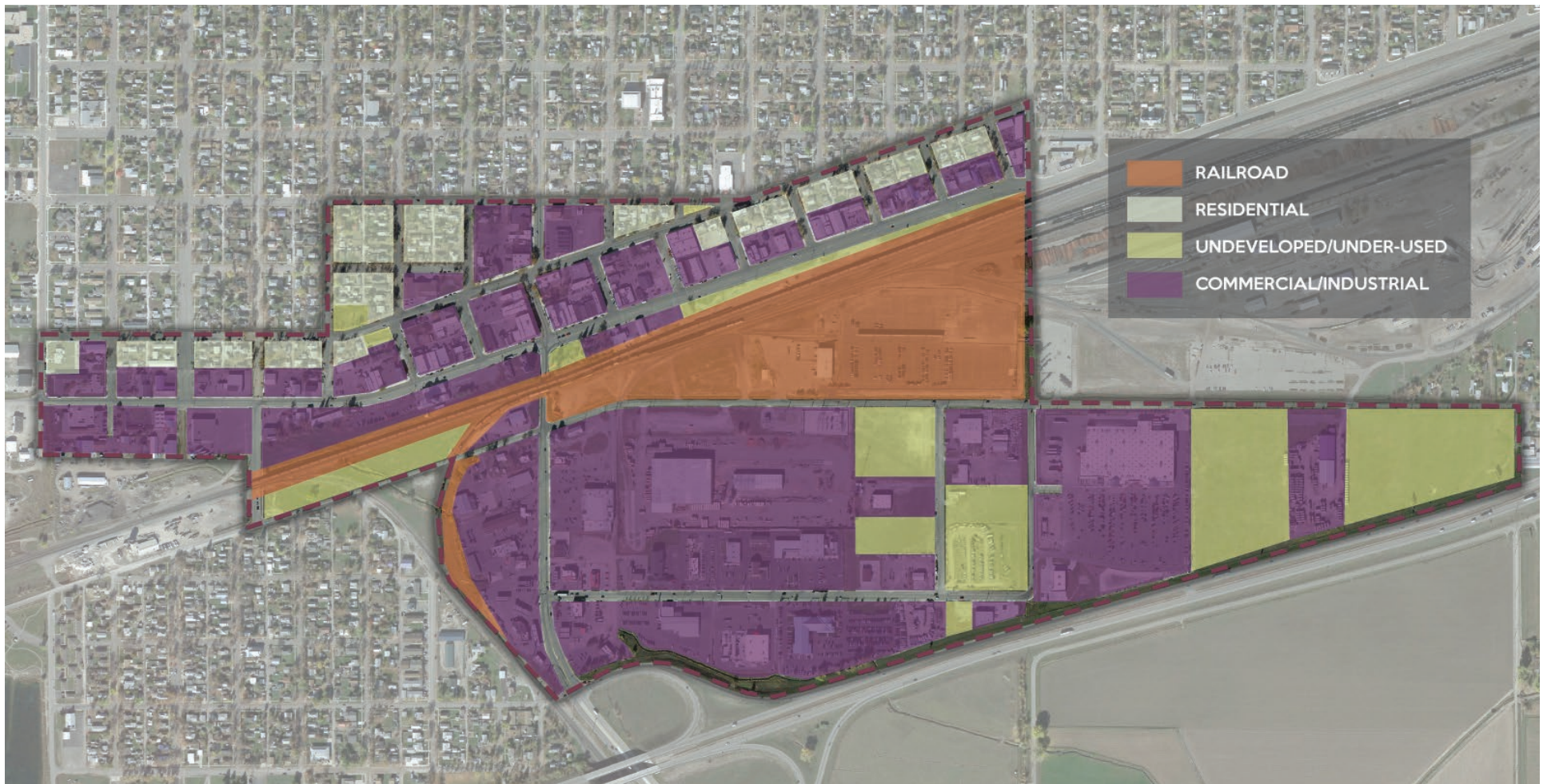
There are four zoning designations within the District. Highway Commercial and Central Business District occupy most of the TIF District, with Heavy and Light Industrial focused on the property in and adjacent to the rail yard.



LAND USE

LAND USE

The majority of the LAND uses within the District align with the zoning and are commercial or industrial in nature. The Main Street area is mostly retail, offices, restaurants and as well as some auto services. Residential development located primarily north of 1st Street. The southeast area has a mix of retail, fast food, gas stations and restaurants, with industrial uses located primarily along Railroad Street.



MAJOR STREET NETWORK

MAJOR STREET NETWORK

South 1st Avenue and East Main Street double as a state highway, and provide the backbone for the street network within the District. Traditional gridded streets are located in the Main Street area, while the southeast area has a more suburban style of network, with larger tracts of land and fewer streets.



VACANT LAND STRUCTURES

VACANT LAND AND STRUCTURES

The District has large tracts of land (greater than one acre in size) located within the southeast area, as well as several vacant buildings. Vacant properties are clustered along Washington Avenue and at the east end of the District along Railroad Street. The Main Street area has smaller vacant parcels, but a larger number of vacant buildings. The vacant buildings are in a wide array of conditions, some are ready for a new occupants while others are beyond repair.



BNSF OWNED/MRL LEASED PROPERTY

BNSF OWNED/MONTANA RAIL LINK LEASED PROPERTY

The parcels associated with the railroad operations occupy the central section of the District and bisect the Main Street area from the southeast area. Additional ground leases for buildings have been granted and are shown on the map.



SUMMARY OF FINDINGS

This section provides a summary of the existing conditions of the District. It is divided into three areas: public infrastructure, private improvements, and railroad property. It details the physical aspects of the Districts that can create opportunities or obstruct future development.

PUBLIC INFRASTRUCTURE

The existence or non-existence of public infrastructure can determine the feasibility to develop a property or make improvements to an existing one. Public improvements include utilities such as water, wastewater, storm water, sidewalks, and non-motorized paths.

Street Network

The street network within the District is separated by the rail line that bisects the City and creates a feeling of two distinct areas. Vehicular access is limited to 1st Avenue and 5th Avenue for crossings. The north side of the rail line is defined by small blocks in a traditional grid layout. The grid network in this area of the District provides a well-connected system of streets.

- Within the Main Street area, the street grid and street block length of about 300 feet are good for creating and aiding in pedestrian activity.
- All streets within the District have an asphalt surface. Depth of the asphalt was not measured, but has been reported to be below minimum standards throughout the area.
- Typical right of way widths vary from 80 to 100 feet, with asphalt widths varying from 48 to 80 feet. Most streets have curb and gutter.
- The street network south of the rail line does not have the traditional gridded layout that is found north of the rail line. The street network is limited to 5 streets – S 1st Ave, East Railroad Street, S. Washington Avenue and Bernhardt Road. A combination of state highway, new suburban style development, and older urban streets, this network lends itself to vehicular access with limited pedestrian facilities.
- Railroad Street is a Montana urban route with 26 feet of pavement and no curb, gutter or sidewalks.
- Washington Avenue has curbs without any gutters.

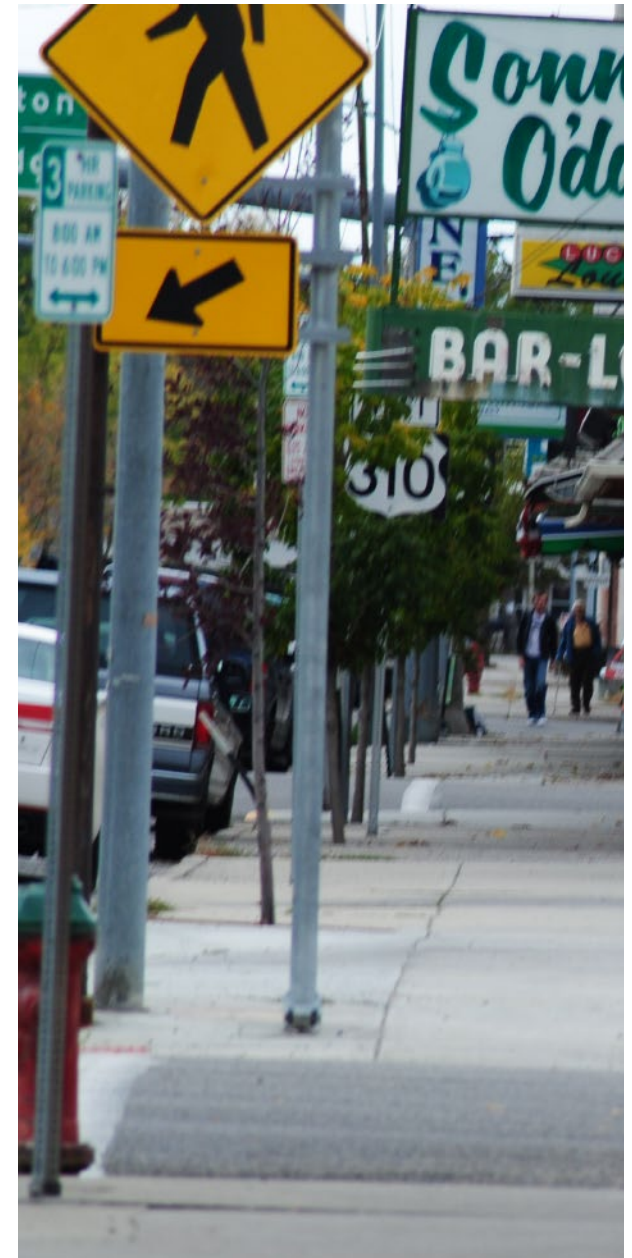
SUMMARY OF FINDINGS

Street Network cont...

- Most streets have adjacent sidewalks. A sidewalk inventory was completed as part of the Laurel Transportation Plan and noted lack of sidewalks along both sides of Railroad Street, the west side of Bernhardt Road, segments of SE 4th Street, as well as segments of the south side of Main Street, adjacent to property leased by Montana Rail Link
- Most sidewalks are located directly adjacent to the street curb and gutter. Only one section along Bernhardt Road is the sidewalk separated from the street improvements with a landscape area.
- Crosswalks, where identified, are marked with two parallel lines, and in most areas are faded. Some intersections do not have any marked crosswalks.

Public Utilities

- The District is served by City water and sewer services. South 1st Avenue, SE 4th Street, Bernhardt Road are all serviced with a minimum of 12-inch water main and 8-inch sewer main. West Railroad Street has 8-inch sewer, while water service is located within the railroad right of way. East Railroad Street has 8-inch water and a short section of 8-inch sewer.
- Most streets in the district are served by storm sewers to capture storm runoff and prevent flooding. Notable exceptions include Railroad Street and Washington Avenue.
- Street lights are limited and are large highway style lights. Property owners there have installed lights in parking lots, however there is no standard style of light fixture, output, height of the fixture or spacing.



SUMMARY OF FINDINGS

PRIVATE IMPROVEMENTS

Along with the public infrastructure, the analysis included review of private improvements, such as buildings, parking lots, and landscaping. This analysis did not include building inspection, but rather focused on building occupancy, overall aesthetic and functionality.

- The blocks surrounding the intersection of Main Street and 1st Avenue North have few vacancies.
- Buildings along Main Street have typically been built with minimal setbacks. That continuous store frontage breaks down further east and west from 1st Avenue.
- At the east end at Pennsylvania, and the west end at 3rd Avenue North, the downtown fabric breaks down. There are more buildings with parking as the frontage, vacancies and gaps in businesses.
- Town Square provides a public space in downtown for events and gatherings. There is not an equivalent public space in the SE 4th area of the District.
- There are several vacant buildings and storefronts on Main Street. Some are recently vacant, while other have deteriorated building conditions that may make future occupancy uncertain.
- Vacant land is often not maintained and has weeds and accumulating trash. Examples include the property along the south side of Main Street leased by Montana Rail Link.

- The businesses along SE 1st Avenue are a mix of older buildings and newer development. These are mostly automobile oriented business.
- The largest concentration of restaurants within the District are located along SE 1st Avenue and SE 4th Street.

RAILROAD PROPERTY

BNSF owns a significant portion of land within the City of Laurel. This property is leased to Montana Rail Link and some properties have additional ground leases. A significant portion of the south side of Main Street is under lease by Montana Rail Link. Structures that are located on the south side have long term leases, including the City of Laurel for the building the Chamber of Commerce occupies, Alpha Omega and Rapid Tire.

The large section of vacant property along Main Street impacts and affects the overall sense of Main Street as a comfortable and vibrant place. While development of this property may be limited due to the ownership and future needs of the railroad company, understanding and analyzing opportunities for this and other railroad properties is essential to the success of Main Street.



OPPORTUNITIES & CONSTRAINTS

Opportunities & Constraints

This map depicts the opportunities and constraints identified in the TIF District.



MARKET ANALYSIS

PURPOSE

This chapter of the plan contains a high level market analysis to inform development strategies, targeted industries to pursue, and the magnitude of expected growth in Laurel's TIF District. The Market Analysis:

- **Evaluates growth trends in Laurel and the greater Billings area within Yellowstone County;**
- **Estimates retail demand from the expected growth of the trade area, considering the competitive environment in Greater Billings;**
- **Presents a summary of the targeted industries in BSED's overall economic development strategy for Yellowstone County including Laurel and other industry opportunities; and**
- **Provides planning level site development and TIF revenue estimates for over 30 potential development sites in the TIFD.**



POPULATION AND HOUSEHOLD TRENDS

Yellowstone County has a population of approximately 154,000. Billings is the largest city with a population of 107,800 (Table 1). Laurel, situated 16 miles to the west, has 6,900 people. Yellowstone County experienced strong population and household growth between 2000 and 2014, at 1.3 percent and 1.4 percent, respectively (Table 1). The County added nearly 27,000 people over this time period. Billings, which comprises 70 percent of the county's population, grew at the same rates and added almost 18,000 people. The city of Laurel, which comprises four-percent of the county's population, grew at a more modest rate, indicating its relative presence in the market. Laurel added 652 people over this time period compared to nearly 18,000 new people in Billings.

From 2000 through 2014, Yellowstone County added 11,575 households, a group of people living in one housing unit. Billings added 8,333 households at an average pace of 595 per year, and Laurel added 370 households at an average pace of 26 per year.

LAUREL MARKET FRAMEWORK

Table 1
Population and Household Trends, Yellowstone County, 2000-2014

Description	2000	2014	2000-2014		
			Total	Ann. #	Ann. %
Population					
Billings	89,847	107,803	17,956	1,283	1.3%
Laurel	6,255	6,907	652	47	0.7%
Lockwood	4,306	7,053	2,747	196	3.6%
Others	<u>28,944</u>	<u>32,208</u>	<u>3,264</u>	<u>233</u>	<u>0.8%</u>
Yellowstone County	129,352	153,971	24,619	1,759	1.3%
Households					
Billings	37,525	45,858	8,333	595	1.4%
Laurel	2,529	2,899	370	26	1.0%
Lockwood	1,599	2,694	1,095	78	3.8%
Others	<u>10,431</u>	<u>12,208</u>	<u>1,777</u>	<u>127</u>	<u>1.1%</u>
Yellowstone County	52,084	63,659	11,575	827	1.4%

Source: U.S. Census Bureau, Economic & Planning Systems

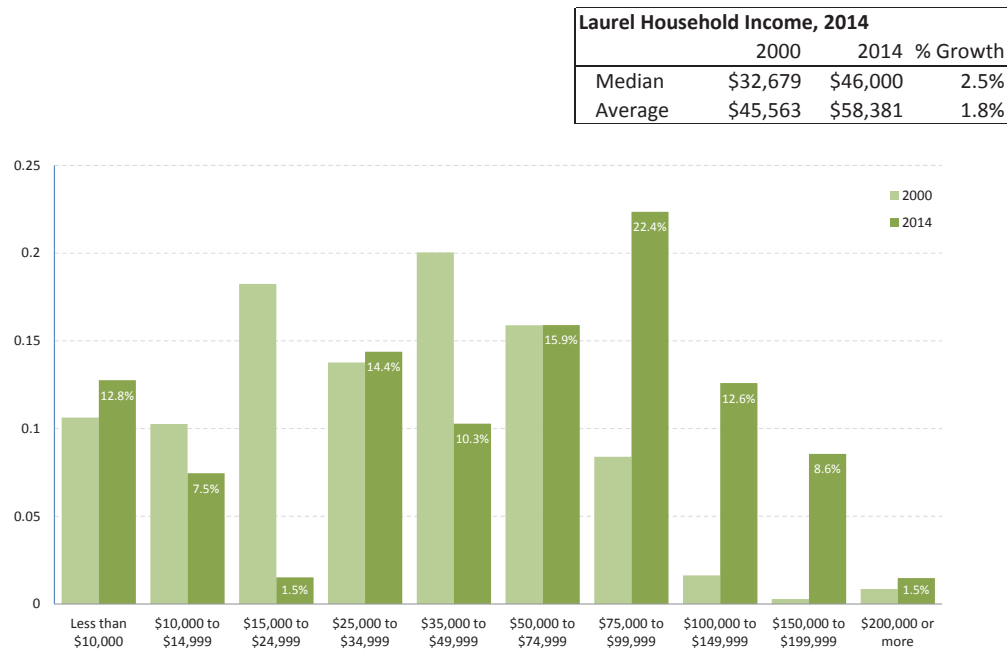
Household incomes provide a measure for estimating the buying power of households in an area. Nationally, household income has largely stagnated over the past decade; Laurel, however, experienced strong income growth at 2.5 percent per year for the median and 1.8 percent per year for the average household income. (Figure 1). The median household income reached \$46,000 in 2014 and the average household income grew to \$58,000.

The income distribution has also experienced a positive shift. Households making between \$75,000 and \$99,999 have increased 14 percent, from 8.4 percent to 22.4 percent, over the last 14 years. Forty five percent of households in Laurel make \$75,000 and greater, compared to 27.1 percent in 2000.



LAUREL MARKET FRAMEWORK

Figure 1
Household Income, 2000-2014



Source: U.S. Census Bureau; Economic & Planning Systems

The current age distribution and average household size in Laurel indicates a growing demand for rental, downsized (“move down”) housing targeted at empty nesters, and for senior housing. Growth in population aged 55 to 64 years signifies a growing demand for downsized housing (Table 2). As a result of children moving out, heads of households in this population often desire smaller homes/fewer bedrooms to accommodate smaller household sizes. Likewise, this growing age group will also increase the demand for senior housing.

Growth in population aged 20 to 34 years signifies a growing demand for rental and entry level ownership housing (Table 2). The Millennial and Generation Y population has a stronger preference for renting and mobility than previous generations. Trends in housing tenure indicate that this shift toward rental housing has begun as renter-occupied homes are estimated to have grown by 350 compared to 16 owner-occupied homes (Table 3).

A major property manager in Billings area noted that many renters look first at Billings because of its close proximity to employment and major service areas. The Laurel market, while notably smaller, also attracts renters and has experienced an uptick in recent years.



LAUREL MARKET FRAMEWORK

Table 2
Household Size and Age Distribution

	2000	2014	2000-2014		
			Total	Ann. #	Ann. %
Laurel					
Population	6,255	6,907	652	47	0.7%
Households	2,529	2,899	370	26	1.0%
Average Household Size	2.44	2.36			-0.2%
Age					
Under 5 years	441	457	16	1	0.3%
5 to 19 years	1,335	1,371	36	3	0.2%
20 to 34 years	1,071	1,341	270	19	1.6%
35 to 54 years	1,820	1,668	-152	-11	-0.6%
55 to 64 years	539	928	389	28	4.0%
65 to 85 years and over	1,049	1,139	90	6	0.6%
Yellowstone County					
Population	129,352	153,971	24,619	1,759	1.3%
Households	52,084	63,659	11,575	827	1.4%
Average Household Size	2.43	2.36			-0.2%
Age					
Under 5 years	8,539	9,963	1,424	102	1.1%
5 to 19 years	28,043	29,174	1,131	81	0.3%
20 to 34 years	24,608	30,755	6,147	439	1.6%
35 to 54 years	39,515	38,864	-651	-47	-0.1%
55 to 64 years	11,404	21,372	9,968	712	4.6%
65 to 85 years and over	17,243	23,843	6,600	471	2.3%

Source: U.S. Census Bureau, Economic & Planning Systems

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Table 3
Housing Tenure 2000-2014

Description	2000	2014	2000-2014		
			Total	Ann. #	Ann. %
Laurel					
Owner Occupied	1,874	1,890	16	1	0.1%
Renter Occupied	<u>655</u>	<u>1,009</u>	<u>354</u>	<u>25</u>	<u>3.1%</u>
Total Occupied Units	2,529	2,899	370	26	1.0%
Yellowstone County					
Owner Occupied	36,026	42,246	6,220	444	1.1%
Renter Occupied	<u>16,058</u>	<u>18,460</u>	<u>2,402</u>	<u>172</u>	<u>1.0%</u>
Total Occupied Units	52,084	60,706	8,622	616	1.1%
% of Total					
Laurel					
Owner Occupied	74.1%	65.2%	-8.9%		
Renter Occupied	<u>25.9%</u>	<u>34.8%</u>	8.9%		
Total Occupied Units	100.0%	100.0%			
Yellowstone County					
Owner Occupied	69.2%	69.6%	0.4%		
Renter Occupied	<u>30.8%</u>	<u>30.4%</u>	-0.4%		
Total Occupied Units	100.0%	100.0%			

Source: U.S. Census Bureau, Economic & Planning Systems

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LAUREL MARKET FRAMEWORK

In 2012, the most recent data available, the housing occupancy rate was estimated by the US Census at 95.1 percent, and the vacancy rate at 4.9 percent. This is a fairly typical vacancy rate and is indicative of balanced supply and demand in the housing market. The majority of the housing stock is comprised of single-family detached housing (1-unit in structure) (Table 4).

Table 4
Housing Type, 2012

Housing Characteristics	2012	% of Total
Housing Occupancy		
Total housing units	2,894	100.0%
Occupied housing units	2,752	95.1%
Vacant housing units	142	4.9%
Units in Structure		
Total housing units	2,894	100.0%
1-unit, detached	1,884	65.1%
1-unit, attached	89	3.1%
2 units	158	5.5%
3 or 4 units	154	5.3%
5 to 9 units	104	3.6%
10 to 19 units	84	2.9%
20 or more units	55	1.9%
Mobile Home & Other	366	12.6%

Source: U.S. Census Bureau, Economic & Planning Systems

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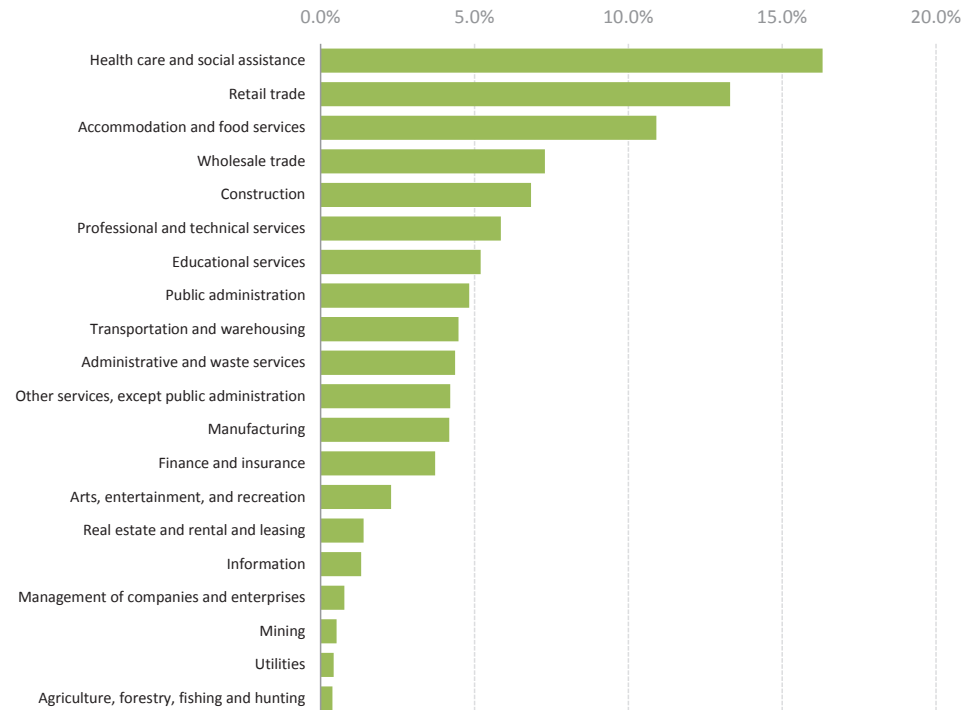
LAUREL MARKET FRAMEWORK

EMPLOYMENT AND INDUSTRY TRENDS

At 16.3 percent of total jobs, health care and social assistance is the largest industry in Yellowstone County (Figure 2). Adding retail trade (13.3 percent of jobs), accommodation and food services (10.9 percent), wholesale trade (7.3 percent), and construction (6.8 percent), these five industries account for 54.6 percent of all wage and salary jobs. These figures do not include sole proprietors which add another 15 to 20 percent to job totals, and are often concentrated in the construction, construction trades, and professional services sectors.



Figure 2
Largest Industries by Employment, Yellowstone County, 2013



Source: Bureau of Labor Statistics; Economic & Planning Systems

Wage and salary jobs in Yellowstone County increased by 0.8 percent per year from 2005 through 2013. Management of companies and enterprises experienced the greatest annual increase across all industries at 17.5 percent per year. This sector includes holding companies, many of which are engaged in energy related activities as investors in and managers of partnerships and LLCs. The retail sector, which responds to fluctuations in overall employment, has remained a large industry in Yellowstone County.

LAUREL MARKET FRAMEWORK

Between 2005 and 2013, healthcare and social assistance experienced the largest increase in absolute number of jobs by industry with 2,087 new jobs. This increase in health care employment reflects a nationwide trend, as the industry has grown to address, among other factors, the aging baby boomer generation, increasing average lifespan, and healthcare reform. Health care and social assistance is followed by accommodation and food services which grew by 980 jobs, and construction which added 838 jobs. The most significant decrease was experienced by administrative and waste services, which lost 1,447 jobs (Table 5).

Manufacturing, a targeted industry in BSED's economic strategy for the region, lost 242 jobs during this time period, following manufacturing job trends in many Western cities and in the U.S. as a whole. Despite continued job losses, the U.S. is still the second largest manufacturing economy in the world behind China, as U.S. productivity (output per worker) has been growing steadily with technology. Fewer workers are needed for a given level of production.

Table 5
Wage and Salary Employment, Yellowstone County, 2005-2013

Description	2005	2013	2005-2013	
			Total	Ann. %
Agriculture, forestry, fishing and hunting	273	300	27	1.2%
Mining	362	405	43	1.4%
Utilities	352	327	-25	-0.9%
Construction	4,464	5,302	838	2.2%
Manufacturing	3,481	3,239	-242	-0.9%
Wholesale trade	5,096	5,648	552	1.3%
Retail trade	9,572	10,317	745	0.9%
Transportation and warehousing	3,385	3,476	91	0.3%
Information	1,294	1,021	-274	-2.9%
Finance and insurance	2,876	2,883	7	0.0%
Real estate and rental and leasing	1,201	1,080	-121	-1.3%
Professional and technical services	4,118	4,541	423	1.2%
Management of companies and enterprises	164	596	432	17.5%
Administrative and waste services	4,834	3,387	-1,447	-4.3%
Educational services	3,679	4,031	352	1.1%
Health care and social assistance	10,555	12,642	2,087	2.3%
Arts, entertainment, and recreation	1,615	1,775	160	1.2%
Accommodation and food services	7,477	8,457	980	1.6%
Other services, except public administration	3,230	3,268	38	0.1%
Public administration	3,617	3,746	129	0.4%
Other Unclassified	918	1,065	147	1.9%
Total	72,563	77,506	4,943	0.8%

Source: Economic & Planning Systems

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REAL ESTATE MARKET SNAPSHOT



The real estate market in and around Laurel influences the types of development that can be attracted to the study area and therefore the amount by which the TIFD revenues can be expected to grow. This Chapter gives an overview of the Laurel real estate market including the residential market, retail/commercial market, and employment and light industrial market.

RESIDENTIAL MARKET

The Yellowstone County housing market absorbs approximately 700 housing units per year on average (Table 6). Within Yellowstone County Billings is the largest housing market, with construction occurring at an average pace of just over 600 units per year, capturing about 86 percent of the Yellowstone County market. In Laurel, 249 housing units were constructed from 2000 through 2013 at an average pace of 18 units per year, comprising 2.5 percent of the County market. The remaining 10 percent of the market is made of the Lockwood unincorporated area just east of Billings, and other unincorporated areas outside Laurel and Billings. Construction in the unincorporated areas equates to approximately 75 units per year.

In Billings, approximately 80 percent of the market is for single family housing on average. County-wide, there are less than 200 apartment and multifamily units constructed each year on average. However there was a major spike in multifamily construction in 2013 when over 1,100 multifamily units were built, likely to address housing supply constraints related to the energy boom occurring in the Rocky Mountain and High Plains regions.

While the Laurel market is small, multifamily construction is a larger share of the market. Single family construction makes up approximately 60 percent of the

REAL ESTATE MARKET SNAPSHOT



market, and attached and multifamily construction makes up 40 percent of the market. On average, Laurel absorbs 11 single family units and 7 multifamily units per year.

New home prices in Laurel start at approximately \$235,000 for a three bedroom two bath single family home with a basement and three car garage. The average home price, including re-sales of existing homes and new homes, is approximately \$200,000. Home in Laurel are not significantly less expensive than in Billings. It is reported that the Laurel School district is viewed particularly favorable compared to Billings which is an asset to the community. Schools are a major driver of housing market appeal, and it is possible that Laurel's appeal could continue to improve with strong schools.

Apartment rents begin at approximately \$700 per month for a basic two bedroom unit. Larger 2 bedroom 2 bath condominiums in Laurel are renting for approximately \$1,200 per month for 1,100 square feet and a two car garage (\$0.92 per square foot). From a development perspective these rent levels support wood frame construction up to two to three stories. Rental housing is reported to be in short supply according to local realtors whose lists of people seeking rental property are growing. Senior and move down housing for empty nesters is also reported to be in demand. Like many communities across the U.S., the over 55 population is the fastest growing age group in Laurel.

REAL ESTATE MARKET SNAPSHOT

Table 6
Building Permits by Type, 2000-2013

Description	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2000-2013	
															Total	Avg.
Yellowstone County																
Single-Family	408	534	576	649	594	541	635	619	533	446	315	250	416	969	7,485	535
Attached and Multi-Family	<u>56</u>	<u>6</u>	<u>122</u>	<u>215</u>	<u>282</u>	<u>63</u>	<u>40</u>	<u>12</u>	<u>8</u>	<u>67</u>	<u>133</u>	<u>10</u>	<u>196</u>	<u>1,128</u>	<u>2,338</u>	<u>167</u>
Total	464	540	698	864	876	604	675	631	541	513	448	260	612	2,097	9,823	702
Billings																
Single-Family	404	530	568	646	587	516	603	604	519	438	308	243	406	481	6,853	490
Attached and Multi-Family	<u>44</u>	<u>4</u>	<u>118</u>	<u>204</u>	<u>282</u>	<u>57</u>	<u>38</u>	<u>0</u>	<u>0</u>	<u>67</u>	<u>125</u>	<u>10</u>	<u>181</u>	<u>558</u>	<u>1,688</u>	<u>121</u>
Total	448	534	686	850	869	573	641	604	519	505	433	253	587	1,039	8,541	610
Laurel																
Single-Family	4	4	8	3	7	25	32	15	14	8	7	7	10	3	147	11
Attached and Multi-Family	<u>12</u>	<u>2</u>	<u>4</u>	<u>11</u>	<u>0</u>	<u>6</u>	<u>2</u>	<u>12</u>	<u>8</u>	<u>0</u>	<u>8</u>	<u>0</u>	<u>15</u>	<u>22</u>	<u>102</u>	<u>7</u>
Total	16	6	12	14	7	31	34	27	22	8	15	7	25	25	249	18

Source: U.S. Census Bureau, Economic & Planning Systems

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Residential Development Potentials

The Main Street area is an appropriate area to expand housing. Housing is an important component of any downtown development strategy, as increasing the downtown population increases the number of people who will support local businesses. There are several vacant infill sites remaining in and around Main Street that are suitable for additional housing, including surface parking lots and a 0.62 acre site on the northeast corner of 1st Street and 4th Avenue. In addition, it is reported that second story apartments on Main Street are fully occupied. Rental housing is, in our judgment, the most marketable type of housing for the Main Street area. Rent levels are comparable to monthly mortgage payments for entry level housing. But for people who do not have enough funds for a down payment or choose to rent, renting will be more appealing.

REAL ESTATE MARKET SNAPSHOT

RETAIL AND COMMERCIAL MARKET

Laurel has two primary commercial and retail areas: Main Street and Southeast 4th. Along Main Street, retail is concentrated along the north side of Main Street between 4th Avenue and Alder Avenue. This corridor is characterized by traditional store fronts including retailers, restaurants, and service businesses along the north side of the street. The south side is bounded largely by the BNSF rail, and as a result the Main Street is one-sided. Combined with the wide street cross section, the perceived sense of place and walkability of the Downtown is diminished compared to a two-sided mixed use retail environment.

The Southeast 4th area contains the newer wave of post-war retail development in Laurel. It developed first in an automobile oriented style along South 1st Street after I-90 was constructed. Retail, commercial, and light industrial development has expanded to the east along Railroad Avenue and Southeast 4th. This area has seen significant retail and commercial growth in recent years. A Wal-Mart Super Center was recently built here, along with a new Ace Hardware that anchors a small retail center; a new Tractor Supply hardware, ranch and farm, and general merchandise store; several new franchise restaurants; and a Best Western limited service hotel (Table 7).

Table 7
Major Retailers and Commercial Businesses

Automotive	Eating and Drinking	General Retail
AutoZone	Beartooth Grill	Ace Hardware
Fichtner Chevrolet	Caboose Saloon	AT&T
J&M Trailer Sales	City Brew Coffee	Live Well
Laurel Ford	Curt's Saloon	Marilyn's Paint
Mel's Auto Clinic	Dragon Palace Chinese	MT Firearms
NAPA	Hardee's	Pet Palace
O'Reilly Auto Parts	Heidi's Coffee Cabin Little	Plantasia Flowers and Gifts
Rapid Tire	Big Men Restaurant Lucky	Reece and Ray's IGA
Tri-County Rentals	Louie's Bar McDonald's	Sherrie's Treasured Antiques
	Mountain Mudd Espresso	Town & Country Supply
	Owl Café	Trackside Quilting
	Pizza Hut	Tractor Supply
	Railside Diner	Verizon
	Red Neck Pizza	Vintage Utopia Antiques
	Subway	Walmart
	Taco John's	
	Red Rooster	

Source: Economic & Planning Systems

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REAL ESTATE MARKET SNAPSHOT

Retail Definitions

For purposes of analysis, retail stores are categorized into major groups based on their shopping and trade area characteristics including Convenience Goods, Shoppers Goods, Eating and Drinking, Building Material and Garden, and Auto Related. A definition of each of these store categories is provided below.

Convenience Goods

Convenience Goods are stores that generally sell “everyday” necessities, such as household items, food, alcohol, personal care, and drugs. These types of stores generally have smaller trade areas and tend to co-locate together in community and neighborhood shopping centers. This category includes traditional supermarkets, specialty grocers, and natural foods stores.

Shopper's Goods

Shoppers' Goods stores include general merchandise, apparel, furniture and home furnishings, and specialty goods stores. These items are typically more expensive, less-frequently purchased items, and people are more likely to comparison shop and are often willing to travel farther to buy them. These types of stores typically have larger trade areas than Convenience Goods and tend to co-locate together in power centers, lifestyle centers, and regional malls.

General Merchandise

General Merchandise stores generally sell a full-spectrum of goods across several retail subcategories. As a result, these stores are generally large (100,000+ sq. ft.) and act as anchors for a range of center types. General merchandise includes traditional mall department stores such as Dillards, Macy's and Nordstrom. It also includes discount Department Stores which are limited service department stores typically found in free-standing locations or as anchors for power and community centers. The largest Discount Department Stores include Target, Walmart, Kohl's, JC Penney, and K-Mart. Walmart and Target have also migrated to building superstores combining grocery and general merchandise under one roof.



REAL ESTATE MARKET SNAPSHOT



Warehouse Clubs and Supercenters

This subcategory within general merchandise includes two store types, warehouse clubs and supercenters. Warehouse clubs are large-format membership-based retailers that sell items in bulk at deep discounts. Examples of Warehouse clubs include Costco and Sam's. Supercenters include discount department stores that have expanded to include a full-line of groceries. Examples include SuperTargets and Walmart Superstores.

Other Shoppers' Goods

Other Shoppers' Goods refers to the collection of mass merchandisers and specialty stores that generally focus on a specific line of goods and services. These goods are often referred to as "soft" goods, as they are not necessarily everyday necessities, but rather more specialty items for which customers generally "shop around" before purchasing.

Building Material and Garden

This category refers to small (ACE & True Value) and large-format (Home Depot and Lowe's) home improvement stores. Stores in this category sell a large array of goods including lumber, garden/landscaping, tools, cabinetry, plumbing, paint, lighting, and an expanding list of home appliances.

REAL ESTATE MARKET SNAPSHOT

Retail Trade Area Analysis

This section contains an analysis of potential retail demand for the Laurel Trade Area based on total personal income (TPI) of existing and projected future residents. For the purposes of this analysis, the Trade Area is geographically defined to include projected populations immediately outside the City boundary which would more likely travel to service and retail anchors in Laurel than to Billings due to proximity. Park City is also included in this Trade Area. The area surrounding Laurel adds approximately 30 percent more households.

Total personal income (TPI) is calculated in Table 8 by multiplying the household projections to year 2030 with the 2014 per capita income for Laurel, adjusted by a 2.0 percent annual increase for inflation. TPI is used to estimate retail spending potential - the amount of money that the average household spends on retail goods. The anticipated increase of 520 households in Laurel trade area over the next years equates to an addition of 770 persons to the population. These inputs yield an increase in TPI of \$60.2 million. This spending potential then informs the amount of potentially new retail square footage that can be supported without taking business away from existing establishments.

Table 8
Total Personal Income Growth, 2014-2030

	Projected Growth Factors	2014 (\$000s)	2030 (\$000s)	Change 2014-2030	
				Total (\$000s)	Ann. %
Households					
Laurel	25 HH/Yr.	2,899	3,299	400	0.8%
Laurel Trade Area	+30.0%	<u>870</u>	<u>990</u>	<u>120</u>	<u>0.8%</u>
Total Trade Area		3,769	4,289	520	0.8%
Total Trade Area Population					
Population		8,959	9,729	770	8.6%
Per Capita Income	2.0%	<u>\$24,686</u>	<u>\$28,926</u>	<u>\$4,240</u>	<u>17.2%</u>
Total TPI (\$000s)		\$221,177	\$281,426	\$60,249	27.2%

Source: Economic & Planning Systems

Existing Demand

Next, spending by store type is estimated by applying percentages of household income spent in each store category. The total retail sales are then apportioned by store category using industry standard sales per square foot factors to estimate the demand for corresponding types of retail space. These standards are the sales levels necessary to support the revenue expectations of brands looking to locate stores in the market.

The existing TPI for the Laurel Trade Area is \$221.2 million (Table 8) and \$84.7 million (38.3 percent) is expected to be spent on retail goods (Table 9). At a range between \$200 and \$500 required sales per square foot, this current spending supports approximately 247,000 square feet of retail space in the Laurel trade area. Existing demand is broken down as

REAL ESTATE MARKET SNAPSHOT

Convenience Goods

One super market, given modern store sizes starting at 50,000 square feet. The existing IGA and Wal-Mart Super Center satisfy local demand, with Wal-Mart drawing additional demand from more outlying areas including northern Wyoming.

General Merchandise and Shoppers Goods

In smaller markets these categories can be viewed together, as the major discount retailers often largely serve the sub-store segments in these categories. The existing Super Wal-Mart, and other options 17 miles to the east in Billings serve the 67,000 square feet in demand in this store category.

Eating and Drinking

With nearly 43,000 square feet of eating and drinking space estimated to be supportable in 2014, the Laurel trade area appears to be underserved for restaurants. Restaurants and bars should be targeted for expansion in Laurel.

Building Materials and Garden

With only 30,000 square feet of space estimated to be supported by TPI levels, the existing Ace Hardware and Tractor Supply adequately serve the trade area, including capturing inflow customers from adjacent communities and counties.

Table 9

Current Supportable Retail Square Feet, Laurel Trade Area, 2014

Store Type	Factors	2014 Spending Potential (\$000s)	Required Sales Per Sq. Ft.	Current Supported Sq. Ft.
Trade Area TPI (\$000s)	100.0%	\$221,177		
Convenience Goods				
Supermarkets and Specialty Grocery Stores	8.2%	\$18,076	\$400	45,190
Convenience Stores (incl. Gas Stations) ^{1,2}	2.0%	\$4,424	\$400	11,059
Beer, Wine, & Liquor Stores	0.1%	\$184	\$300	612
Health and Personal Care	0.5%	\$1,054	\$400	2,636
Total Convenience Goods	10.7%	\$23,737		59,497
Shopper's Goods				
General Merchandise				
Traditional Department Stores	1.1%	\$2,327	\$200	11,636
Discount Department Stores	2.4%	\$5,284	\$300	17,614
Warehouse clubs & supercenters	5.8%	\$12,840	\$500	25,680
All other general merchandise stores	1.1%	\$2,433	\$200	12,165
Subtotal	10.3%	\$22,884		67,095
Other Shopper's Goods				
Clothing & Accessories	3.4%	\$7,611	\$350	21,746
Furniture & Home Furnishings	0.9%	\$2,082	\$250	8,328
Electronics & Appliances	0.0%	\$61	\$500	123
Sporting Goods, Hobby, Book, & Music Stores	0.0%	\$10	\$350	30
Miscellaneous Retail	2.0%	\$4,471	\$250	17,882
Subtotal	6.4%	\$14,236		48,109
Total Shopper's Goods	16.8%	\$37,120		115,204
Eating and Drinking	6.8%	\$14,958	\$350	42,736
Building Material & Garden ²	4.0%	\$8,847	\$300	29,490
Total Retail Goods	38.3%	\$84,662		246,928

¹ Convenience Stores w/Gas (44711) are multiplied by 50% to exclude gas sales

² Estimated from other states in Intermountain West states by EPS

Source: 2007 Census of Retail Trade, Economic & Planning Systems

REAL ESTATE MARKET SNAPSHOT



Projected Demand and Opportunities

With the addition of 770 people to the trade area, TPI is projected to grow by \$60.2 million by 2030 (Tables 8 & 10), which equates to 67,300 square feet of demand over the next 15 years. Traditional department stores often found in regional malls average between 125,000 and 250,000 square feet. “Big box” discount retailers such as Target and Wal-mart are typically in the 80,000 to 125,000 square foot range. Modern supermarkets are on average 50,000 to 65,000 square feet in size. Specialty grocery stores such as Trader Joe’s and Sprouts, average 15,000 to 20,000 square feet. Convenience goods stores average between 1,200 and 4,000 square feet per store. Miscellaneous goods and boutique stores average 5,000 square feet.

Given the store sizes described above, the 67,300 feet of projected demand across all store categories does not create enough demand in a single category to indicate that a significant amount of retail development can be expected in the Laurel trade area, with some exceptions. Independent entrepreneurial businesses may be able to serve some local demand for clothing and accessories, and in the miscellaneous retail segment which includes art, miscellaneous gifts, and jewelry. We also estimate that the Laurel trade area is currently underserved in eating and drinking, and that there are an additional 12,000 square feet of space projected to be in demand over the next 15 or so years.

The success of attracting Wal-Mart to Laurel may be difficult to replicate. This was an opportunity that resulted from the Billings store being excessively busy, and Wal-Mart determining that it could capture the inflow shoppers from communities to the west and southwest without significant compromising sales in Billings. Wal-Mart will locate in small communities like Laurel when it can draw from a large enough surrounding trade area to support the store. Grocery sales are a large part of business, and Wal-Mart will serve the grocery market in small communities.

REAL ESTATE MARKET SNAPSHOT

Other national retailers do not typically look at communities of Laurel's size. In addition, Billings, only 15 minutes to the east, has a large concentration of discount retailers, mass merchandisers, and restaurants that offer destination shoppers more variety in close proximity to each other. It is therefore difficult to predict other opportunities like the Wal-Mart because of the proximity to Billings and small number of trade area population and households.

Based on the above analysis, the best retail opportunities for the TIFD are as follows:

- Additional restaurants and bars. These will likely need to be franchises, locally owned, or Montana-based chains. The Main Street area in particular will benefit from additional restaurants and bars.
- Independent clothing, accessory, sporting goods, hobby, or miscellaneous niche retailers that create a unique draw to local and regional customers.



Laurel Gateway Plan

Table 10
Future Supportable Retail Square Feet, Laurel Trade Area, 2014

Store Type	Spending Potential Growth 2014-2030 (\$000s)	Required Sales Per Sq. Ft.	2014-2030 Supportable Retail Space
Trade Area TPI Increase (\$000s)	\$60,249		
Convenience Goods			
Supermarkets and Specialty Grocery Stores	\$4,924	\$400	12,310
Convenience Stores (incl. Gas Stations) ^{1, 2}	\$1,205	\$400	3,012
Beer, Wine, & Liquor Stores	\$50	\$300	167
Health and Personal Care	\$287	\$400	718
Total Convenience Goods	\$6,466		16,207
Shopper's Goods			
General Merchandise			
Traditional Department Stores	\$634	\$200	3,170
Discount Department Stores	\$1,439	\$300	4,798
Warehouse clubs & supercenters	\$3,498	\$500	6,995
All other general merchandise stores	\$663	\$200	3,314
Subtotal	\$6,234		18,277
Other Shopper's Goods			
Clothing & Accessories	\$2,073	\$350	5,924
Furniture & Home Furnishings	\$567	\$250	2,269
Electronics & Appliances	\$17	\$500	33
Sporting Goods, Hobby, Book, & Music Stores	\$3	\$350	8
Miscellaneous Retail	\$1,218	\$250	4,871
Subtotal	\$3,878		13,105
Total Shopper's Goods	\$10,112		31,382
Eating and Drinking	\$4,075	\$350	11,641
Building Material & Garden ²	\$2,410	\$300	8,033
Total Retail Goods	\$23,062		67,264

¹ Convenience Stores w/Gas (44711) are multiplied by 50% to exclude gas sales

² Estimated from other states in Intermountain West states by EPS

Source: 2007 Census of Retail Trade, Economic & Planning Systems

REAL ESTATE MARKET SNAPSHOT

EMPLOYMENT AND INDUSTRIAL MARKET

Evaluating employment opportunities begins with an assessment of available sites in Laurel, as site characteristics are an important factor in business location decisions. There are several sites within the Southeast 4th area that are suitable for employment development. Adjacent land use conditions are a mix of industrial properties, including the MRL rail yard, and retail/commercial buildings. Corporate office development is not likely in this type of setting as office-based companies place a higher priority on their “front door”, and having nearby amenities such as quality dining, retail, and lodging for business travelers. Another constraint is vehicular access and circulation, notably for large trucks. Industrial site users prefer not to mix truck traffic with retail traffic.

The vacant sites in the Southeast 4th area range from under an acre to two acres, including several sites along South Washington Avenue. Some of these sites could be assembled to create larger sites. A 10 acre site exists immediately to the east of the Super Wal-Mart, and an additional 11 acre site could potentially be assembled from four parcels at the easternmost edge of the TIFD along East Railroad Street.



Big Sky Economic Development (BSED) recently completed an industrial park feasibility study (Yellowstone County Industrial Park Feasibility Analysis, KLJ, 2014). The study included information from local industrial real estate experts, summarized here. In the greater Billings market industrial land with infrastructure (ready-to-go sites), and industrial buildings are reported to be in short supply. BSED has fielded inquiries looking for large sites, 20 acres or larger, with good highway access and infrastructure, but have not been able to identify suitable sites. Area brokers report that flex industrial buildings ranging from 10,000 to 25,000 square feet are in high demand. Flex buildings can be used for a variety of purposes. They have office or showroom, or retail space in the front, with warehouse, assembly, or shop space in the rear, and loading doors (raised dock doors or at grade). The greater Billings market absorbs approximately 200,000 square feet of industrial space per year, which equates to approximately 20 to 25 acres of land per year assuming a 0.2 floor area ratio (FAR). of land per year assuming a 0.2 floor area ratio (FAR).

REAL ESTATE MARKET SNAPSHOT

BSED's Industry Cluster Analysis and Marketing Plan identified 6 targeted industries for Yellowstone County and greater Billings, including manufacturing. Within the manufacturing sector, food products, machinery and equipment, and gun manufacturing are potential candidates for a Laurel location. These would likely be small companies – potentially locally or Montana-grown businesses – as Laurel's sites range from approximately 2 to 11 acres in size. Construction and building trades is also a targeted industry for Laurel, as these businesses are often started by local entrepreneurs rather than recruited from outside. Each of these business types can utilize industrial and flex industrial buildings that can be built on sites within the TIFD.

For the other 5 targeted industries, the district does not have sites or clusters of like businesses needed to attract these industries. Upstream and Midstream oil and gas includes pipeline and trucking companies which require specialized facilities. Healthcare firms often prefer to locate near major hospitals and health care clusters. Regional headquarters and back office operations seek office parks or downtown locations separated from industrial uses, although some customer service functions such as call centers will seek lower cost space including single story industrial buildings converted to basic office space. The district in Laurel is not suitable for large scale distribution and trucking companies for two reasons. Retail development does not mix well with temporary housing and lodging for workers. In addition, Laurel officials should engage in closer dialogue with the BNSF and Montana Rail Link railroads to evaluate operational issues that may affect property or travel within the District, to determine if the City can provide any assistance, and to identify economic spin-off opportunities that can be met by new or existing Laurel businesses. Finally, with the Fox Lumber site for

redevelopment, there is also an opportunity to leverage this large industrial site with rail access. It may take a substantial recruiting and marketing effort to find a user for a site this large.

For employment development, Laurel's targeted industries are suggested as follows:

- Light manufacturing including food, machinery, custom or Montana-made products, wood products, and any variety of small scale manufacturing businesses that prefer a smaller community location.
- Construction and building trades companies, including residential and commercial construction, civil construction, custom building products (e.g. millwork, decorative finishes and niche products), and specialty trades (e.g. mechanical, electrical, and plumbing) contractors.
- Refinery and railroad related businesses. These may include industrial machinery repair and maintenance services.
- Manufacturers or service providers that require rail access.
- An additional hotel is another potential opportunity in Laurel based on the expansion plans at CHS/Cenex, and interviews with area commercial realtors. However, the competition and variety of options in Billings need to be recognized as a constraint.

OPPORTUNITY SITE ANALYSIS

This section provides a planning level analysis of opportunity sites in Laurel – sites that are either vacant or underutilized and could therefore accommodate additional development to reinforce business conditions and quality of life in Laurel. First we apply planning level development concept assumptions to each site to estimate the square feet of retail and other non-residential development, and residential units that could be accommodated on each site. Next we estimate assessed value and property tax revenue to the TIFD for each site if it is developed as illustrated in this conceptual planning analysis.



OPPORTUNITY SITE ANALYSIS

MAIN STREET AREA

Sixteen potential development and redevelopment sites were identified in the Main Street area of the TIFD. Adding housing to Downtown Laurel should be a goal for the community, and several sites have been identified for mixed use residential and residential development. First, building floor plates and building sizes are estimated using the site areas and site coverage ratios shown below (Table 11). A conservative site coverage ratio of 65 percent is used to allow for on-site parking, and heights of 2 stories maximum are assumed to maintain compatibility with existing development. As shown, there is capacity for a total of 286,600 square feet of development in the Main Street area.

Table 11
Main Street Area Site Development Capacity

Site #	Sq. Ft.	Acres	Development Concept [1]	Site Coverage	Building Floor Plate (Sq. Ft.)	Stories	Building Area (Sq. Ft.)
Main Street Area							
1	20,355	0.47	Commercial Mixed Use	65%	13,231	2	26,500
2	12,600	0.29	Residential Mixed Use	65%	8,190	2	16,400
3	26,955	0.62	Residential	65%	17,521	2	35,000
4	16,800	0.39	Residential Mixed Use	65%	10,920	2	21,800
5 - 6	21,000	0.48	Residential Mixed Use	65%	13,650	2	27,300
7 - 8 (Trading Co.)	16,200	0.37	Commercial Mixed Use	65%	10,530	2	21,100
9 - 10	72,648	1.67	Commercial Mixed Use	50%	36,324	2	72,600
11 - 12	7,400	0.17	Commercial	50%	3,700	1	3,700
13	9,750	0.22	Commercial Mixed Use	65%	6,338	2	12,700
14	29,664	0.68	Residential	65%	19,282	2	38,600
15	8,400	0.19	Residential	65%	5,460	2	10,900
16	---	---	Public Space / Visual Enhancement	---	---	---	---
Totals	241,772	5.55					286,600

[1] For illustration purposes. The City of Laurel should be flexible to accommodate development proposals of different types.

Source: Economic & Planning Systems

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OPPORTUNITY SITE ANALYSIS

For each site, a planning level mix of uses is estimated with some variation based on location. In general, sites north of Main Street are suggested as residential sites (Table 12). Sites with Main Street frontage are proposed for commercial and residential mixed use. After applying these development program assumptions, the Main Street area has the land capacity for approximately 60,000 square feet of retail, restaurant, and miscellaneous commercial space, 73,000 square feet of office space, and 137 residential units. Residential units would be a mixture of largely upper floor or two story apartments, plus a smaller number of townhomes and duplexes.

Table 12
Main Street Area Site Development Concepts

Site #	Building Area (Sq. Ft.)	Pct. Retail/ Commercial	Pct. Office/ Flexible	Pct. Residential	Retail/ Commercial Sq. Ft.	Office/ Flexible Sq. Ft.	Residential Units 1,100 Sq. Ft.
Main Street Area							
1	26,500	25%	75%	0%	6,625	19,875	0
2	16,400	0%	0%	100%	0	0	15
3	35,000	0%	0%	100%	0	0	32
4	21,800	0%	0%	100%	0	0	20
5 - 6	27,300	0%	0%	100%	0	0	25
7 - 8 (Trading Co.)	21,100	50%	50%	0%	10,550	10,550	0
9 - 10	72,600	50%	50%	0%	36,300	36,300	0
11 - 12	3,700	100%	0%	0%	3,700	0	0
13	12,700	50%	50%	0%	6,350	6,350	0
14	38,600	0%	0%	100%	0	0	35
15	10,900	0%	0%	100%	0	0	10
16	---	---	---	---	---	---	---
Totals	286,600				63,525	73,075	137

Source: Economic & Planning Systems

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OPPORTUNITY SITE ANALYSIS



The absorption period for this amount of development is likely to be greater than 10 years. Approximately 20 homes per year are constructed in Laurel and the Downtown has a small market share within Laurel. However, an attractive housing product could open up the market for new renters such as young couples or others who simply prefer to rent, and provide a housing type that is not well represented in Laurel currently. Retail and office spaces will most likely need to be tenanted by local businesses rather than national chains and could have an even longer absorption period. As noted in the retail market analysis section, the projected demand of 67,000 square feet consists of small increments of demand spread across many store categories that are not large enough to meet the thresholds of modern retail formats.

OPPORTUNITY SITE ANALYSIS

Estimating Property Tax Revenue in the TIFD

An example of how property tax is calculated in Laurel's TIFD is shown here. The process begins with the market value of property, which is established by the State every 6 years. The next appraisal cycle in Montana will begin in 2015. The example shows a hypothetical commercial property with a market value of \$1.0 million. Next, the Montana legislature has established that the taxable value of property should be reduced to reduce taxes for property owners. For commercial property, a 21.5 percent reduction in value is authorized ("Commstead" reduction) for 2014 while a 47.0 percent reduction is applied to residential property in 2014 ("Homestead" reduction). The Taxable Market Value of the \$1.0 million building is therefore \$785,000.

Sample Property Tax

Market Value, Commercial Building		\$1,000,000
Commstead Exemption (2014)	21.5%	<u>-215,000</u>
Taxable Market Value		\$785,000
Taxable Value (2014)	2.47%	\$19,390
TIFD Mill Levy (\$ per \$1,000)	\$639.21	\$12,394

Source: Yellowstone County Treasurer

Another reduction is applied to calculate the taxable value, the value on which property taxes are paid. For 2014, the taxable value is 2.47 percent of the Taxable Market Value resulting in a Taxable Value of \$19,390 on \$1.0 million of market value. The total mill levy for property in the TIFD is 645.21 but the 6.00 mills for the State University system are excluded by law, resulting in 639.21 mills (dollars per \$1,000 of Taxable Value) that generate revenue to the TIFD. The property tax to the TIFD generated by a \$1.0 million investment is therefore \$12,394. Another reduction is applied to calculate the taxable value, the value on which property taxes are paid. For 2014, the taxable value is 2.47 percent of the Taxable Market Value resulting in a Taxable Value of \$19,390 on \$1.0 million of market value. The total mill levy for property in the TIFD is 645.21 but the 6.00 mills for the State University system are excluded by law, resulting in 639.21 mills (dollars per \$1,000 of Taxable Value) that generate revenue to the TIFD. The property

Total Mill Levy

Taxing District	Mill Levy
School District	167.87
School Retirement and Transportation	46.10
State (Education)	102.50
City/Town	208.23
County	117.42
Big Sky Economic Development	<u>3.09</u>
Subtotal	645.21
Less University Mills	-6.00
Total Mills for TIFD Revenue	639.21

Source: Yellowstone County Treasurer

OPPORTUNITY SITE ANALYSIS

By applying broad estimates of market value per square foot for commercial space and per residential unit assessed value and annual property tax are estimated (Table 13). The “Homestead” and “Commstead” reductions, 21% for commercial and 47% for residential, are applied to account for appraisal cycles and the phase in of value increases. Taxable value is 2.47 percent of market value, and the TIFD collects 639.21 mills. The largest site, 9 and 10 combined, is estimated to generate \$113,000 per year. In total, these 16 opportunity sites could generate \$325,000 per year in tax increment, less any TIF contributions used to fund public improvements needed to catalyze each project.

Table 13
Main Street Area Property Tax Calculations

Site #	Commercial Mkt. Value \$125/Sq. Ft.	Residential Mkt. Value \$80,000/Unit	Total Market Value	Homestead/ Commstead Reduction	Taxable Market Value	Assessed Value 2.47%	URA Annual Property Tax 639.21 Mills
Main Street Area							
1	\$3,313,000	\$0	\$3,313,000	21.5%	\$2,601,000	\$64,000	\$41,000
2	0	1,200,000	1,200,000	21.5%	942,000	23,000	15,000
3	0	2,560,000	2,560,000	47.0%	1,357,000	34,000	22,000
4	0	1,600,000	1,600,000	21.5%	1,256,000	31,000	20,000
5 - 6	0	2,000,000	2,000,000	21.5%	1,570,000	39,000	25,000
7 - 8 (Trading Co.)	2,638,000	0	2,638,000	21.5%	2,071,000	51,000	33,000
9 - 10	9,075,000	0	9,075,000	21.5%	7,124,000	176,000	113,000
11 - 12	463,000	0	463,000	21.5%	363,000	9,000	6,000
13	1,588,000	0	1,588,000	21.5%	1,247,000	31,000	20,000
14	0	2,800,000	2,800,000	47.0%	1,484,000	37,000	24,000
15	0	800,000	800,000	47.0%	424,000	10,000	6,000
16	---	---	---	---	---	---	---
Totals	\$17,077,000	\$10,960,000	\$28,037,000		\$20,439,000	\$505,000	\$325,000

Source: Economic & Planning Systems

OPPORTUNITY SITE ANALYSIS

SOUTHEAST 4TH AREA

The vertical mixed use development envisioned for Downtown Laurel is not likely to occur in the Southeast 4th area. Sites are large enough and land values are low enough that there is not economic justification for the increased construction costs of multistory development, with the exception of hotel development. Most sites are assumed to be built at a floor area ratio (FAR) or 0.25 which is typical of suburban style commercial development (Table 14). Site 27 is shown at a lower 0.15 FAR as it is owned by an automotive group; if automotive uses are built they would likely include large areas of outdoor vehicle storage. The hotel site, site 26, is shown at a 0.6 FAR to account for multistory construction. In total, the Southeast 4th area has land capacity for approximately 465,000 square feet of development.

Table 14
Southeast 4th Site Development Concepts

Site #	Sq. Ft.	Acres	Development Concept [1]	Floor Area Ratio	Building Area (Sq. Ft.)
Southeast 4th Area					
17	29,700	0.68	Retail/Commercial	0.25	7,425
18	25,500	0.59	Retail/Commercial	0.25	6,375
19	35,632	0.82	Retail/Commercial	0.25	8,908
20	87,120	2.00	Flex Industrial	0.25	21,780
21	43,560	1.00	Flex Industrial	0.25	10,890
22	87,120	2.00	Flex Industrial	0.25	21,780
23	87,120	2.00	Flex Industrial	0.25	21,780
24	87,120	2.00	Flex Industrial	0.25	21,780
25	87,120	2.00	Flex Industrial	0.25	21,780
26	87,120	2.00	Limited Service Hotel	0.60	52,272
27	435,600	10.00	Regional Retailer or Automotive	0.15	65,340
28 - 31	487,828	11.20	Flex Industrial	0.25	121,957
31	270,072	6.20	Flex Industrial	0.25	67,518
32 (Fox Lumber)	832,867	19.12	Industrial	TBD	TBD
33	39,204	0.90	Retail/Commercial	0.25	9,801
34 - 35	24,307	0.56	Retail/Commercial	0.25	6,077
Totals	2,746,991	63.06			465,463

[1] For illustration purposes. The City of Laurel should be flexible to accommodate development proposals of different types.

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OPPORTUNITY SITE ANALYSIS

Market value for sites in the Southeast 4th area is estimated at \$125 per square foot of building for retail/commercial buildings and \$100 per square foot for industrial and flex buildings (Table 15). The hotel is estimated at \$150 per square foot (roughly \$120,000 per room). Commstead reduction of 21.5 percent for 2014 is applied to account for appraisal cycles and the phase in of value increases. Taxable value is 2.47 percent of market value, and the TIFD collects 639.21 mills. These sites would therefore generate \$622,000 in annual property tax to the TIFD if developed before the TIFD expires in 2022.

Table 15
Southeast 4th Property Tax Estimates

Site #	Development Concept	Building Area (Sq. Ft.)	Mkt. Value Factor	Market Value	Commstead Reduction	Taxable Market Value	Assessed Value 2.47%	URA Annual Property Tax 639.21 Mills
Southeast 4th Area								
17	Retail/Commercial	7,425	\$125	\$928,000	21.5%	\$728,480	\$18,000	\$12,000
18	Retail/Commercial	6,375	\$125	\$797,000	21.5%	\$625,645	\$15,000	\$10,000
19	Retail/Commercial	8,908	\$125	\$1,114,000	21.5%	\$874,490	\$22,000	\$14,000
20	Flex Industrial	21,780	\$100	\$2,178,000	21.5%	\$1,709,730	\$42,000	\$27,000
21	Flex Industrial	10,890	\$100	\$1,089,000	21.5%	\$854,865	\$21,000	\$13,000
22	Flex Industrial	21,780	\$100	\$2,178,000	21.5%	\$1,709,730	\$42,000	\$27,000
23	Flex Industrial	21,780	\$100	\$2,178,000	21.5%	\$1,709,730	\$42,000	\$27,000
24	Flex Industrial	21,780	\$100	2,178,000	21.5%	1,709,730	42,000	27,000
25	Flex Industrial	21,780	\$100	2,178,000	21.5%	1,709,730	42,000	27,000
26	Limited Service Hotel	52,272	\$150	7,841,000	21.5%	6,155,185	152,000	97,000
27	Regional Retailer or Automotive	65,340	\$100	6,534,000	21.5%	5,129,190	127,000	81,000
28 - 31	Flex Industrial	121,957	\$100	12,196,000	21.5%	9,573,860	236,000	151,000
31	Flex Industrial	67,518	\$100	6,752,000	21.5%	5,300,320	131,000	84,000
32 (Fox Lumber)	Industrial	TBD	TBD	TBD	---	---	---	---
33	Retail/Commercial	9,801	\$125	1,225,000	21.5%	961,625	24,000	15,000
34 - 35	Retail/Commercial	6,077	\$125	760,000	21.5%	596,600	15,000	10,000
Totals		465,463		\$50,126,000		\$39,348,910	\$971,000	\$622,000

Source: Economic & Planning Systems

OPPORTUNITY SITE ANALYSIS

Table 16
Southeast 4th Property Tax Estimates

	# of Sites	Acres	Residential Units	Commercial Sq. Ft.	Assessed Value	Property Tax
Main Street Area	12	5.6	137	136,600	\$505,000	\$325,000
Southeast 4th	<u>16</u>	<u>63.1</u>	<u>0</u>	<u>465,463</u>	<u>\$971,000</u>	<u>\$622,000</u>
Totals	28	68.6	137	602,063	\$1,476,000	\$947,000

Source: Economic & Planning Systems

Total annual property tax to the TIFD (in addition to current revenues) would be approximately \$947,000, including \$325,000 from Main Street sites and \$622,000 from Southeast 4th area sites, if each site developed fully (Table 16). While the Southeast 4th area is estimated here to generate more revenue when fully developed, the Main Street area produces far more revenue for acre of land due to the more compact development form.

DISTRICT STRATEGIC NEEDS ASSESSMENT

Yellowstone County is experiencing unprecedented growth and business development. A mix of a resurgence in energy development, an attractive quality of life, access to transportation systems, and a quality workforce, have led to growth in all energy support, health care and regional headquarters industries. Much of this growth is focused in Billings and due to the proximity of Billings and Laurel, there has been limited business growth and development within Laurel. There are many advantages that the Laurel TIF District has to offer. Identifying and capitalizing on them is the primary goal of this Plan.

Laurel has been home to two significant employers for most of its history. The railroad companies, Burlington Northern Santa Fe and Montana Rail Link and the refinery, CHS, provide a larger sector of jobs for the local workforce. Having two large employers provides stability to the local economy that is unique among small communities.

The District's location is a strength relative to other parts of Yellowstone County. It has direct access to and high visibility from Interstate 90, making it a preferred location for traveler services and businesses with easy access to the interstate highway system.

It also has access to the rail network with several spur lines connecting properties within the District to the Montana Rail Link yard.

Capacity to expand freight movement, as well as the off-loading and on-loading of imports and exports, could have significant impacts on the economic development of the TIFD, as well as the infrastructure needs to support additional demand.



DISTRICT STRATEGIC NEEDS ASSESSMENT

There remain large tracks of vacant land within the southeast 4th Street area that provide the greatest potential for development. These tracts are located within the more industrial areas of the District, and would lend themselves to similar uses.

Laurel is distinct in that it is a small community with a small town feel. The Main Street area reflects that small town history and there are opportunities to enhance it. While some buildings have been neglected and are run down, there is a core of downtown properties that show the potential for Main Street and its economic success.

The arrival points into the District are not well defined and do not establish a character or sense of community. Establishment and enhancement of these gateways would help create a more positive image for residents, businesses and visitors.

The transportation network also has challenges that create disadvantages within the District. The rail line separates the District into two distinct areas, limits vehicular and pedestrian traffic and provides a visible barrier to Main Street from the commercial areas at the interchange.



DISTRICT STRATEGIC NEEDS ASSESSMENT

Infrastructure has been modernized in the area of SE 4th Avenue with the development of Walmart and other sites in the vicinity. Older infrastructure has been upgraded as needed but there are areas with insufficient pipe sizing and missing storm sewer. The District has a mix of uses within the southeast area of the project. Larger retail chains, including Wal-Mart, CVS and Tractor Supply, have mixed with local manufacturing companies such as Fox Lumber and Fiberglass Structure Tanks, creating a blend of uses within the District.

Additional traveler services, primarily an additional hotel, has been identified as a need within the community. There are few vacant sites that are well suited for this type of development. Redevelopment of an existing parcel is possible, however demolition and construction costs may outweigh any revenue potential



DISTRICT STRATEGIC NEEDS ASSESSMENT

Most of the retail shops and offices are small and provided needed services. The Main Street area lacks an anchor business that can attract and draw people into the community.

Because Main Street is bordered by the railroad along much of its length, the one-sided nature of it is challenging to create a business environment friendly to pedestrian and people seeking a quaint setting in which to shop and conduct business. There are ways to overcome this through landscape elements and/or partnerships with the railroad, and would enhance the overall Main Street environment.

The right-of-way widths for streets in the older Main Street area are very generous and provide pavement widths wider than is needed for traffic. This creates problems for pedestrians crossing streets, as well as costs to maintain more infrastructure than is needed. It also creates an opportunity to create public improvements in the right of way that supports pedestrian safety and landscape enhancements.



There are two park areas within the District, both located in the Main Street area. These parks provide for public gatherings such as Rock the Block and the Farmer's Market, as well as visual relief from the built environment. There is no equivalent green space within the southeast area of the District.

DISTRICT STRATEGIC NEEDS ASSESSMENT

Summary

The strategies for development within the District are based on the analysis of findings summarized in this section. The development plan of the TIF District should focus on enhancing the advantages while addressing, alleviating or minimizing the weaknesses identified.

OVERALL ADVANTAGES

- High visibility and access from Interstate 90
- Small town feel
- Broad base of local employers
- Large tracts of undeveloped property within the southeast area

OVERALL DISADVANTAGES

- Missing and outdated infrastructure deterring private investment
- Vacant buildings affect the overall visual appearance
- Lack of defined gateway into the District
- Lack of visibility of Main Street

Based on these issues identified, the primary needs that should be focused on include upgrading of public infrastructure, addressing the visual appeal within the District and enhancing the development of business expansion and small business development.



REVITALIZATION EFFORTS

Approaches to economic revitalization are specific to locations and desired outcomes, but there are general strategies and practices of revitalization that urban theorists and practitioners follow and connect with local practices to ensure success

1

Multiple Approaches

Successful communities use a variety of tools to build economic development. These tools range from small projects to significant infrastructure improvements, and work toward building economic success.

2

Private Investments

The public and private sectors must work together to create economic activity. Private investment, through business expansion, real estate development or building façade improvements, is essential for the economic success of a community.

3

Community Programs

Programs that strengthen the community increase economic development. Including residents in projects creates a sense of community pride and fosters economic developments. Successful communities build community while building economic growth.

4

Identifying key Assets

Every community has strengths on which economic development can be enhanced. Finding that asset and using it to the community's advantage builds long term economic growth.

5

Short Term Projects

Short term or temporary projects that yield quick results help build support for long-term commitments. Identifying and completing short term projects early in a redevelopment process is valuable in any economic development process.

6

Evaluate

No process or plan is perfect. Communities that are able to adapt and respond to changing economic conditions, developing technologies, or failed attempts become stronger and more likely to withstand economic downturns.

REVITALIZATION EFFORTS

These six strategies are the basis for the approaches and recommendations to address the strategic needs of the district. Understanding how these strategies address the strengths and weaknesses identified in the previous section will provide the necessary framework for understanding the latter recommendations.

Three primary need areas were identified in the Strategic Needs Assessment: Public Infrastructure; Business Recruitment and Retention; and Placemaking. This section provides the strategy to address the need and a summary of associated projects and recommendations. Implementation of each recommended project and activity is further detailed in the Implementation Section.



PUBLIC INFRASTRUCTURE

COMPLETE & UPDATE THE PUBLIC INFRASTRUCTURE

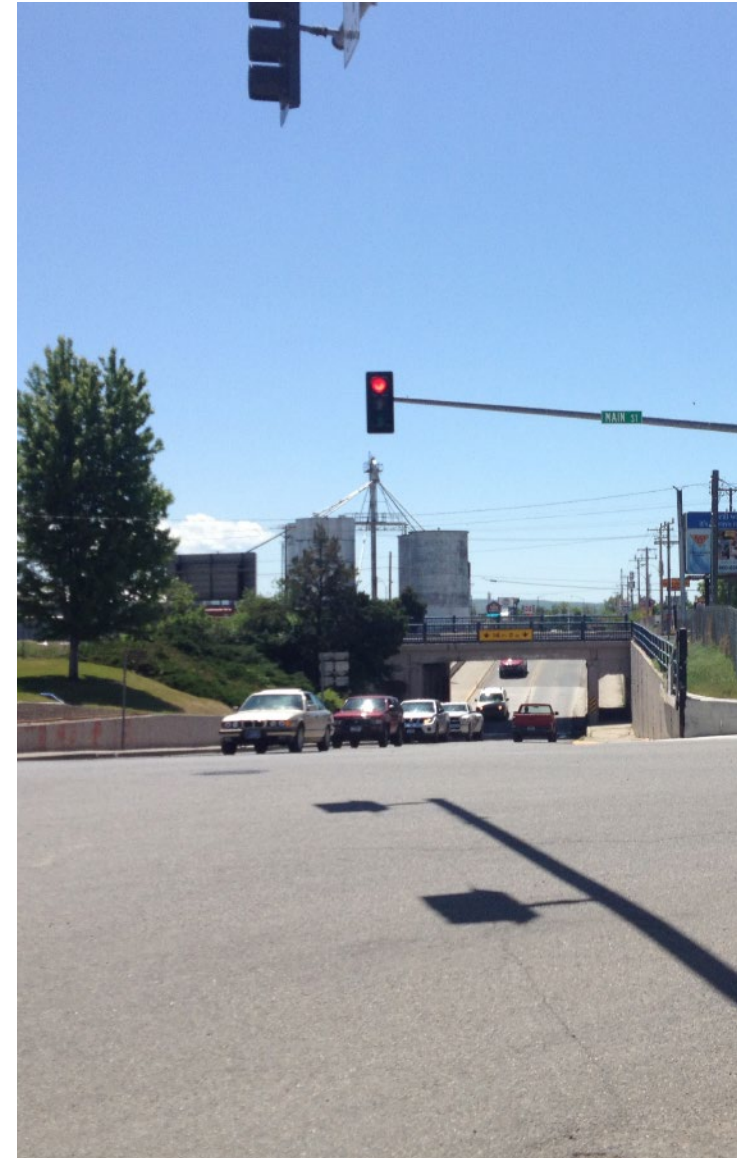
The needs assessment noted several areas lacking modern public infrastructure, including undersized public water lines, missing storm sewer lines, lack of sidewalks, inadequate traffic control for intersections, and lack of street lights.

Strategy: All lots will be served by modern public infrastructure and lack of infrastructure will not prevent development and use of property.

Projects and programs to address these needs include a range of public improvements and grants and to assist the private development of public improvements.

Projects

- *Upgrade water, sewer and storm sewer systems to modern standards*
- *Rebuild inadequate streets to current standards*
- *Install intersection improvements to insure adequate provision for increasing vehicular traffic*
- *Complete the network of sidewalks and crosswalks to ensure a safe pedestrian access*



PLACEMAKING



PLACEMAKING

The analysis of the strengths and weaknesses revealed a number of issues related to the physical appearance of the District. Projects that improve the physical character of an area, together with infrastructure improvements, create an environment that is inviting to residents, visitors, and those seeking to invest their business in the Laurel community.

Enhancements to the District can work to create a lively and vibrant downtown, and inviting public spaces. Also referred to as Placemaking, creating public streets and parks that will attract people because they are interesting, builds social and economic development. It aims to improve the quality of the public spaces and catalyze economic development.

Strategy: *Public and private facilities encourage private investment in the District.*

Projects

- *Continue and expand the façade improvements grants program*
- *Implement phased streetscape improvements along Main Street*
- *Adopt a District-wide street light design and plan*
- *Conduct short-term projects to test permanent solutions*
- *Create a public arts program*
- *Purchase vacant and dilapidated properties for refurbishment or demolition*

EXPANSION & RETENTION

EXPAND BUSINESS DEVELOPMENT AND RETENTION

Supporting existing businesses while actively recruiting new ones is essential to the success for the District. Programs that help new businesses start or existing ones expand are long-term and work to build a strong economy.

Strategy: Support existing businesses with financial assistance and market to targeted industries.

Projects

- *Revolving loan fund*
- *Market to targeted Industries*
- *Improvements grants fund*
- *Montana Rail Link Partnership*



RECOMMENDATIONS



IMPLEMENTATION PLAN

This section provides guidance to the projects and programs identified within the Revitalization Section, providing an overview with a recommended strategy and estimated cost associated with the project. This list represents a variety of projects, large and small, within the District. Due to the amount of funds available, not every project can be completed. The priority ranking has been completed to help identify projects with the highest priorities. As additional funds become available, projects rated mid and low should be considered.

Implementation Matrix

The following projects are organized in the three categories of needs identified in early sections of the Plan. Priority ranking is based on a project's ability to spur private development activity, cure a known obstacle, or are low cost and can provide a base for long-term, high cost projects. Individual projects are detailed on the following pages and provide additional information, specific action steps and recommended timelines for projects. The timeline is broken into four general categories: Immediate (within a year); Short-term (0-2 years); Mid-Term (2-4 years); and Long-term (beyond 4 years).

Item	Project	Estimated Cost	Priority	Lead	Add'l Funding Source
I Infrastructure					
1	East Railroad Street Rebuild	\$3,000,000	Mid	LURA; Public Works	MDT
2	S 1st/Railroad St Intersection Improvements	400,000	High	LURA; Public Works	MDT
3	Washington Avenue Storm Sewer	480,000	High	LURA; Public Works	--
4	Sidewalk Infill	25,000 - 50,000	Mid	LURA; Public Works	--
5	4th Street Pedestrian Improvements	25000 - 50,000	Mid	LURA; Public Works	--
6	South 1st Avenue Pedestrian Improvements	15,000 - 20,000	Mid	LURA; Public Works	MDT
7	Utility Improvements	75,000-250,000	High	LURA; Public Works	
8	Street Light Plan	500,000	Low	LURA; Public Works	--
B Business Recruitment and Retention					
9	Competitive Grants Program	400,000	High	LURA	--
10	Targeted Industries	TBD	High	LURA	--
11	Montana Rail Link Partnership	TBD	High	City; LURA	MRL; BNSF
12	Revolving Loan Fund	400,000	High	LURA	Local Banks
13	Property Acquisition	TBD	Low	LURA	--
P Placemaking					
14	Streetscape Improvements	500,000	Low	LURA	Property Owners
15	Public Arts Program	10,000	Mid	LURA	--
16	Short term urban interventions	10,000	High	LURA	Chamber, Property Owners

IMPLEMENTATION PLAN

Project # 1
East Railroad Street Rebuild

Project Type: Infrastructure

Strategy:

Rebuild Railroad Street from South 1st Avenue to Bernhardt Road to meet the required City street section. Improvements to this street section will help accommodate additional traffic to and from these properties.

Identified as an urban route by Montana Department of Transportation and a collector street, Railroad Street provides access to S 1st Ave (Highway 310) to the west, as well as ultimate connection to Shannon Road and the East Laurel Interchange with Interstate 90.

Priority: Mid Priority

Estimated Cost: High Cost (\$3 million)

Related Projects: 2, 3, 8

ACTION STEPS		TIMELINE
1.	Identify a Project Leader to guide this project through design & construction	Immediate
2.	Determine the extent of the construction limits	Short-term
3.	Estimate length of construction and estimate of costs	Short-term
4.	Evaluate use of bonds to pay for funding for construction	Short-term
5.	Review Criteria for MDT Urban Routes Funding and additional state/federal funding sources	Short-term
6.	Develop project funding scenario	Short-term
7.	Coordinate with affected property owners regarding access and other concerns	Mid-term
8.	Assess related projects for timing and priority	Mid-term
9.	Develop design and construction timeline	Mid-term
10.	Solicit design proposals	Mid-term
11.	Design and construction to commence upon previously developed schedule	Mid-term

IMPLEMENTATION PLAN

Project # 2
South 1st Avenue and Railroad Street Intersection

Project Type: Infrastructure

Strategy:

The Laurel Transportation Plan recommends improvements to S 1st Avenue and Railroad Street. It currently has a failing level of service at peak times for traffic on Railroad Street. As additional traffic uses Railroad Street, the intersection at S 1st Avenue will reach failing levels of service. Intersection improvements, including a traffic signal or roundabout should be evaluated. Full intersection analysis and design of improvements are required.

Priority: High Priority

Estimated Cost: Mid Cost (\$400,000)

Related Projects: 1, 4, 8

ACTION STEPS		TIMELINE
1.	Assign a Project Leader	Immediate
2.	Hold coordination meeting with MDT to discuss design requirements and approvals	Short-term
3.	Solicit proposals to evaluate improvement options and estimated costs	Short-term
4.	Coordinate with affected property owners regarding access and other concerns	Short-term
5.	Assess related projects for timing and priority	Short-term
6.	Develop design and construction timeline	Short-term
7.	Solicit proposals for design and construction	Short-term

IMPLEMENTATION PLAN

Project # 3
Washington Avenue Storm Sewer Infill

Project Type: Infrastructure

Strategy:

Washington Avenue lacks storm drain collection system, and also has the most vacant properties along any one street. Construction of the public storm sewer will reduce private investment costs of providing on-site storm retention, and make development of the properties more attractive to investors. The adjacent property owners have indicated that a stormwater solution may accelerate development plans for several of the vacant properties.

Priority: High Priority

Estimated Cost: Mid Cost (\$450,000)

Related Projects: 1, 4, 8

ACTION STEPS		TIMELINE
1.	Identify a Project Leader	Immediate
2.	Evaluate additional improvements required for Washington Avenue	Short-term
3.	Identify funding for additional improvements	Short-term
4.	Assess related projects for timing and priority	Short-term
5.	Coordinate with affected property owners regarding access and other concerns	Short-term
6.	Develop design and construction timeline	Short-term
7.	Provide property owners information of TIFD incentives as a marketing tool	Short-term

IMPLEMENTATION PLAN

Project # 4
Sidewalk Infill

Project Type: Infrastructure

Strategy:

The LRTP identified locations where sidewalks are missing. Using TIF to pay for these infill projects will help to complete the sidewalk network and improve pedestrian safety. Sidewalks provide opportunities for walking. There are a multitude of benefits from increasing opportunities to walk, ranging from improving the health of residents to reducing crime risk. Studies by the Urban Land Institute and the Real Estate Research Corporation show that property values rise faster in pedestrian friendly neighborhoods.

Priority: Mid Priority

Estimated Cost: Mid Cost (\$50,000 - \$100,000)

Related Projects: 2, 3, 5, 8

ACTION STEPS		TIMELINE
1.	Assign a Project Leader	Immediate
2.	Confirm inventory of missing sidewalk locations	Short-term
3.	Conduct assessment of sidewalks in poor repair and needing replacement	Short-term
4.	Develop complete plan of missing and inadequate sidewalk locations	Short-term
5.	Assess related projects for timing and priority	Short-term
6.	Coordinate sidewalk infill/replacement with proposed development projects and infrastructure projects	On-going

IMPLEMENTATION PLAN

Project # 5
SE 4th Street Pedestrian Improvements

Project Type: Infrastructure

Strategy:

As identified in the needs assessment, crosswalks are missing from SE 4th Street. Marked crosswalks, signage, lighting, and protected pedestrian refuge islands can be introduced to create a safer environment for walking. Typical sidewalk crossings at intersections are difficult due to the lack of street intersections along SE 4th Street. Mid-block crossings should be evaluated to create pedestrian access throughout this section of the District.

Priority: Mid Priority

Estimated Cost: Mid Cost (\$25,000 - \$50,000)

Related Projects: 3, 4, 6, 8

ACTION STEPS		TIMELINE
1.	Assign a Project Leader	Immediate
2.	Determine priority crossing locations and phasing plan	Short-term
3.	Develop design and construction timeline	Short-term
4.	Work with adjoining business owner to discuss project, access issues and required sidewalks improvements	Short-term
5.	Solicit design proposals for design of all crossings	Short-term
3.	Construction to commence upon previously developed priority locations and phasing plan	Mid-term

IMPLEMENTATION PLAN

Project # 6
South 1st Avenue Pedestrian Improvements

Project Type: Infrastructure

Strategy:
 Explore a mid-block crossing on S 1st Avenue between SE 4th and Railroad Street. Marked crosswalks, signage, lighting, and protected pedestrian refuge islands can be introduced to create a safer environment for pedestrians crossing the street. Mid-block crossings should be evaluated to create pedestrian access throughout this section of the District.

Priority: Mid Priority

Estimated Cost: Mid Cost (\$15,000 - \$20,000)

Related Projects: 5, 8

ACTION STEPS	TIMELINE
1. Assign a Project Leader	Immediate
2. Hold coordination meeting with MDT to discuss crossing, design requirements and approvals	Short-term
3. Develop design and construction timeline	Short-term
4. Work with adjoining business owners to discuss project, access issues required sidewalk improvements	Short-term
5. Solicit design proposals	Short-term
6. Design and construction to commence upon previously developed schedule	Mid-term

IMPLEMENTATION PLAN

Project # 7
Water, Sewer and Storm Sewer Improvements

Project Type: Infrastructure

Strategy:

Upgrades to the public water and sewer mains located within the TIF district should be analyzed as part of an overall Capital Improvement Plan (CIP) development for the City of Laurel. Projects identified in the CIP that are located within the TIF District should be identified as eligible for funding through the TIF. Improvements that are required due to private development should be evaluated and considered for funding through the Improvements Grants Funding Program (see recommendation and strategy below). Off-site improvements that may be required as part of private development can often deter a project. Aging infrastructure should be analyzed, studied and prioritized for improvements. Projects within the District may receive higher prioritization due to the availability of funding, however a comprehensive CIP should be completed.

Priority: High Priority

Estimated Cost: Mid Cost (\$75,000 - \$250,000)

Related Projects: 2, 3, 8

ACTION STEPS	TIMELINE
1. Assign a Project Leader	Immediate
2. Initiate an inventory of current utility conditions	Short-term
3. Identify segments that are missing	Short-term
4. Identify segments that are in poor repair and in need of replacement	Short-term
5. Identify segments that are in good repair but lack sufficient capacity	Short-term
6. Document a complete inventory of utility issues within the TIFD	Short-term
7. Develop priority projects list with assigned funding	Short-term
8. Refer to inventory when making decisions regarding grant applications & prioritizing projects	On-going

IMPLEMENTATION PLAN

Project # 8
Street Light Plan

Project Type: Infrastructure

Strategy:

The only street lights within the District are the overhead highway lights. Installing upgraded lights to key streets within the district provides consistency and identity to the district, while improving safety. One of the goals of the Urban Renewal Plan is to create a vibrant and cohesive extension of the core downtown area. Specific objectives include improving streetscape and street front improvements to beyond downtown and develop the District as one cohesive area, rather than two distinct commercial areas. Given the disparate development patterns that existing along Main Street and SE 4th Street, finding common elements to implement can create a cohesive district. A common public lighting plan can provide this cohesion. Light poles can be adapted to include flag mountings that can further advance the community image.

Priority: Low Priority

Estimated Cost: High Cost (\$500,000 - \$750,000)

Related Projects: 1, 2, 3, 4, 5, 6

ACTION STEPS		TIMELINE
1.	Assign a Project Leader	Immediate
2.	Initiate an inventory of current street light locations, identify areas of insufficient lighting	Short-term
3.	Identify areas with no lighting	Short-term
4.	Identify areas with limited lighting	Short-term
5.	Identify areas where standard fixture would improve overall appearance	Short-term
6.	Select standard light fixture and pole design to be used throughout the District	Short-term
7.	Coordinate implementation of lighting plan as related projects are scheduled	On-going

IMPLEMENTATION PLAN

Project # 9
Competitive Grants Program

Project Type: Business Recruitment and Retention

Strategy:

Assist property owners and developers with costs to improve public infrastructure associated with new private development. Grants can provide assistance for costs associated with public improvements, such as public water, sewer and storm sewer upgrades, sidewalk installation, landscaping and other improvements located within the public right-of-way.

Grants can also be provided to assist with building demolition, façade improvements, signage and exterior lighting.

If grant requests exceed funding available, a ranking process will need to be identified.

Priority: High Priority

Estimated Cost: Mid Cost (\$340,000)
*Annual contribution between \$20,000 and \$100,00.
 See Table A for details for annual contribution.*

Related Projects: 4, 7, 8

ACTION STEPS	TIMELINE
1. Assign a Project Leader	Immediate
2. Establish annual budget, including per project grant limit	Short-term
3. Establish eligibility guidelines and application process. Recommended guidelines, include: <ul style="list-style-type: none"> • Located within the TIFD • Property must be current on all taxes • Proposed work to be in compliance with Design Standards 	Short-term
4. Establish ranking criteria, if/when requests exceed fund availability. Recommended criteria, include: <ul style="list-style-type: none"> • Proposed jobs created by project • Amount of owner/applicant equity matching grant request • Demonstrated financial need • Adherence to design standards • Project’s overall benefit to TIFD 	Short-term
5. Develop marketing brochure for distribution Include eligibility guidelines, deadlines and application information	Short-term
6. Review applications	Short-term
7. Review annual progress	On-going

IMPLEMENTATION PLAN

Project # 10
Business Attraction and Expansion (Targeted Industries)

Project Type: Business Recruitment and Retention

Strategy:

Expand economic development efforts in Laurel to address business expansion, attraction, and retention. Recognize that in many communities most job growth comes from the expansion of existing businesses; balance local economic development efforts with outside business recruitment. Begin with outreach to local businesses and entrepreneurs, including the three major employers in Laurel, CHS Refinery, BNSF, and Montana Rail Link. Build partnerships with local and regional real estate brokerages and economic developers working at the regional and State level to increase awareness of Laurel's available sites and financial assistance tools recommended in this Plan.

Priority: High Priority / Ongoing Activity

Estimated Cost: Low cost; utilize current staff, board members, and elected officials

Related Projects: Supports multiple projects and goals

ACTION STEPS		TIMELINE
1.	Identify economic development "point person"; publish name on Town website and elsewhere	Immediate
2.	Contact major employers	Immediate/Ongoing
3.	Annual or Bi-Annual business summit or individual meetings	Immediate/Ongoing
4.	Strengthen State and regional economic development partnerships	Immediate/Ongoing
5.	Create list of development-ready sites	Immediate
6.	Identify and market available incentives and assistance through LURA	Immediate/Ongoing
7.	Business (and resident) community satisfaction survey	Short-term
8.	Identify areas of Laurel to plan for a business park after the current TIFD expires	Mid-term

IMPLEMENTATION PLAN

Project # 11
Montana Rail Link Partnership

Project Type: Business Recruitment and Retention

Strategy:

As a significant employer in Laurel, and lessee of property within the TIFD, MRL can have positive influence within the District. This strategy works to develop a partnership to address code violation of properties under lease, basic maintenance of property to clean up trash and weeds, right-of-way improvements including sidewalks and landscaping, and discuss permanent facilities for property along Main Street.

Additionally, opportunities should also be explored to assist in attracting industries that support the rail yard operations and worker training.

Quarterly, or more frequent, meetings are recommended.

Priority: High Priority

Estimated Cost: Low Cost

Related Projects: 4, 7, 8

ACTION STEPS		TIMELINE
1.	Assign a Project Leader	Immediate
2.	Contact local representative and real estate representatives at MRL headquarters	Short-term
3.	Have quarterly meetings to discuss current issues and opportunities	On-going
4.	Explore solutions to properties with code violations, including vacant properties with weed issues	Short-term
5.	Explore options for lease of property along Main Street	Short-term
6.	Identify additional industries to support rail yard	Short-term
8.	Explore collaboration with BSEDA regarding rail capacity and operational studies within Yellowstone County.	On-going

IMPLEMENTATION PLAN

Project # 12
Revolving Loan Fund

Project Type: Business Recruitment and Retention

Strategy:

Establishing a revolving loan fund (RLF) provides access to a flexible source of capital that can be used in combination with more conventional sources. Often, the RLF is a bridge between the amount the borrower can obtain on the private market and the amount needed to start or sustain a business.

The RLF must generate enough interest rate return to replenish the fund for future loan allocations. With competitive rates and flexible terms, a RLF provides access to new financing sources for the borrower, while lowering overall risk for participating institutional lenders.

Eligible uses for RLF include: operating capital; acquisition of land and buildings; new construction; façade and building renovation; landscape and property improvements; and machinery and equipment

Priority: High Priority

Estimated Cost: Mid Cost (\$500,000 - \$750,000)

Related Projects: 4, 7, 8

ACTION STEPS	TIMELINE
1. Assign a Project Leader	Immediate
2. Meet with BSEDA to review their loan program for evaluation of a cooperative program	Short-term
3. Meet with local banks to discuss potential partnership and funding for the program	Short-term
4. Establish loan criteria and application process	Short-term
5. Develop annual budget for TIFD contributions to fund	Short-term
6. Refine marketing information to provide existing and future businesses	Short-term
7. Assign management role and responsibility	On-going

IMPLEMENTATION PLAN

Project # 13
Property Acquisition

Project Type: Business Development, Placemaking

Strategy:

LURA can consider acquiring property within the TIFD, either through a negotiated arm's length transaction, a fair and equitable negotiated transaction that is not eminent domain. The property owner is under no obligation to sell and there is no threat to his/her property rights.

Acquiring and redeveloping property that is in disrepair can improve the overall strength of the TIFD and provide opportunity sites for future development. Opportunity sites have been identified in the Market Analysis section.

Priority: Low Priority

Estimated Cost: Costs vary depending upon number and value of properties.

Related Projects: 9, 10

ACTION STEPS		TIMELINE
1.	Assign a Project Leader	Immediate
2.	Meet with local real estate brokers regarding property for sale within TIFD	Short-term
3.	Establish goals for property acquisition program	Short-term
4.	Evaluate properties that meet program goals	On-going
5.	Evaluate properties that meet program goals	Short-term
6.	Negotiate to purchase target properties	Mid-term

IMPLEMENTATION PLAN

Project # 14
Streetscape Improvements

Project Type: Placemaking

Strategy:

Streets do more than provide vehicular access. Together with utilities, streets provide the backbone for day to day activities and general welfare of a community. Creating a safe, enjoyable and walkable pedestrian environment is critical to any downtown revitalization.

A complete streetscape plan was completed in 2004. Implementing that plan is beyond the budget limits of the TIFD. Focused, streetscape improvements to the key gateways and intersections improves the most visible blocks of Main Street.

Appendix A contains a schematic concept for the extent of improvements.

Priority: Low Priority

Estimated Cost: Mid Cost (\$500,000- 750,000)

Related Projects: 4, 7, 8, 15, 16

ACTION STEPS	TIMELINE
1. Assign a Project Leader	Short-term
2. Review previously adopted streetscape plan and determine project boundary	Mid-term
3. Solicit proposals to develop preliminary cost estimates	Mid-term
4. Establish budget for improvements, or refine project scope to match budget	Mid-term
5. Solicit proposals for design and construction	Mid-term

IMPLEMENTATION PLAN

Project # 15
Public Art Program

Project Type: Placemaking

Strategy:

Creating community through public art can inspire residents and provide interest in the community. There are currently several building murals from which a public arts program could be studied and developed. Public art that celebrates railroad history in Laurel can provide connection to the past.

Assistance for a concept level program is available through application to the Montana State University School of Art and Architecture. Initial costs would be very low and development of individual projects can be completed in partnership with local organizations over time.

Priority: Mid Priority

Estimated Cost: Low Cost (\$0 - \$10,000)

Related Projects: 11, 14, 16

ACTION STEPS		TIMELINE
1.	Assign a Project Leader	Immediate
2.	Contact MSU's Community Design Center for program information and application	Short-term
3.	Apply for program assistance	Mid-term
4.	If selected, provide required support for project	Mid-term
5.	After completion, determine future actions	Long-term

IMPLEMENTATION PLAN

Project # 16
Short Term Urban Interventions

Project Type: Placemaking

Strategy:

Short-term intervention projects show communities different possibilities for permanent solutions. Using community volunteers and minimal capital, these interventions are temporary (24-72 hours) & allow the community to experience permanent solutions. Examples of these projects include:

Park(ing) Day: a national movement, where for one day parking spaces are used for alternate uses such as parks or public seating

Build a Better Block: an open source movement to create change within communities by temporarily setting up improvements such as pop-up cafés and artist studios, bike lanes, plazas, and parks

Open Streets: closing a street to vehicles and allowing people to use streets for pedestrians, street performances, art displays, food trucks and festivals

Priority: High Priority

Estimated Cost: Low Cost (\$0 - \$5,000)

Related Projects: 14, 15

ACTION STEPS		TIMELINE
1.	Assign a Project Leader	Immediate
2.	Research various interventions and decide on a pilot project	Short-term
3.	Enlist volunteers	Short-term
4.	Establish working group to create project needs, community involvement, marketing, activities and vendors	Short-term
5.	Hold event	Short-term
6.	Identify future interventions	On-going

MEASURING SUCCESS

Even the most successful revitalization and economic development plans can take years to produce measurable results. Laurel can begin to establish indicators or metrics early in their redevelopment efforts to track progress. Success can be measured in quantitative metrics and qualitative evaluations. Several metrics are described below.

» Tax Increment Revenue

Tax increment revenue will grow if property values in the TIFD increase and if new development occurs. TIF revenue is the most direct indication of success. LURA already tracks this metric through normal budgeting and administrative procedures.

» Property Values

Successful redevelopment and economic development efforts will increase property values. LURA and the City can track average home prices, and average commercial rents and values per square foot using brokerage statistics and other information from local residential realtors. An annual market update can be prepared to track this metric.

» New Development

Tracking new development within the TIFD can be a measurement of success. Using building permit data, an annual development report can be produced to track the amount of new development that has occurred in the TIFD.

» Vacant Buildings or Storefronts

A reduction in the number of vacant storefronts as they are filled by new business will be an indicator of Main Street business health. An annual update to the vacant buildings inventory can help LURA and the City gauge increased business activity.

» Business Licenses

New business formation in the TIFD will indicate that economic activity is expanding in Laurel. The City can produce an annual report on business license activity.

» Property Values

The number and type of economic development inquiries to the City (e.g. available sites for new businesses, business expansions) can be tracked. Reasons for locating in Laurel or elsewhere could be recorded and reviewed periodically to determine if there are additional actions the City and LURA should take to improve its attractiveness to businesses. Laurel will need to establish a "point person" for economic development contacts.

» Community and Satisfaction Survey

Some cities perform annual community satisfaction surveys that address a range of quality of life and economic/business topics. An annual community survey that includes specific questions regarding the TIFD can help provide feedback on programs.

FINANCING

A financing scenario is shown that estimates the amounts and timing of LURA's expenditures on programs and capital projects. It is for illustrative purposes and to inform the Board's and City's strategy. LURA and the City can determine the specific items they wish to fund; this simply illustrates the levels of available funding by year for consideration. The scenario shows a delay in financing and large capital projects until 2021-22, the last year of the TIF. Montana legislation allows the TIF to be collected after the TIFD expires in order to pay debt service.

Financing is deferred until Year 6 – the second to last year of the TIFD (Table A). Under this scenario, the RLF and improvement grant programs are shown to be funded for 3 years at approximately \$100,000 each, accruing roughly \$300,000 in the RLF. In addition, approximately \$1.8 million in intersection, stormwater, and other projects can be paid in years one through five before issuing debt. Assuming modest growth in TIF revenue (2.0 percent per year), there could be additional revenue for another round of RLF seed money and improvement grants, plus miscellaneous community projects in year 6.



FINANCING

Table A
LURA Investment Program: Bond/Loan in Year 6

	2015-16 Year 1	2016-17 Year 2	2017-18 Year 3	2018-19 Year 4	2019-20 Year 5	2020-21 Year 6	2021-22 Year 7
Revenue							
Starting Balance	\$585,000						
Net Cash Flow [1]	350,000	358,750	367,719	376,912	386,335	395,993	405,893
Prior Year Surplus	0	281,000	4,750	4,469	1,380	1,715	9,708
Bond or Loan [2]	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>4,000,000</u>	<u>0</u>
LURA Funding Available	\$935,000	\$639,750	\$372,469	\$381,380	\$387,715	\$4,397,708	\$415,601
Project and Program Expenditures							
<u>Grants and Loans</u>							
Revolving Loan Fund Deposit	\$100,000	\$100,000	\$100,000	\$0	\$0	\$20,000	\$20,000
Improvement Grants [3]	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>0</u>	<u>0</u>	<u>15,000</u>	<u>40,000</u>
Subtotal	\$200,000	\$200,000	\$200,000	\$0	\$0	\$35,000	\$60,000
<u>Capital Projects</u>							
Intersection Improvements	\$0	\$435,000	\$0	\$0	\$0	\$0	\$0
Washington Street Stormwater	450,000	0	0	0	0	0	0
Debt Service	0	0	0	0	0	350,000	350,000
Other Major Capitol Projects [4]	<u>0</u>	<u>0</u>	<u>160,000</u>	<u>380,000</u>	<u>385,000</u>	<u>4,000,000</u>	<u>0</u>
Subtotal	\$450,000	\$435,000	\$160,000	\$380,000	\$385,000	\$4,350,000	\$350,000
<u>Small community projects</u>							
Better Block Project	3,000	0	3,000	0	0	3,000	0
Park(ing) Day	1,000	0	0	0	1,000	0	0
Public Arts Program	<u>0</u>	<u>0</u>	<u>5,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3,000</u>
Subtotal	\$4,000	\$0	\$8,000	\$0	\$1,000	\$3,000	\$3,000
Total Projects and Programs	\$654,000	\$635,000	\$368,000	\$380,000	\$386,000	\$4,388,000	\$413,000
Surplus or Gap	\$281,000	\$4,750	\$4,469	\$1,380	\$1,715	\$9,708	\$2,601

[1] Estimated at \$350,000 based on FY 2014/15 budget revenues of approximately \$476,000 less approximately \$100,000 in debt service to the Water department (ends in 2019). Assumes 2.0% annual revenue growth.

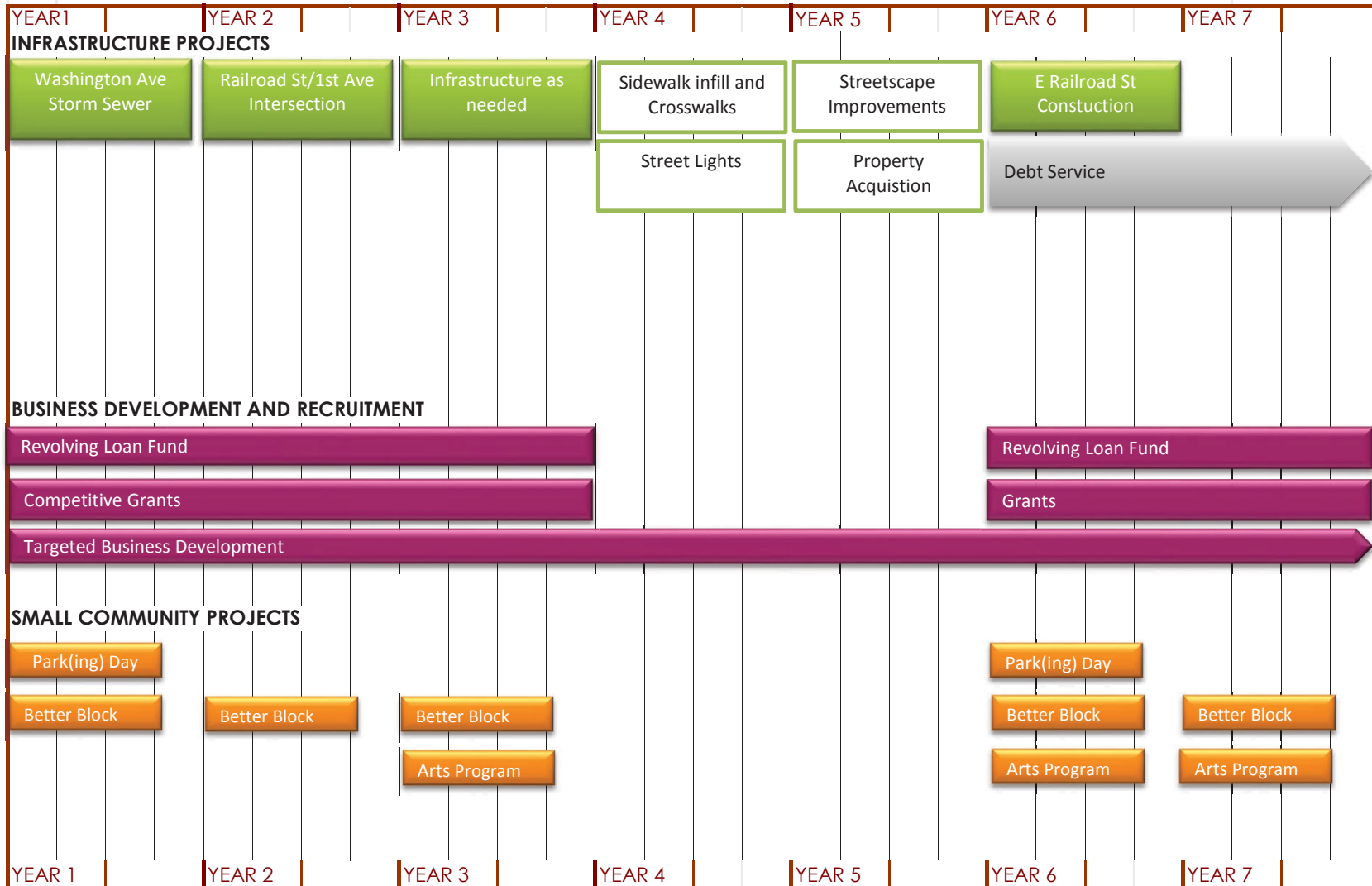
[2] Could be done in Year 6 or sooner depending on available revenue or anticipated State legislation changes.

[3] Utility Upgrades, Façade Improvements, Building Demolition, Landscape Improvements, Sidewalk Improvements

[4] Lighting, streetscape, additional intersection or street projects, or utility improvements.

FINANCING

Figure A
LURA Investment Program Timeline



FINANCING

Table C
Estimated Debt Service and Bond Proceeds

Description	Factors	\$300,000/yr	\$350,000/yr	\$400,000/yr	\$450,000/yr	\$500,000/yr	\$550,000/yr
Interest Rate		5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Bond Term (Years)		30	30	30	30	30	30
Estimated Net Revenue Available for Debt Service							
URA Free Cash Flow		\$300,000	\$350,000	\$400,000	\$450,000	\$500,000	\$550,000
Estimated Annual Administrative Costs	1.50%	\$4,500	\$5,250	\$6,000	\$6,750	\$7,500	\$8,250
Debt Coverage	1.20	\$49,250	\$57,458	\$65,667	\$73,875	\$82,083	\$90,292
Net Revenue Available for Debt Service		\$246,250	\$287,292	\$328,333	\$369,375	\$410,417	\$451,458
Estimated Total Bonds		\$3,790,000	\$4,420,000	\$5,050,000	\$5,680,000	\$6,310,000	\$6,940,000
Capitalized Interest	0 months	\$0	\$0	\$0	\$0	\$0	\$0
Bond Reserve Fund	1 yr D/S	\$250,000	\$290,000	\$330,000	\$370,000	\$410,000	\$450,000
Formation & Issuance Costs	2.00%	\$80,000	\$90,000	\$100,000	\$110,000	\$130,000	\$140,000
Estimated Tax-Exempt Bond Revenues to Finance Public Facilities		\$3,460,000	\$4,040,000	\$4,620,000	\$5,200,000	\$5,770,000	\$6,350,000

Source: Economic & Planning Systems

CONCLUSION

OPPORTUNITIES

There are many opportunities within the District for business expansion, visual enhancement and economic development. This plan has documented ways to create and expand these opportunities through improved infrastructure, beautification, and business expansion. The range of strategies are intended to allow for small and large projects, infrastructure and beautification projects, and business recruitment and new business development. It will be through the implementation of these diverse strategies that results will occur. This plan also allows for flexibility of the implementation should conditions change or opportunities arise. Through a concerted effort of implementation, progress will be made.

BUILT ENVIRONMENT

The built environment, the public infrastructure and the private improvements impact the residents of Laurel and the prosperity of the community. Creating a healthy, safe and lively community takes investment. The implementation plan outlined in this plan has been developed to make that investment as meaningful as possible. It requires a balancing act between resources and demands for those resources. Improving the public environment affords private investors the confidence that Laurel is a quality investment. As private investment expands, the ability for public investment also expands through added TIF revenue.

PARTNERSHIPS

Redevelopment and revitalization of communities takes significant effort and partnerships with existing organizations can help spread that effort for better results. We have identified two organizations with which partnership opportunities should be further explored. Big Sky Economic Development provides assistance throughout Yellowstone County. Their programs, including their Small Business Development Center and a revolving loan fund, are available to businesses in Laurel. These programs and support can be used in conjunction with the implementation of the projects identified in this plan.

CONCLUSION

Montana Rail Link has a significant presence within the District. The infrastructure associated with the rail line, other real estate leases, and employment all contribute to the built and economic conditions within the District. Opportunities to explore partnerships and agreements, particularly for land adjacent to Main Street should be pursued.

TIMING OF PROJECTS

The investment program schedule and timeline, as provided in the previous section, identifies a recommended timeline for scheduling of projects. While it may appear enticing to complete a large infrastructure project early in this cycle, doing so will limit total funds available and therefore, the number of projects that can be completed in the remaining 7 years of the TIF. A large infrastructure project will require a loan or a bond triggering annual debt service payments. The debt service payments will likely consume the majority of available TIF revenue, limiting the number of other projects and programs that can be funded in the remaining years. Debt payments may carry over beyond the 15 life of the TIF District and allow funds to continue to be collected to pay that debt. LURA will need to weigh the benefits and risks of financing projects earlier rather than later. One consideration is that deferring debt financed projects will give LURA more time to engage with the community through the grant programs, other assistance, and gain additional input from the community on priority investments.

LEADERSHIP

Implementing a revitalization effort takes commitment. It will take the work of private investment in the development of new businesses and new buildings for offices, retail space and housing. It will also take the work of the City in the development of a capital improvements plan and the timing of the improvements. Decisions will need to be made regarding the timing of bonds and debt services and prioritizing improvements to be completed and grants to be awarded. These decisions will not be easy, but will be essential for the success of the plan and the City of Laurel as a whole.

CONCLUSION

This plan has identified a number of issues that are unique to Laurel and opportunities to create, improve and enliven the community. Implementing the recommendations will take time and results will not always be immediately evident. Pursuit of revitalization and redevelopment is a long term event. A healthy, economically viable and visually appealing community will slowly emerge and can be the future for the community.

A photograph of an outdoor art fair or gallery walk. Several people are gathered around easels displaying artwork. The scene is outdoors on a paved area with trees and buildings in the background. The image is overlaid with a dark red tint. The text "APPENDIX A: CONCEPT EXAMPLES" is centered in white, bold, sans-serif font.

APPENDIX A: CONCEPT EXAMPLES

CONCEPT 1



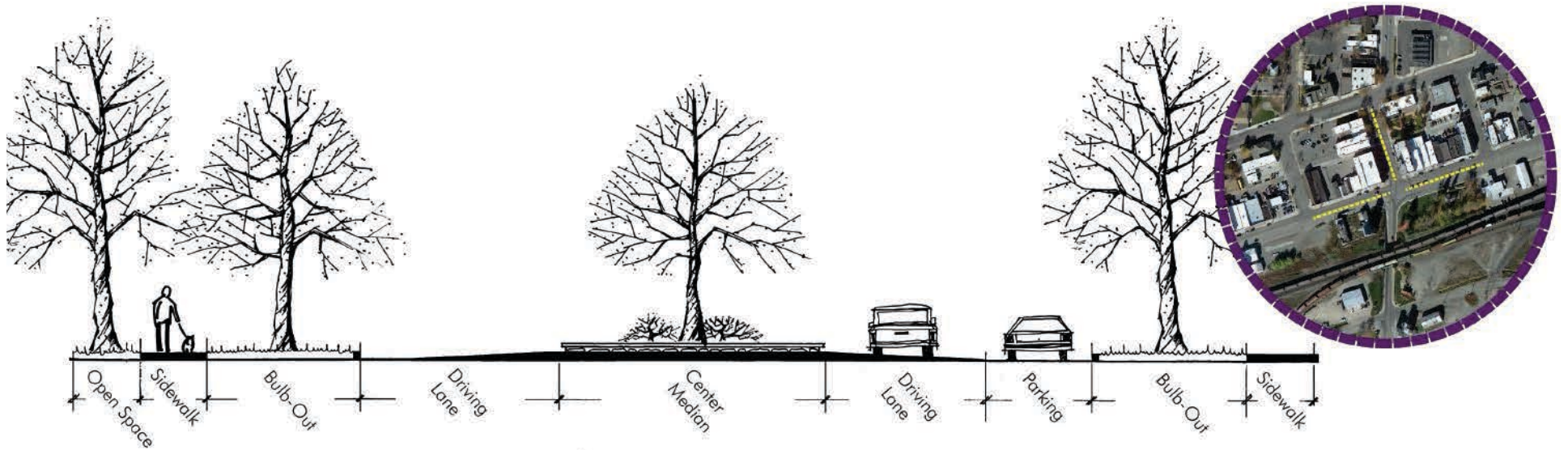
COMMUNITY CORE
- "Heart of Downtown"
- Funding Priority
- Streetscape Beautification

TRAFFIC CALMING MEASURES
-Bulb-outs
-Planted Boulevards
(Framing One-sided Streetscape)
-Enhanced/Raised Crosswalks

PEDESTRIAN FRIENDLY ENHANCEMENTS
-Various Seating Options
-Focus on Art (Branding an Art District)
-Custom Tree Crates
-Focus on Pedestrians Not Vehicles

**PROJECT CONSIDERATIONS/
HIGHLIGHTS**

CONCEPT 1



LIGHTING EXAMPLE



LIGHTING EXAMPLE



A photograph of a public survey station. A sign on a tripod stand is the focal point, with several people gathered around it. One woman in a blue patterned top is looking at the sign. Other people are standing nearby, some looking towards the sign. The scene is outdoors on a paved area with trees in the background. The entire image is overlaid with a dark red tint.

APPENDIX B: SURVEY RESULTS

SURVEY RESULTS

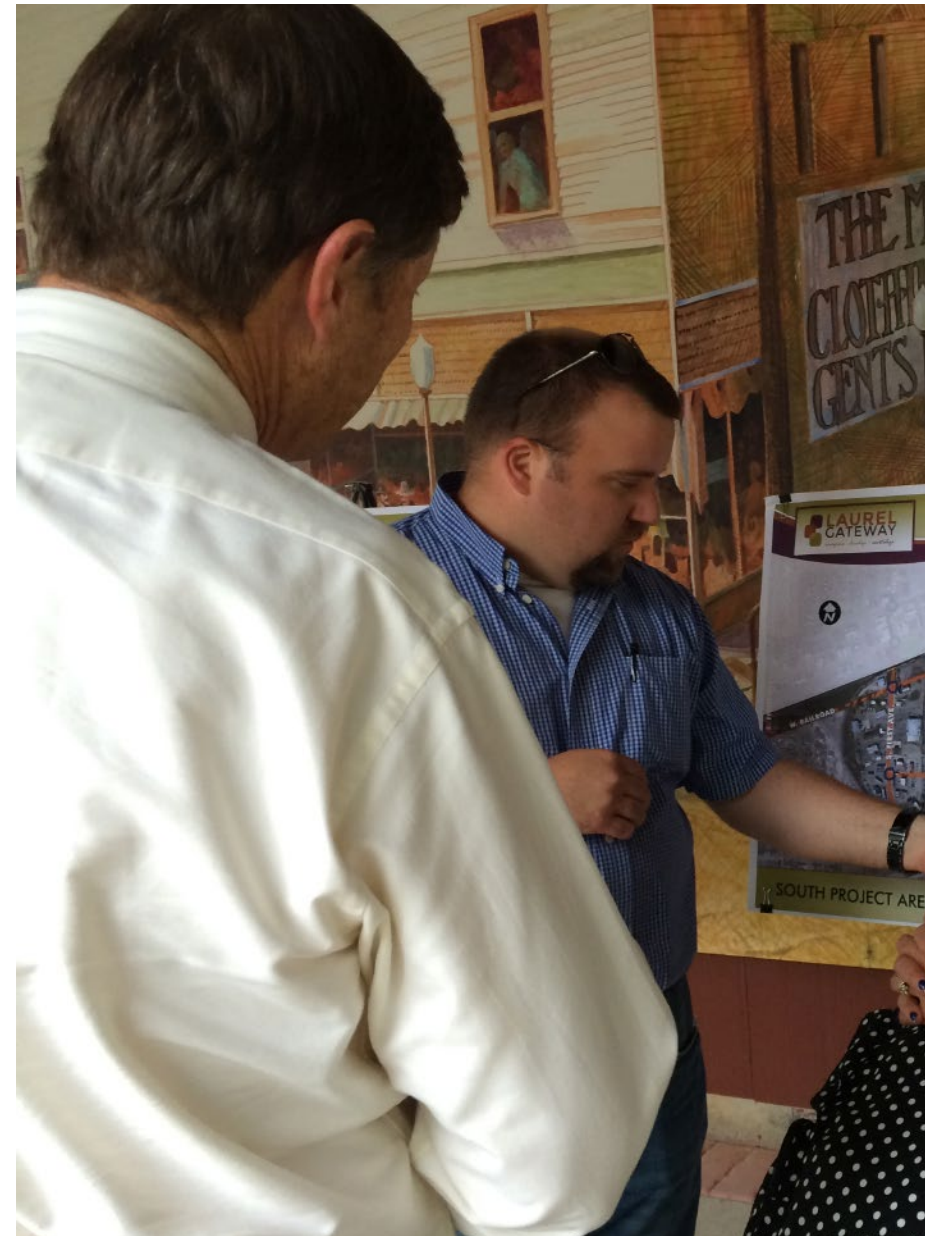


Survey Results - Ice Cream Social, June 26, 2014

AREA OF FOCUS	Not Important				Essential
Visual Appeal			3	7	11
Traffic Safety			1	5	14
Pedestrian Safety			1	5	14
Increased Park Area	1	3	6	5	6
Landscape Improvements		1	2	13	6
Wayfinding	1		7	9	2
Do you reside in Laurel?					
	YES	NO	OWN	RENT	
	20	1	14	6	
Do you Shop in Laurel?					
	YES	NO			
	21				
How Often?					
	RARELY	WEEKLY	2-3/WK		
	2	13	5		
Would you support additional businesses?					
	YES	NO	TYPES?		
	3		RESTAURANTS(7); CLOTHING (3); GENERAL RETAIL (3); BARS (1) BOUTIQUE; MUSEUM; COMMUNITY GARDEN; BREWERY; ENTERTAINMENT; GRAB AND GO RETAILERS;		
Who are your customers?					
		LAUREL	NEARBY	TRAVELERS	
	> 50%	2	1		
	HALF		1		
	< 50%	2	4	2	
Are there enough jobs in Laurel?					
	YES	NO	UNSURE		
	2	16	3		

SURVEY RESULTS

What jobs are missing?	
Retail (3)	Manufacturing
Entry Level (2)	Tourism
Corporate	Clothing
Office	Meat House
Medical	Dollar Store
Housing	Jobs For Youths
Arts	Administrative
Culture	Social Services
Small Business	IT
Seasonal	Senior Jobs
Name the Top 2 issues within the Study Area	
Traffic/Pedestrian Safety (5)	Parking
Traffic Flow	Business Development (3)
Aesthetic Appeal (5)	Attracting Customers/Visitors (2)
Can't Cross 1st Ave on Railroad Ave	Citizen Education
Community Involvement	Street Life
Sustainability	Infrastructure
Empty Buildings (2)	Industrial Stink
Parks (2)	Infill Development
Space	Attracting Business
Reinvention	
Additional comments?	
More Explanation Of Projects And Financing Requested	
Outside Input & Input From New Citizens	
Focus On Families	
Cool Museum (Railroad)	
Splash Park	
We Need Activities For Young People To Come Out In The Street Downtown (Breweries)	
Downtown Improvements Needed	
If A Park Is Not Being Used, Move improvements Down to The Often Used South Pond Park	
Refurbish Tennis Court/Sport Complex	
Encourage Bicycling And Walking For Health And Traffic Improvement	



A photograph of a group of people at an outdoor event, possibly a fair or festival. The scene is captured from a low angle, looking up at the people. The image has a strong purple color cast. In the foreground, a man in a white shirt and dark pants is looking towards the left. Behind him, a woman in a blue patterned top is looking towards the camera. Further back, a man in a plaid shirt and jeans is looking upwards. To the right, a man in a white t-shirt and jeans is looking towards the camera. The background shows a paved area, some trees, and a building with a staircase. The overall atmosphere is that of a busy outdoor gathering.

APPENDIX C: MARKETING PLAN

MARKETING APPROACH

In combination with implementation action items, creating a marketing plan for the District is essential to its success. By focusing on the key findings of the Plan and highlighting opportunities, a marketing plan can create interest with business owners, real estate investors, and the local community. The following marketing strategies are identified as starting points to develop a complete marketing plan.

VISION

The vision of the District as a place where businesses grow and thrive. A variety of businesses welcome residents and visitors alike and local employment provides diverse jobs.

DISTRICT HIGHLIGHTS

All elements of the marketing approach should highlight the positives aspects of the District, as well as Laurel in general. A consistent message focusing on these highlights reinforce the advantages of locating within the District.

Highlight the positives within the District, including:

- Available sites with access to rail connections
- High visibility sites with access from the interstate
- City water and sewer available without lengthy extensions
- TIF District Incentives – grants and loans
- Historic Main Street

Highlight the positives of Laurel, including:

- The Hub of Montana – with good highway connections
- Good schools
- Small town feel
- Local workforce

TARGET AUDIENCE

There are two primary audiences to target in the development of a marketing strategy. Each of these will need to have a different emphasis.

1. Target Laurel and surrounding area residents to generate more support for Laurel businesses. Retail businesses within the TIF District need support of local residents. Any marketing campaign should include activities to promote local retailers and restaurateurs. A “**buy local, buy Laurel**” campaign can help local business grow. The American Independent Business Alliance (www.amiba.net) is a resource for learning more about a buy local campaign.
2. Target businesses identified in the **Targeted Industries** in the Laurel Gateway Plan. These include light manufacturing of food, machinery and wood products; construction and building trades; refinery and railroad related businesses; and manufacturers needing rail access.
 - i. Develop a mailing list of existing businesses within the District. Provide information regarding business opportunities and properties for sale. The best salespeople for Laurel are often business people themselves. They know the community, the opportunities and the support businesses they need.
 - ii. Produce a brochure that can be available to local brokers, BSEDA and other interested parties. The brochure should highlight the advantages of the District, programs available and contact information. Make it available to update so it has current information. A sample brochure has been provided.
 - iii. Work with BSEDA to provide them with information specific to the District.
 - iv. Attend applicable trade shows and conferences to make connections to businesses looking to relocate or expand.

BRANDING

Develop and refine a **tagline**. In a phrase or sentence, sum up what makes Laurel a unique and beneficial place to locate business.

Examples:

1. Laurel: where local businesses connect and succeed.
2. Laurel is the premium location for industrial development in Yellowstone County.
3. Laurel: small town living with exceptional access to a network of freight transportation.

Design a simple and identifiable **logo** for all materials related to the marketing effort.

OUTREACH

On-going communications will be essential to the success of the marketing outreach. There are three areas of focus: website; social media; and events. Each targets a different audience and can be used to reinforce the District vision.

Develop a **website** dedicated the District and LURA to increase attention to the activities within the District. A simple format highlighting the advantages of doing business here, programs available, and contact information would provide a starting point.

Interactions in **social media** can bring name recognition and reinforce the vision. Develop and maintain up-to-date and frequent content. Post about accomplishments, upcoming events, and shared content from partners. Successful social media campaigns have a point-people in charge of posting and moderating content.

Development of **events** that spotlight local businesses can provide success outreach. These include a variety of events that target different market sectors:

1. Entrepreneur conferences that gather business owners and entrepreneurs on why they should locate to Laurel and how to do so.
2. Workshops to assist local businesses with the grant assistance and revolving loan fund applications.
3. Artisan fairs: Invite local entrepreneurs to set up booths for their restaurant/retail/service to showcase their work.

LAUREL

City of Laurel | PO Box 10 | Laurel, MT 59044 | 406.628.4796



Tax Increment Financing District

District Vision

The Laurel Tax Increment Financing (TIF) District was created in 2008 to allow the City to invest public funds to assist in redeveloping Main Street and the commercial and industrial areas of Laurel. The TIF District's strategy plan, the Laurel Gateway Plan provides strategies and projects to assist the redevelopment of the District. The TIF District will expire in 2023.

The TIF District provides a source of funding for public amenities and infrastructure to support redevelopment and new investment.

District Highlights

- The District is building on the strengths of the transportation access, on and off loading sites to BNSF rail lines, and small town charm
- Investment in the District since 2008 has resulted in public improvements to infrastructure, easing the costs for private investors
- Future improvements to local road networks and intersections will increase traffic flow, resulting in improved business efficiency.

LOCATION



The TIF District is located in the heart of Laurel, with easy access to I-90 and sites with direct rail access.

City of Laurel
PO Box 10
Laurel, MT 59044



TIF District Proposed Budget, 2015-2023

Revenue	
LURA Funding Available	\$7,529,623
Project and Program Expenditures	
<u>Grants and Loans</u>	
Revolving Loan Fund Deposit	\$340,000
Improvement Grants [3]	\$355,000
Subtotal	\$695,000
<u>Capital Projects</u>	
Intersection Improvements	\$435,000
Washington Street Stormwater	\$450,000
Debt Service	\$700,000
Other Major Capitol Projects [4]	\$4,925,000
Subtotal	\$6,510,000
<u>Small community projects</u>	
Better Block Project	\$9,000
Park(ing) Day	\$2,000
Public Arts Program	\$8,000
Subtotal	\$19,000
Total Projects and Programs	\$7,224,000

GRANT APPLICATIONS CURRENTLY BEING ACCEPTED

Grants are available to assist business and property owners with improvements. Eligible expenses include, land acquisition, demolition, off-site public infrastructure improvements, and façade upgrades. Grants are awarded based on eligibility of projects and funding available. Contact City Planning Office for an application

REVOLVING LOAN FUNDS AVAILABLE

A revolving loan fund for businesses and property owners within the District has available funds for eligible projects. Contact the City Planning Office for more information.

District Fast Facts

Trade Area Population:	8,959
Average Household Income:	\$53,381
Unmet Retail Demand, In square feet:	67,000
Capital Projects Completed to date:	\$1,394,670
Development Sites Available:	25



Contact Us

City of Laurel | PO Box 10 | Laurel, MT 59044

(406) 628-4796 or visit us on the web at www.laurel.mt.gov

A photograph of a public event, possibly a community meeting or a public hearing, with a dark red tint. The scene shows a group of people gathered around informational displays. In the foreground, a man in a white shirt and dark pants is looking at a display on an easel. To his right, a woman in a blue patterned top is also looking at a display. Further back, a man in a blue and red plaid shirt is looking up, and a man in a white t-shirt and blue jeans is looking towards the camera. The background shows more people and trees. The text "APPENDIX D: TRAFFIC STUDY" is overlaid in large, white, bold, sans-serif font in the center-right of the image.

APPENDIX D: TRAFFIC STUDY

TRAFFIC IMPACT STUDY

FOR

LAUREL TIF DISTRICT

LAUREL, MONTANA

PREPARED FOR
CITY OF LAUREL
MONICA PLECKER, CITY PLANNER
P.O. BOX 10
LAUREL, MT 59044



NOVEMBER 2014
14031.01

TRAFFIC IMPACT STUDY
LAUREL TIF DISTRICT



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- Attachment 2 – Capacity Calculations – Existing
- Attachment 3 – Parking Inventory
- Attachment 4 – Capacity Calculations – Existing + Project

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INTRODUCTION

The purpose of this study is to provide traffic analysis and street corridor planning for several streets and intersections, and for parking within the Laurel Tax Increment Finance (TIF) District boundary in Laurel, Montana. This study considered existing traffic volumes and projected future traffic from anticipated development in the area. This report is supplemental to the Laurel Gateway Plan, which was prepared to guide development in the Laurel TIF District.

The methodology and analysis procedures used in this study employ the latest methods and nationally accepted standards in the areas of site development and transportation impact assessment. Recommendations made in this report are based on professional judgment and these principles.

SITE LOCATION AND DESCRIPTION

The study area included properties within the TIF boundary and streets bounded by SE 4th Street on the south side to 1st Street on the north, and from 1st Avenue on the west side to Bernhardt Road on the east.

The parking evaluation encompasses the stretch of East Main Street from 4th Avenue to Wyoming Avenue, and the intersecting side streets to the north.

Figure 1 shows the location of the project area.



FIGURE 1. PROJECT LOCATION

EXISTING CONDITIONS

Streets

Future development-generated traffic within the study area could cause impacts to adjacent and nearby streets and intersections. The following section describes the existing roadways within the study area. The existing speed limit is posted at 25 miles per hour (mph) for all streets within the study area.

1st Street

1st Street is a local street that provides direct local access to businesses and some private residences. Within the study area limits, the paved road has a single lane in each direction and an unmarked parking lane on both sides of the street. 1st Street has been improved to an urban standard with curb and gutter and sidewalks on both sides of the roadway.

East/West Main Street

East of its intersection with 1st Avenue, East Main Street is classified as a principal arterial in the Montana Department of Transportation (MDT) functional classification system. East Main Street has two lanes in each direction, a parking lane on each side, and a center two-way left-turn lane (TWLTL). West of

its intersection with 1st Avenue, West Main Street is classified as a minor arterial by MDT. From 3rd Avenue to 1st Avenue, West Main Street has two travel lanes in the eastbound direction. Parking is allowed in the eastbound direction at marked locations. There is one travel lane and one parking lane in the westbound direction. Main Street is built to urban standards with curb and gutter and sidewalks. Sidewalks are continuous on the north side, but are lacking on portions of the south side.

East Railroad Street

East Railroad Street is considered a major collector in the MDT functional classification system. The paved road has a single travel lane in each direction within the study limits. East Railroad Street has not been improved to an urban standard. It lacks curb and gutter and has no sidewalks or other improved pedestrian facilities.

SE 4th Street

SE 4th Street is a local street that provides direct access to an area of significant commercial development. The 51-foot wide paved road has no pavement markings, but observations indicate that it operates as a 2-lane road with on-street parking on both sides.

1st Avenue

1st Avenue is classified as a principal arterial by MDT. The paved road has a single lane in each direction and a TWLTL from SE 4th Street to East Railroad Street. No on-street parking is allowed in this section. The roadway has a single lane in each direction north of East Railroad Street. On-street parking is allowed north of Main Street. It is improved to urban standards with curb and gutter and continuous sidewalks on both sides.

South Washington Avenue

South Washington Avenue is a local street. It is improved to an urban street standard with curb and gutter but lacks continuous sidewalks. It has no pavement markings but operates with one travel lane in each direction and on-street parking is allowed.

Bernhardt Road

Bernhardt Road is a local street. It is improved to an urban standard with curb and gutter and is marked with a centerline for a single travel lane in each direction. It is a relatively narrow road and as such is signed 'no parking.' There is a continuous sidewalk on the east side of the road, but no sidewalk on the west side.

Intersections

The following section describes the existing condition of the intersections within the study area that would most likely be impacted by future development.

1st Street and 1st Avenue

Located within the central business district, the intersection of 1st Street and 1st Avenue is an offset 4-leg intersection. The 1st Avenue approaches are offset by approximately 80 feet, but the intersection effectively operates as a single all-way stop controlled intersection. All four approaches are marked for a single travel lane. No parking is allowed within the extent of the intersection.

East/West Main Street and 1st Avenue

The intersection of East/West Main Street and 1st Avenue is a 4-leg signalized intersection. The northbound approach has a shared left-turn/through lane and a slip lane for right-turning traffic. The southbound approach has a single lane to accommodate all movements. The east- and westbound approaches each have a right-turn lane, through lane, and left-turn lane.

East Railroad Street and 1st Avenue

The intersection of East Railroad Street and 1st Avenue is a 4-leg intersection with two-way stop control on the east- and westbound approaches. The northbound approach has a shared right-turn/through lane and a left-turn lane. The southbound approach has a single travel lane for all movements. The east- and westbound approaches each have a shared left-turn/through lane and a right-turn lane.

SE 4th Street and 1st Avenue

The intersection of SE 4th Street and 1st Avenue is a 4-leg signalized intersection. The northbound approach has a right-turn lane, through lane, and left-turn lane. The southbound approach has a shared right-turn/through lane and a left-turn lane. The westbound approach has a left-turn lane and a through/right-turn lane. The eastbound approach, which is essentially a commercial parking lot access, is marked as a single-lane approach combined for all movements.

East Railroad Street and South Washington Avenue

The intersection of East Railroad Street and South Washington Avenue is a 3-leg intersection with stop control on the

northbound leg. All three approaches (east-, west-, and northbound) have a single lane for all movements.

East Railroad Street and Bernhardt Road

The intersection of East Railroad Street and Bernhardt Road is a 3-leg intersection with stop control on the northbound leg. The north- and westbound approaches have a single lane for all movements. The eastbound approach has a through lane and a marked right-turn lane.

SE 4th Street and South Washington Avenue

The intersection of SE 4th Street and South Washington Avenue is a 3-leg intersection with stop control on the southbound leg. There are no turn lanes marked on the three approaches (eastbound, westbound, and southbound).

Traffic Volumes

Existing weekday peak hour turning movement counts were collected for the traffic study area intersections in July 2014. The traffic counts at the intersection of SE 4th Street and 1st Avenue and the intersection of East Railroad Street and 1st Avenue were provided by Robert Peccia & Associates, which they had previously conducted for the City of Laurel Long Range Transportation Plan-2014.

Based on the data collected, the AM peak hour was found to be from 7:30 to 8:30 AM and the PM peak hour from 4:45 to 5:45 PM. MDT seasonal adjustment factors for the month of July were applied to the existing traffic volumes. Figure 2 summarizes the annualized peak hour turning movement volumes. Detailed traffic count data are included in Attachment 1.

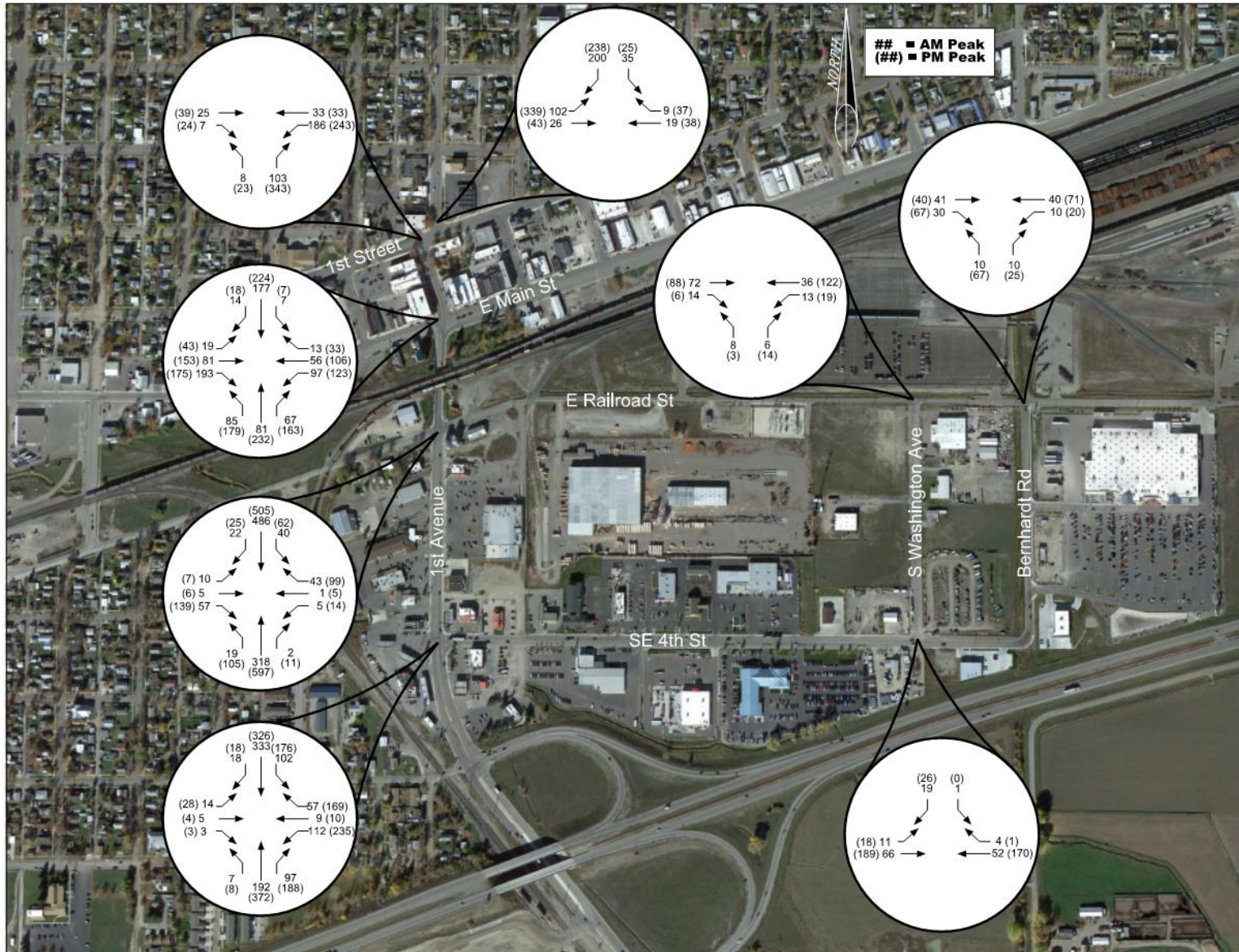


FIGURE 2. EXISTING (2014) PEAK HOUR TRAFFIC VOLUMES

Intersection Capacity

Capacity calculations were performed for the intersections using Synchro v.8.0, which is based on the 2010 Highway Capacity Manual (HCM2010) (Transportation Research Board, 2010) methodologies. The HCM2010 defines level of service (LOS) as “a quality measure describing operational conditions within a traffic stream, generally in terms of such service measures as speed and travel time, freedom to maneuver, traffic interruptions, comfort, and convenience.” LOS is a qualitative measure of the performance of an intersection with values ranging from LOS A, indicating good operation and low vehicle delays, to LOS F, which indicates congestion and longer vehicle delays.

Most jurisdictions, including MDT, generally consider LOS C as the minimum standard for acceptable peak hour intersection operations. As shown in Table 1, the study area intersections currently operate at LOS C or better during the PM peak hour with the exception of SE 4th Street and 1st Avenue, which operates at LOS D during the PM peak hour. A few minor approaches of the study area intersections operate below the desired LOS C threshold. This is not uncommon because intersections are often designed to handle the major approaches’ high traffic volumes and minor movements will suffer as a

consequence. Detailed capacity calculation worksheets for existing conditions are provided in Attachment 2.

Table 1. Existing Conditions Capacity Calculation Summary

Intersection	Approach	Existing (2014)					
		AM Peak			PM Peak		
		Avg Delay (s/veh)	LOS	Max Queue (veh)	Avg Delay (s/veh)	LOS	Max Queue (veh)
<i>Intersection Control</i>		<i>Signalized</i>					
SE 4th Street & S 1st Avenue	EB	22.2	C	2	22.1	C	2
	WB	26.1	C	5	28.8	C	10
	NB	9.8	A	5	22.1	C	13
	SB	13.6	B	6	65.5	E	12
	Intersection	15.0	B	--	39.4	D	--
<i>Intersection Control</i>		<i>One-way (SB) Stop Control</i>					
SE 4th Street & S Washington Avenue	EB	1.1	A	0	0.7	A	0
	WB	0.0	A	0	0.0	A	0
	SB	9.0	A	1	9.7	A	1
	Intersection	1.9	A	--	1.1	A	--
<i>Intersection Control</i>		<i>One-way (NB) Stop Control</i>					
E Railroad Street & S Washington Avenue	EB	0.0	A	0	0.0	A	0
	WB	2.0	A	1	1.0	A	0
	NB	9.7	A	1	9.1	A	1
	Intersection	2.0	A	--	1.4	A	--
<i>Intersection Control</i>		<i>One-way (NB) Stop Control</i>					
E Railroad Street & Bernhardt Road	EB	0.0	A	0	0.0	A	0
	WB	1.5	A	0	1.6	A	0
	NB	9.1	A	1	9.9	A	1
	Intersection	2.1	A	--	4.0	A	--
<i>Intersection Control</i>		<i>Two-way (EB & WB) Stop Control</i>					
Railroad Street & S 1st Avenue	EB	17.0	C	1	29.9	D	4
	WB	13.7	B	1	55.5	F	3
	NB	0.5	A	1	1.4	A	1
	SB	0.6	A	1	1.0	A	1
	Intersection	2.9	A	--	9.6	A	--
<i>Intersection Control</i>		<i>Signalized</i>					
1st Avenue & Main Street	EB	23.1	C	4	22.4	C	6
	WB	22.2	C	4	24.1	C	5
	NB	2.3	A	4	2.5	A	9
	SB	8.7	A	6	8.9	A	7
	Intersection	13.8	B	--	12.6	B	--
<i>Intersection Control</i>		<i>All-way Stop Control</i>					
1st Avenue & 1st Street	EB	6.0	A	1	7.2	A	1
	WB	6.5	A	1	7.0	A	1
	NB	9.6	A	1	12.1	B	3
	SB	10.3	B	2	12.8	B	2
	Intersection	9.5	A	--	11.4	B	--

Parking Inventory

A parking inventory was conducted along Main Street through the downtown business district from 1st Avenue to Wyoming Avenue and including the intersecting side streets to the north. For the inventory, this area was divided into thirty separate parking zones, each consisting of a one-block segment. For each zone, on-street parking capacity was determined by a linear measurement of the available parking area, which was then divided by 20 feet per parked vehicle to estimate the number of parking spaces available. The inventory was conducted for two hours over the noon and PM peak periods on a typical weekday and typical weekend day. The observed parking numbers are an average of six independent measured inventories for all thirty parking zones observed over the respective 2-hour peak periods. Maximum observed demand (calculated as the maximum from the four collection periods) was divided by the observed parking capacity to arrive at a maximum demand percent of capacity.

At eight of the thirty zones, the maximum demand percentage of capacity was found to be over fifty percent with only three zones over seventy percent of capacity. None of the zones were found to be at capacity. The three zones that were over seventy percent were the east and west blocks of Montana Avenue between Main

Street and East 1st Street, and the north block of Main Street between Montana Avenue and Colorado Avenue. The parking inventory and summary table are provided in Attachment 3.

Parking Observations on SE 4th Street

A parking inventory like that conducted in the downtown business district, was not conducted on SE 4th Street, but parking activities and driver behaviors were observed on several different days and times to gauge parking utilization and typical behaviors. It was observed that there is very little use of on-street parking along the SE 4th Street corridor. The businesses along the corridor have significant amounts of off-street parking available, and it was observed that most drivers choose to park on-site. The exception was the occasional oversize vehicle (semi tractor-trailer or pickup with trailer) that parked on-street to avoid maneuvering in/out of an on-site parking lot. While not directly observed during our investigation, adjacent property owners have noted that trucks delivering new cars to the automobile dealerships sometimes use the street to park and off-load cargo.

TRIP GENERATION

An accurate estimate of site-generated traffic must be made in order to analyze the impacts of a new development. This study estimated the amount and type of various land uses that could potentially develop in the area. To calculate trip generation rates, development intensity was estimated based on Sanderson Stewart's experience with commercial and residential land development. It was assumed that future development would consist of a mix of the following uses: industrial, automobile sales, fast-food restaurant, shopping center, office buildings, industrial park, residential condominium/townhouse, and single-family detached housing. Trip rates from the Institute of Transportation Engineers (ITE) Trip Generation Manual were used to estimate the number of vehicle trips produced by the projected development. The resulting trip generation estimates are summarized in Table 2.

ITE trip generation data provides an estimate of the total number of trips that would be generated by a proposed development. However, in order to estimate the net number of new trips made by personal vehicles external to the site, adjustments must often be made to account for internal capture trips. Internal capture

trips are vehicle trips that are made within a site using internal roadways. Internal capture trips are generally attributed only to mixed-use developments such as the proposed development for this project area.

The results of the trip generation analysis for this study show that the proposed development would generate approximately 6777 new external personal trips and 643 internal capture trips during an average weekday. Of these new external personal vehicle trips, 571 would occur during the AM peak hour and 563 would occur during the PM peak hour.

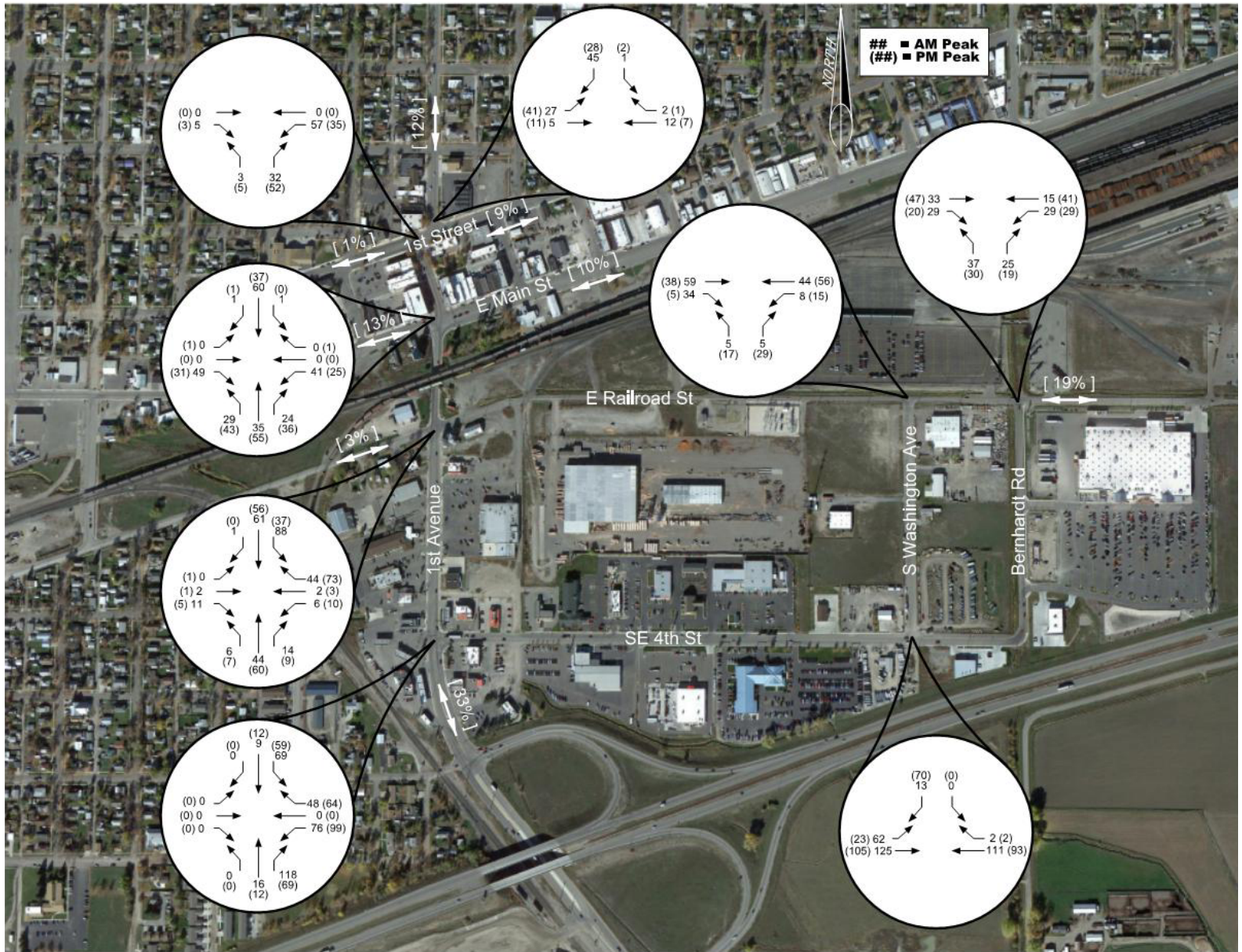


FIGURE 3. TRIP DISTRIBUTION AND ASSIGNMENT

TRAFFIC IMPACTS

Future Conditions Traffic Volumes

Future conditions traffic volumes represent an estimate of the traffic volumes forecasted to be on the street network when the projected developments are expected to be fully constructed. For the purposes of this study, construction of all of the future development in the study area was predicted to be completed within a 20-year timeframe. Therefore, the future build-out year of 2034 was used for this analysis. Based on historic traffic count data from MDT for several project intersections, no additional background growth rate was applied beyond the future development traffic already projected. The future year (2034) peak hour traffic volumes are illustrated in Figure 4.

Future Conditions Capacity Analysis

Intersection operations for future conditions were evaluated using the same methodologies discussed in the evaluation of existing conditions. The LOS analysis is based on the future year (2034) traffic volumes shown in Figure 4 and utilizing existing intersection geometry and traffic control at all intersections. Table 3 summarizes the AM and PM peak hour future conditions

LOS results for the study area intersections. The results for existing conditions are also provided for comparison purposes.

As shown in Table 3, the addition of traffic generated by the proposed development would result in increases in approach delay and intersection delay at various study-area intersections. The intersection of SE 4th Street and S 1st Avenue is projected to operate at LOS F, which is driven by the poor LOS values for the WB and SB approaches. The intersection of Railroad Street and S 1st Avenue is projected to operate at LOS D, which is driven by the poor LOS values for the WB and EB approaches. Detailed capacity calculation worksheets for the future conditions scenario are provided in Attachment 4.

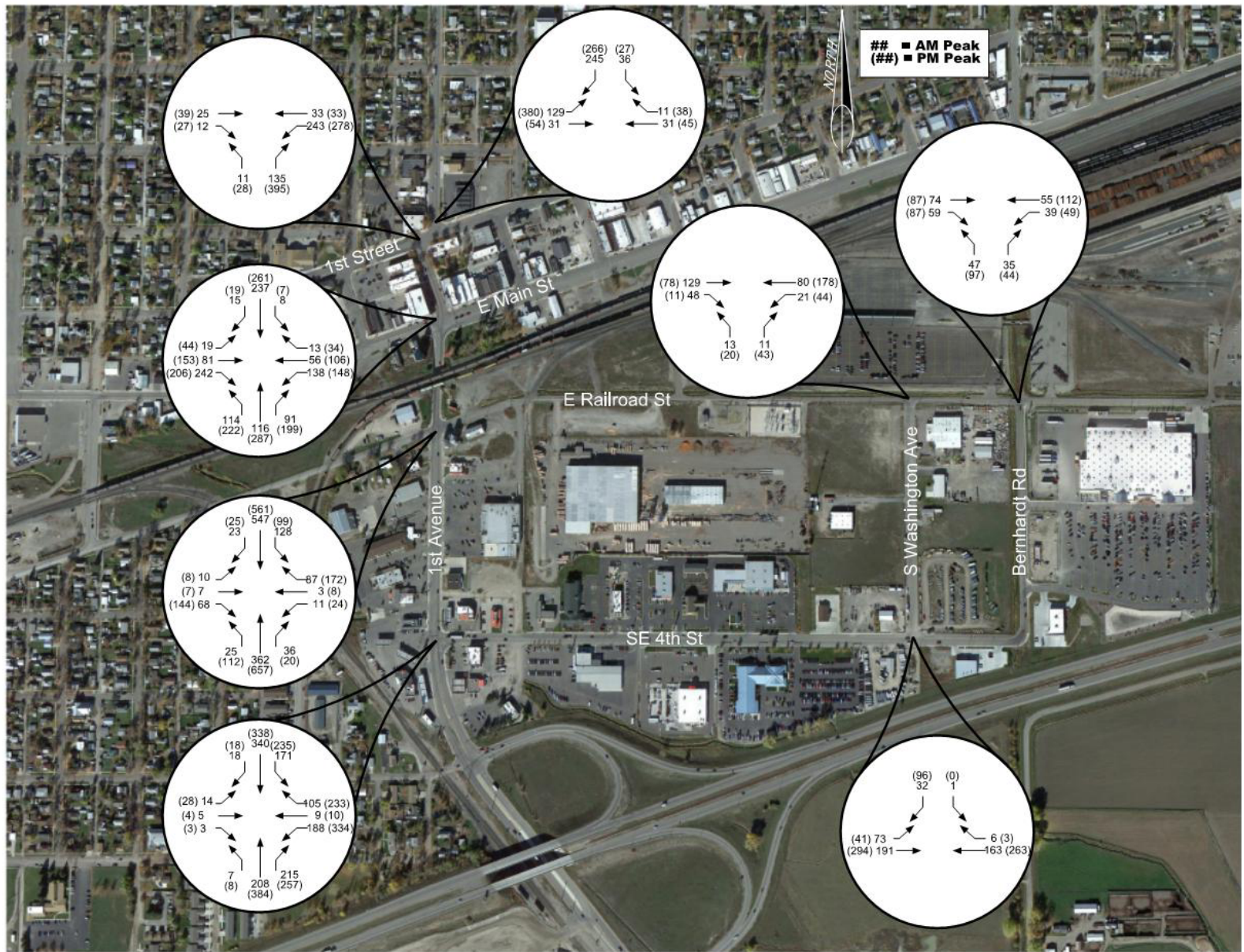


FIGURE 4. FUTURE (2034) PEAK HOUR TRAFFIC VOLUMES

Table 3. Future Conditions Capacity Calculation Summary

Intersection	Approach	Existing (2014)						Future (2034)					
		AM Peak			PM Peak			AM Peak			PM Peak		
		Avg Delay (s/veh)	LOS	Max Queue (veh)	Avg Delay (s/veh)	LOS	Max Queue (veh)	Avg Delay (s/veh)	LOS	Max Queue (veh)	Avg Delay (s/veh)	LOS	Max Queue (veh)
<i>Intersection Control</i>		<i>Signalized</i>						<i>Signalized</i>					
SE 4th Street & S 1st Avenue	EB	22.2	C	2	22.1	C	2	19.8	B	1	24.0	C	2
	WB	26.1	C	5	28.8	C	10	26.4	C	7	83.2	F	16
	NB	9.8	A	5	22.1	C	13	16.1	B	4	23.3	C	14
	SB	13.6	B	6	65.5	E	12	48.7	D	11	143.5	F	16
	Intersection	15.0	B	--	39.4	D	--	32.6	C	--	82.2	F	--
<i>Intersection Control</i>		<i>One-way (SB) Stop Control</i>						<i>One-way (SB) Stop Control</i>					
SE 4th Street & S Washington Avenue	EB	1.1	A	0	0.7	A	0	2.3	A	1	1.0	A	1
	WB	0.0	A	0	0.0	A	0	0.0	A	0	0.0	A	0
	SB	9.0	A	1	9.7	A	1	10.1	B	1	11.4	B	1
	Intersection	1.9	A	--	1.1	A	--	2.2	A	--	2.2	A	--
<i>Intersection Control</i>		<i>One-way (NB) Stop Control</i>						<i>One-way (NB) Stop Control</i>					
E Railroad Street & S Washington Avenue	EB	0.0	A	0	0.0	A	0	0.0	A	0	0.0	A	0
	WB	2.0	A	1	1.0	A	0	1.6	A	1	1.5	A	1
	NB	9.7	A	1	9.1	A	1	11.1	B	1	10.2	B	1
	Intersection	2.0	A	--	1.4	A	--	1.8	A	--	3.1	A	--
<i>Intersection Control</i>		<i>One-way (NB) Stop Control</i>						<i>One-way (NB) Stop Control</i>					
E Railroad Street & Bernhardt Road	EB	0.0	A	0	0.0	A	0	0.0	A	0	0.0	A	0
	WB	1.5	A	0	1.6	A	0	3.2	A	1	2.3	A	1
	NB	9.1	A	1	9.9	A	1	10.9	B	1	12.0	B	2
	Intersection	2.1	A	--	4.0	A	--	4.3	A	--	4.8	A	--
<i>Intersection Control</i>		<i>Two-way (EB & WB) Stop Control</i>						<i>Two-way (EB & WB) Stop Control</i>					
Railroad Street & S 1st Avenue	EB	17.0	C	1	29.9	D	4	27.6	D	2	65.6	F	5
	WB	13.7	B	1	55.5	F	3	22.7	C	2	215.4	F	6
	NB	0.5	A	1	1.4	A	1	0.5	A	1	1.4	A	1
	SB	0.6	A	1	1.0	A	1	1.6	A	1	1.4	A	1
	Intersection	2.9	A	--	9.6	A	--	5.6	A	--	32.9	D	--
<i>Intersection Control</i>		<i>Signalized</i>						<i>Signalized</i>					
1st Avenue & Main Street	EB	23.1	C	4	22.4	C	6	25.6	C	4	23.2	C	6
	WB	22.2	C	4	24.1	C	5	24.8	C	6	25.9	C	3
	NB	2.3	A	4	2.5	A	9	2.3	A	5	2.6	A	8
	SB	8.7	A	6	8.9	A	7	9.3	A	8	9.3	A	8
	Intersection	13.8	B	--	12.6	B	--	14.5	B	--	12.7	B	--
<i>Intersection Control</i>		<i>All-way Stop Control</i>						<i>All-way Stop Control</i>					
1st Avenue & 1st Street	EB	6.0	A	1	7.2	A	1	6.2	A	1	7.3	A	2
	WB	6.5	A	1	7.0	A	1	6.9	A	1	7.2	A	1
	NB	9.6	A	1	12.1	B	3	10.2	B	1	13.7	B	4
	SB	10.3	B	2	12.8	B	2	11.1	B	2	14.5	B	3
	Intersection	9.5	A	--	11.4	B	--	8.7	A	--	10.6	B	--

CONCLUSIONS AND RECOMMENDATIONS

This report documents the results of an evaluation of traffic impacts from future development within the Laurel TIF District. Impacts to pedestrians were also considered, as was parking availability and usage. The recommendations that follow describe key areas of the TIF District that will need to be addressed by the horizon year (2034) when the proposed development is anticipated to be completed.

SE 4th Street Corridor

The SE 4th Street corridor connects the traffic on 1st Avenue, in the vicinity of the I-90 interchange, to several commercial and retail developments to the east. The existing 51-foot wide roadway is not delineated by pavement markings. With the increased traffic demand the projected future development would generate, it is recommended that the existing street section be upgraded to include a marked two-way left-turn lane leaving adequate width for both a standard driving lane and on-street parking in both directions (see Figure 5).

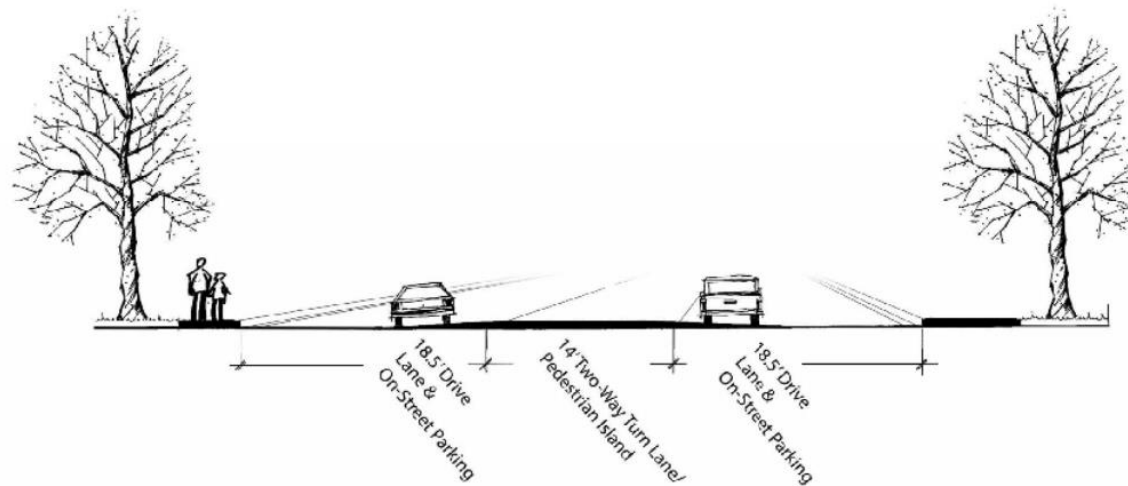


FIGURE 5. SE 4TH STREET PROPOSED TYPICAL SECTION

The existing SE 4th Street corridor has only a single delineated crosswalk at the intersection at 1st Avenue. With the projected future development and increased pedestrian and vehicular traffic volumes, it is recommended that enhanced pedestrian facilities be installed along the corridor. Because of the number and spacing of existing and future access driveways, mid-block crossings should be considered as shown in Figure 6. The mid-block crossings would ideally include a protected refuge area in the middle of the road to create a safer two-stage crossing maneuver. As part of the pedestrian crossing facilities, appropriate signage, pavement markings, and lighting should also be installed.

E Railroad Street

The E Railroad Street corridor also serves as a connection between 1st Avenue and the east end of the TIF District; however, it does not carry the volume of traffic that SE 4th Street currently does. This is mainly due to the undeveloped or not fully developed land adjacent to the roadway, and because it is not constructed to an urban standard. It is recommended that E Railroad Street be upgraded to a full urban standard (curb, gutter,

sidewalk, etc.), to accommodate the future traffic that will be generated by commercial development within the TIF District.

1st Avenue

The 1st Avenue corridor serves as a north-south connection to many area businesses and residential areas, including a direct connection from I-90 to the downtown area. Existing businesses are adjacent to 1st Avenue on both the east and west sides of the street; however, there are limited pedestrian facilities to allow a safe crossing of 1st Avenue. Therefore, it is recommended that a mid-block crossing be installed along the corridor north of SE 4th Street, as shown in Figure 6. The mid-block crossing should include a protected refuge area in the middle of the road to create a safer two-stage crossing maneuver. As part of the pedestrian crossing facility, appropriate signage, pavement markings, and lighting should be installed.



FIGURE 6. SE 4TH STREET AND 1ST AVENUE PEDESTRIAN FACILITIES

Intersection Improvements

The intersection of SE 4th Street and 1st Avenue currently operates at LOS D during the existing PM peak hour. This is mainly due to the existing signal timing not giving adequate green time to the southbound left-turns. With projected future development, the intersection is anticipated to operate at LOS F, with both the southbound and westbound legs operating at LOS F. One solution to address this capacity issue is to change the westbound lane configurations from dedicated left-turn and a combined thru/right-turn lane to a combined left-turn/thru lane and a right-turn-only lane. This relatively minor traffic control change, along with some signal controller timing changes, would bring the intersection up to LOS C for the future year (2034) volume scenario.

A second option for the intersection of SE 4th Street and 1st Avenue is a single-lane roundabout. With the proposed development traffic, the north, south and east approaches have nearly the same traffic volumes which is generally ideal for a roundabout to operate efficiently. A single-lane roundabout would also bring the intersection up to a LOS C for the future year (2034) scenario.

The intersection of E Railroad Street and S 1st Avenue currently operates at LOS A for the existing PM peak hour scenario but the east approach operates at LOS F. With the existing two-way intersection stop control at the intersection, the majority of traffic from east end of the TIF District traveling towards the interstate or destinations to the south currently uses SE 4th Avenue and not Railroad Street. SE 4th Avenue currently serves nearly four times the traffic of E Railroad Street. With projected future development, more traffic from the east end of the TIF district will use the intersection of E Railroad Street and S 1st Avenue and the intersection will drop to LOS D. This is mainly due to both the east and west stop-controlled approaches falling to LOS F. With the installation of a traffic signal or a single-lane roundabout (see Figure 7), the intersection would operate at LOS C. If signalizing the intersection is the preferred alternative, the new signal must be coordinated with the 1st Avenue and Main Street signal to ensure the queues between the intersections do not exceed the capacity.

The intersection of Main Street and 1st Avenue currently operates at LOS B for the existing PM peak hour scenario and is anticipated to continue to operate at LOS B for the future year (2034) volume scenario. Although the intersection operates at an

adequate LOS, the east and west approaches are projected to operate near the LOS D threshold for the future year (2034) volume scenario, and future intersection improvements may need to be considered should these volumes be realized or exceeded. If a roundabout is the chosen design alternative at the intersection of E Railroad Street and S 1st Avenue in the future, then a roundabout could also be considered at the Main Street and 1st Avenue intersection. It would be ideal to have a roundabout at both intersections because there is great potential for spillback of vehicles queued up at the signal that would extend back into the roundabout at E Railroad Street; this kind of spillback will gridlock the roundabout. Capacity calculations indicate a single-lane roundabout at both locations would accommodate existing and future traffic volumes; the single-lane roundabout is the best roundabout configuration in terms of providing the maximum safety benefits for pedestrians and motorists while minimizing right-of-way, cost, traffic speeds, etc. See Figure 7 for an illustration of the double roundabout concept. From the analyses, the maximum queues in the design year would be limited to only a few vehicles on any single approach to either roundabout with substantial reserve capacity if volume projections should be exceeded. For the roundabout at Main Street, the existing lane configuration would need to drop down to a single entering lane

on each approach and would require further analysis of the traffic patterns and volumes at several of the intersections along Main Street on either side of 1st Avenue to determine where and how a lane-drop should be accomplished.

The intersection of 1st Avenue and 1st Street operates as if it were two separate three-leg intersections with a skew in the 1st Avenue alignment through the intersection. The intersection is anticipated to operate at an acceptable LOS for both the existing and future conditions and queues are not anticipated to block any portion of the intersection.

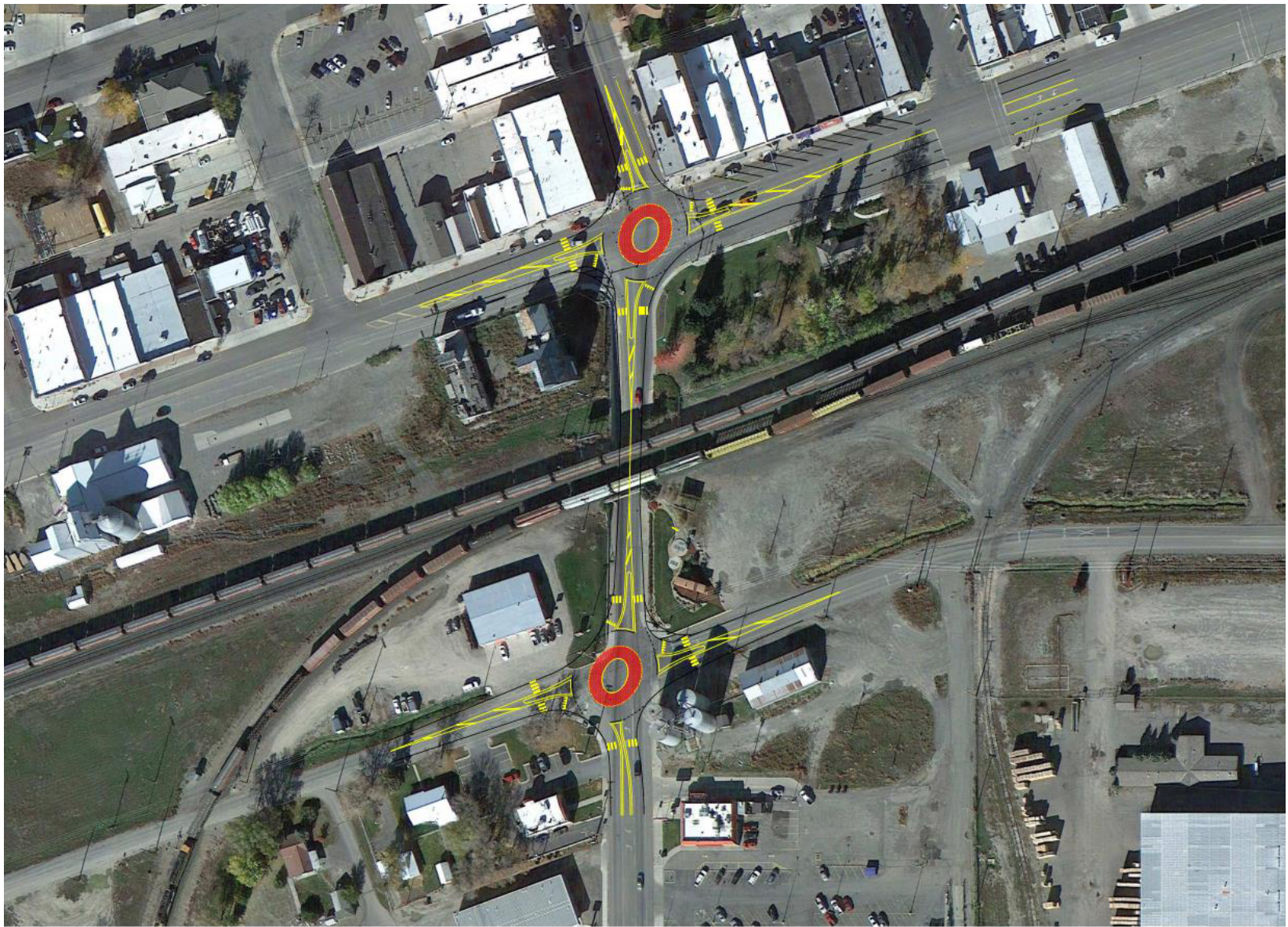


FIGURE 7. SCHEMATIC DOUBLE ROUNDABOUT DESIGN

Parking Conclusions and Recommendations

The parking study in the downtown business district showed that parking demand uses less than 40 percent of the area's capacity. There are several blocks that are near capacity during peak hours, but there is still substantial available parking on adjacent blocks. Therefore, the available parking could accommodate significant additional development in the downtown area, and there is no immediate need to provide additional on-street or off-street parking. When parking is mostly full in a central business district, there is a perception of the downtown area as a popular destination. Drivers then may be more willing to park further away and walk to their destination, which is generally desirable for economic activity in a central business district. At some point in the future, when parking demand increases and available parking becomes scarce, given Laurel's wide streets, additional parking could be generated by converting more of the on-street parking to angle parking.



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