

# Memorandum

**REPORT TO:** City Commission

**FROM:** Chris Saunders, Community Development Manager  
Erin George, Community Development Director  
Nick Ross, Transportation and Engineering Director

**SUBJECT:** Approve an Addendum Three to City of Bozeman Impact Fee Payment Agreement with East Main Investments, LLC for SIF112 Highland/Main Intersection

**MEETING DATE:** September 9, 2025

**AGENDA ITEM TYPE:** Agreement - Vendor/Contract

**RECOMMENDATION:** Authorize City Manager's signature on addendum

**STRATEGIC PLAN:** 2.2 Infrastructure Investments: Strategically invest in infrastructure as a mechanism to encourage economic development.

**BACKGROUND:** The City, on June 9, 2017, entered into an agreement with East Main Investments LLC for financial contribution to capacity expanding improvements to the intersection of Highland Blvd and E. Main Street. That intersection is under the jurisdiction of the Montana Department of Transportation. After initial design had been settled and the City had entered into the agreement, MDT required several redesigns and changes to the intended work that significantly increased the cost of the work. The City had initially entered into an agreement to pay a not to exceed amount in contribution to the intersection upgrades.

On January 7, 2019, the City Commission approved an addendum to modify the timing of the payment but kept the amount the same. On June 19, 2019, the City Commission approved an addendum to increase the amount the City would contribute to the work. A request for a third addendum was made in August 2019 to increase the city's contribution to the work. The City Commission decided not to do so at that time but directed that the staff use the CIP process to schedule an additional contribution to the cost of the work.

The subsequent CIP and its successors showed an additional amount of \$850,000 as a city contribution to the total cost of the work. The time has passed and CIP project SIF 112 Highland/Main Intersection is now showing to occur in this fiscal year. Therefore, a third addendum has been prepared to complete the process, enabling the Finance Department to issue payment and close out the project.

The City Engineer has reviewed the submitted design and cost of construction information and finds the requested amount consistent with requirements for impact fee funding.

**UNRESOLVED ISSUES:** None

**ALTERNATIVES:** As identified by Commission

**FISCAL EFFECTS:** Expend funds as identified in the CIP to complete the municipal contribution to the upgrade the intersection of Highland Blvd and E. Main St.

Attachments:

[Addendum 3 to IF Payment Agreement - East Main Investments, LLC.docx](#)

Report compiled on: August 28, 2025