

Memorandum

REPORT TO: City Commission

FROM: David Fine, Economic Development Manager
Brit Fontenot, Economic Development Director

SUBJECT: Resolution Approving Certain Infrastructure Improvements, Referred to as the Main and Mendenhall Lighting Project, as an Urban Renewal Project with Respect to the Bozeman Midtown Urban Renewal District, Making Findings with Respect Thereto and Approving the Use of Tax Increment Revenues to Reimburse Costs Thereof and Approving a Related Development Agreement in the Midtown Urban Renewal District with Bozeman Exchange Associates, LLC.

MEETING DATE: February 10, 2026

AGENDA ITEM TYPE: Resolution

RECOMMENDATION: Approve the agreement.

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

BACKGROUND: The City Commission approved work plans for the Downtown Urban Renewal District and Midtown Urban Renewal Districts to design pedestrian scale street lighting to connect the two districts along the north side of Main St. The work has been broken into three segments. The city completed the first section adjacent to the Freestone on Main building in summer 2025. Staff plan to bid a section in the Downtown Urban Renewal District from N. 5th Ave. to Grand Ave. later this spring. A final piece of the project is being constructed on Main St., N. 5th Ave. and Mendenhall St. largely adjacent to the Hampton Inn and Suites hotel project. Due to the replacement of sidewalks and streetscape elements associated with the hotel project, it is efficient to place the developer of the hotel project in charge of the upgraded pedestrian lighting elements adjacent to their active construction project for the convenience of the city. The proposed development agreement reimburses the developer for installing lighting designed by the city. The agreement also provides up to \$25,000 towards the demolition of the long-vacant and dilapidated Cafe Internationale building at the corner of 7th and Mendenhall.

UNRESOLVED ISSUES: None at this time.

ALTERNATIVES: As suggested by the City Commission.

FISCAL EFFECTS:

The agreement allows the City to reimburse the developer for the actual costs of the project not to exceed \$387,817.38. Funding is available for this project in the Fiscal Year 2026 budget for the Midtown Urban Renewal District.

Attachments:

[Resolution approving Main and Mendenhall lighting project.docx](#)

[BZN Development Agreement -- Midtown lighting.v5 20260204.docx](#)

[Public Access & Utility Easement Documents.pdf](#)

Report compiled on: January 29, 2026