

# RAILROAD URBAN RENEWAL DISTRICT STATEMENT OF BLIGHT

CITY OF HELENA



**AUGUST 2015**

PREPARED BY:



## **Introduction**

Property owners, residents, and other local parties have long been interested in revitalizing Helena's historic Railroad District and the surrounding 6<sup>th</sup> Ward neighborhood. As early as 2001, the City of Helena Community Development Department commissioned a *Helena Railroad District Revitalization Study* in pursuit of this goal.<sup>1</sup> Two years later, Helena's Planning Department "contracted with the Community Design Center from Montana State University Architecture Department to work with the residents of the 6<sup>th</sup> Ward to produce design concepts that might be used to revitalize the Railroad District."<sup>2</sup> That project resulted in the publication of a book of design guidelines titled *Helena Railroad District Revitalization*.

Recently, the Railroad Advocacy Team (RAT), a volunteer group of property owners, residents, and local planning professionals, has led efforts to revitalize the neighborhood. RAT's mission is "to enhance and promote the vitality, growth, historic significance and walkability of Helena's Railroad District."<sup>3</sup> An analysis completed in early 2015 concluded that there was ample evidence to "support the proposition that the area is qualified for designation as an Urban Renewal district" and that such designation "would benefit from public-private coordination efforts, and would benefit the greater governmental area."<sup>4</sup> Shortly thereafter, the City of Helena asked WGM Group to document blight in the area, prepare an Urban Renewal Plan and facilitate the creation of the Railroad Urban Renewal District. The first step in this process is documenting blight in the district to demonstrate the area's suitability as an Urban Renewal District. This would then enable the City of Helena to adopt a Resolution of Necessity and facilitate area revitalization. As required by Montana Urban Renewal law, this "Statement of Blight" documents blighted conditions that exist in the district.

## **Blight and Urban Renewal**

To address the range of blighted conditions that are discussed in this report, the City of Helena may create a Railroad Urban Renewal District and establish a Tax Increment Financing (TIF) program to help fund its efforts. In Montana Code Annotated, Title 7, Chapter 15, Parts 42 and 43, Montana law provides for the creation of urban renewal districts in municipal areas deemed "blighted." According to MCA 7-15-4209, municipalities may create an Urban Renewal Plan for such "blighted" areas, i.e. "may formulate a workable program for utilizing appropriate private and public resources:

- (a) to eliminate and prevent the development or spread of blighted areas;
- (b) to encourage needed urban rehabilitation;
- (c) to provide for the redevelopment of such areas; or
- (d) to undertake such of the aforesaid activities or other feasible municipal activities as may be

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<sup>1</sup> James Boyer Consulting Services, *Helena Railroad District Revitalization Study*, completed for the City of Helena Community Development Department, April 28, 2001.

<sup>2</sup> [http://www.mbac.biz/index.php?pr=Railroad\\_District\\_Plan](http://www.mbac.biz/index.php?pr=Railroad_District_Plan)

<sup>3</sup> Fossum Consulting Services, *Helena Railroad District Conditions and Criteria Analysis*, January 16, 2015, 1, 1n3. In December 2014, Max Pigman, head of RAT and owner of Lewis and Clark Brewery, noted that RAT hoped that improving the district by promoting its historic functions and character would attract more businesses. "There's people that actually come from out of town just to watch the trains hook up and unhook," Pigman said, "if we can actually take advantage of some of the great history we have and create some new information that those people can be attracted to then businesses will follow." Matt Witkos, KTVH.com, "Businesses Start a Team to Improve Railroad District." December 12, 2014. <http://www.ktvh.com/home/headlines/Businesses-Start-a-Team-to-Improve-Railroad-District-285689481.html>.

<sup>4</sup> *Ibid.*, 10.

suitably employed to achieve the objectives of such workable program.”

Montana law further stipulates that, before a municipality creates an Urban Renewal District and develops a plan for its revitalization, its local governing body must adopt a Resolution of Necessity (MCA 7-15-4210) finding that:

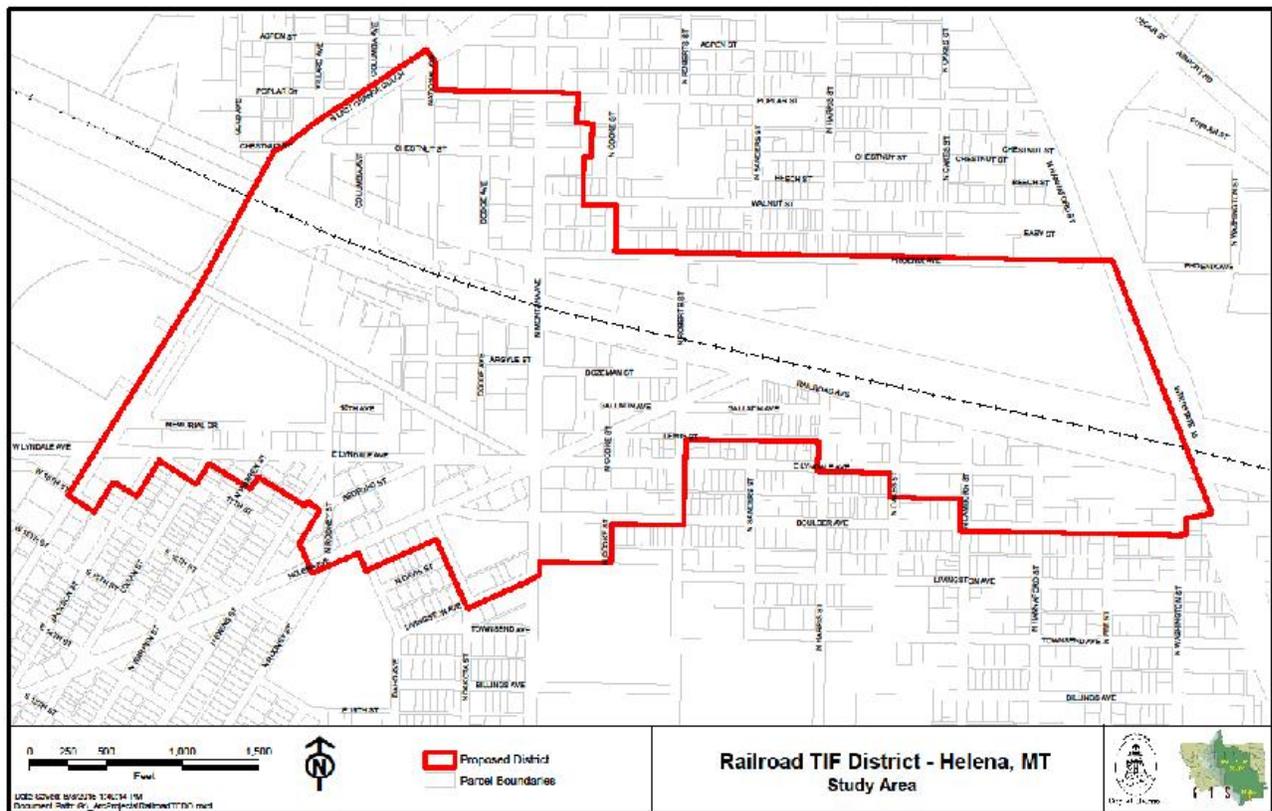
(1) within the municipality a blighted area exists in which at least three blight factors apply to the area or a part of the area; and

(2) the rehabilitation, redevelopment, or both of the area is necessary in the interest of the public health, safety, morals, or welfare of the residents of the municipality.

This “Statement of Blight” details the blight factors that exist in Helena’s Railroad District, and demonstrates that the area is “blighted” as defined by Montana law, and is therefore eligible for designation as an Urban Renewal District.

### **Railroad URD Study Area Boundaries**

For the purposes of this study, Helena’s Railroad District has been defined as generally encompassing an area straddling the Montana Rail Link mainline and bounded by Interstate 15 on the east and North Last Chance Gulch on the west. See the following map for a preliminary delineation of district boundaries.



### **Railroad URD Study Area Description**

Helena’s Railroad District is characterized by a mix of historical residential, commercial and industrial development, with some modern development—primarily light industrial and commercial—located along arterials and in the northwest portion of the district. The URD study area is bi-sected by Montana

Avenue, which runs north-south through the district's center, and by Montana Rail Link's main line, which runs east-west through the district. Historic development in the area is associated with the presence of the railroad, as is some of the more recent development. Different land uses predominate in the east and west portions of the district as it has been defined in this study, creating two distinct sections.

The eastern portion of the proposed Railroad URD centers on the historic Northern Pacific Railroad depot. The depot stands along the south side of the tracks (which are themselves included in the draft district boundaries) on Railroad Avenue. Helena's oldest extant commercial district lines the opposite side of Railroad Avenue, facing the depot and the tracks. Light industrial businesses currently operate around the east end of Railroad Avenue, while off its west end more recent commercial development leads up to Montana Avenue and the new Helena Area Transit Service building. Historic residential blocks radiate south (and north, across the tracks) from this commercial core, and the first few of these blocks to the south lie within the proposed south district boundary. The southwest corner of this east section of the district contains what is known as the Caird property, a large vacant lot that for decades held the historic industrial buildings, recently demolished, of Caird Engineering Works.



The west section of the Railroad URD study area correlates to the roughly triangular area marked by Montana Avenue, Lyndale Avenue, and N. Last Chance Gulch. In contrast to the east section, the west section of the proposed Railroad URD contains little residential development, with only two residential sites (a trailer park and an apartment complex that may have started as a motel) located north of Lyndale, and a few residential buildings located along the district's southern boundary. A variety of commercial development defines the west section. Historically industrial, the area now houses industrial, retail, service, and office spaces as well as Memorial Field and Memorial Park. Businesses in this section include a variety of warehouses, Pacific Hide and Steel, utilities like Century Link and Northwest Energy, the Lewis and Clark Brewing Company, building supply businesses like Habitat for Humanity's Re-Store, auto sales and servicing, and Disability Rights Montana. Retail and office spaces are concentrated along the section's arterials, especially Lyndale Avenue. Memorial Field and Memorial Park are located just south of the tracks and east of N. Last Chance Gulch.

### **History of the Railroad District**

Helena's Railroad District was borne of the arrival of the Northern Pacific Railroad in 1883. At the time, Helena—capital of Montana Territory and regional commercial hub—centered on the downtown area flanking Last Chance Gulch, with residential areas ringing the city center. The site the Northern Pacific chose for its Helena depot lay about a mile and a half east of downtown, in a largely undeveloped area on the fringes of the city. The railroad's arrival sparked a boom in the city generally, and transformed the fields on its eastern edges into a semi-autonomous commercial hub and vibrant residential neighborhood. By virtue of its location at the base of the mountains cresting at the continental divide, Helena occupied a strategic location on the Northern Pacific's line—to get over the divide, trains needed

to be broken into smaller units and assisted by additional locomotives: this fact promised a busy future for Helena's railyard. The railroad soon established extensive operations in Helena and became a major employer. It also connected Helena to goods and markets in population centers to the east and west, stimulating almost every aspect of the young city's economy.<sup>5</sup>

In the railroad district itself, the arrival of the Northern Pacific spawned immediate real estate speculation and development. Surveyors staked out Helena Avenue to link the new depot with the established downtown business district, and several hotels soon lined Railroad Avenue. Rental homes and rooming houses



sprang up on newly platted lots, and saloons, stores and butcher shops appeared alongside. A school and a church soon followed. Growth in the district reflected both the railroad's influence and historic development patterns in the era before the spread of automobiles: residents mostly worked for the railroad or kept the shops along the tracks, and businesses catered to neighborhood residents and to travelers arriving on or boarding passenger trains. Facilities that required railroad access—like grain elevators, warehouses and factories—also built near the tracks, which quickly constituted “Helena's primary industrial zone.” Like the railroad itself, these businesses were staffed mainly by area residents, and “the area developed its own distinct identity as a working class neighborhood.”<sup>6</sup>

At the time, Helena was divided into seven municipal wards and the railroad additions composed the city's 6<sup>th</sup> Ward. The neighborhood has been known by that name ever since, and it has retained its distinctive working class feel and strong railroad-neighborhood identity. Historically, this solidarity was reinforced by the predominance of Catholicism among neighborhood residents, and in 1910 the Catholic Church built the Colonial Revival-style St. Mary's Church and School to serve the more than 500 parishioners in the area. The facility beckoned the 6<sup>th</sup> Ward faithful for over



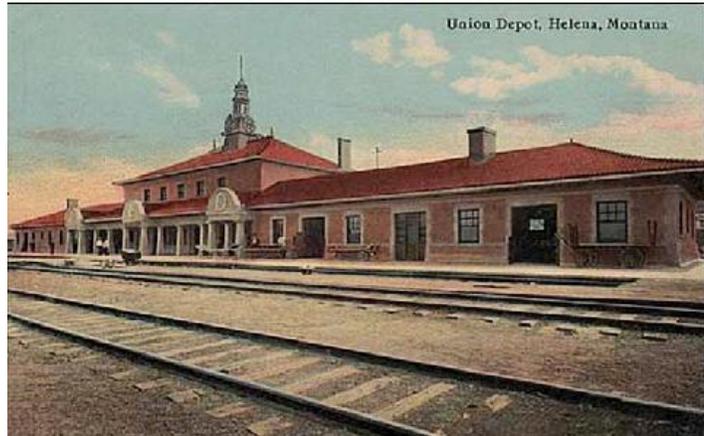
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<sup>5</sup> Kate Hampton, “More than a Mile from City Center: Helena's Northern Pacific Railroad District and Sixth Ward,” *Montana: The Magazine of Western History* 57, no. 1 (2007): 56–60; Jon Axline and Ellen Baumler, *Helena Railroad Depot Historic District National Register of Historic Places Registration Form*, 2004; Jon Axline, *Cultural Resource Survey and Assessment: Caird Engineering Works (24LC2205)*, 2014; James Boyer Consulting Services, *Helena Railroad District Revitalization Study*.

<sup>6</sup> James Boyer Consulting Services, *Helena Railroad District Revitalization Study*, 1; Axline, *Caird Engineering Works*, 8; *Ibid.*; Axline and Baumler, *Helena Railroad Depot Historic District*.

50 years, and its history brackets the heyday and demise of the district it served.<sup>7</sup>

Optimism characterized the first fifteen years of the twentieth century in Montana, and Helena enjoyed stability and steady growth. By 1911, according to some sources, Helena was the richest city per capita in United States.<sup>8</sup> While such wealth didn't trickle down to the 6<sup>th</sup> Ward, it, too, prospered. The Northern Pacific added new passenger trains to its daily service and, in 1903, replaced the original wood-frame depot with a handsome brick edifice designed by architect Charles Reed.



Other substantial improvements in the neighborhood appeared during these thriving years. After builders completed the Catholic church and school, bricklayers paved several blocks of Railroad Avenue with bricks to enhance the appeal and prestige of the depot area, and multiple masonry buildings appeared on the commercial side of the street, furthering “the impression of stability and permanence.” In 1911, much of the Grand Pacific Hotel was razed, and in its place rose the three-story Hotel Drake. In this period, the population of the district also changed noticeably, as “the railroad imported some 40 male workers of Japanese descent who were housed in railroad ‘warehouses’ . . . along the NP tracks.”<sup>9</sup> As they did across Montana, the boom years of the early 20<sup>th</sup> century proved fleeting in the railroad district. Drought descended on Montana in the late ‘teens, and the state became the only one in the nation to lose population in the 1920s.<sup>10</sup> The national Great Depression followed, and the local effects of all of these developments were compounded by devastating damage from a series of earthquakes that hit Helena in October 1935. Despite “being one of the hardest-hit sections of the city,” life in the 6<sup>th</sup> Ward went on much as it had before.

Growth in the district stagnated in these decades, and little expansion or development occurred, but neighborhood residents continued to work for the railroad or associated industries and shop in the commercial district that remained clustered along near the tracks. Businesses and shops, many run by the original owners or their children, still catered to train travelers,



<sup>7</sup> Ibid.; James Boyer Consulting Services, *Helena Railroad Works*; Axline and Baumler, *Helena Railroad Depot Historic District*.

<sup>8</sup> William L Lang, “The Nearly Forgotten Blacks on Last,” *Helena*, 70, no. 2 (1979): 50.

<sup>9</sup> Hampton, “More than a Mile from City Center,” 59; Axline and Baumler, *Helena Railroad Depot Historic District*, Section 8, p. 6.

<sup>10</sup> Michael P. Malone, Richard B. Roeder, and William L. Lang, *Montana: A History of Two Centuries*, Revised (Seattle: University of Washington Press, 1991), 283.

railroad workers, and the working-class residents of the 6<sup>th</sup> Ward. Beginning in 1930, these same groups could also enjoy a bit of greenery and open space—the city called it a “beauty spot”— while they took a break from traveling, working or shopping. That year, after reports that “Helena had the worst looking depot area on the entire NP line,” the crowded and run-down commercial block immediately west of the depot was razed, and Beattie Park was created.<sup>11</sup>

The railroad-centered way of life that defined and sustained the 6<sup>th</sup> Ward into the mid-20<sup>th</sup> century would not last. Although the neighborhood enjoyed a brief boom period during World War II—readily apparent in the many remodeled facades of businesses in the depot commercial district—the era ushered in a long period of decline that corresponded to the diminishing national importance of railroads. Improvements in roads and vehicles, and a fervor for all things automotive, drove the increasing importance of cars and trucks for transporting goods and people, and airplane travel expanded. All of these reduced railroad-related employment and travel, both of which hurt the 6<sup>th</sup> Ward. At the same time, industries mechanized and modernized, reducing their workforces and relocating farther from city centers. People, too, began to sprawl into suburbs, no longer relying on their legs to get to work, school, and stores. The railroad district lost jobs, businesses, and residents, and began a steady decline that would endure for 50 years. That decline would be punctuated, and symbolized, in 1971, when the Northern Pacific discontinued passenger service. Paradoxically, that decline in many ways preserved the neighborhood, protecting it from the kind of redevelopment that so often destroys historic districts. Today the 6<sup>th</sup> Ward is an unusually intact historic district with a strong neighborhood identity. As such, it is ripe for the type of investment that will improve and revitalize the area and enhance its existing assets.<sup>12</sup>

#### **Blighted Conditions in the Railroad URD Study Area**

As noted above, Montana Code Annotated 7-15-42 requires that, in order to form an Urban Renewal District, a municipality must first document that the district is blighted, ie. that at least three causes of blight (as listed in MCA 7-15-4206(2)) “apply to the area or part of the area.” According the statute, causes of blight can include:

- a) The substantial physical dilapidation, deterioration, age obsolescence, or defective construction, material, and arrangement of buildings or improvements, whether residential or nonresidential;
- b) Inadequate provision for ventilation, light, proper sanitary facilities, or open spaces as determined by competent appraisers on the base of an examination of the building standards of the municipality;
- c) Inappropriate of mixed uses of land or buildings;
- d) High density of population and overcrowding;
- e) Defective or inadequate street layout;
- f) Faulty lot layout in relation to size, adequacy, accessibility, or usefulness;
- g) Excessive land coverage;
- h) Unsanitary or unsafe conditions;
- i) Deterioration of site;
- j) Diversity of ownership;
- k) Tax or special assessment delinquency exceeding the fair value of the land;
- l) Defective or unusual conditions of title;
- m) Improper subdivision or obsolete platting;

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<sup>11</sup> Axline and Baumler, *Helena Railroad Depot Historic District*; Hampton, “More than a Mile from City Center.”

<sup>12</sup> *Ibid.*; James Boyer Consulting Services, *Helena Railroad District Revitalization Study*; Axline and Baumler, *Helena Railroad Depot Historic District*.

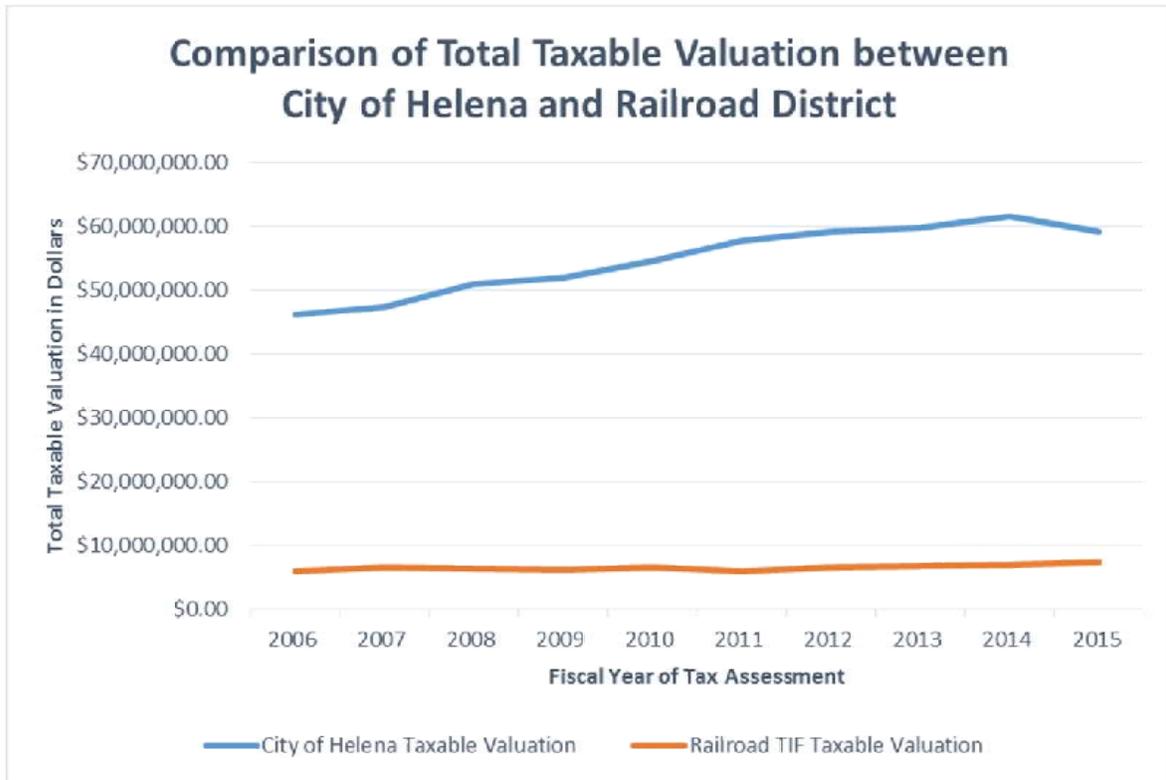
- n) The existence of conditions that endanger life or property by fire or other causes;
- o) Any combination of the above factors.

WGM Group documented the existence of blight factors a, c, e, f, h, and n in the proposed district. Many of these same factors have long been extant in the area, and were previously documented in James Boyer's *Helena Railroad District Revitalization Study* (2001) and the *Helena Railroad District Conditions and Criteria Analysis* completed in January 2015. Specifically, the following blight conditions are present:

- a) **Substantial physical dilapidation, deterioration, age obsolescence, or defective construction, material, and arrangement of buildings or improvements, whether residential or nonresidential.** Numerous buildings in the area are deteriorated and dilapidated. Examples can be found throughout the district, and include both residential and commercial/industrial properties. Moreover, other improvements in the area are noticeably deteriorated, including many sections of sidewalks and portions of some streets. Foremost among them is the historic brick street fronting the railroad depot.

Tax valuation trends indicate that deterioration in the district is even more widespread than visual assessment suggests. Although taxable values on previously taxable properties across Helena have risen almost 50% in the last ten years, over one-third of properties (110/325) within the Railroad District have actually lost taxable value in that same time period. Many more have gained value at a much slower rate than properties in the city as a whole.





- c) **Inappropriate or mixed uses of land or buildings.** The core of the Railroad URD study area is commercial and light industrial, with residential uses found mainly at the southern fringes. The primary exception to this pattern is a trailer court, Van’s Mobile Home Park, located just north of the railroad tracks between Dodge and National avenues (at 804 Phoenix). The trailer court forms a residential island that suggests an incompatible mix of land uses. It contains about 17 trailers, a modular, and 3 historic frame houses, and the residents of these are cut off from schools, parks and other services and amenities by the railroad and a pair of major arterials, which form a triangle around the area. A lack of sidewalks exacerbates the safety and access issues posed by the trailer court’s location, as do the nature of nearby businesses and the character of their sites, as well as the proximity of the actively-used train tracks themselves.



Two other sites in the district also constitute noticeable examples of incompatible mixes of land or building uses. The first is a day care and small attached graveled playground located in a commercial block at the 6-legged intersection of Gallatin, Helena, and Roberts. The second is the Memorial Park Apartment complex, sandwiched between Lyndale Avenue and Memorial Drive just east of the busy intersection of Lyndale and North Last Chance Gulch.



- e) **Defective or inadequate street layout.** Multiple instances of defective or inadequate street layout are apparent in the district, creating problems with circulation and connectivity. The most obvious of these is the five-legged intersection of Lyndale, Helena, and Montana Avenues, which elicits frequent complaints of congestion and has earned the local nickname “Malfunction Junction.” The problems at Malfunction Junction are compounded by a second major problem area immediately to the north, the Montana Avenue crossing of the railroad mainline (where congestion is consistently noted).



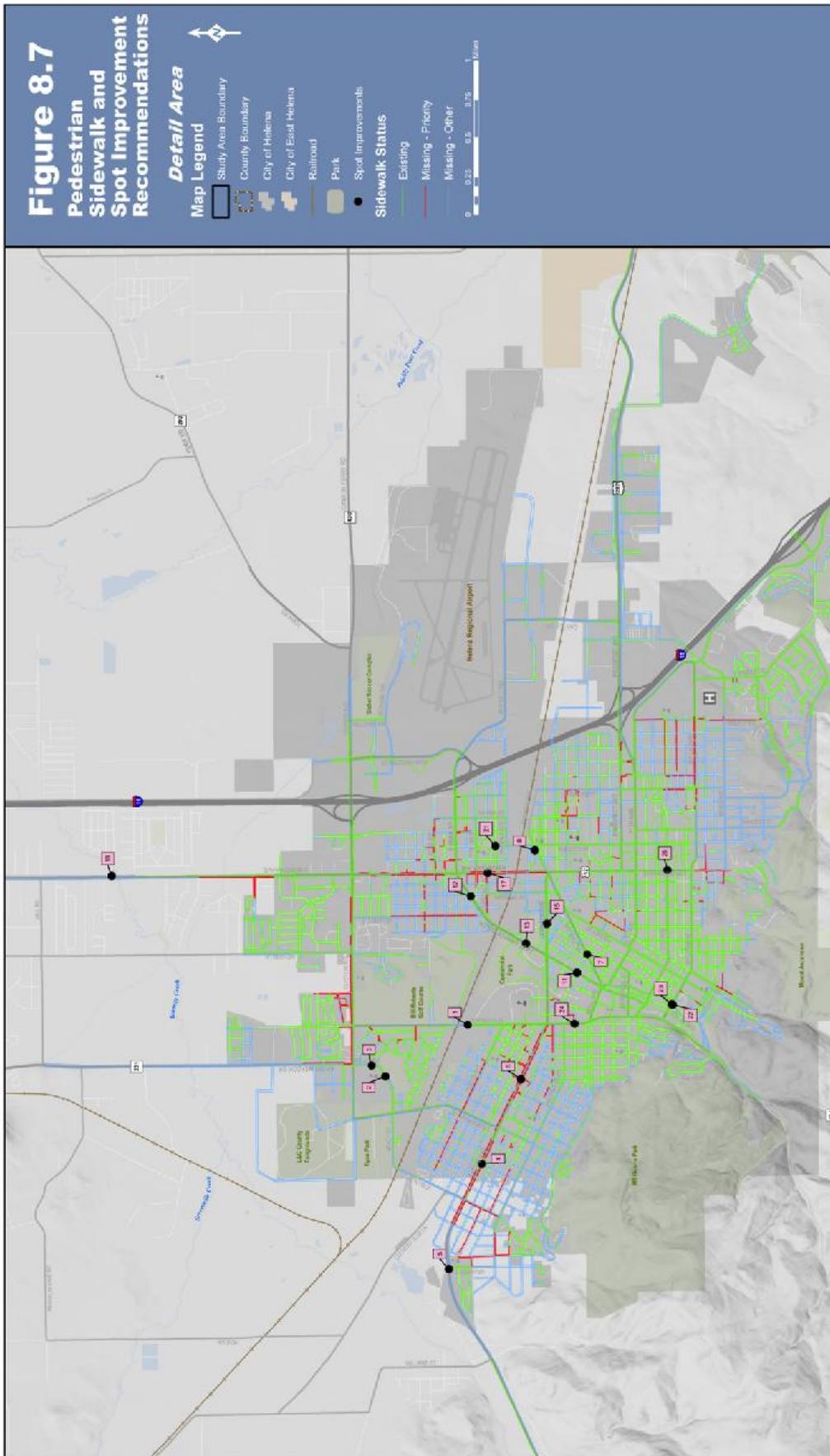


Additional problems with street layout or adequacy include the six-legged intersection of Gallatin, Helena, and Roberts.<sup>13</sup> Moreover, street layouts throughout the district are grossly inadequate in terms of provision for bicycles and pedestrians. Most streets in the area lack sidewalks, and many of the extant sidewalks are in disrepair.

Bike paths are essentially nonexistent. Many streets in the district also dead end—at places other than those indicated on city maps—and aren't signed accordingly. Some lack paving, there are virtually no sidewalks, curbs, or gutters. It is difficult to determine where public streets end and private roads and driveways begin.



<sup>13</sup> This intersection was a recommended Transportation System Management improvement project in the 2004 Transportation Plan, which called for modifying intersection geometry, but the project was not completed and the 2014 plan did not include it for further consideration. *2014 Greater Helena Area Long Range Transportation Plan*, 116. Other reports have suggested problems in the eastern sections of the district (where access from arterials is difficult and inadequacy hampers business development) and at I-15 (where the underpass is located on Boulder Ave. instead of Lyndale, the main arterial). See Fossum Consulting Services, *Helena Railroad District Conditions and Criteria Analysis*, January 16, 2015, 4-5. The 2014 Transportation Plan lists improvements to a segment of Boulder Avenue (between North Hannaford Street and Blaine Street) as MSN project #14. The west end of the segment identified lies within the proposed Railroad URD. *2014 Greater Helena Area Long Range Transportation Plan*, 109.



**f) Faulty lot layout in relation to size, adequacy, accessibility, or usefulness.**

There are several sites throughout the district that suffer from access issues due to lot layout, most noticeably those near intersections. Examples of this can be found at the Malfunction Junction intersection and at the intersection of Chestnut Street and North Last Chance Gulch.



Other sites suffer from excessive, unbroken parking or paved areas that create an “asphalt sea” effect, among them the Century Link site on Chestnut Street between Dodge and National Avenues (where an enormous empty parking/storage area abuts the aforementioned trailer park). Additional lot layout problems are apparent in the Memorial Field vicinity, where provision for parking is inadequate.



**h) Unsanitary or unsafe conditions.** The most obvious unsafe conditions in the district

relate to item e above. The absence of sidewalks and bicycle facilities seriously endangers pedestrians and cyclists, especially along arterials like Montana Avenue and at railroad crossings. Congestion and impediments to access inhibit provision of emergency services. Train crossings, both restricted and unrestricted, can do both of these (14-18 trains a day pass through the district). Unsafe conditions are also created by deteriorated sidewalks and streets, as well by the existence of contaminated sites, including several related to the railyard itself (eg. elevated lead and arsenic levels in nearby residential yards).<sup>14</sup> A large open ditch runs along the west side of Montana Avenue and descends sharply into large culverts via deep, unfenced holes that pose a grave danger and immediate danger to cars, bikes, and pedestrians alike.



<sup>14</sup> Tetra Tech, *6<sup>th</sup> Ward Area-Wide Assessment*, prepared for Lewis and Clark County, May 30, 2008, 36-37. Other potentially unsafe contaminated sites include the Helena Solvent Site near 1427 Helena Ave., which is contaminated with the solvent PCE.



- n) **The existence of conditions that endanger life or property by fire or other causes.** As noted in item h, numerous unsafe conditions exist in the district. Impediments to the provision of emergency services and the lack of adequate sidewalks endanger life, as does the presence of toxic substances in areas regularly used by residents, like residential yards.<sup>15</sup>



These six factors constitute the most pervasive and obvious blighted conditions in the Railroad District, with the related letter e, h, and n items most significant. Other examples of blight in the area are less substantial but nonetheless contribute to the district's overall blighted condition. They include:

- d) **High density or overcrowding.** Although the area encompassed by the proposed district boundaries itself includes no noticeable instances of overcrowding, an overcrowded section is located immediately adjacent to the east end of the north boundary. There, many trailers and modular homes have been squeezed into a small area, and there is a corresponding lack of

<sup>15</sup> Tetra Tech, 6<sup>th</sup> Ward Area-Wide Assessment, prepared for Lewis and Clark County, May 30, 2008, 36-37.

outdoor space to accommodate the many young children living there. As a result, these young children play in the streets.

- i) **Deterioration of site.** As noted in item **a**, there are multiple instances of deteriorated buildings, both residential and commercial, throughout the district. Some of these examples can be characterized as deteriorated sites, on which not only a single building but the site as a whole has been allowed to deteriorate. This characterization, however, must be made with some caution, for the industrial nature of the district creates conditions that are inherently unsightly and may seem like deterioration when in fact they are just the byproducts of normal business operation.

### **Conclusion**

Our study indicates that Helena's proposed Railroad URD meets Montana statutory criteria for a blighted area. It is also clear that the rehabilitation and/or redevelopment of the area is necessary in the interest of the public health, safety, and welfare of the residents of the municipality. Indeed, without such rehabilitation, blighted conditions in the district are likely to worsen. Revitalizing this historic, intact and centrally-located neighborhood will benefit not only neighborhood residents, but the entire Helena community. This Statement of Blight establishes the need to undertake such revitalization. Once the city has adopted a Resolution of Necessity, the next step will be to prepare an Urban Renewal Plan to guide that revitalization effort.