



DBP Board Agenda - May 22, 2020

Remote meeting via Zoom

Regular Business Meeting

- 1) Call to Order – Introductions, Courtesies, and Public Comments (3 min. limit)
- 2) Regular Agenda:
 - a. Minutes – April 24, 2020 meeting minutes, vote to approve minutes
 - b. DBP staff update
 - d. Financials & TIF Forecast
 - i. Included in the packet
- 3) Old Business
- 4) New Business
- 5) Action Items
 - a. Amendment of bylaws
 - b. Sign Incentive Grant recommendation
 - c. Large Project Incentive Grant recommendation
- 6) Partner reports (if time permits)
 - a. City of Billings
 - b. Yellowstone County
 - c. SD#2
 - d. Big Sky Economic Development
 - e. Downtown Billings Association
 - f. Business Improvement District
 - g. Billings Cultural Partners
 - h. Parking Advisory Board
 - i. Downtown Billings Property Owners Association
- 7) Adjourn by 9:00 a.m.

Next scheduled meeting – June 26, 2020

DBP Board Meeting
 April 24, 2020 – 7:30 am
 ZOOM Video Conference

ATTENDED:	Andy Patten	Dave Fishbaugh	Chris Montague	Steve Arveschoug
Joni Harman	Sean Lynch	Norman Miller	Zack Dunn	Steve Wahrlich
Sam Merrick	Kim Olsen	Marguerite Jodry	Janna Hafer	Ethank Kanning
Denis Pitman	Penny Ronning	Wyeth Friday	Mehmet Casey	Ignacio Barrón Viela
Katy Easton	James Chandler	Emily Meick	Joe Stout	GUEST: Jim Tevlin
ABSENT:	Steve Tostenrud	Jock West		

1. **Call to Order** – Mr. Patten called the meeting to order at 7:30 am.
2. **Regular Agenda**
 - a. **Minutes – March 27, 2020** – Mr. Wahrlich motioned to approve. Seconded by Mr. Montague and approved by all.
 - b. **DBP Staff Update**
 - i. **DBP** – Mr. Casey said two TIF applications are in final stages. He’s been working with Mr. Hunnes to complete things. He’s reaching out to businesses to see what they need or how they can be promoted. He and Mr. Headlee have followed up with businesses on the Downtown Directory. There are two new TIF applications and he’s communicating with the Development Committee. Ms. Easton and City Staff presented a project to bond at the last work session that would extend the TIF lifespan by five years. It went well and received generally positive feedback.
 1. Ms. Easton said the project was generally supported but there’s work to do in bringing Council around on extending the lifespan. Estimated project cost is \$1.6 million for signals, restriping, and signage. The project likely won’t happen until 2021, but needs to be ready to bond by June 20, 2020. Mr. Zoeller has taken the bond to Council, but the board needs to have the intention and then it would be voted as a resolution. Councilmembers Ewalt, Purinton, and Neese all oppose and Councilmembers Brown, Boyett, and Yakawich are maybes. Councilmembers Ronning, Joy, Shaw, Choriki, and Mayor Cole are all in support.
 - a. Ms. Ronning said some Council members struggle with the concept of TIF because they don’t see the value. She suggested having one-on-one meetings about the bonding process and how it impacts TIF and the community.
 2. Mr. Patten asked if the extension of TIF is necessary with bonding. He asked if there are estimates of increased property values because of the conversion.
 - a. Ms. Easton said bonding would allow for the full extension of the lifespan and to capture the final five years. She wants clear intention for bonding the project. As conversions occur, data from other communities shows increased values, good economic benefits, and a public safety element through slowed traffic.
 3. Mr. Casey updated about Mr. Fagg’s presentation on the Founders District to either annex or create a new district. The City will hire a third party to start an assessment of the area, then Council will decide. The City is looking to cut costs of the assessment between the DBP, the City, and the interested party. The City wants to provide information to the board and receive its blessing, but it’s ultimately Council’s decision to move money for the project.
 - a. Ms. Easton said it’s unique because the City will allocate funds out of Fund 203, which is why it’s not coming to the board for action.
 - i. Mr. Montague asked if it were to be annexed, would it extend the lifespan of the central district.
 1. Ms. Easton said no. Their base value will start the year they are annexed, so base values would be different. Hopefully that district will have 25 years in which to capture increment.
 - ii. **BID** – Mr. Stout provided a BID Team update. Downtown is busy regardless of closing. They’re operating with one person at 10 hours per day, seven days per week cleaning trash, graffiti, and pressure washing. 160 flower baskets have been ordered to be placed in early June. Mr. Stout

and Mr. Brooks are working on CPTED evaluations; but, they haven't done any in-person assessments right now. They hope to restart soon and will present several completed evals next week. They have a list of 37 locations. Of those that have been completed, he wouldn't be surprised if they take advantage of the full \$3,000. He's been speaking with Ms. Olmstead from DOWL about marketing materials that could be placed in the downtown kiosks.

1. Mr. Wahrlich asked Mr. Stout about the state of homelessness downtown.
 - a. Mr. Stout said there was an increase of people because the jail released non-violent offenders. Public intoxication has slightly reduced because there's less availability. Impact seems about the same as usual.
 2. Mr. Arveschoug appreciates that the BID Team has been leaning into the clean and safe concept. He asked Mr. Stout to focus on freshening up the trashcans.
- c. **Financials and TIF Forecast** – Mr. Casey provided a profit and loss and a TIF forecast. Three projects have been added under FY21, as well as CPTED under FY20, which will likely roll over and continue.
- i. Mr. Kanning said the board had requested for a planned to actual for more context at the last board meeting. He asked if something like that could be provided.
 1. Ms. Easton said she's preparing to release FY21 budget drafts.
 - a. Mr. Patten asked if Ms. Easton's completing budgets like the EBURD and SBURA.
 - i. Ms. Easton said all budgets are presented to Council in the same way, but the DBP provides financials. Other districts don't allocate in the same way, so they do look different.
 1. Mr. Arveschoug said next year is a reassessment year. The State is looking at how to approach given the circumstances. He doesn't think it will affect centrally assessed properties. He suggested connecting with a few people to see how it might affect projected increments for the central district.

3. Old Business

- a. **Stillwater Update** – Ms. Easton met with Mr. Patten, Mr. Hunnes, Mr. Kukulski, and Mr. Brooks, because City Staff wanted a better understanding of the Stillwater agreement timeline. The agreement will be before Council on May 11 and Ms. Easton plans to attend to provide Council background or answer any questions. The request to withdraw from the agreement will be made to Council at that time.

4. New Business

- a. **Economic Response and Recovery Taskforce** – Ms. Easton spoke of the taskforce's work to coordinate the response to and to guide economic recovery. She also sits on the taskforce to help reopen the city, which has held roundtable discussions for retailers and restaurants. She spoke of the pledge to support being open and safe. There's a branded effort that identifies that commitment through stickers and posters. Ms. Easton wants the DBA to be a good resource for the community.
 - i. Mr. Arveschoug said they have divided work into four areas to ensure effective communication. The taskforce speaks through one website. TIF will be essential in economic recovery and it's important to talk about it as a tool when speaking with Council.
 1. Ms. Ronning would encourage anyone coming to Council or speaking with council members to use language of economic development to help build long-term development of the city and to encourage investment in the community by city leaders.

5. Action Items

- a. **BSEDA Credit Line** – Mr. Arveschoug muted and turned his camera off at the start of the discussion. Mr. Casey said it will ultimately go to Council for approval, but the board has the capacity to pay and it would be a show of good faith. He anticipates seeing more projects, and with the payment, the board can focus on more. The alternative is a balloon payment in FY21.
 - i. Mr. Patten asked if Council might ask if there are plans for the building.
 1. Ms. Easton assumes they will ask. Its intention was to be collateral on the line of credit and it was to be sold with the project. The board hasn't moved to sell or discussed any intentions with a possible sale and it's moved beyond a payment in good faith. There's been discussion of plans that include intentions to leverage it for future development.

- ii. Mr. Wahrlich can't provide an honest recommendation because he doesn't know the cash position.
 - 1. Ms. Easton highlighted the Fund 203 worksheet that shows available cash in FY20. Top to bottom shows allocated projects with accurate numbers.
 - a. Mr. Wahrlich sees no problem paying down on the building. He suggested creating a small subcommittee to see what can be done.
 - i. Ms. Easton has been working with Ms. Corbyn, Mr. Casey, and several others, but she would appreciate a subcommittee of board members.
 - iii. Mr. Wahrlich made a motion to pay down 50% of the BSEDA loan, assuming the numbers are accurate. Mr. Lynch seconded and it was approved by all.
 - 1. Ms. Easton will meet with City Staff to see how quickly it can be on a business agenda.
- b. **Amendment of Bylaws** – Mr. Casey provided a bylaws update. Some were unable to see highlighted portions. He asked the board to approve or table until next month to allow for better review.
- i. Mr. Patten and Mr. Montague suggested crossing out old sections and underlining the new.
 - ii. Mr. Patten recently spoke with Ms. Hafer about the Downtown Property Owners Association about if they meet regularly or if they should have a designated member on the board.
 - 1. Ms. Olsen said the mailing list was outdated and the group requires an updated list. They've determined ineligible members, and are reaching out to see if people are interested in joining a steering committee to be active.
 - a. Ms. Easton thinks there's value in having the property owners represented and she encouraged reestablishment to follow the bylaws.
 - iii. Mr. Wahrlich asked if Mr. Casey is looking for comments on portions of the bylaws or language.
 - 1. Mr. Casey welcomes all suggestions, comments, or language. He'll find the most recent version and will determine how to convert it properly.

6. Partner Reports

- a. **City of Billings** – Mr. Friday spoke with Mr. Kukulski about the Founders District annexation or expansion. They're working on a contract with a consultant for May. He anticipates receiving more information and then bringing it for Council discussion. Bonding work continues with Engineering and Transportation Planning on some things. With Phase One of reopening, the City is currently operating virtually and electronically instead of in-person. Parks Department will complete a major review and assessment on moving with Phases One and Two, then prepare for those changes.
- b. **Yellowstone County** – Mr. Pitman said the National Guard will be in town and to build a 90-bed facility at the Metra. The Pavilion remains as a temporary shelter for displaced people. The Metra continues work on a master plan.
- c. **School District #2** – Ms. Hafer said the Board is determining whether or not the schools will open up. They must adhere to Health Department directives. At their next meeting, they'll assess next steps; however, the board isn't leaning toward allowing for schools to open. They'll likely encourage remote learning for the remaining year. Graduation is the next decision.
- d. **BSEDA** – Mr. Arveschoug said an RFQ will go out for the redevelopment of the Montana Bank building. They have all approvals needed to go forward. Construction will likely start next winter.
- e. **DBA** – Mr. Dunn spoke of forming plans to help businesses during the reopening.
 - i. Ms. Easton said the DBA board asked her to create several alternative budgets to include best and worst-case scenarios. As an events-based organization, everything is changing by the day and week. Health officials suggest that large gatherings might not be advisable for some time.
- f. **BID**
- g. **BCP** – Mr. Barrón Viela said they met last week with BSEDA and the Chamber to see what reopening might look like and to maintain consistent, unified messaging. He's unsure when large group gatherings will be allowable. The Symphony planned to move offices before September 1.
- h. **Parking Advisory Board** – Mr. Fishbaugh said most of the staff is furloughed due to lack of revenue, including Ms. Scott. He's unsure of how people might be brought back downtown with the new phases.
- i. **Downtown Billings Property Owners Association** – Ms. Olsen said the Association is hoping to have something together by mid to late May, as they are just in the formation process right now.

7. Adjournment – Meeting adjourned at 8:55 am.

Downtown Billings Partnership

PROFIT AND LOSS

July 1, 2019 - May 19, 2020

	TOTAL
Income	
4400 Service Fee from City	232,867.50
4410 Property Management	74,700.00
Total Income	\$307,567.50
GROSS PROFIT	\$307,567.50
Expenses	
6000 Advertising & Marketing	
6002 Print Advertising	1,254.00
Total 6000 Advertising & Marketing	1,254.00
6015 Business Development	3,216.66
6070 Insurance	
6072 Property	7,687.82
Total 6070 Insurance	7,687.82
6110 Meetings	167.68
6140 Office Costs	
6142 Office Supplies	153.62
Total 6140 Office Costs	153.62
6200 Payroll Expenses	
6202 Cell Phone Stipend	274.72
6204 P/R Services	718.40
6205 P/R Taxes	12,431.75
6206 Retirement	0.00
6207 Wages	144,537.97
Total 6200 Payroll Expenses	157,962.84
6320 Professional Services	
6321 Accounting & Bookkeeping	7,835.85
6322 Legal Fees	1,390.50
Total 6320 Professional Services	9,226.35
6330 Property Taxes	16,278.13
6350 Repairs & Maintenance	1,348.26
6400 Special Project Expenses	
6407 Property Management	25,358.16
Total 6400 Special Project Expenses	25,358.16
6530 Travel (not meals)	961.46
6550 Utilities	17,753.48
Total Expenses	\$241,368.46
NET OPERATING INCOME	\$66,199.04
NET INCOME	\$66,199.04

	FY20	FY21	FY22	FY23	FY24	FY25	FY26
FY20 Beginning Cash Balance	1,912,598	2,633,829	1,570,603	1,696,998	1,813,545	2,166,741	3,254,416
FY19 Expenditures							
Debt Service	949,201	946,183	942,773	942,433	945,290	950,000	950,000
DBP Operating Agreement	279,441	287,824	296,459	305,353	314,513	323,949	333,667
Cost Allocation	40,694	41,915	43,172	44,467	45,801	47,175	48,591
Downtown Cooperative Safety	41,200	41,200	41,200	41,200	41,200	41,200	41,200
Transfer to Parking	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Total FY19 EXP	1,410,536	1,417,122	1,423,604	1,433,453	1,446,805	1,462,324	1,473,458
Prior Year Development Incentives Approved							
Wendy's Building / 124 Group LLC	233,333	233,333					
Battle of the Plans 2017	24,900						
Arthouse Cinema Phase II		350,000					
ABT		750,000	750,000	750,000	1,000,000	250,000	
Griffin Sawyer Building	210,000						
One Big Sky - Yesteryears <i>Building Payments</i>	200,000	200,000	-				
Stillwater Building		500,000	500,000	500,000			
Wise Wonders		100,000					
Lou Taubert		196,771					
Clock Tower Inn		116,000					
Total Approved Incentives	668,233	2,446,104	1,250,000	1,250,000	1,000,000	250,000	-
Estimated Revenue	2,800,000						
Estimated Available Cash For Projects	2,633,829	1,570,603	1,696,998	1,813,545	2,166,741	3,254,416	4,580,958
Revenue Growth Estimate	0.0%						