



DBP Board Agenda - February 26, 2021

Remote meeting via Zoom

Regular Business Meeting

- 1) Call to Order – Introductions, Courtesies, and Public Comments (3 min. limit)
- 2) Regular Agenda:
 - a. Minutes – January 22, 2021 meeting minutes, vote to approve minutes
 - b. Presentations:
 - i. HDR & MDT - 27th Street Railroad Crossing
 - ii. City Engineering - Conversion of N29th & 30th Streets from one-ways to two-ways
 - c. DBP Staff Update
 - d. P&L & Forecast (included in the packet)
- 3) Old Business
- 4) New Business
- 5) Action Items
- 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 – March 26, 2021

DBP Board Meeting
 January 22, 2021 – 7:30 am
 Remote via Zoom

ATTENDED:	Andy Patten	Steve Tostenrud	Katy Easton	Denis Pitman
Chris Kukulski	Dave Fishbaugh	Joni Harman	Wyeth Friday	Ethan Kanning
Mehmet Casey	Penny Ronning	Steve Arveschoug	Chris Montague	Steve Wahrlich
Janna Hafer	James Chandler	Jenny Ross	Sean Lynch	
GUESTS:	Becky Rogers			
ABSENT:	Sam Merrick	Norman Miller	Marguerite Jodry	Jock West
Ignacio Barron Viela				

1) Call to Order – 7:30 AM

2) Regular Agenda:

a. Minutes – November 20, 2020 meeting minutes, motion to approve made by Mr. Lynch seconded by Mr. Montague. Motion carried, all were in favor, none opposed.

b. Presentations:

i. Steve Arveschoug - BSEDA Building joined by Becky Rogers BSEDA’s Director of Operations, Mr. Arveschough provided an overview of the building's purpose to help strengthen and promote entrepreneurship within our community. A \$2 million dollar grant was received to be able to start this project.

Becky Rogers - MT National Bank Building, she provided pictures from 1918, today and their future plans. She reviewed various rooms to help various entrepreneurs and they are celebrating a lot of elements of the building's history. She shared pictures of various parts of what the building is intended to look like in the future. There are coworking spaces, there will be a coffee space in the building and will lead entrepreneurs. Their second floor plan has the intent to open up the floor plan to create a training space that can fit over 100 seats in this space which becomes a community asset. The third floor will have the BSEDA offices and they are moving to more open office spaces with a few

traditional offices. Their construction schedule is planned for this summer and their move in date is scheduled for spring of 2022. Mr. Patten asked about the logistics of the construction of the building. Mr. Arveschoug shared that they will rely on the guidance of the general contractor and that they don't intend on moving into the building until it is complete. No other questions were presented. Ms. Rogers said she looks forward to celebrating the grand opening and that they will be putting the building on the historic registry.

ii. HDR & MDT - 27th Street Railroad Crossing - Mr. Casey shared that the presenters had to recuse themselves due to unforeseen obligations and asked this to be moved to February's meeting.

c. DBP Staff Update - Mr. Casey provided an update on various TIF past, present and upcoming TIF projects.

- The 124 group is scheduled to get their final TIF Reimbursement.
- The ABT, Mr. Casey shared that they were able to secure all of their funding and they have met with the city and are back on schedule. Their first disbursement has been provided and their next disbursement will be June of 2021.
- The 704 properties, their certificate of occupancy was received in 2020, a tour was scheduled, Mr. Casey is waiting on receiving the paid invoices and will take those to the city when those are received.
- 123 N Broadway, the tenants are hopeful to move in at the end of this quarter around March and there is some noticeable progress inside but once that is done, Mr. Casey will get the certificate of occupancy and then move through the process to help them get their disbursement. Mr. Patten asked if the bank will be occupying the whole building. Mr. Casey confirmed that this is true and they anticipate bringing 20-30 new employees downtown. Mr. Casey shared that there is interest in the bank participating in community events such as ArtWalk.
- The Billings Symphony is pretty much complete, their grand opening is January 29th, 2021 and Mr. Casey is also going through the TIF reimbursement process with them.
- On December 21, 2020 Mr. Casey went to council and all three of the most recent TIF projects were presented being The Burger Dive, The Stone Building and Kibler & Kirsch, all were approved unanimously. Mr. Patten asked if other than the three that went to council, if the other projects that were approved by the building were completed. Mr. Casey confirmed that all but one have been completed.
- Mr. Casey said he's communicated with the Engineering Department about the two way street conversion and stated that they were hoping to get this done sometime between April and July. Mr. Kukulski said he couldn't give an exact date on the

conversion but would be happy to get someone from the city to come out and do a presentation to help answer any questions. Mr. Friday shared that he couldn't confirm an exact date but confirmed that a presentation would be possible.

- Mr. Casey shared that the sign and CPTED grants are still available and ongoing, and is wanting to make the community aware of these grants. Mr. Casey stated that at least 18 businesses have clicked on an email about the sign grants and he intends to follow up with them to utilize those funds. Mr. Casey believes that there is an extensive wait list of those who are waiting to receive the CPTED grant and that the \$20k in funds available is likely going to be approximately \$5k available and is proving to be successful because businesses are demonstrating the difference with their properties and the changes that it is making. Mr. Casey believes that the board might need to go back to council to provide an update in addition to requesting more funds because of the extensive waitlist for evaluation and potential grant applications.
- Mr. Casey made the board aware that The Burger Dive is planning on applying for the revolving loan fund and that if the application is complete the RLF committee will need to meet.
- Mr. Casey believes that there is an upcoming work session in regards to the Downtown traffic study. Mr. Friday confirmed that this will be the February 1st session.
- Mr. Casey started a new inventory document about the residential units for the downtown TIF district because he has been getting frequent calls from interested parties that are looking to convert and or add residential units Downtown. Mr. Casey receives the same questions of how many units are there and how many of them are vacant? Mr. Casey said due to the extent of his research he has only found two units available at this time and asked if the board knew of any resources out there. Ms. Hafaer asked how he was getting his information and Mr. Casey shared the various ways he has been able to figure out this information. Mr. Patten asked if he was getting the rental rates, Mr. Casey said he confirmed that he is not getting this right now because that's not been a question he has been asked but would be willing to get this. Mr. Kanning shared that he built something like this and that he can collaborate and would be willing to assist Mr. Casey with this. Mr. Arveschoug asked if he could meet with Mr. Casey and Mr. Kanning regarding these matters.
- Mr. Chandler shared an update on the 5th Ave Corridor being done by Sanderson-Stewart and this is not ready to be released to the public yet. However, the first draft of the study has been completed and the big take-aways at this point include MRL is willing to "play ball" but needs to see a 30% completed plan before giving the thumbs up and some investment needs to be done before any

shovels hit the dirt. Ms. Hafer asked if the rail line would stay in or if some of it would come out. Mr. Chandler shared that as of right there are active contracts that use the line and now the goal would be to do this to an area that is not active and used by the various rail lines on the Eastern end.

d. Financials (included in packet) - Mr. Casey shared Downtown TIF Forecast that shows the various projects and remaining cash for FY21, he has yet to verify this with the finance department of the city and ensure that it is all encompassing. Mr. Patten reminded Mr. Casey that part of the deal with ABT if there are available funds, then they can request those funds to be an advance distribution to the ABT and encouraged the board to keep this in the back of their minds. Ms. Easton shared that was before Mr. Casey's time here and that she could provide more insight, she confirmed that what Mr. Patten said that they could meet on this.

- Mr. Wahrlich stated it would be nice to have this quarterly and to have the material so the board can keep track of what is going on. Mr. Wahrlich addressed Ms. Easton and stated that ABT could drip all of the funds and he'd rather see us tie something down. Ms. Easton stated that based on her recall of the conversation that it would not be the preference of the board to pay them more because the board has to be able to identify that projects can still move forward. She believes that this is a piece that has had to be improved upon from the previous leadership in putting together these development agreements and suggested to have a conversation offline to ensure that we are up to date and the ABT is receiving substantial payments. Mr. Patten shared that he believed that this was discretionary from the board, there was a restructuring on what was available and approved and the ability to accelerate to ABT. Mr. Kulkuski suggested that we reach out to ABT and see what their expectations are and believe that this was a great investment, and that we figure out what the agreement says and we should make sure that our plans match each other. Ms. Easton recapped the agreement and dates in which disbursements are to be paid out to the ABT even though they did not make one of the deadline and agreed to make the first two payments that were agreed upon, she said that the remaining payments are scheduled as per the agreement with ABT and she agrees with Mr. Patten and his previous comments regarding this matter. She believes that we can always show money in the TIF account so we don't come back around to where we were before this development agreement was signed with the ABT, being that we saw a loss with the TIF funds which is why the ABT's repayment is over five years as opposed to three or four years (clarification was sought from Mr. Patten and he was unable to recall the exact amount of time the conversation continued on) Ms. Easton reiterated the conversation as previously mentioned before to ensure that we do not get in the position of a 25% loss again or chasing loose ends from previous leadership. Mr. Patten believes

that we need to have our position fixed prior to reaching out to the ABT.
Mr. Kulkuski thanks Ms. Easton and Mr. Patten for their clarification.

3) Old Business - This was part of the previous discussion in financials.

4) New Business -N/A

5) Action Items N/A

6) Partner Reports

a. City of Billings - Crossing their fingers that Project Recode gets passed on their third reading at council on Monday. Mr. Kukulski got the countryside adopted just a few months ago and there is no lack of effort from the city staff. The city is going through an analysis of every 911 call from 2019 to help understand what is going on in Billings and finding effective ways to respond to help law enforcement to be proactive. Mr. Friday added that on the February 16th work session, there will be a review of the bike and scooter share in this work session to see if this is feasible. They are trying to get ahead of a proper program getting set up here in Billings.

b. Yellowstone County - Mr. Pitman shared Metra Parks gates are open and encouraged us to go see what is not there anymore and that substantial construction is being done and asked for feedback as the conceptual ideas become available.

c. SD#2 - Ms. Hafrer - school is still in session 85% in person and about 15% remote and that it's going pretty well, they are watching the legislation closely. They are looking at redoing Daylis Stadium due to some major repairs and are trying to figure out a new site on a 12 acre parcel. Mr. Arveschoug asked if it was possible to abandon the track and work with a university to use and share various resources. Ms. Hafer shared that they are considering all options.

d. Big Sky Economic Development - Mr. Arveschoug said he did not have any additional items to share but asked a question if Project ReCode will have an effect or provide leverage on the new Holiday building development? Mr. Friday shared the intent is to remain flexible and that this business doesn't want to cover the entire footprint with a building but they are talking about having a larger footprint with additional gas pumps, a bigger convenience store and a carwash.

e. Downtown Billings Association - Ms. Easton cooperative safety downtown the MAAP program addresses alcohol based issues and recognizes that we have been stuck due to overcrowding in the jail and we were recently informed that they have given ten beds in the jail five for men and five for women that are dedicated to our Downtown officers. Ms. Easton shared that Officer Nichols ended his time here and Officer Tannis is the new and his replacement. She shared her appreciation of the county

commissioners to help us get these beds and that they have already been able to fill some of those allocated beds for the MAAP program and she believes that this can help produce some visible results Downtown.

f. Business Improvement District - Ms. Easton stated that the DBA is going to focus on public art so that we would be able to show some visible projects to be able to show the community some results and projects. The DBA is going to lean into public art and encourage people to reach out because the BID has identified areas of improvement. In addition she mentioned that they plan to do a refurbishment of SkyPoint due to the 20 year anniversary in the summer of 2022 and that they are working with the city, potentially community fundraising and potentially use TIF dollars towards this.

g. Billings Cultural Partners - Not present

h. Parking Advisory Board - Mr. Fischbaugh stated that the committee is working on the draft for the pedlets and are working through issues and unintended consequences, they intended to have a draft by their February meeting and then plan to send that to the city for approval.

i. Downtown Billings Property Owners Association - Ms. Hafer shared that they met on Wednesday and shared that she and Mr. Pittman presented their ideas for the Metra Campus. Ms. Hafer clarified that in the last meeting minutes that the Downtown Property Owners she reported last month about the Downtown Property Owners did vote not to support the 27th Street Build, she clarified that what was written was accurate but what they voted was not to support either build option for both option for the over or the under, she doesn't know if she specifically said "I think that they support the other short term with signage and signals, it was the two build options that are not supported."

7) Adjourn by 9:00 a.m.

Downtown Billings Alliance

Profit and Loss

July 1, 2020 - February 18, 2021

	JUL 2020	AUG 2020	SEP 2020	OCT 2020	NOV 2020	DEC 2020	JAN 2021	FEB 1-18, 2021	TOTAL
Income									
4400 Service Fee from City		46,573.50	23,286.75	23,286.75	23,286.75	23,286.75	23,286.75		\$163,007.25
4410 Property Management	5,000.00	5,000.00	5,100.00	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00	\$40,100.00
4430 Grant Revenues				1,570.00		900.00			\$2,470.00
Total Income	\$5,000.00	\$51,573.50	\$28,386.75	\$29,856.75	\$28,286.75	\$29,186.75	\$28,286.75	\$5,000.00	\$205,577.25
GROSS PROFIT	\$5,000.00	\$51,573.50	\$28,386.75	\$29,856.75	\$28,286.75	\$29,186.75	\$28,286.75	\$5,000.00	\$205,577.25
Expenses									
6000 Advertising & Marketing									\$0.00
6001 Internet Advertising	23.08	23.08	27.39	23.08	30.76	29.24	24.98		\$181.61
6002 Print Advertising		2,178.00	51.03	0.00					\$2,229.03
6003 Other Advertising & Marketing		2.36		800.00	337.50	0.00	37.26		\$1,177.12
Total 6000 Advertising & Marketing	23.08	2,203.44	78.42	823.08	368.26	29.24	62.24		\$3,587.76
6010 Bank Service Charges	5.83	3.08	3.24	656.86	5.67	6.97	3.89		\$685.54
6040 Dues & Memberships	374.44	26.79	44.31	30.66	146.46	300.79	192.82		\$1,116.27
6070 Insurance									\$0.00
6071 Liability	385.56	382.86	382.86	1,019.79	382.86	382.86	382.86		\$3,319.65
6072 Property	890.28	890.28	568.28	884.26	890.28	890.26	890.28		\$5,903.92
6073 Workers' Compensation	166.36	166.36	163.66	9.56	166.36	163.66	327.32		\$1,163.28
Total 6070 Insurance	1,442.20	1,439.50	1,114.80	1,913.61	1,439.50	1,436.78	1,600.46		\$10,386.85
6080 Internet & Telephone	93.14	93.14	93.99	93.99	93.99	93.99	93.99		\$656.23
6090 License & Permits	20.00			38.88	0.00	0.00	0.00	20.00	\$78.88
6110 Meetings	10.60	71.24	118.87	0.00	0.00	11.21	31.80		\$243.72
6130 Merchant Processing Fees					23.14	5.83	10.28		\$39.25
6140 Office Costs									\$0.00
6141 Office Maintenance	17.85	15.39	13.28	13.28	13.28	13.28	13.28		\$99.64
6142 Office Supplies	167.38	84.95	82.18	68.90	81.71	67.57	36.43		\$589.12
6143 Copier Lease	48.33	48.33	48.33	48.33	52.16	44.50	52.16		\$342.14
Total 6140 Office Costs	233.56	148.67	143.79	130.51	147.15	125.35	101.87		\$1,030.90
6150 Parking Expenses	51.44	102.87	51.44	51.44	51.44	51.44	2.43		\$362.50
6200 Payroll Expenses									\$0.00
6201 Benefits	1,523.42	761.71	304.68	761.71	761.71	761.71	761.71		\$5,636.65
6202 Cell Phone Stipend	89.61	55.38	51.01	101.56	101.56	152.34	32.32	16.16	\$599.94
6204 P/R Services	75.00	86.67	59.17	51.67	86.67	46.67	81.67	105.00	\$592.52
6205 P/R Taxes	1,172.82	713.55	685.54	742.79	734.53	1,100.23	818.19	405.09	\$6,372.74
6206 Retirement	97.50	51.90	47.29	175.16	175.16	262.74	175.16	87.58	\$1,072.49
6207 Wages	14,171.04	9,031.42	8,839.60	9,476.66	9,407.11	14,109.64	9,427.11	4,667.78	\$79,130.36
Total 6200 Payroll Expenses	17,129.39	10,700.63	9,987.29	11,309.55	11,266.74	16,433.33	11,296.16	5,281.61	\$93,404.70
6300 Postage & Shipping	5.67	21.06	5.67	12.15	19.69	19.10	11.61		\$94.95
6320 Professional Services			750.00						\$750.00
6321 Accounting & Bookkeeping	531.67	605.00	495.00	421.67	586.67	568.34	641.67	671.67	\$4,521.69
6322 Legal Fees		301.50	1,239.75						\$1,541.25
6323 Technology	81.00	81.00	81.00	81.00	68.31	81.00	165.24		\$638.55
Total 6320 Professional Services	612.67	987.50	2,565.75	502.67	654.98	649.34	806.91	671.67	\$7,451.49
6330 Property Taxes				8,673.60					\$8,673.60
6340 Rent & Lease	1,306.65	1,306.65	1,306.65	1,306.65	1,306.65	1,306.65	1,306.65		\$9,146.55
6350 Repairs & Maintenance	741.00						279.45		\$1,020.45
6400 Special Project Expenses									\$0.00
6406 Grant Expenditures				1,570.00			900.00		\$2,470.00
6407 Property Management		89.90							\$89.90
Total 6400 Special Project Expenses		89.90		1,570.00			900.00		\$2,559.90
6500 Sponsorships & Donations				675.00	0.00				\$675.00
6520 Training & Development		20.25	67.50			40.50			\$128.25
6530 Travel (not meals)					36.05				\$36.05
6540 Uniforms						21.60	0.00		\$21.60
6550 Utilities	2,011.25	2,287.37	1,839.93	1,609.67	1,944.03	1,771.04	1,813.50		\$13,276.79
Total Expenses	\$24,060.92	\$19,502.09	\$17,421.65	\$29,398.32	\$17,503.75	\$22,303.16	\$18,514.06	\$5,973.28	\$154,677.23
NET OPERATING INCOME	\$ -19,060.92	\$32,071.41	\$10,965.10	\$458.43	\$10,783.00	\$6,883.59	\$9,772.69	\$ -973.28	\$50,900.02
Other Income									
7000 Other Income				29,392.90	27,559.67				\$56,952.57
7100 Interest Earned	1.92	1.46	1.31	0.79	0.89	0.85	0.60		\$7.82
Total Other Income	\$1.92	\$1.46	\$1.31	\$29,393.69	\$27,560.56	\$0.85	\$0.60	\$0.00	\$56,960.39
NET OTHER INCOME	\$1.92	\$1.46	\$1.31	\$29,393.69	\$27,560.56	\$0.85	\$0.60	\$0.00	\$56,960.39
NET INCOME	\$ -19,059.00	\$32,072.87	\$10,966.41	\$29,852.12	\$38,343.56	\$6,884.44	\$9,773.29	\$ -973.28	\$107,860.41

	FY21	FY22	FY23	FY24	FY25	FY26	FY27
Beginning Cash Balance	2,985,556	1,344,865	1,551,201	1,297,958	1,782,089	2,733,253	3,893,019
Estimated Revenue	2,776,000						
Operating Expenditures							
Debt Service	949,201	1,087,719	1,093,586	1,096,031	1,101,699	1,104,218	1,100,080
DBP Operating Agreement	279,441	279,441	287,824	296,459	305,353	314,513	323,949
Cost Allocation	48,567	50,024	51,525	53,070	54,663	56,302	57,992
Downtown Cooperative Safety	41,200	41,200	41,200	41,200	41,200	41,200	41,200
Transfer to Parking	147,000	100,000	100,000	100,000	100,000	100,000	100,000
Total Oper EXP	1,465,409	1,558,384	1,574,135	1,586,760	1,602,914	1,616,234	1,623,220
Prior Year Development Incentives Approved							
Wendy's Building/124 Group LLC	233,333						
Arthouse Cinema Phase II	350,000						
ABT	1,500,000	750,000	1,000,000	250,000			
BSEDA Line of Credit	409,499	-	-				
Wise Wonders/704 Properties LLC	100,000						
CPTED	17,249						
Lou Taubert/123 N Broadway LLC	196,771						
Clocktower Inn LLC	116,000						
Billings Symphony		181,340					
Stone Building			221,922	221,922	221,922		
Burger Dive			233,186	233,186			
Kibler & Kirch		79,940					
Sign Program	28,430						
Total Approved Incentives	2,951,282	1,011,280	1,455,108	705,108	221,922	-	-
Estimated Available Cash For Projects	1,344,865	1,551,201	1,297,958	1,782,089	2,733,253	3,893,019	5,045,799
Revenue Growth Estimate	0.0%						