

<p><b>At Large Members</b></p> <p>James “Andy” Patten, 6/30/2025</p> <p>David Fishbaugh, 6/30/2025</p> <p>Mary Walks Over Ice, 6/30/2025</p> <p>Meri McGlone, 6/30/2024</p> <p>Steve Tostenrud, 6/30/2024</p> <p>Steve Wahrlich, 6/30/2024</p> <p>Chris Montague, 6/30/2023</p> <p>Ethan Kanning, 6/30/2023</p> <p>Sean Lynch, 6/30/2023</p>	<p><b>downtown</b> <i>Billings</i></p> <p><b>Partnership</b></p> <p>Sean Lynch, President</p> <p>Jock West, Vice-President</p> <p>Steve Tostenrud, Treasurer</p> <p>Dave Fishbaugh, Secretary</p>	<p><b>Partners</b></p> <p><b>City of Billings:</b> Chris Kukulski, Wyeth Friday, Andy Zoeller</p> <p><b>Yellowstone County:</b> VACANT</p> <p><b>School District 2:</b> Janna Hafer</p> <p><b>Big Sky EDA:</b> Steve Arveschoug</p> <p><b>Downtown Billings Association:</b> Matt Blakeslee, Braondon Scala, Katy Easton</p> <p><b>Business Improvement District:</b> Blake Wahrlich, Katy Easton, James Chandler</p> <p><b>Billings Cultural Partners:</b> Matt Blakeslee, Katy Easton</p> <p><b>Parking Advisory Board:</b> Brandon Scala</p> <p><b>Downtown Billings Property Owners Association:</b> Jock West, Janna Hafer</p>
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## DBP Board Agenda - May 26, 2023

### Billings Community Foundation - 404 N 30th St

#### Regular Business Meeting - 7:30 - 9:00 a.m.

- 1) Call to Order – Introductions, Courtesies, and Public Comments (3 min. limit)
- 2) Regular Agenda:
  - a. Minutes – March 24, 2023 meeting minutes - vote to approve minutes
  - b. Minutes - April 28, 2023 meeting minutes - vote to approve minutes
- 3) Presentation:
  - a. Katy - 102 N 29th Street Proposal
  - b. City of Billings & DOWL - 2-Way Project
- 4) Staff Updates
- 5) Old Business/New Business
- 6) Partner Reports
 

<ol style="list-style-type: none"> <li>a. Big Sky Economic Development</li> <li>c. Billings Parking Board</li> <li>e. City of Billings</li> <li>g. Downtown Billings Property Owners Association</li> <li>i. Yellowstone County</li> </ol>	<ol style="list-style-type: none"> <li>b. Billings Cultural Partners</li> <li>d. Business Improvement District</li> <li>f. Downtown Billings Association</li> <li>h. School District #2</li> </ol>
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- 8) Adjourn by 9:00 a.m.

<b>Present:</b> Andy Patten	Katy Easton	Dave Fishbaugh	Matt Blakeslee
Brandon Scala	Steve Arveschoug	Sean Lynch (Zoom)	Chris Kukulski
Steve Tostenrud	Meri McGlone	Chris Montague	Mehmet Casey
Janna Hafer	Ethan Kanning	Jenny Milu	Blake Wahrlich
Mary Walks Over Ice	Councilman Tom Rupsis	Steve Wahrlich	Jock West
James Chandler	<b>Absent:</b>		

**1. Call to Order** –Mr. Lynch called the meeting to order at 7:37 AM.

**2. Regular Agenda:**

- a. Minutes – February 24, 2023 meeting minutes** – A motion was made by Mr. Tostenrud to approve the minutes from the February 24, 2023 Meeting Minutes, his motion was seconded by Mr. Scala, all were in favor, none were opposed.

**3. Presentations:**

- a. Griffin Development - Old Town Flats** – Mr. Griffin provided an update on his Old Town Flats Project; he shared various ideas that have been suggested by City Council, neighboring properties and City staff that he is working on implementing. Mr. Griffin highlighted several of the new attributes to this project including an area for children, exterior lighting, security systems, amenities for dogs, and EV charging stations. He shared the structure has not changed and the number of units has not changed, however the amenities and exterior of the building are what have changed.

Mr. Griffin updated the Board that they are now four million over budget, which is a disappointment and isn't something he has experienced in his career and he believes he's experiencing this due to the pandemic and economic challenges our country is facing. The increase in the budget is not indicative of the addition of the amenities but simply the cost of construction and rising interest rates. Mr. Griffin informed the board of the three items (interest rates, construction costs, and cost of land) that could shut this project down. He asked for the Board to consider his request to increase his original TIF award. The Board discussed financing efforts that Griffin Development has pursued or could consider, he shared that recently he has had to back out of other projects and sell other

properties to help finance this project. Mr. Griffin departed and the Board dove into discussion.

Mr. Warhlich proposed an extended repayment of the TIF funds over a longer period of time if the award amount increase is approved. The Board discussed rent rates, the different phases of the Old Town Flats Project, the benefit of preserving the historic component of this building and the unpredictable costs of new construction in a downtown environment.

The Board also discussed the couple of legislative pieces that are currently being discussed at the state. Mr. Arveschoug asked about the efforts being made to oppose anti-TIF bills. Mr. Casey shared that he's reached out to opponents of those bills and they have reached out to their representatives as well as the Local Government Committee. The Board was in agreement that if they approve this, it will still need to go to Council and to identify the next open window to be placed on the agenda.

**4. Staff Updates** - No discussion was had.

- a. Budgets – Mr. Casey provided an overview of the proposed FY24 budget as approved by the Board. Mr. Casey also provided an update to the Board regarding what we've learned about the history of the Quiet Zone line item.

**5. Action Items**

- a. **Old Town Flats TIF Award modification request** – The board discussed comparable units within the community, the need for workforce housing and the continued housing need within the downtown neighborhood. The Board inquired about City Councils' view on this, and it was suggested that requests of this nature might need to be taken on a case-by-case basis. The Board wanted to make sure this does not set a precedent among other former recipients. There was consensus that this project is different given that there has not been new construction in the downtown area for decades so it's that much harder to have 100% predictability and that the hope here is that this will set the tone for future potential applicants to follow suit of compatible larger developments. Mr. Casey reviewed the original amount that was requested and approved for the Old Town Flats Project, which was \$1,693,050. He reviewed the increased amount that is being requested to be awarded, which is \$614,268, making the total grant \$2,307,318. Mr. Warhlich made a motion to increase the award by \$614,268 and that the reimbursement would be paid out over 6 years (instead of the original 5-year payout period). This keeps the ratio like the original ask, which is 7:1 private to public. Mr. Scala seconded the motion. A question was asked whether a new development agreement will need to be signed or if an addendum is

sufficient? Mr. Casey promised that he'll take that to the expertise of the legal staff. All were in favor, none were opposed.

- b. Development Agreement language about aesthetics** - Mr. Casey presented some history on examples of former projects who presented one design when seeking TIF but implemented another design when the project was completed. Mr. Casey is seeking input from the Board if they'd like to tighten the language of the Development Agreement (DA) in regards to how it handles exterior aesthetics. The current DA language requires documentation but otherwise provides flexibility in making changes if needed. Understanding that circumstances may force some changes (e.g. how the pandemic shifted priorities), Mr. Lynch has heard from Council members, Board, and Committee members regarding some of those changes. Perhaps at least, a developer should come back to the Board and/or Council if a change is being considered/made. For the interest of time, the Board requested to review this at the next Board meeting to take a deeper dive into the language, nature of projects, flexibility of the architectural world, and other deciding factors.
  - c. Resolution 22-11092 adoption** – Mr. Casey shared with the Board an update to Resolution 22-11092 adoption and the policies and procedures in how to handle the remote nature of attending a board meeting and it's been advised that this be adopted into the by-laws. Mr. Kukulski provided further clarification on actual notice and observation of the public into public meetings of Council, Boards, and Commissions. Mr. Patten made a motion to adopt Resolution 22-11092 which was seconded by Mr. Tostenrud, no further discussion, all were in favor, none were opposed.
6. Old Business/New Business – N/A
7. Partner Reports
- a. Big Sky Economic Development
  - b. Billings Cultural Partners
  - c. Billings Parking Board
  - d. Business Improvement District
  - e. City of Billings
  - f. Downtown Billings Association
  - g. Downtown Billings Property Owners Association
  - h. School District #2
  - i. Yellowstone County
8. Mr. Lynch Adjourned the meeting at 9:02 AM.

<b>Present:</b>	Steve Wahrlich	Dave Fishbaugh	Mehmet Casey
Mary Walks Over Ice	Chris Montague	Ethan Kanning	Meri McGlone
Wyeth Friday	James Chandler	Ben Sather (Guest)	Jenny Milu
Michelle Harkins (Guest)	Randy Hafer (Guest)		
<b>Absent:</b>	Andy Patten	Brandon Scala	Blake Wahrlich
Steve Arveschoug	Councilman Tom Rupsis	Sean Lynch	Matt Blakeslee
Janna Hafer	Katy Easton	Jock West	Steve Tostenrud
County Commissioner			

1. **Call to Order – Introductions, Courtesies, and Public Comments** – Mr. Fishbaugh called the meeting to order at 7:39AM - A round of introductions commenced for the interest of the guests in attendance.

2. **Regular Agenda:**

a. Minutes – March 24, 2023, meeting minutes – N/A unable to vote due to lack of quorum.

3. **Presentation:**

a. Randy Hafer (OBHB & Burger Dive updates) - Randy Hafer – Mr. Hafer provided an update on two projects, the Burger Dive and The Old Billings Hardware (OBHB) projects. Mr. Hafer provided explanations to the board regarding both projects. He shared how the COVID global pandemic affected the progress on, he shared that The Burger Dive had to update their financing and expect to be back on track in the next 30 to 45 days with the OBHB to be just behind it. Mr. Hafer shared that the OBHB has seen effects with labor and price increases in materials and shared innovative approaches of how they have been able to work through these challenges. Mr. Casey provided the board with an explanation of the timeline where the projects are within the agreement deadlines that have been taken to and approved by City Council.

Mr. Haferd shared that they have completed the design development for (OBHB); they have submitted part two of their historic tax credit as well as will start going through the financing process again. He provided the board with an update on units within the building as well as future tenants with signed letters of intent. Mr. Hafer hopes to be under construction this summer and believes it should be about a 12-month project.

Discussion was had regarding the effects of the payouts and if they are to be delayed or paid on time.

#### 4. Staff Updates

- a. - Mr. Casey covered the various legislative items that have kept himself and other colleagues occupied and provided an update on various bills which were tabled or failed to advance. Mr. Wahrlich believes that there needs to be an effort to start educating legislators to have a small group to meet with them quarterly. Mr. Wahrlich believes that this is something that has never been done but needs to happen and that a different proactive approach needs to be taken. Discussion was had amongst the board regarding efforts that are being planned among all three TIF Districts to meet with legislators as well as the local and surrounding community. Discussion was had amongst the board regarding the importance of educating the legislators about TIF and the impact that small business owners have regarding this topic.

Mr. Casey shared that last week in conjunction with The Chamber, the DBA helped host a group from Longview, TX, and provided the board with an update on various conversations and reviewed the time and agenda with the representatives from Longview.

Mr. Casey shared that he and Ms. Easton will be at City Council on Monday for budgets and the following Monday he will be at City Council for the Griffin updated request. Mr. Casey invited the board to attend if they are available and wish to do so. He also shared within the packet, there is an invitation for the 1st Ave N MDT project as well as an FYI letter that went out from the City to 700+ properties to provide an update on the two-way project.

#### 5. Action Items

- a. **1st Ave N MDT Project** - Mr. Casey shared that he has been meeting with Sanderson Stewart and he shared that this project is going to be a face lift from wall to wall from the Metra to Division. Ms. Harkins shared it's not anticipated to start until 2027, but a decision needs to be made by June. Mr. Casey asked the board if they are willing to increase the cost of the lighting to be decorative lighting as opposed to the standard MDT lighting, he believes the increased cost to be around \$200k (rounded up and inflation inclusive) and mentioned that MDT will be picking up the cost of the actual light bill as a utility because there will be one lighting district, but the request is for the physical structure to be paid out by TIF. Mr. Casey shared that this is going to be a long-term project and he believes it's probably a good idea to equip them with the necessary attachments to prepare them for the long-term future. There was a brief discussion regarding financing the increased costs of the added improvements, which according to one quote, would be around \$79K for 94 lights between N 22nd St & Division along 1st Ave N. Discussion ensued regarding specific changes that will be made as well as financing the project. Majority was in favor for funding the price difference for this is a good opportunity to be proactive

and cost effective. Mr. Casey said he would conduct this vote electronically due to the lack of quorum at the meeting.

- b. **DA Language** – Mr. Casey provided a review on a previous development agreement, at 123 N Broadway, he shared that this generated a lot of discussion amongst City Council. He also reviewed the Montana Rescue Mission project and Lincoln apartments, specifically regarding the projects that have not met the standard of what was approved. Mr. Casey shared with the board the language that is currently in the development agreement and asked the board if changes need to be made and if so, what are those changes? The board discussed how it is a problem that developers aren't coming back to the board for approval of changes and how this is something that needs to happen. Discussion continued regarding the various eligible parts of projects that are approved (e.g. exterior, HVAC, foundation, etc....) Discussion further went on regarding if the aesthetics are important to decision making, if it's necessary to require a developer to apply separately for a façade grant to control the outcome of the looks.

The discussion also included how reimbursement is to then be provided when changes are made without approval or when significant changes of use of the building are made. It was determined that a second review or claw back is likely in need to be put in place. A tiered approval system was suggested with a more enforceable structure where there is a level of accountability. Mr. Wahrlich believes that there is a need to tighten up the development agreement language. Mr. Friday shared that if there are going to be modifications to the TIF district language, this will need to be updated for all three districts. Mr. Sather contributed with input that he believes it is possible to add language to the DA to require an applicant to return to the board with an update and/or restrict the reimbursement of the facade components if the final product is unsatisfactory. The language can also be as aggressive as forfeiture of the entire grant. Mr. Casey and Mr. Sather will get to work to review the DA and touch base with the City's legal department as well.

6. Old Business/New Business – N/A

7. Partner Reports

- a. City of Billings - Mr. Friday shared that the Council Budget process is well underway and these will be reviewed in May. He also shared that the Council Budget committee has also been meeting to review the budgets prior to the City Council meetings. He shared that the schedule of budget reviews is out. Mr. Friday reviewed different bills that will be going through. He shared that the new City Hall project is moving forward and work is happening and there will be action by Council at the May 8<sup>th</sup> meeting. Mr. Casey shared that the four city assets have been listed and are public.

8. The meeting was adjourned at 9:00 AM.

# Downtown Billings Partnership

## Profit and Loss by Month

July 1, 2022 - May 17, 2023

	Jul 2022	Aug 2022	Sep 2022	Oct 2022	Nov 2022	Dec 2022	Jan 2023	Feb 2023	Mar 2023	Apr 2023	May 1-17,	Total
<b>Income</b>												
4400 Service Fee from City	23,286.75	23,286.75	23,286.75	23,286.75	23,286.75	23,286.75	23,286.75	23,286.75	23,286.75			209,580.75
4410 Property Management	6,500.00	6,500.00	13,000.00		6,500.00	6,500.00	6,500.00	6,500.00	6,500.00	6,500.00	6,500.00	71,500.00
4430 Grant Revenues				1,942.75		3,519.50	9,620.00		3,000.00	3,000.00		21,082.25
<b>Total Income</b>	<b>\$ 29,786.75</b>	<b>\$ 29,786.75</b>	<b>\$ 36,286.75</b>	<b>\$ 25,229.50</b>	<b>\$ 29,786.75</b>	<b>\$ 33,306.25</b>	<b>\$ 39,406.75</b>	<b>\$ 29,786.75</b>	<b>\$ 32,786.75</b>	<b>\$ 9,500.00</b>	<b>\$ 6,500.00</b>	<b>\$ 302,163.00</b>
<b>Gross Profit</b>	<b>\$ 29,786.75</b>	<b>\$ 29,786.75</b>	<b>\$ 36,286.75</b>	<b>\$ 25,229.50</b>	<b>\$ 29,786.75</b>	<b>\$ 33,306.25</b>	<b>\$ 39,406.75</b>	<b>\$ 29,786.75</b>	<b>\$ 32,786.75</b>	<b>\$ 9,500.00</b>	<b>\$ 6,500.00</b>	<b>\$ 302,163.00</b>
<b>Expenses</b>												
6040 Dues & Memberships	5.70	280.70	35.70	5.70	5.70	5.70	255.70	5.70		1.40		602.00
6065 Gifts				46.90								46.90
6070 Insurance												0.00
6072 Property	1,009.68	1,009.68	1,009.68	1,009.68	1,009.68	1,009.68	1,009.68	1,009.67	1,009.67	1,009.66		10,096.76
<b>Total 6070 Insurance</b>	<b>\$ 1,009.68</b>	<b>\$ 1,009.68</b>	<b>\$ 1,009.68</b>	<b>\$ 1,009.68</b>	<b>\$ 1,009.68</b>	<b>\$ 1,009.68</b>	<b>\$ 1,009.68</b>	<b>\$ 1,009.67</b>	<b>\$ 1,009.67</b>	<b>\$ 1,009.66</b>	<b>\$ 0.00</b>	<b>\$ 10,096.76</b>
6090 License & Permits									20.00			20.00
6110 Meetings	200.25	10.75	69.00	11.25	25.70		95.95	248.07			19.80	680.77
6140 Office Costs												0.00
6142 Office Supplies		12.00	91.42					71.01	99.99			274.42
<b>Total 6140 Office Costs</b>	<b>\$ 0.00</b>	<b>\$ 12.00</b>	<b>\$ 91.42</b>	<b>\$ 0.00</b>	<b>\$ 0.00</b>	<b>\$ 0.00</b>	<b>\$ 0.00</b>	<b>\$ 71.01</b>	<b>\$ 99.99</b>	<b>\$ 0.00</b>	<b>\$ 0.00</b>	<b>\$ 274.42</b>
6150 Parking Expenses							7.20	2.69				9.89
6200 Payroll Expenses												0.00
6202 Cell Phone Stipend	48.48	32.32	32.32	32.32	32.32	48.48	32.32	32.32	32.32	32.32		355.52
6204 P/R Services	53.34	108.34	103.33	54.00	95.00	115.00	57.00	158.00	56.00	70.75		870.76
6205 P/R Taxes	1,368.61	912.37	885.12	879.32	879.31	1,316.18	953.67	953.66	883.69	883.68		9,915.61
6206 Retirement	526.20	354.20	354.20	354.20	354.20	531.30	354.20	354.20	354.20	354.20		3,891.10
6207 Wages	16,637.12	11,253.66	11,253.66	11,253.66	11,253.66	16,880.49	11,253.66	11,253.66	11,253.66	11,253.66		123,546.89
<b>Total 6200 Payroll Expenses</b>	<b>\$ 18,633.75</b>	<b>\$ 12,660.89</b>	<b>\$ 12,628.63</b>	<b>\$ 12,573.50</b>	<b>\$ 12,614.49</b>	<b>\$ 18,891.45</b>	<b>\$ 12,650.85</b>	<b>\$ 12,751.84</b>	<b>\$ 12,579.87</b>	<b>\$ 12,594.61</b>	<b>\$ 0.00</b>	<b>\$ 138,579.88</b>
6300 Postage & Shipping						17.99	17.99	67.99	72.94	17.99	17.99	212.89
6320 Professional Services												0.00
6321 Accounting & Bookkeeping	747.50	520.00	541.66	476.00	693.00	766.00	689.00	560.00	676.00	653.00		6,322.16
<b>Total 6320 Professional Services</b>	<b>\$ 747.50</b>	<b>\$ 520.00</b>	<b>\$ 541.66</b>	<b>\$ 476.00</b>	<b>\$ 693.00</b>	<b>\$ 766.00</b>	<b>\$ 689.00</b>	<b>\$ 560.00</b>	<b>\$ 676.00</b>	<b>\$ 653.00</b>	<b>\$ 0.00</b>	<b>\$ 6,322.16</b>
6330 Property Taxes					8,431.01						8,431.00	16,862.01
6350 Repairs & Maintenance	9,781.00	250.00	180.00						183.00			10,394.00
6400 Special Project Expenses				996.00								996.00
6406 Grant Expenditures				1,942.75		2,523.50	2,378.00	6,000.00	4,242.00			17,086.25
6407 Property Management	130.00	201.74						291.15	273.78	431.48		1,328.15
<b>Total 6400 Special Project Expenses</b>	<b>\$ 130.00</b>	<b>\$ 201.74</b>	<b>\$ 0.00</b>	<b>\$ 2,938.75</b>	<b>\$ 0.00</b>	<b>\$ 2,523.50</b>	<b>\$ 2,378.00</b>	<b>\$ 6,291.15</b>	<b>\$ 4,515.78</b>	<b>\$ 431.48</b>	<b>\$ 0.00</b>	<b>\$ 19,410.40</b>
6520 Training & Development		7,500.00								490.00		7,990.00
6550 Utilities	1,983.32	1,949.17	1,927.12	1,782.28	2,467.84	2,976.44	3,320.08	3,055.38	2,855.53	654.14		22,971.30
<b>Total Expenses</b>	<b>\$ 32,491.20</b>	<b>\$ 24,394.93</b>	<b>\$ 16,483.21</b>	<b>\$ 18,844.06</b>	<b>\$ 25,247.42</b>	<b>\$ 26,190.76</b>	<b>\$ 20,424.45</b>	<b>\$ 24,063.50</b>	<b>\$ 22,012.78</b>	<b>\$ 15,852.28</b>	<b>\$ 8,468.79</b>	<b>\$ 234,473.38</b>
<b>Net Operating Income</b>	<b>-\$ 2,704.45</b>	<b>\$ 5,391.82</b>	<b>\$ 19,803.54</b>	<b>\$ 6,385.44</b>	<b>\$ 4,539.33</b>	<b>\$ 7,115.49</b>	<b>\$ 18,982.30</b>	<b>\$ 5,723.25</b>	<b>\$ 10,773.97</b>	<b>-\$ 6,352.28</b>	<b>-\$ 1,968.79</b>	<b>\$ 67,689.62</b>
<b>Net Income</b>	<b>-\$ 2,704.45</b>	<b>\$ 5,391.82</b>	<b>\$ 19,803.54</b>	<b>\$ 6,385.44</b>	<b>\$ 4,539.33</b>	<b>\$ 7,115.49</b>	<b>\$ 18,982.30</b>	<b>\$ 5,723.25</b>	<b>\$ 10,773.97</b>	<b>-\$ 6,352.28</b>	<b>-\$ 1,968.79</b>	<b>\$ 67,689.62</b>



