

<p><b>At Large Members</b></p> <p>Meri McGlone, 6/30/2024</p> <p>Steve Tostenrud, 6/30/2024</p> <p>Steve Wahrlich, 6/30/2024</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>Chris Montague, 6/30/2026</p> <p>Ethan Kanning, 6/30/2026</p> <p>Sean Lynch, 6/30/2026</p>	<p><b>downtown</b> <i>Billings</i></p> <p><b>Partnership</b></p> <p>Sean Lynch, President</p> <p>Ethan Kanning, Vice-Pres.</p> <p>Meri McGlone, Treasurer</p> <p>Mary Walks Over Ice, 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> Erika Guy</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>
--	---	--

## DBP Board Agenda - November 17, 2023

### Big Sky Economic Development - Builder Space - 201 N Broadway

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 – October 27, 2023 meeting minutes - vote to approve minutes
- 4) Action Items
  - a. TIF assistance reimbursement update - Rockman Project
  - b. TIF assistance request - Rajon Properties Facade grant
- 5) Staff updates/discussion
- 6) Old Business
- 7) New Business
- 8) 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>
--	--
- 7) Adjourn by 9:00 a.m.

**October DBP Board Meeting - 12/15/2023**

<b>Present:</b>	Brandon Scala	Andy Zoeller	Katy Easton
Steve Arveschong	Steve Wahrlich	David Fishbaugh	Tom Rupsis
Ethan Kanning	Janna Hafer	Chris Kukulski	Andy- James Patten
Chris Montague	Blake Wahrlich	Meri McGlone	James Chandler
Mehmet Casey	Megan Zimmerman	Mary Walks Over Ice	Erika Guy
<b>Absent:</b>	Sean Lynch	Steve Tostenrud	Jock West
Matt Blakeslee	Wyeth Friday (via Zoom)	<b>Guest:</b> Bill Honaker	<b>Guest:</b> Marsha Honaker
<b>Guest:</b> Danny Kramer	<b>Gust:</b> Lucy Kramer		

**1. Call to Order – Introductions, Courtesies, and Public Comments:**

Mr. Kanning called the meeting to order at 7:32 am, a round of introductions took place.

**2. Regular Agenda:**

- a. Minutes – Mr. Fishbaugh made a motion to approve the September 22, 2023, meeting minutes, his motion was seconded by Mr. Wahrlich (Sr.), all were in favor, none were opposed.

**3. Presentation:**

- a. Rockman Project - Bill Honaker

Mr. Honaker provided an overview of the Rockman Project to the board in three phases. Phase 1 - Mr. Honaker discussed the construction of the hotel, presented designs from A&E and asked the board for a TIF commitment of up to five million - considering fluctuation of the economy. Mr. Honaker’s six to seven floor hotel is anticipated to have 120 to 140 rooms, a rooftop patio bar/lounge with an expected overall cost to be projected around \$42 million dollars. Mr. Honaker’s TIF ask of up to five million equals out to be about 12% of the total cost, Mr. Honaker believes he is under the traditional amount of TIF ask given the size of his project. Due to the new census data, New Market Tax Credits are not eligible for this project, which makes the TIF contribution that much more critical to the success of this project. Mr. Honaker shared that this would be the first hotel built in the CBD in 45 years. The Hotel is expected to bring a 10 million-dollar-draw into the downtown economy, create at least 80 jobs for employees in the hotel, in addition to the employment hours generated from the construction of the building and influence on local development.

Phase 2 - Parking for hotel users and others would be available in Park 3, which is what is adjacent to the current City Hall building. That is part of the proposal Mr. Honaker has

presented to the city in pursuit to acquire the city-owned assets. There's still due diligence to be done on the structure and parking is integral to the project.

Phase 3 - City Hall would be repurposed for another use whether another office tenant or some other use. That portion may get developed by Mr. Honaker as well or another entity depending on the findings of the due diligence process as well as availability of economic tools to help fund it and the endeavor of landing tenants. The hope and the plan is not to let it sit vacant for a while but that will depend on several factors including the city's relocation schedule, rehabbing the building/securing tenants, securing funding, etc. It will however contribute to the tax base and increment by simply changing ownership from public to private. Any further enhancements will contribute more.

Mr. Arveschoug asked questions about the timeline of the Rockman project, the need for housing in our community, specifically workforce housing. Mr. Honaker stated that if everything goes according to the plan, the hotel should be open for business in mid 2026. Further discussion explored Mr. Honaker's ability to finance the project. Mr. Patten inquired about the acquisition process of the city-owned assets and Mr. Honaker provided context regarding a development agreement that is slated to go before city council on December 11th. Ms. Easton added that with TIF development agreements, applicants are given 180 business days to execute after City Council approval is acquired. Mr. Wahrlich (Sr.) acknowledged the complementary benefits of attracting a hotel, which attracts more visitors downtown, which also contributes to local businesses where guests tend to eat and shop while downtown residents may choose to cook at home. The Board also discussed the future arrival of a mixed-use project with housing on the Yesteryears building, which should help add more units to the downtown inventory of housing. The hotel also provides "eyes on the street" in a nontraditional way where guests of the hotel tend to be ages 28-55 staying 2-3 nights, so the hotel will have 24/7 eyes from visitors and employees. The Board thanked Mr. Honaker & Mrs. Honaker and they departed the meeting.

#### **4. Action Items:**

##### **a. TIF Request - Rockman Project**

Mr. Montague made a motion to approve the agreement of allocating up to and no more than \$5 million in TIF Funds, Mr. Arveschong seconded. Mr. Rupsis asked if there are any current structures that bring in similar numbers in taxable value. The Northern Hotel and DoubleTree are both larger structures but are existing buildings prior to today's market of construction costs and interest rates. Further discussion ensued regarding the TIF's ability to support this project as well as the payout period. Mr. Kanning stated that this will be new construction in the downtown area that happens to be a vertical development after purchasing a property through fair market rate price, which also happens to be publicly owned. While there would be a significant add to the increment of the district, finding out exactly the return on investment will be a challenge. Mr. Casey promised to follow up similar structures in our downtown area, connect with the Department of Revenue, and with City staff on the presentation of these numbers. The Board suggested looking at Mr. Casey's findings in the November meeting in case it changes the Board's opinion on the disbursements of the TIF reimbursements.

Mr. Kanning reminded the Board of the motion and second, all were in favor, none opposed.

- b. Ms. Easton provided an update to the Board regarding the relocation of the Yesteryears Antique Mall and the improvements taking place in the Hart Albin building. Ms. Easton reminded the Board that it was not ready to vote in the October meeting because the Board wanted to see contributions from the landlord and tenant. The Board's packet had tables showing upwards of \$181,000 investment from the property owner and upwards of \$103,000 investment from the tenant. In addition, DBP Committee & staff is recommending TIF assistance up to \$152,500 to assist in the relocation of a business, due to the future development of their current site. Mr. Patten motioned to approve TIF allocations to relocate the Yesteryears Antiques Mall, Mr. Scala seconded the motion, all were in favor, none opposed.

**6. Old Business:**

- a. Mr. Casey reminded the Board that he updated them on this via email but that the short version is to move forward on the concept of decorative luminaires along 1st Ave N but that ultimately, this project will take partnerships between MDT, City of Billings, DBP, and BIRD. Costs may change between now and their tentative date of start of construction (2027-ish). That the source of funding may change as we continue to move forward and that the City of Billings is in talks with MDT regarding the possibility of changing 1st Ave N and Montana Ave into two-ways. Nothing is discussed or finalized yet regarding the direction of traffic. No yes answers but no answers either. It's the preliminary conversation for now between the two entities.

**7. Partner Reports:**

- a. Mr. Kukulski reminded the Board of the upcoming election date and what questions are on the ballots. Offered to answer any questions about the ballot initiatives.

**8. Adjournment:**

Mr. Kanning adjourned the board meeting at 8:59 am.

<b><i>Rehabbed projects with TIF</i></b>			
<b>Property name</b>	<b>Property size/floors</b>	<b>TIF award</b>	<b>TIF contributions /years</b>
Securities Building	14,000 sq ft/5 floors	\$498,660	\$615,087 16 years
McDonald Building	7,000 sq ft/4 floors	\$699,000	\$100,703 5 years
BW+ ClockTower Inn	35,000 sq ft/2 floors	\$116,000	\$130,834 4 years
Northern Hotel	21,000 sq ft/10 floors	\$2,000,000	\$1,403,809 12 years
<b><i>Relatively recent new construction</i></b>			
<b>Property name</b>	<b>Property size/floors</b>	<b>TIF contributions /years</b>	
Home2Suites	63,750 sq ft/4 floors		
Stillwater Garage	28,000 sq ft/7 floors	\$201,050 5 years	
<b><i>Large projects</i></b>			
<b>Property name</b>	<b>Property size/floors</b>	<b>TIF contributions /years</b>	
DoubleTree by Hilton	42,000 sq ft/22 floors	\$2,559,881 14 years	
Wells Fargo	21,000 sq ft/14 floors	\$2,924,594 23 years	



## Action Item

*RE: Rajon Properties Facade Grant TIFD Assistance*

---

### Background:

Between September and October of 2022, DBP and City Council approved TIF assistance towards MJ Shanks LLC, a collection of condos and duplexes on the corner of North 22nd Street and 2nd Avenue North that were vacant and blighted. That project has since been completed and fully occupied. A neighbor of theirs noticed the difference of activity and inquired about what and how that was done and learned about us. Ralph Studer is the owner of Rajon Properties on 2nd Avenue North and North 23rd Street. There are two properties there: 205 North 23rd St and 2221 2nd Avenue North. All are currently occupied but Ralph is gearing up to replace all windows and paint all sidings/change sidings of the structures. Therefore, a facade application was submitted and reviewed by the TIF Development Committee. While it is not a historic building, not vacant or necessarily blighted, the Committee sees the benefit of enhancing the exterior and energy efficiency of the structures especially in that neighborhood. The hope is that more local conversations will be had, and more people will discover TIF as a tool to improve our assets as well as advocate for the tool in the future. This project ties to our public safety efforts when a property is brought up to standards rather than neglecting it and potentially causing negative activity. This project also relates to our housing needs that will maintain a few units that are affordable without necessarily hiking rents. Between the beautification efforts, energy efficiency enhancements, which contribute to keeping rents affordable and units occupied, that will increase the sense of pride, engagement, and ownership of tenants. With housing, public safety, and retail being our top priorities, the Committee also does not want to lose sight of the significance of our facades and the benefit of that element as a contributing factor to the above-mentioned priorities. Based on the Facade program that stipulates 3:1 match, certain building width and height, Rajon Properties is expecting to spend \$145,673. They're eligible for a reimbursement of up to \$36,318.25. Committee makes a recommendation to move forward.

Eligible expenses/categories	Eligibility
	MCA 7-15-4233 7-15-4288
Permits	\$2,400
Window replacement	\$84,400
Paint	\$15,000
Door replacements	\$13,270
Sidings	\$30,603
Total	\$145,673
<b>Reimburse up to \$36,318.25</b>	

**Financials:**

If approved, reimbursement is available in FY25 assuming the work is completed in FY24. City Council has final authority in approval, disapproval, or modification then approval of DBP recommendation.





Created for the following Board Meetings:

Downtown Billings B.I.D. - November 20  
Downtown Billings Association - November 22

Downtown Billings Partnership- November 17  
Community Innovations - TBD



# Downtown Billings Alliance Board of Directors Report

## CEO Report

Katy Easton, keaston@downtownbillings.com, 970-208-7020

**"There is no power for change greater than a community discovering what it cares about."  
— Margaret Wheatly**

Does Billings share a vision for the future of our community?

Are we aligned in our goals for placemaking, economic development, public safety, education, and resource cultivation?

These questions have been a frequent topic of conversation in recent weeks, both ahead of and after the recent city election. I have enjoyed meeting with Chris Kukulski, John Brewer, and Steve Arveschoug; a leadership group we refer to as Strategy Partners over the past six years in this role with the DBA. We often discuss shared goals, communicating vision to our stakeholders, and building great things in this community that we love so much. We would like to invite you to join us in a **BIG AUDACIOUS GOAL** of creating a shared vision for our community. **Please block out Tuesday, December 19, 11am-1:30PM on your calendars right away!** The Boards and staff of Big Sky EDA, the Billings Chamber, and Downtown Billings, along with City Council and City Staff will come together to create an intersection of strategic planning. The Downtown Billings Boards have been woefully underrepresented in the past at meetings like this and I respectfully request that you make every effort to attend this important discussion. I would love nothing more than to have the largest percentage of attendance made up of Downtown board members! A formal invitation will be coming your way in the next few weeks.

## Events

Lexie Mann, lexiem@downtownbillings.com, 978-979-3732

We had a great fall season full of downtown events. HarvestFest saw the largest vendor engagement with over 100 arts & crafts, food, commercial, non-profit, and activity-based vendors. It was a great day topped off with the solar eclipse! Trick-or-Treat saw thousands of kiddos and families swarm downtown with over 60 locations on the map. We are in full Holiday mode now. The theme for the holiday parade is "Home for the Holidays" and is set for Friday, November 24th and rolls at 6:30pm. We have over 70 participants this year in the parade!

## Business Improvement District

Joe Stout, joes@downtownbillings.com, 406-672-1057

- Holiday decorations are up and lighting up the streets of downtown!
- The first snow plowing excursion was a success and we are ready for the winter
- Flower baskets all came down after HarvestFest, if you noticed that we missed one - let us know asap.
- The public restroom is getting heavy use, but it's been appropriate and is seemingly working better than expected.
- The new 4-wheeler is kitted up for the winter and has been fun to use

## Communication and Outreach

Lindsay Richardson, lrichardson@downtownbillings.com, 408-674-7158

- We officially launched the #LightBike trail in early November with a special event on November 3rd where we turned over 50 people around the #LightBikeTrail.
- I'm working on a 2024 Sponsorship packet that includes event and organization sponsorship opportunities. I hope to get those asks out before the year end.
- The digital marketing campaigns for the Holiday Parking Program, Shop Local, and Downtown Billings Gift Cards are all scheduled to start.

## Partnership

Mehmet Casey, mehmetc@downtownbillings.com, 207-749-1144

- With Steve Arveschoug's help, DBP staff met with BNSF's Regional Director of Economic Development regarding the challenges we face with properties that lease land from the railroad. Ultimately, the meeting wasn't greatly productive. It gave us an inside look at their workings as an enormous corporation. We do hope and believe that we now have an open channel with him to try to treat properties on a case-by-case basis if necessary.
- DBP staff attend the Montana Downtown Conference in Great Falls. Among many things, it was encouraging to validate the work we're doing that's ahead of some of the other communities. Meanwhile, it was equally inspiring to learn about some of the other ways we can learn to implement such as combining TIF awards with tax abatement on certain eligible projects.
- DBP staff met with city staff and other TIF districts to discuss eligible projects for the next CIP cycle.
- DBP committee and board recommended a large hospitality project coming forward. Stay tuned as it gets scheduled to go before Council in the near future.
- DBP staff learned that 2923 Montana Ave and 3018 1st Ave N have been sold to new entities. Both will be an owner occupied type of activity. In talks with both as they inquire about TIF, RLF, and other existing programs.
- DBP staff is involved in various meetings that are taking place regarding the Gazette building. The Ryan family has begun demolishing the Denny's site and is in talks with a developer regarding the former Burger King and US Bank Drive Thru structures that have been already demolished.
- Though outside the downtown TIF district, the downtown Conoco gas station is fenced and looks ready for demolition/environmental cleanup.
- DBP staff continues to meet with new businesses who are moving in and continues to receive inquiries for ground level retail/kitchens, affordable housing, and small offices.

## Community Resource

Kody Christensen, kody@downtownbillings.com, 406-661-6739

The ROC is currently focusing on expanding our reach for the MAAP Program by partnering with multiple providers and maintaining a relationship with our state and local officials. We take every opportunity to meet with and educate our city council, county commissioners, and state representatives on what the MAAP Program is and how they can better assist us to meet the growing needs of the community. We have maintained a positive relationship with Yellowstone County Detention Facility and have been granted permission to utilize jail space for our clients when there is a set bed date. The ROC is also working with the Yellowstone County Continuum of Care and Substance Abuse Connect on multiple committees that are working on crisis receiving services for our Frequent Utilizers of Systems Engagement (FUSE) population. The ROC also works very closely with the Homeless Outreach Team, which is our partnership with Rimrock Foundation. The Homeless Outreach Team has served over 250 unique individuals this year in Yellowstone County. The MAAP Program has served over 45 individuals in 2023 with a success rate of 91% in a 50% or more decrease in law enforcement contact.

## Association

Great planning has taken place in the Association Board. A deep dive into the 2018 Downtown Strategic Plan, along with organizational budgets led to discussions of organizational structure and realignment of the Alliance as we know it today. The Association Board will be finessing a formal proposal to downtown membership and the BID, DBP, and CI boards that will recommend new efficiencies and a less complex structure. The willingness of the Association Board to evaluate this complicated Alliance organizational structure has been extremely valuable to the team. They have continuously rolled up their sleeves and sat through tedious discussions again and again! Thank you!!

## Upcoming Dates

- November 24 - January 1 - Free Downtown Parking
- November 24 - Holiday Parade
- December 1 - Holiday Stroll
- December 7 - Cushing Terrell - 85th Anniversary
- December 11 - TIF Presentation at City Council
- December 19 - Strategy Partner Board Event



## Downtown Billings Partnership Profit and Loss by Month July 1 - November 15, 2023

	Jul 2023	Aug 2023	Sep 2023	Oct 2023	Nov 1-15,	Total
<b>Income</b>						
4200 Sponsor Pledges-Donations			1,305.00			1,305.00
4400 Service Fee from City	25,615.42	25,615.42	25,615.42			76,846.26
4410 Property Management		6,500.00	6,500.00	6,500.00	6,500.00	26,000.00
4430 Grant Revenues				3,951.25		3,951.25
<b>Total Income</b>	<b>\$ 25,615.42</b>	<b>\$ 32,115.42</b>	<b>\$ 33,420.42</b>	<b>\$ 10,451.25</b>	<b>\$ 6,500.00</b>	<b>\$ 108,102.51</b>
<b>Gross Profit</b>	<b>\$ 25,615.42</b>	<b>\$ 32,115.42</b>	<b>\$ 33,420.42</b>	<b>\$ 10,451.25</b>	<b>\$ 6,500.00</b>	<b>\$ 108,102.51</b>
<b>Expenses</b>						
6000 Advertising & Marketing						0.00
6003 Other Advertising & Marketing	717.50					717.50
<b>Total 6000 Advertising &amp; Marketing</b>	<b>\$ 717.50</b>	<b>\$ 0.00</b>	<b>\$ 0.00</b>	<b>\$ 0.00</b>	<b>\$ 0.00</b>	<b>\$ 717.50</b>
6040 Dues & Memberships	1.40	1.40	1.40			4.20
6060 Event Costs & Supplies			168.00			168.00
6070 Insurance						0.00
6072 Property	1,119.01	1,119.01	1,119.00	1,119.00		4,476.02
<b>Total 6070 Insurance</b>	<b>\$ 1,119.01</b>	<b>\$ 1,119.01</b>	<b>\$ 1,119.00</b>	<b>\$ 1,119.00</b>	<b>\$ 0.00</b>	<b>\$ 4,476.02</b>
6110 Meetings	32.40	75.00				107.40
6140 Office Costs						0.00
6142 Office Supplies	40.00					40.00
<b>Total 6140 Office Costs</b>	<b>\$ 40.00</b>	<b>\$ 0.00</b>	<b>\$ 0.00</b>	<b>\$ 0.00</b>	<b>\$ 0.00</b>	<b>\$ 40.00</b>
6200 Payroll Expenses						0.00
6202 Cell Phone Stipend	32.32	32.32	32.32	32.32		129.28
6204 P/R Services	85.00	115.00	85.00	57.00		342.00
6205 P/R Taxes	921.16	925.95	899.19	980.81		3,727.11
6206 Retirement	371.78	371.78	371.78	371.78		1,487.12
6207 Wages	11,816.39	11,892.05	11,651.54	12,852.88		48,212.86
<b>Total 6200 Payroll Expenses</b>	<b>\$ 13,226.65</b>	<b>\$ 13,337.10</b>	<b>\$ 13,039.83</b>	<b>\$ 14,294.79</b>	<b>\$ 0.00</b>	<b>\$ 53,898.37</b>
6320 Professional Services						0.00
6321 Accounting & Bookkeeping	793.00	700.00	887.00	746.00		3,126.00
6322 Legal Fees				675.00		675.00
<b>Total 6320 Professional Services</b>	<b>\$ 793.00</b>	<b>\$ 700.00</b>	<b>\$ 887.00</b>	<b>\$ 1,421.00</b>	<b>\$ 0.00</b>	<b>\$ 3,801.00</b>
6330 Property Taxes					15,560.68	15,560.68
6350 Repairs & Maintenance	8,985.00	4,856.23		598.53		14,439.76
6400 Special Project Expenses			1,305.00			1,305.00
6550 Utilities	1,983.00	2,152.95	2,856.33	1,858.43		8,850.71
<b>Total Expenses</b>	<b>\$ 26,897.96</b>	<b>\$ 22,241.69</b>	<b>\$ 19,376.56</b>	<b>\$ 19,291.75</b>	<b>\$ 15,560.68</b>	<b>\$ 103,368.64</b>
<b>Net Operating Income</b>	<b>-\$ 1,282.54</b>	<b>\$ 9,873.73</b>	<b>\$ 14,043.86</b>	<b>-\$ 8,840.50</b>	<b>-\$ 9,060.68</b>	<b>\$ 4,733.87</b>
<b>Other Expenses</b>						
9000 Suspense		-15,742.67				-15,742.67
<b>Total Other Expenses</b>	<b>\$ 0.00</b>	<b>-\$ 15,742.67</b>	<b>\$ 0.00</b>	<b>\$ 0.00</b>	<b>\$ 0.00</b>	<b>-\$ 15,742.67</b>
<b>Net Other Income</b>	<b>\$ 0.00</b>	<b>\$ 15,742.67</b>	<b>\$ 0.00</b>	<b>\$ 0.00</b>	<b>\$ 0.00</b>	<b>\$ 15,742.67</b>
<b>Net Income</b>	<b>-\$ 1,282.54</b>	<b>\$ 25,616.40</b>	<b>\$ 14,043.86</b>	<b>-\$ 8,840.50</b>	<b>-\$ 9,060.68</b>	<b>\$ 20,476.54</b>