


<p>At Large Members</p> <p>*Meri McGlone, 6/30/2027</p> <p>*Steve Tostenrud, 6/30/2027</p> <p>*J.R. Reger, 6/30/2027</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>Downtown Billings Partnership</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>Partners</p> <p>City of Billings: Chris Kukulski</p> <p>Yellowstone County: Erika Guy</p> <p>School District 2: Janna Hafer</p> <p>Big Sky EDA: Steve Arveschoug</p> <p>Downtown Billings Association: Nick Steen</p> <p>Business Improvement District: Blake Wahrlich</p> <p>Billings Cultural Partners: Matt Blakeslee</p> <p>Parking Advisory Board: Brandon Scala</p> <p>Downtown Billings Property Owners Association: Jock West</p>
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DBP Board Agenda - October 18, 2024

Big Sky Economic Development - Zoot Event & Training Center - 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 – September 27, 2024 meeting minutes - vote to approve minutes
- 3) Presentations
 - a. Thom MacLean - Brownfields resources
- 4) Staff Updates
 - a. Management of TIF
- 5) Old Business | New Business
- 6) Partner Reports

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



Present: Ethan Kanning	Chris Kukulski	Steve Arveschoug	David Fishbaugh
Brandon Scala	Councilman Mike Boyett	Sean Lynch	Blake Wahrlich
Meri McGlone	Mehmer Casey	Katy Schreiner	Erika Guy
James Chandler	Chris Montague	Nick Steen	Jenny Milu
Matt Blakeslee	Wyeth Friday	Jock West	Mary Walks Over Ice
Absent: Janna Hafer	Steve Tostenrud	Andy Patten	JR Reger
Guests: Shaydean Saye			

1. **Call to Order** – Introductions, Courtesies, and Public Comments (3 min. limit) - Mr. Lynch called the meeting to order at 7:30 AM, Mr. Lynch asked for a round of introductions for the interest of guests. .

2. **Regular Agenda:**
 - a. **Minutes – July 26, 2024 meeting minutes - vote to approve minutes** - Mr. Scala made a motion to approve the July 26, 2024 meeting minutes, his motion was seconded by Mr. Wahrlich, all were in favor, none opposed.

3. **Staff Updates**
 - a. **Futurity Tower Update** - Ms. Schreiner provided the board with an update regarding Futurity Towers and shared that herself, Mr. Casey and Mr. Chandler met with Mr. Hafer and at this point in time, the status remains the same but Mr. Hafer is enthusiastically working on getting his financing stack together. Ms. Schreiner, informed the board that the Letter of Intent (LOI) is the only agreement that is currently in place and at this point, there are no deadlines, milestones, or formal development agreements in place and has just recently reached a year since it was sent to Mr. Hafer.

 - b. **Downtown Billings Future Home Update** - Ms. Schreiner shared the extent in which the DBA staff has started the search for a new more permanent home location for the operations of all four Downtown Billings entities. Ms. Schreiner updated the board with a series of events that lead her to consider working with Steve Widmyer, and applying for a grant with MT Mainstreet that is for residential and mixed use developments. She submitted an application and it's being reviewed on a particular site in the downtown area. Additionally, she reported that Mr. Widmyer is currently under contract on said building. Ms. Schreiner shared

one of her major concerns by pursuing this opportunity, would be leaving one vacant space for another given the current timeline with Mr. Hafer.

Board Discussion on both previous topics - The board began a discussion regarding the current commitments to Mr. Hafer with the former Yesteryear's property. Ms. Schreiner shared that the MOU with the city states that upon the sale of the building, the proceeds of the sale would go back into the TIF fund. Discussion was had regarding potentially seeking clarifications or modifications to that MOU with the city as well as obtaining clarifications on the Mr. Hafer's intent to start his project in mid 2025. Councilman Boyett thought it was strange that there was no commitment in place other than the LOI with Mr. Hafer and Ms. Schreiner noted that this discussion was brought to the board and the hope was to have Mr. Hafer responded and took further action by this point. Mr. Kanning suggested providing a new LOI with some teeth to it with the assurance that Mr. Hafer has all of the information and expectations from the DBP board regarding this commitment. Mr. Kanning shared his own experience regarding timelines within the development process.

The board continued the discussion about the scenario of, what if Mr. Hafer was unable to see this project through, what would change the second time around? Ms. Schreiner was of the opinion that a revision would be necessary due to the fact that there were no other applications for the first RFP and that a reframing or scaling would be necessary. Mr. Kanning believes there is a way to simplify the RFP and keep the integrity of the RFP. Mr. Lynch shared that regardless of the RFP process, that there needs to be hard and fast deadlines in the LOI, agreements etc...to give the person receiving it an expectation to manage the board's expectations. Mr. Scala suggested to provide a new LOI for Mr. Hafer to make a decision within 90 days, Mr. Kanning was in agreement and at the end of 90 days, he would need to submit a formal binding agreement. Another suggestion was to ask the developer for a date to provide the board with that would be realistic to obtain the building or start the construction by. Ms. Shreiner confirmed to the board that a motion was not needed but the direction was sufficient to develop a new LOI with deadlines. Mr. Casey shared that there have been some updates to the development agreement with help from the city attorney and DBP attorney making the draft as tight as possible but will be open to review in the future as well. Mr. Kanning believes given the current economy, it's important to have generous and kind timelines but also be relatively within industry standards as well.

On the topic the DBA's future home, discussion was had amongst the board regarding various funding mechanisms that Mr. Widmyer and the DBA are considering as well such as but not limited to various grant opportunities,

C-PACE and the building being located within an opportunity zone. Mr. Arveschoug was able to speak to various grant opportunities within BSED to talk about and potentially consider applying to. Discussion continued amongst the board regarding pursuing said building in partnership with a developer who wants to see Downtown Billings succeed and Ms. Schreiner believes that there are other funding opportunities for the retail incubators that she is aware of.

4. Action Items

- a. **Stone Building** - Randy Swenson - Mr. Casey reviewed the letter sent to Mr. Swenson regarding the Stone Building and noted that the deadlines were self imposed by Mr. Swenson. Mr. Casey shared with the board a letter he received from the developer asking for an extension on the deadline as they will not be able to meet the October 1, 2024 deadline. Mr. Casey reviewed the timeline from start to current position with the Stone Building. Mr. Casey asked the board for direction on how to proceed. Discussion ensued regarding the previous conversations around having hard deadlines. The question was asked, what happens if TIF funds aren't provided? Mr. Casey shared that the developer plans to halt construction and list the site for sale as is. The board discussed that they recommended this project because vacancy is seen as a version of blight but now it may become just an expensive blight. However, it's been four years and the developer still didn't have a tenant for it even if he were to complete the construction and that ultimately, this date was picked by Mr. Swenson and his contractor. A rhetorical question was posed; what would be the point of setting deadlines and expectations if the board were to ignore them and continue to offer subsequent extensions? Mr. Fishbaugh reminded the board that another project asked for the end of the year so it would have been considered but the request at the time was stated and the contractor indicated that they had to be finished by October 1st as an obligated entity to the developer/owner.

Mr. Scala moved to make a motion to deny the extension to Mr. Swenson, his motion was seconded by Mr. West. Discussion was had amongst the board and Mr. Arveschoug was of the opinion for future TIF projects to have our own due diligence done on buildings and that a construction schedule can be provided by the developer and that DBP staff and board frequently inspect the building to track progress. Mr. Kanning expressed disappointment in not receiving an in person visit from the developer in addition to the letter. Discussion continued regarding default status and the importance of the DBP's credibility of allocation of TIF funds and that developers have the responsibility to complete their end of the bargain. Mr. Blakeslee pointed out that there is strong and clear language in the extension letter that this is the last deadline. Mr. West called point of order,

the board proceeded to a vote; all were in favor of terminating the Stone building development agreement, none were opposed.

- b. Placer AI** - Mr. Casey reviewed the various Placer AI details as well as the details of an agreement sent by Placer AI, Ms. Schreiner shared that the BID Board approved this request to pursue the three year agreement and within the first year this would be split equally between all three boards and that this allocation would be reviewed for the second year. Mr. Kanning asked for a 90 second pitch on why Ms. Schreiner and Mr. Casey want this program. Ms. Schreiner shared her pitch highlighting the need to have numbers when pursuing larger, more desirable retailers for pedestrian counts, for DBP and for the BID, this would be of importance for events and the BID renewal in 2025 amongst many other reasons. Mr. Casey shared that he has also experienced the persistent questions on need of pedestrian foot traffic counts when courting new businesses to come downtown, as well as existing businesses that by providing numbers would hopefully help inform businesses on days and times on which to be open i.e., St. Patrick's Day parade as well as the ability to better spend dollars with marketing campaigns.

Mr. Casey shared there is a considerable discount to pursue the three-year, and reviewed the opt out clause and shared that BSED would be contributing \$5,000 in partnership to help with the expenses because they have some use cases as well. The board discussed the ability to see value in trends and other use cases. Mr. Kanning asked that it be demonstrated with an annual review in a quantitative and qualitative way to prove that this is working before renewing. The Board discussed various use cases between all three boards and noted that it is a considerable annual investment. Mr. Scala asked if there was confidence to be able to produce a considerable amount of data and if there is the staff to be able to produce this data, Mr. Casey and Ms. Schreiner shared various strategies they have to plan on using this. It was made clear that this was not out of TIF funds and this would be out of the operational budget. Discussion was had regarding other potential partnerships that Ms. Schreiner and Mr. Casey are aware of trying to help offset the cost of the program. Mr. West moved to approve the three year contract, his motion was seconded by Mr. Wahrlich, no further discussion, all in favor, none opposed.

- c. City Owned Properties** - Mr. Kukulsk shared that October 21, there will be a work session talking about the three city owned buildings within the TIF District as well as Skypoint, and Moss Mansion; he asked the board for their recommendation on how to best deal with these properties and what is the DBP's advice he can provide to this work session. He went on to share that on City Council nights, there isn't discussion on these city owned properties and the



regular expenditure these properties entail. Mr. Lynch inquired about why those within the district, excluding the Moss Manion, aren't under a maintenance fund / agreement? Mr. Kukulsk was able to speak to the movements away from reactive management and starting to look at capital needs moving forward and Mr. Lynch believes that it would be nice to see a fund that is very similar to TIF but limited to those city owned properties who then would be able to access that fund as well as other areas in which a fund could be seeded and how to have those properties also contribute to this fund. Mr. Wahrlich asked about the opportunity to consider selling the buildings and further discussion was had regarding this potential. Councilman Boyett shared that the intention of the work session was for him and other council members to understand their abilities on the boundaries in which they can operate within. Discussion was had amongst the board regarding those buildings and various opportunities for the city to pursue and is seeking other suggestions on how to help guide the city on the management of these city owners properties. The board also discussed having supported these properties with TIF funding in the past and demonstrated as such.

Mr. Casey informed the board that there is a change in date for the next board meeting and it will be held on October 18 instead of October 25.

5. Adjourn by 9:00 a.m. - Meeting was adjourned at 9:06 AM

Downtown Billings Partnership

Profit and Loss by Month

July 1 - October 2, 2024

	JUL 2024	AUG 2024	SEP 2024	OCT 1-2, 2024	TOTAL
Income					
4400 Service Fee from City	26,383.92	26,383.92	26,383.92		\$79,151.76
4410 Property Management		-348.00			\$ -348.00
4430 Grant Revenues	1,738.00	3,000.00			\$4,738.00
Total Income	\$28,121.92	\$29,035.92	\$26,383.92	\$0.00	\$83,541.76
GROSS PROFIT	\$28,121.92	\$29,035.92	\$26,383.92	\$0.00	\$83,541.76
Expenses					
6015 Business Development		252.00			\$252.00
6040 Dues & Memberships	-48.60	1.40	1.40		\$ -45.80
6060 Event Costs & Supplies		200.00			\$200.00
6070 Insurance					\$0.00
6072 Property	3,630.30	1,209.75	1,209.75		\$6,049.80
Total 6070 Insurance	3,630.30	1,209.75	1,209.75		\$6,049.80
6100 Meals & Promotion			373.75		\$373.75
6110 Meetings	22.95	525.30	14.76		\$563.01
6200 Payroll Expenses					\$0.00
6201 Benefits	36.92	36.92	18.46		\$92.30
6202 Cell Phone Stipend	32.32	32.32	16.16		\$80.80
6204 P/R Services	206.67	136.67			\$343.34
6205 P/R Taxes	1,065.55	1,067.04	526.97		\$2,659.56
6206 Retirement	405.74	405.74	202.87		\$1,014.35
6207 Wages	13,748.28	13,797.58	6,874.59		\$34,420.45
Total 6200 Payroll Expenses	15,495.48	15,476.27	7,639.05		\$38,610.80
6320 Professional Services					\$0.00
6321 Accounting & Bookkeeping	770.00	478.33			\$1,248.33
6322 Legal Fees	337.50				\$337.50
Total 6320 Professional Services	1,107.50	478.33			\$1,585.83
6400 Special Project Expenses					\$0.00
6406 Grant Expenditures	425.00	1,738.00			\$2,163.00
Total 6400 Special Project Expenses	425.00	1,738.00			\$2,163.00
6530 Travel expenses			917.11		\$917.11
6550 Utilities	1,115.60	1,610.49	81.62		\$2,807.71
Total Expenses	\$21,748.23	\$21,491.54	\$10,237.44	\$0.00	\$53,477.21
NET OPERATING INCOME	\$6,373.69	\$7,544.38	\$16,146.48	\$0.00	\$30,064.55
NET INCOME	\$6,373.69	\$7,544.38	\$16,146.48	\$0.00	\$30,064.55

**DT TIF
FY25 Cash Forecast
as of 9.24.24**

OPEN PO	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33	FY34	FY35
Beginning Cash Balance	672,745	1,411,756	1,694,753	1,226,803	957,850	699,638	427,747	267,431	1,488,979	2,684,707	3,877,783
Revenues:											
Tax Revenue EXPECTED	2,435,229	2,435,229	2,435,229	2,435,229	2,435,229	2,435,229	2,435,229	2,435,229	2,435,229	2,435,229	2,435,229
Interest	5,400	5,400	5,400	5,400	5,400	5,400	5,400	5,400	5,400	5,400	5,400
Entitlements	330,801	330,801	330,801	330,801	330,801	330,801	330,801	330,801	330,801	330,801	330,801
Bonding Two Way Conversion Rockman Project	4,035,000		285,000	285,000	285,000	285,000	285,000	285,000	285,000	285,000	285,000
Old Town Flats		118,000	118,000	118,000	118,000	118,000	118,000	118,000	118,000	118,000	118,000
Estimated Total Revenue	6,806,430	2,889,430	3,174,430	3,174,430	3,174,430	3,174,430	3,174,430	3,174,430	3,174,430	3,174,430	3,174,430
Operating Expenditures											
Debt Service (Empire Garage, 2-Way Conv. #1)	1,249,550	1,248,368	1,272,255	1,270,835	1,297,300	1,297,800	1,321,650	1,321,700	1,344,800	1,344,650	1,342,300
25-000035 DBP Operating Agreement	316,607	326,105	335,888	345,965	356,344	367,034	378,045	378,045	378,045	378,045	378,045
Cost Allocation - Planning	26,893	27,700	28,531	29,387	30,268	31,176	32,112	33,075	34,067	35,089	36,142
Cost Allocation - CA Plan	46,803	48,207	49,653	51,143	52,677	54,258	55,885	57,562	59,289	61,067	62,899
Downtown Cooperative Safety	62,500	62,500	62,500	62,500	62,500	62,500	62,500	62,500	62,500	62,500	62,500
Transfer to Parking	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,001	100,002	100,003
Total Oper EXP	1,802,353	1,812,880	1,848,827	1,859,830	1,899,089	1,912,768	1,950,192	1,952,882	1,978,702	1,981,354	1,981,890
Prior Year Development Incentives Approved											
Arthouse Cinema Phase II Rockman			1,000,000	1,000,000	1,000,000	1,000,000	1,000,000				
I24-017786 ABT											
Burger Dive											
Stone Building											
R23-000881 Kibler & Kirch PO 23-000881	79,940										
22-000031 Sign Program 2022 PO 22-000031	874										
Sign Program FY25	30,000										
Holiday Parking	39,542										
22-000030 CPTED Program 2022 PO 22-000030	11,030										
CPTED Program FY25	30,000										
24-000425 MJShanks LLC PO 24-000425 - PAID	110,200										
24-000806 Skypoint Phase II - OS PO's	40,000										
24-000200 Skypoint Panels - OS Pos	24,402										
Montana Rescue Mission	-	210,000	210,000								
Battle of the Plans	75,000										
Misc Projects	300,000										
Old Town Flats	-	384,553	384,553	384,553	384,553	384,553	384,553				
Lincoln Apartments	50,000	50,000	50,000	50,000							
Old Billings Hardware	-	149,000	149,000	149,000	149,000	149,000					
23-000354 CIP 2 way conversion (Design) PO 23-000354	17,546										
24-000871 CIP 2 way conversion Construction	2,899,235										
CIP 2 way conversion Construction Admin	440,000										
CIP 2 way conversion Construction PW Engineering	100,000										
23-000433 CIP 5th Avenue Corridor PO 23- 000433 / WO 2309	17,296										
Total Approved Incentives	4,265,065	793,553	1,793,553	1,583,553	1,533,553	1,533,553	1,384,553	-	-	-	-
Retainage not paid yet - As of 8.14.24	35,877										
Estimated Available Cash For Projects	1,411,756	1,694,753	1,226,803	957,850	699,638	427,747	267,431	1,488,979	2,684,707	3,877,783	5,070,324