

<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 - October 27, 2023

### Big Sky Economic Development - Zoot Training & Event 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 22, 2023, meeting minutes - vote to approve minutes.
- 3) Presentation:
  - a. Parks Bond - Chris Kukulski
  - b. The Rockman Project - Bill Honaker
- 4) Action Items
  - a. TIF Request - Rockman Project
- 5) Staff updates/discussion
  - a. 1st Ave N MDT Project
- 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 - 11/17/2023**



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

1. **Call to Order – Introductions, Courtesies, and Public Comments** – Mr. Lynch called the meeting to order at 7:32 AM.
2. **Regular Agenda:**
  - a. Minutes – Minutes August 25, 2023 – Mr. Tostenrud made a motion to approve the August 25, 2023, meeting minutes, his motion was seconded by Mr. Kanning all were in favor, none were opposed.
3. **Staff Update**
  - a. Ms. Easton provided an update on Phase One of the Skypoint Upwork, Ms. Easton shared the anticipated work ahead in the future phases for Skypoint, she spoke to the road closure and the effects of the businesses within and near the closure and the team’s attempt to try to keep it informed. Mr. Montague provided suggestion on the closure and how it might help businesses and Mr. Kukulski suggested that signage have language notating that businesses are open and alternatives to parking options; many board members suggested having free parking within the garages during the closure in addition to increased signage during the road closures. Discussion was had regarding the color of Skypoint and efforts to decide as well as the process of painting it and the potential challenges that may present.
  - b. Ms. Easton provided the board with an update on the LOI to Urban Frontier Development Services. Ms. Easton shared details regarding her intention to go to city council, and other informative initiatives.
  - c. Ms. Easton provided the board with an update on two different grants that the DBA team is going to start working towards, one from the Department of Transportation for the 25<sup>th</sup> street pedestrian bridge and the second for a grant from HUD for a feasibility study to turn existing office spaces into housing.

4. **Financials** – Ms. Easton reviewed the financials and is waiting on the certified value from the DOR and an adjustment will be reflected once this information is received. The financials provided are currently showing 0% growth. Discussion was had regarding the packet provided.

5. **Action Items**

- a. Bylaws (pages 4-5) – term limits language approval - Ms. Easton reviewed the change in language to add more limitations to the bylaws. The suggested language added is as follows:

*(1). Term. All at-large Board members shall be elected for terms of three (3) years and may serve a maximum of two (2) consecutive full terms in addition to the partial term being filled. Each at-large Board member shall serve until his or her successor is duly elected, unless the at-large Director sooner resigns or is removed as provided in these By-Laws. The terms of the at-large Board members shall be staggered so that approximately one-third (1/3) of the at- large Board members shall be elected each year.*

Overall, there was a consensus of agreeing to add term limits language to the by-laws, Mr. Patten made a motion to accept the new language into the by law, his motion was seconded by Mr. Montague; further discussion was had regarding clarification of ability and duration in which someone can reapply for another term. All were in favor, none were opposed.

- b. TIF Request – Relocation of Yesteryears – Ms. Easton provided an overview of the project, the various efforts that have been and are continued to be undertaken with efforts to keep Yesteryears in downtown Billings. Ms. Easton reviewed the costs provided by all parties involved to help Yesteryears relocate and noted that the amount that is being asked today is up to \$130,000. Concerns were discussed amongst the board with the perception of the use of TIF funds regardless of the state statute and that there is a need to demonstrate some sort of matching from Zoot Enterprises or Yesteryears. Further discussion amongst the board regarding the use of funds, the situation in which the owner of the building is the DBP, the costs to yesteryears to close the business to move, the historic requirement of a 5:1 match, and long-term effects of property taxes.

Discussion was had regarding the city of Billings TIF policy v State of Montana TIF Statute, cost differential from moving company quotes, the need for a fire sale, and the need to show a reasonable effort in matching funds.

Ms. Easton withdrew the action item and reviewed the details of what she needs to bring back for next month's meeting with the matching efforts from both parties, Mr. Arveschoug asked Ms. Easton to list a sign grant as well.

6. **Partner Reports**

- a. Big Sky Economic Development - Mr. Arveschoug - reviewed a discussion he and others had with Lee enterprises regarding the Billings Gazette building and their openness to receive a proposal with a potential buyer. He informed the board of their annual meeting on October 11th at The Northern.
  - b. BCP – Not Present
  - c. Parking Board – Not Present
  - d. City of Billings – Mr. Kukulski updated the board that the CIP is coming up and the Bond initiatives for the park and recreation department is coming up with various education pieces and efforts coming up. Mr. Friday reviewed the most recent CIP meeting which will eventually be presented to the board.
  - e. School District 2 - Mrs. Hafer provided an update on the new superintendent and his efforts with the parents and the community. Mrs. Hafer shared that they are currently working on a high school bond for September 2024 that has not been finalized yet. She shared that the need for this bond is due to the fact that the newest high school is 40 years old, and they think they ought to take care of the facilities they have. Discussion was had regarding the student population and the capacity of each school.
  - f. Property Owners – Ms. Hafer reported that they have not yet met.
  - g. BID – Ms. Easton provided an update on a strategic planning session for the BID on Monday October 2nd.
  - h. Yellowstone County - Ms. Guy reported that there will be a public hearing on October 3rd regarding the marijuana businesses.
- 7. Adjournment** – Mr. Lynch Adjourned the meeting at 9:00 AM

## Action Item - A

*RE: The Rockman Project*

### Background:

Honaker Realty & JWT Capital are requesting TIF assistance towards the Rockman Project. Located at the intersection of 2nd Ave N & N 27th St, the site will include the Rockman building (privately owned) as well as the City Hall (changing ownership from publicly owned to privately owned and two parking lots south of the Rockman building (changing ownership from city owned to privately owned). This encompasses 17,500 square feet of commercial land on either side of the Burger Dive property and north of the Grand Building. Phase One of this project would involve acquiring the city-owned lots and combining the North parking lot with the adjacent Rockman building. The current structure would be demolished, and the developer would construct a 6-7 story, 120-140 room branded hotel. Preliminary approval with the hotel requires complete acquisition of the parking lots as well as Park 3 garage. There are significant expenses associated with the public infrastructure of the development; therefore, TIF funding is crucial to help offset the qualified public portions of the construction. Purchase of the City-owned asset is contingent on acquiring approval for TIF assistance.

While it is not a housing project, the hotel will create at least 140 additional “residents” downtown on a 24/7 basis and these guests will likely patronize restaurants, retail stores, museums, entertainment venues, etc. This activity will have immediate positive effect on downtown and its businesses as well as generate 24/7 CPTED elements from the daily “eyes on the streets.” The hotel alone is estimated to add between 60-70 hospitality employment as well as hundreds of construction and design employees. Being a vertical new infill development on a site that is changing ownership from public to private and providing a new hospitality option with added employment, shopping foot traffic, safety enhancement with the density of guests, as well as beautification of these parcels, The Development Committee recommends approval. Below is a breakdown of the DBP’s staff recommendation:



Eligible expenses/categories	Eligibility	Recommended	Percentage of Recommendation
	MCA 7-15-4288		
Demo	\$225,000	\$225,000	100%
Utilities relocation/sitework	\$2,892,984	\$2,892,984	100%
Fire suppression	\$286,939	\$143,470	50%
ADA elevator systems	\$502,020	\$251,010	50%
First floor podium concrete slab	\$931,378	\$465,689	50%
Foundational steel	\$406,185	\$60,000	15%
Plumbing	\$3,184,143	\$461,847	15%
Exterior doors/windows	\$1,404,064	\$200,000	14%
Exterior masonry	\$919,774	\$100,000	11%
HVAC	\$1,704,701	\$200,000	12%
Remainder of project	\$29,614,718	\$0	0%
Total	\$42,071,906	\$5,000,000	12%

Current assessed value (5 properties)	\$12,248.15
Estimated increase in taxable value (80% of project cost)	\$33,657,525
Commercial tax rate (1.89%)	\$636,127
Annual tax increment (699 mills)	\$444,653
ROI	11 years

**Proposal:**

If recommended/approved, reimbursement is available starting in the fiscal year following the fiscal year in which the improvements are completed. Reimbursements will be in \$1,000,000 disbursements over the course of five consecutive years starting tentatively in FY27).



Approval of this project assumes the following contingencies:

1. The Applicant shall sign a development agreement with the City of Billings and DBP within 180 business days after receiving approval from City Council.
2. This TIFD reimbursement is the maximum that can be received pending satisfactory submission of all paid invoices showing the completion of expenditures related to this project.
3. If funds are not available, reimbursement can be carried over to the next fiscal year (s).

**DBP board of directors may recommend, modify and recommend, or not recommend this proposal.**

**Motion to recommend:** I make a motion to concur with the Committee's recommendation to grant no more than \$5,000,000 to Honaker Realty LLC & JWT Capital LLC. so long conditions above are met.

**Motion not to recommend:** I make a motion not to approve because/due to...

**Motion to Modify:** I make a substitute motion to...











# Downtown Billings Partnership

## Profit and Loss by Month

July 1 - October 18, 2023

	Jul 2023	Aug 2023	Sep 2023	2023	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	19,500.00
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>\$ 101,602.51</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>\$ 101,602.51</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>\$ 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		3,357.02
<b>Total 6070 Insurance</b>	<b>\$ 1,119.01</b>	<b>\$ 1,119.01</b>	<b>\$ 1,119.00</b>	<b>\$ 0.00</b>	<b>\$ 3,357.02</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>\$ 40.00</b>
6200 Payroll Expenses					0.00
6202 Cell Phone Stipend	32.32	32.32			64.64
6204 P/R Services	85.00	115.00	85.00		285.00
6205 P/R Taxes	921.16	925.95			1,847.11
6206 Retirement	371.78	371.78			743.56
6207 Wages	11,816.39	11,892.05			23,708.44
<b>Total 6200 Payroll Expenses</b>	<b>\$ 13,226.65</b>	<b>\$ 13,337.10</b>	<b>\$ 85.00</b>	<b>\$ 0.00</b>	<b>\$ 26,648.75</b>
6320 Professional Services					0.00
6321 Accounting & Bookkeeping	793.00	700.00	887.00		2,380.00
<b>Total 6320 Professional Services</b>	<b>\$ 793.00</b>	<b>\$ 700.00</b>	<b>\$ 887.00</b>	<b>\$ 0.00</b>	<b>\$ 2,380.00</b>
6350 Repairs & Maintenance	8,985.00	4,856.23			13,841.23
6400 Special Project Expenses			1,305.00		1,305.00
6550 Utilities	1,983.00	2,152.95	2,856.33		6,992.28
<b>Total Expenses</b>	<b>\$ 26,897.96</b>	<b>\$ 22,241.69</b>	<b>\$ 6,421.73</b>	<b>\$ 0.00</b>	<b>\$ 55,561.38</b>
<b>Net Operating Income</b>	<b>-\$ 1,282.54</b>	<b>\$ 9,873.73</b>	<b>\$ 26,998.69</b>	<b>\$ 10,451.25</b>	<b>\$ 46,041.13</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>-\$ 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>\$ 15,742.67</b>
<b>Net Income</b>	<b>-\$ 1,282.54</b>	<b>\$ 25,616.40</b>	<b>\$ 26,998.69</b>	<b>\$ 10,451.25</b>	<b>\$ 61,783.80</b>