



downtown *Billings*

**City of Billings
Revolving Loan Fund
Information & Application
(a) Updated 12/21/2022**

**Downtown Billings Partnership, Inc.
(b) 116 N. 29th St, Billings, MT 59101 - Tel. 406-294-5060
www.downtownbillings.com**

Revolving Loan Fund

Purpose:

To provide financial assistance in the form of loans to projects within the boundaries of the Downtown Urban Renewal Area (URA) last amended in 2004 (Exhibit A) that will:

- 1) Assist in the economic revitalization and stabilization of the URA;
- 2) Attract and retain a stable clientele population within the URA;
- 3) Stimulate private investment within the URA;
- 4) Generate additional property tax revenues within the URA; and
- 5) Encourage and facilitate the remodeling and restoration of historically significant structures within the URA.

Fund Guidelines:

- Borrowers are credit worthy.
- Projects are economically viable.
- Projects are consistent with the above stated purpose.
- Funds requested are leveraged with other sources, i.e., borrower's equity, other senior debt, etc. (RLF requires at least 20% equity investment per project).
- Requests are accepted up to 20% of project cost capped at \$250,000.
- Loan terms address each project's needs with payments based on amortization of up to twenty (20) years. Early maturities of up to ten (10) years may be recommended for fund liquidity purposes. The interest rate is annually adjusted and based upon 1% over prime rate minus 200 basis points. (Rate to borrower = 7.5%) The rate is established on September 30th each year. Additionally, loan payment calculations may be based on a loan rate amount that is higher than the actual loan rate.
- Loan repayment is guaranteed by relevant beneficiaries and/or collateralized.
- Loans may be made for acquisition or construction of buildings, renovation and rehabilitation, interior and exterior tenant improvements, equipment and related improvements.
- Project location is within the boundaries of the original Urban Renewal Area approved and last amended in 2004. (Exhibit A)
- Priority will be given to projects meeting above criteria, which have not been able to secure traditional financing (so as to not compete with conventional loans).

Application Requirements:

Contact: Mr. Mehmet Casey, Development Director
Downtown Billings Partnership, Inc.
116 North 29th Street, Suite A
Billings, MT 59101
Phone: 406-294-5060
Email: mehmetc@downtownbillings.com

- Requests can be considered on a "Pro Forma" basis subject to final submission, where appropriate.

Basic application requirements:

- Borrower's financial history (2-3 years)
- Business plan and/or project description
- Project economics (costs, revenues, etc.)
- Project drawings and or architectural plans
- Project owner and guarantor's information (Names/relevant background and financial condition such as balance sheet and tax returns for two years)
- Other information supporting the "purpose"
- Completed W9 (see form included)
- Applicants will pay for appraisals, credit reports and other related out of pocket underwriting costs.

Approval Process:

- A minimum of four weeks should be allowed for underwriting once the Downtown Billings Partnership representative has confirmed that all documentation has been received.
- Following a positive recommendation for the loan, four to six weeks should be allowed for City Council scheduling and approval.
- Once Council approval has been obtained, loan funding arrangements are set up between the Borrower and the City of Billings directly. The actual loan agreement does not include the Downtown Billings Partnership.

CITY OF BILLINGS
REQUIREMENTS FOR REVOLVING LOAN PROCEED DISBURSEMENTS

1. The City of Billings requires the following information to promptly prepare loan documents and disburse loan proceeds:
 - a. The legal name and address of the borrower(s).
 - b. The borrower entity type, (individual, corporation, partnership, LLC).
 - c. A copy of the articles of organization filed with the secretary of state for each legally created entity.
 - d. The name and address of each entity member, shareholder, or partner. If the member, shareholder, or partner is a legal entity, then the same information for that entity until all individuals are identified for personal guaranteed purposes.
 - e. The legal description of real property according to the official plat on file in the office of the County Clerk and Recorder, including the document number.
 - f. Additionally, the city wants each borrower to understand the standard loan will have:
 - g. Loan terms address each project's needs with payments based on amortization of up to twenty (20) years. Early maturities of up to ten (10) years may be recommended for fund liquidity purposes. The interest rate is annually adjusted and based upon 1% over prime rate minus 200 basis points. (Rate to borrower, as of November 1, 2023, = 7.5%) The rate is established on September 30th each year. A monthly payment calculation, which is based on a 7.5% interest rate for a twenty-year period.
 - h. A balloon payment at maturity, which is ten years from date of issue.
 - i. A personal guarantee from each individual borrower and individual member, shareholder, or partner of an entity.

2. The City will require the following, if applicable:
 - a. A lien, which will be filed on such real property of the borrower which is acquired or remodeled with loan proceeds.
 - b. A Form UCC1, filed with the State of Montana, for inventory, furnishing and equipment owned by the borrower.
 - c. Other forms of acceptable loan guarantee.

EXHIBIT A (Boundaries of URA)

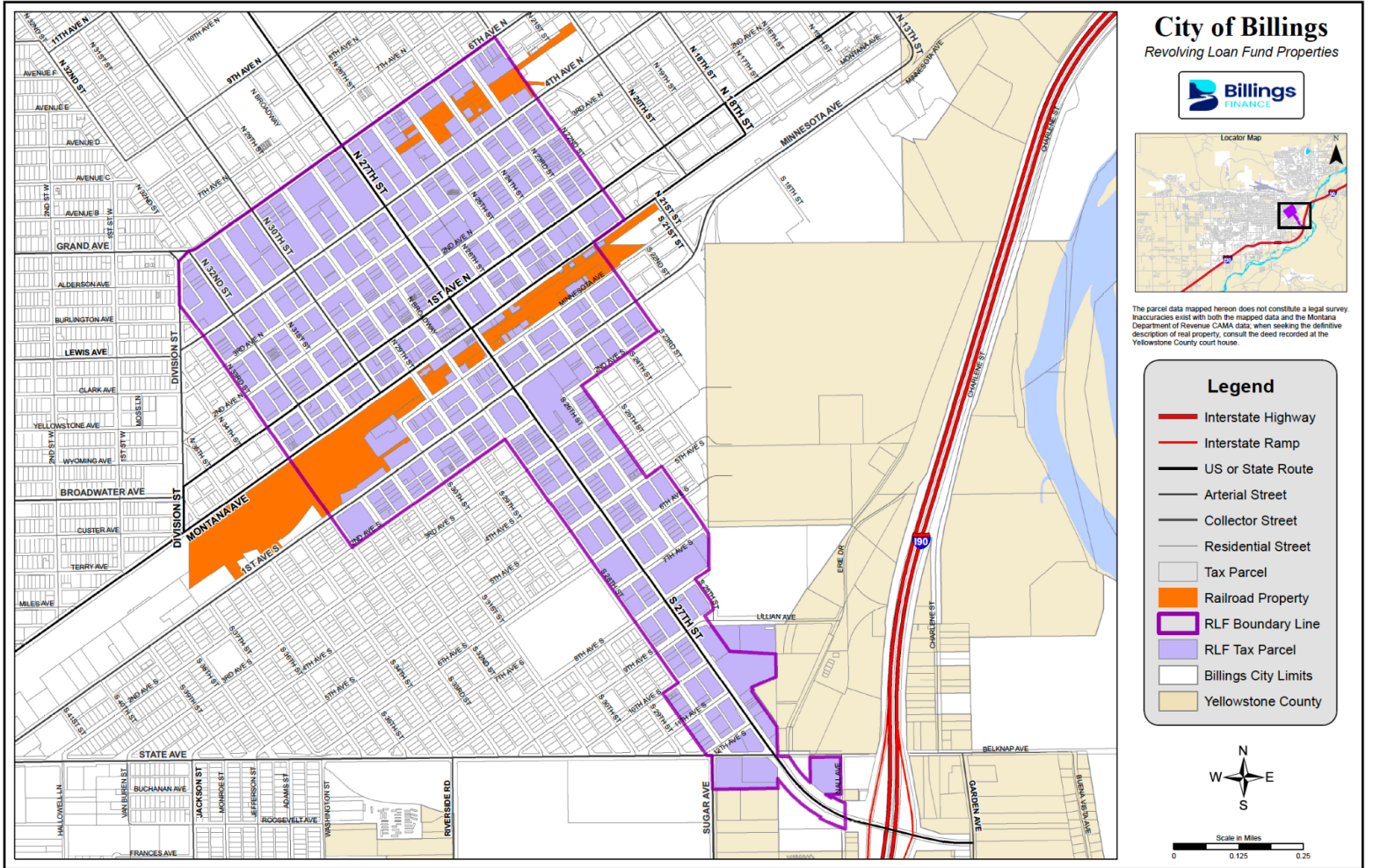


EXHIBIT B

A SYNOPSIS OF THE DOWNTOWN BILLINGS URBAN RENEWAL PLANS

The Framework – 1997

The Framework, adopted as part of the overall urban renewal plan, is a comprehensive logical vision plan for making wise decisions about the future of Downtown, and a planning base within which Downtown can thrive in all its complexities.

- Billings' citizens value the opportunity to experience the outdoors in Downtown: sidewalk cafes, events, bicycling, pedestrian environment, etc.
- Ease of access is critical to Downtown's livelihood.
- Downtown draws from its historic past as its leaders shape its future character. Downtown Billings believes strongly in its economic future.
- Downtown is entrepreneurial and nurtures specialty retail and home-grown businesses offering personalized services.

Assets: The important elements of Downtown that should be preserved and enhanced:

- Unique collection of buildings.
- Cultural facilities.
- Montana & Minnesota Avenues (Historic District) Specialty retail.
- Medical corridor educational campuses.
- Metra Park.
- 27th St. connection from Downtown to the airport and I-90 Financial office market.
- Government presence.
- Nature of people: sense of community, open, friendly, helpful local service providers.
- Multiple generations.
- Numerous churches of many faiths.

Issues: Concerns to be addressed:

- Reduce gaps and the lack of connection between the core of Downtown and the surrounding neighborhoods caused by the discontinuity of land uses.
- Increase the downtown residential population to enhance a 24/7 vitality and urban neighborhood. The public places - parks, streets, sidewalks - should provide beauty, comfort, safety, & attraction. Address existing regulations and requirements which discourage the very type of development that is desirable
- Focus on pedestrian as well as vehicular movement throughout Downtown. Address the psychological factors that make walking a few blocks seem inconvenient and unpleasant.
- Provide orientation and landmarks to prevent people from becoming disoriented downtown. Develop programs to "level the playing field" and make the economics of Downtown more like undeveloped lots away from the city center.
- Encourage business hours and activities beyond the eight-to-five office hours Develop in Downtown a sense of irresistible magnetism that could draw thousands of people to enjoy this unique asset.
- Encourage greater efforts toward historic preservation and renovation to create a sense of historic permanence.

Ordinance No. 05-5333 (July 11, 2005) created the North 27th Street Urban Renewal Area and authorized utilization of Tax Increment Financing and adopted programs and projects within an Urban Renewal Plan.

- Blight elimination.
- Addition, modification, relocation of Utilities.
- Parking Structures.
- Commercial/Residential development.
- Authorized a public/private mixed-use development.

Ordinance No. 065394 expanded the boundaries of the N. 27th Street Urban Renewal Area, thus creating the Extended North 27th St. Urban Renewal Area.

- The plan will afford maximum opportunity, consistent with the needs of the city, for the rehabilitation or redevelopment of the district by private enterprise

Ordinance No. 08-5483 expanded the boundaries of the Extended N. 27th Street Urban Renewal District, thus creating the current Expanded North 27th Street Urban Renewal Area.

- Demolition of blighted structures
- New construction
- Target Areas
- Billings Hardware Building (aka Westwood Building)
- Lincoln Hotel Building
- Public Library
- Assistance to existing street level businesses
- Business Improvement District Support
- Studies and assessments regarding
- Business Clustering
- Pedestrian counts
- Housing and Lodging
- Increase Public Transportation
- Parking structures for future needs
- Crime prevention and safety/security programs/projects
- Conference Corridor Concept
- Streetlights
- Stabilization of vaults/sidewalks
- Workforce Housing

- Loft and Condominium development
- Lodging development
- Conference Facilities
- Entertainment venues
- Parks and Greenspaces
- Future uses of the Lincoln Center
- Housing is a "top priority"
- Traffic Control devices
- Conversion of One-way Streets to Two-way Streets
- Development of the "5th Avenue Corridor"
- Sustain and encourage employers

Ordinance No. 12-5590 recognized retail retention and recruitment as an approved Urban Renewal Project, authorized a Business Plan competition as a Program of the Project.

- “Retail” is defined as a business that sells goods and/or services directly to the public.

Downtown Billings Visioning (June 2012) - Challenges and Opportunities

- There is a lack of historic acknowledgement
- 4th, 6th, Avenues N. and N. 27th Street along with the Railroad tracks are major pedestrian barriers
- Improve connections to recreational resources
- Improve connections to Medical District and MSUB
- The perception of "lack of parking" needs to be addressed and parking needs to develop into a customer friendly operation
- More Public Art
- Improve promotions to inform the public
- Improve the lack of focal points and destinations for tourists
- Develop walking tours
- Improve bike lanes
- Create greenspaces and pocket parks
- Improve public transit
- Substantial Housing construction is vital
- Grow the lodging to accommodate more tourists and conferences

Letter Requesting Authorization to Release Credit Information

Section I.02 Date: _____

Thank you for your recent interest in our Revolving Loan Fund. Please sign the authorization to release credit information below so that we may obtain copies of your credit history. We will contact your credit and bank references and then contact you regarding the status of your application.

Thank you,

Mehmet Casey Development Director

The undersigned has recently applied for credit with the Downtown Revolving Loan Fund (RLF). I/we have been requested to provide information concerning my/our credit history. Therefore, I/we authorize the investigation of my/our credit information.

The release by you of information is authorized whether such information is off record or not. I/we do hereby release you and all persons, agencies, agents, employees, forms, companies, or parties affiliated with you from any damages resulting from providing such

information.

This authorization is valid for thirty (30) days from the date of my/our signature(s) below. Please keep a copy of my/our release request for your files.

Thank you for your cooperation.

Name:

SSN:

Signature:

Date:

Name:

SSN:

Signature:

Date:

City of Billings
Revolving Loan Fund Application

Project Name: _____ Date Submitted: _____

Applicant Information

Name: _____

Address: _____

City/State/Zip: _____

Phone: _____

Email: _____

If the applicant is not an individual conducting business under their own name, the applicant has the status indicated below and is organized or operating under the law of:

Corporation/LC	Nonprofit or charitable institution/corporation	Partnership	Other
Date of organization: _____			

Project Information

Building name (if applicable): _____

Address: _____

City/State/Zip: _____

Legal Description (obtained from Orion via County records):

Property owner (if property is not owned by the applicant)

Property Owner (name or entity): _____

Property owner contact: _____

Lessor's Address: _____

City/State/Zip: _____

Phone: _____

Email: _____

Employment

Existing FTEs: _____

New permanent FTEs created by the project: _____

Construction FTEs: _____

Architectural Firm

Firm name: _____

Address: _____

City/State/Zip: _____

Phone: _____

Email: _____

Contractor

Business Name: _____

Address: _____

City/State/Zip: _____

Phone: _____

Email: _____

Financial lending institution

Business name: _____

Address: _____

City/State/Zip: _____

Phone: _____

Email: _____

Project Information

Description of Project:

Attach a narrative explaining the project and any other design information. Use this section to pitch your project and explain how it will eliminate blight and/or provide a benefit to the public.

Rehabilitation Plans:

Attach schematic design drawings and/or completed construction document plans - including site, landscaping, and other engineering design information.

Project Schedule:

Attach a timeline or schedule through completion.

Project Details

Land and site improvements (itemized)

1.	_____	\$ _____
2.	_____	\$ _____
3.	_____	\$ _____
4.	_____	\$ _____
	Subtotal	\$ _____

Construction/rehabilitation costs (use general construction trade divisions)

1.	_____	\$ _____
2.	_____	\$ _____
3.	_____	\$ _____
4.	_____	\$ _____
5.	_____	\$ _____
6.	_____	\$ _____
7.	_____	\$ _____
8.	_____	\$ _____
	Subtotal	\$ _____

Fees

1.	Architectural/engineering	\$ _____
2.	Permits	\$ _____
3.	_____	\$ _____
	Subtotal	\$ _____

Total Project Development Costs \$ _____

Project Financing

A. Applicant equity

Cash invested \$ _____

Land & buildings (if applicable) \$ _____

(If value is more than State of Montana Valuation, a current appraisal must be submitted)

Other \$ _____

_____ \$ _____

Subtotal \$ _____

B. Lender commitments (attach bank loan commitment letter, letters of credit or other documentation)

Lender	Loan Amount	Interest	Term	Payment/Period
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_____	\$ _____	____%	____yrs	\$ ____/Month
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_____	\$ _____	____%	____yrs	\$ ____/Month
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Subtotal \$ _____

C. Other sources of funding

_____ \$ _____

_____ \$ _____

Sources of funds summary (post totals from above)

A. Applicant equity \$ _____

B. Lender commitments \$ _____

C. Other funds \$ _____

Total Project financing \$ _____

Certification

I (we), _____ (please print),
the APPLICANT, certify that the statements and estimates within this application as well as any and all
documentation submitted as attachments to this application or under separate are true and correct to the
best of my (our) knowledge and belief.

Signature: _____

Signature: _____

Title: _____

Title: _____

Address: _____

Address: _____

Date: _____

Date: _____