



**Annual Report – 2010 – Expanded N. 27th St.
Tax Increment Financing District - Fund 203**

FY 2010 Board of Directors:

Officers/Executive Committee

- President – Steve Wahrlich
- Vice President – Jock West
- Secretary – Bill Honaker
- Treasurer - Matt Robertson

BOARD OF DIRECTORS

Steve Wahrlich – BID
sw@bwclocktowerinn.com • 259-5511

Randy Hafer - Parking Advisory Board
rhafer@highplainsarchitects.com •
896-0250

**Bill Honaker - at-Large Member
(6/30/2010)**
securitiesbuilding@bresnan.net • 245-9291

Matt Robertson – DBA
matt@cbthebrokers.com - 671-1158

Steve Arveschoug - Big Sky EDA
stevea@bigskyeda.org • 869-8401

Tina Volek - City of Billings
VolekC@ci.billings.mt.us - 657-8430

Jack Copps - Billings Public Schools

**Jock West – at Large Member
(06/30/2011)**
jock@jockbwestlaw.com - 252-3858

**Stacey Wagner - Downtown Prop.
Own. Assn., Inc**
stacey@kbcomco.com - 248-3141

**Aaron Sparboe - at Large Member
(6/30/2012)**
asparboe@aol.com

**Steve Tostenrud - at Large Member
BANKING (6/30/2012)**
Steve.Tostenrud@fib.com

**Kay Foster - at Large Member
(6/30/2010)**
kayfmontana@yahoo.com • 860-6789

Board Alternates

Lisa Harmon - BID & DBA
lharmon@downtownbillings.com •
294-5060

Joni Harman – Property Owners, Inc.
joni.harman@gmail.com

Ex-Officio & Affiliates

**Jim Reno - Yellowstone County
Commission**
jreno@co.yellowstone.mt.us - 256-2701

Llyod Mickelson - Library & BCP
mickelson@3dnorth.com

Don Olsen - Urban Design
dono@o2architects.net - 259-7123

Urban Renewal Plan – Expanded N. 27th St. TIFD – FY 2010 Budget Report

Since tax year 2009 included a brand new statewide reappraisal cycle, the Board Members of the Downtown Billings Partnership, Inc. proposed a very frugal urban renewal budget for the fiscal year that ended on June 30, 2010. When the Montana Department of Revenue (DOR) certified the taxable values of our district in the fall of 2009, the numbers quickly indicated a much higher than anticipated appraised value for the N. 27th Street Districts (The DOR reports the N. 27th Street TIFD as two separate districts).

TAX YEAR 2009 CERTIFIED					
		Base		Certified TV	INCREMENT TV
Expanded N. 27th	\$	3,328,807.00	\$	3,839,072.00	\$ 510,265.00
N. 27th	\$	783,431.00	\$	1,086,832.00	\$ 303,401.00
TOTALS	\$	4,112,238.00	\$	4,925,904.00	\$ 813,666.00

Table 1

If the values noted in Table 1 were accurate and unchallenged, the increment taxable value would represent over \$27 Million in appraised value growth within the urban renewal area and should translate into roughly \$500,000 “cash” deposits into City of Billings Fund 203 (the dedicated account to be used for urban renewal projects in the TIFD). The DBP had projected less than half of that amount as the actual growth. This rapid increase in value was due, in part, to new private investment as well as market rate appraisal values. A large number of the property owners filed formal protests and asked for a reappraisal. The impact of these protests and reappraisals will not be fully understood until the fall of 2010. Actual payments from tax collections made into Fund 203 from tax year 2009 totaled \$475,409.

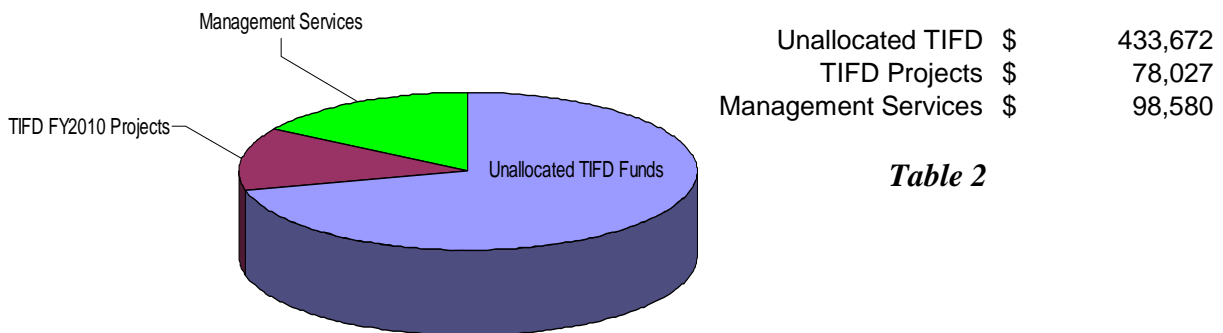
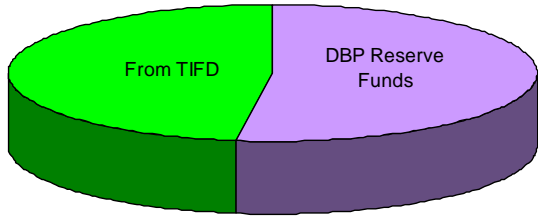


Table 2

As noted in Table 2, assuming a starting balance in Fund 203 of \$134,870, and after subtracting \$78,027 (expended or encumbered) in City Council approved projects as well as \$98,580 for management services provided by the Downtown Billings Partnership, an unencumbered balance of \$433,672 remained in Fund 203 at the end of FY 2010.

The Downtown Billings Partnership, Inc. expended a total of \$206,651.00 for Staffing and Operations in FY 2010. **Less than half** of the funding came from TIFD, as Tables 3 and 4 illustrate.

Revenue: Operations, Downtown Billings Partnership, Inc. – FY 2010



DBP Reserve Funds	\$108,071
From TIFD	\$98,580
	<u>\$206,651</u>

Table 3

Expenditure: Operations, Downtown Billings Partnership, Inc. – FY 2010

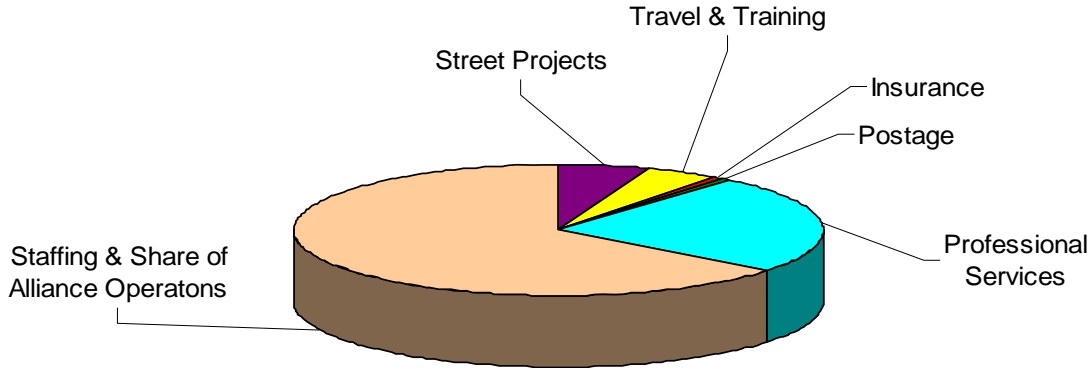


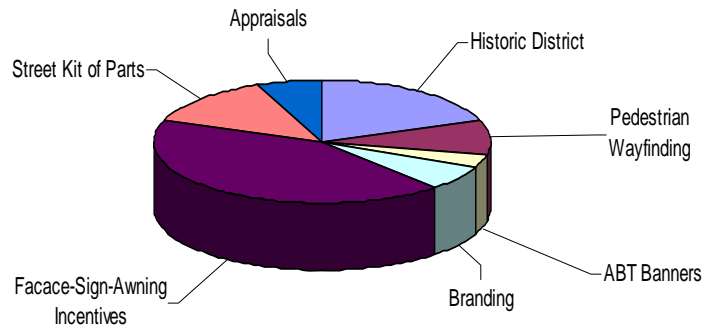
Table 4

FY2010 Street Expenses	\$11,389
FY2010 Travel	\$9,330
FY2010 D & O Liability Insuranc	\$1,370
FY2010 Postage	\$788
FY2010 Professional Services	\$50,639
Staffing & Share of Alliance Operatons	<u>\$133,136</u>

The FY 2010 Projects Budget included the following:

Table 5

	Expended	Encumbered	Totals
Expansion of Historic District	\$ 15,000.00	\$ -	\$ 15,000.00
Pedestrian Wayfinding	\$ 7,000.00	\$ -	\$ 7,000.00
ABT Branded Banners	\$ 1,485.00	\$ 1,215.00	\$ 2,700.00
Gateway Signage/Branding	\$ 4,550.00	\$ 750.00	\$ 5,300.00
Facace-Sign-Awning Incentives	\$ 13,500.00	\$ 19,500.00	\$ 33,000.00
Street Kit of Parts	\$ 10,027.00	\$ -	\$ 10,027.00
Appraisals/Pre-Development	\$ 5,000.00	\$ -	\$ 5,000.00
	<u>\$ 56,562.00</u>	<u>\$ 21,465.00</u>	<u>\$ 78,027.00</u>



FY 2010 Urban Renewal Project Details

Expansion of the Historic District: This is a “carry over” project from the old TIFD and continues the promotion of development south of the railroad tracks. Once officially approved as a Historic District, several blocks of “Old Town” will join Montana Ave. and complete our designated historic area (fig. 1).

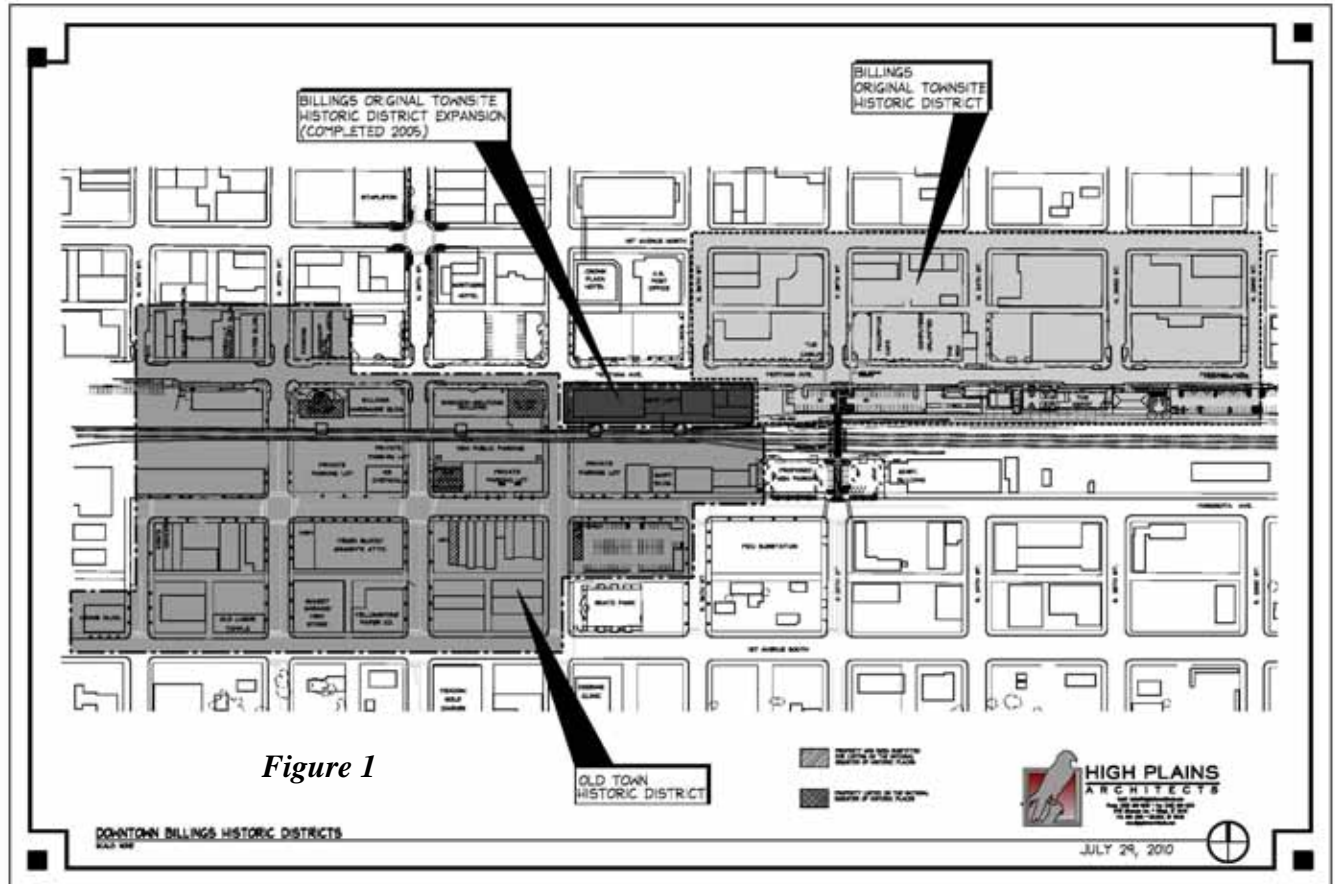


Figure 1



Figure 2

Pedestrian Wayfinding and Street Kit of Parts: Born of the 1998 Framework Plan, wayfinding and street furniture and defining elements continue to be important features of the new urban renewal plan. Everything from benches, tree grates, gardens and our urban canopy of trees help convey the welcoming attitude of a modern city center. In FY 2010, we purchased two more of the corner wayfinding Kiosks (see fig. 2), continued with the flower basket program, and enhanced the pedestrian experience. In



FY 2010, several groups of visitors were given guided walking tours of our downtown (see fig. 3). We continue to develop into a true destination.

Figure 3
(Students from Dubai tour Downtown)

Branding Projects: Street level business retention and recruitment continues to be a cornerstone of the new urban renewal plan. With that in mind, the Downtown Alliance launched a new “brand image” for our downtown. It’s simple and clean: **Downtown. Billings starts here.** In order to promote the program, new posters were ordered for the pedestrian kiosks (see fig. 2), a gateway billboard was placed (see fig. 4) and the TIFD supported new street banners for the Alberta Bair Theater that say, “Great performances start here.” (see fig. 5)



Figure 4



Figure 5

Façade, Sign & Awning Incentives: On October 13, 2009, the Billings City Council approved a new version of an old and successful program: *The Façade Incentive Program*. The Downtown Billings Partnership, Inc. requested that \$34,000 be allocated from Fund 203 to assist street level businesses with “curb appeal” projects. By early 2010, the DBP had received 12 qualified applications amounting to a potential private investment of over \$300,000. The newly reassembled Urban Design Committee reviewed the applications and awarded incentive grants to seven building improvement projects (see Table 6).

Building	Total Value	Approved DBP Jan. 22, 2010
Swift Building	\$ 6,930.00	\$ 3,000.00
Yellowstone Garage	\$ 157,231.00	\$ 13,500.00
Carlin Building - N. Broadway	\$ 19,290.00	\$ 4,500.00
Staley's Building	\$ 22,410.00	\$ 4,000.00
Lincoln Hotel Building	\$ 39,100.00	\$ 4,000.00
Stapleton Building	\$ 4,080.00	\$ 1,500.00
Miller Building	\$ 40,780.00	\$ 2,500.00
	\$ 338,202.00	\$ 33,000.00

Table 6

The Yellowstone Garage project was completed and the award was paid in FY 2010. The remaining projects will continue into FY 2011 and the funds have been encumbered.

Appraisals and Predevelopment: Land acquisition for future development is another main activity defined by the urban renewal plan. In FY 2010, the DBP ordered and received three property appraisals. One of the three resulted in the sale of City Library property to Stockman Bank that enabled the bank to make significant improvements to their planned downtown location.

The Revolving Loan Fund

The Downtown Billings Partnership continues to serve as the main point of contact for the City's Downtown Revolving Loan Fund. This fund was established as part of the old TIFD in downtown and continues to serve the Central Business District beyond the sunset of that district in 2008. In FY 2010, the following downtown Banks continue to provide a revolving line of credit to the City of Billings to assist with the financing of downtown redevelopment projects.

- Wells Fargo Bank Montana, N.A.
- First Interstate Bank
- U.S. Bank
- Western Security Bank
- Yellowstone Bank.

In FY 2011, the banks and the City will sign the third 5 year extension of the enabling agreement along with a modification that will allow Stockman Bank to join the fund. Since June 30, 2009, the following loans have been disbursed.

- Steven and Joni Harmon - \$250,000
- The Babcock, LLC - \$250,000
- The Babcock, LLC - \$150,000 (Repaid in full in July 2010)
- EB Ventures, LLC - \$150,000

The current Inter-creditor Loan Rate between the City and participating banks is 4.00%. The fund charges a rate of 5% to all current approved loans. The rate is in effect until October 31, 2010.

Application information can be found at:

<http://www.downtownbillings.com/rlf/index.html>

FY 2011 Board of Directors:

Officers/Executive Committee

- **President – Matt Robertson**
- **Vice President – Jock West**
- **Immediate Past President – Steve Wahrlich**
- **Secretary – Jeremiah Young**
- **Treasurer - Steve Tostenrud**

BOARD OF DIRECTORS

Steve Wahrlich – BID
sw@bwclocktowerinn.com • 259-5511

Randy Hafer - Parking Advisory Board
rhafer@highplainsarchitects.com •
896-0250

Bill Honaker - at-Large Member
(6/30/2013)
securitiesbuilding@bresnan.net • 245-9291

Matt Robertson – DBA
matt@cbthebrokers.com - 671-1158

Steve Arveschoug - Big Sky EDA
stevea@bigskyeda.org • 869-8401

Tina Volek - City of Billings
VolekC@ci.billings.mt.us - 657-8430

Barbara Bryan - Billings Public Schools

Jock West – at Large Member
(06/30/2011)
jock@jockbwestlaw.com - 252-3858

Stacey Wagner - Downtown Prop.
Own. Assn., Inc
stacey@kbcomco.com - 248-3141

Gary Drake - at Large Member
(6/30/2011)
gdrake@180com.net • 259-3800

Aaron Sparboe - at Large Member
(6/30/2012)
asparboe@aol.com

Steve Tostenrud - at Large Member
BANKING (6/30/2012)
Steve.Tostenrud@fib.com

Jeremiah Young - at Large Member
(6/30/2013)
rockegear@gmail.com • 256-5585

Mike Nelson - at Large Member
(6/30/2013)
zootist@hotmail.com • 702-249-6970

Board Alternates

Lisa Harmon - BID & DBA
lharmon@downtownbillings.com •
294-5060

Joni Harman – Property Owners, Inc.
joni.harman@gmail.com

Ex-Officio & Affiliates

Jim Reno - Yellowstone County
Commission
jreno@co.yellowstone.mt.us - 256-2701

John Ostlund – County alternate
jostlund@co.yellowstone.mt.gov -
256-2701

Llyod Mickelson - Library & BCP
mickelson@3dnorth.com

Don Olsen - Urban Design
dono@o2architects.net - 259-7123