



## **QUARTERLY REPORT TO CITY OF BILLINGS COUNCIL**

*End of 3<sup>rd</sup> Quarter – FY 2011*

**DOWNTOWN BILLINGS PARTNERSHIP, INC.**

*FUND 203 – Contract Services Agreement*

### **Jan 1, 2011 to April 1, 2011**

The Downtown Billings Partnership, Inc., working with the Downtown Billings Association and the Downtown Billings Business Improvement District (The Alliance), continues to assist the City of Billings with the management and project implementation of Fund 203, the North 27<sup>th</sup> Street (Expanded) TIFD.

Below, please find a list of FY 2011 Fund 203 (New CBD TIFD) Projects as well as project current status:

<b><u>PROJECT</u></b>	<b><u>STATUS</u></b>
<b>Expansion of Historic District</b>	<b>Complete and approved</b>
<b>Pedestrian Wayfinding</b>	<b>Kiosks placed (partial assembly) on 3<sup>rd</sup> and 29<sup>th</sup> as well as Mt Ave. and Broadway – glass and new posters will be placed before the end of FY 2011.</b>
<b>Gateway Billboard branding</b>	<b>in place and continuing rental funded via Fund 203</b>
<b>City Center Banner Project</b>	<b>on hold – awaiting streetlights</b>
<b>Property Appraisals Complete</b>	
<b>Mixed Use Parking Facility</b>	<b>Land assembled Discussions with Bond Counsel beginning.</b>
<b>Revolving Loan Fund Renewal</b>	<b>With the settlement of the YMCA loan, all loans are current and performing. There is about \$2 Million in available credit.</b>
<b>Cooperative Security</b>	<b>TIFD investment for FY 2011 complete. This program will continue to be a budget line item for Fund 203. BID Property Owners will pay for almost 85% of the annual cost.</b>
<b>Executive Conference Market Study</b>	<b>Results received and published.</b>
<b>Event Kit of Parts – Tent</b>	<b>BID has made use of the tent twice since purchase and will continue to make use of this Kit of Parts item.</b>

## PROJECTS FOR FY 2011 AND BEYOND

### Empire Parking Garage



In March, the Billings City Council gave approval for the purchase of the Northern Hotel Parking Garage, the Empire Parking Lot and the Windsor Court Building. These transactions will assemble ½ of a block on Montana Avenue between N. Broadway and N. 27<sup>th</sup> St. to construct, at the minimum, a 500 car parking garage with approximately 18,000 sq. ft. of privately owned commercial space on the Montana Avenue street level. In May, the City will meet with Bond Counsel to discuss a

TIF funding plan for this project. A similar project was completed in Bozeman using the same counsel. The plan will commit about \$1.4 Million in bond debt each year from the N. 27<sup>th</sup> TIFD to fund this public/private partnership. And, if and when the Northern Hotel is completed as planned, a portion of the TIFD will be needed to reimburse the developers, as approved, for about \$2.1 Million in qualified expenditures benefiting the public. Even with those commitments, the TIFD should be able to continue to offer about \$5.7 Million more incentive funding to other developers to continue building the tax base in our downtown. (*See Sheet 2*)

### Streetlights

One project that is now underway in the N. 27<sup>th</sup> Street District is the intersection streetlight/traffic signal project. Funds from the old TIFD in downtown Billings were allocated along with funds from the City Public Works budget to install intersection lighting. Downtown was the only area of Billings that did not have city owned intersection lights. This project was designed to allow property owners to remove about 4 of the 8 streetlights from each block, thus reducing their annual payments to Northwestern Energy. The project was to be the first step in actually combining funds from the new N. 27<sup>th</sup> Street TIFD with a property owner S.I.D. to replace the remaining NWE lights with a new City of Billings system. Unfortunately, the Public Service Commission approved a new “tariff” that will add about \$1 Million to the cost of that project. The DBP intends to challenge that new rule.



### Continued Support of the B.I.D. Clean and Safe

TIF funds from the old district were used to pilot a Business Improvement District in downtown and the new TIFD continues to support this growing program with a goal of 100% property owner funding when the North 27<sup>th</sup> St. TIFD sunsets. Projects like the Downtown Police Resource



Officers, the Streetscape management, and much more have evolved into an amazing collaboration of public and private sectors to create a vibrant, safe and clean city center. Street level retail recruitment is a part of the Urban Renewal Plan and with many new businesses in downtown opening their doors, the current and future investment of TIF funds is easily measured as a success.

Downtown residents, guests and employees look to the “Purple People” to keep the garbage cans empty, the sidewalks clean and our walls free of graffiti. The BID is one of the three organizations that, collectively, call themselves the Downtown Billings Alliance.

### **Streetscape Enhancement**

Well over a decade has passed since the Montana Avenue property owners partnered with the City of Billings to reclaim their avenue with a major streetscape project. At that time, Billings was quite new to the urban street furniture and amenities business. The large planters were both beautiful and a challenge. They quickly became a place to just sit and gather without regard to the downtown guest and workplace experience. The BID did extensive research, and with the assistance of the Downtown Partnership and the TIFD, began a program to make downtown a bit less attractive to those who do not work, shop and enjoy our city center. They removed benches from areas that did not enhance the pedestrian experience. They removed the backs from



benches to make more room for event attendees and less comfort to “campers.” In April, the BID began installing steel and iron pieces to the Montana Avenue planters. These were created in-house by the BID Street Team Supervisor, Joe Stout. Joe worked closely several local scrap iron dealers in Billings and was able to leverage BID and TIFD funds with donations to begin reworking the Montana Avenue planter scene. Check them out next time you are on the Avenue.



### **The Downtown Billings Association**

The third organization of the Downtown Alliance is the oldest one and works daily to manage the fun and exciting part of our new and vibrant downtown. The Downtown Billings Association works with the BID and the DBP to enhance the downtown experience with events and marketing. This organization is key to the success of our street level retail urban renewal plan. Over 200 members join forces to celebrate our city center as the gathering place for our community.



Even if the event is not sponsored or supported by the DBA, the organizers look to the DBA and the BID to make sure the citizens of Billings and their guests feel welcome, safe and satisfied. This fiscal year, the Billings City Council approved the expenditure of TIF Funds to purchase a large event tent for the BID and DBA to manage. Several events have used that component of the Event Kit of Parts and will continue to do so for decades to come.

Organizations like the Montana Women’s Run, Celtic Parade and Yellowstone Valley Farmers Market work closely with the DBA and the BID as several thousand people descend on downtown to pick up packets, buy veggies or celebrate the “wearing of the green”.

**Below, please find the Fund 203 FY 2011 as of April 1, 2011 (Sheet 1)**

<b>Fund 203 Budget</b>				Approved	Actuals	
<b>NORTH 27TH STREET TIFD</b>				8/2/2010		
				DOR Certified	Actuals	
				Balance Carryover	\$455,137	\$482,653
				Projected Increment	\$1,860,581	\$1,960,581
				<b>Total Potential Fund 203</b>	<b>\$2,315,718</b>	<b>\$2,443,234</b>
<b>Approved Projects Expenses</b>	<b>Approved By Council</b>	<b>Encumbered</b>	<b>New Allocations FY2011</b>	<b>Revised Budget</b>	<b>Totals ACTUALS</b>	
1 DBP Management Service	1-Feb-11	\$0.00	(\$172,000.00)	(\$172,000)	(\$172,000)	
2 City Cost Allocations	1-Feb-11	\$0.00	(\$5,000.00)	(\$5,000)	\$0	
3 Expansion of Historic District	1-Jul-09	\$0.00	(\$3,000.00)	(\$3,000)	(\$3,000)	
4 Pedestrian Wayfinding	11-May-09	\$0.00	(\$2,000.00)	(\$2,000)	(\$1,477)	
5 ABT Branded Banners	13-Oct-09	(\$1,215.00)	\$0.00	(\$1,215)	\$0	
6 Gateway Signage/Billboard	13-Oct-09	(\$750.00)	(\$3,600.00)	(\$4,350)	(\$2,700)	
7 Appraisals/Pre-Development	2011	\$0.00	(\$20,000.00)	(\$20,000)	(\$21,115)	
8 Approved Urban Renewal Projects	2011	(\$19,500.00)	(\$120,500.00)	(\$120,500)	(\$46,500)	
9 Development Projects	PENDING	\$0.00	(\$1,500,000.00)	(\$1,500,000)	\$0	
10 TIFD Public Safety Projects	2010	\$0.00	(\$5,000.00)	(\$5,000)	(\$9,013)	
<b>Total Allocated</b>				<b>(\$1,833,065)</b>	<b>(\$255,805)</b>	
<b>Balance</b>				<b>\$482,653</b>	<b>\$1,931,625</b>	

## The potential of Fund 203 through 2020 (Sheet 2)

### Fund 203 Projections

NORTH 27TH STREET TIFD

Lines 1,2,7,9,10 are "Encumbered Expenses that must be paid before calculating Project Fund Base

Annual Revenue Growth	3.50%
Annual Expense Growth	3.00%

add  
Babcock Theatre  
Stockman Bank  
add  
Northern Hotel

Estimated Revenue	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016
Estimated Unencumbered carryover	\$ 455,137.00	\$ 542,640.00	\$ 185,221.00	\$ 56,507	\$ 71,713	\$ 71,517
Annual Growth	\$ -	\$ -	\$ 87,612.74	\$ 78,169.52	\$ 77,814.00	\$ 78,333.77
DOR Certified Increment TY 2010	\$ 1,860,581.00	\$ 1,860,581.00	\$ 1,860,581.00	\$ 1,860,581.00	\$ 1,860,581.00	\$ 1,860,581.00
NEW PROJECT GROWTH	\$ -	\$ 100,000.00	\$ 100,000.00	\$ 228,000.00	\$ 228,000.00	\$ 228,000.00
<b>Total Potential Fund 203</b>	<b>\$ 2,315,718.00</b>	<b>\$ 2,503,221.00</b>	<b>\$ 2,233,414.74</b>	<b>\$ 2,223,257.07</b>	<b>\$ 2,238,107.78</b>	<b>\$ 2,238,432.02</b>
<b>Approved Expenses</b>						
1 DBP Management Service	\$ (172,000.00)	\$ (225,000.00)	\$ (231,750.00)	\$ (238,702.50)	\$ (245,863.58)	\$ (253,239.48)
2 City Cost Allocations	\$ (5,000.00)	\$ (10,000.00)	\$ (10,300.00)	\$ (10,609.00)	\$ (10,927.27)	\$ (11,255.09)
3 Expansion of Historic District	\$ (3,000.00)	\$ -	\$ -	\$ -	\$ -	\$ -
4 Pedestrian Wayfinding	\$ (2,000.00)	\$ (2,000.00)	\$ -	\$ -	\$ -	\$ -
5 ABT Branded Banners	\$ (1,215.00)	\$ -	\$ -	\$ -	\$ -	\$ -
6 Gateway Signage/Billboard	\$ (4,350.00)	\$ (36,000.00)	\$ -	\$ -	\$ -	\$ -
7 Appraisals/Pre-Development	\$ (20,000.00)	\$ (10,000.00)	\$ (10,300.00)	\$ (10,609.00)	\$ (10,927.27)	\$ (11,255.09)
8 Development Projects	\$ (1,556,500.00)	\$ (1,000,000.00)	\$ (300,000.00)	\$ (350,000.00)	\$ (350,000.00)	\$ (400,000.00)
9 BOND ALLOCATIONS	\$ -	\$ (1,000,000.00)	\$ (1,400,000.00)	\$ (1,400,000.00)	\$ (1,400,000.00)	\$ (1,400,000.00)
10 TIFD Public Safety Projects	\$ (9,013.00)	\$ (35,000.00)	\$ (36,050.00)	\$ (37,131.50)	\$ (38,245.45)	\$ (39,392.81)
<b>Total Annual Expenses</b>	<b>\$ (1,773,078.00)</b>	<b>\$ (2,318,000.00)</b>	<b>\$ (1,988,400.00)</b>	<b>\$ (2,047,052.00)</b>	<b>\$ (2,055,963.56)</b>	<b>\$ (2,115,142.47)</b>
<b>Balance</b>	<b>\$ 542,640.00</b>	<b>\$ 185,221.00</b>	<b>\$ 245,014.74</b>	<b>\$ 176,205.07</b>	<b>\$ 182,144.22</b>	<b>\$ 123,289.55</b>
	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016
<b>Project Fund Base</b>			\$648,194	\$766,751	\$766,395	\$766,915
<b>45%</b>			(\$291,687)	(\$345,038)	(\$344,878)	(\$345,112)
<b>Balance</b>			\$56,507	\$71,713	\$71,517	\$21,803

Lines 1,2,7,9,10 are "Encumbered Expenses that must be paid before calculating Project Fund Base

Estimated Revenue	FY2017	FY2018	FY2019	FY2020
Estimated Unencumbered carryover	\$21,803	\$21,810	\$20,854	\$200,468
Annual Growth	\$ 78,345.12	\$ 76,605.56	\$ 76,544.95	\$ 76,509.39
DOR Certified Increment TY 2010	\$ 1,860,582.00	\$ 1,860,583.00	\$ 1,860,584.00	\$ 1,860,585.00
NEW PROJECT GROWTH	\$ 228,000.00	\$ 228,000.00	\$ 228,000.00	\$ 228,000.00
<b>Total Potential Fund 203</b>	<b>\$ 2,188,730.25</b>	<b>\$ 2,186,998.47</b>	<b>\$ 2,185,982.65</b>	<b>\$ 2,365,562.70</b>
<b>Approved Expenses</b>				
1 DBP Management Service	\$ (260,836.67)	\$ (268,661.77)	\$ (276,721.62)	\$ (285,023.27)
2 City Cost Allocations	\$ (11,592.74)	\$ (11,940.52)	\$ (12,298.74)	\$ (12,667.70)
3 Expansion of Historic District	\$ -	\$ -	\$ -	\$ -
4 Pedestrian Wayfinding	\$ -	\$ -	\$ -	\$ -
5 ABT Branded Banners	\$ -	\$ -	\$ -	\$ -
6 Gateway Signage/Billboard	\$ -	\$ -	\$ -	\$ -
7 Appraisals/Pre-Development	\$ (11,592.74)	\$ (11,940.52)	\$ (12,298.74)	\$ (12,667.70)
8 Development Projects	\$ (400,000.00)	\$ (400,000.00)	\$ (400,000.00)	\$ (550,000.00)
9 BOND ALLOCATIONS	\$ (1,400,000.00)	\$ (1,400,000.00)	\$ (1,400,000.00)	\$ (1,400,000.00)
10 TIFD Public Safety Projects	\$ (40,574.59)	\$ (41,791.83)	\$ (43,045.59)	\$ (44,336.95)
<b>Total Annual Expenses</b>	<b>\$ (2,124,596.74)</b>	<b>\$ (2,134,334.64)</b>	<b>\$ (2,144,364.68)</b>	<b>\$ (2,304,695.62)</b>
<b>Balance</b>	<b>\$ 64,133.50</b>	<b>\$ 52,663.83</b>	<b>\$ 41,617.97</b>	<b>\$ 60,867.08</b>
	FY2017	FY2018	FY2019	FY2020
<b>Project Fund Base</b>	\$766,927	\$765,189	\$765,129	\$765,094
<b>45%</b>	(\$345,117)	(\$344,335)	(\$164,660.64) *	\$0 *
<b>Balance</b>	\$21,810	\$20,854	\$200,468	\$215,094

Estimate Available  
for  
Other Projects  
**\$ (5,706,500.00)**

\*Balance of Northern Incentive Grant