



QUARTERLY REPORT TO CITY OF BILLINGS COUNCIL

End of 2nd Quarter – FY 2010

DOWNTOWN BILLINGS PARTNERSHIP, INC.

FUND 202 – Development Agreement

FUND 203 – Contract Services Agreement

December 31, 2009

The Downtown Billings Partnership, Inc., working with the Downtown Billings Association and the Downtown Billings Business Improvement District, continues to implement and complete the “sunset projects” of the original Downtown Urban Renewal District. In addition, we have worked hard to launch the programs and renewal activities of Fund 203, the North 27th Street TIFD.

Below, please find a list of the Fund 202 (Old TIFD) Projects as well as their current status:

Railroad Quiet Zone	Complete
Cooperative Security Program	Over 45% Signed Petition
Babcock Theatre Project	all 3 Phases about 90%+ Complete
GSA Courthouse Project	Demo almost done – Construction in 2010
Streetlights	in Public Works – SID planned

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

<u>PROJECT</u>	<u>STATUS</u>
Expansion of Historic District	Underway
Skypoint Cleaning	Complete and under budget
ABT Branded Banners	Complete and under budget
Crowne Plaza Landscaping	Complete and under budget
Tree Treatments	Completed year 2 of 3
Pedestrian Wayfinding	Updated and Expanded Maps
Montana Ave. Banners	awaiting status of streetlights
Walking Tour Maps	awaiting status of streetlights
Gateway Billboard branding	in place
City Center Banner Project	awaiting status of streetlights
Property Appraisals	1 of 3 complete
Façade-Signs-Awning Assistance	Underway
Streetlights/Two-way Streets	Underway
Artspace Live/Work Project	developing plan for implementation

The projects listed above have all been approved by the Downtown Billings Partnership, Inc. Board of Directors and fall within the parameters of the approved Urban Renewal Plan for the N. 27th Street TIFD. The streetlight/two-way street conversion project is still being developed and

funding requests should be coming forward to Council by the end of FY2010. Artspace has completed its initial research for the Billings market and has determined that an artist-based live-work project would work in our market. Additional funding will need to be approved to move the project further with the goal of completing a tax-paying building renovation or new construction Artspace project by 2012.

Below, please find the Fund 203 FY 2010 as of December 31, 2009

PROPOSED N. 27TH TIFD DISTRICT FY 2010 BUDGET		Actual to Date	Paid by City
Estimated Cash Balance as of 6/30/09 - Tax Year 2008	\$134,870.00	\$134,870.00	\$134,870.00
Projected Increment - Tax Year 2009	\$ 506,000.00	\$ -	\$ -
TOTAL FUND	\$640,870.00	\$134,870.00	\$134,870.00
Expenses			
DBP Management Services	(\$98,580.00)	(\$49,290.00)	(\$49,290.00)
Expansion of historic district	(\$15,000.00)	(\$15,000.00)	(\$15,000.00)
For Council Approved TIFD Projects	(\$75,000.00)	(\$17,354.73)	(\$4,497.00)
Other Service Charges	(\$9,000.00)	\$0.00	\$0.00
Projected Balance	\$443,290.00	\$53,225.27	\$66,083.00

Approved Projects	Date Approved By Council	Amount Allocated	Actual Expenditures	Reimbursement Request to City	FUND 203 Acct. Balance	Request Date
Lanscaping 1st N & N27th	11-May-09	(\$4,500.00)	(\$4,497.00)	(\$4,497.00)	\$3.00	8/14/2009
Tree Treatments	11-May-09	(\$2,500.00)	\$0.00	\$0.00	\$2,500.00	
Skypoint Cleaning	11-May-09	(\$6,000.00)	(\$5,530.00)	\$0.00	\$6,000.00	
Pedestrian Wayfinding	11-May-09	(\$7,000.00)	(\$692.73)	\$0.00	\$7,000.00	
ABT Branded Banners	13-Oct-09	(\$2,700.00)	(\$1,485.00)	\$0.00	\$2,700.00	
MT Ave. Banner Hardware	13-Oct-09	(\$5,000.00)	\$0.00	\$0.00	\$5,000.00	
Reprint Walking Tour Maps	13-Oct-09	(\$3,000.00)	\$0.00	\$0.00	\$3,000.00	
Gateway Billboard Project	13-Oct-09	(\$5,300.00)	(\$3,650.00)	\$0.00	\$5,300.00	
City Center Banner Project	13-Oct-09	\$0.00	\$0.00	\$0.00	\$0.00	
Property Appaisals	13-Oct-09	(\$5,000.00)	(\$1,500.00)	\$0.00	\$5,000.00	
Façade-Signs-Awnings	23-Nov-09	(\$34,000.00)	\$0.00	\$0.00	\$34,000.00	
Two-way Streets and Lights		\$0.00	\$0.00	\$0.00	\$0.00	
Bond Payment		\$0.00	\$0.00	\$0.00	\$0.00	
Total Allocated		(\$75,000.00)	(\$17,354.73)	(\$4,497.00)		
Balance		\$0.00	\$57,645.27	\$70,503.00	\$70,503.00	

The DBP Board has been given several scenario projections for the growth of Fund 203 and its bonding capacity based upon potential 5% annual growth of downtown property values. In addition, the DBP has “assumed” a potential “reappraisal following protest” regarding the 2009 tax year appraisals by the Department of Revenue. Our projections indicate that we assume that about 40% of the value will be removed from the 2009 tax year increment value. We also anticipate the value of the completed Northern Hotel renovations as well as the Artspace project will come “online” in FY2014 and, if we are conservative with the Fund 203 projects, we could consider bonding the district in FY2012. All of these projections are subject to change.

On the following page, please find a 5 year projected FUND 203 Budget as reviewed by the DBP Board of Directors:

FUND 203 - GROWTH PROJECTIONS

Projected Growth Rate	5.0%
percent not re-appraised	60%

N. 27TH TIFD DISTRICT FY 2010 BUDGET		Projected FY2010	Projected FY2011	Projected FY2012	Projected FY2013	Projected FY2014
Estimated Cash Balance as of 6/30/09 - Tax Year 2008		\$134,870.00	\$241,698	\$83,390	\$718,979	\$555,274
INTEREST		2%	\$1,151	\$4,834	\$1,668	\$14,380
Projected Increase		\$304,148	\$319,356	\$335,324	\$352,090	\$829,156
Bond Funds				\$3,817,748		
TOTAL FUND		\$134,870.02	\$439,278	\$324,190	\$4,238,129	\$1,085,448
Expenses						\$1,395,535
DBP Management Services						
Expansion of historic district		(\$98,580.00)	(\$195,000)	(\$204,750)	(\$214,988)	(\$225,737)
City Service Charges		(\$15,000.00)	\$0	\$0	\$0	\$0
For Council Approved TIFD Projects		(\$9,000.00)	(\$15,000)	(\$15,750)	(\$16,538)	(\$17,364)
Board Approval Date	Council Approval Date:					
4/13/2009	5/11/2009	Lansdscaping 1st N & N27th	(\$4,500)			
4/13/2009	5/11/2009	Tree Treatments	(\$2,500)			
4/13/2009	5/11/2009	Skypoint Cleaning	(\$6,000)			
4/13/2009	5/11/2009	Pedestrian Wayfinding	(\$7,000)			
5/22/2009	10/13/2009	ABT Branded Banners	(\$2,700)			
5/22/2009	10/13/2009	MT Ave. Banner Hardware	(\$5,000)			
5/22/2009	10/13/2009	Reprint Walking Tour Maps	(\$3,000)			
5/22/2009	10/13/2009	Gateway Billboard Project	(\$5,300)	(\$3,600)		
5/22/2009	10/13/2009	City Center Banner Project	\$0	(\$27,200)		
9/18/2009	10/13/2009	Property Appaisals	(\$5,000)			
10/23/2009	11/23/2009	Façade-Signs-Awnings	(\$34,000)	\$0	\$0	\$0
pending	pending	Artspace Projects	\$0	(\$1,000,000)		
pending	pending	Two-way Streets and Lights	\$0	(\$2,000,000)		
pending	pending	Bond Payment			(\$298,650)	(\$298,650)
BALANCE			\$241,698	\$83,390	\$718,979	\$555,274
Projects/Bond Payment		\$75,000.00	\$30,800.00	\$3,298,649.89	\$298,649.89	\$298,649.89
Allocated/Expended		(\$75,000.00)	(\$30,800.00)	(\$3,298,649.89)	(\$298,649.89)	(\$298,649.89)
Project Balance		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

3.40% Taxable % Rate	
0.62300 Mill Levy Rate	TAX YEAR
\$ 813,666.00 DOR INCREMENT VALUE	2009
0.13000 Percent Discount on Commercial Property	

Tax Year 2013

Northern Hotel	\$18,000,000.00
Artspace	\$11,000,000.00
Total New Property Value	\$29,000,000.00
Exempt Commer	15% (\$4,350,000.00)
Sub Total	\$24,650,000.00
Taxable Value	30.10% \$7,419,650.00
Mill Levy (estimated)	0.0618
Tax (Real Property)	\$458,534.37
PP/Machinery Investment	\$500,000.00 Estimate
Market Value	\$50,000.00 9%
Taxable Value	\$15,000.00 3%
Mill Levy (estimated)	\$0.06
Tax (PP and Machinery)	\$927.00

FY2010/TY2009 Tax Increment Calculations Per DOR Certified Value	
\$27,507,302	Assessed GROWTH VALUE
X \$ 0.87	13% Discount on Commercial Property
\$23,931,353	
X 3.40%	Taxable % Rate
\$ 813,666.00	DOR CERTIFIED INCREMENT TV
X 0.62300	MILLS
\$506,914	Estimated Increment To Be Collected in FY

Total Annual Bonded Increment	\$459,461.37
-35% Bond Rate	\$298,649.89
Total Bond Amount	\$3,817,748
	Bond years 25