



MEMORANDUM

From: Steve Zeier, Zeier Consulting, LLC

To: SBURA Board of Directors

RE: CLDI, Inc. Application for TIF Funds

Community Leadership Development Inc. (CLDI), a non-profit community housing organization, has submitted the attached TIF Assistance Application for your consideration at the April 1st meeting of the South Billings Urban Renewal Association Board of Directors.

Please see the attached documentation regarding the project. The project consists of the construction of 10 units of affordable housing located on the corner of Orrel Dr and Monroe St. The attached information provides a detailed look at the project.

CLDI is investing approximately \$1.1 million dollars into this project. The TIF application is for a request of \$50,553.65 for TIF eligible improvements such as curb, gutter, sidewalk, street improvements, utility improvements, and landscaping. This represents 45% of the increment that will be generated as a result of this project. *(7/18/2014 Update: The SBURA Board voted to fund the application in the amount of \$39,319.50 at the June 3rd SBURA Board Meeting)*

In summary, I am recommending approval of this application for these reasons:

- 1) The project is consistent with the adopted South Billings Master Plan
- 2) The scale and scope of the project is consistent with the adjacent development

- 3) The Infrastructure to be improved provides a much needed pedestrian connection on the east side of the Jackson St Orrel Dr intersection.
- 2) The project is an ideal infill project in that it develops parcels that are vacant
- 3) It provides quality affordable housing

Please contact me with any questions. I look forward to discussing this at the April board meeting.

Sincerely,

A handwritten signature in blue ink, appearing to read "Steve Zeier". The signature is written in a cursive, slightly slanted style.

Steve Zeier

enc: TIF Application Packet
cc: SBURA Board, Candi Millar, Steve Houlihan



City of Billings South Billings Boulevard
Urban Renewal District

T.I.F Assistance Application
For Public/Private Development Projects

Information & Application

Please return to: SBURA, Inc.
c/o Steve Zeier
Billings, MT 59101
(406) 670-6969
steve@zeierconsulting.com

TAX INCREMENT FINANCING APPLICATION PROCESS FOR POTENTIAL PUBLIC INFRASTRUCTURE ASSISTANCE VIA A DEVELOPMENT AGREEMENT AND POSSIBLE ISSUANCE OF TIFD BONDS

IMPORTANT: The material below outlines the Tax Increment Development Agreement application process and the responsibilities of the APPLICANT and the South Billings Urban Renewal Association, Inc. (SBURA). Please review this information carefully before submitting the application or finalizing your development plans.

Failure to receive approval of a completed application **BEFORE** construction begins may affect the Applicant's eligibility for Public Infrastructure Tax Increment Financing assistance from the City of Billings.

INTRODUCTION

The SBURA is responsible for advising Billings City Council for the South Billings Boulevard Tax Increment District (aka SBBURD), pursuant to Montana Urban Renewal Law (Title 7 Chapter 15 part 42 Montana Code Annotated, (MCA) "Urban Renewal." Tax Increment Financing (TIF) is an important element of the program as it provides a means to complete public urban renewal activities that assist and enhance private development opportunities within the district. A TIF program operates by first establishing a base year taxable value for all properties within the urban renewal district. Property taxes continue to be paid to all taxing jurisdictions on the basis of the base year valuation. All increases in property taxes above this base valuation due to new development or reappraisals are assigned to the TIF District. They are then used for district revitalization activities.

The SBURA offers this tax increment financing assistance consideration for **public infrastructure** (See Schedule "A" attached) components of projects developed within the boundaries of the South Billings Boulevard TIFD.

TAX INCREMENT FINANCING ASSISTANCE PARAMETERS

Each project is unique. Funding availability depends upon the number of years remaining in the district, with or without TIFD Bond extensions beyond the initial 15 year lifetime of the TIFD. TIF assistance with **public infrastructure** shall be based upon criteria outlined in the Criteria for Review section. The amount of assistance is determined by the comparison of two calculations: 1) The amount of incremental revenue generated by the project and 2) The amount of the project that is considered an eligible expense under MCA 7-15-4288. **The assistance provided cannot exceed 45% of the total tax increment generated by the project over the remaining years left in the life of the TIFD. The TIFD was established in 2008 and has 9 years remaining if bonds are not secured.** Please note that property acquisition costs are *not* to be included in the calculations; *only* property improvements are to be considered. Property improvements are defined as all project costs excluding property acquisition. Generally, TIF assistance may be awarded to the eligible PUBLIC PORTION (See Schedule "A") of projects meeting the criteria and approval processes as described herein, subject to availability of funds.

ELIGIBLE ACTIVITIES

As specified by Title 7 Chapter 15 Part 4288 Montana Code Annotated (please see Attachment "A"), TIF funds may be used to complete certain urban renewal activities. Pursuant to this statute, the SBURA will review applications for assistance to projects eligible under the following guidelines. Each application is evaluated on a case by case basis under these guidelines. The SBURA will place special emphasis on those projects that implement the SOUTH BILLINGS BOULEVARD URBAN RENEWAL MASTER PLAN¹, particularly mixed-use developments.

APPLICATION PROCESS AND TIMELINE

Anyone seeking TIF assistance from the SBURA must submit a written application for each TIF-assisted project. The following procedure has been developed to expedite the review of TIF funding requests.

1. Initial Contact. Contact the SBURA Representative, Steve Zeier at 406-670-6969 or via email at steve@zeierconsulting.com, to discuss the project and determine preliminary eligibility for TIF assistance.
2. Prepare a Written Application. The Applicant must prepare a written application for each project assistance request. For all TIF requests, the Applicant must complete a "Developer's

¹ Adopted by Billings City Council, 2/27/2012 and by the Board of County Commissioners, 4/24/2012.

Statement of Qualification and Financial Responsibility” which includes submittal of personal financial statements.

3. SBURA Staff Review. Upon submittal of all necessary information, SBURA staff will review the project and the need for funding. At any point in the review process the staff may request more information of the Applicant or solicit comment on the project from other public agencies. Items included in personal financial statements will not be subject to public review or presentation to or comment by other public entities.
4. SBURA Board Review. The SBURA Board will review the application and staff recommendations. The Board reserves the right to seek additional project review from other public agencies. The Board will issue preliminary approval/disapproval of the assistance request or any part thereof and will make a recommendation to the City Council.
5. City Council Review. Projects receiving approval by the SBURA Board will be forwarded to the Billings City Council through the City of Billings Planning and Community Services Department for final approval and consideration of a Development Agreement that will clearly describe the public investment required to be applied towards public infrastructure and/or development improvements within the public right of way. City Council approval is required before the City will enter a Development Agreement with the Applicant.
6. Development Agreement. The City and the Applicant must execute a mutual agreeable legally binding Development Agreement which establishes the terms and conditions of TIF assistance. Sample Development Agreements are available at the City/County Planning Division office for reference. The Development Agreement may include, but is not limited to, the following:
 - Complete architectural design specifications and site plan
 - Time frame for project development, construction and completion
 - Specifications for release of funds related to public infrastructure
 - Cash flow and pro forma statements for a minimum of five years of the development
 - Terms and conditions of the various financings
 - Commitment letters and loan documents related to the various financings
 - Ownership of completed development
 - Events of default; remedies
 - Zoning approval
 - Tenant commitments
 - Non-liability of city officials
 - Cause for termination
7. Timing. Following the above process for approval, the Applicant can expect a minimum of 60 days between submitting an application to the SBURA and potentially receiving a decision from the City Council.

COMMITMENT OF FUNDS

Upon City Council approval of a project, the approved funds will be budgeted. Budgeted funds will be encumbered for a grace period of 180 days, by which time construction must have commenced. Commencement of construction means the date on which the first building permit is issued. Projects that have not commenced construction within 180 days are at risk for losing the committed funds.

Funds will be released as specified by the Development Agreement. Depending on the nature of each individual project, funds may be released as a lump sum payment or multiple payments made over subsequent fiscal years. The Development Agreement will specify the payment terms. Funds may be released according to one of the following methods.

1. Release of funds following project completion. Funds will be released upon the project's receipt of a Certificate of Occupancy from the City of Billings' Building Division. If necessary, the City will encumber funds for additional fiscal years to accommodate construction schedules.
2. Release of funds over a multi-year repayment schedule. Prior to a project receiving a TIF assistance payment, a Certificate of Occupancy shall be provided to the project by the City of Billings Building Division. Subject to payment amounts and funding availability, multiple payments may be required. TIF assistance payments may be made according to an agreed upon payment schedule. This schedule will be contained within the Development Agreement.

Funds will be release only if the project is developed and constructed essentially as presented in the Development Agreement.

SOUTH BILLINGS BOULEVARD TAX INCREMENT FINANCING (TIF) ASSISTANCE
APPLICATION

Project Name: Orrell Dr. Date Submitted: 3/24/2014

APPLICANT INFORMATION

1. Name: Community Leadership Development Inc. (CLDI) Steven Houlihan
2. Address: PO Box 3381 Billings, MT 59103
3. Telephone Number: 861-2654

PROJECT INFORMATION

1. Building Address: _____
2. Legal Description: Straw Subdivision Block 1 Lot 11-20
Tax ID # A14802, A14803, A4803A, A14804
3. Ownership: Community Leadership Development Inc.
4. Address: PO BOX 3381 Billings, MT 59103
5. If property is not owned by the Applicant, list leasehold interests (Attach evidentiary materials.)

Lessor's Name: _____

Lessor's Address: _____

6. Existing/Proposed Businesses: 5 Duplex housing units (1,2 and 3 bedroom mix)
7. Business Description: _____
8. Employment: Existing FTE jobs 40
9. New Permanent FTE jobs created by project Construction FTE jobs: 3
10. Architectural Firm: Collaborative Design Architects

Address: 2280 Grant Rd, Billings, MT 59102

Representative: Nick Pancheau

8. Description of Project: (Attach narrative explanation.)
9. Rehabilitation/construction plans: (Attach schematics, site and landscaping plans.)
10. Project Schedule: (Attach time line or schedule through completion.)

CRITERIA FOR REVIEW

Materials contained in TIF Assistance applications are used to assess the merits of projects in relation to the goals and objectives of the South Billings Urban Renewal Master Plan in relation to other district development and urban renewal projects. Projects will be evaluated based on the following criteria. Please provide an explanation and supporting documentation for how the project addresses each criterion.

1. Relevance to the South Billings Urban Renewal Master Plan –
Improving street connectivity, sidewalks, and Safe Routes to Schools not only on Orrel St but also 250 Feet of sidewalk on Jackson St. This project will complete the pedestrian connections for a large portion of the adjacent neighborhood.
This project will provide needed neighborhood infill housing as well as reduce blight in the South Billings Boulevard Urban Renewal District
2. Economic Stimulus –
\$1.04 million dollar investment over 18-22 months
Rental income funds the ongoing community development works of CLDI including youth ministry, homework and education assistance, work with teenage moms, etc.
3. Tax Generation –
\$14,042.68 per year for 8 years = \$112,341.44 is the amount of taxes that will be paid into the district over the remaining life of the TIF.
4. Employment Generation –
40 existing full time jobs
3-5 construction full time jobs for the duration of the project
5. Elimination of Blight –
Empty, never developed 41,000 sq. ft. land parcel overgrown and unkempt. Mud paths crossing through used for trucks, 4 wheelers and dirt bikes.

6. Special or Unique Opportunities –

CLDI has a unique desire to see the improvement of the adjacent row houses and the surrounding area. We have invested over \$150,000 in 2 row houses that we currently own and use for community enhancement activities. The original conversation between CLDI and the SBURA Board of Directors occurred at the September meeting. This discussion prompted CLDI to reduce the number of units to lower the density. This is to accommodate an SBURA board request to mitigate the impact to the neighborhood and to more reflect the surrounding neighborhood densities.

7. Impact Assessment –

Structures will be consistent in design with neighboring houses
Irrigated and maintained landscaping on property and ROW

8. Financial Assistance –

No Federal or State grant monies will be used
25-30% will be financed through 1st Interstate Bank

9. Project Feasibility –

CLDI currently has more than 30 applications from people looking for quality, affordable rental housing
Please see attached Pro Forma for construction and operation.

10. Developer's Ability to Perform –

CLDI and KHCC have developed Chrysalis Acres subdivision and numerous infill projects all located in south Billings neighborhoods.
CLDI will maintain ownership and manage them as rental units

11. Timely Completion –

Projected completion is December 2015 (please see attached timeline for project phases)

12. Payment of Taxes –

All property taxes, special improvement district assessments, and other assessments on the project property must be paid at the time of application.

PROJECT COSTS

Land and Site Improvements (Itemized)

1. Equity in Land and Buildings	\$ 64,500	
2. Vacating Monroe street	\$ 15,000	
3. Landscaping, irrigation,	\$ 14,327	
4. Parking area	\$ 51,350	
Subtotal		\$ 145,177.00

Construction/Rehabilitation Costs (Use general construction trade divisions)

1. Based on \$95/sf construction cost	\$ 665,000	
2. Contingency and Misc.	\$ 94,681.45	
3. ROW improvements	\$ 102,804	
Subtotal		\$ 862,485.45

Fees

1. Architectural design/Engineering	\$ 29,051.12	
2. Permits/System Development	\$ 44,200	
3. Other fees: Construction financing	\$ 23,773.84	
Subtotal		\$ 97,024.96

Total Project Development Costs **\$ 1,104,687.41**

PROJECT FINANCING

Please complete Sources of Funds detail and summarize below.

Developer Equity

Cash Invested	\$ 635,500	
Land & Buildings	\$ 64,500	
Subtotal		\$ 700,000

Lender Commitments (Attach evidence i.e. Letters of Credit or other documentation.)

Lender	Loan Amount	Interest	Term	Payment/Period
1 st Interstate Bank	\$400,000	5.29%	20 yrs.	\$2,704/Month
Total Loan Amount				\$400,000

TIF Eligible improvements within the Public Right of Way

For a list of eligible Improvements See Schedule "A"

Curb, Gutter, Sidewalk, Drive Approach	\$ 33,350	
Landscaping	\$ 3,154	
Street rebuilding	\$ 58,000	
Moving utilities	\$ 8,300	
Subtotal		\$ 102,804

Sources of Funds Summary (Post totals from above.)

Developer Equity	\$ 700,000	
Lender Commitments	\$ 400,000	
TIF REQUEST	<u>\$ 50,553.65</u>	
Total Project Financing		\$ 1,150,553.65

DEVELOPER STATEMENT OF QUALIFICATIONS AND FINANCIAL RESPONSIBILITY

Applicant

1. Name: Community Leadership Development Inc.

Address: PO Box 3381 Billings, MT 59103

2. If the applicant is not an individual doing business under his/her own name, the applicant has the status indicated below and is organized or operating under the laws of Montana.

3. The applicant is:

_____ A corporation.

 X A nonprofit or charitable institution or corporation

_____ A partnership known as _____

_____ Other (explain): _____

Date of organization: 1981

4. Names, address, title of position (if any), and nature and extent of the interest of the officers and principal members, principal shareholders, investors, or partners of the applicant.

Name and Address

Nature and Extent of Interest

Financial Condition

1. Provide a current financial statement for each private entity involved in the project. Documentation of financial capacity may include net worth statements, balance sheets, or profit and loss statements.
2. Has the applicant or any individual or entity affiliated with the development of this project been adjudged bankrupt, either voluntary or involuntary, within the past ten years?
No Yes If yes, give date, place, and under what name:

3. Has the applicant or any individual or entity affiliated with the development of this project been indicted for or convicted of any felony within the past ten years:
No Yes If yes, give date, charge, place, court and action taken for each case.

KHCC hires felons and misdemeanor offenders for the purpose of teaching job and life skills in and effort to reduce the recidivism rate and build a stronger community.

CONSTRUCTION CONTRACTOR

1. Identify the construction contractor or builder who will undertake this project.

Name: Koinonia Housing Construction Company (KHCC)

Address: PO Box 3381 Billings, MT 59103

2. Has such contractor or builder ever failed to qualify as a responsible bidder, refused to enter into a contract after an award has been made, or failed to complete a construction or development contract within the last ten years?
No Yes If yes, explain.

CERTIFICATION

I (we), _____ (please print),
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 cover are true
and correct to the best of my (our) knowledge and belief.

Signature _____

Signature _____

Title _____

Title _____

Address _____

Address _____

Date _____

Date _____

SCHEDULE "A"
EXAMPLES OF ELIGIBLE PUBLIC PORTION PROJECTS OF INFRASTRUCTURE
COMPLETE LIST FOUND IN MONTNA CODE ANNOTATED 7-15-4288

Purchase of Site for a Public use

Demolition and Abatement

Sidewalks, Curbs, Gutters, Drive Approaches

Public Utilities such as Water, Sewer, and Storm Drain

Street Surface Improvements

Crosswalks

Landscaping, Green Space, and Improvement of Pedestrian Areas

Historical Restorations

Off Street Parking

Pollution Reduction

Private Utilities such as Electrical, Natural Gas, Telecommunication Lines



7/1/2013

Jackson St

Monroe St

Sorrel St

1996

Imagery Date: 7/1/2013

eye alt 3677 ft

elev 3136 ft

W 108°30'51.30"

N 45°45'53.22"

Google Earth



Tax Increment Calculations and ROW Costs

Tax Income Breakdown

Current Annual Property Taxes (baseline)		\$538.25
Total projected project cost	\$1,041,495.00	
Tax rate (from MT Dept. of Revenue)	1.4%	
Estimated Property taxes after completion		\$14,580.93
Annual TIF district income		\$14,042.68
Projected completion in December 2015		
8 years remaining in the life of the TIF		8
TOTAL TIF DISTRICT INCOME		\$112,341.44
45% (maximum TIF district funding)		\$50,553.65

ROW Improvement Costs

	QTY	RATE	
Curb and Gutter	761	\$16.00	\$12,176.00
City Sidewalk	3750	\$5.00	\$18,750.00
Drive approach			\$2,424.00
Street (8400 square feet)	\$8,923.08	\$6.50	\$58,000.00
Landscaping			\$3,154.00
Moving utilities			\$8,300.00
Total			\$102,804.00

Orrel Street Timeline

Description	Month-Year	Month-Year
Plans, Engineering, Survey, Architectural	October-13	April-14
ROW improvements (street, curb, gutter, sidewalk, utilities)	May-14	July-14
Site improvements and Grading	June-14	August-14
Foundations	June-14	October-14
Final Grade, Landscaping, Irrigation	August-15	October-15
General Construction of Units	June-14	November-15

COLLABORATIVE DESIGN

ARCHITECTS

2280 GRANT ROAD SUITE C BILLINGS, MT 59102 406.248.3443

PROPERTY DEVELOPMENT PROFORMA

ORREL DRIVE HOUSING

COMMUNITY LEADERSHIP DEVELOPMENT, INC

10 UNITS

9 January 14

A. PROJECT COSTS:

I. LAND

Purchase Price	= \$	64,500.00	=	\$79,500.00
Vacated Monroe Street	= \$	15,000.00		

II. HARD COSTS

A. Site Improvements	\$6.50 /SF of Asphalt			
Parking	7,900 SF	= \$	51,350.00	
B. Building Costs		= \$	665,000.00	
Unit Cost:	7,000 S.F. @ \$	95.00	/ S.F.	
C. Site Development	(Landscaping/Irrigation/Utilities)			
	2 % of Site and Building Costs	= \$	14,327.00	
D. Building Permit/Plan Check		= \$	4,200.00	
E. System Development Fees		= \$	40,000.00	
F. Off-Site Development	Sidewalk And Approaches			
Sidewalk	925 S.F. @ \$6.50	= \$	6,012.50	
Street/Curb	3,200 S.F. @ \$10.50	= \$	33,600.00	

II. TOTAL HARD COSTS: = **\$814,489.50**

III. SOFT COSTS

A. Architect/Design/Consultants (M/E/P/S)	1.25 % of II above	= \$	10,181.12	
B. Site Analysis (LS per Geotech quote)		= \$	2,100.00	
C. Civil Engineering		= \$	10,270.00	
D. Reimbursables/Design Contingency		= \$	1,500.00	
E. LEED or Energy Star Compliance		= \$	5,000.00	
Application	\$0.00			
Engineering	\$0.00			
Architectural	\$5,000.00			

III. TOTAL SOFT COSTS: = **\$29,051.12**

IV. FINANCING COSTS

A. Origination	1.00 pts. +	0.50 pts.	= \$	8,939.90
B. Construction Financing	6 months @	5.00 %	= \$	7,011.50
C. Real Estate Taxes (excl. SID)			= \$	250.00
D. Insurance, Title &/or Builders Risk			= \$	4,072.45
E. Letter of Credit/Appraisal			= \$	3,500.00

IV. TOTAL FINANCING COSTS: = **\$23,773.84**

V. DEVELOPERS FEE

0%

VI. CASH CONTINGENCY @

10%

TOTAL PROJECT COSTS = **\$1,041,495.91**

TOTAL COSTS: **\$1,041,495.91**

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COLLABORATIVE DESIGN

ARCHITECTS

2280 GRANT ROAD SUITE C BILLINGS, MT 59102 406.248.3443

PROPERTY DEVELOPMENT PROFORMA

ORREL DRIVE HOUSING

10 UNITS

COMMUNITY LEADERSHIP DEVELOPMENT, INC

9 Januar 14

A. PROJECT TOTAL COST:	= \$	<u>1,041,495.91</u>	
B. PROJECT INCOME/RETURNS:			
I. ANNUAL SCHEDULED GROSS INCOME			
a. RENT			
1 Bedroom	3	\$550 / Month	
2 Bedroom	4	\$700 / Month	
3 Bedroom	3	\$850 / Month	
		= \$	<u>7,000.00 / Month</u>
TOTAL SCHEDULED GROSS ANNUAL INCOME		=	<u>\$84,000.00</u>
II. ANNUAL OPERATING EXPENSES			
a. Taxes (Building & Land)		= \$	<u>12,217.34</u>
b. Property Insurance		= \$	<u>4,072.45</u>
c. Liability Insurance		= \$	<u> </u>
d. Site maintenance		= \$	<u>1,200.00</u>
e. Management <u>5.00</u> %		= \$	<u>4,200.00</u>
f. Utilities (W, S)		= \$	<u>2,880.00</u>
g. Reserves @ <u>2.50</u> % of annual income		= \$	<u>2,100.00</u>
j. Vacancy <u>2.50</u> %		= \$	<u>2,100.00</u>
TOTAL SCHEDULED OPERATING EXPENSES		=	<u>\$28,769.79</u>
ANNUAL OPERATING EXPENSES	(10 Units)		\$2,876.98 per Unit
C. EFFECTIVE NET INCOME		=	<u>\$55,230.21</u>
D. DEBT SERVICE/CASH FLOW/EQUITY			
1. Loan Value		= \$	<u>379,000.00</u>
2. Debt Service		= \$	<u>-32,583.28</u>
<u>6.00</u> % Interest Rate for <u>20</u> yrs.			
3. Cash Flow (on scheduled rents/expenses)		= \$	<u>22,646.93</u>
4. Equity Required		= \$	<u>665,000.00</u>
5. Return on Invested Equity		= \$	<u>3.41%</u>
6. Loan to Value (cost) Ratio			<u>36 %</u>
E. ANNUAL INCOME ANALYSIS			
Scheduled Gross Income			\$84,000.00
Net before Debt Service			\$55,230.21
Debt Service			-\$32,583.28
*FREE CASH FLOW			\$22,646.93

CAPITALIZATION RATE: 8.07%

RETURN ON INVESTMENT: 3.41%

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COMMUNITY LEADERSHIP DEVELOPMENT, INC.
Balance Sheet
As of March 25, 2014

	Mar 25, 14
ASSETS	
Current Assets	
Checking/Savings	
100 · Cash	
1000 · Petty Cash	100.00
1010 · CLDI Checking-FIB #1100303765	79,880.75
1045 · F.Nelson - Merrill Lynch	454,590.77
1050 · CLDI Savings-FIB #1160295232	207,216.80
1055 · H.E.N. - Merrill Lynch	25,084.35
Total 100 · Cash	766,872.67
Total Checking/Savings	766,872.67
Accounts Receivable	
1150 · Accounts Receivable	47,513.91
Total Accounts Receivable	47,513.91
Other Current Assets	
1100 · Work In Progress (WIP)	
1112 · WIP - Purchase Price	213,725.00
1106 · WIP - Loan Set Up/Close Fees	992.50
1107 · WIP - Interest on Loan	4,843.69
1108 · WIP - Insurance	912.00
1110 · WIP - Materials	44,983.12
1111 · WIP - Subcontractor	41,971.81
Total 1100 · Work In Progress (WIP)	307,428.12
1180 · Crysalis Acres-Phase 1	40,181.60
1185 · Chrys. Acres Phase 2 (Hmcrft)	390,503.00
Total Other Current Assets	738,112.72
Total Current Assets	1,552,499.30
Fixed Assets	
1510 · Land	436,709.56
1520 · Buildings	1,731,168.77
1530 · Transportation Equipment	7,600.21
1540 · Office Equipment	30,612.15
1570 · Accumulated Depreciation	-704,794.36
Total Fixed Assets	1,501,296.33
Other Assets	
1655 · N/R Joe Brokenrope	7,259.48
1610 · N/R Agape	60,000.00
1615 · N/R Agape (cdbg monies)	34,500.00
1635 · N/R Isaiah Housing	9,000.00
1645 · Note Receivable KHCC	24,422.25
1705 · Ltd. Partner Investment- Isaiah	96,646.15
1710 · Investments Agape	32,394.00
1730 · Stock Invest. - KHCC no change	6,134.33
1781 · Interest Receivable-Agapa	118,148.00
Total Other Assets	388,504.21
TOTAL ASSETS	3,442,299.84
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2010 · Accounts Payable	14,544.30
Total Accounts Payable	14,544.30
Other Current Liabilities	
1198 · K.M.C. Due to/from	-32.30
2161 · Payroll Liabilities	407.00
1196 · CAHO - Due To/From	-1,526.61

2:29 PM

03/25/14

Accrual Basis

COMMUNITY LEADERSHIP DEVELOPMENT, INC.

Balance Sheet

As of March 25, 2014

	Mar 25, 14
1192 · Agape - Due To/From	-275.00
1193 · Isaiah - Due To/From	-5.35
2050 · Rental Deposits	250.00
2100 · FIT Payable	-328.38
2130 · State Tax Payable	-33.00
2140 · SUTA Payable	-6.49
2150 · FUTA Payable	206.23
2411 · Credit Line FIB ... 7913	-183.26
2412 · Const Loan ..8301 (110 S 31)	86,045.09
Total Other Current Liabilities	84,517.93
Total Current Liabilities	99,062.23
Long Term Liabilities	
2418 · 356 Jefferson FIB #1100607712	72,874.11
2417 · 2916 8th Ave S. FIB #1100508121	84,653.45
2586 · 316 Jefferson Mort #1100606452	55,820.47
2585 · 143/147 Hallowell #1100605536	139,376.09
2587 · 204 S. 31st Mortg #1100507487	45,923.54
2588 · 109 S. 32nd FIB #...7404	41,493.83
Total Long Term Liabilities	440,141.49
Total Liabilities	539,203.72
Equity	
2810 · Unrestricted Net Assets	2,546,470.33
2820 · General Fund Balance	-50,788.99
Net Income	407,414.78
Total Equity	2,903,096.12
TOTAL LIABILITIES & EQUITY	3,442,299.84

COMMUNITY LEADERSHIP DEVELOPMENT, INC.
Profit & Loss
 September 2013 through August 2014

	Sep '13 - Aug 14
Ordinary Income/Expense	
Income	
3001 · Donations - Income	
3028 · Restricted (Non-Grant)	140,300.00
3010 · Donations - Received	112,743.42
3020 · Donations - Eleos Group	152,358.00
Total 3001 · Donations - Income	405,401.42
3100 · Rental Income	4,583.33
3120 · Grant Income - General	138,960.00
3160 · Management Fees	10,905.69
3181 · Fellowship House Income	7,516.10
3190 · Other Income	136.50
3253 · Chrysalis Home Sales Income	68,800.00
Total Income	636,303.04
Cost of Goods Sold	
4030 · Closing Fee's	217.00
Total COGS	217.00
Gross Profit	636,086.04
Expense	
5000 · Assistance Expense	
5001 · General Assistance	1,939.65
Total 5000 · Assistance Expense	1,939.65
5020 · Auto Expense	
5021 · Auto - fuel & mileage	927.80
5029 · Auto - repairs	334.08
5020 · Auto Expense - Other	751.77
Total 5020 · Auto Expense	2,013.65
5040 · Bank Charges	196.72
5060 · Conference/Retreat	2,184.53
5061 · Staff Development	1,130.72
5100 · Dues & Subscriptions	2,640.00
5130 · Donations	2,370.00
5180 · Entertainment/Meals	1,087.67
5190 · Program Activities	1,772.56
5195 · Fellowship House Expense	14,688.49
5196 · Christmas Store Expense	10,406.76
5200 · Fundraiser Expense	
5210 · Grant Expense	20.64
5200 · Fundraiser Expense - Other	10,997.94
Total 5200 · Fundraiser Expense	11,018.58
5400 · Insurance	
5405 · Life Insurance	357.50
5420 · Property Insurance	-548.58
5421 · General Liability Insurance	3,108.00
5430 · Workers Comp Insurance	2,719.22
Total 5400 · Insurance	5,636.14
5480 · Interest Expense	
5489-2 · Interest 316 Jefferson	418.49
5485 · Interest 109 S 32nd	1,703.37
5489 · Interest 143/147 Hallowell	4,067.85
5480 · Interest Expense - Other	2,257.76
Total 5480 · Interest Expense	8,447.47
5490 · Property Tax	24,489.45
5560 · Legal & Acctng Expenses	6,460.00
5570 · Special Projects Expense	4,440.00
5660 · Misc Expenses	-36.75
5680 · Office Supplies	2,126.79

2:25 PM

03/25/14

Accrual Basis

COMMUNITY LEADERSHIP DEVELOPMENT, INC.

Profit & Loss

September 2013 through August 2014

	<u>Sep '13 - Aug 14</u>
5685 · Technologies Expense	209.00
5810 · Salaries	118,815.55
5840 · Sub-Contractor	8,050.00
5880 · Supplies	177.42
5882 · Tools (Office Equip for Budget)	1,412.69
6040 · Taxes - Payroll	9,953.54
6060 · Telephone Expenses	4,553.93
6100 · Stolen Fund	3,184.00
6560 · Payroll Expenses	377.60
Total Expense	<u>249,746.16</u>
Net Ordinary Income	386,339.88
Other Income/Expense	
Other Income	
8162 · Transfer to General Fund	1,200.00
8110 · Interest Income	128.51
8161 · Unrealized Gain/Loss on Invest	-70.61
Total Other Income	<u>1,257.90</u>
Net Other Income	<u>1,257.90</u>
Net Income	<u><u>387,597.78</u></u>

CLDI, Inc. SBBURD TIF Application

PROJECT COSTS

Land and Site Improvements	
Equity In Land & Buildings	\$64,500.00
Vacating Monroe St	\$15,000.00
Landscaping, irrigation	\$14,327.00
Parking Area	\$51,350.00
SUBTOTAL	\$145,177.00
Construction Costs	
Construction/Rehabilitation Costs	\$665,000.00
Duplex construction @ \$95 / SF	
Contingency / Misc.	\$94,681.45
Right of Way Improvements	\$102,804.00
SUBTOTAL	\$862,485
Fees	
Architectural Design & Engineering	\$29,051.12
Permits & System Development	\$44,200.00
Construction Financing	\$23,773.84
SUBTOTAL	\$97,024.96
TOTAL	
PROJECT TOTAL	\$1,104,687.41

PROJECT FINANCING

Developer Equity (Cash)	\$635,500
Land & Buildings	\$64,500
TOTAL	\$700,000

TIF ELIGIBLE IMPROVEMENTS

Sidewalks, Curb & Gutter, Drive Approacl	\$33,350
Landscaping	\$3,154
Street Rebuilding	\$58,000
Moving Utilities	\$8,300
TOTAL TIF ELIGIBLE EXPENSES	\$102,804

SOUTH BILLINGS BLVD TIF FINANCES

DOR 2013 Certified Increment Value	\$2,358,151
2014 TIF Amount (Increment * Mill Rate (667.52))	\$1,574,113
Cash as of 3/27/2014	\$3,400,000
Less:	
Calhoun Project Design (FY14)	\$200,000
Sewer Project Phase I (FY14)	\$1,050,000
	<u>\$1,250,000</u>
Cash Available until July 2014	\$2,150,000
FY 15 Anticipated Revenue	
7/1/2014	<u>\$787,056</u>
FY 15 First Half Anticipated Revenue	
12/1/2014	<u>\$787,056</u>
Estimated FY 14 Available Cash	\$3,724,113

TIF INCENTIVE ANALYSIS

Additional Value Total	\$1,104,687	
TIF Dollar Multiplier	1.27%	Per TIF Example Calc Table
Est Increment Generated	\$14,042.68	Per Year
TIF Time Remaining	8	yrs.
(Project to come online Dec 2015)		
TOTAL EST INCREMENT	\$112,341.44	Increment generated over the life of the TIF
(over the life of the TIF)		
45% MAX TIF INCENTIVE	\$50,553.65	
*SBURA Board voted to reccomend 35% reimbursement of \$39,319.50		

TIF EXAMPLE CALC TABLE

For every \$1,000,000 invested, a return of \$14,371 can go the TIF District

Table. Hypothetical TIF revenue estimate for \$1 million new real property value		
TIF Calculation	Value	Comment
Assessed Value	1,000,000	Real property increment only: phase-in of appraised value
Comstead Exemption	-175,000	DOR exemption: 17.5% for commercial (Comstead), 41.8% for residential
Subtotal	825,000	Assessed value minus exemption
Taxable Value	22,400	equals 2.72% of subtotal above, per DOR exemption for every property
Mill Levy	667.52	Estimated; tax per \$1,000 in taxable value
Real Property Tax	12,711	Taxable value multiplied by mill levy
Calculated by ECONorthwest, based on FY 2011-12 data from Montana DOR.		



March 10, 2014

Community Leadership Development
Koinonia Housing
Attention: Steve Houlihan
PO Box 3381
Billings, MT 59103

Re: Loan Commitment on Orrel Drive Housing.

Dear Mr. Houlihan:

Thank you for your continued commitment to providing a housing need in Billings. We are pleased to be your Bank of choice and work with you on the Orrel Drive Housing venture.

First Interstate Bank has provided a quote on interest rate and terms for the project and does intend to seek approval for financing upon the receipt of plans, specs, and a cost breakdown for the project.

First Interstate Bank has completed numerous projects over the last 11 years with both Community Leadership Development and Koinonia Housing and values your efforts towards build better relationships and a stronger community.

Please call if you have any questions.

Yours truly,

A handwritten signature in cursive script, appearing to read 'Kris Fairlee'.

Kris Fairlee
Vice President
Commercial Real Estate
406-255-5139
406-255-5106
kristin.fairlee@fib.com



Yellowstone County, Montana

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Owner Information

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Tax ID: A14802

Primary Party

Primary Owner Name: COMMUNITY LEADERSHIP DEVELOPMENT INC

2014 Mailing Address: COMMUNITY LEADERSHIP DEVELOPMENT INC
109 1/2 S 32ND ST
BILLINGS, MT 59101-3910

Property Address: 220 MONROE ST

Township: 01 S Range: 26 E Section: 10

Subdivision: STRAW SUBD Block: 1 Lot: 11

Full Legal: STRAW SUBD, S10, T01 S, R26 E, BLOCK 1, Lot 11 - 12

GeoCode: 03-0927-10-2-08-04-0000

[Show on Map](#)

Property Assessment Information

Levy District: SOUTH BILLINGS BLVD URBAN

Assessed value

Assessed Land Value = \$ 3,619.00

Assessed Building(s) Value = \$ 0.00

Total Assessed Value = \$ 3,619.00

Taxable Market Value*

Tax Year: 2013

Class Code	Amount
2201 - Residential City or Town Lots	\$ 1,818.00
Total	\$ 1,818.00

*** The values shown are for the given tax year as supplied by the Department of Revenue. This value is used to calculate the property tax and is not the true market value of the property. The most recent market value is not allowed to be used by the Legislature. For questions regarding how the taxable market value is derived, please contact the Montana Department of Revenue, Appraisal/Assessment Office at [406-896-4000](#).**

Rural SID Payoff Information

NONE

Property Tax Billing History

Year	1st Half	2nd Half	Total
2000	44.66 P	44.65 P	89.31
2001	45.54 P	45.53 P	91.07
2002	48.41 P	48.40 P	96.81
2003	44.10 P	41.91 P	86.01
2004	46.34 P	46.28 P	92.62
2005	46.03 P	46.02 P	92.05
2006	0.01 P	0.00	0.01
2006	45.44 P	45.38 P	90.82
2007	0.01 P	0.00	0.01
2007	47.11 P	47.05 P	94.16
2008	43.13 P	43.12 P	86.25
2009	0.01 P	0.00	0.01
2009	44.18 P	44.17 P	88.35
2010	45.49 P	45.48 P	90.97
2011	56.70 P	56.69 P	113.39
2012	58.18 P	58.17 P	116.35
2013	59.78 P	59.77 P	119.55

(P) indicates paid taxes.

Click on year for detail.

Jurisdictional Information

Commissioner Dist: 1 - John Ostlund (R)	School Attendance Areas
Senate: Please contact the Elections Department	High: WEST
House: Please contact the Elections Department	Middle: RIVERSIDE
Ward: 1 (BILLINGS) Brent R Cromley Jim Frank Ronquillo	Elem: ORCHARD
Precinct: 52.1	
Zoning: Residential 6000 Click Here to view Billings Regulations Click Here to view Laurel Regulations	SD 2 Trustee District #1 List of Trustees

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Tax ID: A14803

Primary Party

Primary Owner Name: COMMUNITY LEADERSHIP DEVELOPMENT INC

2014 Mailing Address: COMMUNITY LEADERSHIP DEVELOPMENT INC
109 1/2 S 32ND ST
BILLINGS, MT 59101-3910

Property Address:

Township: 01 S Range: 26 E Section: 10
Subdivision: STRAW SUBD Block: 1 Lot: 13
Full Legal: STRAW SUBD, S10, T01 S, R26 E, BLOCK 1, Lot 13 - 14
GeoCode: 03-0927-10-2-08-03-0000

[Show on Map](#)

Property Assessment Information

Levy District: SOUTH BILLINGS BLVD URBAN

Assessed value

Assessed Land Value = \$ 3,619.00
Assessed Building(s) Value = \$ 0.00
Total Assessed Value = \$ 3,619.00

Taxable Market Value*

Tax Year: 2013

Class Code	Amount
2201 - Residential City or Town Lots	= \$ 1,818.00
Total	= \$ 1,818.00

* The values shown are for the given tax year as supplied by the Department of Revenue. This value is used to calculate the property tax and is not the true market value of the property. The most recent market value is not allowed to be used by the Legislature. For questions regarding how the taxable market value is derived, please contact the Montana Department of Revenue, Appraisal/Assessment Office at [406-896-4000](#).

Rural SID Payoff Information

NONE

Property Tax Billing History

Year	1st Half	2nd Half	Total
2000	42.71 P	42.70 P	85.41
2001	43.59 P	43.58 P	87.17
2002	46.30 P	46.29 P	92.59
2003	41.43 P	39.43 P	80.86
2004	43.46 P	43.40 P	86.86
2005	43.16 P	43.15 P	86.31
2006	0.01 P	0.00	0.01
2006	42.58 P	42.52 P	85.10
2007	0.01 P	0.00	0.01
2007	44.12 P	44.06 P	88.18
2008	40.43 P	40.42 P	80.85
2009	0.01 P	0.00	0.01
2009	41.48 P	41.47 P	82.95
2010	42.73 P	42.72 P	85.45
2011	53.01 P	53.00 P	106.01
2012	54.40 P	54.39 P	108.79
2013	55.91 P	55.90 P	111.81

(P) indicates paid taxes.

Click on year for detail.

Jurisdictional Information

Commissioner Dist: 1 - John Ostlund (R)	School Attendance Areas
Senate: Please contact the Elections Department	High: WEST
House: Please contact the Elections Department	Middle: RIVERSIDE
Ward: 1 (BILLINGS) Brent R Cromley Jim Frank Ronquillo	Elem: ORCHARD
Precinct: 52.1	
Zoning: Residential 6000 Click Here to view Billings Regulations Click Here to view Laurel Regulations	SD 2 Trustee District #1 List of Trustees

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Tax ID: A14803A

Primary Party

Primary Owner Name: COMMUNITY LEADERSHIP DEVELOPMENT INC

2014 Mailing Address: COMMUNITY LEADERSHIP DEVELOPMENT INC
109 1/2 S 32ND ST
BILLINGS, MT 59101-3910

Property Address:

Township: 01 S Range: 26 E Section: 10
Subdivision: STRAW SUBD Block: 1 Lot: 15
Full Legal: STRAW SUBD, S10, T01 S, R26 E, BLOCK 1, Lot 15 - 18
GeoCode: 03-0927-10-2-08-02-0000

[Show on Map](#)

Property Assessment Information

Levy District: SOUTH BILLINGS BLVD URBAN

Assessed value

Assessed Land Value = \$ 3,911.00
Assessed Building(s) Value = \$ 0.00
Total Assessed Value = \$ 3,911.00

Taxable Market Value*

Tax Year: 2013

Class Code	Amount
2201 - Residential City or Town Lots	= \$ 1,987.00
Total	= \$ 1,987.00

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Rural SID Payoff Information

NONE

Property Tax Billing History

Year	1st Half	2nd Half	Total
2000	67.33 P	67.32 P	134.65
2001	67.29 P	67.28 P	134.57
2002	70.78 P	70.77 P	141.55
2003	72.14 P	68.14 P	140.28
2004	74.29 P	74.17 P	148.46
2005	75.75 P	75.74 P	151.49
2006	74.77 P	74.66 P	149.43
2007	77.83 P	77.71 P	155.54
2008	71.06 P	71.05 P	142.11
2009	71.84 P	71.81 P	143.65
2010	73.74 P	73.71 P	147.45
2011	93.07 P	93.04 P	186.11
2012	95.46 P	95.43 P	190.89
2013	97.54 P	97.54 P	195.08

(P) indicates paid taxes.

Click on year for detail.

Jurisdictional Information

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Zoning: Residential 6000 Click Here to view Billings Regulations Click Here to view Laurel Regulations	SD 2 Trustee District #1 List of Trustees

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Tax ID: A14804

Primary Party

Primary Owner Name: COMMUNITY LEADERSHIP DEVELOPMENT INC

2014 Mailing Address: COMMUNITY LEADERSHIP DEVELOPMENT INC
109 1/2 S 32ND ST
BILLINGS, MT 59101-3910

Property Address:

Township: 01 S Range: 26 E Section: 10
Subdivision: STRAW SUBD Block: 1 Lot: 19
Full Legal: STRAW SUBD, S10, T01 S, R26 E, BLOCK 1, Lot 19 - 20
GeoCode: 03-0927-10-2-08-01-0000

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Property Assessment Information

Levy District: SOUTH BILLINGS BLVD URBAN

Assessed value

Assessed Land Value = \$ 3,619.00
Assessed Building(s) Value = \$ 0.00
Total Assessed Value = \$ 3,619.00

Taxable Market Value*

Tax Year: 2013

Class Code	Amount
2201 - Residential City or Town Lots	= \$ 1,818.00
Total	= \$ 1,818.00

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Rural SID Payoff Information

NONE

Property Tax Billing History

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2000	42.71 P	42.70 P	85.41
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2002	46.30 P	46.29 P	92.59
2003	41.43 P	39.43 P	80.86
2004	43.46 P	43.40 P	86.86
2005	43.16 P	43.15 P	86.31
2006	0.01 P	0.00	0.01
2006	42.58 P	42.52 P	85.10
2007	0.01 P	0.00	0.01
2007	44.12 P	44.06 P	88.18
2008	40.43 P	40.42 P	80.85
2009	0.01 P	0.00	0.01
2009	41.48 P	41.47 P	82.95
2010	42.73 P	42.72 P	85.45
2011	53.01 P	53.00 P	106.01
2012	54.40 P	54.39 P	108.79
2013	55.91 P	55.90 P	111.81

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