



## MEMORANDUM

From: Steve Zeier, Zeier Consulting, LLC

To: SBURA Board of Directors

Date: October 2, 2014

RE: Big Sky King Properties, LLC Application for TIF Funds

Big Sky King Properties, LLC, a Popeye's Louisiana Chicken franchisee, has submitted the attached TIF Assistance Application for your consideration at the October 7<sup>th</sup> 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 an approximately 2,500 square foot quick serve restaurant, site improvements, bike-pedestrian trail, and adjacent offsite improvements located near the corner of King Avenue East and South Billings Boulevard in the Popelka Commerce Center Subdivision. The attached information packet provides a detailed look at the project.

Big Sky King Properties, LLC is investing approximately \$1.8 million dollars into this project, not including the land acquisition costs. The TIF application is for a request of \$70,838.63 for TIF eligible improvements such as curb, gutter, sidewalk, street improvements, utility improvements, bike trail improvements, and landscaping. This represents 45% of the increment that will be generated as a result of this project. (11/10/2014 Update: The SBURA Board voted to approve this application at the November 4th meeting of the Board of Directors.)

In summary, a recommendation to approve this application is being forwarded for the following reasons:

- 1) The project is consistent with the adopted South Billings Master Plan for the recruitment and incentivizing of businesses to locate in the South Billings Boulevard Urban Renewal District.
- 2) The project is an ideal infill project in that it develops parcels that are currently vacant and not generating significant tax revenue.
- 3) The scale and scope of the project is consistent with the adjacent commercial development.
- 4) It will provide incremental tax dollars to provide for future development projects.
- 5) The Infrastructure to be improved provides a bike pedestrian trail facility and drive approaches to serve the adjacent development.
- 6) The project will create 16 FTE jobs.
- 7) This project will stimulate growth in the adjacent commercial subdivision.

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

Sincerely,

A handwritten signature in blue ink, appearing to read "Steve Zeier".

Steve Zeier

enc: TIF Application Packet

cc: SBURA Board, Candi Millar, Mathew Colebank, Jan Rehberg



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 (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, 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 PLAN<sup>1</sup>, 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](mailto:steve@zeierconsulting.com), to discuss the project and determine preliminary eligibility for TIF assistance.

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

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 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: \_\_ POPEYES LOUISINIA CHICKEN \_\_\_\_\_

Date Submitted: 7 /28/14

**APPLICANT INFORMATION**

1. Name: \_\_ BIG SKY KING PROPERTIES, LLC \_\_\_\_\_

2. Address: \_\_ 1250 15<sup>TH</sup> STREET WEST SUITE 201 BILLINGS, MT 59102 \_\_\_\_\_

3. Telephone Number: \_\_ 406-534-6422 \_\_\_\_\_

**PROJECT INFORMATION**

1. Building Address: 750 SOUTHGATE DR

2. Legal Description: \_\_ LOT 3A-2 POPELKA COMMERCE CENTER SUBDIVISION, SECOND FILING \_\_\_\_\_

3. Ownership: \_\_ BIG SKY KING PROPERTIES, LLC \_\_\_\_\_

4. Address: \_\_ 1250 15<sup>th</sup> STREET WEST, BILLINGS, MT59102 \_\_\_\_\_

5. If property is not owned by the Applicant, list leasehold interests (Attach evidentiary materials.)

Lessor's Name: \_\_ NA \_\_\_\_\_

Lessor's Address: \_\_ NA \_\_\_\_\_

6. Existing/Proposed Businesses: \_\_ NA \_\_\_\_\_

7. Business Description: \_\_ Quick Serve Restaurant \_\_\_\_\_

8. Employment: Existing FTE jobs \_\_ 0 \_\_\_\_\_

9. New Permanent FTE jobs created by project \_\_ 16 \_\_\_\_\_ Construction FTE jobs \_\_ 40 \_\_\_\_\_

10. Architectural Firm: \_\_ A&E Architects, Billings, MT \_\_\_\_\_

Address: 608 N 29th St, Billings, MT 59101

Representative: Dusty Eaton

8. Description of Project: (See Attachment A)
9. Rehabilitation/construction plans: (See Attachment B)
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 – Documentation of the project’s consistency with the goals in the Master Plan.
2. Economic Stimulus – The amount of economic activity to be generated by the, as well as the leverage ratio of public to private investment. Applications should contain credible, measurable information substantiating Applicant’s claims of economic stimulus.
3. Tax Generation – The increase in taxable value due to new construction/rehabilitation as estimated by the County Assessor’s office.
4. Employment Generation – Total employment generated by the project assessed in terms of new permanent and part-time jobs, and construction jobs.
5. Elimination of Blight – The project’s direct and indirect impact on the physical and fiscal condition within the District.
6. Special or Unique Opportunities – The extent to which the project represents a unique opportunity, meets a special need, or addresses community goals. The provision of public space or workforce housing are examples of special and unique opportunities.
7. Impact Assessment – The extent of both positive and negative environmental impacts, appropriateness of the project design, and impact on existing businesses or residents.
8. Financial Assistance – Other forms of financing available to the Applicant i.e. lender participation and state and federal grant monies,

9. Project Feasibility – Demonstration of market demand for the project as contained primarily on the pro forma and financing commitments.
10. Developer’s Ability to Perform – Applicant’s capability to undertake the relative complexities of the project based on past performance on similar or comparable projects.
11. Timely Completion – The feasibility of completing the project according to the Applicant’s project schedule.
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. Estimate of On Site Improvements	\$ 297,221
2. Estimate of Off Site Improvements	\$ 151,997
Subtotal	\$ _____

Construction/Rehabilitation Costs (Use general construction trade divisions)

1. B Laughlin Construction (Shell)	\$ _937,960_____
2. Spring Creek Landscaping	\$ _12,400_____
3. Fixtures, Furniture, & Equipment	\$ _400,000_____
4.	\$ _____
Subtotal	\$ __1,350,360_____

Fees

1. Architectural design/Supervision	\$ __55,000_____
2. Permits _____	\$ _____
3. Other fees: SDF	\$ __19,460_____
Subtotal	\$ __74,460_____

**Total Project Development Costs** **\$ 1,874,037**

**PROJECT FINANCING**

Please complete Sources of Funds detail and summarize below.

Developer Equity

Cash Invested	\$ __315,000_____
Land & Buildings	\$ __308,000_____
Other (Specify) _____	\$ _____
Subtotal	\$ __623,000_____

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

Lender	Loan Amount
Stockman Bank / SBA 504 Financing	\$ 1,785,000
Total Amount	\$ _2,100,000

TIF Request for improvements within the Public Right of Way

Eligible Improvements (See Schedule "A")	
Eligible Off Site Improvements	\$ 96,997
Off Site Landscaping	\$ 12,400
On Site Water & Sewer	\$ 3,300
On Site Multi Use Trail	\$6,120

Total TIF Eligible Improvements      \$ 118,817

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Sources of Funds Summary (Post totals from above.)

Developer Cash & Land	\$ 623,000 _____
Lender Commitments	\$ 1,785,000 _____
TIF Request	\$ 70,839 _____
Other Funds (Specify)	\$ _____
Total Project Financing	\$ 2,478,838

**DEVELOPER STATEMENT OF QUALIFICATIONS AND FINANCIAL RESPONSIBILITY**

Applicant

1. Name: \_Big Sky King Properties, LLC

Address: 1250 15<sup>th</sup> Street West, Suite 201, Billings, MT 59102

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 \_\_\_\_\_.

3. The applicant is:

\_\_\_\_\_  A corporation.

\_\_\_\_\_ A nonprofit or charitable institution or corporation

\_\_\_\_\_ A partnership known as \_\_\_\_\_

\_\_\_\_\_ Other (explain): \_\_\_\_\_

Date of organization: 5/30/2013

- 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

\_Denny & Jan Rehberg\_\_\_\_\_

Member

Financial Condition

- 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.

- 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:

\_\_\_\_\_

- 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.

\_\_\_\_\_

\_\_\_\_\_

**CONSTRUCTION CONTRACTOR**

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

Name: \_\_\_\_ Laughlin Construction \_\_\_\_\_

Address: \_\_\_\_ 2530 Whittier Pl, Billings, MT 59102 \_\_\_\_\_

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

## Attachment A

### Big Sky King Properties, LLC TIF Application Project Narrative

Big Sky Cajun Chicken, LLC was organized with the purpose of obtaining the franchise rights to operate Popeyes Louisiana Kitchen® (“Popeyes®”) restaurants in Montana. We were approved as a Popeyes®’ franchisee in April of 2014. Once approved, we began the search for the first Popeyes®’ location. After researching the demographics, Popeyes®’ corporate development advisors suggested we build our first restaurant on the West End of Billings or the Heights. We spoke with real estate agents and property owners in these areas and placed offers on several properties. During this process, we received a call from Steve Zeier of Zeier Consulting who informed us that he knew of available property that he thought would meet our needs located off of interstate 90 in a Tax Increment Finance District. He explained to us that it had all of the primary elements we were looking for and would not be a “Second Position” site as it was located at an intersection on King Avenue East. We met with Steve who assisted us in putting together our SAR (Site Acceptance Request) for Popeyes®. The initial SAR for this site was denied due to the high cost of land and the \$200,000 in site work and infrastructure improvements required before actual restaurant construction could proceed. We explained to Popeyes®, with the help of Steve Zeier, that the property was in a TIF district and was eligible for TIF reimbursement for at least a portion of the additional cost of the roads, approaches, bike trail, and other development related costs. Because of the availability of TIF, we were able to convince Popeyes® to approve this site as the *first* and only free-standing Popeyes® in Montana. We want to thank Steve Zeier, the South Billings Urban Renewal Association and the City of Billings for making this project possible through the assistance of the TIF district.



April 17, 2014

Big Sky King, LLC  
Attn: Matthew Colebank, COO  
1250 15<sup>th</sup> Street West  
Billings, MT 59102

RE: Major Employers in the South Billings Urban Renewal District

Dear Matthew:

Thank you for your interest in the South Billings Boulevard Urban Renewal District and the South Billings Urban Renewal Association. It was a great pleasure to sit down with you and discuss the exciting development opportunities of the Miller Crossing Subdivision as well as the other opportunities in the surrounding area.

As per our discussion of April 16, 2014, please see the table below for the major employers located in the South Billings Urban Renewal District. The table includes the major employers, estimated number of employees, and distance to the subject property in the Miller Crossing Subdivision.

<b>Major Employer</b>	<b>Est. Number of Employees</b>	<b>Distance to Subject Property</b>
Cabela's	100	Adjacent
Sam's Club	150	Adjacent

City of Billings Operations Center	115	.5 miles
Bureau of Land Management Field Office	150	.6 miles
Motor Power Equipment	75	.5 miles
Hanser's Automotive	65	.6 miles
Franz Bakery	55	.6 miles
I-State Truck Center	45	.5 miles
Auto Auction of Montana	25	.5 miles
Food Services of America	45	1.1 miles
Mark Rite Lines	50	1.1 miles

Please do not hesitate to contact me with any questions. I look forward to assisting you in the future.

Sincerely,



Steve Zeier  
Zeier Consulting, LLC  
on behalf of the South Billings Urban Renewal Association

# Attachment B



Date: May 13, 2014  
 Project No.: 75028.19

## Preliminary Engineer's Opinion of Probable Cost for Proposed Restaurant To Provide Surface Improvements Adjacent to Portions of Proposed Lot 3A-1, Block 1; Popelka Commerce Center Subdivision, Second Filing

### Schedule I: Surface Improvements

Item No.	Quantity	Unit	Description	Unit Price	Subtotal
101	1	LS	Mobilization and Insurance	\$7,500.00 =	\$7,500.00
102	1	LS	Erosion Control	\$2,500.00 =	\$2,500.00
103	250	CY	Unclassified Excavation	\$8.00 =	\$2,000.00
104	140	LF	Saw cut Asphalt	\$5.00 =	\$700.00
105	280	SF	Remove Existing Asphalt	\$1.00 =	\$280.00
106	70	LF	Remove Existing Curb and Gutter	\$5.00 =	\$350.00
107	1	LS	Relocate Existing Street Light	\$3,500.00 =	\$3,500.00
108	2500	CY	Imported 3-inch Minus Fill to Bring Site to Street Grade (2-feet +/-)	\$22.00 =	\$55,000.00
109	615	SY	Geotextile Fabric	\$1.50 =	\$922.50
110	170	CY	1.5-inch Base Gravel (10-inch Section)	\$26.00 =	\$4,420.00
111	615	SY	Asphalt Surface Course (4-inch Section)	\$18.00 =	\$11,070.00
112	280	LF	Curb and Gutter	\$18.00 =	\$5,040.00
113	2	EA	Curb Return Fillet	\$600.00 =	\$1,200.00
114	70	SF	Concrete Double Gutter	\$10.00 =	\$700.00
115	700	SF	5-foot Concrete Bike Path	\$6.00 =	\$4,200.00
116	1400	SF	10-foot Wide Bike Path	\$6.00 =	\$8,400.00
117	70	SF	Concrete Accessibility Ramp	\$8.00 =	\$560.00
118	2	EA	Truncated Dome Panels (2-ft x 2-ft)	\$150.00 =	\$300.00
119	1	EA	Stop Sign with Post	\$500.00 =	\$500.00
120	1	EA	Road Closed Signage	\$1,000.00 =	\$1,000.00
				Schedule II Subtotal =	\$110,142.50
				Construction Subtotal =	\$110,142.50
				Construction Contingency (15%) =	\$16,521.38
				Construction Subtotal Plus Contingency =	\$126,663.88
				Estimated Engineering, Construction Administration, Construction Staking & Quality Control =	\$25,332.78
				<b>Construction Total and Administrative Fees =</b>	<b>\$151,996.65</b>

**Notes:**

- 1) Costs based on Sanderson Stewart exhibit dated - 05/13/14
- 2) Does not include on-site improvements such as parking lot improvements, water and sewer service extensions, storm drainage, landscaping, etc.
- 3) All items are complete and in place.

Sanderson Stewart cannot warrant that any opinions of probable cost provided by Sanderson Stewart will not vary from actual costs incurred by the client. Sanderson Stewart has no control over the cost or availability of labor, equipment, materials, or over market conditions or the Contractor's method of pricing. Sanderson Stewart makes no warranty, express or implied, that the bids or the negotiated cost of the work will not vary from Sanderson Stewart's opinion of probable cost.



Date: June 27, 2014  
 Project No.: 75028.14

**Preliminary Engineer's Opinion of Probable Cost Based on a Conceptual Sketch  
 for Proposed Popelka-Rehberg Fast-Food Restaurant  
 Billings, MT  
 To Provide Utility and Surface Improvements**

**ON-SITE:**

**Schedule I - Utilities**

Item No.	Quantity	Unit	Description		
101	1	LS	Mobilization & Insurance	\$11,000.00 =	\$11,500.00
102	2	EA	Type IV Storm Drain Inlets/Manhole	\$2,500.00 =	\$5,000.00
103	2	EA	Type II Storm Drain Inlets	\$2,000.00 =	\$4,000.00
104	168	LF	12-inch Storm Drain Pipe	\$40.00 =	\$6,720.00
105	32	LF	6-inch Storm Drain Pipe	\$30.00 =	\$960.00
106	2	EA	Storm Drain Basic Manhole	\$2,500.00 =	\$5,000.00
106	407	CY	Boulder Pit Including Excavation, Rock, & Fabric (10x10')	\$35.00 =	\$14,245.00
107	33	LF	4-inch Fire Service (to Building)	\$35.00 =	\$1,155.00
108	33	LF	1-inch Water Service (to Building)	\$25.00 =	\$825.00
109	33	LF	6-inch Sewer Service (to Building)	\$40.00 =	\$1,320.00
				Subtotal =	\$50,725.00

**Schedule II - Surface Improvements**

Item No.	Quantity	Unit	Description		
201	1	LS	Mobilization and Insurance	\$11,000.00 =	\$11,500.00
202	1	LS	StormWater Pollution Prevention Plan (SWPPP)	\$1,500.00 =	\$1,500.00
203	1	LS	Erosion Control	\$5,500.00 =	\$5,500.00
203	1	LS	Clearing & Grubbing of Site	\$2,500.00 =	\$2,500.00
204	945	CY	Unclassified Excavation	\$8.00 =	\$7,560.00
205	1,640	SF	Concrete Sidewalk (4-inch Section)	\$6.00 =	\$9,840.00
206	120	SF	ADA Ramps	\$8.00 =	\$960.00
206	1,242	LF	Curb & Gutter	\$18.00 =	\$22,356.00
207	4	EA	Curb Turn Fillet	\$600.00 =	\$2,400.00
208	796	CY	1.5-Minus Base Course Gravel (10-inch Section)	\$26.00 =	\$20,696.00
209	1,020	SF	Multi Use Trail	\$6.00 =	\$6,120.00
209	2,389	SY	Asphalt Paving (3-inch Section)	\$15.00 =	\$35,835.00
210	1,185	SF	Concrete Drive-thru Pad	\$7.50 =	\$8,887.50
211	255	SF	Concrete Dumpster Pad	\$7.50 =	\$1,912.50
212	6	EA	Site Lighting (6 Poles)	\$5,000.00 =	\$30,000.00
213	1	LS	Traffic Signing & Striping	\$1,500.00 =	\$1,500.00
				Subtotal =	\$169,067.00

Construction Subtotal	=	\$219,792.00
Construction Contingency (15%)	=	\$32,968.80
Construction Subtotal Plus Contingency	=	\$252,760.80

**Estimated Administrative Fees**

System Development Fee - 1 <sup>st</sup> Domestic	=	\$14,675.00
System Development Fee - Sewer	=	\$4,785.00
Engineering and Surveying Services	=	\$25,000.00

Subtotal of Estimated Administrative Fees	=	\$44,460.00
<b>Construction Total and Administrative Fees</b>	<b>=</b>	<b>\$297,220.80</b>

**Notes:**

- 1) Opinion of cost is based on Sanderson Stewart conceptual sketch, final design has not been performed
- 2) All items are complete and in place
- 3) Cost does not include private utilities (Power, Gas, Telecom)
- 4) Any relocation of existing overhead utility lines not included
- 5) No Building Demolition included
- 6) Irrigation piping excluded

*Sanderson Stewart cannot warrant that any opinions of probable cost provided by Sanderson Stewart will not vary from actual costs incurred by the client. Sanderson Stewart has no control over the cost or availability of labor, equipment, materials, or over market conditions or the Contractor's method of pricing. Sanderson Stewart makes no warranty, express or implied, that the bids or the negotiated cost of the work will not vary from Sanderson Stewart's opinion of probable cost.*

PLAT OF  
**POPELKA COMMERCE CENTER SUBDIVISION, SECOND FILING**  
 BEING LOT 3A, BLOCK 1, OF AMENDED PLAT OF LOTS 3 AND 4, BLOCK 1, POPELKA COMMERCE CENTER SUBDIVISION,  
 SITUATED IN THE SE1/4 OF SECTION 8, T. 1 S., R. 26 E., P.M.M.,  
 IN THE CITY OF BILLINGS, YELLOWSTONE COUNTY, MONTANA

PREPARED FOR : POPELKA ENTERPRISES, LLC.

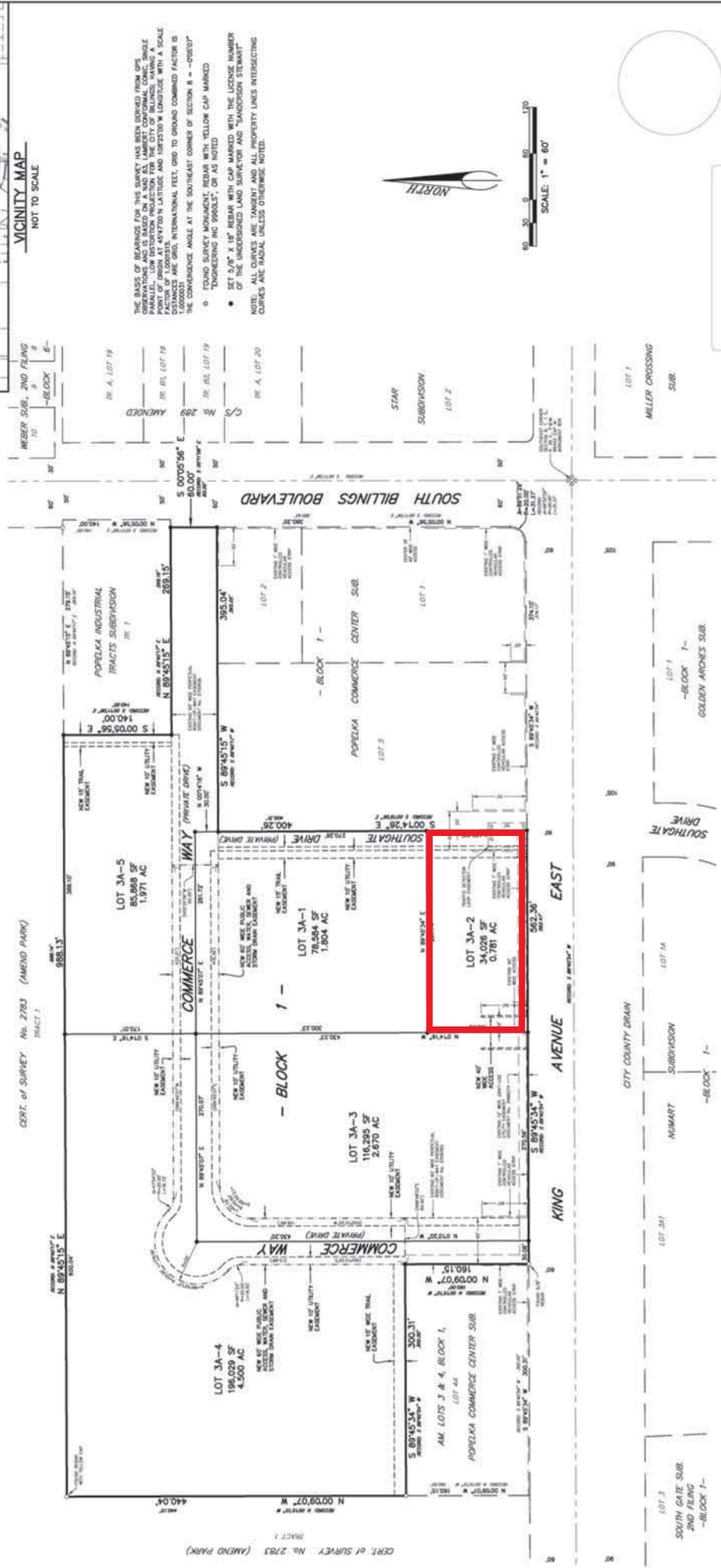
PREPARED BY : SANDERSON STEWART

JUNE, 2014

BILLINGS, MONTANA



VICINITY MAP  
 NOT TO SCALE



THE BASIS OF BEARINGS FOR THIS SURVEY HAS BEEN DERIVED FROM GPS OPERATIONS AND IS BASED ON A LAMBERT CONFORMAL CONIC SINGLE MERIDIAN PROJECTION WITH THE CENTER POINT OF ORIGIN AT 45°10'00\" N LATITUDE AND 108°25'00\" W LONGITUDE WITH A SCALE FACTOR OF 1.0000022. THE GROUND INTERSECTIONAL FEET GRID TO GROUND CORNED FACTOR IS 1.0000022. THE GROUND INTERSECTIONAL FEET GRID TO GROUND CORNED FACTOR IS 1.0000022.

FOUND SURVEY MONUMENT REBAR WITH YELLOW CAP MARKED ENGINEERING INC 99957, OR AS NOTED.

SET 3/4\" X 1/8\" REBAR WITH CAP MARKED WITH THE LICENSE NUMBER OF THE UNDERGROUND LAND SURVEYOR AND SANDERSON STEWART. NOTES: ALL QUANTITIES ARE IN FEET AND ALL PROPERTY LINES INTERSECTING CURVES ARE MANUAL ROUNDED OFF TO NEAREST TENTH.



REVISIONS FOR CLERK AND RECORDER



Google earth



# Big Sky King LLC. SBBURD TIF Application

## PROJECT COSTS

<b>Land and Site Improvements</b>	
S/S On Site Developemnt	\$297,220.80
S/S Off Site Development	\$151,996.65
<b>SUBTOTAL</b>	<b>\$449,217.45</b>
<b>Construction Costs</b>	
B Laughlin Shell Construction (less \$190k)	\$937,960.00
Spring Creek Off Site Landscaping	\$12,400.00
Fixtures, Furniture, and Equipment	\$400,000.00
<b>SUBTOTAL</b>	<b>\$1,350,360</b>
<b>Fees</b>	
A/E Fees	\$55,000.00
SDF Fees (1 inch Commercial Water & Wastewater)	\$19,460.00
<b>SUBTOTAL</b>	<b>\$74,460.00</b>
<b>TOTAL</b>	
<b>PROJECT TOTAL</b>	<b>\$1,874,037.45</b>

## PROJECT FINANCING

Developer Equity (Cash)	\$315,000
Land & Buildings	\$308,000
Bank & SBA Financing	\$1,785,000
<b>TOTAL</b>	<b>\$2,408,000</b>

## TIF ELIGIBLE IMPROVEMENTS

Off Site Development	\$96,997
Less \$55k for site fill	
Off Site Landscaping	\$12,400
On Site Water & Sewer	\$3,300
On Site Multi Use Trail	\$6,120
<b>TOTAL TIF ELIGIBLE EXPENSES</b>	<b>\$118,817</b>

## 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
<b>Less:</b>	
Calhoun Project Design (FY14)	\$200,000
Sewer Project Phase I (FY14)	<u>\$1,050,000</u>
	<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

<b>Additional Value Total</b>	\$1,874,037	
<b>TIF Dollar Multiplier</b>	1.05%	Per TIF Example Calc Table
<b>Est Increment Generated</b>	\$19,677.39	Per Year
<b>TIF Time Remaining</b>	8	yrs.
(Project to come online Dec 2015)		
<b>TOTAL EST INCREMENT</b>	<b>\$157,419.18</b>	Increment generated (over the life of the TIF) over the life of the TIF
<b>45% MAX TIF INCENTIVE</b>	<b>\$70,838.63</b>	

## 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
<b>Real Property Tax</b>	<b>14,731</b>	<b>Taxable value multiplied by mill levy</b>

Calculated by ECONorthwest, based on FY 2011-12 data from Montana DOR.

# *Popeyes Louisiana Kitchen*

Unit #1 Profit & Loss

Statement

**For Billings Popeyes**

<b>Acct Description</b>	<b>Actual \$</b>	<b>Act %</b>	<b>Fixed / Variable</b>
Net Sales	1,500,000	100.00%	
Cost of Sales	525,000	35.0%	V
<b>Gross Profit</b>	<b>975,000</b>	<b>65.0%</b>	
Salaries-Str Mgmt	45,000	3.0%	F
Crew Wages	300,000	20.0%	V
Fringes & Benefits	29,000	1.9%	V
<b>Tot Personnel Expense</b>	<b>374,000</b>	<b>24.9%</b>	
Cash Variances	1,200	0.1%	V
Uniforms	2,400	0.2%	V
M&R Expense	15,000	1.0%	V
M&R-Smallwares	5,500	0.4%	V
Miscellaneous Expense	2,000	0.1%	V
Paidouts	2,500	0.2%	V
Supplies	10,000	0.7%	V
Telephone Exp	2,520	0.2%	V
Utilities Exp	28,500	1.9%	V
Monthly Services	2,400	0.2%	F
<b>Tot Controllable Costs</b>	<b>72,020</b>	<b>4.8%</b>	
<b>Rest Controllable Profit</b>	<b>528,980</b>	<b>35.3%</b>	
LSM	60,000	4.0%	V
Media/Production	5,000	0.3%	V
<b>Total Marketing Costs</b>	<b>65,000</b>	<b>4.3%</b>	
Insurance Exp	7,200	0.5%	F
License & Fees	200	0.0%	F
Royalty Expense	30,000	2.0%	V
Rent Expense	110,000	7.3%	F
Ad Valorem Taxes	22,000	1.5%	F
<b>Total Non-Controllable Costs</b>	<b>169,400</b>	<b>11.3%</b>	
<b>Rest Operating Profit</b>	<b>294,580</b>	<b>19.6%</b>	
Depreciation	30,000	2.0%	F
Amortization-Franchise Fee	1,380	0.1%	F

Asset Write-Offs		0.0%
<b>Total Non-Cash Expense</b>	31,380	2.1%
<b>Restaurant Level Profit</b>	263,200	17.5%
Interest Expense	27,500	
Principal	14,340	
Overhead Items	50,000	3.3%
<b>Total Other Cash Expenses</b>	91,840	6.1%
<b>Net Cash To Owner</b>	171,360	11.4%

F

# ***Burger King***

## Unit #1 Profit & Loss Statement

### For Kalispell BK

<b>Acct Description</b>	<b>Actual \$</b>	<b>Act %</b>	<b><u>Fixed / Variable</u></b>
Net Sales	1,160,000	100.00%	
Cost of Sales	373,120	32.2%	V
<b>Gross Profit</b>	<b>786,880</b>	<b>67.8%</b>	
Salaries-Str Mgmt	35,004	3.0%	F
Crew Wages	256,496	22.1%	V
Fringes & Benefits	35,000	3.0%	V
<b>Tot Personnel Expense</b>	<b>326,500</b>	<b>28.1%</b>	
Cash Variances	1,200	0.1%	V
Uniforms	2,400	0.2%	V
M&R Expense	12,000	1.0%	V
M&R-Smallwares	5,500	0.5%	V
Miscellaneous Expense	2,000	0.2%	V
Paidouts	2,500	0.2%	V
Supplies	10,000	0.9%	V
Telephone Exp	2,520	0.2%	V
Utilities Exp	28,500	2.5%	V
Monthly Services	2,400	0.2%	F
<b>Tot Controllable Costs</b>	<b>69,020</b>	<b>6.0%</b>	
<b>Rest Controllable Profit</b>	<b>391,360</b>	<b>33.7%</b>	
LSM	48,000	4.1%	V
Media/Production	5,000	0.4%	V
<b>Total Marketing Costs</b>	<b>53,000</b>	<b>4.6%</b>	
Insurance Exp	7,200	0.6%	F
License & Fees	200	0.0%	F
Royalty Expense	11,660	1.0%	V
Rent Expense	110,000	9.5%	F
Ad Valorem Taxes	22,000	1.9%	F
<b>Total Non-Controllable Costs</b>	<b>151,060</b>	<b>13.0%</b>	
<b>Rest Operating Profit</b>	<b>187,300</b>	<b>16.1%</b>	
Depreciation	30,000	2.6%	F
Amortization-Franchise Fee	1,380	0.1%	F
Asset Write-Offs		0.0%	F

<b>Total Non-Cash Expense</b>	31,380	2.7%
<b>Restaurant Level Profit</b>	155,920	13.4%
Interest Expense	18,280	
Principal	9,532	
Overhead Items	15,000	1.3%
<b>Total Other Cash Expenses</b>	42,812	3.7%
<b>Net Cash To Owner</b>	113,108	9.8%

**BSK Grand 2285 LLC**  
**Profit & Loss**  
**January through August 2014**

	<u>Jan - Aug 14</u>
<b>Ordinary Income/Expense</b>	
<b>Income</b>	
2-4000 · Food Sales	674,685.50
2-4010 · Non-Food Sales	4,265.46
<b>Total Income</b>	<u>678,950.96</u>
<b>Cost of Goods Sold</b>	
2-50000 · Cost of Goods Sold	
2-5000 · LTO - Limited Time Offers-Sysco	2,784.42
2-5005 · Breakfast Food-Sysco	14,298.05
2-5010 · Chicken-Sysco	19,724.40
2-5015 · Beef-Sysco	53,836.96
2-5020 · Fish-Sysco	1,747.73
2-5025 · Bacon-Sysco	5,030.57
2-5030 · Produce-Sysco	6,908.40
2-5035 · Sandwich Ingredients-Sysco	14,352.61
2-5040 · French Fried Product-Sysco	20,013.89
2-5045 · Shakes and Dairy-Sysco	10,101.57
2-5050 · Menu Items-Sysco	2,893.88
2-5055 · Shortening-Sysco	4,714.90
2-5060 · Condiments-Sysco	
2-5061 · Salad Condiments-Sysco	664.55
2-5062 · Breakfast Condiments-Sysco	882.41
2-5060 · Condiments-Sysco - Other	4,585.24
<b>Total 2-5060 · Condiments-Sysco</b>	<u>6,132.20</u>
2-5065 · Salad Food-Sysco	868.19
2-5070 · Menu Paper Items-Sysco	
2-5072 · Salad Paper Items	169.26
2-5070 · Menu Paper Items-Sysco - Other	14,973.39
<b>Total 2-5070 · Menu Paper Items-Sysco</b>	<u>15,142.65</u>
2-5075 · Other Paper Items-Sysco	6,195.41
2-5080 · Promotion - Toys-Sysco	2,839.83
2-5085 · Special Order-Sysco	556.57
2-5090 · Beverage-Sysco	7,465.99
2-5100 · Food Purchases-Sysco	6,338.11
2-5105 · Paper Products-Sysco	270.90
2-5200 · Bread Purchases-Franz	16,846.21
2-5300 · Coke - Syrup-Freestyle	20,458.24
<b>Total 2-50000 · Cost of Goods Sold</b>	<u>239,521.68</u>
<b>Total COGS</b>	<u>239,521.68</u>
<b>Gross Profit</b>	439,429.28

**BSK Grand 2285 LLC**  
**Profit & Loss**  
**January through August 2014**

Jan - Aug 14

Expense

2-6000 · Utilities	
2-6001 · Telephone, Internet, & TV	1,673.91
2-6002 · Electricity	14,236.55
2-6003 · Gas	5,205.73
2-6004 · Water	1,228.70
2-6005 · Trash	2,447.91
Total 2-6000 · Utilities	<u>24,792.80</u>

2-6010 · Non-Ingredient Expense

2-6011 · Merchant Account Fees	7,552.92
2-6012 · General Supplies-Sysco	2,755.36
2-6013 · Gloves-Sysco	1,186.20
2-6014 · Over/Short	102.10
2-6016 · Detergents	127.51
2-6017 · Smallware - Kitchen Supply	2,350.76
2-6018 · Miscellaneous Non-Ingredient	221.88
2-6020 · Janitorial Goods	
2-6021 · Kitchen Supplies-Sysco	19.01
2-6022 · Cleaning Supplies-Sysco	3,551.05
2-6020 · Janitorial Goods - Other	70.16
Total 2-6020 · Janitorial Goods	<u>3,640.22</u>

2-6025 · Uniforms	829.59
2-6027 · Postage	36.43
2-6028 · Office Supplies	1,160.50
2-6029 · Other Supplies	1,340.82

Total 2-6010 · Non-Ingredient Expense 21,304.29

2-5110 · Computer and Internet Expenses -4.88

2-6030 · Insurance Expense 3,549.05

2-6040 · Payroll Expenses

2-6041 · Gross Wages	189,393.03
2-6042 · Vacation Gross Pay	390.00
2-6043 · FICA-Social Security	11,769.87
2-6044 · FICA-Medicare	2,752.57
2-6045 · FUTA (Federal Unempl Tax)	903.94
2-6046 · SUTA (State Unempl. Tax)	4,764.29
2-6047 · Workers' Comp	7,116.94
2-6048 · Avitus Group Membership Fee	5,204.74
2-6049 · Employee Bonuses	273.63
2-6040 · Payroll Expenses - Other	53.33

Total 2-6040 · Payroll Expenses 222,622.34

**BSK Grand 2285 LLC**  
**Profit & Loss**  
**January through August 2014**

Jan - Aug 14

<b>2-6060 · Repairs and Maintenance</b>	
2-6061 · Common Area Maintenance	1,901.58
2-6063 · Electrical Repairs	259.53
2-6064 · Plumbing Repairs	371.20
2-6067 · Exterior Maintenance	530.66
2-6068 · Landscaping	933.40
2-6070 · Small Equip Repairs/Purchases	134.90
2-6071 · Computer Repairs	26.91
2-6072 · Fire Control Services	-267.00
2-6074 · Preventative Maintenance	385.00
2-6076 · Refrigeration Repairs	250.26
2-6077 · Plants	395.86
2-6078 · Building Maintenance	335.00
2-6080 · Security	2,972.82
<b>Total 2-6060 · Repairs and Maintenance</b>	<b>8,230.12</b>

<b>2-6200 · Unit Admin</b>	
2-6202 · Rent Expense	77,600.00
2-6206 · Property Tax Expense	5,319.49
2-6208 · Credit Card Fees	37.00
2-6209 · Education/Seminars	230.00
2-6210 · Orginazation Membership Dues	80.00
2-6211 · Business License And Tax	15.00
2-6212 · Local Advertising	1,144.23
2-6213 · Signage Advertising	15.99
2-6215 · Burger King Royalty Fee	6,769.57
2-6216 · Burger King Nat'l Advertising	27,078.28
<b>Total 2-6200 · Unit Admin</b>	<b>118,289.56</b>

2-6300 · Bank Service Charges	120.00
2-6305 · Reconciliation Discrepancies	8.66
2-6400 · Donations	1,274.39
<b>Total Expense</b>	<b>400,186.33</b>

**Net Ordinary Income** 39,242.95

**Other Income/Expense**

**Other Income**

2-8050 · Other Recurring Income 16,041.54

**Total Other Income** 16,041.54

**Net Other Income** 16,041.54

**Net Income** 55,284.49