



## COUNTY OF YELLOWSTONE ZONING COMMISSION

**AGENDA-Monday, August 10, 2015**

**Miller Building, 1<sup>st</sup> Floor Conference Room  
2825 3rd Avenue North, Billings, Montana**

### NOTICE TO THE PUBLIC

#### Public Comment:

There will be a Public Comment Section as noted on the agenda. This is the time members of the public may comment on any item not appearing on the agenda. Under State law, matters presented under this section cannot be discussed or acted upon by the Zoning Commission during this time. For items appearing on the agenda, the public will be invited to make comments at the appropriate time. It is very important to speak clearly, and state your name and address for the record. Please limit your comments to three (3) minutes or less.

**Call the meeting to order.**

**Introduction of the Yellowstone County Zoning Commission Members and Planning Department Staff.**

**Public Comment**

**Approval of Minutes: June 10, 2015. (The July 13, 2015 meeting was canceled due to a lack of a quorum of members).**

**Disclosure of any Conflict of Interest-Members of the Commission and Staff**

**Disclosure of an Outside (Ex Parte Communication)-Members of the Commission and Staff  
a. The Exparté Communication Binder is available at the Sign-In and Agenda Station.**

**Regular Business:**

- A. Opening of public hearings.
  1. Reading of rules for the procedure by which the public hearings will be conducted.
  2. Reading of notices of the public hearings on the following items:

**Public Hearings:**

- a. **Item #1.Special Review #328** - A special review request to expand an existing campground, Yellowstone River Campground and RV Park, on a 5.96 acre parcel of land, Lots 39A & 39B, Barnes Acres, in an Agriculture Suburban (AS) zone. The property owner is Douglas Barnes, and the agent is Travis West, P.E., Engineering West.
- b. **Item #2, County Zone Change #662** -The applicant is requesting a zone change from Community Commercial (CC) to Highway Commercial (HC) for Tract 1, C/S 1284 a 10.07 acres parcel of land. The property is generally located in the 2000 Block of Old Hardin Road. The applicant conducted a pre-application neighborhood meeting on May 26, 2015 at the Bobcat of Big Sky offices at 2125 Old Hardin Road.
- c. **Item #3 -County Zone Change #663 – 1011 Brandywine**– A zone change request from Residential 9,600 (R-96) to Agriculture Suburban (AS) on Tracts 1A & 1B, C/S 3240, a 6.2 acre parcel of land. The property is generally located at 1011 Brandywine Lane. The applicants conducted a pre-application neighborhood meeting on June 6, 2015, at the subject property. Tax IDs D05023 and D05023A
- d. **Item #4 - County Zone Change #664 – 5840 Titan Ave**– A zone change request from Highway Commercial (HC) to Controlled Industrial (CI) on Lot 2, Block 1, Titan Subdivision, a 1.319 acre parcel of land generally located at 5840 Titan Avenue. The applicants conducted a pre-application neighborhood meeting on June 29, 2015, at Tvetene Turf, 6844 S. Frontage Road. Tax ID C13279.
- e. **Item #5: County Zone Change #665 – Exposition Gateway Overlay District** – An amendment to the Unified Zoning Regulations pertaining to the development of land within the Exposition Gateway Area of the East Billings Urban Renewal area generally located east of N 10<sup>th</sup> Street to Exposition Drive and from 6<sup>th</sup> Avenue North to 1<sup>st</sup> Avenue North. The district overlay will not change the underlying zoning but will provide for enhanced site development requirements and restrict some industrial uses. The Yellowstone County Board of Planning initiated the amendment on June 23, 2015.

## **Other Business/Announcements**

## **Adjournment**

Following the public hearing, the County Zoning Commission will make a recommendation to the Yellowstone County Commissioners. The **Board of County Commissioners** public hearing will be held **on Tuesday, August 25, 2015, at 9:45 a.m. in Room 403A, 4<sup>th</sup> Floor of the Yellowstone County Courthouse.** The Board of County Commissioners will hear all persons wishing to speak relative to the proposed zone change.

Information on the preceding item may be obtained at the Yellowstone County Planning Department, 2825 3<sup>rd</sup> Avenue North, 4<sup>th</sup> Floor or phone 657-8246. Anyone wishing to be heard on this matter may appear at this hearing. Public hearings are accessible to individuals with physical disabilities. Special arrangements for participation in the public hearings by individuals with hearing, speech, or vision impairment may be made upon request at least three days prior to the hearing. Please notify Tammy Deines, Planning Clerk, at

247-8610 or e-mail at [deinest@ci.billings.mt.us](mailto:deinest@ci.billings.mt.us)

**County Zoning Commission**

**Meeting Date:** 08/10/2015

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**Information**

**Subject**

**Approval of Minutes: June 10, 2015. (The July 13, 2015 meeting was canceled due to a lack of a quorum of members).**

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**Attachments**

2015\_06\_10\_YC Zoning Com\_Minutes

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## Yellowstone County Zoning Commission Minutes for the Meeting of Wednesday, June 10, 2015

**The County Zoning Commission met on Wednesday, June 10, 2015 in the Miller Building 1<sup>st</sup> floor conference room located at 2825 3<sup>rd</sup> Avenue North.**

At 4:00 p.m., Chairman Cook opened the meeting and introduced the County Zoning Commission members and staff in attendance: Nicole Cromwell, Zoning Coordinator; Dave Green, Planner I, and Tammy Deines, Planning Clerk

Commissioners and Staff		01/12/2015	02/09/2015	03/09/2015	04/13/2015	05/18/2015		06/10/2015	07/13/2015	08/10/2015	09/14/2015	10/13/2015	11/09/2015	12/14/2015
Dennis Cook	Chairman	1	-	1	-	1		1						
Al Littler	Vice Chairman	1	-	1	-	1		1						
Terri Welborn	Commissioner	1	-	1	-	1		1						
Ole Shafer/Vacant	Commissioner	1	-	1	-	-		-						

**Attending:** Carol Ritter, Dwight Ritter, Steve Henry, Marshall Phil, Blueline Engineering; Toby Liechti, Blueline Engineering; Marvin Linde, Brian Linde, Bryan West

**Announcements:** • The next County Zoning Commission meeting is scheduled for Monday July 13, 2015.

### Public Comment

Chairman Cook asked if there was anyone wishing to speak during the public comment portion of the meeting. He stated any member of the public can be heard on any subject that is not on the agenda; the Yellowstone County Zoning Commission will not take any action on these items at this time, but could choose to add an item to the next meeting agenda for discussion.

**Disclosure of Conflict of Interest:** There was no disclosures of conflict of interest.

**Disclosure of Outside Communication:** There was no one on the Commission wishing to disclose any outside communication.

**Approval of the May11, 2015 Meeting Minutes:** Chairman Cook called for approval of the May 11, 2015 meeting minutes.

### Motion

**Al Littler made a motion and Teri Welborn seconded the motion to approve the May 11, 2015 meeting minutes. The motion carried with a unanimous voice vote.**



## Yellowstone County Zoning Commission Minutes for the Meeting of Wednesday, June 10, 2015

### **Public Hearings:**

Chairman Cook reviewed the rules for the procedure by which the public hearings will be conducted. He said the applications heard at this meeting would be forwarded to the Board of County Commissioners on Tuesday, May 26, 2015, in the Board of County Commissioners Board Room 403A in the Yellowstone County Courthouse.

**Item #1: : Zone Change #661 – 159 Garden Avenue** - A zone change from Residential 15,000 (R-150) to Community Commercial (CC) on Lots 19 & 20 Clark Subdivision, a 12.352 acre parcel of land. A pre-application neighborhood meeting was held on April 27, 2015 at the subject property. Tax IDs: D01776, D01777 and D01778.

**REQUEST** – Item #1 - Zone Change #661 – 159 Garden Avenue - A zone change from Residential 15,000 (R-150) to Community Commercial (CC) on Lots 19 & 20 Clark Subdivision, a 12.352 acre parcel of land. A pre-application neighborhood meeting was held on April 27, 2015 at the subject property. TaxIDs: D01776, D01777 and D01778

### **RECOMMENDATION**

The Planning Division is recommending approval based on the findings of the 11 criteria for Zone Change 661.

### **Discussion**

Chairman Cook called for discussion. Al Littler asked how the zoning for one strip was changed without changing the entire parcel. Nicole Cromwell explained the zoning for the south half of Lot 20 was changed in July of 1974; more than likely in order to accommodate the garden center.

### **Public Hearing**

At 4:12 p.m., Chairman Cook opened the public hearing and asked if there was anyone wishing to speak in favor of County Zone Change #661.

### **Marshall Phil, Blueline Engineering, 2110 Overland Ave., Billings, Montana**

Mr. Phil is the agent for property owners, Marvin Linde, David Linde, and Brian Linde. He said the property owners contacted him to help them deal with the zone change and the flood plain determinations. This property is located in the shallow flood fringe area and they have performed tests to determine if there is shallow flooding. Mr. Phil stated this property is unsuitable for residential development and a commercial application would have a much smaller footprint for septic.



## **Yellowstone County Zoning Commission Minutes for the Meeting of Wednesday, June 10, 2015**

### **Brian Linde, 4318 Highline Drive, Billings**

Mr. Linde is a one of the property owners. He stated that without the availability of city sewer the Community Commercial zoning and uses are more appropriate than the R-9600 zoning.

### **Opposition**

Chairman Cook asked if there was anyone wishing to speak in opposition of County Zone Change #661.

### **Carol Ritter, 2022 Edgewood Drive, Billings, Montana**

Ms. Ritter voiced concern with the potential for groundwater issue and increased traffic. She stated she would like to see a low density development on this property.

Chairman Cook closed the public hearing and entertained a motion.

### **Rebuttal**

### **Marshall Phil, Blueline Engineering, 2110 Overland Ave., Billings, Montana**

Mr. Phil said there is more than adequate groundwater for irrigation uses. The sewage disposal will be overseen by DEQ and there will be no degradation to ground water allowed through their rules and regulations.

### **Motion**

**Commissioner Littler made a motion and it Commissioner Welborn seconded the motion to forward a recommendation of approval of Zone Change #661 as presented by staff.**

Chairman Cook called for discussion on the motion.

### **Discussion**

Al Littler answered Ms. Ritter's question related to density. He said there are requirements under Community Commercial zoning that restrict lot coverage so there is some control of density under this zoning classification.

**The motion carried with a unanimous voice vote, 3-0.**

## **7. OTHER BUSINESS-**

--Zoning Coordinator Nicole Cromwell stated Commissioner Welborn has decided to resign her position as a Commissioner effective June 20, 2015. She thanked her for her service in this capacity. Currently there are three advertised positions open on the Yellowstone County Zoning Commission.



**Yellowstone County Zoning Commission  
Minutes for the Meeting of Wednesday, June 10, 2015**

**Adjournment:** The meeting adjourned at 4:21 p.m.

**ATTEST:** DRAFT To be approved by a motion on Monday, July 13, 2015

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**Dennis Cook, Chairman, Yellowstone County Zoning Commission**

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**Tamara L. Deines, Planning Clerk**



## County Zoning Commission

**Meeting Date:** 08/10/2015

**SUBJECT:** Special Review #328 - Expansion of Yellowstone River Campground RV Park

**THROUGH:** Candi Millar, Planning & Community Services Department Director

**PRESENTED BY:** Lora Mattox

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## Information

### REQUEST

**Item #1. Special Review #328** - A special review request to expand an existing campground, Yellowstone River Campground and RV Park, on a 5.96 acre parcel of land, Lots 39A & 39B, Barnes Acres, in an Agriculture Suburban (AS) zone. The property owner is Douglas Barnes, and the agent is Travis West, P.E., Engineering West.

### RECOMMENDATION

Planning Staff is recommending conditional approval based on the finding of the 3 review criteria for Special Review 328.

### APPLICATION DATA

OWNER:	Douglas Barnes
AGENT:	Travis West, Engineering West
LEGAL DESCRIPTION:	Lots 39A & 39B, Barnes Acres
ADDRESS:	South of 309 Garden Avenue
CURRENT ZONING:	A-S
EXISTING LAND USE:	Vacant
PROPOSED USE:	36 New RV Sites
SIZE OF PARCEL:	5.96 acres

### CONCURRENT APPLICATIONS

**County Major Subdivision** – Under 76-3-504(s), mobile home parks, manufactured home parks and RV parks must be reviewed by the Board of County Commissioners before portions of the property can be rented or leased. Under Section 3.2 of the Yellowstone County Subdivision Regulations, six or more spaces for rent or lease with water and/or wastewater services shall be reviewed as a major subdivision. This project is proposing 36 new spaces for RV parking at the campground.

### APPLICABLE ZONING HISTORY

**Zone Change #444** – A zone change from R-150 to AS on Lots 12C, 15, 17, 18B, 19C & 19D was granted October 19, 1993.

**Special Review #208** – A special review request for the expansion of campground (KOA) was granted on September 14, 1993 on lots listed in Zone Change #444.

## **SURROUNDING LAND USE & ZONING**

NORTH:	Zoning: R-150 Land Use: Yellowstone River Campground and RV Park
SOUTH:	Zoning: AS Land Use: Single family homes
EAST:	Zoning: AS Land Use: Vacant undeveloped land
WEST:	Zoning: CC Land Use: Single family homes

## **BACKGROUND**

The applicant is requesting a special review to expand an existing campground, the Yellowstone River Campground and RV Park. The expansion includes an additional 36 spots on the south side of the existing RV Park. The applicant states that the expansion is being requested to ensure continued economic stability of the business. The park itself is a family operation built on property owned by the Barnes family for more than 100 years. All sites are equipped with water, electric, sewer, cable and internet access and allow for RV pull through.

The campground is located at the 27<sup>th</sup> Street exit (exit 450) on Interstate 90, then south on Garden Avenue from 27<sup>th</sup> Street. Garden Avenue is classified as a collector street and carries approximately 1,470 vehicles per day. The existing campground has approximately 110 RV hookup sites, tent sites, and some cabins for rent. All interior drives are paved. The site includes the following services and amenities: nature trail, wireless internet, pool/hot tub/laundry, game room, fishing, playground, gift shop, pet areas, general store and RV supplies.

Planning staff reviewed this application and is recommending conditional approval. The site included in the expansion is already developed with a paved drive, the area just south of the expansion site has already be designated as the proposed drainfield area. This project will also be reviewed under the County Subdivision regulations as a subdivision for rent or lease. Per Section 76-3-504(s), mobile home parks, manufactured home parks and campgrounds and RV parks are required to receive local review by the County Board of Commissioners to ensure sufficient facilities for health, safety and welfare of residents and users. Under Section 3.2 of the Yellowstone County Subdivision regulations, the creation of six or more lots or camping spaces requires a county major subdivision review. The applicant submitted the subdivision application concurrently with the Special Review application. Per the regulations, the subdivision request will be reviewed with the following schedule: August 1<sup>st</sup>, subdivision preliminary plan application may be submitted to Planning; Planning Board review and recommendation to County Commissioners would occur in September; and approval of the preliminary plan would occur in October by the County Commissioners. Once the preliminary plan is approved, the applicant may submit the final plan for review, approval, and recording.

Special review uses must meet three primary criteria; 1) the application complies with all parts of the Unified Zoning Regulations, 2) the application is consistent with the objectives and purposes of the Unified Zoning Regulations and the 2008 Growth Policy, and 3) the application is compatible with surrounding land uses and is otherwise screened and separated from adjacent land to minimize adverse impacts. This application conforms to the first criteria in so far that it is within a zoning district where campgrounds, public and private can be allowed by special review approval.

The application also conforms to the second and third criteria. The zoning regulations adopted by the Board of County Commissioners have designated Agricultural-Open Space and Agricultural-Suburban zones as districts where public and private campgrounds can be located by special review approval. The 2008 Growth Policy encourages new development that is compatible and similar to neighboring properties in form and use. The

applicants propose to expand an existing RV Park located next to the applicant's existing RV Park. In addition, south of this location, the KOA Campground operates a similar facility.

Planning Division is recommending the following conditions:

1. The approval shall be limited to Lots 39A & 39B, Barnes Subdivision generally located south of 309 Garden Avenue.
2. This special review approval is for an expansion of 36 additional sites in an existing campground as described in the applicant's letter. No other special review use is intended or implied by this approval.
3. These conditions of special review approval shall run with the land described in this authorization and shall apply to all current and subsequent owners, operators, managers, lease holders, heirs and assigns.
4. Failure to comply with these conditions of approval of the special review use shall be deemed a violation of the zoning regulations. Enforcement of the regulations and conditions shall be as set forth in Section 27-1601 et seq. of the Unified Zoning Regulations.

**\*\*NOTE\*\*** Approval of this Special Review does not constitute approval of a building permit, zoning compliance permit, sign permit, or fence permit. Compliance with all applicable local codes will be reviewed at the zoning compliance permit level.

## **RECOMMENDATION**

Planning Division recommends conditional approval and adoption of the 3 criteria for Special Review 328.

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### **Attachments**

Attachment A Zoning Commission Determinations  
Attachment B Zoning Map  
Attachment C Site Photographs  
Attachment D Applicant Letter

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**Attachment A**  
Zoning Commission Action

The City Zoning Commission shall make a recommendation to the City Council to:

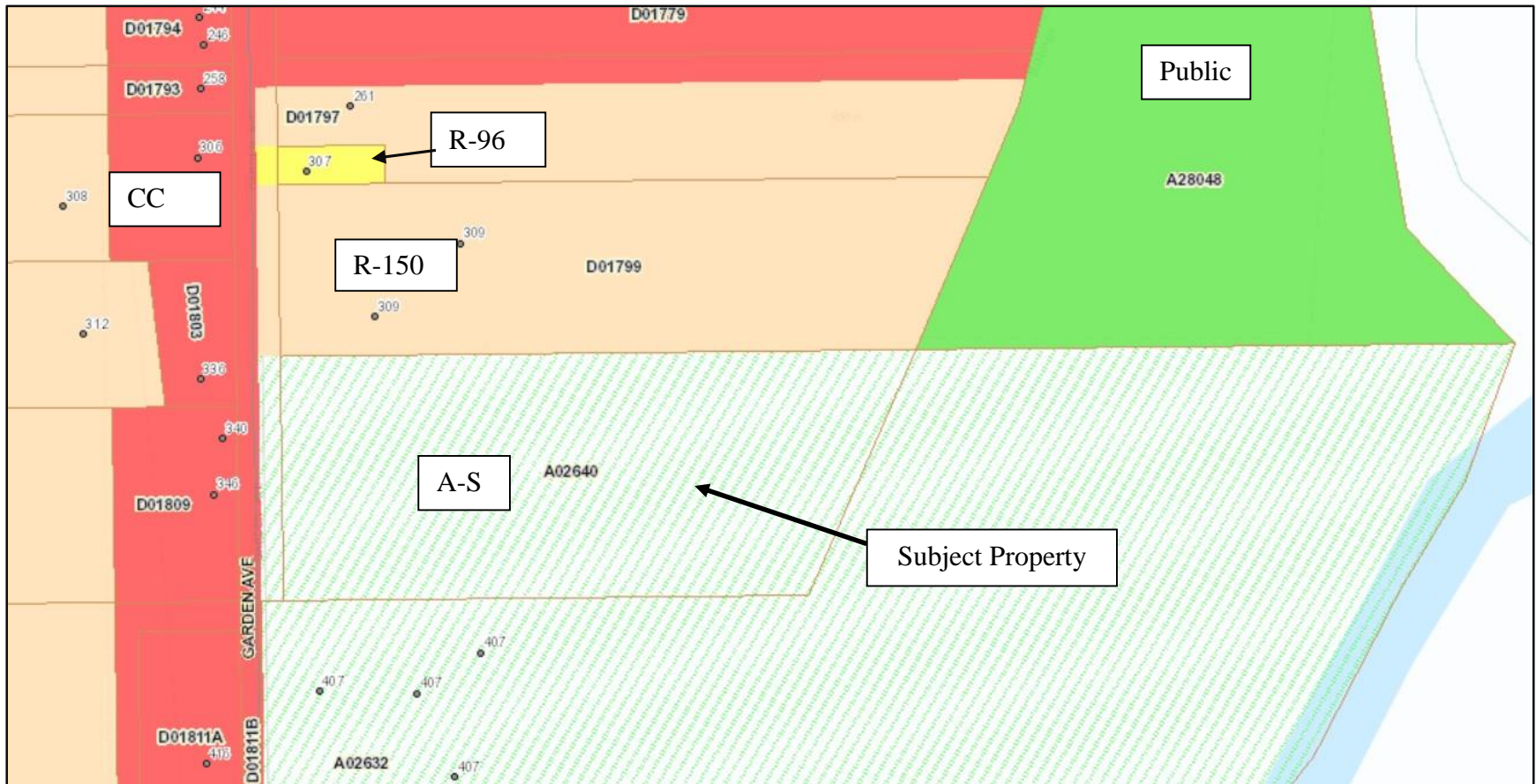
1. Deny the application for a special review use.
2. Grant the application for a special review use.
3. Conditionally grant the application for a special review use.
4. Delay action on the application for a period not to exceed thirty (30) days.
5. Give reasons for the recommendation.

Before approving a special review use, the Zoning Commission shall find that the contemplated use:

1. Complies with all requirements of this Article (27-1500);
2. Is consistent with the objectives and purposes of Chapter 27 and the Comprehensive Plan;
3. Is compatible with surrounding land uses or is otherwise screened and separated from adjacent land in such a way as to minimize adverse effects.

Further the Zoning Commission shall consider and may impose modifications or conditions concerning, but not limited to the following:

1. Street and road capacity;
2. Ingress and egress to adjoining streets;
3. Off-street parking;
4. Fencing, screening and landscaping;
5. Building bulk and location;
6. Usable open space;
7. Signs and lighting; and/or
8. Noise, vibration, air pollution and similar environmental influences.



**Attachment C**  
**Site Photographs Special Review #328 – Yellowstone River Campground RV Park**



Subject property

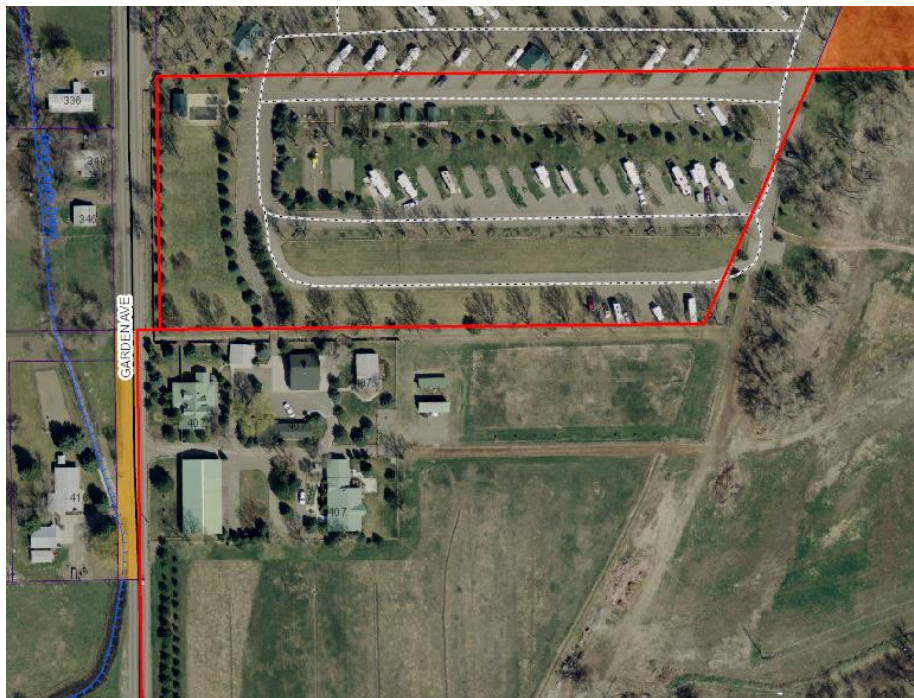


Existing campground and RV Park entrance

**Attachment C, continued**  
**Site Photographs Special Review #328 – Yellowstone River Campground RV Park**



View across Garden Avenue to the CC zoned properties



Aerial

**Attachment C, continued**  
**Site Photographs Special Review #328 – Yellowstone River Campground RV Park**



Subject property view towards the north along Garden Avenue



Existing entrance

**Attachment D**  
**Applicant Letter Special Review #328 – Yellowstone River Campground RV Park**

**ZONING SPECIAL REVIEW**  
**APPLICATION**

**Yellowstone River Campground**  
**RV Park**

**Township 1 S. Range 26 E. Section 11**  
**Yellowstone County, Montana**  
**July 2015**

**Performed By:**



**ENGINEERING WEST**  
LAND • WATER • SEWER

**PO Box 194**  
**Columbus, MT 59019**  
**(406) 322-1116**

## ZONING SPECIAL REVIEW APPLICATION

Answer the following questions:

- A. In what ways is your proposal consistent with the goals and policies of the adopted Growth Policy? **This proposal is consistent with the following goals of the adopted Growth Policy:**

**Land Use Element 1:** This development is consistent with the neighborhood character as it is an expansion of an existing RV Park located adjacent to this property.

**Land Use Element 2:** This proposal is consistent with the adjacent uses, as the property to the north and south of this proposal are owned by the same individuals and is a continuation/expansion of current activities (RV Park).

**Land Use Element 4:** This proposal is contiguous to the existing RV Park of which this is an expansion.

**Economic Development Element 8:** This proposal contributes the economic stability of the area by allowing for the expansion of an existing, locally owned business.

Besides being consistent with and supporting the above goals of the Growth Policy, this proposal does not conflict with any other stated goals of the Growth Policy.



*Current Internal Road on South Side of Park Looking West. Additional RVs will be on Left Side of this Picture.*

- B. Why is there a need for the intended use of the property at this location? **This property is located adjacent to an existing RV Park and this review will allow for the expansion of that park. The need for this project is demonstrated in the economic sustainability of the existing park.**
- C. How will the public interest be served if this application is approved? **The public interest will be served by this proposal by allowing for an expansion of an existing local business, Yellowstone River Campground RV Park, in an area adjacent to the existing campground, which supports several land use goals in the Growth Policy (see section A).**



*Existing RV Park North of the Proposed Expansion.*

- D. Prepare a written statement addressing what is intended to be done with the property, including new construction or change in the use of the property, and why the special review is being sought. **Special review is being sought to allow for the expansion of an existing RV Park in an area zoned Agricultural-Suburban. This will allow an additional 36 units on the south side of the Park. A subdivision application has also been submitted, and the project is subject to DEQ review and approval as well.**



*South Side of Property looking West in Area of Proposed Drainfield*



## County Zoning Commission

**Meeting Date:** 08/10/2015

**SUBJECT:** Zone Change #662 - 2000 Old Hardin Road

**THROUGH:** Candi Millar, Planning & Community Services Department Director

**PRESENTED BY:** Lora Mattox

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## Information

### REQUEST

**Item #2, County Zone Change #662 -** The applicant is requesting a zone change from Community Commercial (CC) to Highway Commercial (HC) for Tract 1, C/S 1284 a 10.07 acres parcel of land. The property is generally located in the 2000 Block of Old Hardin Road. The applicant conducted a pre-application neighborhood meeting on May 26, 2015 at the Bobcat of Big Sky offices at 2125 Old Hardin Road.

### RECOMMENDATION

Planning staff is forwarding a recommendation of approval based on the 11 criteria for zone changes.

### APPLICATION DATA

OWNER:	Raymond & Charlotte Corcoran
AGENT:	Quentin Eggart, Eggart Engineering
LEGAL DESCRIPTION:	Parcel 1 of C/S 1284
ADDRESS:	Preliminary address - 2000 Old Hardin Road
CURRENT ZONING:	CC
EXISTING LAND USE:	Vacant - pasture
PROPOSED USE:	Outdoor equipment sales and storage
SIZE OF PARCEL:	10.07 acres

### CONCURRENT APPLICATIONS

None

### APPLICABLE ZONING HISTORY

#### Subject Property

**Zone Change #311** – A zone change from Neighborhood Commercial to Community Commercial on Tract 1, Certificate of Survey 1284, was approved on September 8, 1981.

#### Surrounding Properties

**Zone Change #154** – A zone change from CC to HC was approved on October 25, 1977 on Block 1 of Widell Subdivision. This is the site of the original S Bar S Building Center, east of the subject property.

**Zone Change #367** – A zone change from Neighborhood Commercial to Community Commercial on Lots 11-15, Sunrise Subdivision, First Filing, was approved on November 27, 1984. This is the site of Lockwood IGA.

**Zone Change #574** – A zone change from Residential 15000 to Community Commercial on Lot 7A, Sunrise Subdivision at 1840 Old Hardin Road was approved on October 26, 2004. This is the site of Lockwood Mini Storage.

**Zone Change #600** – A zone change from Community Commercial to Highway Commercial on Certificate of Survey 973. This is the site of the new S Bar S Building Center directly east of the subject property.

## **SURROUNDING LAND USE & ZONING**

NORTH:	Zoning: HC Land Use: Big Sky Diesel
SOUTH:	Zoning: R-96 Land Use: Residential
EAST:	Zoning: HC Land Use: S Bar S Building Center
WEST:	Zoning: CC Land Use: Lockwood IGA

## **BACKGROUND**

This is a zone change from Community Commercial to Highway Commercial to allow Bobcat of Big Sky to expand its operation to include outside storage and sale of large equipment. The existing CC zoning does not allow for outside storage for sales. The property is in the center of the urbanized area of the Lockwood Community. While there are established residential neighborhoods to the south of this property, the Old Hardin Road corridor is a commercially developed area that has many different types of commercial business. For example, S Bar S Supply is directly east of the subject property and is currently zone HC and displays outdoor materials for sale. There are similar business operations across the street from the subject property. To the west of this property is the Lockwood IGA, currently zoned CC.

The applicant conducted a pre-application meeting on May 26, 2015 and three surrounding owners attended the meeting. Ms. Pepin asked what would occur to the portion of the parcel south of the canal. As of this time, there are no plans to develop the southern portion of the parcel. However, the applicant did state that if Bobcat needs additional space to expand, that portion of the parcel could be used. Mr. Elan expressed concerns over the maintenance and appearance. The applicant discussed the plan for display of new equipment for sale and that Bobcat intends to maintain a clean and weed free area as doing otherwise is not good for sales. There were concerns regarding traffic on Piccolo Lane. The current expansion would access off Old Hardin Road and the applicant will need to apply for an access permit from the Montana Department of Transportation. There are no plans to expand into and access off of Piccolo within the next ten years. Stacey Fortner, who owns property directly south of the subject property, expressed interest in a privacy fence being erected in the back to shield their property from the HC.

The County adopted the Lockwood Neighborhood Plan in August 2006. The land use for this area was not predicted to change since the existing commercial zoning that was approved in the 1980's for several parcels along Old Hardin Road. The adjacent residential homes to the south and west may be impacted by some uses allowed in both the CC and HC zones. The Lockwood Neighborhood Plan emphasizes development of commercial land uses along the Old Hardin Road Corridor. Both the CC and HC zone allow similar commercial uses. The primary difference in the two zoning districts is the HC zone allows for outdoor storage and sales.

Planning staff has reviewed this application and is forwarding a recommendation of approval for the proposed zone change based on the 11 criteria for zone changes. The property is located adjacent to Highway Commercial zoning and has reasonable access to Old Hardin Road, a minor arterial street. The proposed HC zoning district allows all the uses allowed in the existing CC zone in addition to outside storage of equipment and sales, warehousing, light manufacturing. The Highway Commercial zone is intended to attract businesses that serve tourists and travelers as well as local residents.

## **RECOMMENDATION**

Planning staff is forwarding a recommendation of approval based on the 11 criteria for zone changes.

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### **Attachments**

Zoning Commission Determinations  
Applicant Letter and Pre-App Meeting Info  
Site Photographs

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## PROPOSED ZONING COMMISSION DETERMINATIONS

The Yellowstone County Zoning Commission, prior to any recommendation, shall consider the following:

1. *Is the new zoning designed in accordance with the Yellowstone County and City of Billings 2008 Growth Policy?*

The proposed zoning does comply with the following goals of the Yellowstone County and City of Billings 2008 Growth Policy and area plans:

- Predictable land use decision that are consistent with neighborhood character and preferred land use patterns identified in neighborhood plans. (Land Use Element, page 6).  
*This zone change would allow for development of a vacant parcel to the same site standards as surrounding parcels. The proposed use is not an allowed use in the CC zone but is allowed in the HC zone. The parcel could be used for other HC purposes but would be compatible with similar surrounding land uses. The requested zone is consistent with the Lockwood Community Plan.*
- Goal: New developments that sensitive to and compatible with the character of adjacent development. (Land Use Element Goal, page 6).  
*This property is directly adjacent to S Bar S which zoned HC and also exhibits outdoor storage and sale of merchandise. The proposed use will be compatible with adjacent land uses.*

2. *Is the new zoning designed to secure from fire and other danger?*

The subject property is currently served by the Lockwood Fire Department with mutual aid from the Billings Fire Department. The property will have access from Old Hardin Road, a minor arterial street. There should be adequate ingress and egress to the property for emergency vehicles. The property is served by the Lockwood Water District that has fire hydrants throughout the Lockwood community.

3. *Will the new zoning facilitate the provision of transportation, water, sewerage, schools, parks and other public requirements?*

*Transportation:* The property is located on a high traffic corridor that carries approximately 4700 vehicles a day. The applicant will be required to apply for an access permit through MDT and be constructed to MDT requirements.

*Water and Sewerage:* The property will be served by public water and sewer systems through permission of Lockwood Water and Sewer District. The proposed use does not intend to use either public utility at this time.

*Schools and Parks:* The proposed zoning should not impact the student population. Residential uses are not planned for the property.

*Fire and Police:* The subject property is serviced by the Lockwood fire Department and the Yellowstone County Sheriff's Department.

4. *Will the new zoning promote health and general welfare?*  
The new zoning will allow development of property that is adjacent to existing commercial uses to the north, east and west and residential uses to the south. Commercial development should not have a negative impact on the residential use to the south at this time due to separation of the parcel by the irrigation ditch. No development is planned for the southern portion of the parcel.
5. *Will the new zoning provide adequate light and air?*  
The proposed zoning would require minimum setbacks, maximum building heights and maximum lot coverage. These requirements should allow adequate light and air to reach the subject property and adjacent properties.
6. *Will the new zoning effect motorized and non-motorized transportation?*  
The proposed zoning itself will not generate more traffic on any of the adjacent streets. Pedestrian traffic in the area is limited due to the lack of sidewalks and trails. Residential development is generally located south of the property. The 2011 Bikeway and Trail Master Plan indicate Old Hardin Road as a potential long-range, on-street bike lane. The additional traffic generated if the property is developed may affect transportation on the adjacent streets. Lockwood recently passed a bond measure to begin construction of sidewalks and trails in selected areas to increase pedestrian safety. Johnson Lane and Old Hardin Road will likely be on the list of streets where pedestrian facilities will be constructed.
7. *Will the new zoning be compatible with urban growth in the vicinity?*  
The proposed zoning is compatible with the adjacent entryway developments because the building design, landscaping and site lighting will be the same as those properties.
8. *Does the new zoning consider the character of the district and the suitability of the property for particular uses?*  
The subject property is in an area that is a mix of commercial and residential uses. The property is suitable for HC uses and the site development will be in character with the adjacent uses.
9. *Will the new zoning conserve the value of buildings?*  
The new zoning will allow the development of new commercial uses adjacent to similarly zoned property. There are no existing structures on the site. The proposed development will conserve the value of adjacent properties through compatible land uses.
10. *Will the new zoning encourage the most appropriate use of land in Yellowstone County?*  
The property is suitable for most of the uses allowed in the HC zoning district. The most appropriate use of the land is for sales and service to local and county residents. The proposed outdoor storage and sale of large equipment may be amenity used by residents of Lockwood and Yellowstone County.

11. Will the new zoning be as compatible as possible with adjacent zoning in the City of Billings?

The proposed zoning is not close to the City of Billings but is compatible with the typical urban development near arterial intersections.

APPLICATION FORM

COUNTY ZONE CHANGE County Zone Change # 662 - Project # P2-15-00108

The undersigned as owner(s) of the following described property hereby request a Zone Change as outlined in the City of Billings-Yellowstone County Unified Zoning Regulations.

Present Zoning: Community Commercial

Proposed Zoning: Highway Commercial

Tax ID # 005425 COUNTY COMMISSIONER DISTRICT # 1

Legal Description of Property: S25, T01N, R26E, COS 1284, Parcel 1

Address or General Location (If unknown, contact County Public Works): address not assigned  
SE corner of Old Hardin Road and Piccolo Lane

Size of Parcel (Area & Dimensions): 10.07 Acres - see map - not really square!

Present Land-Use: grazing

Proposed Land-Use: Storage and display of new heavy machinery for sale. maybe  
a new building for sales or service in the future

Covenants or Deed Restrictions on Property: Yes \_\_\_\_\_ No X

If yes, please attach to application

\*\*\* Additional information may be required as determined by the Zoning Coordinator in order to fully evaluate the application.

Owner(s): X Raymond Cowman  
(Recorded Owner)  
402 Taft St, Billings, MT  
(Address)  
671-9160  
(Phone Number) (email)



Agent(s): Quentin Eggart  
(Name) 770 Lohwest Lane Billings MT 59106  
(Address) 839-9151 quentin@eggartengineering.com  
(Phone Number) (email)

I understand that the filing fee accompanying this application is not refundable, that it pays for the cost of processing, and that the fee does not constitute a payment for a Zone Change. Also, I attest that all the information presented herein is factual and correct.

Signature: signed above Date: 5/29/15  
(Recorded Owner)

**Pre-Application Statement of Owner(s) or Agent(s)**

The owner(s), contract purchasers (if any) and agents (if any) are required to submit this completed form and any attachments along with a completed zone change application packet, including any required fees, for a zone change to be processed by the Planning Division.

- 1. **Present Zoning:** Community Commercial
- 2. **Written description of the Zone Change Plan** including square footage or acres of proposed new zoning: 10.07 acres change to Highway Commercial
- 3. **Subject Property Map:** please attach to this form
- 4. **Legal Description of Property:** S25, T01N, R26E, COS 1284, Parcel 1
- 5. **Roster of persons who attended the pre-application neighborhood meeting:** please attach to this form
- 6. **A copy of the meeting notice.** please attach to this form
- 7. **A brief synopsis of the meeting results.** please attach to this form
- 8. **The undersigned affirm the following:**
  - 1) The pre-application neighborhood meeting was held on the 26 day of May, 2015
  - 2) The zone change application is based on materials presented at the meeting.

Owner (s): ~~Raymond Corcoran~~ Haroldo Corcoran Telephone: 406-672-9160  
Address: 402 Tabriz, Billings, MT Email: N/A

Agent (s): Quentin Eggart Telephone: 406-839-9151  
Address: 770 Lnwest Lane Email: quentin@eggartengineering.com  
Billings MT 59106

Date: May 29, 2015



Re: COS 1284, Parcel 1

To whom it may concern:

I, Quentin Eggart, P.E., conducted the pre-application neighborhood meeting for this proposed zone change. The meeting was held May 26<sup>th</sup> at 6:00 p.m. at the offices of Bobcat of Big Sky at 2125 Old Hardin Road. The zone change application is based on materials provided at that pre-application meeting, which are included in this submittal. A sign in sheet from the meeting is included. Not on the sign in sheet but present at the meeting was myself, Quentin Eggart, and Cody Brantz of Bobcat of Big Sky.

At the meeting Jackie Pepin wondered about what was going to occur south of the canal. We informed her that nothing would happen there immediately as the current desire is to gravel the area along Old Hardin Road and not do anything on the property south of the canal. Likely it will be kept as horse pasture for some time. This however, does not mean that Bobcat will not need to expand into that area in the future. Michael Eland expressed his concerns over how it would be maintained and appear. We discussed that the area is currently planned for display of new equipment for sale and that Bobcat intends to maintain a clean and weed free area of good appearance, as doing otherwise would not be good for the sales. There was concern about traffic on Piccolo Lane. The current intent is to access off Old Hardin Road and not has any effect on Piccolo in the ten year plan. Obviously in the future some traffic may end up on Piccolo if the south half of the property is developed. Stacey Fortner, who owns the property immediately to the south of this property (the one with the pole barn on it) expressed desire for a privacy fence in the back.

Sincerely,

Quentin Eggart, P.E.



**Zone Change #662  
Site Photographs**



Subject property – view south from Old Hardin Road



View west along Old Hardin Road to Lockwood IGA

**Attachment C – Zone Change #653, continued**  
Site Photographs



View north across Old Hardin Road at Big Sky Diesel



View east from Old Harding to S Bar S

**Attachment C – Zone Change #653, continued**  
**Site Photographs**



View south towards residentially zoned property



Aerial of subject property



## County Zoning Commission

**Meeting Date:** 08/10/2015

**SUBJECT:** County Zone Change 663 - 1101 Brandywine Lane

**THROUGH:** Candi Millar, Planning & Community Services Department Director

**PRESENTED BY:** Nicole Cromwell

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## Information

### REQUEST

Item #3 - County Zone Change #663 – 1011 Brandywine – A zone change request from Residential 9,600 (R-96) to Agriculture Suburban (AS) on Tracts 1A & 1B, C/S 3240, a 6.2 acre parcel of land. The property is generally located at 1011 Brandywine Lane. The applicants conducted a pre-application neighborhood meeting on June 6, 2015, at the subject property. Tax IDs D05023 and D05023A

### RECOMMENDATION

The Planning Division is recommending approval based on the findings of the 11 criteria for Zone Change 663.

### APPLICATION DATA

OWNER: Jeffery Isom and Larry Vaira

AGENT: None

LEGAL DESCRIPTION: Tracts 1A and 1B of C/S 3240

ADDRESS: 1011 Brandywine Lane

CURRENT ZONING: R-96

EXISTING LAND USE: Vacant and 3,200 square foot shop on Tract 1A

PROPOSED USE: Same with additional storage buildings

SIZE OF PARCEL: 6.2 acres

### CONCURRENT APPLICATIONS

Zoning Compliance Permit PLN-15-04082 for detached shop building on Tract 1A.

### APPLICABLE ZONING HISTORY

The subject property was a single tract in C/S 3240. Prior to a re-survey to create C/S 3240, a zone change was approved in 2004 for the parcels to the south and east from R-96 and RMH to Community Commercial (CC). Tract 1 has now been split into 2 parcels, Tracts 1A and 1B. These tracts were left in the R-96 zoning district when the previous commercial zone change was approved to serve as a "buffer" between the CC uses and the neighbors to the north and west. The County has reviewed 14 similar zone changes in the area since 1979. Three of those zone changes were denied. Two of those denied were for changes to commercial zoning and one was for a change to RMH. The remaining zone changes were all approved and those applications were primarily for changes from A-1 to AS.

### SURROUNDING LAND USE & ZONING

NORTH: Zoning: R-96  
Land Use: Agriculture and Livestock  
SOUTH: Zoning: CC  
Land Use: Personal storage warehouses & vacant  
EAST: Zoning: R-96  
Land Use: Single family homes  
WEST: Zoning: R-96  
Land Use: Single family homes

## **BACKGROUND**

This is a zone change application the County BOA required the property owner to apply for as a condition of approval for a variance to allow a personal storage building on the property without a single family residence completed or started at the same time. The current zoning R-96 requires a primary use - a residence - prior to or concurrently when an accessory use of property is proposed. The proposed zoning of Agriculture Suburban (AS) has a primary use of agriculture with allowance for residential uses on lots of at least 1 acre. Since the primary or principal use of property in this zoning district is not residential, a dwelling is not required to place a detached shop on the property. The AS zoning does restrict the size of those detached structures to 3,000 square feet so the previous zoning variance will still apply to the size of the detached shops (3,200 square feet). One of the lots, Tract 1A, has received a Zoning Compliance Permit to construct the 3,200 square foot shop.

The property is accessible from Saratoga Trail but will not connect to adjacent property to the south or east. Brandywine Lane is a short dead-end street from Saratoga Trail and these are the only lots on this street. The adjacent property to the north is a large lot used for pasture and livestock for many years but is currently zoned R-96. There are single family homes to the west and east in fully developed subdivisions. The applicants have homes on Saratoga Trail directly west of the subject property. To the south is a personal storage warehouse development (the former location of Zentz Lumber) and vacant land around Five Mile Creek.

The applicants conducted a pre-application meeting on June 6, 2015 and 8 surrounding property owners attended the meeting. The applicants state those attending the meeting were supportive of the proposed zone change. The Planning Division received no comments prior to the Zoning Commission hearing.

The Planning Division has reviewed the proposed zone change and is recommending approval based on the findings of the 11 criteria for zone changes. The property has been used in the past for agriculture and an attempted residential development by a previous owner was abandoned. The property has high ground water and difficult soils with open irrigation drainage ditches. The BBWA canal runs just above Independent Lane to the north. The property has limited capacity for development as a residential subdivision in the R-96 zoning district. The property does serve as a separation buffer between the storage warehousing to the south and the neighbors to the north, west and east. The adjacent CC zoning makes a residential use of the property at the R-96 density not desirable. The use of the property for agricultural uses and for lower density residential development is a practical alternative. The owners of the property live directly west and are committed to maintaining the property in suitable conditions. The 2008 Growth Policy encourage compatible uses in existing neighborhoods where the new and potential uses will not alter the character of the area. The proposed zoning and use of the property is compatible with the existing uses and neighborhood.

## **RECOMMENDATION**

The Planning Division recommends approval and adoption of the findings of the 11 criteria for Zone Change 663.

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## **Attachments**

Findings of the 11 criteria  
Zoning Map and Limits of Annexation  
Site photos  
Pre application meetings notes and application

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## REVIEW CRITERIA – ZC 663 – 1011 Brandywine Lane

The Yellowstone County Zoning Commission, prior to any recommendation, shall consider the following:

1. Is the new zoning designed in accordance with the Yellowstone County and City of Billings 2008 Growth Policy?

The proposed zoning does comply with the following goals of the Yellowstone County and City of Billings 2008 Growth Policy and area plans:

- Predictable land use decision that are consistent with neighborhood character and preferred land use patterns identified in the growth policy. (Land Use Element, page 6).

*This zone change would allow the property owner to continue the use of the property for a detached shop and occasional agricultural uses. The applicants intend to build dwellings on the property at some time in the future. The current zoning does not allow detached shops without a primary use – a dwelling – on the property or under construction at the same time. The surrounding property is zoned R-96 and CC and these lots were intended to “buffer” the existing neighborhoods from the personal storage warehouses to the south. The proposed zoning will allow existing uses to continue and will serve to buffer the existing neighborhoods. The property will retain the ability to use land for agricultural production and will be consistent with the goals and policies of the 2008 Growth Policy.*

- Goal: New developments that sensitive to and compatible with the character of adjacent development. (Land Use Element Goal, page 6).

*This property is directly adjacent to R-96 zoning to the north, west and east. Property to the north is used for agriculture and livestock production. Property to the south is zoned CC and is developed for personal warehouse. The proposed zoning is sensitive to and compatible with the adjacent development.*

2. Is the new zoning designed to secure from fire and other danger?

The subject property is currently served by the Billings Urban Fire Service and will be continue to be served by BUFSA. The nearest fire station is located at the intersection of Wicks Lane and St Andrews Drive about 3 miles to the south and west. BUFSA will be involved in the review of any future subdivision and may require special construction or site protection measures. The existing and proposed zoning requires building separations, setbacks and height limits that should provide security from fire or other public safety emergencies.

3. Will the new zoning facilitate the provision of transportation, water, sewerage, schools, parks and other public requirements?

*Transportation:* The new zoning and the existing zoning should not increase traffic in the area. Any future subdivision will have to provide proof of adequate access for the predicted level of traffic generation.

*Water and Sewerage:* The property will not be served by public water and sewer systems unless it is annexed to the city. Surrounding neighborhoods are within the Billings Heights Water District and have access to this public water system. The property could be annexed to the Billings Heights Water District. The property is not yet within the limits of annexation for Billings. If it is developed in the county, no City of Billings public services for water or sewer will be provided.

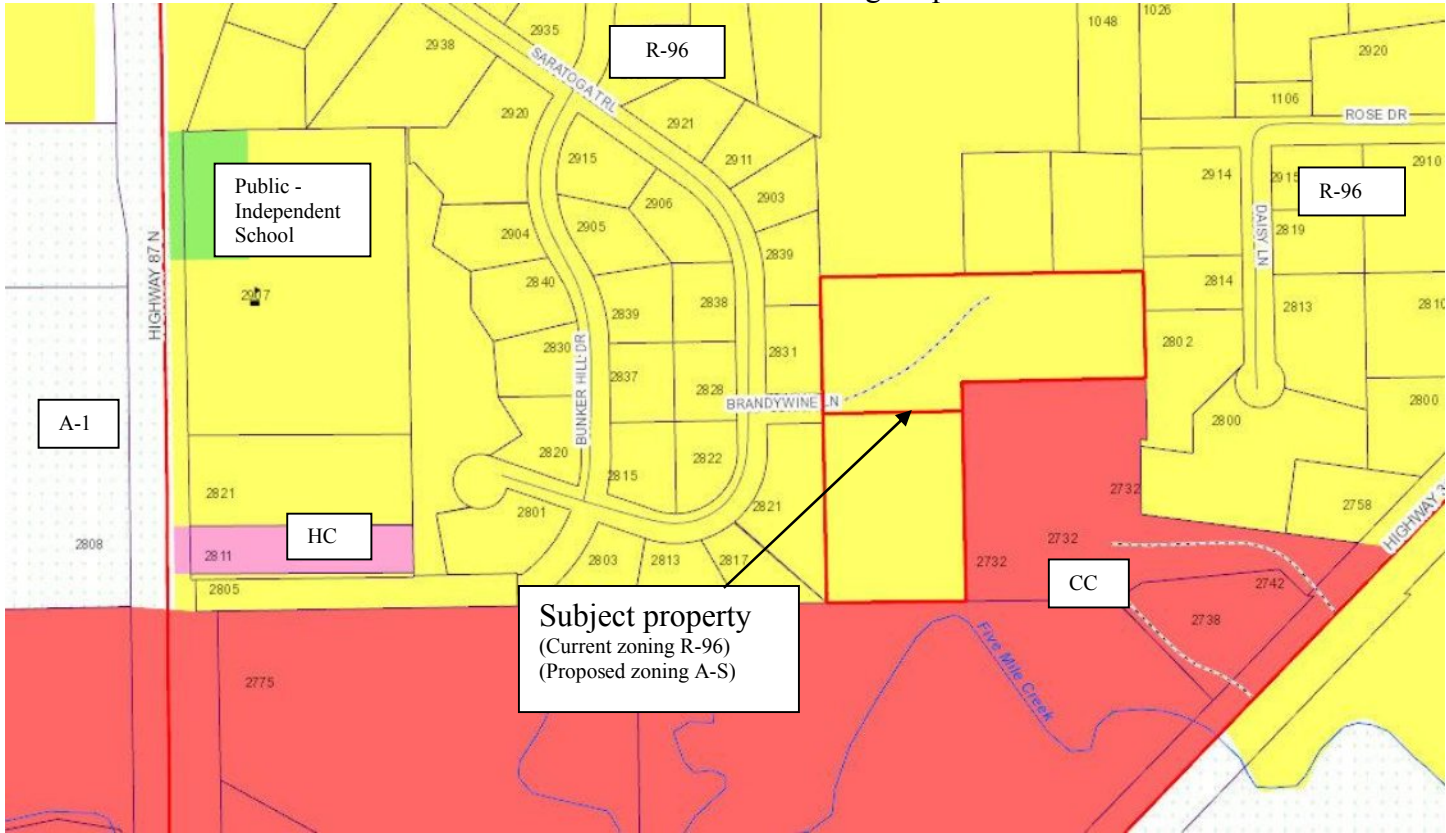
*Schools and Parks:* The proposed zoning should not have any significant impact on the student population.

*Fire and Police:* The subject property is serviced by BUFSA and the Yellowstone County Sheriff's Department. Fire protection will be evaluated at the time of a development plan. If the property is annexed city, public safety services will be provided by the City Police Department.

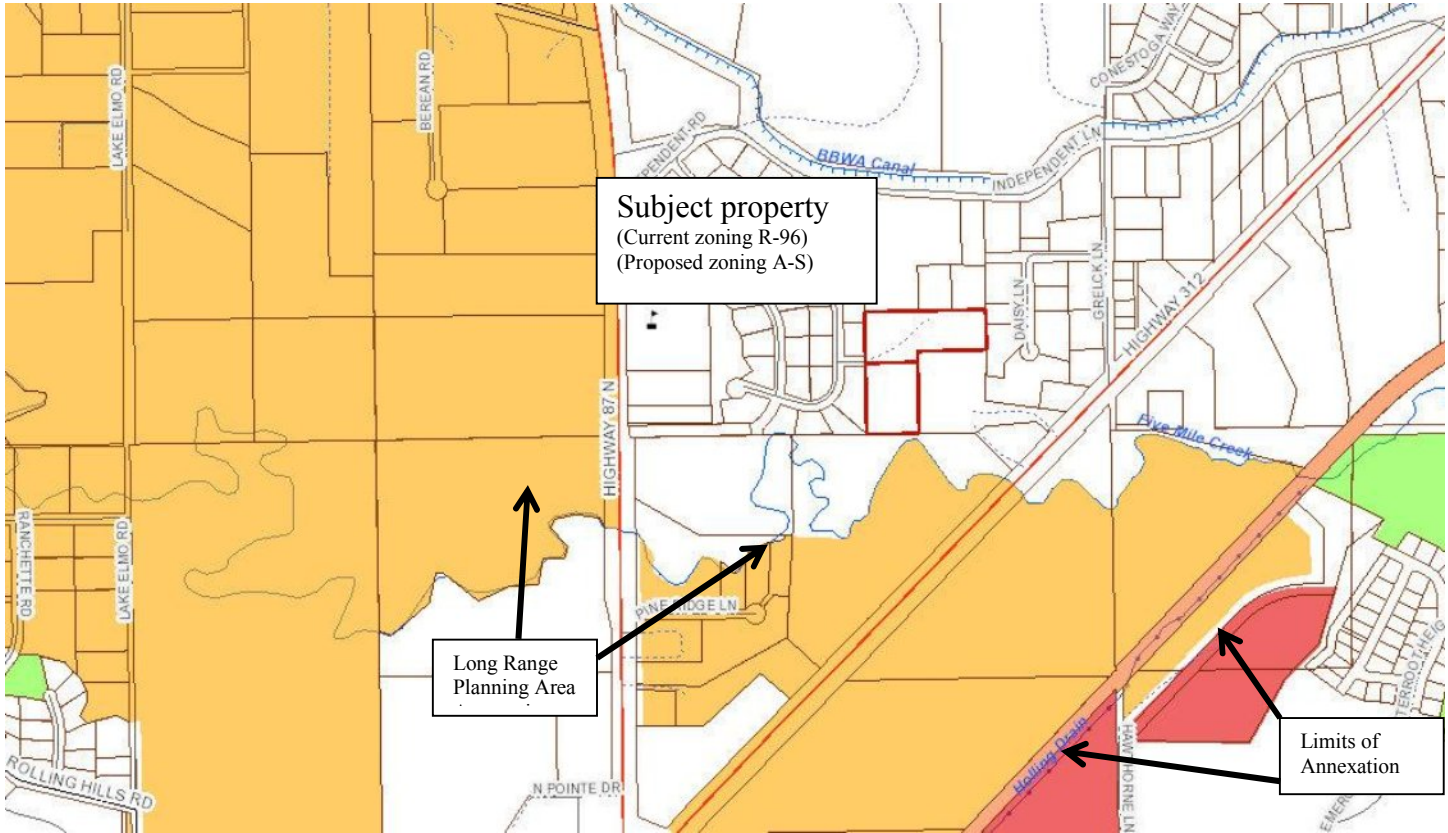
4. *Will the new zoning promote health and general welfare?*  
The new zoning will allow development of property for detached shops and similar agricultural uses of the land with possible future dwellings. Any new subdivision will need to meet or exceed requirements for safe access, water and waste water disposal and other development standards. This will help promote the health and general welfare of the area.
5. *Will the new zoning provide adequate light and air?*  
The proposed zoning would require minimum setbacks, maximum building heights and maximum lot coverage. These requirements should allow adequate light and air to reach the subject property and adjacent properties.
6. *Will the new zoning effect motorized and non-motorized transportation?*  
The proposed zoning itself will not generate more traffic on any of the adjacent streets. Pedestrian traffic in the area is limited due to the lack of sidewalks and trails. Brandywine Lane is a short dead-end street off Saratoga Trail. Saratoga Trail is within a fully developed subdivision with access of Highway 87 N.
7. *Will the new zoning be compatible with urban growth in the vicinity?*  
The proposed zoning is compatible with the adjacent zoning and developments. The urban growth is primarily to the south and west of this location. The proposed A-S zoning is compatible with the existing and potential urban growth in the area.
8. *Does the new zoning consider the character of the district and the suitability of the property for particular uses?*  
The subject property is in an area that is still an active agricultural production but has suburban density residential development as well as commercial development to the south and west. The property is suitable for A-S uses and the site development will be in character with the adjacent uses.

9. Will the new zoning conserve the value of buildings?  
The new zoning will allow the property owner to provide future building sites and constructed detached shops on the property for storage. The existing buildings on the site will be conforming to the new zoning.
10. Will the new zoning encourage the most appropriate use of land in Yellowstone County?  
The property is suitable for the uses allowed in the A-S zoning district.
11. Will the new zoning be as compatible as possible with adjacent zoning in the City of Billings?  
The proposed zoning is on land not directly adjacent to Billings. The proposed zoning of A-S however is compatible with the closest city zoning districts – residential zones R-70 and R-96. The property is not within the limits of annexation for Billings at this time.

**Zone Change #663  
Zoning Map**



Limits of Annexation



**Zone Change #663**  
**Site Photographs**



Subject property – view Saratoga Trail – Tract 1A



Subject Property – Tract 1B – personal storage warehouses to the south (CC zone)

**Zone Change #663, continued**  
Site Photographs



View north and west to adjacent neighborhood



View north to adjacent agricultural property on Independent Lane

**Zone Change #663, continued**  
**Site Photographs**



View of home west of Tract 1A



View of property directly west of Tract 1B

**Zone Change #663, continued**  
Site Photographs



Aerial

**Zone Change #663**  
Applicant Letter & Pre-application neighborhood meeting minutes

**APPLICATION FORM**

**COUNTY ZONE CHANGE** County Zone Change # 663 - Project # P2-15-00115

The undersigned as owner(s) of the following described property hereby request a Zone Change as outlined in the City of Billings-Yellowstone County Unified Zoning Regulations.

Present Zoning: R-9600

Proposed Zoning: Ag / Sub

Tax ID # D05023 + D05023A COUNTY COMMISSIONER DISTRICT # \_\_\_\_\_

Legal Description of Property: Tract 1A + 1B of CS 3240

Address or General Location (If unknown, contact County Public Works): \_\_\_\_\_

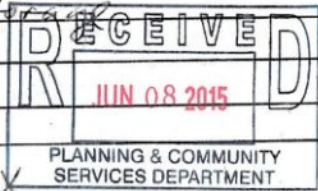
1011 BRANDYWINE

Size of Parcel (Area & Dimensions): 6.2 ACRES

Present Land-Use: vacant land personal storage

Proposed Land-Use: SAME

Covenants or Deed Restrictions on Property: Yes \_\_\_\_\_ No



If yes, please attach to application

\*\*\* Additional information may be required as determined by the Zoning Coordinator in order to fully evaluate the application.

Owner(s): Jeffery R. Isom Larry Vaira  
(Recorded Owner) 2821 Sacatoga Trail 2822 Sacatoga Trl. Billings, MT  
(Address) Billings MT 406-489-1096 larry.vaira@gmail.com  
(Phone Number) 406 670 6419 (email) rockyjrservices@gmail.com

Agent(s): \_\_\_\_\_  
(Name) \_\_\_\_\_  
(Address) \_\_\_\_\_  
(Phone Number) \_\_\_\_\_ (email) \_\_\_\_\_

I understand that the filing fee accompanying this application is not refundable, that it pays for the cost of processing, and that the fee does not constitute a payment for a Zone Change. Also, I attest that all the information presented herein is factual and correct.

Signature: [Signature] Larry Vaira Date: 6-8-2015  
(Recorded Owner)




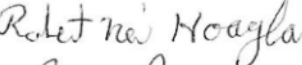


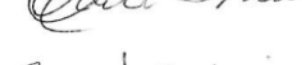
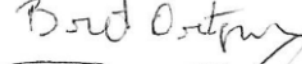

Jeff

**From:** Jeffery Isom <rockingjrservices@gmail.com>  
**Sent:** Saturday, June 06, 2015 10:10 AM  
**To:** Office  
**Subject:** Pre Zoning Change Meeting sign in sheet

Pre Zoning Change Meeting sign in sheet

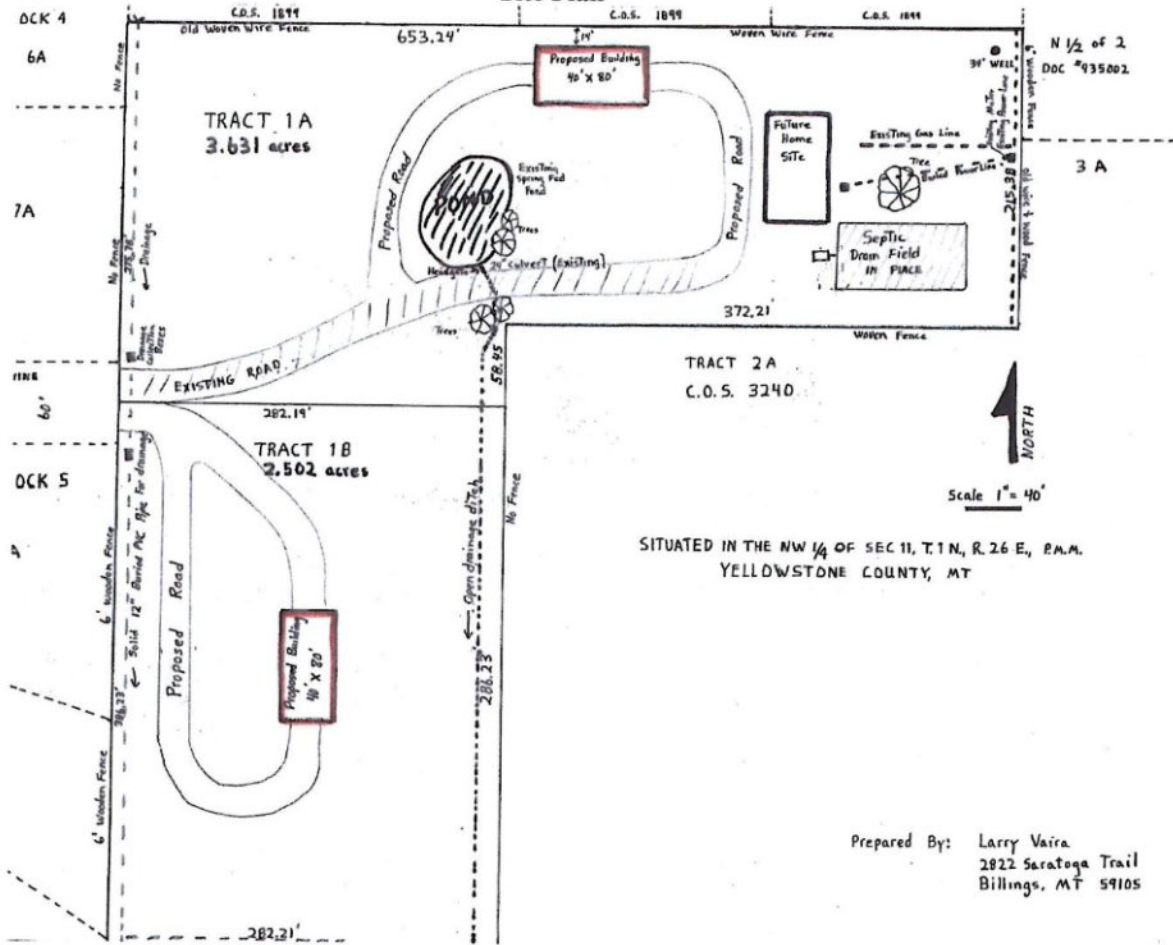
Meeting held June 6, 2015 at 11:00 am

Please Sign In below

 Jeff Isom  
 LARRY SPECK  
 ALAN ROLLER  
 Robert Neil Hoagland  
 Jerry Parmenter  
 John Smith  
 Brad Osting  
 Wes Kepman  
 Gary Vania

Discussed existing zoning + proposed zoning.  
Plans for properties - No opposition - all for  
the improvements

**ATTACHMENT C**  
**Site Plan**



Prepared By: Larry Vaira  
2822 Saratoga Trail  
Billings, MT 59105



## County Zoning Commission

**Meeting Date:** 08/10/2015

**SUBJECT:** County Zone Change 664 - 5840 Titan Avenue

**THROUGH:** Candi Millar, Planning & Community Services Department Director

**PRESENTED BY:** Nicole Cromwell

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## Information

### REQUEST

**Item #4 - County Zone Change #664 – 5840 Titan Ave**– A zone change request from Highway Commercial (HC) to Controlled Industrial (CI) on Lot 2, Block 1, Titan Subdivision, a 1.319 acre parcel of land generally located at 5840 Titan Avenue. The applicants conducted a pre-application neighborhood meeting on June 29, 2015, at Tvetene Turf, 6844 S. Frontage Road. Tax ID C13279.

### RECOMMENDATION

The Planning Division recommends denial and adoption of the findings of the 11 criteria for Zone Change 664.

### APPLICATION DATA

OWNER: Michael Tvetene

AGENT: Sanderson Stewart, Dennis Randall, P.E.

LEGAL DESCRIPTION: Lot 2, Block 1 Titan Subdivision

ADDRESS: 5840 Titan Avenue

CURRENT ZONING: HC

EXISTING LAND USE: Cold storage 2,400 square foot warehouse

PROPOSED USE: Same with repair shop, welding and light manufacturing of farm machinery

SIZE OF PARCEL: 1.319 acres

### CONCURRENT APPLICATIONS

None.

### APPLICABLE ZONING HISTORY

The subject property was approved for a zone change along with the other lots in the Titan Subdivision from A-1 to HC in November 1999. Since that time, the commercial subdivision has slowly developed with a mixture of shop buildings, construction trades and manufacturing. A zone change from HC to CI was approved for a concrete plant development in the northwest corner lot (5815 Interstate Avenue). The Planning Staff recommended denial of this zone change in 2005. The Zoning Commission recommended approval on a 3-2 vote and the County Commissioners approved the zone change. The County has approved similar zone changes in the area including a Planned Development zone for property west of the Elysian School, RF Development Subdivision, and Bottrell Subdivision.

### SURROUNDING LAND USE & ZONING

NORTH: Zoning: HC  
Land Use: FM Forklift Service and Repair

SOUTH: Zoning: HC  
Land Use: Agricultural - single family dwelling - vacant

EAST: Zoning: HC  
Land Use: Shop and repair building

WEST: Zoning: HC  
Land Use: Granite sales and service

## **BACKGROUND**

This is a zone change request to allow the owner the ability to have light manufacturing of farm equipment on a specialty basis in the future. The proposed use will be a repair shop with welding and machine services. The property is located at 5840 Titan Avenue and has street frontage on both Titan Avenue and Elysian Road. There is no vehicle access from Elysian Road to the property. The Titan Subdivision has a wide range of businesses, services, and light manufacturing, as well as personal storage warehouses. Property to the south across Elysian Road is the Harmony Meadows subdivision and has a mixture of zoning including HC, CC and RMF-R. This subdivision will likely develop after annexation to the city. Property to west of Titan Subdivision is the Quarnburg Farm where the County recently approved a zone change to HC and 20 acres of NC north of Elysian Road. This property may develop in the county or annex to the city for services. The city is currently installing public water and sewer in the Elysian Road corridor to connect to Elysian School, 1/2 mile west of the subject property. The subject property is within the limits of annexation for the city.

The property is currently under-utilized with a 2,400 square foot warehouse building on a 1.3 acre graveled lot. The shop building was constructed in 2003 but none of the required site development was installed including landscaping or a paved parking area. The building would be upgraded to accommodate the repair shop and possible future custom farm equipment manufacturing. The proposed repair and welding shop is an allowed use in the HC zone, but the manufacturing of farming machinery would not be allowed.

The proposed CI zoning could allow incompatible uses for this transitional area including including sawmills and cabinet manufacturing, while HC allows only offices outright and some manufacturing by special review. CI also allows passenger and freight terminals, and storage of equipment and supplies for heavy construction. HC does not allow these uses at all. More intense manufacturing, including concrete fabrication and metal industry operations are only allowed by special review in the CI district, and are not allowed in the HC district. Generally, many of the uses allowed in the HC zoning district are allowed in the CI district. The most significant difference between the two zoning districts in terms of uses is the CI zoning district allows a variety of more intense industrial uses by special review.

Any future construction on the property in the County would require submittal of a Zoning Compliance Permit so the Planning Division can ensure the regulations are met for the proposed development, regardless of the adopted zoning. The subdivision south of Elysian Road has a mix of commercial and residential zoning and will likely develop as a higher density residential neighborhood with some commercial retails services in the future with city services. Potential uses in the CI district may conflict with the intended uses on this property.

The Planning Division is forwarding a recommendation of denial based on the findings of the 11 criteria for zone changes. The proposed CI in a subdivision primarily zoned HC, and in an area of the County with A-1, NC, RMF-R, and CC zoning. The CI zoning does not fit with the character of this area of the County and does not support the most appropriate use of the land in this area of the County. This area of the County is in transition from County to City, with the area all now included in the City's Limits of Annexation Map for annexation in the short term. Existing property in the area is zoned for commercial and residential uses, not industrial uses. The character of this area is moving toward commercial service and retail uses along with a range of residential uses from single family to fairly high density multi-family development. The proposed immediate use of the property is allowed in the HC zone and the potential future use for farm machinery manufacturing is not allowed. The proposed zone change is to accommodate this potential future use. The Planning Division and the Zoning Commission must consider all potential future uses and determine the compatibility of these uses with existing uses in the HC zoning and the surrounding area. These potential future uses may not be compatible with the existing uses and with the planned commercial and residential neighborhood to the south and the existing residential and light commercial uses to the east and west.

## **RECOMMENDATION**

The Planning Division recommends denial and adoption of the findings of the 11 criteria for Zone Change 664.

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## **Attachments**

Zoning Criteria

Zoning Map

Site photos

Pre application meetings notes and application

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## REVIEW CRITERIA – ZC 664 – 5840 Titan Avenue

The Yellowstone County Zoning Commission, prior to any recommendation, shall consider the following:

1. *Is the new zoning designed in accordance with the Yellowstone County and City of Billings 2008 Growth Policy?*

The proposed zoning does not comply with the following goals of the Yellowstone County and City of Billings 2008 Growth Policy and area plans:

- Predictable land use decision that are consistent with neighborhood character and preferred land use patterns identified in the growth policy. (Land Use Element, page 6).  
*Zoning this property to CI zoning would not be consistent with the neighborhood character and land use patterns in the area. This area of the County includes zoning for commercial and residential uses in close proximity to each other. CI zoning allows more intense uses than is allowed in any of the zoning districts adjacent to the subject property.*
- Goal: New developments that are sensitive to and compatible with the character of adjacent development. (Land Use Element Goal, page 6).  
*This property is adjacent to HC zoning in the subdivision and south across Elysian Road. There are a wide variety of commercial developments throughout the area including service businesses and cold storage warehousing. The potential for manufacturing in the proposed CI zone is not compatible with these uses.*
- Goal: Coordinated economic development efforts (Economic Development Element, page 7)  
*The proposed immediate use of the property is allowed in the HC zone. The proposed future manufacturing shop for farm equipment may have some additional economic benefit but the primary development of a small repair service shop with the ability to provide higher paying skilled labor job opportunities for local residents can be accomplished with the existing zoning.*

2. *Is the new zoning designed to secure from fire and other danger?*

The subject property is currently served by the Billings Urban Fire Service and will be served by the Billings Fire Department if it is annexed to the city. The nearest fire station is located on S 24<sup>th</sup> Street West about 2 miles to the north and west. The Fire Department or BUFSA may require special construction or site protection measures depending on the specific uses in any development. The existing and proposed zoning requires building separations, setbacks and height limits that should provide security from fire or other public safety emergencies.

3. *Will the new zoning facilitate the provision of transportation, water, sewerage, schools, parks and other public requirements?*

*Transportation:* The proposed zoning and the existing zoning should not have a measurable effect on traffic generation. Traffic type in the CI zoning would be different from the HC due to potential manufacturing uses in this zone. If the property is annexed

and re-developed, the City Traffic Engineer may require a traffic impact analysis to determine the appropriate mitigation or street development to accommodate the new uses.

*Water and Sewerage:* The property will not be served by public water and sewer systems unless it is annexed to the city.

*Schools and Parks:* The proposed zoning should not impact the student population. The proposed zoning does not allow residential uses by right.

*Fire and Police:* The subject property is serviced by BUFSA and the Yellowstone County Sheriff's Department. Fire protection will be evaluated at the time of any re-development of the site. If the property is annexed to the city, public safety services will be provided by the City Police Department.

4. *Will the new zoning promote health and general welfare?*

The proposed zoning may not promote the health and general welfare. The potential to allow manufacturing next to service type businesses and a higher density residential development south of Elysian Road may not promote the health and general welfare of the area.

5. *Will the new zoning provide adequate light and air?*

The proposed zoning would require minimum setbacks, maximum building heights and maximum lot coverage. These requirements should allow adequate light and air to reach the subject property and adjacent properties.

6. *Will the new zoning effect motorized and non-motorized transportation?*

The proposed zoning itself will not generate more traffic on any of the adjacent streets. Pedestrian traffic in the area is limited due to the lack of sidewalks and trails. Residential development is generally located east and west of the property. There are many other commercial uses in the Titan Subdivision and the paved streets in the subdivision may be able to handle any additional traffic. The proposed higher density residential development south across Elysian Road and other residential developments in the area may be adversely affected by adding industrial type traffic on Elysian Road.

7. *Will the new zoning be compatible with urban growth in the vicinity?*

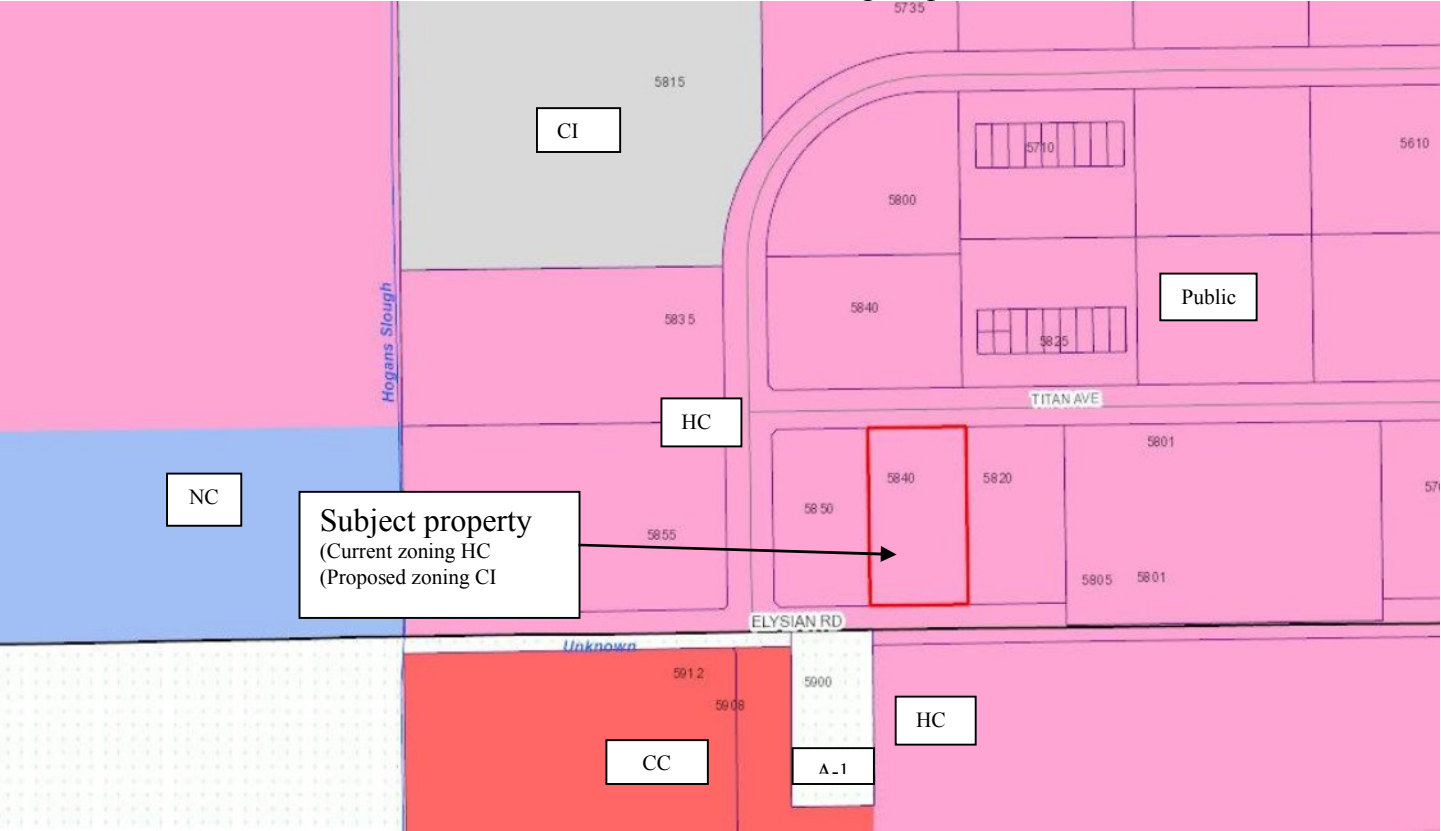
The proposed zoning is not compatible with the adjacent zoning and existing and planned residential developments along Elysian Road.

8. *Does the new zoning consider the character of the district and the suitability of the property for particular uses?*

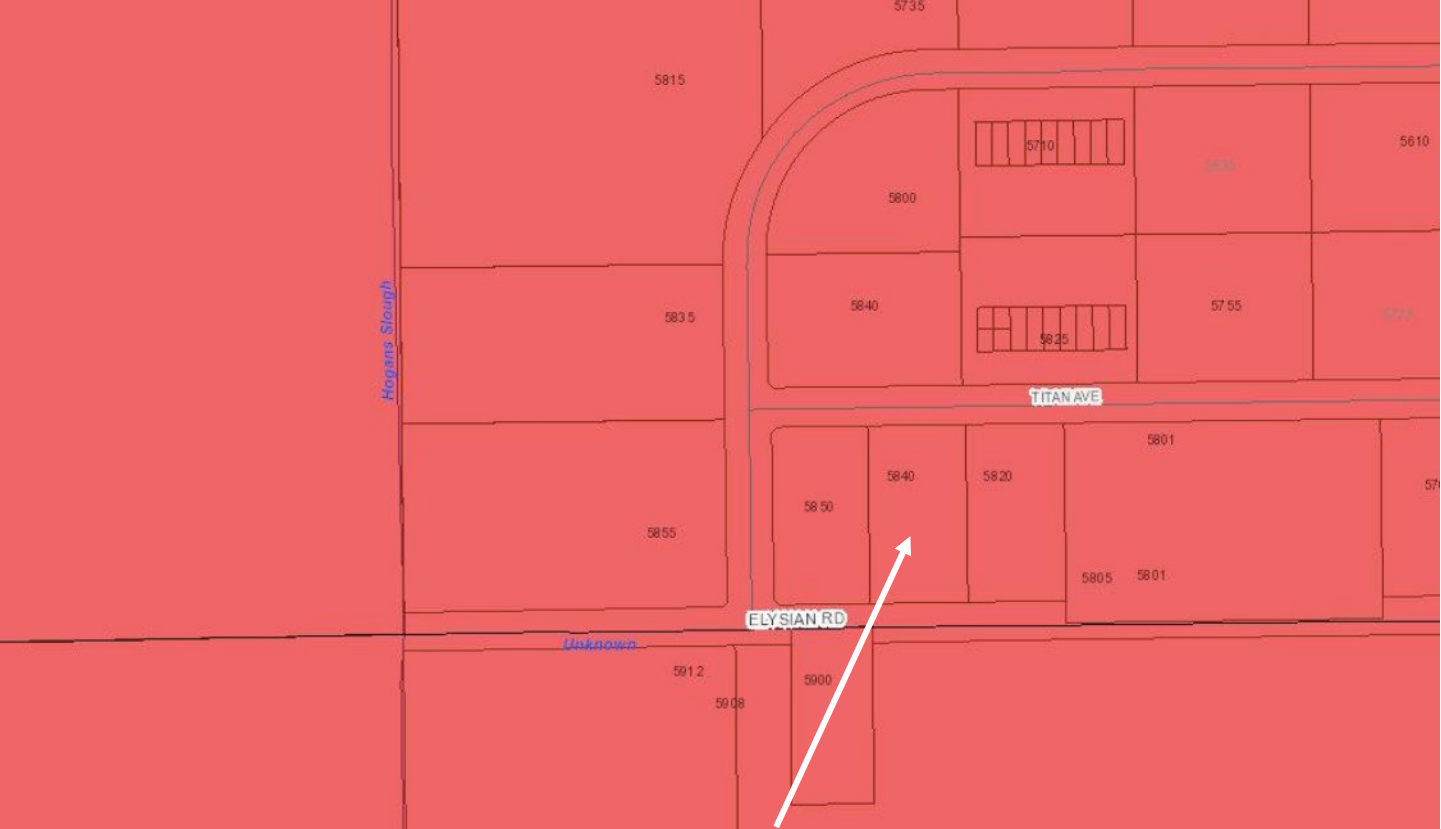
The subject property is in an area that is a mix of county commercial and residential uses, either existing or planned. The property is not suitable for CI uses given the character and planned development of the area.

9. *Will the new zoning conserve the value of buildings?*  
The new zoning is not expected to alter the value of the existing commercial buildings in the area. It is not known if its proximity to residential property in the area may affect the value of residential buildings.
10. *Will the new zoning encourage the most appropriate use of land in Yellowstone County?*  
The proposed zoning does not encourage the most appropriate use of land in this area of the County. All the surrounding property is zoned HC or a less intense commercial zoning as well as residential zoning.
11. *Will the new zoning be as compatible as possible with adjacent zoning in the City of Billings?*  
The proposed zoning is a zoning that is also present in the City of Billings but not in the immediate area of this subdivision. CI zoning could allow more intense uses than currently allowed in adjacent zoning districts.

# Zone Change #664 Zoning Map



Limits of Annexation



Subject Property

**Zone Change #664**  
Site Photographs



Subject property – 5840 Titan Avenue



Property to the west

**Zone Change #664, continued**

**Site Photographs**



View west along Titan Avenue



View north across Titan Avenue

**Zone Change #664, continued**  
Site Photographs



View north and east along Titan Avenue



View east of subject property

**Zone Change #664, continued**  
**Site Photographs**



Aerial

**Zone Change #664**  
Applicant Letter & Pre-application neighborhood meeting minutes

**Lot 2, Block 1, Titan Subdivision**  
ZONE CHANGE APPLICATION FROM HIGHWAY COMMERCIAL  
TO CONTROLLED INDUSTRIAL

**Statement of Proposal**

The owner, Mike Tvetene is seeking a zone change for the property. The property is located at 5840 Titan Avenue. The site is approximately 1.32 acres.

The existing zoning is Highway Commercial. The applicant is requesting a zone change to Controlled Industrial. The applicant's intent is to open a welding and machine shop repair business, which is allowed under the current zoning. At some future date, there may be some manufacturing of light farm implement equipment. The applicant would like to change the zone so that light manufacturing could be performed on the property at some future date.

**Accompanying Responses to Questions in Zoning Application Form**

***1A. In what ways is your proposal consistent with the goals and policies of the adopted Growth Policy?***

***LAND USE GOALS***

***Goal 1. Predictable land use decisions that are consistent with neighborhood character and land use patterns.***

The adjacent properties within Titan subdivision are Highway Commercial with some Controlled Industrial zoning in the northwest corner of the subdivision (Billings precast). The proposed zoning and use would be consistent with types of businesses that currently operate in Titan Subdivision.

***ECONOMIC DEVELOPMENT GOALS***

***Goal 4: Coordinated economic development efforts that target business recruitment, retention and expansion.***

The zone change will permit a currently underutilized property to be developed for new commercial business. The zone change would give the new welding and machine shop repair business the opportunity to expand in the future to include light a light manufacturing component.

***Goal 8: Provide Citizens with greater financial stability.***

The business anticipated for the property would provide skilled labor, living wage jobs in a clean industry.

***1B. Explain your need for the intended zone change and why the property cannot be used under the existing zoning. Explain how the new zoning will fit in with the existing zoning and land uses in the immediate area.***

Many potential uses for the property are permitted in the existing Highway Commercial zoning including the proposed welding and machine shop repair business. However, a change to Controlled Industrial would permit the future expansion of the business to include a light manufacturing component. The proposed zone change and anticipated business, will be compatible with the other business within Titan Subdivision.



### MEETING MINUTES

<b>PROJECT: Grand Peaks Zone Change</b>			
Project No: 99140.37			
Meeting Location: Tvetene Turf office 6844 S. Frontage Road		Meeting Date: 6/29/15 5:30 PM	
Meeting Subject: Neighborhood meeting		Prepared by: Dennis Randall	
Attending:	See attached sign-in		
Date of Issue: 6/25/15			

Minutes:

Mike Tvetene and Dennis Randall moderated the meeting;

- o Mike gave a summary of property use to date under his ownership, as well as what he intends to do with the property
- o Dennis gave a summary of the Zoning process, including the tentative meeting dates for the Zoning commission and County commissioners
- o Dennis gave a summary of the difference between the existing zoning, Highway Commercial and the requested Controlled Industrial zoning
- o Al Koelzer, a neighbor in attendance, also commented on some of the differences between the two zones, based on his experience as a commercial realtor.

- Questions from the owners were general in nature, regarding the development in the area, timing of applicants new building, timing and impacts of the Elysian sewer and water project.
- There was some discussion on the sewer and water project and how it may impact annexation, specifically if property owners would be required to annex and connect.
- No specific concerns with the proposed Zone change were expressed by the attendees.

Meeting was adjourned at approximately 6:10 P.M.





## County Zoning Commission

**Meeting Date:** 08/10/2015

**SUBJECT:** Exposition Gateway Overlay District Amendment to Unified Zoning Regulations

**THROUGH:** Candi Millar, Planning & Community Services Department Director

**PRESENTED BY:** Wyeth Friday

---

### Information

#### REQUEST

**Item #5: County Zone Change #665 – Exposition Gateway Overlay District** – An amendment to the Unified Zoning Regulations pertaining to the development of land within the Exposition Gateway Area of the East Billings Urban Renewal area generally located east of N 10th Street to Exposition Drive and from 6th Avenue North to 1st Avenue North. The district overlay will not change the underlying zoning but will provide for enhanced site development requirements and restrict some industrial uses. The Yellowstone County Board of Planning initiated the amendment on June 23, 2015.

#### RECOMMENDATION

Staff recommends that the County Zoning Commission conduct the public hearing and recommend approval of the text and map amendment to the Board of County Commissioners to amend the Unified Zoning Regulations for the purpose of establishing the Exposition Gateway Overlay District Zone for the Exposition Gateway Concept Plan Area.

#### APPLICATION DATA

OWNER:

AGENT:

LEGAL DESCRIPTION:

ADDRESS:

CURRENT ZONING: Controlled Industrial

EXISTING LAND USE: Mixture of commercial and industrial businesses and some vacant parcels

PROPOSED USE: Existing uses to remain but transition over time to a gateway to Billings that contains hospitality related uses and facilities to support events at Metra Park and across the community. Hotels, restaurants, entertainment venues and other uses are anticipated based on the City and County Adopted Exposition Gateway Concept Plan.

SIZE OF PARCEL: Approximately 35 acres of property and road rights-of-way is included in the proposed text amendment

#### CONCURRENT APPLICATIONS

There are no other applications for this property currently.

#### APPLICABLE ZONING HISTORY

The Exposition Gateway Area straddles City and the County boundaries at the east end of the East Billings Urban Renewal District (EBURD). The Exposition Gateway Concept Plan was adopted by the County and City in May 2013. The plan outlined a potential future for the area through strategic public investments, creative marketing, and the use of a variety of development tools, as a lively, evolving, and a unique community and regional destination. In order to protect the public and private investments planned for this area, a zoning overlay district that will apply both inside the city limits and on county lands has been drafted through a collaborative effort of Planning staff and the staff and board members of the Billings Industrial Revitalization District. A future zoning

district distinct and unique for the Exposition Gateway Area is also planned. Until this new zoning district is formulated and adopted, this overlay district shall apply to all the property within the Exposition Gateway Area (See attached Draft Overlay Zoning District and Area Map). This Overlay District would be a new section of code. Staff is proposing that it be established as Section 27-1470 in the Unified Zoning Regulations.

## **SURROUNDING LAND USE & ZONING**

NORTH:	Zoning: Public and Land Use: Park area and Rimrocks up to Swords Park
SOUTH:	Zoning: Industrial Land Use: Railroad Corridor and Phillips 66 Refinery
EAST:	Zoning: Public Land Use: Metra Park across Exposition Drive
WEST:	Zoning: EBURD - Central Works Land Use: light industrial and commercial businesses and uses

## **BACKGROUND**

The Exposition Gateway Area straddles City and the County boundaries at the east end of the East Billings Urban Renewal District (EBURD). It is an area that could hold a very diverse and dynamic combination of uses, activities, spaces, and streets. It has the potential to energize and anchor the east end of the EBURD and strengthen the highly valued Metra Park complex. Both the City and the County have a stake in the future of the area. The Exposition Gateway Concept Plan was adopted by the City and County in May 2013. The plan outlined a potential future for the area through strategic public investments, creative marketing, and the use of a variety of development tools, as a lively, evolving, and a unique community and regional destination.

Significant public infrastructure improvements are being constructed in this area this year, including water, sewer, storm water, on-street parking, paving and streetscape improvements. In order to protect the public and private investments planned for this area, a zoning overlay district that will apply both inside the city limits and on county lands has been drafted through a collaborative effort of Planning staff and the staff and board members of the Billings Industrial Revitalization District. The Yellowstone County Board of Planning initiated the amendment on June 23, 2015. A future zoning district distinct and unique for the Exposition Gateway Area is also planned, but until this new zoning district is formulated and adopted, this overlay district shall apply to all the property (about 35 acres of property and road rights-of-way) within the Exposition Gateway Area (See attached Draft Overlay Zoning District and Area Map). The district overlay will not change the underlying zoning but will provide for enhanced site development requirements and restrict some industrial uses. The Overlay is intended to begin to move the Exposition Gateway Area in the direction of the adopted Exposition Gateway Concept Plan and make this area of the community a focus of hospitality and entertainment.

### **The schedule for adoption of the Zoning District Overlay is proposed as follows:**

- June 9, 2015 – Staff asks Planning Board to initiate zone change
- June 23 – Planning Board acts on zone change initiative
- July 1 – Zone change application submitted to Planning Division
- August 4 – City Zoning Commission
- August 10 – County Zoning Commission
- August 24 – City Council acts on 1st reading (2nd reading, September 10)
- August 25 – County Commissioners act on resolution

## **RECOMMENDATION**

Planning Staff recommends the City Zoning Commission recommend approval of Zone Change 939.

---

## **Attachments**



# Exposition Gateway Overlay Zoning District – City and County

Proposed as Section 27-1470

## **Purpose**

The Exposition Gateway Area straddles the City and the County boundaries. It is an area that could hold a very diverse and dynamic combination of uses, activities, spaces, and streets. It has the potential to energize and anchor the east end of the EBURD and strengthen the highly valued Metra Park complex. Both the City and the County have a stake in the future of the area. Through strategic public investments, creative marketing and the use of a variety of development tools, this area could be a lively, evolving, and a unique community and regional destination. Significant public infrastructure improvements are planned for this area in the near term including water, sewer, storm water, on-street parking, paving and streetscapes. In order to protect the public and private investments planned for this area, a zoning overlay district that will apply both inside the city limits and on county lands has been developed. A future zoning district distinct and unique for the Exposition Gateway Area is planned. Until this new zoning district is formulated and adopted, this overlay district shall apply to all the following property within the Exposition Gateway.

## **Description of Overlay District:**

Beginning at the intersection of the centerline of North 10<sup>th</sup> Street and 6<sup>th</sup> Avenue North proceeding eastward along the centerline of 6<sup>th</sup> Avenue North to its intersection with the centerline of Exposition Drive (aka Main Street, aka Highway 87 North) then southwesterly along the centerline of Exposition Drive to its intersection with the centerline of Highway 87 East then easterly along the centerline of Highway 87 East a distance of 387 feet; then southerly to the northeast corner of Tract C of C/S 628, then south along the eastern boundary of Tract C of C/S 628 and continuing along to the centerline of the Railroad Right of Way; then southwesterly along the centerline of the Railroad Right of Way for a distance of 1,245 feet; then northwesterly a distance of 530 feet to the intersection of the centerlines of 1<sup>st</sup> Avenue North and North 10<sup>th</sup> Street; then northwesterly along the centerline of North 10<sup>th</sup> Street to the point of beginning.

## **Special Requirements in the Overlay District:**

Unless otherwise defined in this district, words and terms shall be defined by Section 27-201 of the Unified Zoning Regulations. Terms and words not defined in either this section or Section 27-201, the dictionary may define such terms.

- 1) The uses allowed within the existing Controlled Industrial (CI) zoning district shall continue to be allowed as designated in Section 27-306 except as noted below.
- 2) The following listed uses in Section 27-306 shall be prohibited:
  - SIC Division A - All uses listed under SIC Division 07 (Agricultural Animal Services) & SIC Division 092 (Fish Hatcheries)

SIC Division B – Mining and oil and gas field services/ gravel mining  
SIC Division C – Construction Trades - All uses  
SIC Division D – Manufacturing - All uses except microbreweries and micro distilleries and uses in SIC Division 39 shall be allowed  
SIC Division E – Transportation, Communications, Electric, Gas, and Sanitary Sewer – All uses except SIC Division 472 Arrangement of Passenger Transportation  
SIC Division F – Wholesale Trade - All uses

3) The following additional uses shall be allowed that are otherwise prohibited in the CI zoning district:

- a) Multi-family Dwellings (3 or more attached dwelling units) with a minimum of 2 bedrooms per dwelling unit.
- b) No minimum lot area applies to the development of Multi-family Dwellings within the overlay district.

4) All new developments and re-developments must meet the following minimum site development requirements. A re-development includes the change of use of an existing structure or the addition of 50% or more of the existing gross floor area of a structure.

- a) Surface parking lots, temporary or permanent, not associated with a primary use on or adjacent to the same parcel are prohibited.
- b) There will be no minimum required off-street parking spaces for any new development or re-development of property within the overlay district. If a new parking lot is developed at the discretion of the property owner, it shall meet or exceed the design standards as stated in Section 27-1215 (Construction Specifications - County Parking Requirements) or BMCC Section 6-1203(q) (Construction - Site Developments - City Parking Requirements).
- c) All new structures that have front facades facing Exposition Drive shall be a minimum of 1 (one) story in height but 2 (two) and 3 (three) stories are encouraged.
- d) All new structures on property with street frontage on Exposition Drive shall have a maximum 30 foot setback from the street property line.
- e) All new structures that have street frontage on any other street shall be a minimum of 1 (one) story in height but 2 (two) and 3 (three) stories are encouraged.
- f) All new structures on property with no street frontage on Exposition Drive shall have a minimum 5 foot setback and a maximum 20 foot setback from any street property line.
- g) The required arterial setbacks as stated in Section 27-602 of the Unified Zoning Regulations shall not apply to any land within this overlay district.

**Exposition Gateway Overlay District Area**





# BILLINGS EXPOSITION GATEWAY CONCEPT PLAN

# ACKNOWLEDGMENTS

This concept plan has been created in cooperation with the property owners in the East Billings Urban Renewal District (EBURD) and the Exposition Gateway Area, members of the Billings Industrial Revitalization District Inc (BIRD) and Big Sky Economic Development Authority's (BSEDA) community development team. Major contributors include the following organizations and individuals, as well as members from the community who participated in three public meetings associated with its progress.

## Funding Support

Montana Department of Commerce  
City of Billings: TIF District - EBURD  
Big Sky Economic Development Authority  
Pacific Steel & Recycling  
Yellowstone County Board of County Commissioners  
Montana-Dakota Utilities  
The Boyer Company

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Steve Zeier, BIRD, Inc., TIF Coordinator  
Scott Chesarek, Board Member, BIRD, Inc.  
Cliff Hanson, Billings White Truck, Owner  
Bill Dutcher, MetraPark General Manager  
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## Special Thanks

John Ostlund, Yellowstone County Commissioner  
Jim Reno, Yellowstone County Commissioner  
Bill Kennedy, Yellowstone County Commissioner  
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Candi Beaudry, City/County Planning Director  
Stan Jonutis, Montana Department of Transportation  
Kendra Breiland, Fehr & Peers / Hospitality Corridor Study  
First Interstate Bank Operations Center - Meeting Space  
Big Sky Collision Center - Meeting Space  
Billings Industrial Revitalization District - Meals and Refreshments

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## SECTION 1 INTRODUCTION

Beginning in July 2012, Big Sky Economic Development Authority (BSEDA) collaborated with property owners and civic leaders in Billings to develop a concept plan for the Exposition Gateway. This planning effort aligns with the recommendation set forth in the East Billings Urban Renewal District Master Plan (July 2009) to develop a “mini master plan” for the Exposition Gateway. The Exposition Gateway planning area addresses properties both within and adjacent to the eastern-most edge of the East Billings Urban Renewal District. These properties straddle City and County boundaries. There are 8 properties, (8 owners) located within the City of Billings and 42 properties, (26 owners) located outside of the City within Yellowstone County.

The member Exposition Gateway Steering Committee, property owners and a team of consulting architects, engineers, economists and planners studied the area’s issues and opportunities. The consultant team completed a market assessment (see Appendix A) and conducted a number of in-depth interviews with property owners and representatives of public agencies (see Appendix C). The Exposition Gateway Steering Committee participated in and guided the planning process. Property owner workshops were held on October 16, 2012 and December 5, 2012. The consultant team presented the draft concept plan at a public meeting held on February 20, 2013.

This concept plan is the result of an extensive and inclusive effort. It presents a number of recommendations and implementation actions that can be used to guide future development toward the long-term vision of a stronger, more dynamic and diverse economy within the Exposition Gateway.

### OVERALL OBJECTIVES

#### Enhance Opportunities

Development that creates a distinctive gateway.

#### Individual Initiative

Improve properties and enhance businesses.

#### Fair Treatment

All property owners should be able to participate in development.

### PLANNING PRINCIPLES

1. Manage storm water.
2. Provide lodging, dining and visitor attractions.
3. Connect to MetraPark.
4. Create high visibility.
5. Expression of businesses.
6. Phased redevelopment.
7. Create infrastructure over time.

# EXISTING CONTEXT

Early on in the planning process, the consultant team and Exposition Gateway Steering Committee identified the study area's opportunities and attributes (Figures 1-1, 1-2, 1-3) and issues and constraints (p.4, Figures 1-4, 1-5, 1-6) to address through this planning effort.

## Opportunities and Attributes

- The study area is situated within a prominent location in the region, in close proximity to surrounding natural recreation areas, MetraPark event center, and downtown Billings.
- The confluence of transportation corridors offers visibility and access to the greater metropolitan area.
- The shift in the street grid presents a potential opportunity for landmark structures and landscapes.
- Many current property owners are willing, interested and organized to be involved with the changing area.
- Some of the larger property ownerships may help enable near-term development.
- There is evidence of recent private investment in blocks to the west.
- Additional modification of Bench Boulevard, Exposition Drive, and 6th intersection could help address existing traffic patterns to complement the recently completed Bench Boulevard improvement project by Yellowstone County.
- Expansion of the Downtown transit service (circulator) and eventual reuse of rail corridor could help improve access to and from the area.
- Current related projects addressing the Hospitality Corridor, MetraPark, Heritage Trail system, Museum of the Yellowstone, conference center, etc can establish symbiotic relationships in the area by identifying common goals and partnership opportunities.
- Prior planning efforts such as the Downtown Framework Plan and EBURD Master Plan define the goals of the area in its larger context.
- There are multiple potential grant opportunities for innovative infill projects.
- There is a potential for public private partnerships for redevelopment.
- The area may have access to redevelopment tools such as: CDBG, EB-5, New Markets Tax credits, and non-profit bonds. Additionally, parcels within the city may have access to TIFD funds.



FIGURE 1-1 PROXIMITY TO REGIONAL ENTERTAINMENT AND EVENT CENTER



FIGURE 1-2 UNIQUELY SITUATED BETWEEN THE RIMS NATURAL AREAS AND THE YELLOWSTONE RIVER

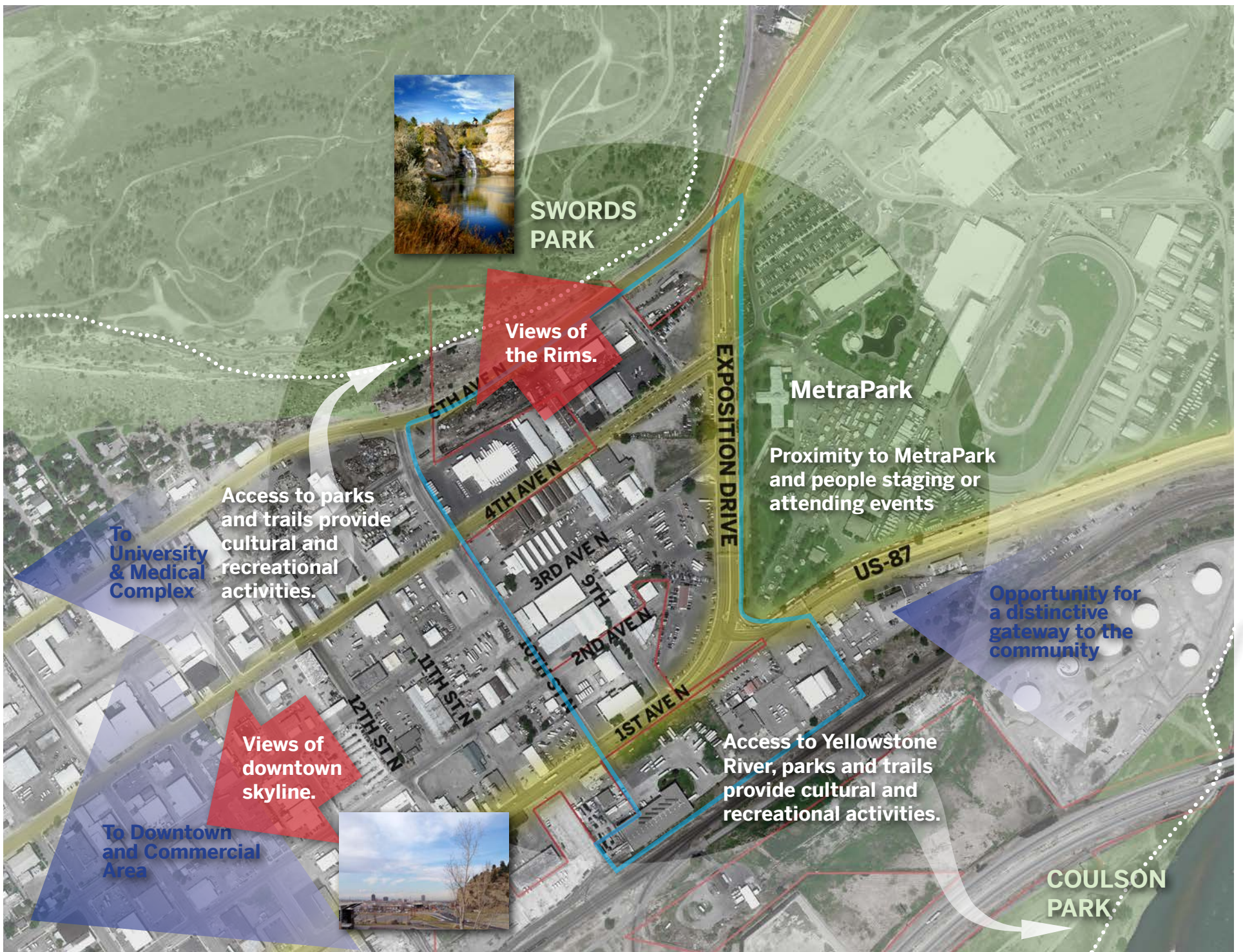


FIGURE 1-3 OPPORTUNITIES AND ATTRIBUTES



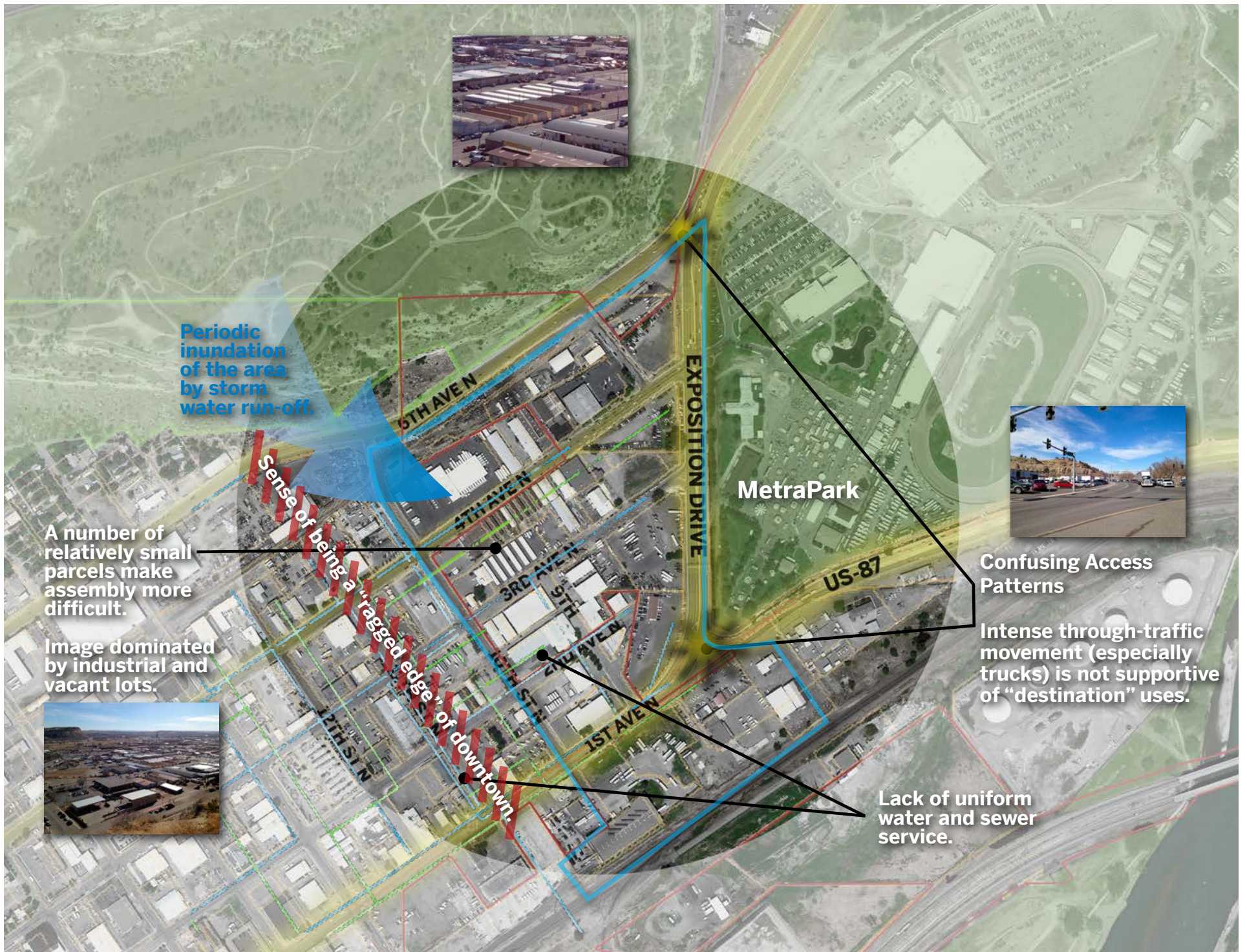
FIGURE 1-4 LACK OF CONNECTION TO METRAPARK WITH MULTI-MODAL ACCESS OR COMPLEMENTARY DEVELOPMENT



FIGURE 1-5 EXISTING NARROW AND INCOMPLETE SIDEWALKS

## Issues and Constraints

- The study area lacks a strong physical, multi-modal connection to MetraPark.
- Existing streetscapes consisting of narrow sidewalks, traffic volume and vehicle speeds make walking seem unpleasant, if not unsafe.
- Major intersections of Exposition Drive with 6th Avenue North and 1st Avenue North have very high traffic volumes and lack appropriate multi-modal accommodation.
- The Gateway lacks a sense of place. The area is dominated by storage lots and industrial uses.
- There are existing stormwater issues in the area that lead to periodic flooding.
- There are several groups of smaller parcels with different owners that can make a coordinated redevelopment effort more challenging.
- The lack of services within the area discourages some desired uses.
- Uncertainty about potential to achieve needed rents for various uses and building types discourages redevelopment.
- Concerns of property owners regarding rising taxes if development occurs.
- There are some identified zoning issues, such as non-conforming situations, that discourage redevelopment activities.
- County parcels do not have the ability to use TIF or urban renewal techniques (unless annexed into the City).
- There have been challenges to ensuring cooperation from utility servicing agencies, including the lack of on-going maintenance for street and stormwater facilities.
- As this area is governed by multiple jurisdictions, there is an existing challenge to maintain coordination between agencies.

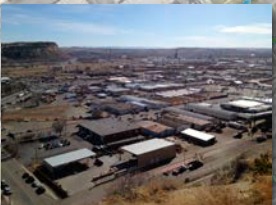


Periodic inundation of the area by storm water run-off.

Sense of being a "ragged edge" of downtown.

A number of relatively small parcels make assembly more difficult.

Image dominated by industrial and vacant lots.



MetraPark

Confusing Access Patterns

Intense through-traffic movement (especially trucks) is not supportive of "destination" uses.



Lack of uniform water and sewer service.

FIGURE 1-6 ISSUES AND CONSTRAINTS

## SECTION 2 FRAMEWORK: PLAN ELEMENTS

### Stormwater Management

According to the City of Billings stormwater maps, stormwater inlets and piping exist throughout the Exposition Gateway Area. Much of this infrastructure was installed decades ago and is no longer adequate. The City is using cameras to investigate the conditions of the stormwater pipes. During site visits, the consultant team verified the location of the drain inlets at all intersections in the study area. The inlets were found to be silted in or the rim elevations were not in alignment with a flow line, both horizontally and vertically. The result is that during large storm events, the water is slow to drain, backs up onto the streets, and sometimes appears to reverse flow into the storm drain system and on to private property. Flooding damages buildings, equipment and materials and decreases property values significantly. This is further exacerbated by differing regulations across the Gateway's multiple jurisdictions. The parcels in the study area that fall within the City jurisdiction are regulated by the City and their MS4 permit standards. Investigations by the consultant team determined that there are currently no requirements in place to address stormwater for the parcels in the study area located outside of the City boundary. It does appear that the City is taking action to address stormwater management issues further to the west, (*"Ambitious drainage project aims to stop east-end Billings flooding"* Billings Gazette Feb 13, 2013)

Before any major redevelopment of the Exposition Gateway Area can occur, this essential infrastructure issue needs to be addressed. This will likely require a combination of maintenance, repair and replacement. In the absence of formal regulations for the majority of the study area,

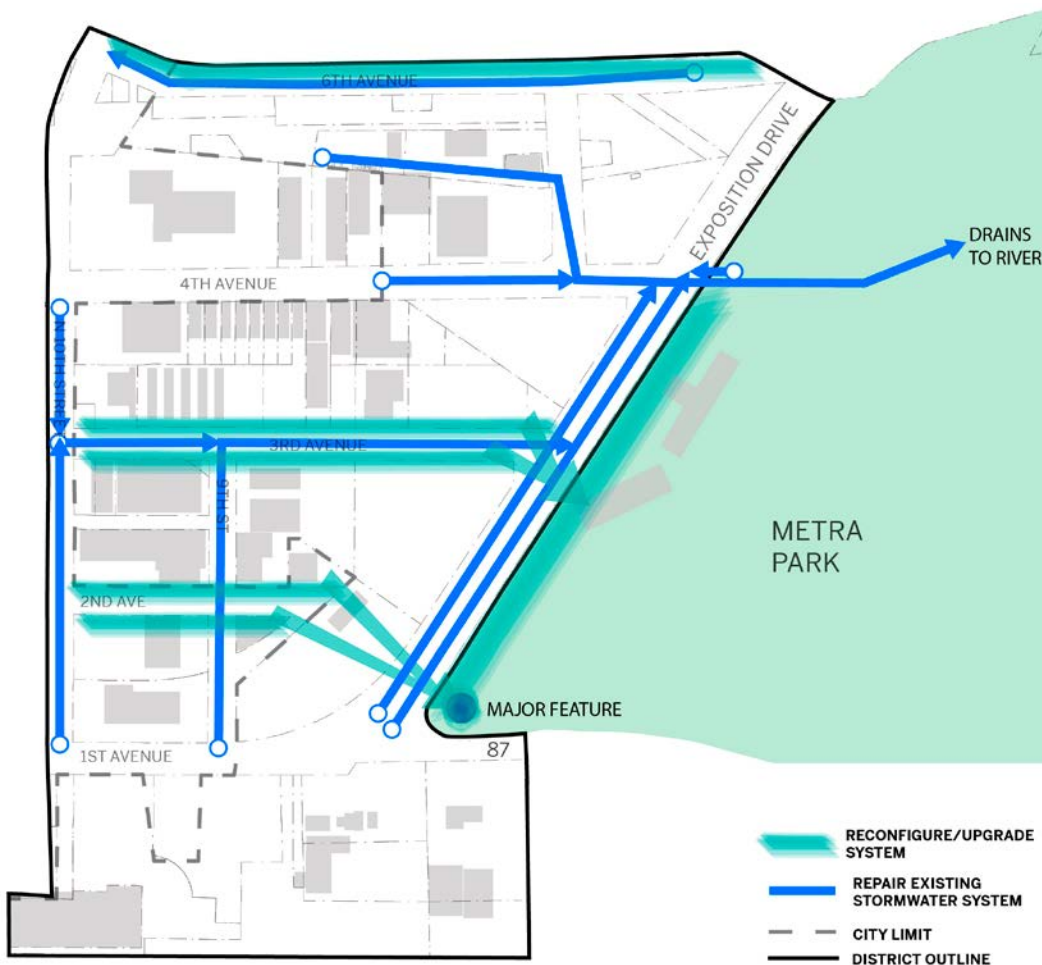


FIGURE 2-1 STORMWATER SYSTEM CONCEPT DIAGRAM



FIGURE 2-2 EXAMPLES OF EXISTING STORMWATER DRAINAGE FACILITIES

the consultant team looks to existing standards within the City Public Works Department, County Public Works Department, Montana State Department of Transportation, and State Department of Environmental Quality for guidance on what makes sense to address the deficiencies.

The City of Billings stormwater regulations state that Comprehensive Drainage Plan (CDP) sites must implement low impact development practices that infiltrate, evapotranspire, or capture for reuse the first half-inch of rainfall from their site's runoff from a 24hr-storm event. (pg 1-2 of City of Billings Stormwater Management Manual). The County does not have any additional stormwater permits or requirements. The result is that current stormwater pipes are sized to capture street drainage only, but are being inundated with runoff from private lots and street runoff from outside of the project study area.

These stormwater deficiencies: reinforce suboptimal land and transportation uses; detract from an otherwise robust and well-traveled corridor; and prevent the accrual of advantages that proximity to the MetraPark presents.



FIGURE 2-3 LANDSCAPED SWALE FOR SURFACE RUNOFF



FIGURE 2-4 MID-STREET RAIN GARDEN

Developing an interlocal agreement among City, County and State partners to maintain, retrofit and upgrade the stormwater system may be an effective tool to overcome these deficiencies.

Montana state law requires property owners to collect, slowly release and filter stormwater created by their own development. Treatments can occur through surface treatment basins, rain gardens, underground storage facilities, green roof technologies, or some combination. Ideally any surface method should create an amenity that can enhance the area's appeal. There are numerous proven methods by which stormwater may be handled in a visually attractive manner. They need not be fenced off ponds. By the same token, streets and sidewalks can also incorporate these methods in a manner that enhances the public realm. We have included photographic illustrations that demonstrate examples used both in Billings and elsewhere. A combination of these solutions will resolve the current deficiencies and add immeasurably to the collective value of the area.



FIGURE 2-5 EBURD SEWER AND WATER PIPING



FIGURE 2-6 EXPOSITION GATEWAY AREA AFTER AN EXTREME STORM EVENT- BILLINGS GAZETTE JUNE 20, 2010 (L MAYER)

## Water and Sanitary Sewer Utilities

As discussed in the EBURD Master Plan and indicated on Figure 2-5 of this plan, almost all of the study area is serviced by water and sanitary sewer to some degree. Unfortunately, many of these facilities are decades old, run across jurisdictional boundaries and are severely undersized for the type of development activities that are being planned for the area. Many of the properties within the project boundary were developed prior to being in the City of Billings municipal boundaries and did not receive ample design consideration for other potential construction in the area. In fact there are several significant parcels that still remain under County jurisdiction. Water and sanitary sewer services have typically been provided to these parcels under loose agreements between the City and the County in regards to operation and maintenance.

With this type of history, water main lines are typically found to be undersized because they were only designed to provide domestic services to small warehouse type facilities. A systematic program of replacing the old system with new larger diameter mains should be reviewed. It should be pointed out that there are some larger water supply mains that cross the EBURD Master Plan district, but extension and looping of local mains of sufficient size to provide both domestic and fire flow requirements will be required.

As with the water, sanitary sewer collection mains extend into the area to varying degrees. Some of these lines are again quite old but appear to be functional at this time. If new surface improvements are being completed, the entirety of the subsurface installations, including sanitary sewer should be reviewed and replaced as needed. As noted on the exhibit, the entire study area is not covered by sanitary sewer collection lines. Some of the older parcels that still remain in the City and County may be on septic tanks and drainfields at this time. Each proposed project will need to be evaluated on its own or as part of a collective upgrade and replacement program.

The operation, maintenance, upgrade or extension of either of these utilities will of course be greatly eased by bringing the county parcels into the jurisdictional boundaries of the City of Billings. By doing this, it will allow for increased access to available funding sources and mechanisms to complete needed improvements as new projects become realities and also provide for a uniform operation and maintenance program conducted under the auspices of a single entity.

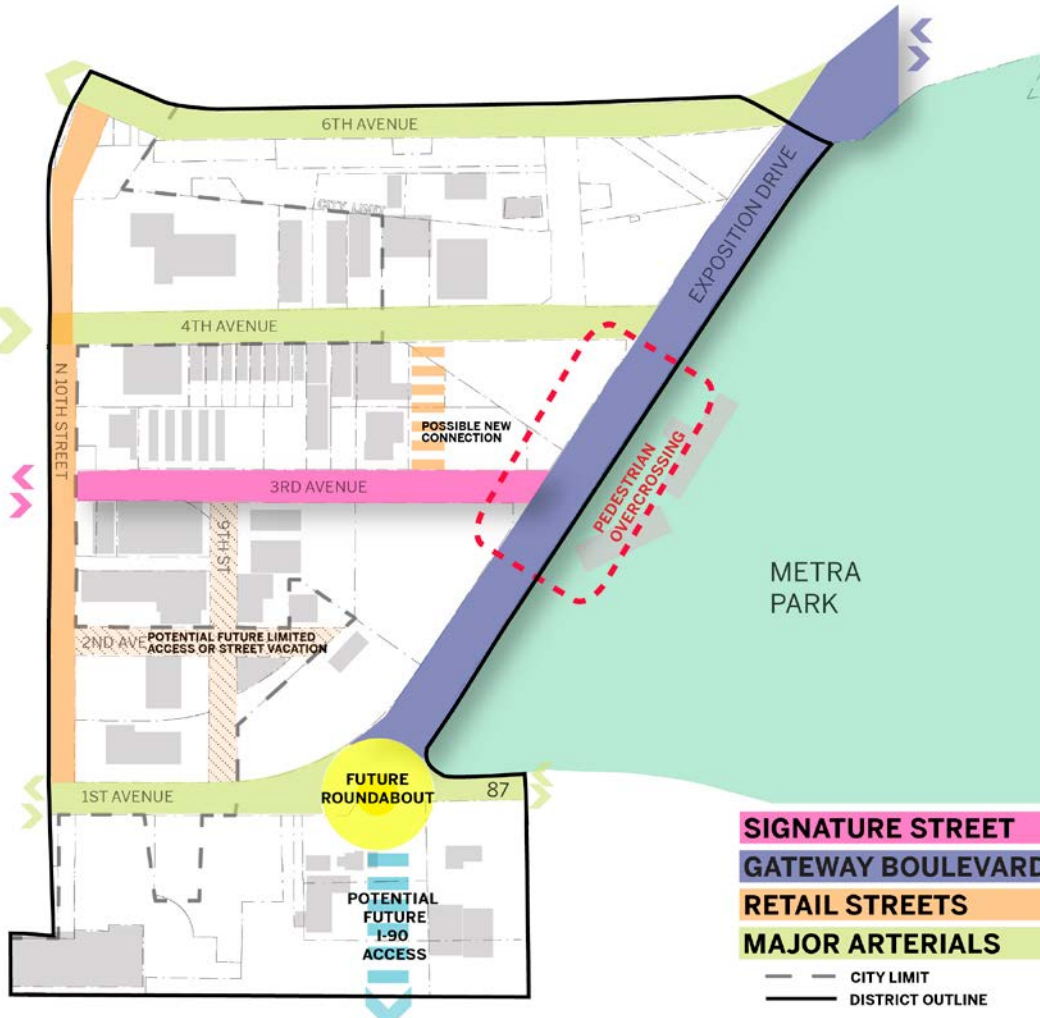


FIGURE 2-7 STREETScape CHARACTER CONCEPT DIAGRAM

## Street Improvements

All cities throughout history have developed with different types of streets. Some serve principally as conveyances for vehicles. They are busy, noisy, fast-moving and at times congested. Other streets serve purposes such as allowing people to have access to a variety of goods and services while on foot. These often contain street cafes, shops that spill out with their merchandise, brightly lighted showcase windows, street trees, special lighting and a host of other attributes that make for a pleasant experience. These streets do not exclude vehicles, but include measures to tame the traffic – slow it down and make it one of many uses of the street, all sharing the space. In contrast, other streets that are quiet, serene and green can serve as havens for privacy, movement by foot, and places where people live. Too often cities have made the mistake of having streets that are one-size-fits-all, in which no use is well-accommodated and everything is difficult, whether by vehicle or on foot.

The Exposition Gateway Area would benefit from a more nuanced and artful approach to its streets. Just as the EBURD plan described different functions of streets, this area would be more attractive for development if it were to contain streets that have different performance characteristics. Even so, no street should be relegated to being the ugly sacrificial lamb; all streets can be both handsome and functional.

The streets passing through and surrounding the area can be assigned different purposes and enhanced in different ways.



FIGURE 2-8 MAJOR ARTERIAL: ACCOMMODATE PARKING



FIGURE 2-9 MAJOR ARTERIAL: MULTI-MODAL ACCESS

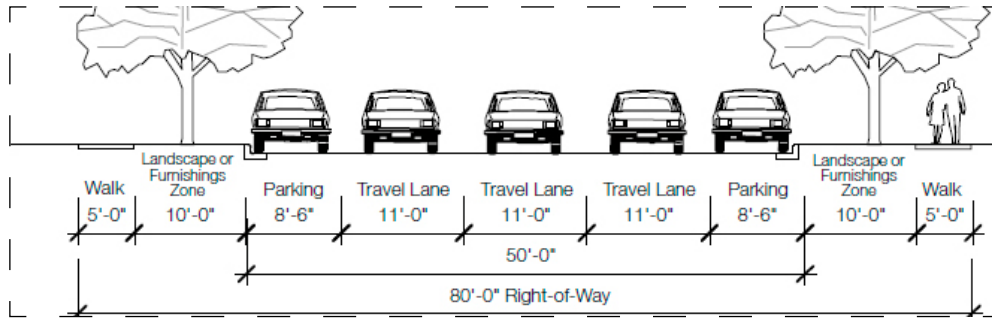


FIGURE 2-10 SECTION FROM EBURD CODE FOR 1ST, 4TH AND 6TH AVENUES



FIGURE 2-11 URBAN BOULEVARD: LANDSCAPED MEDIAN



FIGURE 2-12 URBAN BOULEVARD: PEDESTRIAN ENVIRONMENT

### 1st, 4th and 6th Avenues: Continue as Major Arterials

This plan recommends some streets within the area to continue serving their current functions for through traffic, 1st, 4th and 6th Avenues North fall into that category. They are identified in the EBURD Plan as “Boulevards” and the proposed cross section would be appropriate continuing into the Exposition Gateway Area. While they might be enhanced with streetscape improvements, their essential purpose and operational characteristics would remain unchanged. They serve very important purposes in connecting traffic between the Heights and downtown and would continue to provide for the movement of trucks that serve businesses in downtown and the EBURD.

### Key Intersections

Sanderson Stewart’s 6th Avenue North Bench Traffic Report (2012) provided an analysis of the intersections at 6th Avenue North and Exposition Drive and at First Avenue North and Exposition Drive. A number of different configurations were examined, including grade separations, different geometries, and roundabouts. The analysis concluded that none of these modifications were warranted in the short term at 6th and Exposition, particularly given that planning is proceeding for two large transportation projects in the area that would relieve traffic at this intersection. However, the report did suggest that a roundabout could work in the future at 1st Avenue North and Exposition Drive. This element is recommended in this concept plan.

### Exposition Drive: Transform into an Urban Boulevard

The segment of Exposition Drive between 1st and 6th Avenues North has the potential of becoming a unique boulevard with qualities associated with a parkway. Already, the east side is heavily planted with mature trees and lawn area that lines the edge of MetraPark. Currently, this green corridor is cut off from public use because of a tall fence topped with barbed wire. This fence could be moved 20-30 feet to the east, and will still provide security and admissions control during ticketed events. The resulting wide corridor can then allow for a meandering, multi-purpose trail. The trail would allow people walking and using bicycles to connect from the Exposition Gateway Area to the Yellowstone River or the Rims with only one major street crossing.

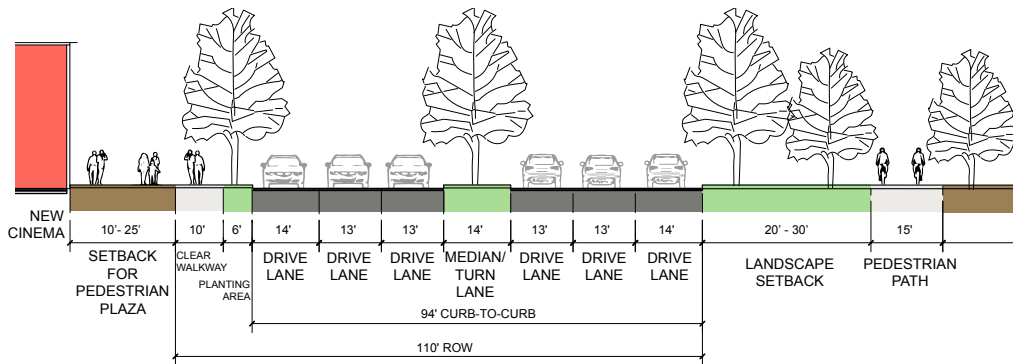


FIGURE 2-13 POSSIBLE URBAN BOULEVARD STREET SECTION FOR EXPOSITION DRIVE/MAIN STREET

Additionally, the median in the middle of Exposition Drive could be rebuilt to incorporate substantial planting so that a complete boulevard treatment can be created. Given the speeds involved in that corridor, there is sufficient room to install trees within the median, as well as understory. The design of the boulevard could reflect a “Gateway” treatment, with special signage, artwork, and lighting.

As development occurs on the west side, the edge along Exposition Drive should include trees, planting and other features to extend and complement the boulevard. Since it is unlikely that the frontage along the State route will allow curb cuts, this edge can be relatively continuous planting. Site and building design guidelines should be adopted, as a new part of the EBURD code, to ensure a consistent combination of elements.



FIGURE 2-14 PEDESTRIAN PASSAGE ON VACATED STREET



FIGURE 2-15 PEDESTRIAN SPINE THROUGH SHOPPING AREA

### North 9th Street and 2nd Avenue North, East of North 10th Street North: Candidates for Potential Street Vacation

These short street segments do not currently connect with the larger grid network and are appropriately cut off from Exposition Drive. Vacating them to adjacent property owners could allow for more flexibility in consolidation of parcels and potential redevelopment.

However, this may need to be a longer term action as there are still functioning businesses that need access by trucks for deliveries and cars by customers. Until and unless those businesses choose to relocate, public right-of-way will be needed. It might be possible to partially vacate sides or segments of these streets. Finally, there is the issue that these rights-of-way include utilities. These would need to be reconfigured and the cost of that might need to be figured into the cost of vacation. Typically, in a vacation process, adjacent property owners purchase the vacated land at fair market value from the government entity that owns it.



FIGURE 2-16 PEDESTRIAN ORIENTED LINKING STREET

Vacated right of way could still allow for some amenities to increase the positive image of the district, such as landscaped storm water ponds, connecting pathways, and vehicular access to parking. There are many examples of linear, park-like settings in former streets where limited access is allowed.

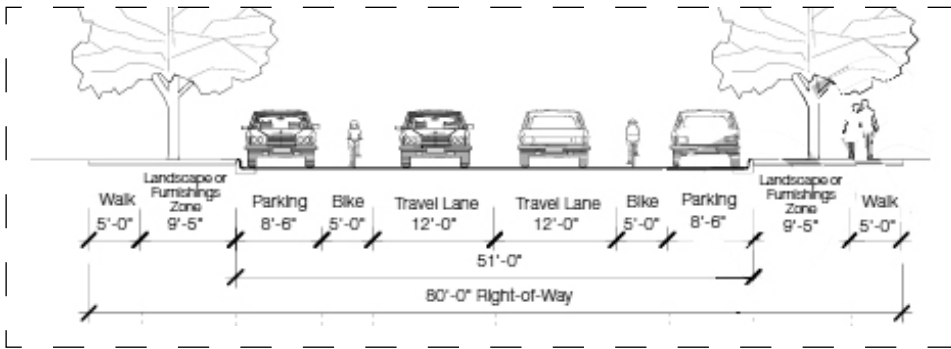


FIGURE 2-17 SECTION FROM EBURD CODE FOR 10TH STREET NORTH

### North 10th Street

The EBURD plan suggested that 2nd Avenue North be the main spine through that area, connecting the various subdistricts within it together and to the downtown core. This makes sense except where it reaches the Exposition Gateway Area, and 2nd Avenue North reaches a dead end. Prior concepts for the area have shown 2nd turning northward and intersecting with 4th Avenue North. However, that would divide properties and consume land otherwise already aggregated and ideal for larger scale development.

The consultant team recommends using North 10th Street as a connecting street between 2nd Avenue North and the Gateway Area. It already connects all cross streets. 10th could be designed to include on-street parking and bike lanes and offer goods and services that could be available to both the EBURD to the west and the Gateway to the east. Its intersection with 3rd Avenue North which leads to new destinations and eventually MetraPark, would be marked with public spaces surrounded by cafes and seating, creating a gateway to the Exposition Gateway Area.



FIGURE 2-18 ARTFUL ROUNDABOUT



FIGURE 2-19 MAJOR INTERSECTION ROUNDABOUT

### 1st Avenue North and Exposition Drive: Grand Roundabout

Identified as a future project in the Sanderson Stewart analysis of transportation improvements, this could assume a much more important role than merely sorting out traffic movements. By using space at the south end of MetraPark which is rarely used for programmed events, the size of the roundabout could be much larger and grander in design than typically seen in more restricted locations. There are many examples throughout Europe of roundabouts with multiple lanes and large diameters that can accommodate semi-trailer trucks. Slip ramps can help in ensuring smooth right-turn movements.

Such a roundabout could also serve as a landmark, marking the presence of MetraPark, adding a dramatic gateway feature into downtown Billings and signifying the redevelopment of the Exposition Gateway Area. The design of the roundabout could include a number of bold features. These could include trees, seasonal planting, unusual lighting such as LEDs that change in color by season or by temperature, a unique sign, large scale artwork reflecting the culture of the community, or even a unique fountain that might make use of local stone. All of these elements have been seen in other major urban roundabouts.

The design of this roundabout could be the subject of a competition – one that invites collaboration of designers, artists, and the community. It could be a lively new entrance to downtown Billings and the EBURD.



FIGURE 2-20 EXAMPLE OF PEDESTRIAN OVER CROSSING

## Pedestrian Overcrossing

One of the major problems of the Exposition Gateway Area is that it is severed from any good pedestrian connection with MetraPark by the multi-lane highway. This creates a visual and functional chasm – somewhat like a river. But in this case, the effect is not just geographic; it is economic, because the activities of MetraPark cannot be easily captured in the Exposition Gateway Area. Anecdotal evidence indicates that many people – event organizers, performers and the public – would like to stay nearby and enjoy other attractions, but few choices are available in close proximity, virtually none within walking distance. People engaged in events often prefer to have accommodations close at hand.

Sometimes this connection between events venues, off-site services, and amenities can be made through improving intersections on-grade so that pedestrian movement is enhanced. Given the presence of the heavily traveled State route, this option has a few challenges in introducing potential conflict with traffic flow. One possible solution would be to introduce an on-grade HAWK signal (High-intensity Activated crosswalk) at 3rd or 4th Avenue North. This would allow cyclists and pedestrians to cross only when the signal was activated. It could potentially be the most economical solution, but would need some further investigation to understand how the timing of the pedestrian and bicycle crossing would be coordinated with the traffic flow along Exposition Drive and the intersections at Exposition Drive and 6th Avenue North and Exposition Drive and 1st Avenue North. Also, the timing may need to be adjusted during major events at MetraPark.



FIGURE 2-21 EXAMPLE OF A HAWK (HIGH-INTENSITY ACTIVATED CROSSWALK). PHOTO FROM ACHDIDAHO.ORG

Another option is a pedestrian underpass. This has been done in locations with some success, although some people do not feel comfortable walking through a tunnel, especially if it is long, which this would need to be. Underpasses can be made to feel safer using lighting, higher ceilings, and design elements that make for a natural sequence of movement. A public crossing must provide for disabled movement under the ADA statutes. Often, this means long approaches with ramps. The presence of a large underground gas pipeline that is part of a regional system may prevent this option from being economical, but it has not been studied.

An overpass option has the least impactful to current vehicular traffic patterns and safest for bike and pedestrian users. Of course, any overpass must allow for necessary clearance for vehicles traveling below it. This clearance is easy to determine because elsewhere along this corridor, there are already signal arms and sign bridges that have limited clearance. Such clearance is likely in the range of 18 to 22 feet – typically found in most pedestrian overcrossings.

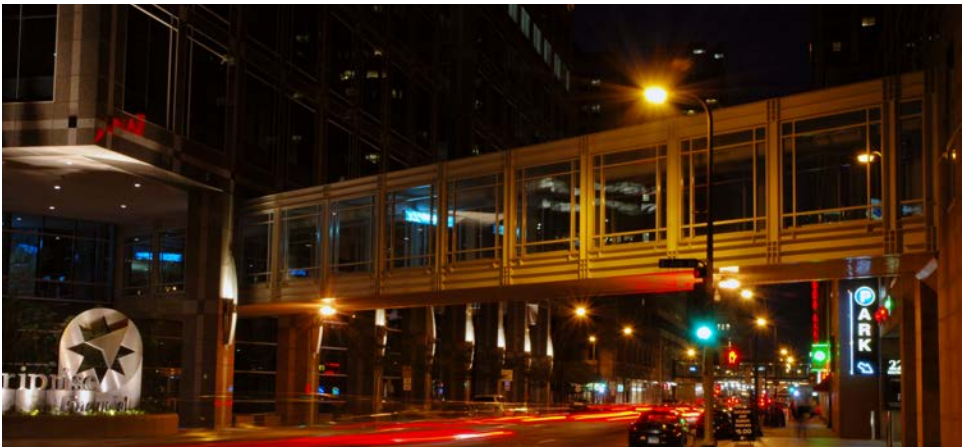


FIGURE 2-22 EXAMPLES OF A PEDESTRIAN OVERCROSSING TO A BUILDING

In hundreds of communities, pedestrian overpasses have been installed where there are 6-7 lanes of high volume traffic, including trucks, as is the case here. However, the success of these overpasses varies widely, despite initial capital costs that can range from \$2 million to \$10 million, depending on the design. The lower end of the range buys only a simple steel truss with corkscrew-type or switchback-type ramps at each end. The upper end buys a custom design that might serve as a bold symbol of a district or development area. (See Figures 2-2.)

There are several related issues associated with the design of pedestrian overcrossings. The least costly type of bridge has ramps at each end. These not only look out of place in an urban context, but they discourage use by people on foot as they require walking long distances to even approach the actual crossing point. Stairs can be installed, but ramps still need to be provided to meet ADA standards. This results in redundant expenses.

Some overcrossings have elevators at each end instead of ramps. Typically, elevators have high initial costs along with ongoing maintenance and repair costs. Free-standing, unmonitored elevators are often exposed to harsh weather, vandalism and other misuses. Moreover, pedestrians intuitively tend to take the shortest route possible and may find going up, across, and down inconvenient.

Pedestrian overcrossings are most successful and cost effective when they can be incorporated into adjacent buildings where vertical circulation is already necessary. That way, maintenance and observation is built-in and the movement seems more natural. Costs can be shared and the structure becomes part of the imagery of the flanking buildings. Sometimes these structures can be dramatic extensions of the development on each side. Elsewhere in this document, the consultants have suggested uses that could bracket both sides of Exposition Drive. The team has also suggested a zone between 3rd Avenue and 4th Avenue North where an overcrossing could make sense. A wholly new pedestrian only entry to MetraPark could be provided at the east end of the crossing. Regardless of any suggestions here, a pedestrian overcrossing would need to be further analyzed with regard to location, structural form, security, cost, and on-going maintenance.



FIGURE 2-23 SPECIAL STREETSCAPE AMENITIES

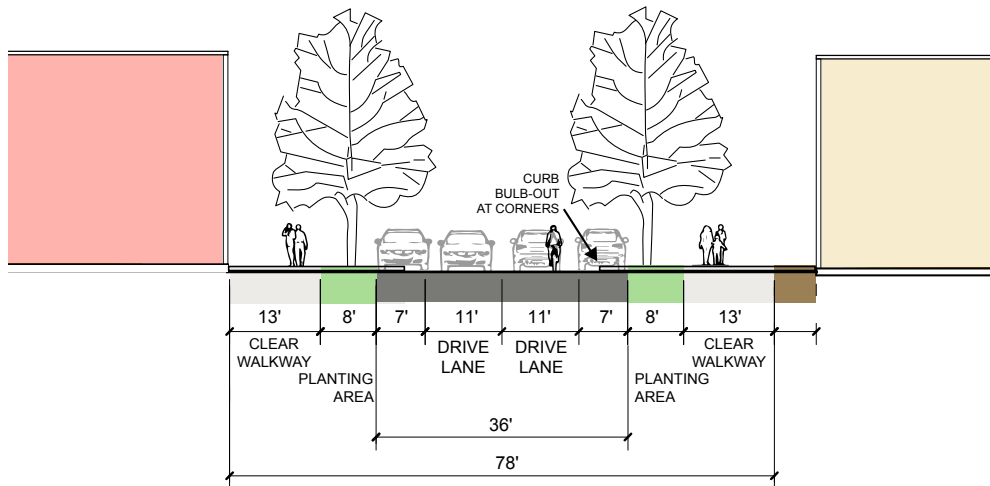


FIGURE 2-24 SIGNATURE STREET SECTION FOR 3RD AVENUE

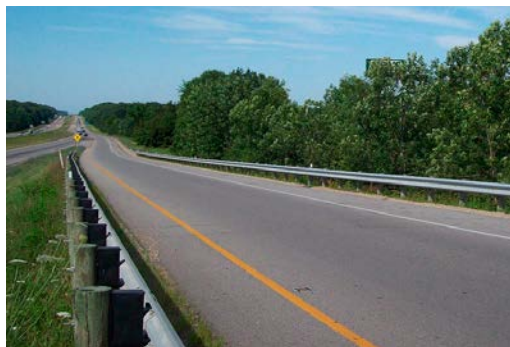


FIGURE 2-25 POSSIBLE FREEWAY CONNECTION

### Signature Street: 3rd Avenue North

3rd Avenue North should be completely re-purposed as a special kind of street that serves as the central spine for the Exposition Gateway Area. It would be narrowed to one lane each direction, with bicycle lanes and parallel parking on each side. As is currently the case today, the intersection with Exposition Drive should be right turn in/right turn out. The sidewalks should be expanded in width and fitted with trees and rain gardens. Walking surfaces should be treated with distinctive, textured paving. Additionally, special pedestrian-scale lighting should be installed.

3rd Avenue North would serve as a quiet, landscaped promenade, linking the EBURD with MetraPark. Depending on the nature of redevelopment, the eastern end could have branches that connect between buildings and lead to other destinations to the north and south. 3rd might also incorporate unusual lighting such as catenary lighting overhead, to give it a “festival street” ambiance. (See images 2-23 that depict this idea.)

### Future Connection: Exposition/Main to I-90

A connection between the intersection of Exposition Drive and First Avenue North with Interstate 90 has been considered in the past, since the distance between those two points is no more than 1500 feet. This connection would require constructing a grade-separated crossing so as to not disrupt mainline rail movement and it would also require purchasing right-of-way through private property. It would not require purchasing buildings and portions of the connection might allow for cross circulation between the property segments if some of the roadway were to be elevated.

An interchange with the interstate could be a partial one, allowing for west-bound I-90 access to and from the Exposition Gateway Area. Therefore, the Coulson Park area to the south along the river would not be affected. The major benefit of this interchange would be to allow through traffic, particularly trucks, not destined for downtown to avoid streets in the EBURD and downtown. Some of the traffic originating in the Heights could also access I-90 more directly. Although the volumes would remain the same on Exposition Drive (until a Bypass is built), the through traffic would decrease in the EBURD, allowing it to achieve its objectives for mixed use, residential development and walkability. This then could potentially allow portions of 4th and 6th Avenues North to be retrofitted with diagonal on-street parking, which would help support local businesses.

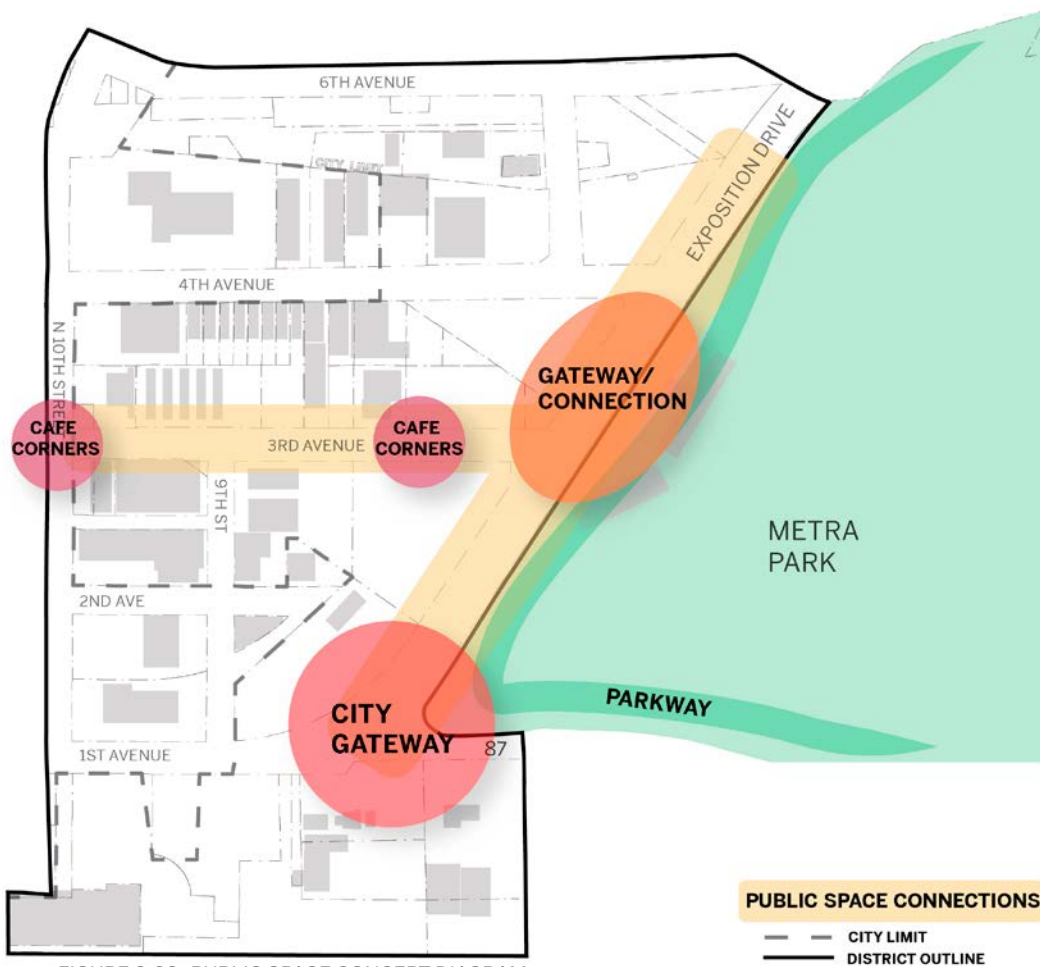


FIGURE 2-26 PUBLIC SPACE CONCEPT DIAGRAM

## Public Spaces and Landmarks

### 3rd Avenue Corridor

A re-design of the 3rd Avenue North corridor could be the focus of many dynamic elements to create a “heart” for the Exposition Gateway Area. As previously described, the street itself can serve as a linear signature feature, with distinctive lighting and landscape design elements. There could be various forms of artwork that could reflect the history, geography and cultures found in the area. Adjacent development could include plazas, forecourts, gardens and sitting areas that help make this a desirable destination for local residents and visitors alike. It can also create a dramatic landmark element, which in this case is suggested to be a pedestrian overcrossing. In a sense, the 3rd Avenue corridor would be a linear focal point. It could be closed for festivals and celebrations. It could link the CBD and MetraPark with a continuous public space that enhances commercial and cultural activity.

### First and Exposition Drive Gateway

This location has been indicated above as a place for a future roundabout. It will likely take some time to develop funding for this project. In the meantime it would still be possible to add a dramatic new element that can signal a new identity for the area.

The current sign for MetraPark is showing its age. This could be replaced with a much grander statement about the Park that involves using natural rock walls (echoing the nearby Rims), falling water, storm water retention and infiltration, lighting and artwork, along with signage that announces the place. Many public facilities with the regional significance of MetraPark have gateway markers that befit them. The entire south end of MetraPark could be redesigned to better use the mature stand of trees and gateway feature. This area could also incorporate the multi-use trail leading to the river, as described previously.



FIGURE 2-27 SPECIAL SIGNAGE WITHIN A ROUNDABOUT

A roundabout in this location will require an analysis of operational characteristics, footprint, lane configuration, diameter, and cost-effectiveness. But even before that work is done, a slip lane could be added next to the MetraPark property to make that turn smoother for longer vehicles. This lane could be retained in a future roundabout configuration. The combination of improvements that address freight mobility, circulation, non-motorized vehicles and low-impact development can make an ideal project for attracting grants.

### Exposition Drive Parkway Corridor

This corridor has been described as an Urban Boulevard previously. But it is worth repeating that both the east and west sides of the street can reinforce this effect over time. The fence line on the MetraPark side can be moved back to provide a greenbelt containing the existing trees, a new sinuous multi-use trail, lighting and additional landscaping. The fence itself could be a new design, perhaps combining a low masonry wall topped by decorative metalwork. Inserts could display bold cut-out patterns of the wide range of activities within the park, from sports to animal shows to live music. The wall/fence could celebrate the edge of the park and frame the boulevard with elements of local flavor.



FIGURE 2-28 EXAMPLES OF LANDSCAPED PARKWAYS



The western edge of MetraPark contains two structures. One is an older exhibit barn that clearly has historic value. Preserving and restoring it could give it a new life and role as a piece of Billings' heritage. The other is a much more nondescript structure now used for storage. This building could be replaced with a new use that creates a pedestrian entrance to the park, adds a sense of drama, helps frame the boulevard and connects to a pedestrian overcrossing.

The west side of Exposition Drive should contain development that echoes MetraPark's role in agriculture, arts, sports and entertainment. Building facades could be dramatically lighted and have generous amounts of glass. Lobbies and vertical circulation elements could display people, movement and activity inside. At one or more points, vertical tower forms could mark entrances or end points. If a hotel locates there, it might incorporate a rooftop restaurant or observation deck.

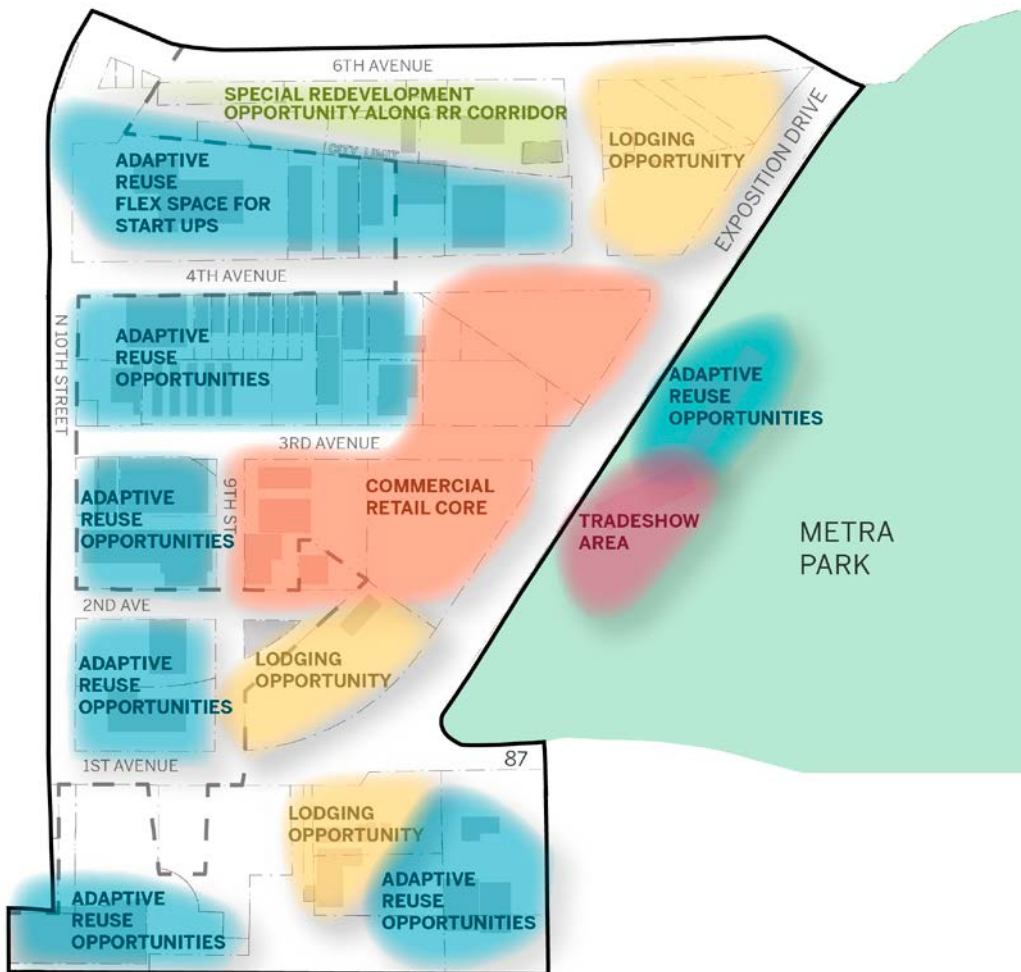


FIGURE 2-29 LAND USE CONCEPT DIAGRAM

## Land Development Concept

The recommendations described above have been translated into a development concept. The recommendations have been combined with a range of uses that have been identified as desired and likely to make sense economically for the area. These include the following:

- Hotels
- Cinema Complex
- Restaurants
- Destination Retail Stores
- Start-up Businesses, some of which could involve fabrication
- Shared and Structured Parking

The introduction of new businesses does not assume the wholesale displacement of existing businesses. Rather the area could evolve into a rich mixture of the light industrial uses that are present today with infill of new uses. It is already evident that some current businesses, especially ones that involve heavy use of larger trucks, are seeking better locations with more space and easier access and maneuvering. Over time, as with other similar areas around the country, it is expected that the predominant types of businesses will change as owners reconsider business models, choose different locations, or sell properties to other parties. This could occur over decades. In the meantime, very interesting things could be done to older existing structures to adapt them to new uses. The combination of new and old, industrial and commercial would make for an interesting and dynamic identity for the area.

Over a longer time frame, it might eventually be the case that some people will choose to live there, within infill residential buildings. This phenomenon has been seen in other cities including Bozeman, Spokane, Seattle, Portland, Salt Lake City, Denver and Oakland. The initial wave of residents often is made up of artists, fabricators, and crafts people who have a higher tolerance for an “edgy” neighborhood.



FIGURE 2-30 EXAMPLES OF HOTEL DEVELOPMENT

## Hotels

This illustrative plan indicates several places for hotels. None of these are necessarily meant to be fixed or unchangeable. Indeed, there may well be a number of good sites. However, hotels do generally require exposure to highways or arterial streets. They gain great benefit from being close to venues like MetraPark. And they often require sufficient land for large parking lots, at least until land values rise enough to make a garage feasible. This, of course, can change over time, with a parking lot eventually converted to a structure, which then allows more development, whether a new wing of the hotel or another use. The plan anticipates hotels in locations where it seemed logical in the marketplace to see the first ones built. There could be more over time.



FIGURE 2-31 CINEMA AND RESTAURANT COMPLEX

## Cinema Complex

The easterly portion of the city is not currently served by any movie theaters. Yet, the area's household income and population size could support a small complex of movie theaters. There are a number of models for this around the country. Some depart from the conventional multiplex in that the seating capacities of the individual auditoriums are smaller and food is available. There are some theaters that include other forms of entertainment, such as live music on certain nights. Often, contemporary theaters offer multiple choices, even serving beer and wine with a lounge-like atmosphere. This is also a use that might start out with a large surface parking lot that would be converted to a garage over time.

This type of building is often designed to recapture the formerly popular, dramatic impact of seeing movies on the big screen. Theaters are stacked in multiple floors, there is a large, high-ceilinged lobby surrounded by glass, and a marquee that is big, bold and brightly lit. The "theatricality" of movie theaters has come back, as many people have tired of seeing great films on small screens. And seeing movies is as much about the social experience as about film-watching.



FIGURE 2-32 SMALL-SCALE RESTAURANTS

## Restaurants

A wide range of restaurants could be located in this area, from national brands to local, home-grown enterprises. Some could be found with hotels or with the cinema complex, while others could be freestanding. It is also possible that some could be located within older industrial structures that have been retrofitted. One cautionary note is that larger restaurants have high demand for parking. This consumes large areas of land which might otherwise be available for buildings. Some national brands insist upon a model that has them situated in the middle of a parking lot. This is a very



FIGURE 2-33 EXAMPLES OF DESTINATION RETAIL



FIGURE 2-34 EXAMPLES OF ADAPTIVE REUSE FOR RETAIL, COMMERCIAL AND MANUFACTURING USES

suburban pattern that usually does not work well in an urban setting. One good solution is to locate them on properties where parking can be shared with other uses. The ideal situation is to have customers park once, then walk to multiple destinations. Most land use regulations today reflect the efficiency gained by shared parking facilities. At some point it might be feasible to consider a shared-use parking structure for the area. These are now being built in other cities, sometime using TIF and/or SID funds or a “fee-in-lieu-of” method that removes parking obligations from individual developments.

### Destination Retailing

There are a number of larger parcels situated throughout this area that could lend themselves to special retailing. An example might be a small outlet mall carrying national brands. Another could be a sporting goods company. There are some that even like adapting an older building to their use. There are also models in which a public market like atmosphere is created in older industrial buildings where small vendors and start-up retailers can get a foothold in the market. Many people enjoy and value the opportunity to have access to small local merchants such as artist, artisans, jewelry makers, hat makers, and so on. Older buildings can easily lend themselves to a loft-like ambiance filled with smaller businesses that do not require much space. In contrast to seasonal street fairs, this gives these enterprises exposure to customers, even during periods of inclement weather. There is enough room in the Exposition Gateway Area to accommodate a variety of retail types in both new and re-used facilities.

### Start-up Businesses

The number of older industrial buildings in the area could attract smaller, newer businesses that need raw, less expensive space for creating new products. These businesses initially need open, flexible space that can be adapted to widely varying combinations of fabrication, research, marketing, distribution and management. They often use one location and then expand into adjacent space or new space. These kinds of businesses have been fueling significant job growth within cities for the past ten years, even with the recession. Billings already has seen a number of these types of businesses get started and flourish, even within the EBURD. The Exposition Gateway Area has an inventory of buildings that could serve this purpose. In a sense, it’s the New Economy, re-purposing structures used by the previous industrial economy. There is even a current



FIGURE 2-35 EXAMPLES OF PARKING STRUCTURES

phenomenon in some cities of a larger, older structure being redesigned to hold a number of smaller businesses that can share meeting spaces, lounge areas, and business services. Often, these can go into very minimal, raw space, as that is part of their creative, entrepreneurial image.

### Shared and Structure Parking

As part of the EBURD zoning updates, a new parking overlay was adopted that establishes lower parking ratio and allows properties within the City to utilize onstreet as part of their overall parking count. Adopting this parking overlay will help to promote more dense, walkable development within the Exposition Gateway Area. However, over time, as development begins to infill into the area, the existing ample onstreet parking may begin to feel scarce. In order to accommodate the variety of proposed uses into a more successful urban pattern in the Exposition Gateway Area, it may be advantageous for the City and the County to explore the additional effective ways to accommodate parking. Placing the parking burden on each individual development is expensive and usually produces an environment that falls short of community and customer expectations. By finding appropriate ways and sites for shared surface parking initially, and when economically viable, structured parking, will help create a more lively, welcoming and robust mixed-use environment and one that will provide a greater public return on investment from jobs to taxes.

### Effect on Property Values

It is expected that all of these actions by public and private entities will, over time, result in an increase in property values. This is considered desirable since it will help fund improvements to infrastructure, streets and public spaces. The suggested improvements may not benefit all property owners to the same degree. Ideally, a mechanism should be employed to grant tax relief to small properties that are not ideal for redevelopment. Each property owner will need to evaluate the costs and benefit of participation in this redevelopment initiative to determine what makes sense for them: redevelopment, sales, or status quo.



FIGURE 2-36 ILLUSTRATIVE DEVELOPMENT PLAN

The Exposition Gateway Area straddles the City and the County boundaries. It is an area that could hold a very diverse and dynamic combination of uses, activities, spaces, and streets. It has the potential to energize and anchor the east end of the EBURD and strengthen the highly valued MetraPark complex. Both the City and the County have a stake in the future of the area. Through strategic public investments, creative marketing and the use of a variety of development tools, this area could be a lively, evolving, and a unique community and regional destination.



FIGURE 3-1 FIRST EXPOSITION GATEWAY AREA PROPERTY OWNER WORKSHOP



## SECTION 3 IMPLEMENTATION

Implementing the recommendations in this plan will require cooperation among a number of individuals, organizations and government agencies. No one party will be able to achieve all the goals for the Exposition Gateway Area alone; collaboration and coordination will be necessary.

The action items listed in this section indicate that the property owners, working within the structure of the BIRD organization, will take the lead but other agencies and organizations will be involved in the effort at various points in time.

### Level of Landowner Support

A balloting process was conducted by the BIRD of all of the landowners in the study area. Landowners were contacted at least 5 times and many attended two public meetings. The results of balloting were: 21 landowners in favor of the plan; 3 landowners oppose the plan; 10 landowners did not respond. Of the Nonresponse landowners two are the BNSF railroad and Rail Link. They have been in on the planning process and it is anticipated that the agencies will review the final plan and voice their support. Several of the other nonresponsive landowners just say they want to wait. This is a tremendous positive response to such a massive project.

The following steps are roughly in order with respect to what needs to occur first to what requires a longer planning horizon. However, the first ten (A-J) are essential.

Appendix A includes a more detailed description of a number of specific implementation tools.



FIGURE 3-2 EXAMPLES OF STORM DRAINAGE IMPROVEMENTS

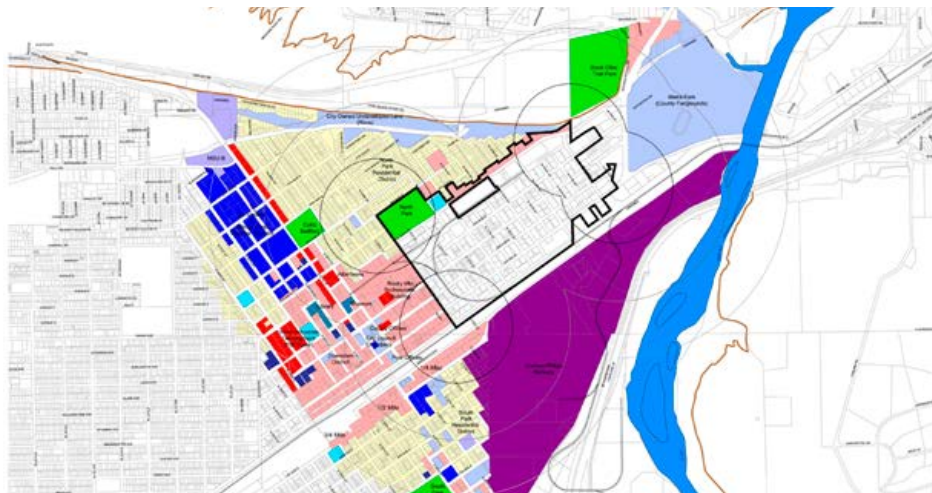


FIGURE 3-3 HOUSING STUDY FOR EAST BILLINGS TIF DISTRICT FROM EBURD MASTER PLAN



FIGURE 3-4 EXAMPLE OF URBAN BOULEVARD IMPROVEMENT

### **A. County Commissioners Adoption of the Plan**

The plan should be presented to individual commissioners and discussed, then brought to a vote for formal adoption.

### **B. City Council Adoption of the Plan**

The plan should be presented to individual city councilors and discussed, then brought to a vote for formal adoption.

### **C. City of Billings Commence Engineering of Infrastructure to Upgrade & Repair Utilities & Streets**

The Public Works Department of the City of Billings should begin engineering, planning for the infrastructure (utilities, streets, sidewalks, curb and gutter) to be built in the Gateway area. Costs and time lines for the construction and long term maintenance should be developed in coordination with the BIRD, Yellowstone County, and the Montana Department of Transportation.

### **D. BIRD is the organization that represents the Area.**

Encourage property owners to join the BIRD, which would drive the implementation program, working with various governmental agencies and jurisdictions.

### **E. BSEDA and BIRD develop a Marketing Prospectus for the Area.**

The BIRD & BSEDA should assemble an illustrated prospectus for the purpose of marketing the area. This should include information on properties, ownerships, land values, incentives and other market information of interest to developers and businesses.

### **F. Urban Renewal District and TIFD Inclusion.**

Once all parcels of the Expo Gateway Study Area are assimilated into the City, they will then be included into the East Billings Urban Renewal District (EBURD) and in to the TIFD District.

### **G. Develop a EBURD Code designation for this Area**

Develop an EBURD zoning designation within the EBURD Code for this area to suit the specific area needs, including hospitality uses. Then adopt the EBURD Zoning Code and Parking Overlay for this area.

### **H. Reconstruct Exposition Drive into an Urban Boulevard**

The BIRD working with the City, the County and MDT drive the reconstruction of the segment of Exposition Drive between 1st Avenue and 6th Avenue into an urban boulevard. This would include: 1) new lighting, a planted median,



FIGURE 3-5 EXAMPLE OF UNIQUE GATEWAY WATER FEATURE



FIGURE 3-6 EXAMPLE OF ROUNDABOUT CONNECTION TO THE INTERSTATE

and trees along the edges; 2) a multi-modal trail along the east edge; 3) relocating the MetraPark fence 30 feet to the east to allow for the trail to meander and; 4) swales to collect and filter run-off, artwork, and wayfinding signage. This would require several steps: a preliminary “pre-design study” to determine the general physical elements and the costs, finding funding sources, applying for the funds, designing the corridor, and providing plans and specifications. This is, as with most similar projects, a multi-year effort.

### **I. Develop a New Gateway Feature at MetraPark**

The BIRD working with the County, MetraPark Board, BSEDA and Chamber of Commerce create a new entry gateway feature, northeast of the intersection of 1st Avenue and Exposition Drive. This should include a new sign, landscaping, major water feature and artwork that reflect the region. This project should also include moving the southern fence line to the north to allow for a continuous bike path from the river to this intersection.

### **J. Pedestrian Crossing to MetraPark**

The BIRD working with the City, the County and MDT construct a pedestrian undercrossing or overcrossing of Exposition Drive. This would require several steps: a preliminary “pre-design study” to determine the location, type and length, costs, finding funding sources, applying for the funds, designing the crossing, and providing plans and specifications.

### **K. Connection to I-90**

The BIRD and MDT working with the various governmental entities conduct a feasibility study of a new connection to I-90 that allows through traffic, especially truck traffic, to relieve traffic that is forced thru downtown Billings. This would also enhance transportation commerce as it shortens the time to the interstate from points north. The interchange should be an “on ramp only” to avoid impacting the riverfront park and reduce the costs of construction.














FIGURE 3-7 EXAMPLE OF EXHIBITION CENTER WITH BRIDGING ELEMENT

### M. Exhibition Center

The BIRD working with the County and MetraPark Board commission a study of a possible exhibition center along the west edge of MetraPark that can tie into a pedestrian crossing and create a additional entrance to the grounds. This could be combined with a project to restore the old, historic building. The exhibition center would emphasize high quality, large, flat-floor, column-free space that could be tied to nearby hotels as a destination and offer another revenue stream for MetraPark. The study would examine market demand, size, function, capital costs and operating costs, and income. The exhibition center should a distinctive, civic building that extends the character of the Rimrock Auto Arena.

## IMPLEMENTATION PROGRAM -TIME FRAME

PROPERTY OWNERS			SHORT-TERM 0-3 YEARS	LONG-TERM 3-5 YEARS
	COORDINATING AGENCIES	ROLE		
<b>A</b> County Commissioners Adoption the Plan	County/BIRD	APPROVAL		
<b>B</b> City Council Adoption of the Plan	City/BIRD	APPROVAL		
<b>C</b> City of Billings Commence Engineering of Infrastructure to Upgrade & Repair Utilities & Streets	City/County/BSEDA/MDT	APPROVAL/ COORDINATION		
<b>D</b> BIRD is the organization that represents the Area	BIRD/Property Owners	COORDINATION		
<b>E</b> BSEDA and BIRD develop a Marketing Prospectus for the Area	City/ BSEDA/BIRD	COORDINATION		
<b>F</b> Urban Renewal District and TIFD Inclusion	City	SUPPORT		
<b>G</b> Develop a EBURD Code designation for this Area	City	APPROVAL		
<b>H</b> Reconstruct Exposition Drive into an Urban Boulevard	City/MDT	APPROVAL		
<b>I</b> Develop a New Gateway Feature at MetraPark	County/ MetraPark board	COORDINATION		
<b>J</b> Pedestrian Crossing to MetraPark	City/County/ MDT	COORDINATION		
<b>K</b> Connection to I-90	City/County/ MDT	APPROVAL		
<b>J</b> Exhibition Center	County/ MetraPark board	APPROVAL		

 POLICY

 CAPITAL  
IMPROVEMENTS

 MARKETING  
AND PROMOTION

# REFERENCES

## **2008 Yellowstone County/City of Billings Growth Policy**

<http://ci.billings.mt.us/DocumentView.aspx?DID=4281>

## **Infill Development Policy**

Adopted by City Council on December 12, 2011

<http://www.ci.billings.mt.us/DocumentCenter/Home/View/20851>

## **Billings Area Bikeway & Trail Master Plan**

Adopted by the Policy Coordinating Committee on August 9, 2011

<http://ci.billings.mt.us/DocumentCenter/Home/View/6750>

This Plan includes:

- Existing Bikeway and Trail Network map (Page 45)
- Proposed Bikeway and Trail Network map (Page 57)

## **EBURD Parking Overlay District**

Adopted by City Council on April 12, 2010

<http://www.ci.billings.mt.us/DocumentCenter/View/21341>

## **EBURD Code**

Adopted by City Council on September 10, 2012

[http://agenda.ci.billings.mt.us/docs/2012/CC/20120910\\_89/1979\\_EBURD%20Code%20Adopted.pdf](http://agenda.ci.billings.mt.us/docs/2012/CC/20120910_89/1979_EBURD%20Code%20Adopted.pdf)

## **Billings Urban Area Transportation Improvement Program (TIP)**

Amendment III, January 2012

<http://www.ci.billings.mt.us/DocumentCenter/View/20979>

## **City of Billings Downtown Framework**

1997

<http://mt-billings.civicplus.com/DocumentCenter/Home/View/1509>

## **East Billings Urban Renewal District Master Plan**

July 2009

<http://ci.billings.mt.us/DocumentView.aspx?DID=4825>

## **Billings Chamber/Convention & Visitors Bureau Comprehensive Tourism Research and Strategic Plan,**

February 2010

- <http://www.visitbillings.com/staging/files/4e93313031203.pdf>

## **Billings Executive Conference Center Study,**

March 2011

## **6th Avenue N/Bench Corridor Study Presentation**

(Sanderson Stewart Traffic Study), December 2012

<http://www.ci.billings.mt.us/DocumentCenter/View/21575>

# APPENDIX A- FINANCIAL ANALYSIS MEMORANDUM

Attached

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DATE: April 8, 2013

ECO Project #:20960

TO: Sara Hudson, Big Sky Economic Development and LMN Architects

FROM: Anne Fifield and Abe Farkas

SUBJECT: FINANCIAL ANALYSIS TEXT FOR BILLINGS REPORT

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This memorandum provides text that describes the financial feasibility analysis for the five different building type concepts. We have written the text with the expectation that LMN Architects will be able to insert this text as appropriate into the final report. This memorandum has two sections:

- **Financial Feasibility and Financing** describes the pro forma analyses and the proposed financing plans. The text includes introductory text and five parts—one for each conceptual building type.
- **Development Schedule and Bonding Capacity** describes the order and schedule to implement the conceptual types. It also discusses some issue the estimated amount of bonding capacity generated by increment revenue from the conceptual development.

## Financial Feasibility and Financing

ECONorthwest developed preliminary pro forma models for five different proposed development types in the study area: adaptive reuse, hotel, outlet retail, cinema, and a parking structure. The pro forma models compare estimated construction and development costs with potential rents to determine the financial feasibility of each development type. ECONorthwest also identified a package of potential financing tools for each development type. This section describes the assumptions and conclusions used in the pro forma models for each of the five development types. Please refer to the pro forma spreadsheets in Appendix B for the full set of data.

### Adaptive reuse

The Expo Gateway area includes a variety of older industrial buildings. The team did not identify a particular building to adaptively reuse, but instead developed a pro forma for a generic 4,000 square foot (SF) building. We assumed the space would be evenly split between retail space and a restaurant.

### Development Costs and Operating Revenues

To estimate construction costs, ECONorthwest interviewed commercial contractors in the Billings area. The pro forma model assumed that construction will cost \$80 per SF for the retail space and \$100 for the restaurant space and that both uses will include \$15 per SF for tenant improvements. Total hard costs will equal \$417,000. Total development costs include the cost of land (\$7 per SF), the existing building (\$25 per SF), developer fees (5%), soft costs (10%) and a 5% contingency. Total development costs will be \$642,000.

To calculate the net operating income (NOI) and the expected market value, ECONorthwest assumed both rents and operating costs increase 3% per year. We assumed that operating expenses, including lease commissions, equal 15% of gross revenue. Operating expenses are low because the rent is triple net. The pro forma assumed the capitalization rate is 8.0%. It used the following rents and vacancy rates.

- The annual **retail** rents are \$14 per SF (\$1.17 per month) triple net. We assume that vacancy will be 0%, as the structure will be built to suit.
- The annual **restaurant** rents are \$15 per SF (\$1.25 per month) triple net. We assumed that vacancy will be 0%, as the structure will be built to suit.

The pro forma estimated that the adaptive reuse structure would have a positive net operating (NOI) in its first year of operation.

### Development Financing and Resources

ECONorthwest identified a packet of financing tools for the adaptive reuse prototype. To finance the development, we identified the sources described in Table 1.

**Table 1. Adaptive Reuse Concept Development Financing and Resources**

Source	Amount	% of Total Costs	Explanation
Bank Loan	\$370,000	58%	A loan from a private bank, at 6% over 20 years.
Loan from TIF funds	\$150,000	23%	This assumes that the current urban renewal area would be extended to cover the Expo area or that a new urban renewal area would have been created. In either case the amount of TIF is relatively small. The loan will be at 1% for 15 years.
Private equity	\$122,500	19%	The pro forma calculates the payment the private equity investors would receive in Year 10. Their payment (secured through a refinancing or sale) is the value of the building minus the remaining debt. The internal rate of return for the equity is 17%.

The reconstruction of an existing building would increase its value and associated property tax revenue. ECONorthwest estimated that the value of the structure would increase by about \$500,000—the value brought generated by the building’s rehabilitation and tenants. We estimated that the increased value would generate about \$8,000 per year in tax increment for an urban renewal district.<sup>1</sup> The tax revenue actually generated by such a development will vary based on costs, quality of the construction, and assessed values.

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<sup>1</sup> Based on the assumption that every \$1,000,000 in new taxable value generates about \$16,000 in annual tax increment revenue. Actual amounts vary based on mill levies affecting individual properties. This is a preliminary and rough estimate. Actual revenue will depend on the application of current Urban Renewal laws and rules in Montana. We recommend a more precise estimate of tax increment revenue be calculated as part of a tax increment district plan whether the City or the County administers it.

## Hotel

The conceptual development plan includes a hotel. In the pro forma, we modeled a 180-room hotel with 500 gross SF per room. The gross SF figure includes the lobby, halls, conference space, and a restaurant. The net SF for the room will be between 225 and 350 SF. We assumed the gross SF for the entire structure will be 90,000 and it will be a wood-frame structure with three or four floors. The hotel will include a 2,500 SF restaurant.

## Development Costs and Operating Revenues

The development costs include land, hotel construction costs, hotel furniture, fixtures and equipment (FF&E), and restaurant tenant improvement costs. To estimate construction costs, ECONorthwest interviewed a company that had recently constructed a hotel and was familiar with typical hotel costs. The pro forma incorporated the following assumptions:

- Estimated land cost \$7 per SF. The total site is 2.0 acres, yielding total land costs of \$610,000.
- The hotel's hard costs for construction is estimated at \$152 per SF and FF&E is projected at \$15,000 per room, yielding total costs of \$16.4 million.
- The restaurant's construction costs were accounted for in the hotel's construction costs. The tenant improvements are assumed to be \$40 per SF, for a total of \$100,000.
- The total development costs include developer fees (5%), soft costs (20%) and a 5% contingency.

We estimate that total hard costs will be \$16.5 million and total development costs will be \$21.3 million.

To calculate the net operating income (NOI) we applied occupancy and room rates estimated to be appropriate for the Billings market, based on data from Smith Travel. We assumed the average room rate is \$118 and it will increase 3% per year. We assume occupancy is 64% in Year 1 and increases incrementally to 72% by Year 5, the year we assumed it will stabilize. We assumed that the cost of operating the hotel equals 67% of gross revenues, based on a pro forma provided to ECONorthwest from a hotel operator. The pro forma assumed the restaurant use in the hotel pays \$15 per SF (triple net), generating \$37,500 in rent. The model estimated that the hotel structure will have a positive net operating (NOI) in its first year of operation.

The pro forma assumed the capitalization rate is 8.0%.

## Development Financing and Resources

ECONorthwest identified a packet of financing tools for the hotel prototype, including private equity, a private bank loan, and financing from the federal EB-5 program. For more information about the EB-5 program, please refer to Appendix A.

The EB-5 financing is a 5-year low-cost equity injection that we assumed would be refinanced with a private bank loan. The amount of available financing from EB-5 depends on the number

of jobs the development will generate. The EB-5 program requires that at least 10 jobs be created for every \$500,000 invested. To be conservative, our formula is based on creating 12 jobs for every \$500,000 of EB-5 funding. For projects located within a targeted employment area (TEA) EB-5 allows the calculation to include indirect jobs associated with hard construction costs as well as longer term operating jobs, direct and indirect. We realize that Billings as a whole has a relatively low unemployment rate. TEAs can be created by identifying a qualifying census tract within a reasonable distance from the project and then asking the Governor's office to certify that the larger area (which includes the higher unemployment census tract) qualifies as a TEA. ECONorthwest's analysis assumes that it is feasible to establish a TEA in this area.

To estimate the available financing from EB-5 investors, ECONorthwest estimated the number of jobs the hotel would generate using an input-output analysis with the IMPLAN model.<sup>2</sup>

- For the construction phase, the input-output analysis estimated that commercial construction generates 8 indirect jobs for every \$1 million in construction costs. Based on our estimated hard costs of \$16.5 million, the construction of the hotel will generate 132 jobs.
- For the operations phase, ECONorthwest used input-output analysis to estimate that the hotel will create 91 jobs.

Combined, the construction and operations phases will generate 223 jobs, making it possible that the EB-5 program could bring \$9.3 million to the project. ECONorthwest opted to use less than what is allowed because 1) EB-5 investors would be more likely to select this project if other partners provided a greater share of the overall financing and 2) the return for the private equity is favorable.

Table 2 summarizes the sources that could be used to finance the hotel development.

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<sup>2</sup> IMPLAN is an input-out model used to track dollars, starting with the initial project being studied, as they ripple through an economy from one employment sector to the next. The model estimates the number of jobs, income, and economic output that can be traced to the initial project. The model estimates direct impacts, which are those directly generated by the project. It also calculates indirect impacts, which are the jobs and income earned by workers in industries supplying the project.

**Table 2. Hotel Concept Development Financing and Resources**

Source	Amount	% of Total Costs	Explanation
EB-5	\$5.0 million	23%	An EB-5 low-cost equity amount is based on a calculation that indirect hard cost construction jobs for the project will generate 132 jobs and the operating the hotel will generate 288 jobs. The pro forma then conservatively assigns 12 jobs to every \$500,000 from EB5 investors. The loan will be at 3% for 5 years. It is paid off in Year 5 with a second bank loan.
Bank Loan	\$14.2 million	67%	A loan from a private bank, at 6% over 20 years.
Private equity	\$2.1 million	10%	The pro forma calculates the payment the private equity investors would receive in Year 10. Their payment (secured through a refinancing or sale) is the value of the building minus the remaining debt. The internal rate of return for the equity is 32%.
2nd Bank Loan	\$5.8 million	na	A loan from a private bank to pay off the EB-5 loan. It starts in Year 6. The pro forma assumes the loan is at 6.5% over 30 years.

Assuming the new hotel would be in the City, it would increase the City’s tax base and associated property tax revenue. ECONorthwest estimated that the value of the site would increase by about \$20.7 million—the value of the new construction. We estimated that the increased value would generate about \$330,000 per year in tax increment for an urban renewal district.<sup>3</sup> The tax revenue actually generated by such a development will vary based on costs, quality of the construction, and assessed values.

## Outlet Retail

The conceptual development plan includes 200,000 gross SF of retail space, with the expectation that the retail space would accommodate an outlet mall.

## Development Costs and Operating Revenues

To estimate construction costs, ECONorthwest interviewed commercial contractors in the Billings area. The development costs include land, construction, and a tenant improvement allowance. The pro forma incorporated the following assumptions:

- The land is estimated to cost \$7 per SF. The total site is 4.1 acres, yielding total land costs of \$1.25 million.
- The hard costs for construction was estimated to be \$100 per gross SF and the tenant improvement allowance will be \$40 per leasable SF, yielding total hard costs of \$26.8 million.

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<sup>3</sup> Based on the assumption that every \$1,000,000 in new taxable value generates about \$16,000 in annual tax increment revenue. Actual amounts vary based on mill levies affecting individual properties. This is a preliminary and rough estimate. Actual revenue will depend on the application of current Urban Renewal laws and rules in Montana. We recommend a more precise estimate of tax increment revenue be calculated as part of a tax increment district plan whether the City or the County administers it.

- The total development costs include developer fees (5%), soft costs (15%) and a 5% contingency.

We estimated that total hard costs will be \$26.8 million and total development costs will be \$36.5 million.

To calculate the NOI and the expected market value, ECONorthwest assumed that both rents and operating costs increase 3% per year. We assumed that operating expenses, including lease commissions, equal 15% of gross revenue. Operating expenses are low because the rent is triple net. The pro forma assumed the capitalization rate is 8.0%. It assumed that annual rents will be \$17 per SF (triple net) and the vacancy rate will be 20% in Year 1, 10% in Year 2, and 5% in Year 3 and into the future.

The pro forma estimated that the outlet retail structure would have a positive NOI in its first year of operation.

### Development Financing and Resources

ECONorthwest identified a packet of financing tools for the outlet retail concept. The EB-5 financing is a 5-year low-cost equity injection that we assumed would be refinanced with a private bank loan. The amount of available financing from EB-5 depends on the number of jobs the development will generate. For reasons stated above we assume that at least 12 jobs be created for every \$500,000 invested. We again assume that this development would be in a TEA, which allows the EB-5 calculation to include indirect jobs associated with hard construction costs.

To estimate the available financing from EB-5 investors, ECONorthwest estimated the number of indirect jobs the construction would generate using an input-output analysis with the IMPLAN model. The input-output analysis estimated that commercial construction generates 8 indirect jobs for every \$1 million in construction costs. Based on our estimated hard costs of \$26.8 million, the construction of the outlet retail space will generate 214 jobs, making it possible that the EB-5 program could bring \$8.9 million to the project. ECONorthwest opted to use the full amount available because 1) even with the substantial private investment the private equity return was still on the cusp of acceptability in the market and 2) the EB-5 funds as a portion of the total project is relatively low, under 25%.

Table 3 summarizes the sources that could be used to finance the outlet retail development.

**Table 3. Outlet Retail Concept Development Financing and Resources**

Source	Amount	% of Total Costs	Explanation
EB-5	\$8.9 million	24%	An EB-5 low-cost equity injection amount is based on a calculation that indirect hard cost construction jobs for the project would generate 214 jobs. The pro forma then conservatively assigns 12 jobs to every \$500,000 from EB5 investors. The loan will be at 3% for 5 years. It is paid off in Year 5 with a second bank loan.
Bank Loan	\$20.0 million	55%	A loan from a private bank, at 6% over 30 years.
Private equity	\$7.6 million	21%	The pro forma calculates the payment the private equity investors would receive in Year 10. Their payment (secured through a refinancing or sale) is the value of the building minus the remaining debt. The internal rate of return for the equity is 16%.
2nd Bank Loan	\$10.4 million	na	A loan from a private bank to pay off the EB-5 loan. It starts in Year 6. The pro forma assumes the loan is at 6.0% over 25 years.

Assuming the new outlet retail development is in the City, it would increase the City’s tax base and associated property tax revenue. ECONorthwest estimated that the value of the site would increase by about \$35.2 million—the value of the new construction. We estimated that the increased value would generate about \$560,000 per year in tax increment for an urban renewal district.<sup>4</sup> The tax revenue actually generated by such a development will vary based on costs, quality of the construction, and assessed values.

## Cinema

The conceptual development plan includes a movie theater. The movie theater concept here includes non-traditional seating with food service. A number of cities have embraced these facilities which can offer arts films as well as first-run movies—which many do after they have been out for a few days to keep their costs down. The Living Room Theater (in Portland, Oregon and Boca Raton, Florida) is a recent example ([http://pdx.livingroomtheaters.com/theater\\_tour.html](http://pdx.livingroomtheaters.com/theater_tour.html)).

ECONorthwest researched the operating costs and revenue of movie theaters. The research indicated that traditional theaters have a wide range of operations expenditures, depending on the types of movies they show and their ability to sell and mark up concessions. Movie theaters make the majority of their profits from concessions, not ticket sales.

A theater’s rent expense is sometimes a set percent of gross ticket sales and sometimes based on a dollar per SF rate. While rents can be based on gross revenues or a combination of a base rent and gross revenues, ECONorthwest relied on a \$14.50 per SF rate in the pro forma model

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<sup>4</sup> Based on the assumption that every \$1,000,000 in new taxable value generates about \$16,000 in annual tax increment revenue. Actual amounts vary based on mill levies affecting individual properties. This is a preliminary and rough estimate. Actual revenue will depend on the application of current Urban Renewal laws and rules in Montana. We recommend a more precise estimate of tax increment revenue be calculated as part of a tax increment district plan whether the City or the County administers it.

because it was an efficient way to test this product at an early stage. That is a reasonable rate for retail space in Billings, and at the low end for new space.

### Development Costs and Operating Revenues

To estimate construction costs, ECONorthwest interviewed commercial contractors in the Billings area. The development costs include land, construction, and tenant improvement allowance. The pro forma incorporated the following assumptions:

- The land will cost \$7 per SF. The total site is 2.5 acres, yielding total land costs of \$760,000.
- The hard costs for construction will be \$127 per gross SF and the tenant improvements will cost \$40 per leasable SF, yielding total costs of \$6.7 million.
- The total development costs include developer fees (5%), soft costs (15%) and a 5% contingency.

We estimated that total hard costs will be \$6.7 million and total development costs will be \$9.2 million.

To calculate the NOI and the expected market value, both rents and operating costs are assumed to increase 3% per year. We assumed that operating expenses equal 15% of gross revenue. The pro forma assumes the capitalization rate is 8.0%. It assumed that annual rents will be \$14.50 per SF (triple net) and the vacancy rate will be 0%.

The pro forma estimated that the cinema concept would have a positive NOI in its first year of operation.

### Development Financing and Resources

ECONorthwest identified a packet of financing tools for the cinema concept. In this case, we propose using New Market Tax Credits (NMTC), which the City has already used in the EBURD area. NMTC program enables very low interest rate financing to be injected into a project as a loan or equity for a required seven years. The project must be in a NMTC-qualified census tract. For a more detailed description of the NMTC program, please refer to Appendix A.

Table 4 summarizes the sources that could be used to finance the cinema concept.

**Table 4. Cinema Concept Development Financing and Resources**

Source	Amount	% of Total Costs	Explanation
NMTC	\$2.1 million	23%	Federal tax credit program available for a portion of the development. The project pays 1.0% on the value of the credits for the first seven years.
Bank Loan	\$6.0 million	65%	A loan from a private bank, at 6% over 30 years.
Private equity	\$1.1 million	12%	The pro forma calculates the payment the private equity investors would receive in Year 10. Their payment (secured through a refinancing or sale) is the value of the building minus the remaining debt. The internal rate of return for the equity is 19%.

A new cinema development would increase the City’s tax base and associated property tax revenue. ECONorthwest estimated that the value of the site would increase by about \$8.4 million—the value of the new construction. We estimated that the increased value would generate about \$130,000 per year in tax increment for an urban renewal district.<sup>5</sup> The tax revenue actually generated by such a development will vary based on costs, quality of the construction, and assessed values.

## Parking Structure

The conceptual development plan includes 230-space public parking garage. ECONorthwest estimated that it will be 86,250 gross SF, and at four stories will require 0.54 acres. The parking structure would replace some of the area’s surface parking.

## Development Costs and Operating Revenues

To estimate construction costs, ECONorthwest interviewed a commercial contractor in the Billings area. The development costs include land and construction. The pro forma incorporated the following assumptions:

- The land will cost \$7 per SF. The total site is 0.54 acres, yielding total land costs of \$163,000.
- The hard costs for construction will be \$56 per gross SF, yielding total costs of \$4.8 million.
- The total development costs include developer fees (5%), soft costs (10%) and a 5% contingency.

We estimated that total hard costs will be \$4.8 million and total development costs will be \$5.9 million.

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<sup>5</sup> Based on the assumption that every \$1,000,000 in new taxable value generates about \$16,000 in annual tax increment revenue. Actual amounts vary based on mill levies affecting individual properties. This is a preliminary and rough estimate. Actual revenue will depend on the application of current Urban Renewal laws and rules in Montana. We recommend a more precise estimate of tax increment revenue be calculated as part of a tax increment district plan.

ECONorthwest assumed that the parking structure will not charge fees—it will offer unpaid parking. Therefore, the NOI is \$0 throughout the period modeled in the pro forma. It is possible, as other cities have experienced, that over time the garage may become a pay-to-park facility. This evolution would more likely take place when/if paid on street parking became a reality.

### Development Financing and Resources

Because ECONorthwest assumed that parking structure will operate with zero revenues, it must be entirely funded by the public sector unless an agreement is struck with developers of the retail center and hotel to help with ongoing costs, as the garage primarily benefits them. If developers opted to participate in the financing it could be done through establishment of a special improvement district (SID) that could be a complement to TIF. To be conservative in this case, we assume the parking structure would be financed with bonds supported by TIF revenue generated from the other four development concepts.

We estimate that the four developments will yield a little over \$6 million in bonding capacity, enough to cover our estimated cost of a 230-space parking structure. If more TIF is generated then the garage size can be increased.

ECONorthwest estimated the bonding capacity created by each development concept and calculated the total bonding capacity available to finance the parking structure. We provide the figures in the section titled Development Schedule and Bonding Capacity.

### Summary of Financial Feasibility

The pro forma analyses for the five proposed uses show that all uses but the parking structure have net positive revenue beginning in the first year of operations. Actual profitability of any of these uses will vary with current construction cost, achievable rents, and financing terms.

The first four uses—adaptive reuse, hotel, outlet retail, and a cinema are all financed primarily with funds from the private sector. They all include a mix of private equity and a conventional loan financed by a bank. The financial feasibility analyses shown in the pro formas also show a mix of quasi-public funding, including EB-5 or New Market Tax Credits. The conceptual development plans show how those four uses could be used to generate enough tax increment revenue to fully fund the construction of a parking garage. Because the parking garage would be publicly owned and serving multiple blocks, and because these kinds of garages have been funded with TIF in many communities, ECONorthwest believes that using TIF for this facility is viable.

Table 5 shows the portion of each financing tool we applied to this preliminary financing plan for the conceptual development. The total private investment in the area, based on the assumptions shown in this conceptual development plan, will actually depend on the size of any actual development, the quality of the development, current market conditions in the local market for each use, and other factors that affect private investors' appetite for investing in these uses at this location.

**Table 5. Portion of Financing Tool Applied to Each Use in the Conceptual Development Plan**

	Bank Loan	Private Equity	TIF Loan	EB-5	NMTC
Adaptive Re-use	58%	19%	23%	0%	0%
Hotel	67%	10%	0%	23%	0%
Outlet Retail	55%	21%	0%	24%	0%
Movie Theater	65%	12%	0%	0%	23%
Parking Structure	0%	0%	100%	0%	0%

## Estimated Employment

ECONorthwest conducted an input-output analysis using the IMPLAN model to estimate the number of jobs in Yellowstone County associated with implementing the conceptual development plan.<sup>6</sup> The actual number of jobs that will be generated by developing the area will vary, depending on the value of the construction, the types of businesses that locate in the area, and the size of those businesses. This estimate is preliminary by necessity, based on the conceptual plan.

For this project, ECONorthwest estimated the number of jobs for two distinct phases: construction and operations. Construction impacts are temporary in nature and occur as construction spending unfolds. Operating impacts will continue annually as long as the use in the structure continues to operate. Jobs include both full- and part-time employment.

We estimated two different types of jobs. The **direct jobs** comprise those held by contractors and workers building the structure (direct construction impacts), and the number of employees working at the structure (direct operating impacts). The **secondary jobs** include those associated with the ripple effects of the direct jobs.<sup>7</sup> The secondary jobs include two general types of impacts.

- **Supply-chain impacts.** In order to operate, the structure will purchase a range of goods and services including raw materials, spare parts and equipment, repair services, electricity, water and sewer, etc. This spending generates the first round of secondary impacts. Suppliers and vendors to the structure will also have to purchase additional goods and services. This spending leads to additional rounds of indirect impacts.
- **Consumption-driven impacts.** The direct and supply-chain increases in employment and income enhance the overall purchasing power in the economy, thereby inducing further consumption- and investment- driven stimulus. Workers at the proposed development,

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<sup>6</sup> IMPLAN is an input-out model used to track dollars, starting with the initial project being studied, as they ripple through an economy from one employment sector to the next. The model estimates the number of jobs, income, and economic output that can be traced to the initial project. The model estimates direct impacts, which are those directly generated by the project. It also calculates indirect impacts, which are the jobs and income earned by workers in industries supplying the project.

<sup>7</sup> Secondary jobs include those defined as ‘indirect’ and ‘induced’. Indirect are the supply-chain impacts, and induced are the consumption-driven impacts. We combine them into ‘secondary’ impacts in the text for simplicity.

for example, will use their income to purchase groceries. Workers at businesses who supply the structure will do the same.

For this analysis, ECONorthwest did not measure potential counterfactual scenarios that consider how scarce resources would be allocated if the conceptual development plan is not implemented, or how the development could potentially divert spending away from other Yellowstone County businesses.

Table 6 shows the estimated number of jobs the input-output model generated with the construction and operation of the conceptual development plan.

**Table 6. Estimated Number of Jobs Generated by Implementing the Conceptual Development Plan**

Period/Development Type	Direct	Secondary
<b>Construction</b>	<b>441.4</b>	<b>519.3</b>
<b>Operations</b>		
Retail	1.6	0.5
Restaurant	3.8	1.1
Hotel	61.6	29.6
Outlet Retail	160.5	43
Cinema	32.1	16.2

## Development Schedule and Bonding Capacity

This section describes a possible development schedule for the five development concepts. This schedule should be interpreted as a guide. We have identified a possible order that the City could work to develop the different concepts. The actual year of implementation should vary, based on market conditions and developer interest.

We recommend the City work to implement the adaptive reuse concept first. The City should address a range of items before attempting to bring about the other conceptual developments. We recommend the City work with existing property owners to resolve these issues. These items include:

- Zoning.
- Consider if these properties should be brought into the City. If they are part of the City, they will have access to important development assistance tools.
- Consider whether the area should become a new urban renewal district or appended onto an existing urban renewal district if partner entities elect to bring their land into the City. It is possible the existing district may not have sufficient time remaining to bring about this concept plan or it may already have existing obligations it is trying to meet.

- Should the City wish to use EB5 resources it will need to secure a TEA designation for the area from the state that would then register this with the United States Customs and Immigration Service (USCIS).
- Identify the significant infrastructure improvements (such as stormwater) that should be made and how they will be funded.

We crafted the development program so that the first four uses will generate increment revenue that can be used to finance the parking structure. We used conservative assumptions regarding the debt coverage ratio and the interest rate to provide an approximation of the bonding capacity the four conceptual developments could generate. Actual increment revenue and bonding capacity will vary.

To estimate the bonding capacity generated by the first four uses, we identified the incremental increase in taxable value from all the contributing taxing jurisdictions generated by each use, the associated tax increment revenue, and the bonding capacity generated by that increased tax revenue.

- To estimate the incremental increase in the taxable value, we assumed the taxable value equals the cost of replacement (the construction cost) minus existing value (land and existing structure).
- To estimate the tax increment value, we assumed that every \$1,000,000 in new taxable value generates about \$16,000 in annual tax increment revenue. This is, by necessity, a rough estimate. Actual amounts vary based on mill levies affecting individual properties, whether properties are in the City, or the County, should the latter create an urban renewal area (if it gains the legal ability to do so). Given the preliminary nature of this conceptual plan, future planning will need to calculate more precise increment estimates.
- To estimate bonding capacity, we assumed that the agency could bond \$6 for every \$1 in tax increment revenue. This is, by necessity, a rough estimate. Actual bonding capacity will depend on the use, tax revenue, timing, and other factors dictated by the bond market. Factors that affect the bond market fluctuate, and the terms of any bond vary with national and global financial markets.

Table 7 shows the estimated incremental increase in value and the potential tax increment revenue. It is important to note that actual values and tax revenue will vary based on the individual locations of the development, the size of the development, the method used by the Assessor to estimate taxable value, timing of development, and application of urban renewal tools in Montana. These figures are preliminary estimates, based on hypothetical financial pro forma models.

**Table 7. Estimated Potential Value and Tax Increment Revenue**

Development	Potential New Value	Potential TIF Revenue
Adaptive Re-use	\$502,500	\$8,000
Hotel	\$20,720,800	\$332,000
Outlet Retail	\$35,242,000	\$564,000
Movie Theater	\$8,400,100	\$134,000
<b>TOTAL</b>	<b>\$64,865,400</b>	<b>\$1,038,000</b>

Source: ECONorthwest.

Table 8 shows the potential proposed year of completion for the five conceptual development types, the estimated bonding capacity for the first four types, and the cumulative bonding capacity that could be used to finance the parking structure. The table shows that we estimate the four conceptual types could generate just over \$6 million in bonding capacity if they are all located in the City.

**Table 8. Conceptual Development Program**

Development	Year Completed	Bonding Capacity (\$millions)	Cumulative Bonding Capacity (\$millions)
Adaptive Re-use	2015	\$0.05	\$0.05
Hotel	2016	\$1.99	\$2.04
Outlet Retail	2017	\$3.38	\$5.42
Movie Theater	2019	\$0.81	\$6.23
Parking Structure	2019		
		\$6.23	\$13.74

Source: ECONorthwest.

# APPENDIX B- PROFORMA DEVELOPMENT TYPES

Adaptive Re-Use

[Green Box] = input

## Development Inputs and Costs

<b>Gross SF</b>	4,000	
Gross SF-Retail	2,000	
Gross SF-Restaurant	2,000	
Efficiency Ratio	95%	
Leasable SF-Retail	1,900	
Leasable SF-Restaurant	1,900	
FAR	0.70	
Estimated Acres	0.13	
Land Cost per SF	\$7	
Total Land Cost	\$40,000	
Building cost/sf	\$25	
Total Building Cost	\$100,000	
Total Property Cost	\$140,000	
Construction Cost/ GSF-Retail	\$80	<<ECO estimate
Construction Cost/ GSF-Restaurant	\$100	
Tenant Improvement/LSF-Retail	\$15	
Tenant Improvement/LSF-Restaurant	\$15	
Developer fee (% of construction)	5%	
Soft costs (% of construction)	10%	
Contingency (% of soft & hard costs)	5%	
Total Hard Costs	\$417,000	
Developer fee	\$20,850	
Soft Costs	\$41,700	
Contingency	\$22,935	
Total Construction Costs	\$502,485	
<b>Total Development Costs</b>	<b>\$642,485</b>	

## Operating Costs and Revenues

		Notes
Annual Rent-Retail	\$14	<<NNN
Annual Rent-Restaurant	\$15	<<NNN
Annual rent increase	3%	
Vacancy, Yr 1	0%	<<built to suit
Vacancy, Yr 2	0%	<<built to suit
Vacancy, Yr 3 and stabilization	0%	<<built to suit
Leasing Commission	5%	
Management/operations (% of reve	10%	
Capitalization Rate	8%	

## Capital Resources Summary

		% of Total Dev't Costs
Bank Loan	\$370,000	58%
TIF Loan	\$150,000	23%
Private Equity	\$122,485	19%
<b>Total</b>	<b>\$642,485</b>	<b>100%</b>

## Assumptions about Capital Resources

Bank Loan	
interest rate	6.00%
Term	20
Principle	\$370,000
Annual Pmt	\$32,258
TIF Loan	
interest rate	1.00%
Term	15
Principle	\$150,000
Annual Pmt	\$10,819

## Financial Measures

	Year 1	Year 3	Year 10
Net Operating Income (NOI)	\$45,733	\$48,518	\$59,671
Value at 0.08 cap rate	\$571,663	\$606,477	\$745,890
DCR (=NOI / Total Debt Service)	1.1	1.1	1.4
LTV ((Bank loan) / Value)	0.6	0.6	0.3
IRR in 10 years, 0.08 cap rate			17%

## TIF Revenue Estimate

Estimated Annual Increment	\$8,039.76	<<based on construction cost
Estimated Bonding Capacity	\$48,239	

Hotel = input

**Development Inputs and Costs**

Gross SF	90,000	<<includes lobby, halls, conference, restaurant.
Gross SF per Room	500	<<Rooms range from 225-350 net SF
Number of Rooms	180	
Hard Costs per SF	\$152.00	<<From Jerry Jones
Furniture, Fixtures & Equipment (F,F & E)	\$30.00	<<includes lobby, halls, conference
Hard Costs per Room	\$76,000	
FF&E per Room	\$15,000	<<from other hotel project data
<b>Restaurant</b>		
SF	2,500	
TI per SF	\$40	
<b>Land</b>		
Acres	2.0	
FAR	1.03	
Land Cost per SF	\$7.00	
Total land cost	\$609,840	
Developer fee (% of construction)	5%	
Soft costs (% of construction)	20%	
Contingency (% of soft & hard costs)	5%	
Total Hard Costs	\$13,680,000	
Total FF&E	\$2,700,000	
Restaurant TIs (2,500 SF)	\$100,000	
Developer fee	\$684,000	
Soft Costs	\$2,736,000	
Contingency	\$820,800	
Total Construction Costs	\$16,480,000	
<b>Total Development Costs</b>	<b>\$21,330,640</b>	

**Operating Costs and Revenues**

Average Room Rate Sold	\$118
Room Nights Available	65,700
Occupancy, Yr 1	64%
Occupancy, Yr 2	66%
Occupancy, Yr 3	68%
Occupancy, Yr 4	70%
Occupancy, Yr 5 and stabilization	72%
Annual room/rent rate increase	3%
Hotel Operations (% of revenue)	67%
Restaurant Rent (NNN) per foot	\$15
Restaurant Rent	\$37,500
Capitalization Rate	8.0% <<from Dick Zeir

**Capital Resources (see below for terms)**

**% of Total Dev't Costs**

EB5	\$5,000,000	23%	\$ in Year 0
Conventional Bank Loan	\$14,197,576	67%	\$ in Year 0
Private Equity	\$2,133,064	10%	\$ in Year 0
2nd Bank Loan	\$5,796,370	na	<<payback EB5
<b>Total</b>	<b>\$21,330,640</b>	<b>100%</b>	

**Financial Measures**

	Year 1	Year 3	Year 10
Net Operating Income (NOI)	\$1,549,741	\$1,746,107	\$2,272,922
Value at 0.08 cap rate	\$19,371,761	\$21,826,334	\$28,411,523
DCR (=NOI / Total Debt Service)	1.3	1.4	1.3
LTV ((Bank loan) / Value)	0.7	0.6	0.5
IRR in 10 years, 0.08 cap rate			32%

**TIF Revenue Estimate**

Estimated Annual Increment	\$331,533	<<based on construction costs
Estimated Bonding Capacity	\$1,989,197	

\$20,720,800

**Assumptions about Financing Tools**

<b>EB5</b>		
8 Jobs/\$1million cost	131.8	<<jobs created from total hard costs
1.6 jobs per room	288	<<jobs created from total operations
Total jobs	419.8	
\$500k/12 jobs created	35.0	
Potential Loan	\$17,493,333	
interest rate	3.0%	
Term	5	
Actual Loan	\$5,000,000	
Payment	\$5,796,370	<<Paid with 2nd bank loan
<b>Conventional Bank Loan</b>		
interest rate	6.0%	
Term	20	
Loan Amount	\$14,197,576	
Annual Pmt	\$1,237,809	
<b>2nd Bank Loan</b>		
interest rate	6.5%	
Term	20	
Loan Amount	\$5,796,370	
Annual Pmt	\$526,058	

**Outlet Retail**

[Green Box] = input

**Development Inputs and Costs**

		Notes
Gross SF	200,000	~3,750/store, this is ~50 stores
Efficiency Ratio	85%	
Leasable SF	170,000	
FAR	1.12	2 stories
Estimated Acres	4.10	<<Trucking site.
Construction Cost per GSF	\$100	<<from Jerry Jones Construction in Billings
Tenant Improvement per LSF	\$40	<<from Jerry Jones Construction in Billings
Land Cost per SF	\$7	
Developer fee (% of construction)	5%	
Soft costs (% of construction)	15%	
Contingency (% of soft & hard costs)	10%	
Site acquisition	\$1,250,172	
Total Hard Costs	\$26,800,000	
Developer fee	\$1,340,000	
Soft Costs	\$4,020,000	
Contingency	\$3,082,000	
Total Construction Costs	\$35,242,000	
<b>Total Development Costs</b>	<b>\$36,492,172</b>	

**Financial Measures**

	Year 1	Year 3	Year 10
Net Operating Income (NOI)	\$1,832,260	\$2,394,547	\$188,540
Value at 0.08 cap rate	\$22,903,250	\$29,931,835	\$36,812,381
DCR (=NOI / Total Debt Service)	1.3	1.6	1.3
LTV ([Bank loan] / Value)	0.6	0.4	0.30
IRR in 10 years, 0.08 cap rate			16%

**TIF Revenue Estimate**

Estimated Annual Increment	\$563,872	<<based on construction costs
Estimated Bonding Capacity	\$3,383,232	

**Operating Costs and Revenues**

		Notes
Retail Rent-Annual (NNN)	\$17	<< High end for Billings
Annual rent increase	3%	
Vacancy, Yr 1	20%	
Vacancy, Yr 2	10%	
Vacancy, Yr 3 and stabilization	5%	
Leasing Commission	5%	
Management/operations (% of reve	10%	
Capitalization Rate	8%	

**Capital Resources Summary**

		% of Total Dev't Costs	
Private Equity	\$7,558,839	21%	\$ in Year 0
Bank Loan	\$20,000,000	55%	\$ in Year 0
EB-5	\$8,933,333	24%	\$ in Year 0
2nd Bank Loan	\$10,356,182		<<payback EB5
<b>Total</b>	<b>\$36,492,172</b>	<b>100%</b>	

**Assumptions about Capital Resources**

<b>Bank Loan</b>			
interest rate	6.00%		
Term	30		
Principle	\$20,000,000		
Annual Pmt	\$1,452,978		
<b>EB 5</b>			
8 Jobs/\$1million cost	214.4	<<jobs created from total hard costs.	
\$500k/12 jobs created	17.9		
Potential Loan	\$8,933,333		
interest rate	3.0%		
Term	5		
Payment at Year 5	\$10,356,182	<<Paid with 2nd bank loan	
<b>2nd Bank Loan</b>			
		<<pays off EB 5	
Principle	\$10,356,182		
interest rate	6.0%		
Term	25		
Annual Pmt	\$810,130		

Movie Theater = input

**Development Inputs and Costs**

		Notes
Gross SF	40,000	8 to 10 screens, based on ULI examples
Efficiency Ratio	100%	
Leasable SF	40,000	
FAR	0.37	
Estimated Acres	2.50	<<1-story
Construction Cost per GSF	\$127	<<from Jerry Jones Construction in Billings
Tenant Improvement per LSF	\$40	<<for food prep areas
Land Cost per SF	\$7	
Developer fee (% of construction)	5%	
Soft costs (% of construction)	15%	
Contingency (% of soft & hard costs)	5%	
Site acquisition	\$762,300	
Total Hard Costs	\$6,680,000	
Developer fee	\$334,000	
Soft Costs	\$1,002,000	
Contingency	\$384,100	
Total Construction Costs	\$8,400,100	
<b>Total Development Costs</b>	<b>\$9,162,400</b>	

**Operating Costs and Revenues**

		Notes
Rent-Annual	\$14.50	<<estimate based on local rents
Annual rent increase	3%	
Vacancy, Yr 1	0%	
Vacancy, Yr 2	0%	
Vacancy, Yr 3 and stabilization	0%	
Leasing Commission	0%	
Management/operations ( % of reve	15%	
Capitalization Rate	8%	

**Capital Resources Summary**

		% of Total Dev't Costs
Private Equity	\$1,100,860	12%
Bank Loan	\$6,000,000	65%
NMTC	\$2,061,540	23%
<b>Total</b>	<b>\$9,162,400</b>	<b>100%</b>

**Assumptions about Capital Resources**

<b>Bank Loan</b>		
interest rate	6.00%	
Term	30	
Principle	\$6,000,000	
Annual Pmt	\$435,893	
<b>NMTC</b>		
Eligible Basis	\$9,162,400	<<Total development costs
Percent	22.5%	
Interest rate	1.00%	
Term	7	
Credit	\$2,061,540	
Interest Payment	\$20,615	

**Financial Measures**

	Year 1	Year 3	Year 10
Net Operating Income (NOI)	\$481,400	\$510,717	\$628,118
Value at 0.08 cap rate	\$6,017,500	\$6,383,966	\$7,851,473
DCR (=NOI / Total Debt Service)	1.1	1.1	1.4
LTV ([Bank loan] / Value)	0.7	0.6	0.4
IRR in 10 years, 0.08 cap rate			19%

**TIF Revenue Estimate**

Estimated Annual Increment	\$134,402	<<based on construction cost
Estimated Bonding Capacity	\$806,410	

**Parking Structure**

[Green Box] = input

**Development Inputs and Costs**

	Notes
Gross SF	86,250
Number of spaces	230
SF per space	375
Building footprint	21,563 4 stories
FAR	3.70
Estimated Acres	0.54
Construction Cost per GSF	\$56 <<from Jerry Jones Construction in Billings
Land Cost per SF	\$7
Developer fee (% of construction)	5%
Soft costs (% of construction)	10% add land size, 3 floors
Contingency (% of soft & hard costs)	5%
Site acquisition	\$163,176
Total Hard Costs	\$4,830,000
Developer fee	\$241,500
Soft Costs	\$483,000
Contingency	\$265,650
Total Construction Costs	\$5,820,150
<b>Total Development Costs</b>	<b>\$5,983,326</b>

**Financial Measures**

	Year 1	Year 3	Year 10
Net Operating Income (NOI)	\$0	\$0	\$0
Value at 0.08 cap rate	\$0	\$0	\$0
DCR (=NOI / Total Debt Service)	NA	NA	NA
LTV ([Bank loan] / Value)	NA	NA	NA
IRR in 10 years, 0.08 cap rate			NA

**Operating Costs and Revenues**

	Notes
Hourly Rate	\$0
Hours per Day	18
Daily Space Hrs	4,140
Daily Revenue	\$0
Annual Revenue	\$0
Vacancy Rate	40%
Operations	10%
Rate Increase	3%
Cap Rate	8%
Capitalization Rate	8%

**Capital Resources Summary**

		% of Total Dev't Costs	
TIF	\$5,983,326	100%	<<based on bonding capacity in 2018
<b>Total</b>	<b>\$5,983,326</b>	<b>100%</b>	

**Development Schedule**

<b>Year</b>	<b>Development</b>	<b>TIF Bonding Capacity</b>	<b>Cumulative TIF Bonding</b>
2013			\$0
2014	Adaptive Re-Use	\$48,239	\$48,239
2015	Hotel	\$1,989,197	\$2,037,435
2016	Outlet Retail	\$3,383,232	\$5,420,667
2017			\$5,420,667
2018	Movie Theater	\$806,410	\$6,227,077
2019			
2020			

<b>Year</b>	<b>Development</b>	<b>TIF Bonding Capacity</b>	<b>Cumulative TIF Bonding Capacity</b>
2013			\$0
2014	Adaptive Re-Use	\$0.05	\$0.05
2015	Hotel	\$1.99	\$2.04
2016	Outlet Retail	\$3.38	\$5.42
2017		\$0.00	\$5.42
2018	Movie Theater	\$0.81	\$6.23
2019			
2020			