

City Council Action Request:

On April 22, 2019 the Board of Directors approved the purchase of property legally described as BILLINGS ORIGINAL TOWNSITE, S03, T01 S, R26 E, BLOCK 94, Lot 1 - 3 located at 102 N. 29th St. by the Downtown Billings Partnership, Inc. (DBP) and to request full funding for that purchase up to \$850,000.00 from Urban Renewal Fund 203, the Expanded North 27th St. Tax Increment District. Further, due to timely transfer and execution of a Buy Sell contract, the DBP request placement on the Regular Agenda for May 9, 2016.

For almost two years, the Downtown Alliance staff has been working on a potential large development site that could include a 40 to 50 K square foot conference center for the City of Billings. At the very least, we anticipate a development that will increase the building density on N. 29th Street in Downtown. Our charge has been to add to the street level activity and meet the demand for housing units downtown. At this time, the DBP Board feels that our best chance to seize on this opportunity is to purchase property within a footprint that could be expanded to provide green space, housing, parking, conference space, and other commercial uses. The best purchase at this time would be at 102 N. 29th St. This property has been for sale for several years. Further, the current owner has not paid property taxes on this site since December of 2013. Delinquent taxes have been paid by a 3rd party and with this purchase, the current owner will be required to satisfy that debt including penalties and interest out of the purchase proceeds. A qualified development entity currently has an active Buy/Sell agreement on this property that will expire on May 9, 2016. They have offered, at no additional expense, to transfer this Buy/Sell to the DBP. Pending approval tonight for funding, the DBP has accepted that offer and has scheduled closing on Friday, May 20, 2016. The DBP has given this development entity until July 2016 to make a major decision to go public with an urban renewal project that would dramatically increase the taxable value of the area and, with Council Approval, agreed to purchase this parcel within the development and hold it until they are ready to announce and commit. That commitment will require significantly more TIFD investment and a Development Agreement between the development entity and the City of Billings. This project has the potential to satisfy our goals and bring a development valued at over \$100 Million.

If Council approves this request, the DBP will manage and maintain the property (the DBP has a history of doing this for the City) for as long as it takes to enter into a development agreement with this developer. We have agreed to give them 1 year from tonight (May 9th) to propose an acceptable plan for this site that could include construction of a City owned parking structure, a city plaza on N. 29th and a Conference Center. If Council does not approve of the proposal, the DBP will either continue to hold the property, transfer ownership to the City, or sell the property at market value and return the proceeds of the sale to the TIFD fund 203.

Fund 203 has sufficient unencumbered funds to execute this request.