

**APPLICATION FORM FOR TAX REDUCTION
BUILDING REMODEL, EXPANSION OR RECONSTRUCTION**

(As allowed under Yellowstone County Resolution 02-66, City Council Resolutions 05-18377 and 05-18378 and 15-24-1501, 15-24-1502 or 15-24-1601 MCA)

1. Name of business: 7th Avenue Hospitality, LLC (DBA – Home2 Suites by Hilton)

2. XXX Building Remodel or Reconstruction: Start of construction (date) November 2015
End of construction (date) November 2016

3. _____ Building Expansion: Start of construction (date) _____
End of construction (date) _____

4. Address of business: 2611 7th Avenue North, Billings, MT 59101
Actual location of business: Block bounded by North 27th St., North 26th St., 7th Ave. N.
and 6th Ave. N.
Tax Code: A07225
Within city limits of Billings YES NO

5. Person representing business and responsible for application:
Name: Don Cape Title: Managing Member
Address: 1184 North 15th, Suite 4, Bozeman, MT Telephone: 406-579-2316

6. Amount of capital investment for Expansion, Remodel or Reconstruction in Billings / Yellowstone County: \$ 12,773,546 (attach detailed costs of materials and labor and dates of construction. County Commissioners and/or City Council may request further information, such as financial statements, business references, or other documents prior to acting on this request).

7. Approximate market value of building prior to remodel, reconstruction, or expansion:
\$ 1,400,000 (assessed value).

8. Explain business activity – what business does: Home2 Suites by Hilton, an extended stay
limited service 95 room hotel

9. How long has this business been located in Billings and/or Yellowstone County?
New

10. As of the date of this application, how many employees does the business have:
16 Full-time 10 Part-time

11. How many employees will the applicant have within 2 years after completion of construction:

16 Full-time 10 Part-time ***Subject to seasonality

12. Describe job skills required for all new employees both full and part-time: Employees will need to have strong customer service skills and positive work ethic. Most positions will have the opportunity for on the job training. Management level positions will require mid-level understanding of profit and loss statements and moderate computer skills.

13. What is the hourly pay scale of both full and part-time employees to include benefits (new employees only): \$10 to \$15 per hour for hourly and \$35,000 to \$55,000 annually for salaried employees plus benefits to include medical, supplemental health and vacation.

14. Other Economic impacts of capital investment:

The Home2 Suites Hotel is located along the medical corridor in Billings, MT, hotel rooms are a critical component to meeting the overnight and extended stay requirements of hospital patients and their family/friends visiting the area. The hospital corridor includes a cancer treatment center, dialysis treatment and acute care, all of which often require patients and/or their families to stay for extended periods of time. The Home2 Suites Hotel is an efficiency extended stay hotel so it will be marketed at a more affordable rate than many other extended stay hotel brands. As a reconstruction project, Home2 Suites also provides job creation opportunities for individuals seeking employment in the service and hospitality industry.

The Home2 Suites Hotel at full occupancy provides 95 modernized and fully updated rooms with multiple accommodations. Visit Billings with the Billings Chamber of Commerce estimates the average Billings' visitor spends \$225 a day in Yellowstone County with an overnight stay. At a 75% occupancy rate, the Home2 Suites hotel will generate over 5.8 million dollars of economic impact annually to Yellowstone County. At an 85% occupancy rate, the annual economic impact increases over \$800,000 at \$6,652,125 annually. The addition of a hotel, that generates 26,000 room nights annually will increase human density at all hours of the day, creating new critical mass that will benefit surrounding restaurants, coffee shops and retailers and will likely create new interest for businesses to locate in this area of town.

15. Planned hiring schedule: September and October of 2016

16. List other property tax benefits business currently receives or has applied for: None

17. Building permit (attach copy or explain absence): Building permit issued Nov. 2015, Certificate of Occupancy granted November 4, 2016

18. A non-refundable fee of \$500 must accompany this application to cover the cost of application administration. Make checks payable to the Big Sky Economic Development Authority.

19. All items on this application must be addressed. Upon completion and accompanied by the application fee, the original can be submitted to the Big Sky Economic Development Authority, 222 N. 32nd Street, Suite 200, Billings, Montana 59101 (telephone 256-6871). If the application is

complete, a duly advertised public hearing will be scheduled, after which the Commissioners and/or City Council, in their discretion, will decide whether to approve or deny the application. The applicant, or a representative of the applicant, must appear in person at the public hearings.

20. The application to the Department of Revenue, which is part of this application, must also be completed and signed by the applicant.
21. The Board of County Commissioners and/or City Council may review this applicant's tax incentive program at any time and terminate further reductions at their discretion if they find the provisions of Resolution are not being met.
22. If application is approved, applicant will comply with the following provisions. Failure to comply may lead to the previously approved tax abatement being rescinded:
 - i. Provide copy of Occupancy Certificate and/or Certificate of Substantial Completion
 - ii. Annual Survey to be completed and returned to Big Sky EDA by June 30 of each year
 - iii. Remain current on all property taxes on the subject property
 - iv. Notify Big Sky EDA of any ownership changes or change of use of the facility
 - v. Comply with any other provisions set by the Board of County Commissioners and/or City Council
23. In order for this incentive program to apply to the applicant's current year taxes, Yellowstone County must receive the properly completed application by March of the year in which the reduction is desired. If within the city of Billings, City Council must approve the application by March of the year in which the reduction is desired.
24. Signature of applicant/representative: David S. G.
25. Date of application: December 2, 2016
26. County Commissioner's Public hearing held (date): _____
27. City Council's Public hearing held (date): _____

Application Complete
Name: Patrick Klugman Date: 1-6-17
Signature: *Patrick Klugman*

Recommendation by the Big Sky Economic Development Authority:

Approve Deny Signature: *Patrick Klugman* Date: 1-3-17

County Board of Planning or Laurel-Yellowstone City-County Planning Board certifies that business conforms to zoning regulations:

*** See Attached Building Permit**

Signature: _____ Date: _____

If a non-public water or sewer system is used (i.e., septic tank and water well) County Health Department certifies that system conforms to acceptable standard, or will do so on completion of construction:

Signature: _____ Date: _____

County Treasurer's Office certifies that City and County taxes have been paid in full or otherwise satisfied:

*** See Attached Tax Documentation**

Signature: _____ Date: _____

City Finance office certifies that the business has applied for the appropriate City business license:

*** See Attached Business License**

Signature: _____ Date: _____

Action by Board of County Commissioners:

Date: _____

Approve Deny Chair: _____ Date: _____

Member: _____ Date: _____

Member: _____ Date: _____

Action by Billings City Council (if applicable – project within City limits):

Approve Deny

Date: _____

CITY OF BILLINGS

By: _____

ATTEST:

By: _____

APPLICATION TO THE DEPARTMENT OF REVENUE
BUILDING REMODEL, RECONSTRUCTION OR EXPANSION
(Title 15- Chapter 24 – Part 15 MCA)

To: Assessor
Yellowstone County

Name of Applicant: 7th Avenue Hospitality LLC dba Home2 Suites by Hilton

Mailing Address: 1184 North 15th Avenue Suite 4, Bozeman

Legal description of affected property: FOSTER ADD, S32, T01 N, R26 E, BLOCK 38, LTS 1-10,18-24
& ADJ VAC ALLEY (16)

Date construction permit issued: Footing & foundation 11-25-15- Building Structure 2-19-16

(If no permit is required, specify the date when certificate in lieu of building permit was issued).
This application covers the (expansion/new) construction of the Homes2 Suites by Hilton
A public hearing on this matter of Building Expansion, Remodel, or Reconstruction was held at the
Yellowstone County Courthouse at _____ (am/pm) on the _____ day of _____, 20____
Due notice as defined in 76-15-103 was given. True and exact copies of said notices are attached to this
application. _____ Yes _____ No

The statutory \$500,000 investment requirement for expansion or modernization has been met.
 X Yes _____ No

The statutory 2.5% increase in value requirement for new improvements has been met.
 X Yes _____ No

The statutory 5% increase in value requirement for new improvements has been met.
 X Yes _____ No

The qualifying property consists of the following: Reconstruction/Construction of Home2 Suites by Hilton
(Attach site plats, construction prints, and detailed equipment list identifying the qualifying property.)

This application is made under the provisions of 15-24-1501 or 1601 MCA, and by resolution adopted by
the Commissioners of Yellowstone County, on the 9th day of August 2002. A copy of the same is
attached.

David S. G.
(Owner/Agent)

~~~~~  
We, the undersigned, Commissioners of Yellowstone County, (approve/disapprove) this application for  
\_\_\_\_\_. We find that it (does/does not) conform to the criteria  
as set forth in the resolution adopted by this Board on the 9th day of August 2002.

\_\_\_\_\_  
Name  
\_\_\_\_\_  
Name  
\_\_\_\_\_  
Name

\_\_\_\_\_  
Title  
\_\_\_\_\_  
Title  
\_\_\_\_\_  
Title



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### Details

|                 |                                  |
|-----------------|----------------------------------|
| Business:       | HOME 2 SUITES BY HILTON BILLINGS |
| DBA:            | HOME 2 SUITES BY HILTON BILLINGS |
| Address:        | 2611 7 AVE N                     |
| Classification: | HOTEL & MOTELS                   |
| Application #:  | OL-17-35467                      |
| Status:         | IR                               |

### Dates

|                  |            |
|------------------|------------|
| Submit Date:     | 10/06/2016 |
| Issue Date:      | none       |
| Expiration Date: | 10/31/2017 |



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|                   |                                                                              |
|-------------------|------------------------------------------------------------------------------|
| Application #:    | BP-15-07200-01                                                               |
| Classification:   | COM NEW HOTEL/MOTEL                                                          |
| Address1:         | 2611 7 AVE N                                                                 |
| Address2:         |                                                                              |
| Parcel ID:        | FOA-038-001-10-&                                                             |
| Project Name:     | Home 2 Suites by Hilton                                                      |
| Work Description: | Engineering Permit # 15-07200-01-01 is to be issued with the Building Permit |
| Water Meter No:   |                                                                              |
| Status:           | Certificate of Occupancy                                                     |

Contractors

| Gen | Name                   | Business               | Type               |
|-----|------------------------|------------------------|--------------------|
| X   | LANGLAS & ASSOC., INC. | LANGLAS & ASSOC., INC. | GENERAL CONTRACTOR |

Dates

|                                 |            |
|---------------------------------|------------|
| Submit Date:                    | 01/08/2016 |
| Issue Date:                     | 02/19/2016 |
| Expiration Date:                | 05/04/2017 |
| Final Inspection Date:          | 11/04/2016 |
| Certificate of Completion Date: | none       |
| Certificate of Occupancy Date:  | 11/04/2016 |





# Yellowstone County, Montana

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## Detail Property Tax Information

Disclaimer: The tax information was updated on 1/6/2017. Please notify the Treasurer's Office of any inaccuracies. Online Tax Billing History is available from Tax Year 2000 forward. If you wish information for prior tax years contact the Treasurer's Office. [Pay Taxes Online](#)

Tax ID: A07225 Tax Year: 2016

### BILLINGS

| Code          | District                     | 1st Half        | 2nd Half        | Total           |
|---------------|------------------------------|-----------------|-----------------|-----------------|
|               | BILLINGS (Levy District)     | 2,151.35 P      | 2,151.35 P      | 4,302.70        |
| BACF          | BACF BLGS ARTERIAL CONST FEE | 52.60 P         | 52.60 P         | 105.20          |
| BID1          | Business Improv Dist 1       | 631.26 P        | 631.26 P        | 1,262.52        |
| BLSW          | BLSW BILLINGS STORM SEWER    | 46.22 P         | 46.22 P         | 92.44           |
| BS#2          | BS#2 BLGS STREET MAINT #2    | 348.17 P        | 348.17 P        | 696.34          |
| L013          | 0013 BLGS LIGHT MAINT        | 221.82 P        | 221.82 P        | 443.64          |
| L248          | 0248 BLGS LIGHT MAINT        | 384.45 P        | 384.45 P        | 768.90          |
| PD01          | BILLINGS PARK DISTRICT       | 33.57 P         | 33.57 P         | 67.14           |
| SOIL          | SOIL SOIL CONSERVATION       | 1.19 P          | 1.19 P          | 2.38            |
| <b>Totals</b> |                              | <b>3,870.63</b> | <b>3,870.63</b> | <b>7,741.26</b> |

Date Paid 12/13/2016 12/13/2016

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| <i>Uses of Funds</i>                    |       |        |           |             |                     |                |                  |
|-----------------------------------------|-------|--------|-----------|-------------|---------------------|----------------|------------------|
|                                         | Acres | SF     | Price /SF | Price/Acre  | Subtotal            | % of Cost      | Cost/Key         |
| Land Cost                               | 1.366 | 59,500 | \$37.63   | \$1,639,174 | \$2,239,000         | 17.53%         | \$23,568         |
| Alley Abandonment Acquisition           | 0.138 | 6,000  | \$6.01    | \$0.83      | \$36,064            | 0.28%          | \$380            |
|                                         | 1.504 | 65,500 | \$43.64   | \$1,639,175 | \$2,275,064         | 17.81%         | \$23,948         |
| <b>Construction</b>                     |       |        |           |             |                     |                |                  |
| Vertical Construction Costs             |       | 57,289 | \$120.00  |             | \$6,874,680         | 53.82%         | \$72,365         |
| Demolition                              |       |        |           |             | \$190,000           | 1.49%          | \$2,000          |
| Landscaping                             |       |        |           |             | \$0                 | 0.00%          | \$0              |
| Utility Relocation                      |       |        |           |             | \$160,341           | 1.26%          | \$1,688          |
| Contingency                             |       |        |           |             | \$0                 | 0.00%          | \$0              |
| <b>Total Construction Cost</b>          |       |        |           |             | <b>\$7,225,021</b>  | <b>56.56%</b>  | <b>\$76,053</b>  |
| <b>Total Hard Costs</b>                 |       |        |           |             | <b>\$9,500,085</b>  | <b>74.37%</b>  | <b>\$100,001</b> |
| <b>Soft Costs</b>                       |       |        |           |             |                     |                |                  |
| Franchise Fee                           |       |        |           |             | \$50,000            | 0.39%          | \$526            |
| Architectural (incl. Civil)             |       |        |           |             | \$375,000           | 2.94%          | \$3,947          |
| Permits & Licenses                      |       |        |           |             | \$108,000           | 0.85%          | \$1,137          |
| Closing Costs                           |       |        |           |             | \$0                 | 0.00%          | \$0              |
| Title Policy                            |       |        |           |             | \$0                 | 0.00%          | \$0              |
| Insurance                               |       |        |           |             | \$30,000            | 0.23%          | \$316            |
| Real Estate Taxes                       |       |        |           |             | \$27,500            | 0.22%          | \$289            |
| Working Capital                         |       |        |           |             | \$200,000           | 1.57%          | \$2,105          |
| Capitalized Interest                    |       |        |           |             | \$0                 | 0.00%          | \$0              |
| Pre-Opening Costs                       |       |        |           |             | \$100,000           | 0.78%          | \$1,053          |
| Pre-Opening Fee                         |       |        |           |             | \$75,000            | 0.59%          | \$789            |
| FF&E                                    |       |        |           |             | \$1,615,000         | 12.64%         | \$17,000         |
| Loan Fee                                |       |        |           |             | \$0                 | 0.00%          | \$0              |
| Appraisal                               |       |        |           |             | \$0                 | 0.00%          | \$0              |
| Miscellaneous                           |       |        |           |             | \$22,500            | 0.18%          | \$237            |
| Contingency                             |       |        |           |             | \$670,461.45        | 5.25%          | \$7,057          |
| <b>Total Soft Costs</b>                 |       |        |           |             | <b>\$3,273,461</b>  | <b>25.63%</b>  | <b>\$34,457</b>  |
| <b>Total Project Cost for Financing</b> |       |        |           |             | <b>\$12,773,546</b> | <b>100.00%</b> | <b>\$134,458</b> |