

City Council Action Required for TIFD Assistance

Development Committee Meeting Date: April 12, 2017

Location: Downtown Billings Alliance 2815 2nd Ave. N.

Action: Move to DBP Board and recommend approval

DBP Board Meeting Date: April 28, 2017

Location: GW Building – Public Notice @ <http://downtownbillings.com/downtown-development/>

Action: Approved for up to \$350K reimbursement – Forward to City Council

Art House Cinema Phase II

PROPOSAL:

Over the past several years, Art House Cinema has occupied the G & W Building (former home of Center Lanes bowling). The TIFD has given them minimal assistance through the Revolving Loan Fund as well as participation in a technical assistance project. Art House would like to begin implementing the project described in their Tech. Assist. Document. This will make use of 100% of the first floor of the building. In addition, Art House Cinema will purchase the building from the existing owner. The total cost of the project is projected to be \$2.1 Million. They are requesting up to \$350,000 TIFD reimbursement of qualified expenditures. Change of ownership qualifies for assistance. In addition, the change of use and improvements to this building will easily have more than enough qualified expenditures to warrant this level of TIFD participation. If approved by the Board, this request will need approval by the City Council as well as a Development Agreement.

FINANCIALS

Based on the application, a \$350K grant would represent a 5 to 1 ratio of leveraged assistance. Tax calculations show a potential increase in value for the building and would result in about \$3,164.00 per year in new property taxes. This would represent a 181% increase over the status quo. The Art House Cinema has received TIFD assistance in the form of a 1 to 1 Technical Assistance Grant. TIFD reimbursed them in the amount of \$10,150 on a detailed \$30,300 feasibility report for phase II. Additionally, Art House Cinema is making on time payments to the balance of an RLF loan for phase 1. The original amount of the loan was \$30,000 and funded on 9/25/2015. The outstanding balance is less than \$15,900. They intend to seek a new RLF loan to assist in debt equity to purchase the building to begin Phase II improvements. If City Council approves this request, we would request that the full amount of the award be encumbered until June 30, 2020 or until Phase II construction and building purchase is complete, whichever comes 1st. Developer may request an extension for up to 1 additional year to completion, if DBP Board approves.



DOWNTOWN URBAN RENEWAL ASSISTANCE

APPLICATION FORM FOR GRANTS AND REVOLVING LOAN FUND LOANS

BUSINESS CONTACT INFORMATION	
Contact Name	Nicole Schreiner
Title	Phase 2 Director
Company name	Art House Cinema & Pub/Cine Billings
Phone/#	(406) 534-1128
E-mail	nicole@arthousebillings.com
Company mailing address City, State ZIP Code	109 N. 30th Street Billings, MT 59101
Date business commenced:	3/15/15
Number of Employees:	
Choose One of the below Other	
FIN or Soc. S#	

CHECK THE MAP ON THE BACK OF THIS FORM BEFORE CONTINUING

Check all that apply: I am a property owner inside the District I own and operate a business within the District
 I plan to purchase property in District I plan to move a business into the District

If your proposed project has a different physical address than the one above, please fill in the street address, below:

Street Address: _____, 59101

Check all that apply: I am interested in a low rate loan (RLF) I am interested in a reimbursement grant (URD)

What is the total cost of the project, including property acquisition, if applicable? \$ 2,100,000.00 ¹

How much are you wanting to borrow from the Loan Fund (RLF)? _____ ²

A Minimum of 20% Equity Investment is required and all loans are capped at 20% or less of the total cost (box 1) up to \$250,000

How much do you need to make the project "pencil out" (URD Grant Program)? \$ 350,000.00 ³

Briefly describe your proposed project:

5 to 1

See Attached.

If possible, please attach a list of all planned expenditures noting item and amount – for complete project

Return to: Downtown Alliance, 2815 2nd Ave. N., 59101 – email: prenk@downtownbillings.com fax to: 406-294-5061

Clear Form

ARTHOUSE

CINEMA & LIVE

PHASE II EXPENSES	QUANTITY	SUBTOTAL	TOTALS
General Conditions	1 LS	\$79,445.00	
Environmental Materials Abatement	1 LS	\$12,800.00	
Building Related Site Improvements	1 LS	\$27,135.00	
Concrete	1 LS	\$25,065.00	
Masonry	1 LS	\$18,921.00	
Metals	1 LS	\$14,747.00	
Carpentry	1 LS	\$190,780.00	
Thermal & Moisture Protection	1 LS	\$53,608.00	
Doors & Windows	1 LS	\$50,199.00	
Finishes	1 LS	\$165,375.00	
Specialties	1 LS	\$10,586.00	
Mechanical/Electrical/Plumbing Systems	1 LS	\$306,954.00	
SUBTOTAL			\$955,615.00
Profit & Overhead (10%)	1 LS	\$95,562.00	
TOTAL CONSTRUCTION COST			\$1,051,177.00
Architectural/Engineering Fees (9%)	1 LS	\$94,606.00	
Theater A/V Equipment	1 LS	\$210,000.00	
Theater Seating	1 LS	\$27,600.00	
New Front Marquee	1 LS	\$35,000.00	
Signage & Graphics	1 LS	\$20,000.00	
Kitchen Equipment	1 LS	\$35,000.00	
Misc. Furniture, Fixtures, & Equipment	1 LS	\$45,000.00	
Misc. System Development Fees	1 LS	\$17,000.00	
TOTAL MISC. COSTS			\$484,206.00
TOTAL PHASE II PROBABLE COST			\$1,535,383.00

PHASE III EXPENSES		
	QUANTITY	SUBTOTAL
General Conditions	1 LS	\$20,874.00
Environmental Materials Abatement	1 LS	\$22,700.00
Carpentry	1 LS	\$27,865.00
Doors & Windows	1 LS	\$38,952.00
Finishes	1 LS	\$60,081.00
Specialties	1 LS	\$2,428.00
Mechanical/Electrical/Plumbing Systems	1 LS	\$58,815.00
SUBTOTAL		\$231,715.00
Profit & Overhead (10%)	1 LS	\$23,172.00
TOTAL CONSTRUCTION COST		\$254,107.00
Architectural/Engineering Fees (9%)	1 LS	\$22,940.00
TOTAL PHASE III PROBABLE COST		\$277,127.00

ART HOUSE

CINEMA & PUB

ANTICIPATED PROJECT TIMELINE		DATE
1	Prepare as-built drawings, begin the condition assessment, and begin a comprehensive building code review of the G&W Building.	July, 2016
2	Tour the Roxy Theater, Missoula, Montana	August, 2016
3	Complete the Preliminary Design Study	November, 2016
4	Begin Fundraising Activities	November, 2016
5	Purchase G&W Building	January, 2018
6	Complete Phase II Design Development and Construction Document Phases, bid the project, and permit for Construction.	January, 2019
7	Phase II construction substantial completion.	July, 2019
8	Complete Phase III Design Development and Construction Document Phases, bid the project, and permit for Construction.	July, 2020
9	Phase III construction substantial completion.	November, 2020
10	Complete Phase IV Design Development and Construction Document Phases, bid the project, and permit for Construction.	July, 2021
11	Phase IV construction substantial completion.	November, 2021