

RESOLUTION NO. 18 -

A RESOLUTION OF THE CITY OF BILLINGS FORMING A POLICY FOR THE ADMINISTRATION OF URBAN RENEWAL AREAS OR DISTRICTS (URD) IN THE CITY.

WHEREAS, under the provisions of Montana Code Annotated (MCA), Title 7, Chapter 15, Parts 42 and 43, as amended (the "Act"), the City of Billings, Montana (the "City") is authorized, among other things, to identify and work to eliminate blight through urban renewal; and

WHEREAS, MCA, Title 7, Chapter 15, Part 4202, declares:

- (1) that blighted areas which constitute a serious and growing menace, injurious to the public health, safety, morals, and welfare of the residents of the state, exist in municipalities of the state;
- (2) that the existence of such areas:
 - (a) contributes substantially and increasingly to the spread of disease and crime and depreciation of property values;
 - (b) constitutes an economic and social liability;
 - (c) substantially impairs or arrests the sound growth of municipalities;
 - (d) retards the provision of housing accommodations;
 - (e) aggravates traffic problems; and
 - (f) substantially impairs or arrests the elimination of traffic hazards and the improvement of traffic facilities; and
- (3) that the prevention and elimination of such areas is a matter of state policy and state concern in order that the state and its municipalities shall not continue to be endangered by areas which are focal centers of disease, promote juvenile delinquency, are conducive to fires, are difficult to police and to provide police protection for, and, while contributing little to the tax income of the state and its municipalities, consume an excessive proportion of its revenues because of the extra services required for police, fire, accident, hospitalization, and other forms of public protection, services, and facilities; and

WHEREAS, the City is authorized by MCA, Title 7, Chapter 15, Part 4251 to exercise its general powers in connection with urban renewal, which may include creating URDs, with tax increment finance (TIF) provisions, to finance public infrastructure and other activities to eliminate blight in the City; and

WHEREAS, the City of Billings may establish local policies that guide the establishment, operations, funding and governance of urban renewal districts; and

WHEREAS, development of TIF Policies would be in the best interest of the City.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF BILLINGS, MONTANA:

That the City Council now makes and adopts the following TIF Policy:

CITY OF BILLINGS TAX INCREMENT FINANCE POLICY

1. PERMITTED USES OF TIF FUNDS. TIF funds may be used for costs outlined in MCA, Title 7, Chapter 15, Part 4288, and include, but are not limited to:
 - a. Land acquisition and assemblage, demolition and removal of structures, relocation of occupants, analysis to determine needs of an urban renewal area, administrative cost for redevelopment activities.
 - b. Public infrastructure, including, but not limited to: streets, storm drains, parking, public buildings, water and sewer lines, sidewalks, utility connections.
 - c. Private infrastructure with public benefit, including, but not limited to, building façades, windows, doors, fire suppression or alarm systems, storm drainage, environmental remediation, parking, and ADA access.

2. FINANCIAL ASSISTANCE THROUGH TIF. All financial assistance must be approved by the City Council prior to any activity receiving funding. Financial assistance should be requested prior to beginning construction. All activity (design and construction) must be completed prior to issuance of TIF funds from the City Finance Department. Financial thresholds and assistance tools are as follows:
 - a. A minimum return of \geq \$5 of private investment for every \$1 of public investment will be met for each TIF application. The City Council may make exceptions for projects of less than \$100,000, and for publicly owned projects, properties or facilities.
 - b. Grants may be made for uses listed in Part 1 above to any government owned land or buildings, for profit businesses and non-profit human services agencies.
 - c. Bonding is available for public infrastructure projects that benefit public and/or private property.
 - d. A revolving loan fund may be used in the URDs to finance activities listed in Part 1 above and as recommended to the City Council by the URD non-profit advisory board or through a special committee to address the revolving loan fund in a URD.
 - e. All TIF grants will be formalized by a development agreement that must be signed by the grantee before the City will reimburse eligible expenses.

3. RECAPTURE OF TIF GRANTS. The City Council may recapture TIF grants from for-profit and non-profit entities that sell or diminish the value of benefited property within 5 years as per the following schedule:
- a. Less than 1 year up to 100% recapture
 - b. 1 to 2 years up to 80% recapture
 - c. 2 to 3 years up to 60% recapture
 - d. 3 to 5 years up to 50% recapture
4. URD MANAGEMENT. Each URD in the City of Billings will be managed as follows:
- a. Each URD should maintain a non-profit advisory board to make recommendations to the City Council regarding TIF expenditures. Board members must own or lease property within the district, or must represent such owner or lessee, and may include representation from residential or commercial property owners or lessees.
 - b. A Memorandum of Understanding (MOU) must be executed between the advisory board and the City Council that defines the board's roles, responsibilities, authority, and processes, including for hiring and maintaining board support staff. The MOU must contain language addressing conflict of interest situations for board members whose property may directly benefit from a TIF expenditure.
 - a. Training for all URD advisory boards will be conducted biannually in coordination with City staff and URD support staff. The training must include, but is not limited to: review of URD and TIF laws, Administrative Rules, ethics, conflicts of interest, meeting management, and maintenance of minutes and records.
 - b. URD financial reporting will be consistent across all URDs and be set by coordination between the City Finance Director and the Planning and Community Services Director, and URD support staff.
 - c. TIF application review and City Council staff report preparation will be conducted by the Planning and Community Services Department Director, in coordination with the Assistant City Administrator, Finance Director, and URD support staff.

PASSED by the City Council and APPROVED this 9th day of April, 2018.

THE CITY OF BILLINGS:

BY: _____

William A. Cole, MAYOR

ATTEST:

BY: _____

Denise R. Bohlman, CITY CLERK