

ONE BIG SKY

TRANSFORMING THE ECONOMIC FUTURE OF MONTANA

JANUARY 25, 2019

LANDMARK
DEVELOPMENT

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An aerial night photograph of a city, showing a complex highway interchange with multiple lanes and ramps. Light trails from cars and trucks create bright, curved streaks across the roads. The surrounding urban area is visible in the background, with numerous buildings and streetlights. The entire image is overlaid with a semi-transparent dark blue filter.

01

INTRODUCTION



January 25, 2019

City of Billings
Big Sky Economic Development Corporation
Billings Chamber of Commerce
Downtown Billings Alliance
Visit Billings

Dear ONE Big Sky Strategy Partners:

In this volume, please find the Development Plan for the ONE Big Sky economic development strategy for downtown Billings, with broad benefits that are projected to positively impact the entire Region and State to best position Montana for the next generation.

This Development Plan is the compilation of a year-long effort – based upon the original Concept Development Plan presented to you by my company – to address historic and current challenges of the City of Billings. What was perhaps most surprising to us during this effort was the identification of the projected future challenges if the City of Billings does not implement a strategy to address major concerns like its aging workforce, downtown real estate market gap, and overall changing economy.

To address these challenges, the Development Plan includes research, planning, design, engineering and financial and strategic analyses and recommendations that, together, comprise a comprehensive plan for how the City can grow and strengthen both the local and statewide economies over the next 20 years – positioning Billings as a leader in the State and the nation for creative economic, workforce and infrastructure development. It is a market-supportable plan that relies on public and private sector cooperation and, if properly implemented, will attract the workforce of tomorrow, create new jobs, and generate billions in new revenues for the City, Yellowstone County, School District and State of Montana.

On behalf of the Landmark team, I would like to thank all of you for your partnership with us and guidance in setting the goals and evolving the concepts incorporated into this Development Plan and identifying key catalytic projects that we know can reshape the future of this City. We also appreciate the value brought by all of the other business and civic institutions and members of the community who assisted our team by providing their time, lending their expertise and offering their own unique perspectives and concerns. The concepts and feedback we received from the public had significant influence on shaping the vision and identifying opportunities and concerns to be addressed.

We look forward to the opportunity to continue to work with you to help redefine the future of the City of Billings.

Sincerely,
Robert P. Dunn
President
Landmark Development Services Company, LLC

DISCLAIMER

This Development Plan is presented for the purpose of providing a summary of the economic development and business strategies and related conceptual planning for a comprehensive urban redevelopment effort in the City of Billings, Montana.

This Development Plan contains summary information from detailed analysis and due diligence materials that have been completed by Landmark Development Services Company, LLC (“Landmark”) and other third parties and consultants deemed to be reliable. The information included herein contains various assumptions and estimates of the anticipated operating results for the project, which have been derived from the analyses completed to date. No warranties or representations are made by Landmark, its owners, officers, employees, affiliates, assignees, consultants or any other third parties as to the accuracy or completeness of the information included herein, which necessarily involves known and unknown risks, uncertainties and other factors that may influence the project.

All program areas, conceptual plans, cost estimates, finance assumptions and other data are preliminary estimates and are approximate. Accordingly, actual results may vary materially from the projected results included in this Development Plan. Parties reviewing this document should make their own investigations, projections and conclusions independent of the materials contained herein.

This Development Plan speaks only as the date hereof. Landmark shall have no obligation to update or revise any information to reflect any change in expectations or results, or any change in events.

PURPOSE OF THE DEVELOPMENT PLAN

This Development Plan was prepared as a partnership among Landmark, the City of Billings, Big Sky Economic Development Corporation, Billings Chamber of Commerce, Downtown Billings Alliance, and Visit Billings to formulate a deliberate economic development strategy to overcome the challenges and capitalize on the opportunities of the City, the Region and the State for the next generation of workers, residents, students, and visitors. The Development Plan lays out a comprehensive vision and plan of action to evolve the City of Billings into a more vibrant destination centered on the Montana lifestyle that drives robust growth in the local and statewide economies. This unique plan is fueled by private investment and builds iconic new public assets and civic infrastructure that will secure the State's position as a national leader in creative strategies to drive economic development and workforce development.



THE VISION & GOALS

The vision behind the Development Plan for “ONE Big Sky” is a large, mixed-use, multi-anchored project in downtown Billings (the “Project”) that creates the opportunity to redefine an urban landscape to support major economic development and overcome the massive jobs dilemma facing the City and the State. The vision supports the realization of other key goals that will be imperative for cities to be competitive into the 21st century, including creating lifestyle amenities and capitalizing on the authentic Montana and Billings “experience”. This vision is grounded in a destination concept that relies on private investment and anchoring institutions, including health care, education and tourism, to drive visitation and new jobs and, correspondingly, economic growth and a stronger tax base.

The ONE Big Sky goals are centered around 4 core themes, including:

- Tomorrow’s Workforce Goals
- Lifestyle Goals
- Civic & Community Goals
- Fiscal & Economic Goals



TOMORROW'S WORKFORCE GOALS

- Help the State of Montana attract the next generation workforce and move beyond its ranking at the bottom of U.S. states for Millennial population (46th according to the U.S. Census Bureau).
- Become a model city nationally to attract and retain a skilled workforce ... from professional to industrial and the trades.



LIFESTYLE GOALS

- Design a city around the emerging development trends that will be important for the coming decades, acknowledging reurbanization and more healthy built and natural environments.
- Develop a series of memorable urban experiences and programmatic offerings that appeal to all of Billings' residents and visitors.
- Embrace the authentic Montana and Billings experience.



CIVIC & COMMUNITY GOALS

- Support a range of housing options and more mixed-use development in a pedestrian-oriented downtown core.
- Establish Billings as one of the Mountain Region's dominant destination cities for visitation driven by anchoring institutions (e.g., health care and education) and an emerging tourism economy to draw meetings, conferences, conventions and a range of dynamic local, regional and national events.



FISCAL & ECONOMIC GOALS

- Drive significant new growth in tax base for the City, the County and the State.
- Strengthen the City's position in the region to become the most attractive market for new private business and investment.
- Create new jobs to drive not only the local, but also the regional and statewide economies beyond national standards for major economic development initiatives.
- Realize a return on public investment at a significant ratio and greater than 5:1.

An aerial night photograph of a city, showing a complex highway interchange with multiple lanes and ramps. Light trails from cars and trucks are visible on the roads. The city buildings and streetlights are visible in the background, creating a dense urban landscape. The overall color palette is dark blue and black, with white light trails and some orange highlights.

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EXECUTIVE SUMMARY

THE DEFINING “FINDINGS” OF THE DEVELOPMENT PLAN

The ONE Big Sky Development Plan is the result of a comprehensive planning effort led by industry experts and local economic development interests, along with input from numerous community groups, business leaders, and members of the public. This Development Plan can best be summarized based on seven important conclusions that must be addressed to define a strategy with the ability to transform the economic future of the City of Billings and all of Montana:

1. The City of Billings and the State of Montana are at a crossroads.

Market research conducted by independent national experts engaged as part of this development planning effort, as well as studies previously undertaken by many local and statewide business, civic and public policy institutions, have found that Billings and the State are at a crossroads. Imminent challenges on the horizon include an aging workforce, a stagnant economy, and related negative impacts on tax revenues. Though Billings has seen slow and steady growth over the years, this has NOT created the momentum needed for the State’s largest city to be competitive in attracting and retaining a strong workforce, increasing visitation and growing new and existing businesses – especially as all trends point toward the importance of strong urban cores to support balanced urban and rural economies. Absent a plan to address these challenges, as further detailed below, Billings and the entire State are almost certain to face a loss of major employers, loss of skilled labor, reduced capital investment in communities around the State, lower property values, and declining tax revenues. It is imperative that the State of Montana and City of Billings find a solution to this erosion of tax base – meaning a strategy to drive growth in tax base – or the burden to current taxpayers will only magnify in the years ahead (absent a major reduction in government budgets and services, which is also highly undesirable).

2. The competitive landscape for attracting business and talent is tougher than it has ever been.

Cities across the country have become increasingly more competitive over the past generation, and competition is especially tough in the Mountain States Region. Baby Boomers are retiring at a rapid rate, with nearly 45,000 jobs expected to be left vacant in Yellowstone County alone over the next 10 years. Montana ranks among the lowest states in the nation for growth in the Millennial population – the workforce of the future. This discourages corporate retention, expansion and attraction and creates a dramatic ripple effect that impacts everything from wages to the real estate market. Research proves that successful statewide growth strategies are grounded in urban areas with the greatest concentration of jobs, income, and infrastructure to attract tomorrow’s workforce and build the tax base.

3. Billings faces a market “gap” that could hinder its growth for years – and maybe generations – to come.

The absence of an urban strategy for Billings has resulted in a market “gap” that limits the City’s ability to attract jobs and private capital investment needed to support economic growth and new development on par with competing cities in the Mountain States Region and nationally. The various real estate market segments in Billings today are generally lacking in quality and diversity of options, and – particularly with a comprehensive strategy for growth like the ONE Big Sky Development Plan – there is and will be a significant amount of unmet demand. The problem today is that rent levels have not matured to a point where they can support new private investment, creating this funding “gap” and a cycle that can be almost impossible to break. Billings needs a financing tool to entice the private development that will result in a market correction and set the economy on the right course for expansion.

4. If this market gap can be closed, Billings has the potential – and vision – to become one of America’s next great mid-size cities.

Billings has the potential, based on market and lifestyle demands, to become one of America’s next great cities and a dynamic urban destination for the next generation. Because of its size and location, the City already has built a regional destination economy that attracts new dollars into the State. It is home to several core anchoring institutions and industries important to the economies of tomorrow, including health care, education, and tourism. Downtown Billings enjoys an urban infrastructure that can support the demands of a broad, mixed-use redevelopment plan. Most importantly, it boasts unique character and culture, the authentic Montana “lifestyle” experience, and committed economic development and business communities that have articulated a vision and stand ready to capitalize on these strengths to drive change toward positive outcomes.

5. Civic anchors are key to the success of communities across this country, and Billings already has – or can build – impactful civic anchors that will lead to a major transformation.

A big vision for successful re-urbanization requires a transformation that can be catalyzed only by civic anchors. The City’s two largest private employers are leading health care institutions with a major regional draw. Billings is also home to Montana State University-Billings and Rocky Mountain college, ranking the City high in educational attainment and, correspondingly, with high income potential to be tapped. Billings has an evolving retail, dining and entertainment scene, and a solid tourism base that is positioned to see massive growth through a convention and events strategy that will bring more visitors and spending into the state and local economies. The Development Plan identifies a number of exciting civic infrastructure projects designed around and as community anchors that will be key to unlocking the potential of the ONE Big Sky vision of a vibrant urban environment in the heart of Billings. The projects include a unique convention and event center concept, a public market, community pavilions, centers of wellness and innovation, and more, which together will spur investment in new residential, retail, hospitality, office and other private development projects downtown.

6. Private investment, not public subsidies, will lead the successful economic development initiatives of tomorrow.

With the proper anchors that drive demand, the private sector can and will invest in building Billings as a city of tomorrow. A comprehensive, private and public plan of finance and coordinated, catalytic development plan – including key elements of civic infrastructure – will attract private capital and address the current market challenges to break the cycle (i.e., close the “gap” described above). Across the country, cities and states are looking at new models of economic development that shift the risk to the private sector and away from up-front public financing. Modeled after these successful initiatives, the ONE Big Sky vision can be privately financed, creating major investment in downtown Billings and the certainty of growth in jobs and tax base that benefit all levels of government, as more fully explained below.

7. The City of Billings has the opportunity to drive massive fiscal growth and the future of Montana.

Private property owners, developers and investors have expressed interest in making significant financial commitments to private and civic development in Billings, including new commercial office space, multi-family housing, hotel rooms, and retail / dining / entertainment venues that complement Billings existing businesses and amenities – estimated at as much as \$650 million in capital projects in the first phase, and over \$2 billion of development overall in the City’s urban core. ONE Big Sky is the opportunity to leverage private investment that can result in nearly \$2.4 billion in new revenues to the City, State and other local taxing jurisdictions. However, currently, the State lacks an economic development financing tool to help communities like Billings overcome current market constraints that keep rents low and vacancy rates high and, ultimately, keep the private sector from investing.

THE STRATEGY TO BUILD THE “ECONOMIC ENGINE” FOR THE FUTURE OF MONTANA

Building anything takes tools. Unfortunately, as noted above, cities in Montana, including the City of Billings, have very few tools at their disposal to build comprehensive economic development strategies to respond to changing demographic, real estate and other market realities and reflect important lifestyle trends, and to attract major private development that can drive robust growth in the Statewide economy.

That’s why the ONE Big Sky Development Plan outlines a new tool to be used by Billings and other Montana communities who can formulate a compelling vision and articulate a definitive plan to build an economic engine that fuels more spending, higher earnings, new jobs, and increased visitation for long-term prosperity. The ONE Big Sky plan benefits not only downtown Billings and the broader City and Yellowstone County, but the entire State and its other urban and rural areas – bringing in new revenues at all levels from existing taxes on new private development in the targeted development district. Growth in revenues to the State general fund gives legislators new dollars to address other critical statewide needs, including those in rural Montana. This is a proven model that has had positive impacts in other cities and states across the country similar to those forecasted by independent experts for Billings and Montana.

Absent this tool, the kind of transformation that is needed to grow the economy, attract tomorrow’s workforce, and build a city and state that can compete for jobs, visitors and a sustainable tax base simply will not happen. Failure to secure a new tool for the future doesn’t mean the status quo will continue in cities like Billings. It means that employment will decline, tax receipts will decrease, and taxpayers of tomorrow – younger, lower-wage earners – will pay significantly more in taxes.

Absent a new economic development tool, the kind of transformation that is needed to grow the economy, attract tomorrow's workforce, and build a city and state that can compete for jobs, visitors and a sustainable tax base simply will not happen.



ECONOMIC GROWTH WITH ONE BIG SKY

STATUS QUO = ECONOMIC DECLINE
(TAXPAYERS WILL PAY SIGNIFICANTLY MORE)

A STRATEGY FOR BILLINGS TOMORROW

3.1 BILLINGS TODAY

A MARKET “GAP” EXISTS

Independent market and financial analysis prepared by Hunden Strategic Partners found that the stagnant downtown Billings real estate market over the past decades has been caused by a meaningful and measurable market gap...

This disparity between value necessary to support development and value based upon current market conditions (rent levels) is quantified as the “gap”:

- **\$72.7 million in the Entertainment District**
- **\$81.7 million in the Lifestyle District**
- **\$205.7 million in the Civic & Wellness District**
- **\$30.4 million in the Education & Innovation District**

(SEE SECTION 8.3)

Where we’ve been, where we are, where we need to be ...

Over the last decade, Billings’ economy has been defined by slow and steady growth, which is better than many similar-sized economies in the country today; however, “slow and steady” has not created enough momentum to support any meaningful amount of private development – severely impairing the City’s ability to attract and retain workers, support more visitation, and drive the growth of new and existing businesses.

The real estate markets today are generally lacking in quality and quantity, however there is a significant amount of unmet demand. Additionally, rent levels have not matured to a point where they can support additional private investment, creating a funding “gap” and a cycle that will be impossible to overcome without a deliberate strategy to drive private investment. Low unemployment rates further exacerbate the market imbalances that exist in Billings today.

In order to create a downtown that CAN support additional private development, Billings needs a tool to fund the gap that exists today and support the development that will catalyze a market correction. Through use of a financing mechanism to support civic infrastructure in downtown Billings, new anchor or catalyst projects can be realized, creating momentum, driving demand, and eventually, achieving rent levels that support the additional new, market-driven private development of tomorrow.



ECONOMIC STRENGTHS

Similar to other mid-sized cities nationwide, Billings faces a set of economic realities that pose challenges for continued growth and prosperity (discussed on the following page). But unique to Billings is a set of strengths and, now, this strategy and comprehensive Development Plan to transform the City for the economies of tomorrow, building on the following pillars of opportunity:

REGIONAL DESTINATION ECONOMY

The large retail trade area and broad health care service markets of two leading medical institutions mean that Billings already has a proven destination economy that attracts commerce and service spending from a trade area greater than 500 miles, both within and outside of the State.

PROVEN TOURISM BASE

Montana attracts over 12 million visitors annually. However, the lost opportunity is the state's ability to compete with regional conference and convention venues outside the State to attract new spending to the economy that would otherwise migrate to markets like Spokane, Boise, Provo, Rapid City, Fargo, Sioux Falls, Omaha and beyond.

MONTANA "LIFESTYLE"

By combining new business, leisure and convention visitation with the opportunity to leverage the Montana lifestyle, Billings and the State can extend the length of stay, support other state tourist destinations, and multiply the impacts of ONE Big Sky.

UNTAINTED URBAN LANDSCAPE & CHARACTER

Unlike many communities, Billings has available land and resources to build upon its existing civic assets and community anchors to foster smart growth and a new, urban-scale density, while also preserving the history and culture of the City.

COMMITTED ECONOMIC DEVELOPMENT COMMUNITY

Most importantly, Billings has a demonstrated commitment by community and business leaders to make positive changes for the future – and private land owners and developers willing to partner and invest.



DRIVING GROWTH
IN THE ECONOMY



EMERGING
URBAN LANDSCAPE

LEVERAGE
TOURISM



AUTHENTIC
LIFESTYLE



ECONOMIC
DEVELOPMENT
TOOLS



ECONOMIC CHALLENGES

The opportunities of tomorrow must be seized before it is too late to overcome the most daunting economic challenges that exist today. These include:

SHRINKING EMPLOYMENT BASE / AGING WORKFORCE

The defining economic challenge nationwide is our country's aging workforce... and Montana is no exception. As 46th in the nation for attracting and retaining young talent, Montana needs a deliberate strategy to create a place that is attractive to tomorrow's workforce.

MARKET IMBALANCE CREATES BARRIERS TO NEW DEVELOPMENT

The Billings real estate markets for both commercial and residential development have reached a state of imbalance where the "gap" between construction costs and lease rates can't support the desired new mixed-use product and amenities that businesses, workers and residents demand.

ECONOMIC CLIMATE DISCOURAGES CORPORATE RETENTION / ATTRACTION

The real estate market imbalances noted above, coupled with low unemployment rates statewide, mean that it's difficult for companies to attract and retain workers locally, sending jobs that could be in the State economy to larger "lifestyle" cities like Denver, Portland and Boise.

NOT ATTRACTIVE TO THE INSTITUTIONAL CAPITAL MARKETS

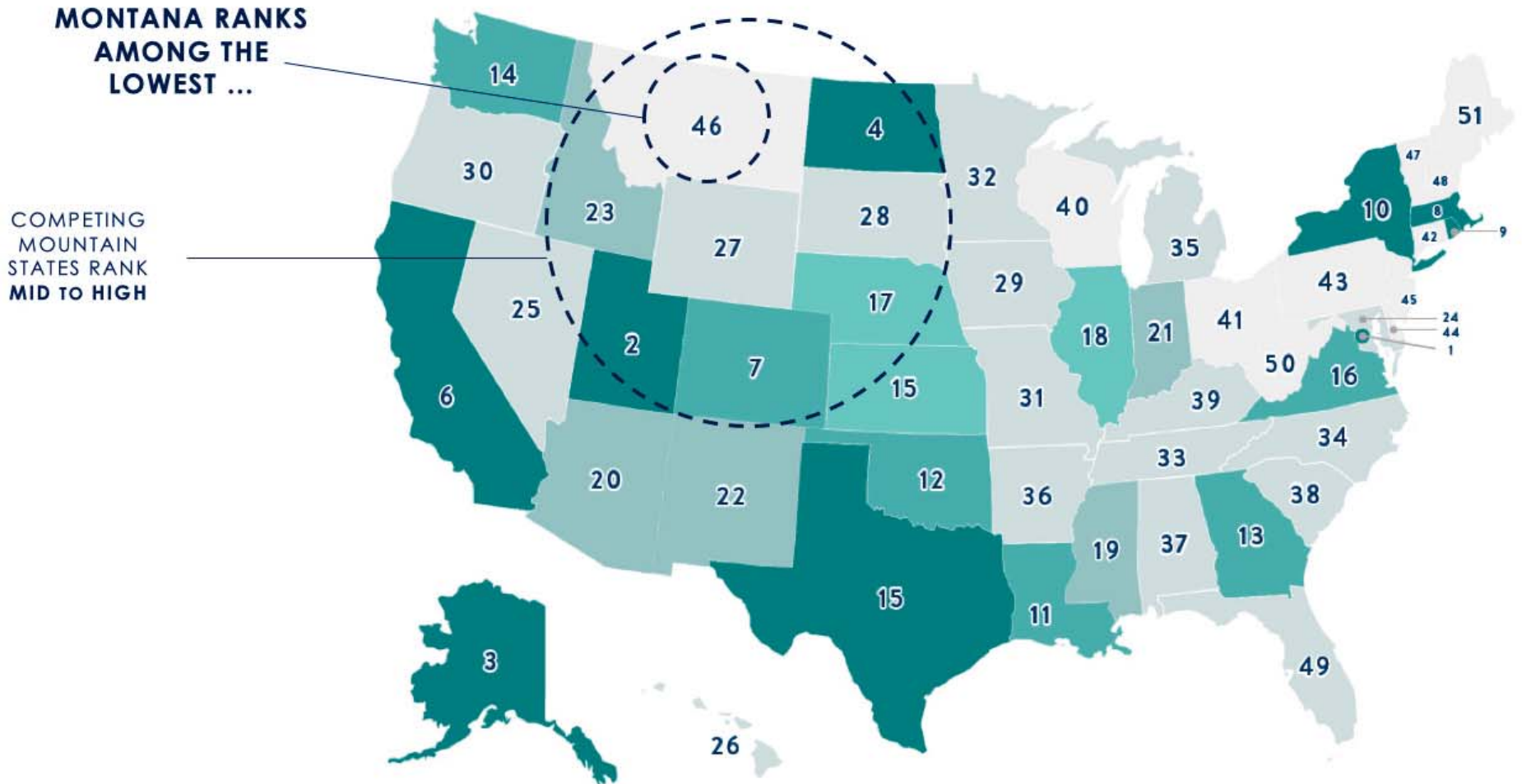
The traditional capital markets that underwrite major private investment in U.S. cities are not typically looking at cities like Billings – unless the community can demonstrate public leadership and long-range plans to ensure long-term success. This means tools like federal Opportunity Zones won't work to attract capital to Billings.

DISPARATE STRATEGIES / LACK OF STATEWIDE ENGINE FOR GROWTH

All of these challenges demonstrate why it is imperative to have a cohesive strategy for statewide economic growth. The ONE Big Sky plan is grounded in Billings, as the State's economic engine, and a private - public partnership and new "value capture" tool (as further discussed in Section 8) that mitigates public risk and provide the ultimate opportunity ... to share reward around the entire State.

U.S. RANKINGS OF HIGHEST MILLENNIAL POPULATION

Montana ranks among the lowest



SOURCE: U.S. BUREAU OF ECONOMICS
2015

3.2 THE IMPORTANCE OF BILLINGS TO THE STATEWIDE ECONOMY

“Cities need the right leadership, from both the public and private sector, who are willing to take the risk of re-imagining their cities.”

- TOM MURPHY, SR. RESIDENT, URBAN LAND INST.

An active, thriving economy in Billings will drive statewide economic vitality

Cities with the ability to attract and retain the next generation workforce will be the cities that grow and prosper, and statewide economic growth around the country will evolve from strong city centers as the reurbanization trend further takes hold. As the largest city in Montana, Billings’ economy and competitiveness (or lack thereof) will define the vitality of the State in the future.

ONE Big Sky provides a strategic, actionable, consensus-built roadmap to build the statewide economy around Billings’ key anchors, elevating the City to the greatest downtown of any mid-size city in the country and positioning all of Montana for growth and prosperity well into the future.

By driving private capital investment, new spending, job growth, and increases in regional and statewide taxes attributable to the ONE Big Sky development, Montana will have more resources to support policy goals and complementary economic development strategies in smaller communities and rural areas throughout the State

THE PATH FORWARD:

- 1. Recognize the Importance of a Balanced Urban and Rural Strategy Consistent with Trends & Montana Lifestyle**
- 2. Attract the Workforce of Tomorrow**
- 3. Build the Anchors to Drive Future Demand**
- 4. Let the Market Naturally Close the Gap**

3.3 KEY ECONOMIC DEVELOPMENT DRIVERS

EMERGING DEVELOPMENT TRENDS

In undertaking a comprehensive economic development plan of this scale, it is important to consider contemporary trends in real estate and urban development – as well as anticipate the future needs of residents, tenants, visitors and other “end users.”

The following emerging “mega” trends are impacting cities nationwide and define how vibrant, livable downtowns – in communities of all sizes – will look and feel in the coming decades:

- Re-Urbanization
- Mixed-Use Development “Districts”
- Community & Civic Anchors
- 21st Century Workplace
- Urban Lifestyle Residential
- Health / Wellness / Walkability

ONE Big Sky is the unique place that can leverage each of these trends to propel Billings into the next generation ... becoming the most in-demand and “on trend” city in the Mountain Region for years to come. These trends are reflected in the ONE Big Sky Master Plan (Section 4) and have informed the programmatic mix of uses that can transform Billings to become one of America’s great cities for the next generation.

RE-URBANIZATION



MIXED-USE
DEVELOPMENT
DISTRICTS



COMMUNITY & CIVIC
ANCHORS



URBAN LIFESTYLE
RESIDENTIAL

21ST CENTURY
WORKPLACE



HEALTH /
WELLNESS /
WALKABILITY



Urbanity Attracts - and Retains - Top Talent ...

Strong urban cores are now understood as an economic imperative for successful cities of tomorrow.

RE-URBANIZATION

Millennials and Boomers are driving a resurgence in Downtown living.

According to Urban Land Institute and numerous other industry recognized sources, American cities are urbanizing unlike any other point in our nation's history. The span of time Americans spend living in the suburbs today is much shorter than it was a decade ago – and is compressing even further as both ends of the demographic spectrum shift their preferences toward downtown living and the amenities and attractions afforded by a modern, urban lifestyle. This is evidenced by the trend seen in young adults moving to the suburbs later (if at all), and empty-nesters moving back to the cities sooner.

Today, urban dwellers outnumber rural dwellers worldwide for the first time in history. Companies are increasingly recognizing the importance of being where the talent wants to be – in cities. Shifting sites closer to transit hubs and urban areas brings corporations closer to top talent, universities, and other business partners according to Gensler, one of the country's leading architectural firms and design research institutes.

As this trend continues, and our world generally becomes more urban, cities of all sizes and metropolitan regions will face growing pressure to adapt, plan and invest more strategically. Investment in the core will be the rule going forward as cities and states compete aggressively for talent and tourism – both of which demand urban environments and amenities.

POPULATION GROWTH RATES IN URBAN PLACES ARE APPROACHING SUBURBAN GROWTH RATES FOR THE FIRST TIME IN DECADES

From 2000 through 2015, urban population grew just 1% while suburban population grew 13%. From 2010 through 2015 urban population grew 3.4% compared with 3.7% in the suburbs, which represented an astounding reversal of long-established settlement patterns. During this time, denser urban locations grew significantly faster than more residential neighborhoods, suggesting that new urban residents are demonstrating a preference for mixed-use environments.

- Urban Land Institute | The New Geography of Urban Neighborhoods



Office tenants are willing to pay higher rents in a mixed-use than in a single-use office development.

—JOURNAL OF PROPERTY INVESTMENT & FINANCE

MIXED-USE DEVELOPMENT DISTRICTS

Urbanization drives mixed-use.

As lifestyle preferences today differ significantly from those of the past, so do real estate developments of today. Mixed-use is emerging as the “new normal” and the proven path to create real destinations that draw residents, tenants and visitors. Compared to single-building development of the past, successful mixed-use district development of tomorrow will be designed to reflect people’s preferences for walkable, community-focused environments that provide a sense of convenience, as well as a vibrant atmosphere and all-encompassing experience that visitors and residents will demand.

ONE Big Sky achieves this by preserving the authenticity of Billings’ urban fabric and building upon the Montana lifestyle while adding modern conveniences, connectivity and multi-generational appeal. By integrating the uses that meet the demands of workers, residents, visitors, educators and students of tomorrow, ONE Big Sky creates the mixed-use, lifestyle city of the next generation that can anchor a broad economic development strategy.



“Even in the suburbs, people are looking for an urban experience. Successful developments will include human-scale, mixed-use places that foster a meaningful sense of community.”

- GENSLER

LEADING ARCHITECTURAL FIRM &
DESIGN RESEARCH INSTITUTE

“There is no getting around it: Cities and anchor institutions share the same destiny: A stronger, more vibrant city enables [anchors] to attract and retain talent. Stronger anchor institutions act as talent magnets for the cities in which they are located.”

- CITYLAB

CIVIC & COMMUNITY ANCHORS

Anchors drive growth & catalyze economic development.

As some of the main drivers of the recent urban revival, anchoring institutions are obvious partners and catalysts for major mixed-use developments that drive economic development initiatives, particularly in urban infill areas. While typical examples of “anchor institutions” include universities, hospitals, and medical centers – so-called “eds and meds” – that quite literally anchor urban centers, other powerful anchors, including sports and event venues have enormous influence on today’s cities.

ONE Big Sky is ideally positioned to capitalize on its important community anchors that live downtown today, including Billings Clinic and St. Vincent Healthcare, Montana State University-Billings, Rocky Mountain College, the YMCA and the civic presence of the City of Billings and Yellowstone County.

In addition, established dining and entertainment businesses anchoring Montana Avenue today provide the opportunity for an impactful *new* civic anchor – the Montana Station Convention and Events Center. Together, these venues generate new demand for hospitality and retail / dining / entertainment programming.

By creating four dynamic districts, each with strong anchors old and new, **ONE Big Sky positions Billings as a vibrant city that will act as a magnet to attract and retain talent to address Billings’ workforce dilemma.**



“A younger workforce wants to see itself and its locally based culture in the office. Mixing work with other uses is a growing practice; connecting informally with others in and around the building is a plus. Both make urban mixed-use locations more highly valued.”

- GENSLER

21ST CENTURY WORKPLACE

Building for tomorrow’s workforce.

Twenty years ago, we saw offices leave the city for the suburbs because it was cheaper there and that’s where sprawling housing development continued to land. Correspondingly, downtown office space in many cities like Billings was largely left to grow old and tired, with little left of Class A caliber. However, companies are returning to the city because it’s where people want to live. **Employers are following employees today, *not vice versa*.** New office developments must focus on their tenants’ need to recruit the next generation workforce – a younger, more creative and collaborative generation that puts a premium on active urban environments, wellness, loft-like spaces, and locations that are convenient and walkable.

The biggest corporate “merger” of tomorrow will be that of our professional and personal lives, and that means the 21st century office will look very different than the workplaces of yesterday. As a result of these shifting priorities, office buildings are becoming less of a stand-alone real estate product and more a part of mixed-use, dynamic, downtown environment.

ONE Big Sky is a plan that lays the framework for Billings, as the largest city and economic center of the State, to provide new Class A commercial spaces that simply aren’t being built in Montana yet. Spaces that will attract Millennials who might otherwise choose Boise or Portland or Denver. It’s natural that blending commercial office uses with the diverse ONE Big Sky program, all in a walkable footprint, promotes the kind of informal interaction that workers of tomorrow will desire.



“Livability is a strategy for creating a place where people want to live, and they thrive as a result of living in this place.”

- GENSLER

URBAN LIFESTYLE RESIDENTIAL

Tomorrow’s residents want livability.

As re-urbanization takes hold and more and more people turn to city living, one of the biggest trends shaping the housing industry is a surge in urban residential units, primarily rental units. According to the National Multifamily Housing Council, apartment construction is at a 20-year high, but the nation will still need 4.6 million new units by 2030 to meet demand and keep prices in check.

Consistent employment growth and Millennials entering their prime renting years are factors driving the housing boom in urban areas. But it’s not just young people that rent anymore. As the next-largest generational cohort after Millennials, Baby Boomers offer new market possibilities. While flexibility and convenience are often thought of as being synonymous with Millennials, Boomers are choosing to rent as they simplify by “down-sizing” and trading property upkeep for more amenities.

Renters of all ages tomorrow will devote more gross monthly income to rent, but they’ll expect a wider array of unit choices and amenities in return. The ONE Big Sky residential program meets demographic and lifestyle changes for the future, including a variety of apartment sizes, more social spaces, tech-savvy units with the latest security features, state-of-the-art fitness / wellness facilities, flexible configurations for entertaining, and more. Most important will be a mixed-use district environment that offers lifestyle amenities like pedestrian greenways, restaurants and boutiques, coffee shops, entertainment options, cultural and sporting venues – all within immediate proximity.



“Many people want to and will pay more to live in more walkable neighborhoods where they can stroll to work, shops and restaurants from home. It’s a rare luxury in most metropolitan areas and one worth thousands of dollars on average, according to new research.”

- LOS ANGELES TIMES

WALKABLE CITY WITH TOURISM AT ITS CORE

Urban tourism and walkability help cities thrive.

Tomorrow will bring a new focus on “walkable urbanism,” with residents, visitors and businesses placing a premium on cities that promote and embody healthy, active lifestyles. This trend is reflective of the preferences among generations – young and old – to bike and walk or take transit, be adjacent to green and open spaces and the water, and have healthy dining and grocery options.

The concept of walkability has substantial health, social, economic and environmental dimensions for permanent residents. Smart Growth America says that metros with the highest levels of health and wellness-oriented development are also the most educated and wealthy (as measured by GDP per capita), as well as the most socially equitable. Beyond the benefits to residents, research also shows that a walkable tourist district acts as a magnet that encourages tourists to stay longer – thus, spending more.

A few key elements related to the built environment have been proven to have a significant impact on walkability: density, diversity, design, connectivity, and proximity. **ONE Big Sky builds upon Billings’ already walkable downtown by creating four, overlapping development “districts” that complement the existing Medical Corridor and blend uses and promote pedestrian movement throughout the entire urban core. These districts together provide the ultimate walkable community for both residents and tourists.**



3.4 CASE STUDIES

PROVEN TOOLS FOR ECONOMIC DEVELOPMENT

One of the most impactful economic development strategies for tomorrow will be the “value capture” tool, which has been successfully implemented in several cities across the country over the last several years.

Key elements include:

- ✓ **Up Front Private Investment**
- ✓ **Shifts Risk from Public to Private Sector**
- ✓ **Private Financing of Civic Infrastructure**
- ✓ **Targeted, Catalytic Project Focus**
- ✓ **Overcomes Market Imbalances**
- ✓ **“Capture” of Value (New Revenues) Generated by Private Development**

These mega-trends that will shape the future of our urban landscape will require a transformation of cities from coast to coast. Cities that embrace what employers, consumers, residents and tourists of tomorrow demand will pace well ahead of their peers in realizing the economic gain that can be achieved through effective economic development.

As other communities develop aggressive strategies to grow and retain their workforce during this period of unprecedented demand and competition for talent, these realities are undeniable. Billings must have a plan that speaks to these important trends. ONE Big Sky provides a comprehensive plan and financial structure based on proven economic development tools used in other communities to drive the type of transformation that is vital to the future of Billings and the State of Montana.

Following are examples of economic development tools that have been structured by state and municipal governments for the specific purpose of driving private investment to transform important urban centers and measurably grow statewide and local tax base. Strategies like these are the foundation of the approach to ONE Big Sky as described in the Finance Plan (Section 8). Some of the most notable examples of the type of economic development structure being considered for ONE Big Sky include:

- Destination Medical Center, Rochester, Minnesota
- Branson Landing, Branson, Missouri
- Neighborhood Improvement Zone, Allentown, Pennsylvania

DESTINATION MEDICAL CENTER ROCHESTER, MINNESOTA

2013 - 2018 (FIRST 5 YEARS)

- Over 3,300 new jobs created & private investment of nearly \$800 million
- 23 projects completed or underway in downtown Rochester DMC district
 - Over 1,100 new apartment units & 600 new hotel rooms
 - Major convention center improvements

TOOL: Value "Capture" of \$585 M of \$7.5 Billion in New Tax Revenues



BRANSON LANDING

BRANSON, MISSOURI

2006-2012 (FIRST 6 YEARS)

- Large, new convention center & public events plaza
- Two new full-service hotels, plus walkable retail, restaurants & entertainment
- Total spending of \$3.3 billion over the period & \$1.1 billion in earnings
- More than 7,000 full-time equivalent jobs & construction impact supported more than 3,500 jobs

TOOL: Private / Public Financing of \$357 Million in Catalytic Civic Improvements





ALLENTOWN ENTERTAINMENT DISTRICT

ALLENTOWN, PENNSYLVANIA

2012 - 2018 (FIRST 6 YEARS)

- Over 2,300 new jobs created, private investment of nearly \$1 billion & nearly \$400 million in net new taxes
- Over 2.3 million annual visitors to the PPL Center
- Nearly 2 million square feet of entertainment, commercial, retail, residential, hospitality, conference and exhibition projects

TOOL: Direct, Limited Tax Abatements in Targeted Neighborhood Improvement Zones



04

MASTER PLAN

Master Plan Vision & Strategy

Site Context

Urban Planning & Design Principles

ONE Big Sky Framework

Entertainment District

Lifestyle District

Civic & Wellness District

Education & Innovation District

Land Use & Entitlements

4.1

MASTER PLAN VISION & STRATEGY

Planning Goals

Urban Core Plan

4.1 VISION & STRATEGY

PLANNING GOALS

Billings aspires to be Montana’s – and America’s – next best city. This document provides a vision of urban development and the mechanism to see this aspiration become reality: *transforming the economic future of Montana*.

The vision for this comprehensive and cohesive reimagining of Billings’ Downtown and surrounding subdistricts that comprise the overall ONE Big Sky sees an economic driver that improves access, circulation, and aesthetics, while capitalizing on all that makes Billings unique.

The following planning goals provide the Master Plan’s guiding principles:

- Tomorrow’s Workforce Goals: attract and retain a skilled workforce
- Lifestyle Goals: develop urban experiences embracing the authentic Montana and Billings experience
- Civic & Community Goals: establish Billings as a city anchored with tourism, convention, and residential options
- Fiscal & Economic Goals: drive significant new growth in tax base for the City of Billings, Yellowstone County, and the State of Montana



URBAN CORE PLAN

OUTER URBAN / SUBURBAN ZONES

Defined by the geographical features of the Yellowstone River and its Rimrocks, downtown is a positive pinch point for development.

Investment in Downtown Billings creates maximum impact per dollar spent. Tax revenue is 2-10 times more per square foot than in the West End or Heights.

ONE Big Sky sits downtown within optimal proximity to the airport, interstate system, the Yellowstone River, rail, educational opportunities, business center, healthcare institutions, cultural amenities, and has the infrastructure and taxable value to pursue growth.

The impacts proposed in the urban core of Downtown Billings affect development to the east, the East Billings Urban Renewal District (EBURD), and also across the railroad tracks to the south, and eventually connecting to Coulson Park, even into the suburbs, and ultimately the entire state. The benefits of this Urban Core Plan can be seen in three areas:

- MICRO: investment in strategic anchors affects the core downtown by directly improving public infrastructure and building catalytic private development projects.
- MACRO: investment in Billings affects the peripheral suburban areas of Billings by creating jobs.
- REGIONAL: Investing in Montana's largest and most urban city benefits the state by creating a center hub for next-generation employment, knowledge and commerce.

CITY OF BILLINGS
Yellowstone County | MT



HEIGHTS



AIRPORT (BIL)



RIMROCK ROAD

GRAND AVENUE

ONE BIG SKY DISTRICT
DOWNTOWN BILLINGS

WEST END

SHILOH ROAD



YELLOWSTONE RIVER

4.2

SITE CONTEXT

Mountain States Region

Montana Regional Context

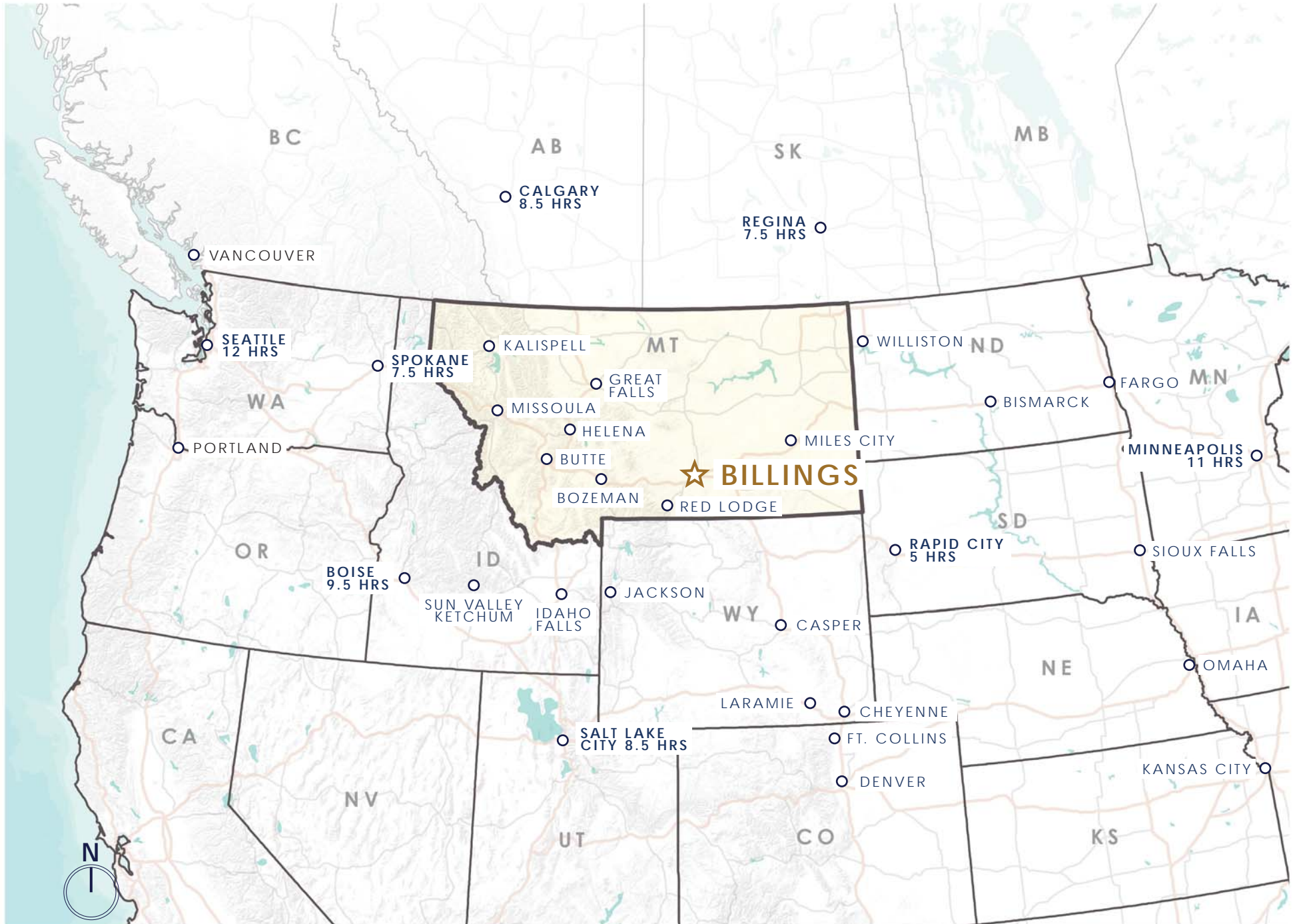
City Context

4.2 SITE CONTEXT

MOUNTAIN STATES REGION

As described in the previous section, the fundamental objective of the Project is to drive a dynamic transformation of Billings' urban core to meet the demands of tomorrow's employers, residents, and community interests. Billings is a hub for services and amenities within the state and region, which includes a wide trade area that is home to many rural communities in Montana and neighboring states.

Many regional hubs are within 12 hours of Billings including Bozeman and Missoula, Montana (2 hours and 5 hours respectfully). Interstate 90 continues on to Spokane and Seattle, Washington (12 hours driving time). Traveling eastbound, Interstate 94 extends through western North Dakota and the Bakken oil field, eventually connecting Billings to Minneapolis, Minnesota.

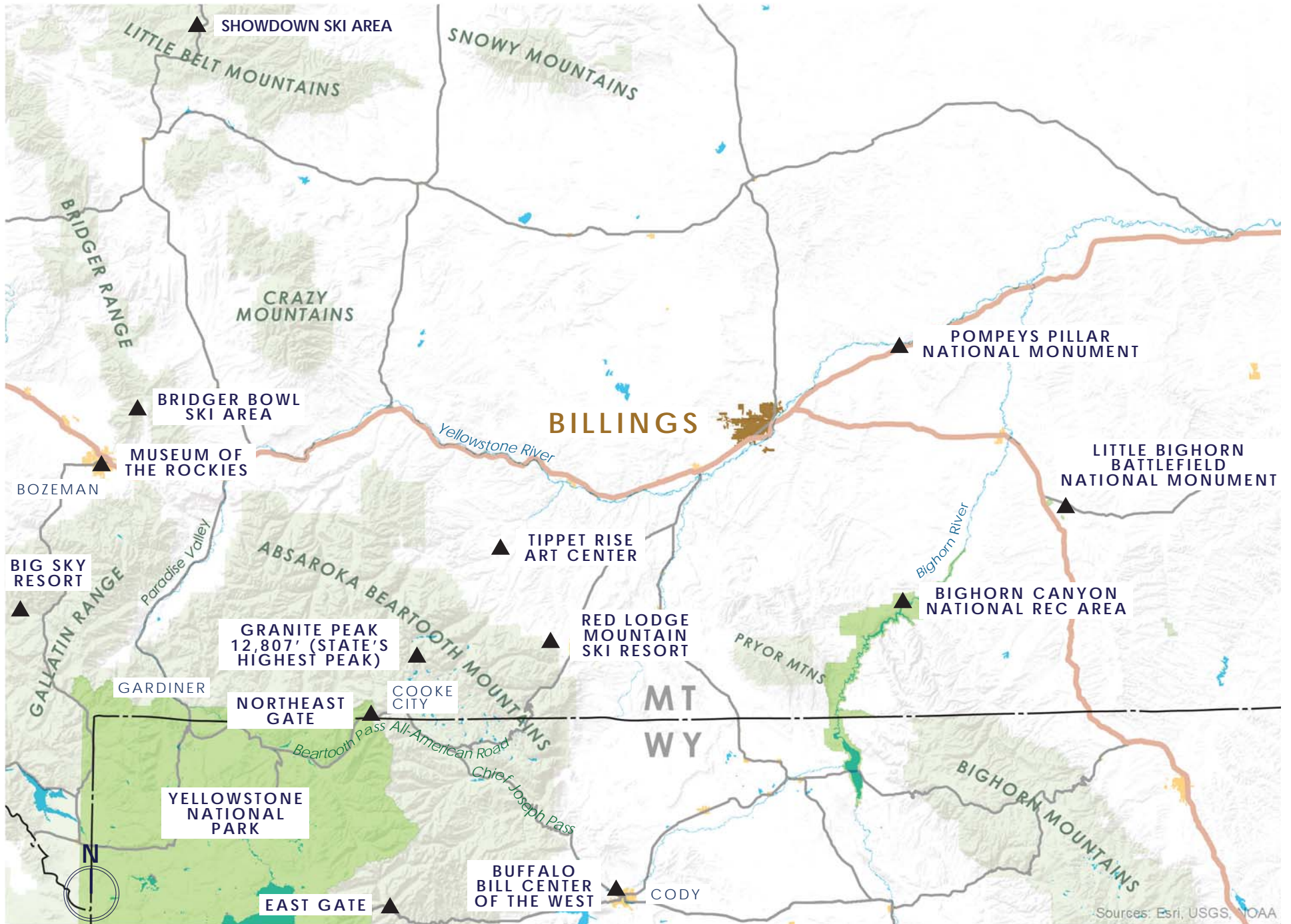


MONTANA REGIONAL CONTEXT

Within a few hour's driving time from Billings and ONE Big Sky are numerous summer and winter recreation and tourist attractions or points of interest. Billings is truly a gateway to the outdoors, with five ski or winter sports areas within a three hour drive. The wilderness of the Northern Rocky Mountains is accessible and abundant as all 1,000,000 acres of the Absaroka-Beartooth Wilderness, home to Montana's highest peaks, is accessible by the Beartooth Highway All-American Road via the resort town of Red Lodge. Billings is the only large city with access to three gateways into Yellowstone National Park, each within a three hour drive, and each with uniquely beautiful mountain passageways.

In addition to the immediately nearby natural resources, the area is surrounded by unique cultural and archaeological destinations including the world-renowned Tippet Rise Art Center—a 10,000 acre arts and music venue—about a one hour drive away. The Museum of the Rockies is the home of several groundbreaking archaeological discoveries. Just across the Wyoming State line, the Buffalo Bill Center of the West shares with visitors the legacy of the region's celebrated showman, while displaying a vast collection of Native American and early frontier artifacts, as it is the oldest museum in the American West.

The region's deep connection to early Native American tribes is visible at the many archaeological sites near Billings where petroglyphs and cave pictographs can be intimately viewed in preserved or primitive locations. Connections to the Lewis and Clark Expedition can be made at Pompeys Pillar just outside of the City. While also the location of several Native American pictographs, the sandstone outcropping displays William Clark's inscription, the last surviving physical evidence of the expedition.



Sources: Esri, USGS, NOAA

CITY CONTEXT

A place where trails, roads, trains, rivers and people gather and meet, ONE Big Sky is a collection of urban areas that cover approximately 525 acres of Downtown Billings. Located at the center of the City and on the crossroads of two major thoroughfares, the ONE Big Sky serves all the purposes of a downtown business core and destination for commerce. Currently, the downtown lacks a strong residential or neighborhood context. However, just outside the ONE Big Sky boundaries are established residential neighborhoods.

Remnants of Billings' commercial past exist along the railroad tracks, where older industrial buildings purposed for handling train cargo still stand. In addition to the railyards, the Yellowstone River, located about one mile from the downtown core, has historically been a critical corridor and lifeline for the City.

Nearby area attractions in the immediate vicinity of ONE Big Sky (illustrated in the following area destination map) reflect the lifestyle and livability that current Billings residents enjoy every day. The City's dramatic geography, while determining growth patterns and framing picturesque views in all directions, also provide a playground for its people.

The prominent Rimrocks to the north, Sacrifice Cliffs, Four Dances recreation area to the southeast, and South Hills opposite the Yellowstone River offer distinguished venues for hiking, mountain biking and rock climbing for those who wish to pursue topographically challenging activities. While Billings prides itself on being a community where one can mountain bike to high-class trails from one's own neighborhood, it is also known for quality passive activities such as golfing, and for its abundant public parks and open spaces.

4.3

URBAN PLANNING & DESIGN PRINCIPLES

Urban Planning Principles

Design Principles

Street Typologies

4.3 URBAN PLANNING PRINCIPLES

ACTIVITY NODES

The distinct site conditions, existing infrastructure, and amenities within ONE Big Sky taken in conjunction with the proven urban planning principles described in this section, a tangible and attainable evolution of a reimagined Billings downtown and community unfolds.

ONE Big Sky hosts a high concentration of attractions, destinations, and services on which to build upon. As seen in the following District Plan map, there are about 14 major activity nodes located along major vehicle and pedestrian transportation corridors. In addition, there are about 70 food and beverage establishments that currently generate day and nighttime activity. Most of these restaurants, bars, and lunch counters are clustered along the two major retail corridors of Broadway and Montana Avenue. Hotels are generally dispersed across ONE Big Sky, accommodating business, medical lodging, and tourism demands.

Other activity nodes currently within ONE Big Sky include over a dozen entertainment and event venues, nine hotels, three healthcare establishments, three educational institutions and three public parks or facilities.



DISTRICT PLAN

- A. Montana State University Billings
- B. Rocky Mountain College
- C. St. Vincent Healthcare
- D. Billings Clinic
- E. Dehler Park
- F. Billings Public Library
- G. First Interstate Bank
- H. Alberta Bair Theater
- I. Skypoint
- J. Wells Fargo
- K. RiverStone Health Clinic
- L. Stockman Bank



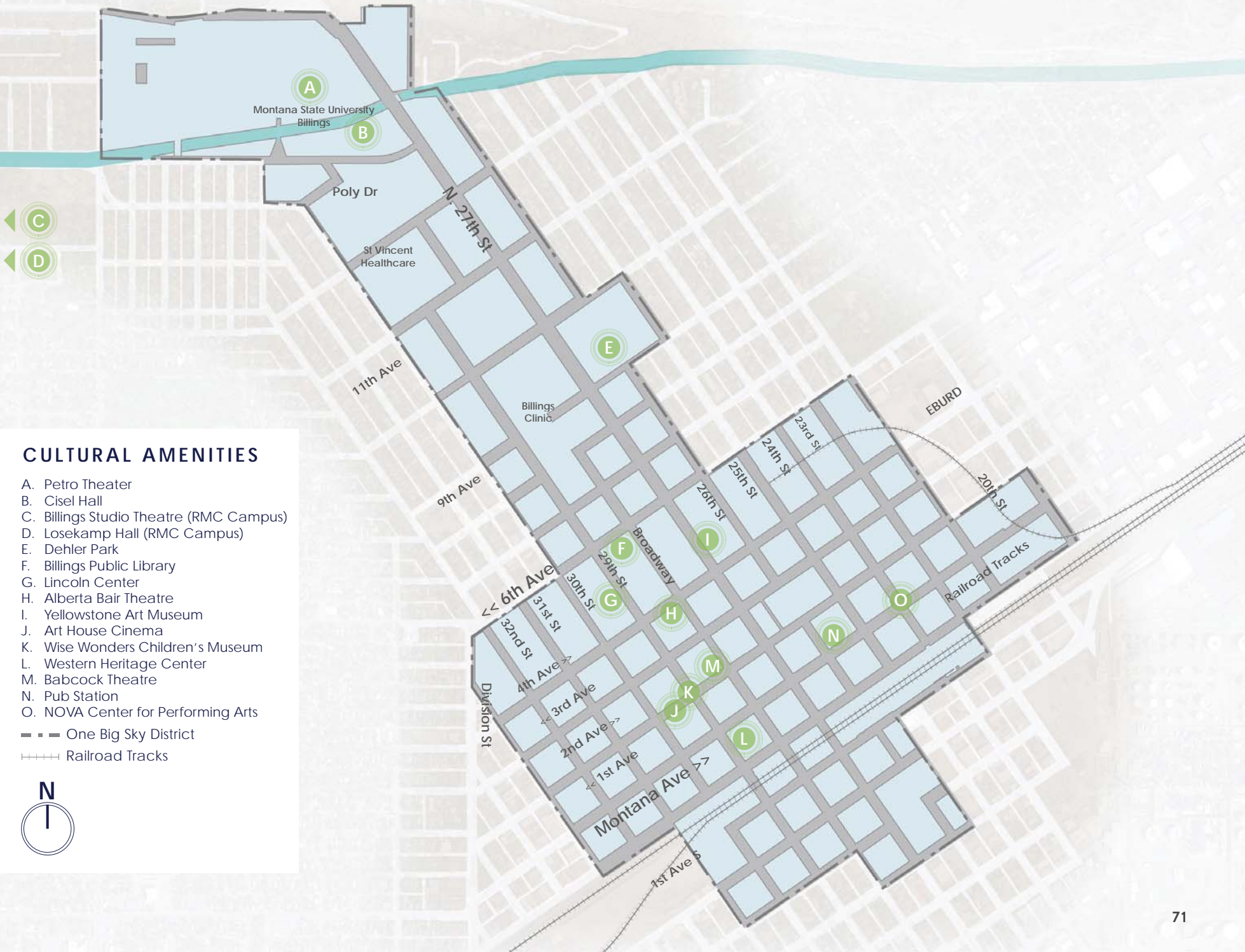
CIVIC & CULTURAL INSTITUTIONS

A concentration of cultural institutions in a downtown area can catalyze private sector investment and attract tourists to nearby areas, particularly if they are iconic, flagship institutions. Cultural institutions generally include museums, libraries, theaters, places of learning, or historic artifacts or districts. This Master Plan intends to position new development around these in a well-designed and connected cultural/civic district promoting visitation that will impact development nearby. Major institutions that exist in Downtown Billings include:

- Yellowstone Art Museum
- Alberta Bair Theatre
- Babcock Theatre
- Lincoln Center
- Western Heritage Center
- Billings Public Library
- Pub Station
- NOVA Center for Performing Arts

Research has demonstrated that the orientation and design of these institutions and the area around them can positively or negatively affect the ability to attract visitors that generate commercial activity.

In addition to cultural destinations and amenities, housing is an integral piece of an active, vibrant downtown. Adding to the amount, diversity, and affordability of housing is a vital action in the cultural planning framework.



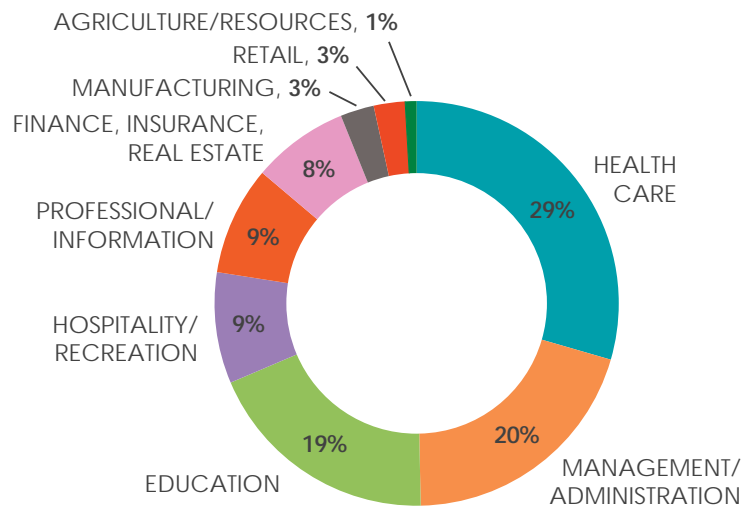
CULTURAL AMENITIES

- A. Petro Theater
- B. Cisel Hall
- C. Billings Studio Theatre (RMC Campus)
- D. Losekamp Hall (RMC Campus)
- E. Dehler Park
- F. Billings Public Library
- G. Lincoln Center
- H. Alberta Bair Theatre
- I. Yellowstone Art Museum
- J. Art House Cinema
- K. Wise Wonders Children's Museum
- L. Western Heritage Center
- M. Babcock Theatre
- N. Pub Station
- O. NOVA Center for Performing Arts

--- One Big Sky District
 +---+ Railroad Tracks



Employment Sectors within One Big Sky District
(US Census Bureau)

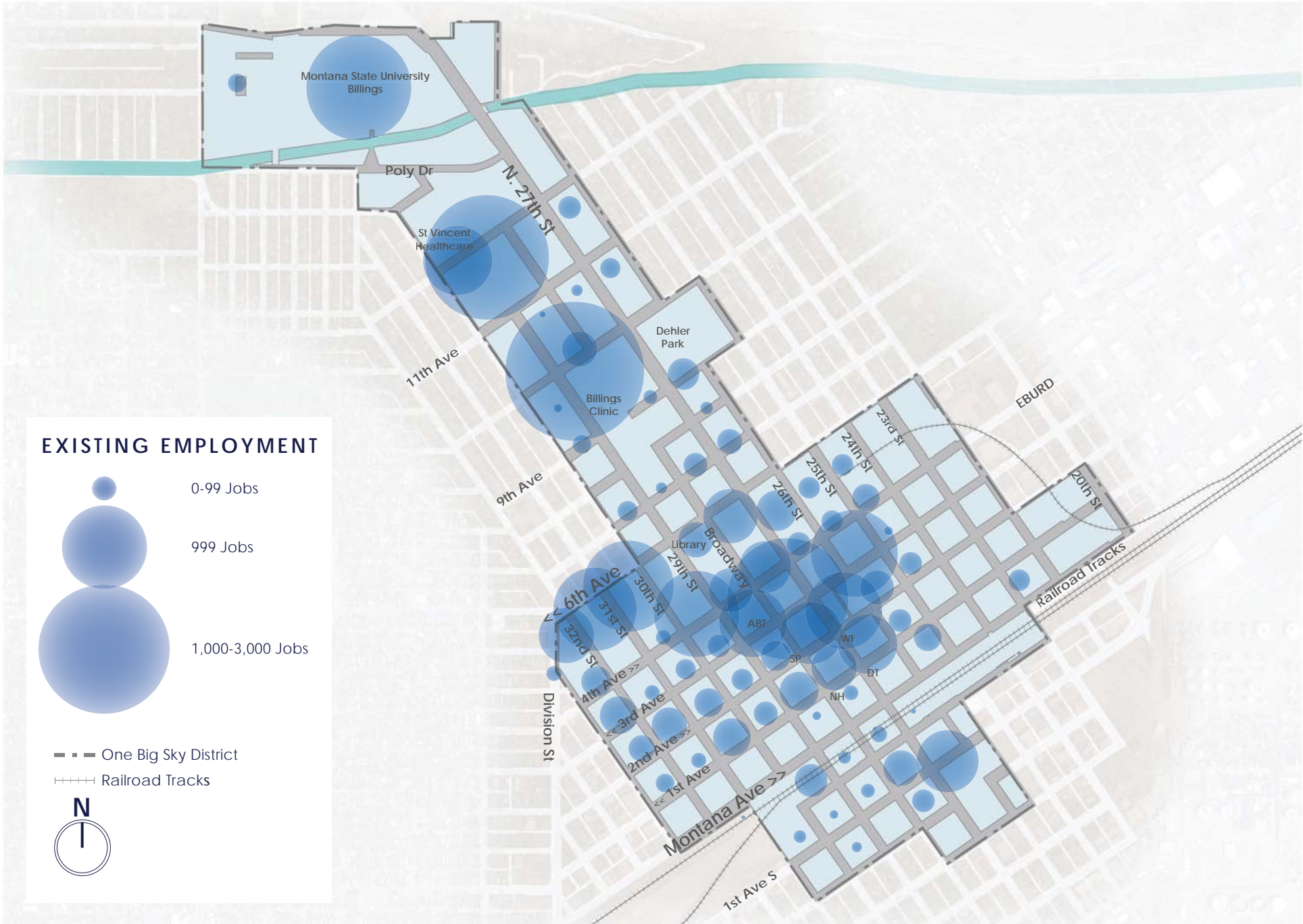


EMPLOYMENT

Employment centers are currently located in several hubs downtown. St. Vincent Healthcare, Billings Clinic, and Montana State University Billings (MSUB) create three northern nodes, while other large employers are spread throughout the Central Business District (CBD). Creating a concentration of employment changes the pedestrian dynamic of the downtown as workers seek immediately adjacent amenities such as restaurants or convenience grocers.

The US Census Bureau Longitudinal Housing and Employment Dynamics database provides estimates for the number of employed people working in a selected area. Based on most recent US Census estimates (2015) roughly 18,520 people were employed within the Project area. Of those, about 11,480 worked in the Civic & Wellness and the Education & Innovation District while 7,040 worked in the Lifestyle District.

Healthcare was the largest job sector with almost 30% of all workers, followed by Management and Administration (20%), and Education (19%) (US Census LEHD 2015).



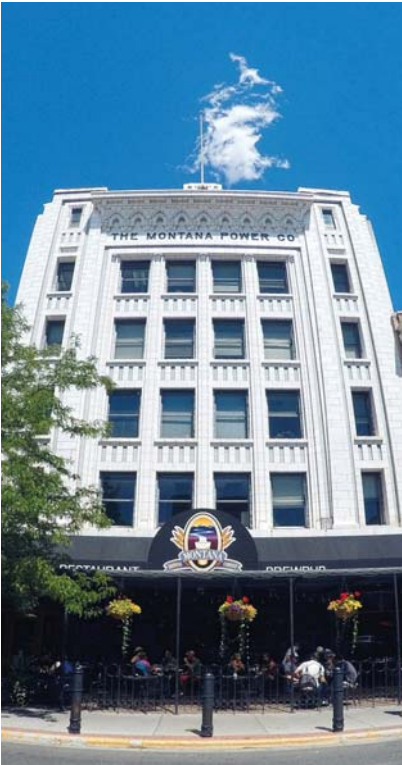
DESIGN PRINCIPLES

AUTHENTIC MONTANA CHARACTER

Design within ONE Big Sky will build on the unique character, materiality, scale, and forms that exist in Downtown Billings to promote an authentic “Of Billings” aesthetic.

The design and architecture will reflect the people and place of Billings focusing on the authentic. To achieve this, local materials and local fabrication techniques will be incorporated. Details and cultural elements will be locally referenced and sourced but not imitated. Plantings will be native to the region. Opportunities to expand this design language will be actively sought and exemplified.

Anchor projects along the Montana Avenue and the 1st Avenue corridor will be fully integrated into their contexts and have strong reference to the historic nature of Montana Avenue. Going north up the hill and toward the iconic Rimrocks, anchor projects may loosen from the historical referencing of Montana Avenue but will still be inspired by the design techniques referenced above.



LIFESTYLE

ONE Big Sky is designed to be a livable collection of connected districts by promoting diversity and prosperity for a high quality of life.

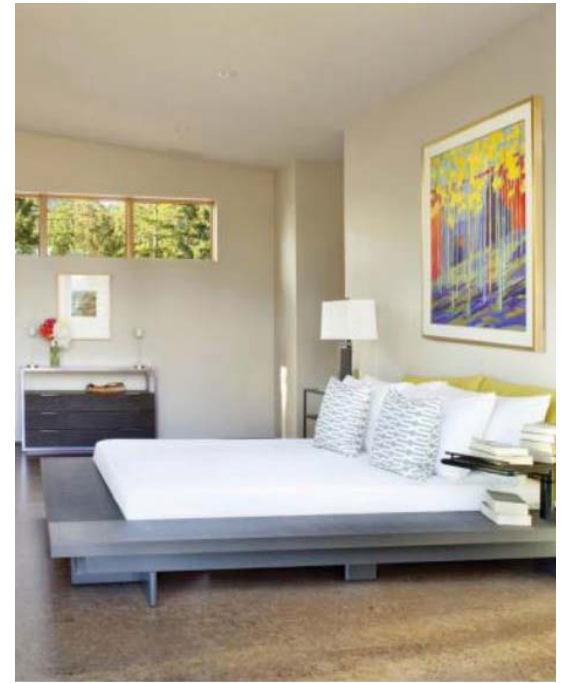
A diversity in housing options (ranging from first time renters, to home owners, to senior living) will make downtown living accessible for all. Accompanying housing will be a variety of services essential for a high quality of life including access to locally sourced and healthy food markets, cultural resources, entertainment venues, athletic and recreational opportunities, and healthcare facilities.

Elements of a Livable Place include:

- Comfortable means of travel, whether on foot, bike, or bus
- High accessibility to employment, housing, or social events
- Plentiful recreational opportunities
- Safe and healthy public spaces and facilities for people of all ages

A livable downtown vision includes the design of places for public safety, beginning with crime prevention through environmental design (CPTED) concepts. Designing the built environment in a manner that controls visibility, reduces access to places where criminal acts may occur, and increasing maintenance and activity.

ONE Big Sky development will provide economic opportunity for individuals of all backgrounds by providing locations for businesses to grow and increased opportunity for entrepreneurs. ONE Big Sky will be the region's economic hub for global conventions and innovation that will provide jobs and economic growth for a prosperous region.

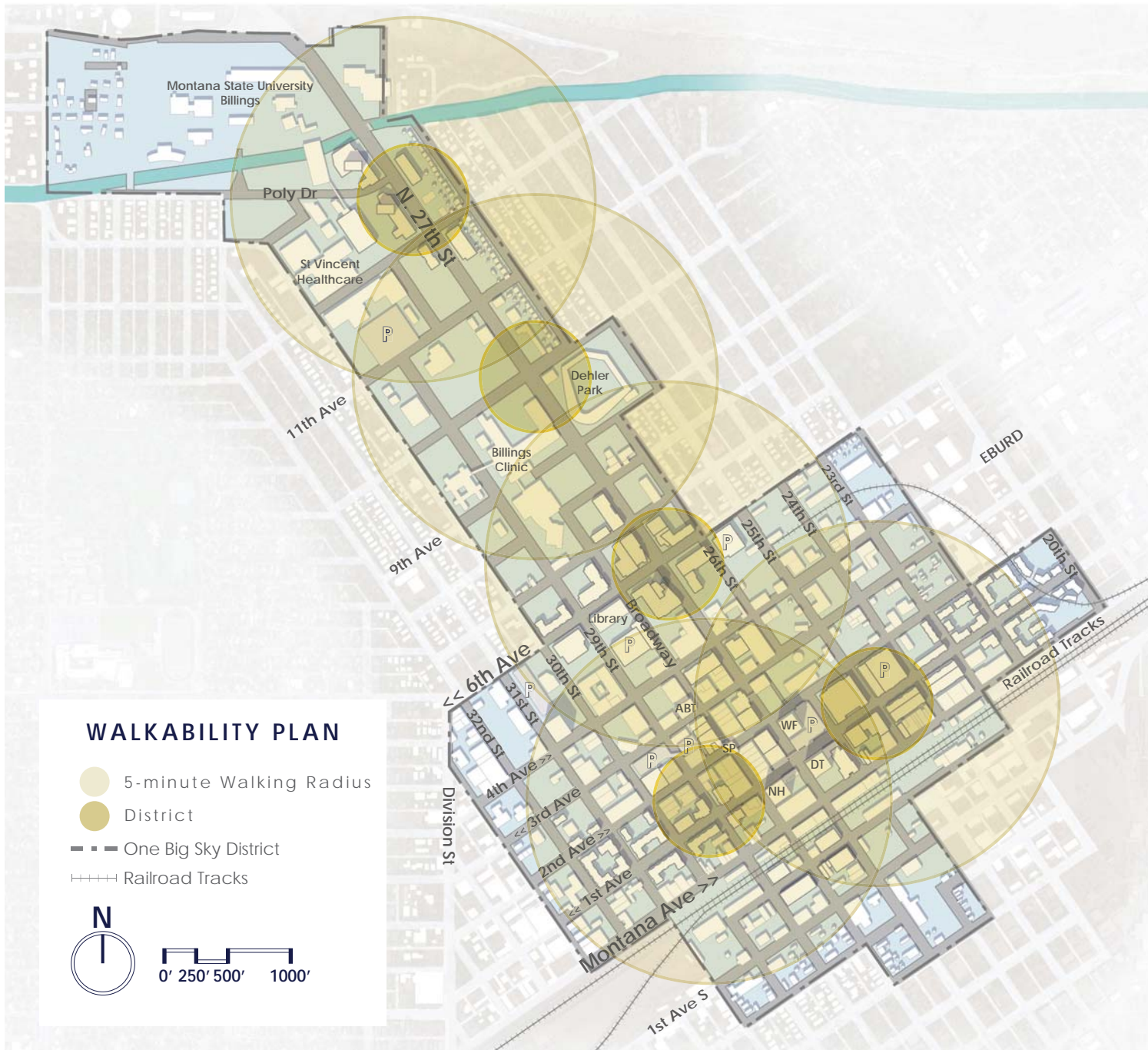


PEDESTRIAN-ORIENTED

Living in a well-connected place means the two primary aspects of the built environment must work in harmony: 1) Places where people live, work, seek amenities, and recreate are in close proximity; and 2) Mobility between these places is made safe and simple through well-designed and convenient pathways. The former is achieved through building mixed-use structures at urban densities. The latter is accomplished by a mixture of sharing improvements to public infrastructure and sensible urban planning that foresees where and when improvements need to occur alongside new growth.

Elements of Connectivity include:

- Stress-free means of traveling across short or long distances on foot, bicycle, or public transportation, including wide sidewalks, designated bike lanes, and reliable public transit.
- Concentrations of commerce and amenities that residents require in their daily, monthly or yearly lives.
- “Eyes on the street” - meaning there is high enough ground-level activity so as to discourage unlawful doings and promote a vigilant and supportive community.
- Active building frontages where people can gather, disperse, socialize, or do business.



CREATIVE CULTURE

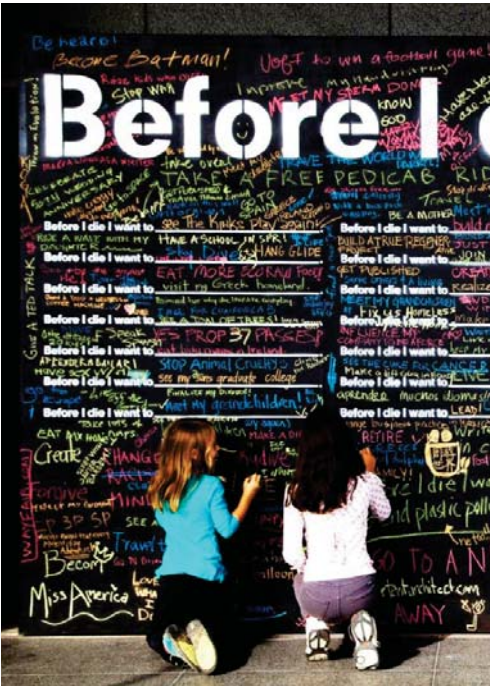
Culture, arts, history, and craft -- when skillfully embodied in the urban fabric -- enrich the course of life for a city's residents. Iconic architecture can provide a catalyst and landmark to a district, while a concentration of museums and civic uses invoke feelings of exploration and inquisition to the city experience. Much of this builds upon the existing cultural institutions in the downtown. Implementing this principle, a National Endowment for the Arts grant application has been submitted by Billings Cultural Partners (BCP) to meet the city's two driving goals:

1. Complete an asset map of the current artistic and cultural amenities in the ONE Big Sky footprint.
2. Create a plan to facilitate incorporation of arts and culture into the overall development of ONE Big Sky.

The plan is for the asset map to be completed by the City and BCP as part of an in-kind match for the grant. The grant funds, if received, will be used to hire a consultant to develop an "Arts and Culture Master Plan" for the ONE Big Sky area.

Cultural elements include:

- Art installations in public places
- High-quality urban spaces of public gathering
- High density of cultural activities and/or buildings



SUSTAINABILITY

Billings has always been shaped and influenced by nature due to its location between the Rimrocks and Yellowstone River. Nature inspires the built environment. Sustainability is founded in the disciplines of architecture, land use planning, public policy, real estate development, engineering, and biology, and is implemented in an urban environment through design. With more people living in and moving into cities, sustainability becomes paramount.

Elements of Sustainability in Design and Urbanism include:

- Utilization of Building Performance Simulation to inform the design process and reduce resource consumption.
- Construction materials and techniques that reduce environmental impacts by saving space, energy, and material use or time.
- Life-cycle Assessments to evaluate the long term environmental impact of construction.
- Life-Cycle Cost Analysis of systems and materials.
- Resiliency in transportation systems so as to reuse space dedicated to vehicles (parking garages, vehicle travel or on-street parking lanes) for other uses as demands change.
- A basis of policy-making that supports and promotes sustainability.
- Stormwater management is a key element of sustainable urban design. Capture contaminated surface runoff flowing to the Yellowstone River and put it to beneficial use in streetscaping elements. These strategies both beautify the pedestrian realm and improve the health of the river.
- Billings is a national leader in the number of LEED certified buildings, including Platinum housing and Transportation Hub, and Gold certified Library and banks, among others. ONE Big Sky will advocate for and promote sustainable design and construction.



STREET TYPOLOGIES

PRINCIPAL STREET

INTENT

- To encourage streetscapes that distinguish and support various modes of transit, vehicular traffic, cycling, and walking.
- To provide adequate and logical connections of streets and sidewalks within the downtown and between adjacent neighborhoods.
- To provide sidewalks of adequate width to support pedestrian uses.
- To encourage pedestrian activities on the sidewalk such as walking, eating and browsing retail storefronts.
- To encourage streetscapes with tree rows that create a continuous canopy at maturity.
- Special paving systems should be appropriate for heavy urban traffic. Colored concrete, brick, concrete unit pavers, and unpolished stone are recommended.

TYPICAL CHARACTERISTICS

- High volumes of vehicle traffic particularly at peak travel times
- Often serve as key commuter routes running through downtown
- Usually have multiple travel lanes
- On-street parking is often restricted
- Characterized by wide streets and large intersections

OPPORTUNITIES

- If bicycle travel is encouraged, protected cycle tracks provide for cyclists' comfort and convenience by taking advantage of direct travel routes and buffering from traffic.
- Make principal streets more pedestrian friendly.
- Sidewalk design should exceed minimum width requirements for pedestrian walks and Public Amenity Zones where appropriate.
- Private Amenity Zones, which include building-related functions such as sidewalk seating, are encouraged.
- Bulb-outs and central medians to reduce overall crossing width.
- Narrowing lanes can calm traffic speeds.
- Enhance street-level activity and interest by providing a high degree of transparency, particularly at the ground floor of buildings.



Median or Turn Lane

GREEN STREET

INTENT

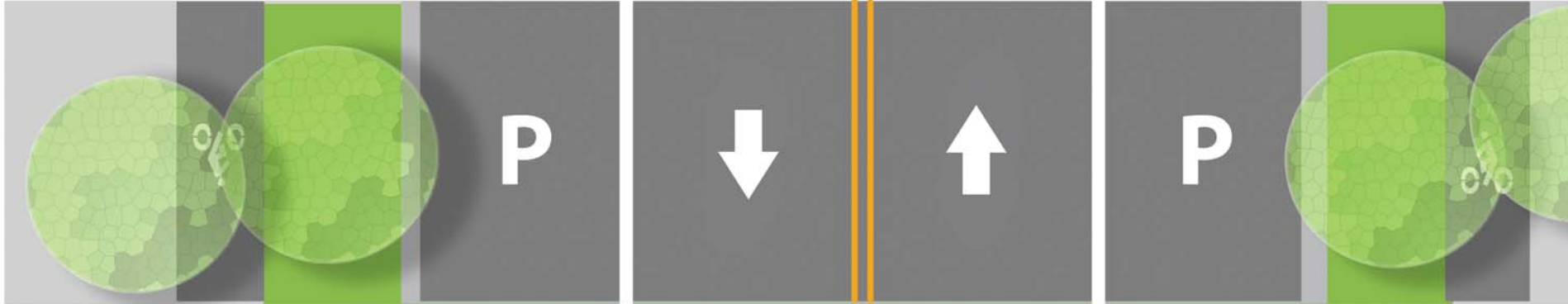
- To provide corridors within the downtown and between adjacent neighborhoods that are designed to encourage and give priority to non-motorized travel modes.
- To create green corridors that connect and provide open space.
- To encourage streetscapes with tree rows and significant landscaping.

TYPICAL CHARACTERISTICS

- Moderate volumes of vehicle traffic
- Can have multiple or limited travel lanes
- On-street parking can be provided, but is buffered from bike lanes
- Characterized by multi-modal and multi-function ROW usage
- Can be an urban respite for pedestrians and cyclists

OPPORTUNITIES

- The use of permeable pavement systems and other “green” storm water infrastructure such as rain gardens and bioswales is encouraged.
- To slow traffic and create areas of urban respite consider the use of shared space design tactics including, but not limited to, low curb lines, the ability to close the street to traffic, land shifts / chicanes, and other green street elements.
- Street reconstruction projects that incorporate green infrastructure should be aligned with city-wide traffic safety and mobility efforts, especially where opportunities arise to move curbs and reallocate street space to people walking and biking.
- Green stormwater infrastructure should be implemented at a network scale, but must be tailored to the specifics of its site. Green street elements that are properly designed, operated, and maintained extend the useful life of other infrastructure, especially gray water systems and pavement surface.



6' | 7' | 8' | 10-11' | 10-11' | 8' | 7' | 6'

STOREFRONT STREET

INTENT

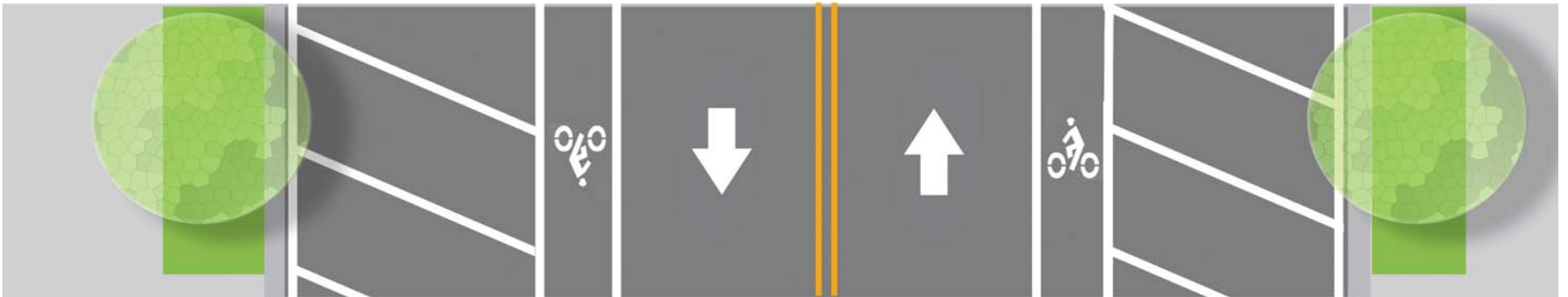
- To encourage streetscapes that distinguish and support various modes of transit, including but not limited to vehicular traffic, cycling, and walking.
- To provide adequate and logical connections of streets and sidewalks within the development and between the development and adjacent neighborhoods.
- To provide sidewalks of adequate width to contain, define, and concentrate pedestrian uses.
- To encourage pedestrian activities on the sidewalk such as walking, eating and browsing retail storefronts.
- To encourage streetscapes with tree rows that create a continuous canopy.

TYPICAL CHARACTERISTICS

- Moderate volumes of vehicle traffic
- Can have multiple or limited travel lanes
- On-street parking is encouraged
- Characterized by multi-modal and multi-function ROW usage
- Can be an urban respite for pedestrians and cyclists

OPPORTUNITIES

- Sidewalk design should exceed minimum width requirements for pedestrian walks and Public Amenity Zones where appropriate.
- Private Amenity Zones, which include building-related functions such as sidewalk seating, are encouraged on enhanced pedestrian streets.
- On-street parking should be provided on both sides of all primary streets.
- Enhance street-level activity and interest by providing a high degree of transparency, particularly at the ground floor of buildings.



| 6' | 10-11' | 10-11' | 6' |

LOCAL STREET

INTENT

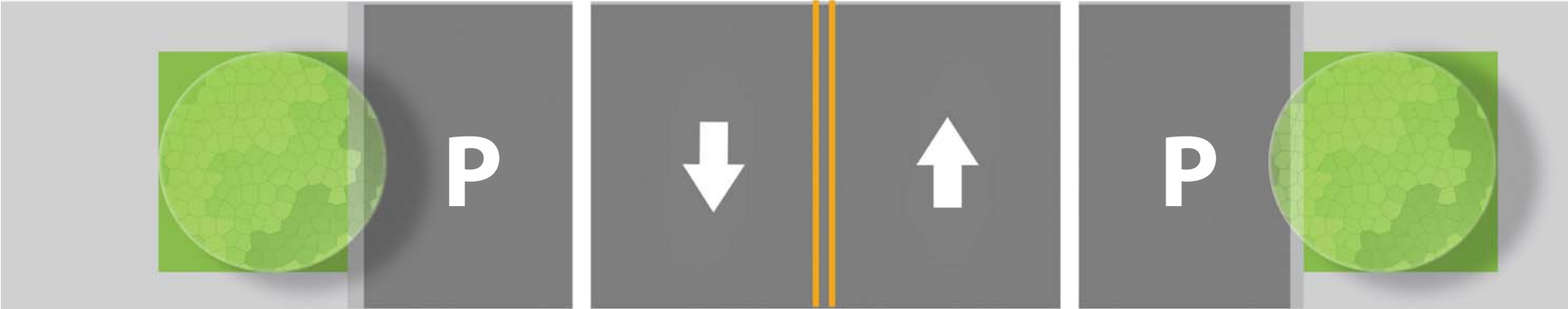
- To provide adequate and logical connections of streets and sidewalks within the development and between the development and adjacent neighborhoods.
- To encourage streetscapes with tree rows that create a continuous canopy at maturity.
- To provide sidewalks of adequate width to contain, define, and concentrate pedestrian uses.
- The majority of local streets should accommodate parallel or diagonal parking on at least one side as a traffic-calming measure.

TYPICAL CHARACTERISTICS

- Lower volumes of vehicle traffic
- Can have limited travel lanes
- On-street parking is encouraged
- Characterized by multi-modal and multi-function ROW usage
- Can be an urban respite for pedestrians and cyclists

OPPORTUNITIES

- Sidewalk design should exceed minimum width requirements for pedestrian walks and Public Amenity Zones where appropriate.
- Many back-of-building functions may be oriented towards local streets, therefore loading, garage entrances, etc. should be designed to minimize impacts to the pedestrian zone.
- On-street parking should be provided on both sides of all local streets.



— 8' — | — 10-11' — | — 10-11' — | — 8' — |

4.4

ONE BIG SKY FRAMEWORK

District Framework
Program & Phasing

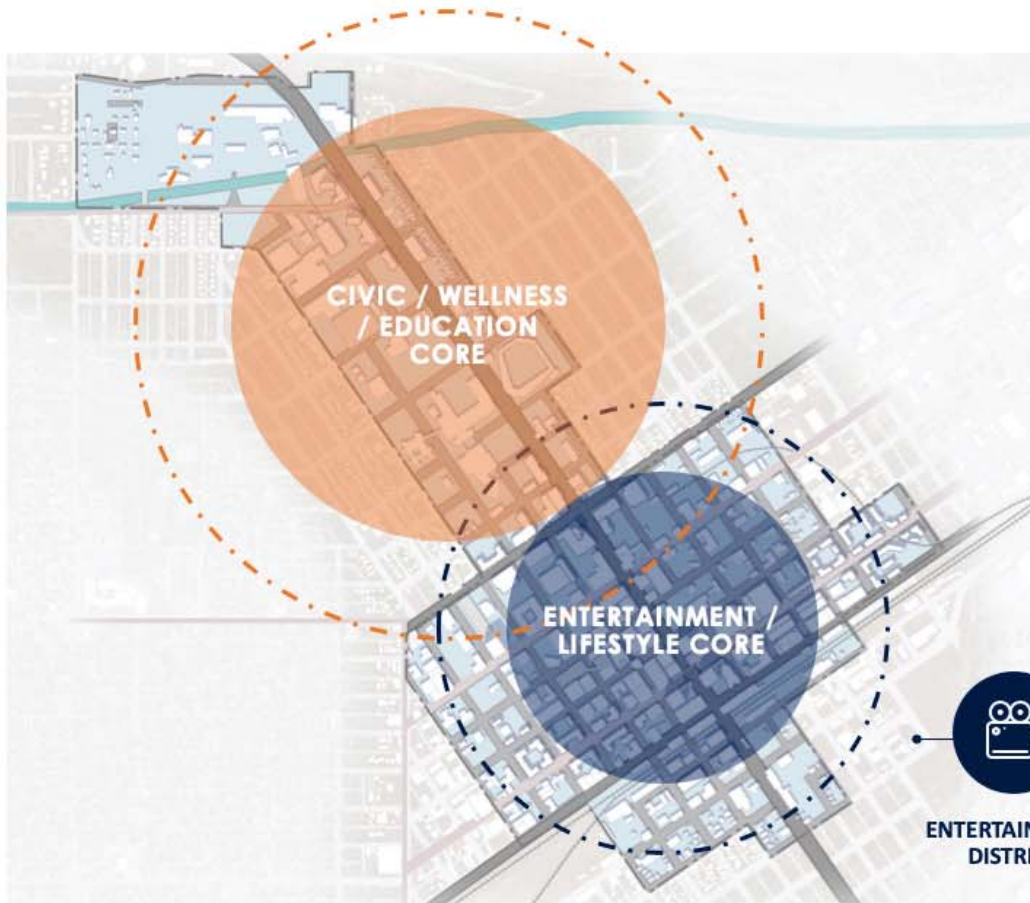
DISTRICT FRAMEWORK

ONE BIG SKY DISTRICTS

The proven urban planning and design principles employed throughout the in-depth planning process has led the overall ONE Big Sky project area to be divided into four smaller districts:

1. Entertainment District
2. Lifestyle District
3. Civic & Wellness District
4. Education & Innovation District

This framework creates places to live and work within walkable distances to services and amenities. Building upon this, development in each district leverages its unique character to attract activities that complement the existing urbanism and character of those districts. In the Entertainment District, a new center of activity creates a venue for people to attend a diversity of events including live music concerts or sports tournaments, while markets and festivals occur on surrounding streets. The Lifestyle District represents a vision of a compact urban village with a mix of activities and uses within new and existing buildings. Capitalizing on the existing Medical Corridor along North 27th Street, the Civic & Wellness District provides services and activities catering to professionals, or visitors to the region's largest medical providers. Finally the Education & Innovation District provides the urban setting and technologically-advanced facilities to create a hub of knowledge and professional growth.



The Master Plan for One Big Sky contemplates a broad economic development strategy centered on **4 anchoring districts** that will become **catalysts to the revitalization** of downtown Billings ...



PROGRAM & PHASING

MASTER PLAN PROGRAM

Based on the real estate market and economic realities, the ONE Big Sky Master Plan focuses on a first phase that includes direct investment in catalyst projects. Later phases depicted in this Master Plan may occur at varying levels and may be driven by investment from a variety of sources.

The goal of this phasing plan is to support the long-term development process which envisions a twenty-year timeline with an emphasis on an initial three-to-five-year investment in short-term catalyst projects. The phasing plan upholds the design and development philosophy by organizing private and public development in a chronology that maximizes every investment made. Public infrastructure projects that coincide with initial phases of private development will strengthen and reinforce later phases of investment.

USE	ENTERTAINMENT DISTRICT		CIVIC & WELLNESS DISTRICT		PHASE 1 EDUCATION & INNOVATION DISTRICT		LIFESTYLE DISTRICT		PHASE 1 TOTAL	
	TOTAL GROSS SF	UNITS	TOTAL GROSS SF	UNITS	TOTAL GROSS SF	UNITS	TOTAL GROSS SF	UNITS	TOTAL GROSS SF	UNITS
Convention / Event Center	150,000	-	-	-	-	-	-	-	150,000	-
Hotel	175,000	175	95,000	95	-	-	-	-	270,000	270
Commercial / Office	40,000	-	230,000	-	-	-	-	-	270,000	-
Residential	65,000	50	520,000	356	200,000	133	519,000	415	1,304,000	954
Retail	136,000	-	203,000	-	40,000	-	61,000	-	440,000	-
Education / Innovation	-	-	-	-	50,000	-	-	-	50,000	-
Health / Wellness	-	-	390,000	-	-	-	-	-	390,000	-
Parking	315,000	788	1,142,000	2,856	-	-	-	-	1,457,000	3,644
TOTAL	566,000		1,438,000		290,000		580,000		2,874,000	

USE	ENTERTAINMENT DISTRICT		CIVIC & WELLNESS DISTRICT		FUTURE PHASE(S) EDUCATION & INNOVATION DISTRICT		LIFESTYLE DISTRICT		FUTURE PHASE TOTAL	
	TOTAL GROSS SF	UNITS	TOTAL GROSS SF	UNITS	TOTAL GROSS SF	UNITS	TOTAL GROSS SF	UNITS	TOTAL GROSS SF	UNITS
Convention / Event Center	-	-	-	-	-	-	-	-	-	-
Hotel	165,000	150	-	-	-	-	-	-	165,000	150
Commercial / Office	64,000	-	-	-	-	-	70,500	-	134,500	-
Residential	167,500	134	285,000	203	400,000	266	440,500	352	1,293,000	955
Retail	72,800	-	175,000	-	-	-	90,000	-	337,800	-
Education / Innovation	-	-	50,000	-	885,000	-	-	-	935,000	-
Health / Wellness	-	-	675,000	-	-	-	-	-	675,000	-
Parking	-	-	153,200	383	200,000	500	100,000	275	453,200	1,158
TOTAL	469,300		1,185,000		1,285,000		601,000		3,540,300	

4.5

ENTERTAINMENT DISTRICT

The Vision

Convention & Events Center Siting Analysis

Convention & Events Center Plans

Hotel Plans

Entertainment District Design

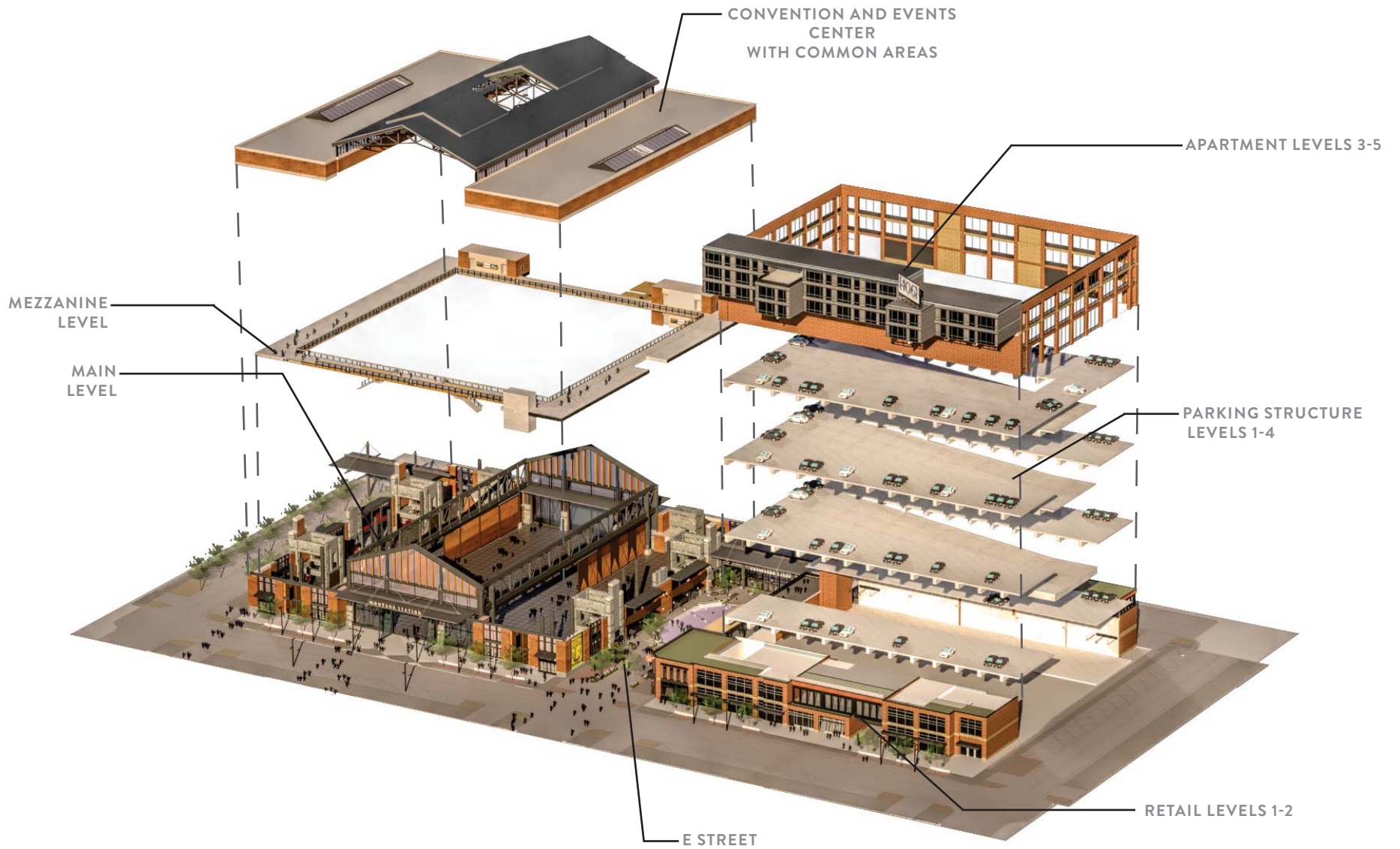
THE VISION

THE CATALYST TO THE DISTRICT

Of the four districts that compose the larger ONE Big Sky framework, the Entertainment District in Downtown Billings will be the spark that ignites the economic transformation, enthusiasm, and support for the entirety of the Project.

The success of any downtown revolves around the gathering of people. Enticing events, exciting activities, and diverse destinations energize community members and spur investment. Similarly, the Entertainment District is the center of this Master Plan. The Billings Entertainment District will be home to the Montana Station, a proposed central hub for exhibitions, tournaments, fairs, concerts, and public gatherings never before accommodated in Montana.

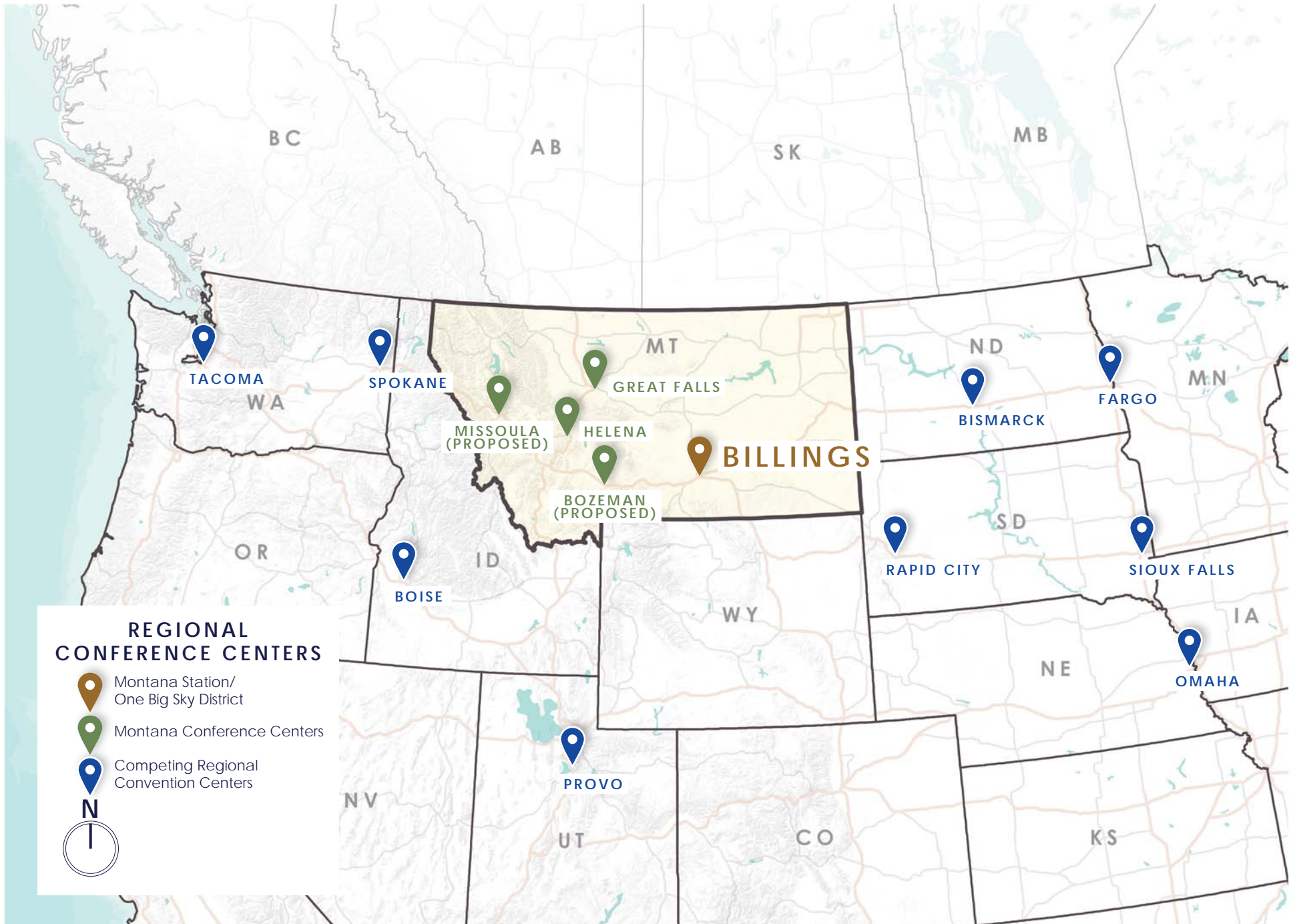
Unprecedented in the region, the Montana Station will accommodate both small intimate events such as weddings as well as large conferences and conventions. Accompanying and supportive uses disperse into the surrounding city fabric. Offices, retailers, and food and beverage establishments required to support events held at the venue are located nearby, making the Montana Station, a 365-day-a-year destination.



REGIONAL CONVENTION ENVIRONMENT

The Montana Station will be described as innovative, enticing, and unconventional' – in the best way. The traditional convention center offers one large open space to facilitate attendee meals and receptions along with multiple and separate classroom-like spaces to host break-out sessions and small group presentations. These spaces typically lack access to daylight, any variety in food offerings or a dynamic atmosphere to match the presentations being offered. This paradigm describes the existing conference center on Billings' west end as well as the smaller venues across the state (located in Bozeman, Helena, Great Falls, and Bozeman). The Montana Station/ONE Big Sky reimagines the traditional conference center.

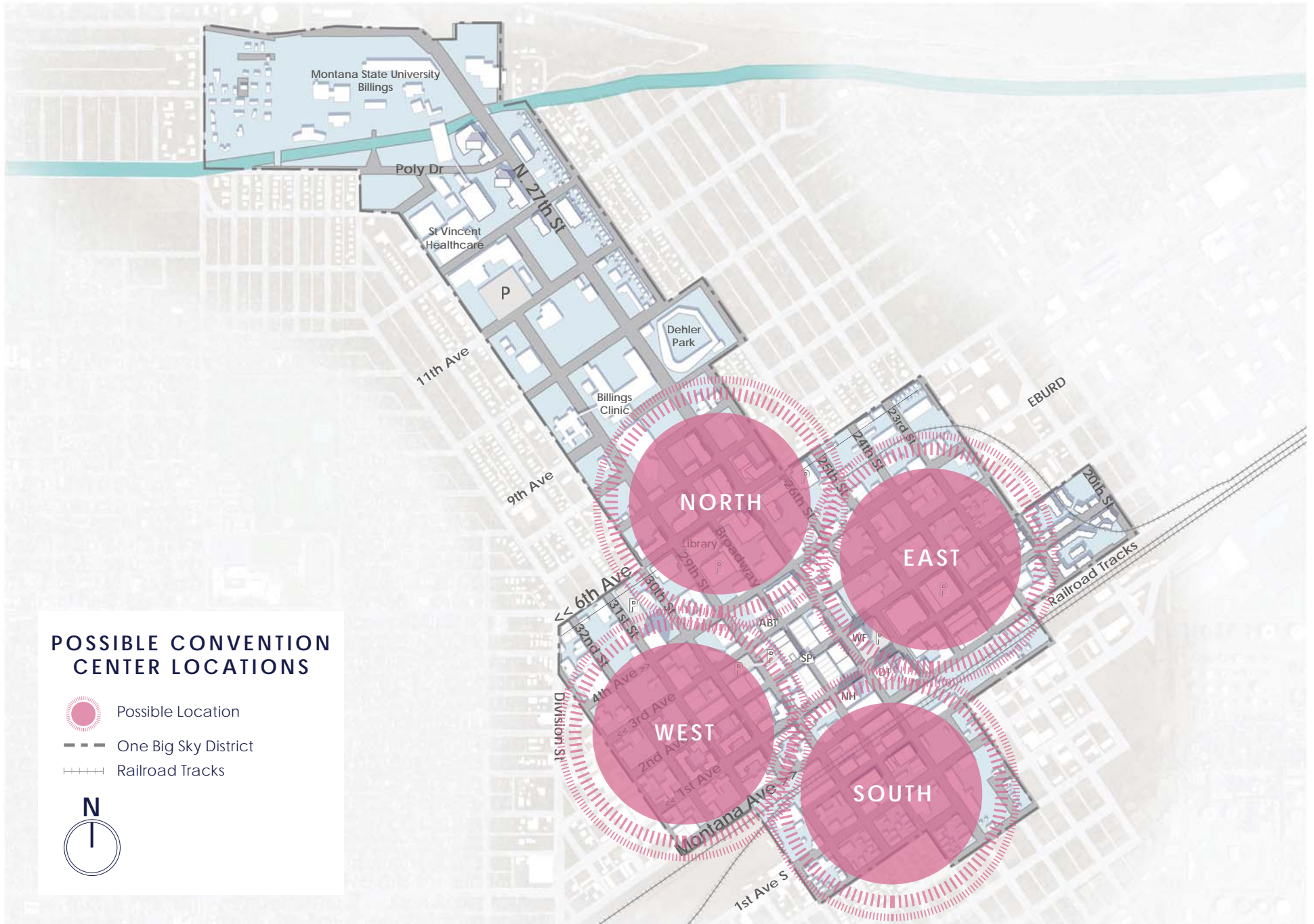
Regionally, there are nine convention centers across six states that are competitive in size to the envisioned Montana Station/ONE Big Sky. These are also similarly located within population hubs, and most are centrally located within their states and regions. Yet, this is where their competitive nature ends, as each of these are also designed within the traditional framework; one that restricts these spaces from being used efficiently for anything other than the 'conventional'. While these regional venues and those across Montana will continue to draw groups and organizations for conferences or conventions, there will be multiple periods of time when the spaces are unoccupied and not earning revenue. The results are a facility typically subsidized by the local community. This is where the Montana Station/ONE Big Sky sets itself apart.



CONVENTION & EVENTS CENTER SITING ANALYSIS

OVERVIEW

A multitude of sites for a convention center and associated development in Downtown Billings were analyzed based on many parameters including physical constraints, adjacent/existing land uses, market conditions, mobility, and overall compatibility for the intended program. The potential for site-control through partnerships or acquisition informed this analysis and ultimately, final design and master planning decisions. Based on all parameters, a convention center and affiliated uses are best suited on a minimum of two city blocks, each block being approximately 300 feet by 300 feet. A minimum of thirteen sites are highly capable of meeting the parameters of this Master Plan.



POSSIBLE CONVENTION CENTER LOCATIONS

-  Possible Location
-  One Big Sky District
-  Railroad Tracks

N

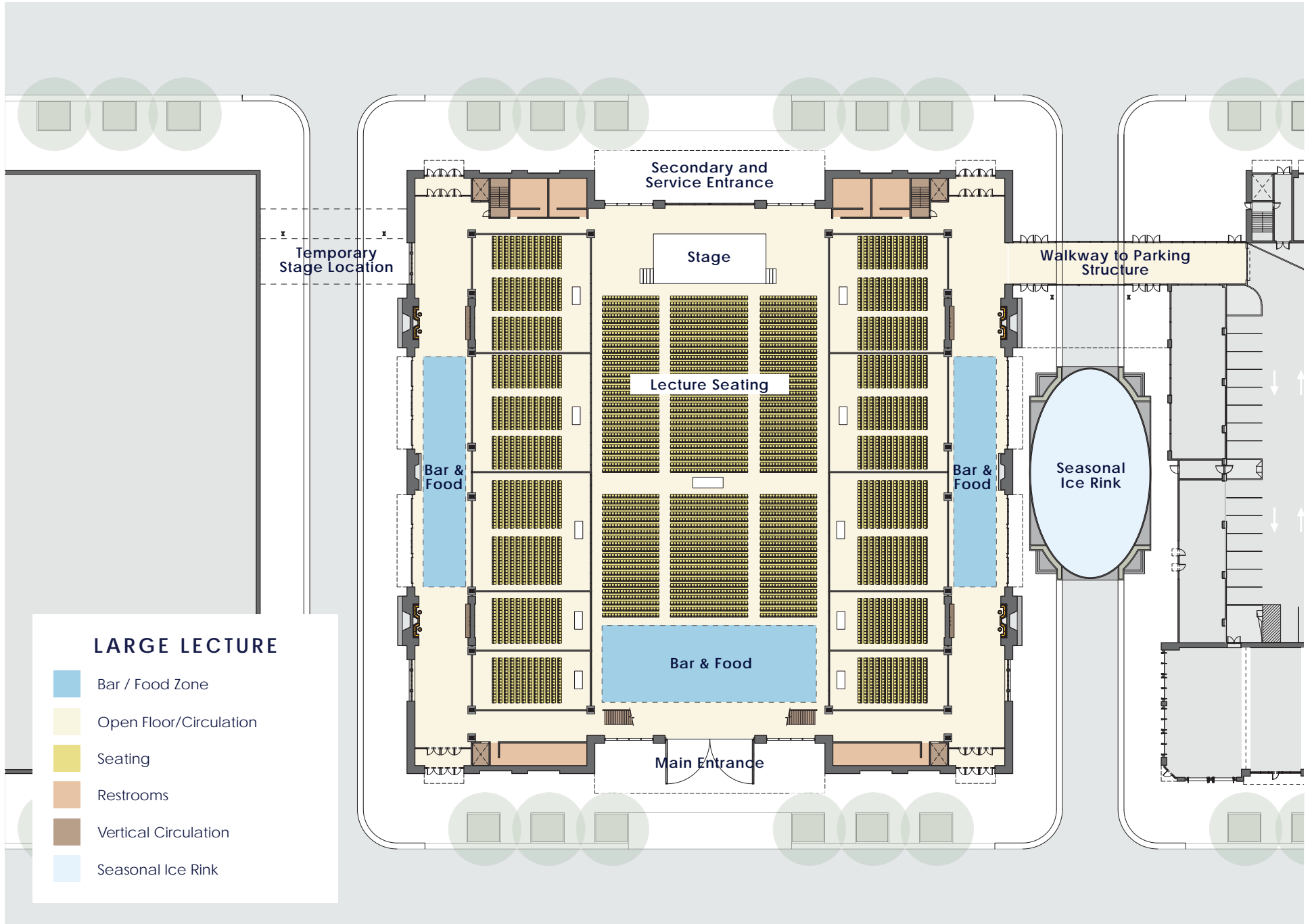


CONVENTION & EVENT CENTER PLANS

LARGE LECTURE LAYOUT

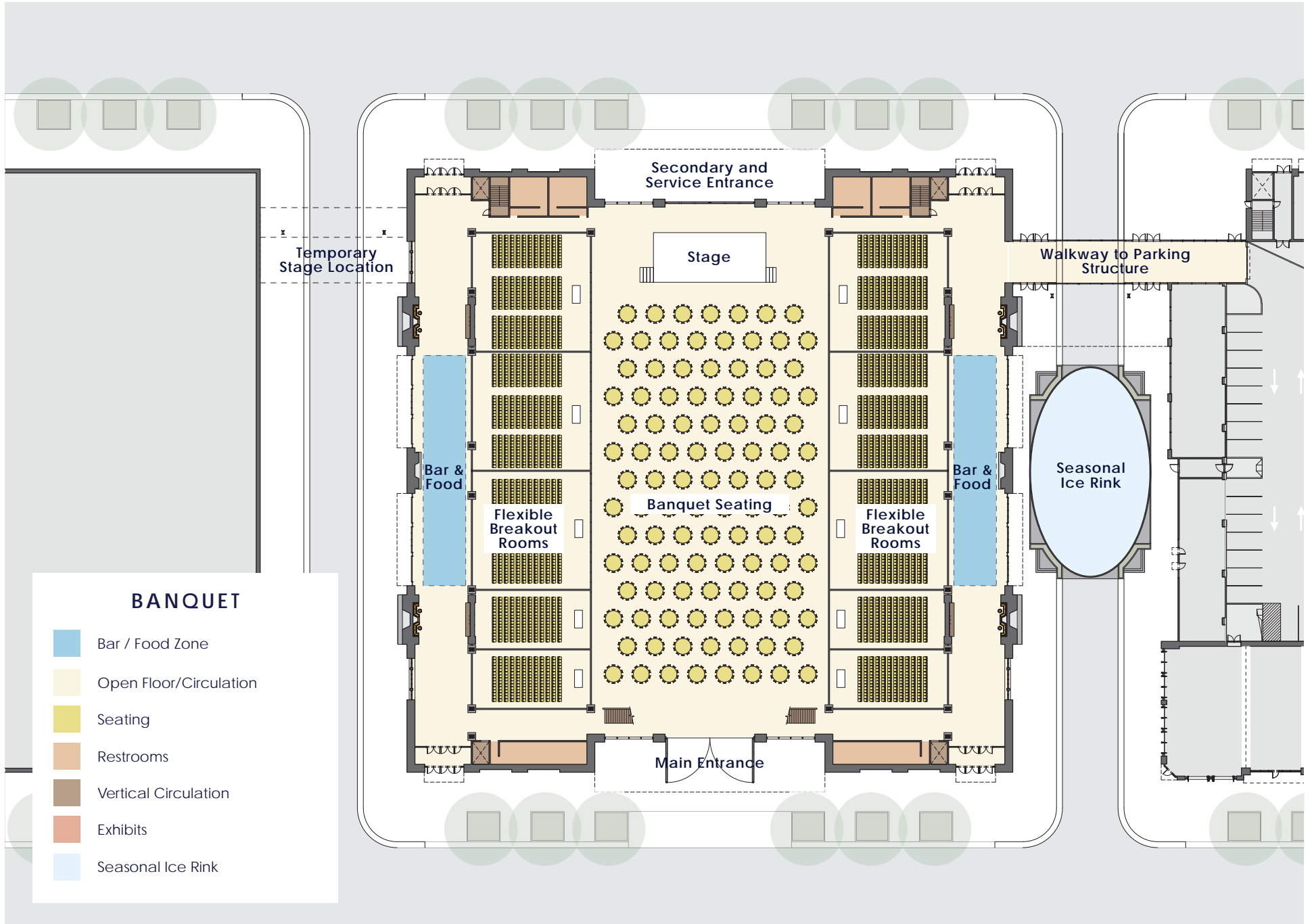
This floor plan illustrates how the convention floor can host a large assembly lecture.

The Convention and Events Center interior focuses on the daylight through a skylight or operable roof located in the center of the building. Large barn doors hang from heavy detailed steel trusses and are designed to adjust the scale of the space to the user. The structural spacing is designed around the sizing of multiple functional uses. The interior fixtures have a detailed level of finish rich in the character of Montana.



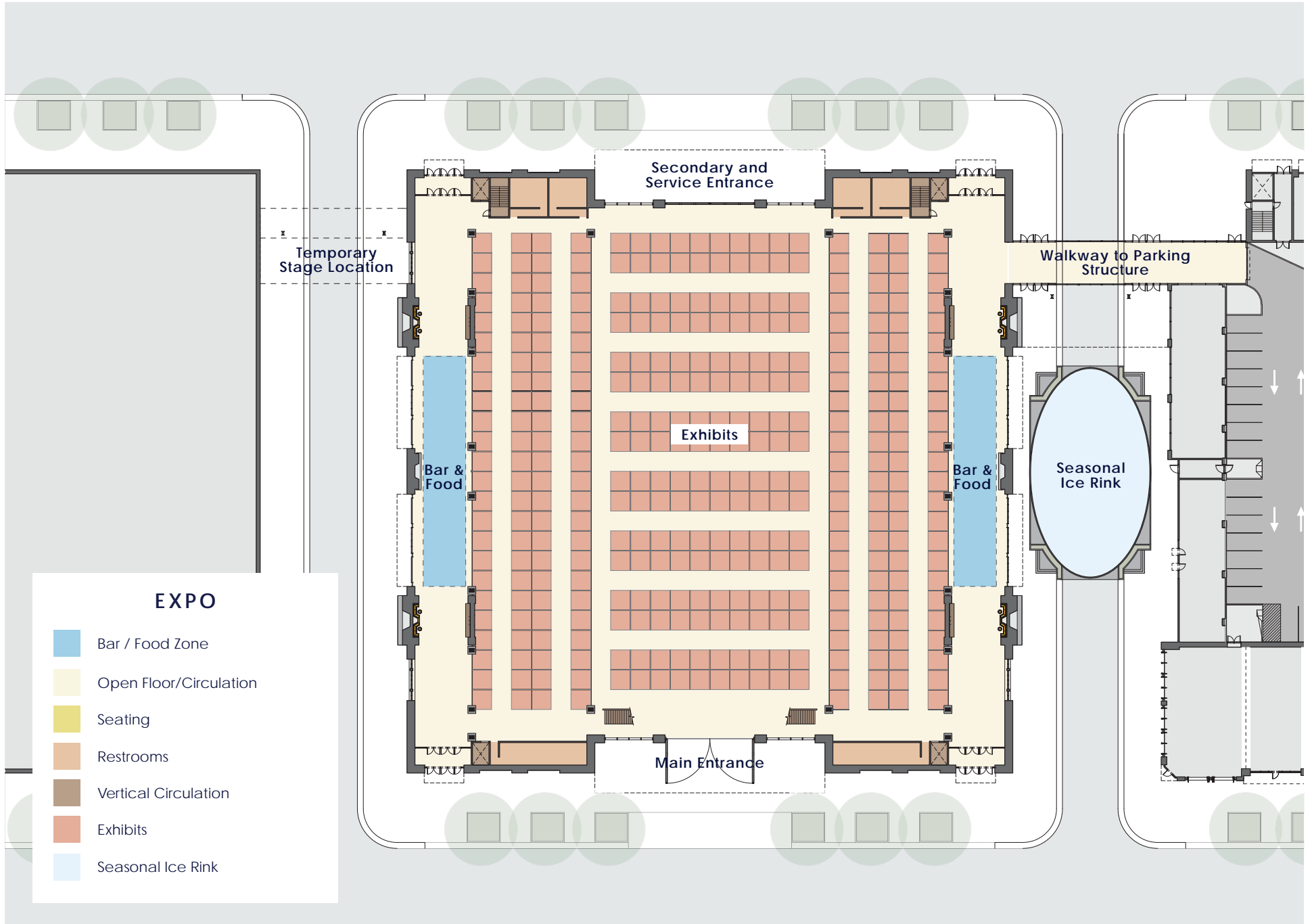
BANQUET LAYOUT

This floor plan illustrates a banquet event inside the full convention space.



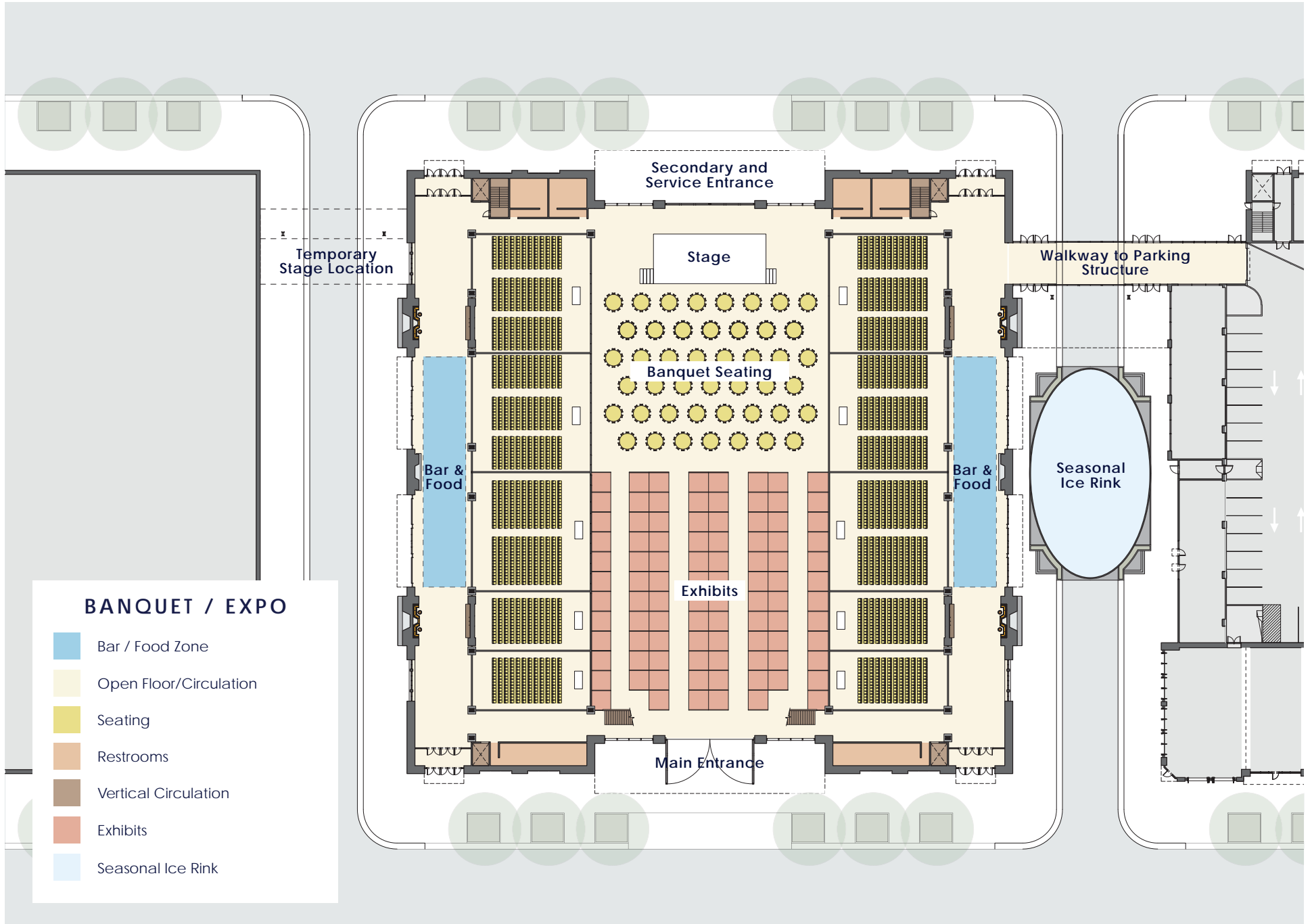
EXPOSITION LAYOUT

This floor plan illustrates how an exhibition event may be planned.



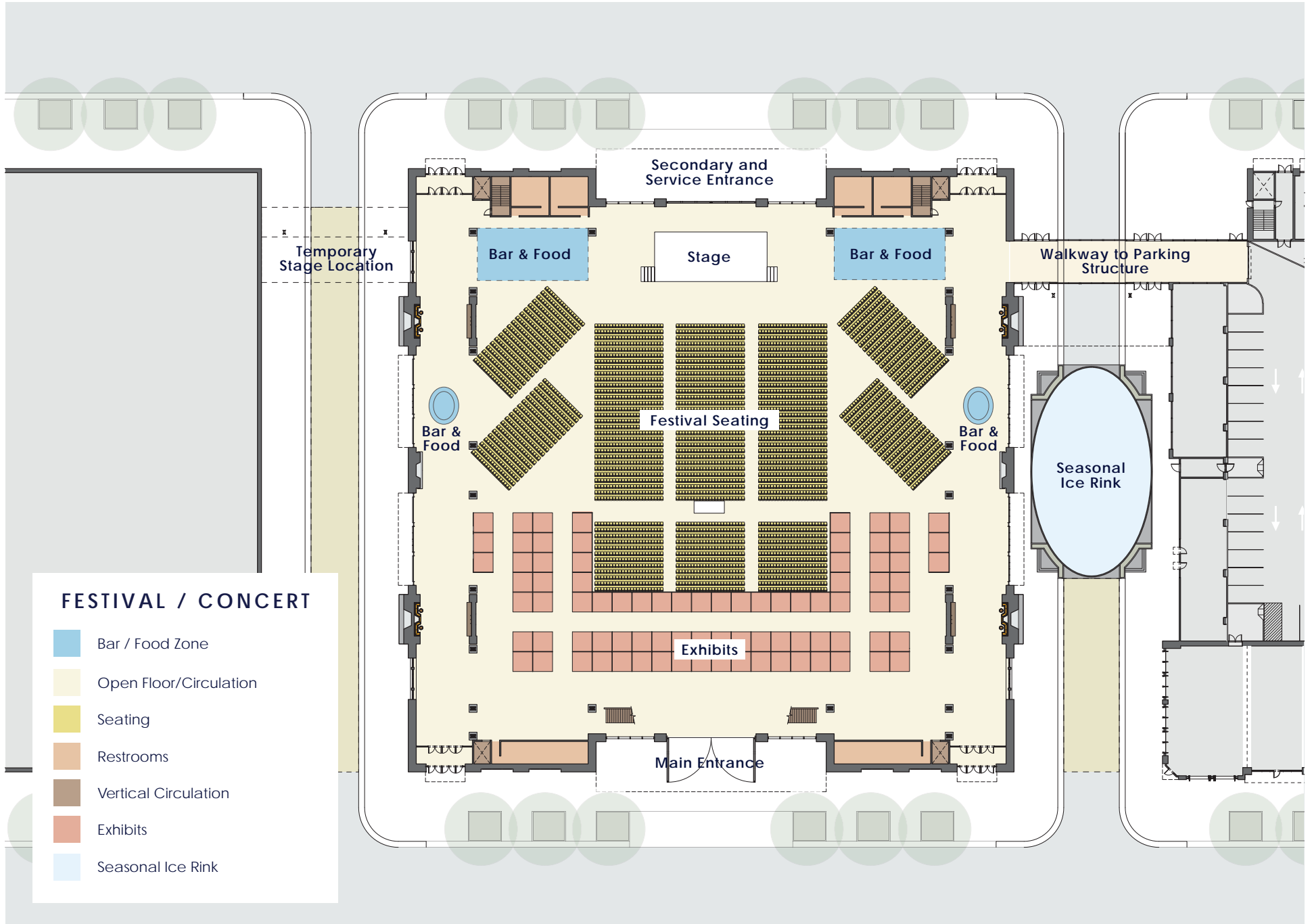
BANQUET / EXPO LAYOUT

This floor plan illustrates how the convention floor can host a mixture of banquet seating and exhibition space.



FESTIVAL / CONCERT LAYOUT

This floor plan illustrates a concert located in the north center of the building surrounded by spectator and exhibition space.

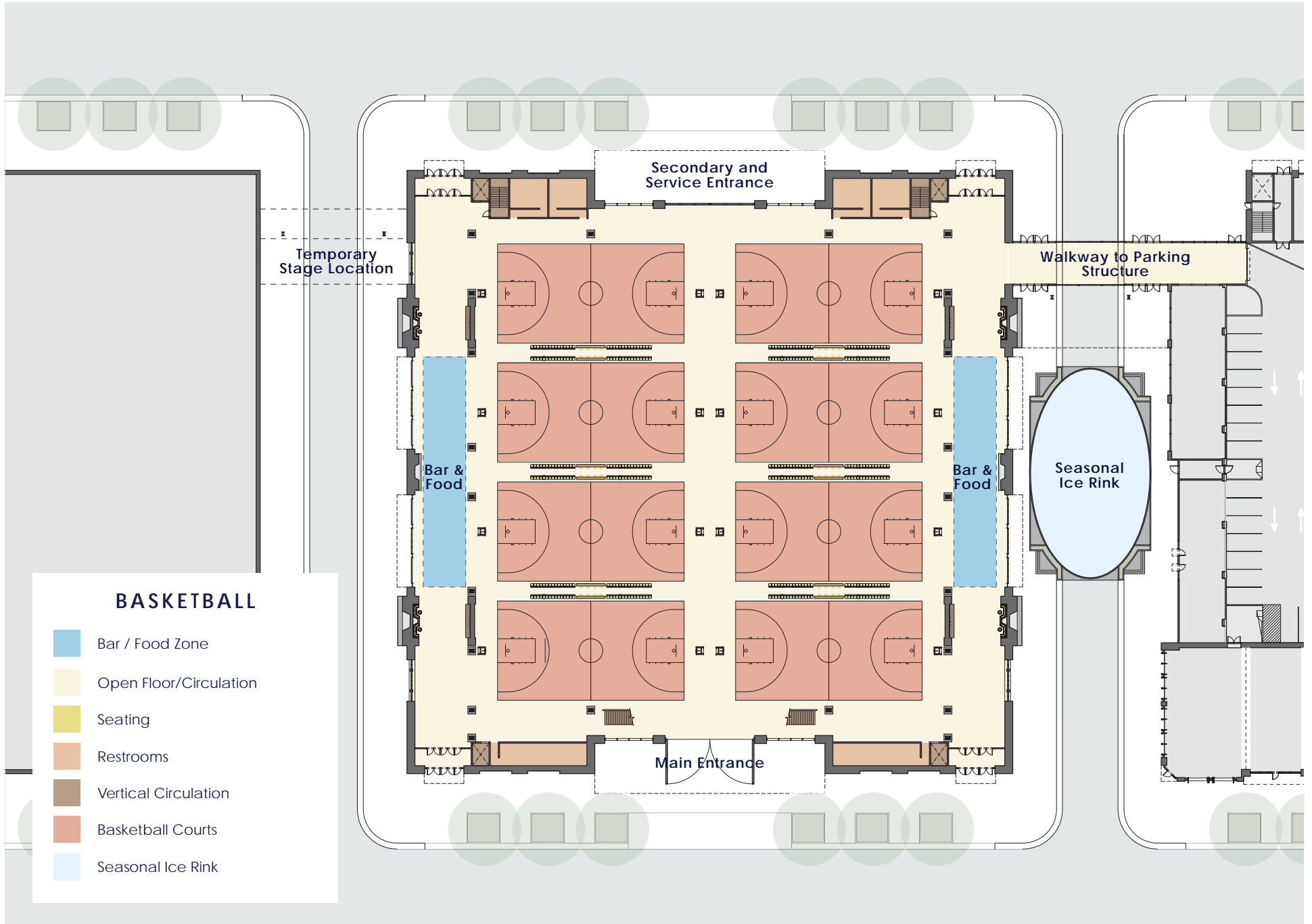


FESTIVAL / CONCERT

- Bar / Food Zone
- Open Floor/Circulation
- Seating
- Restrooms
- Vertical Circulation
- Exhibits
- Seasonal Ice Rink

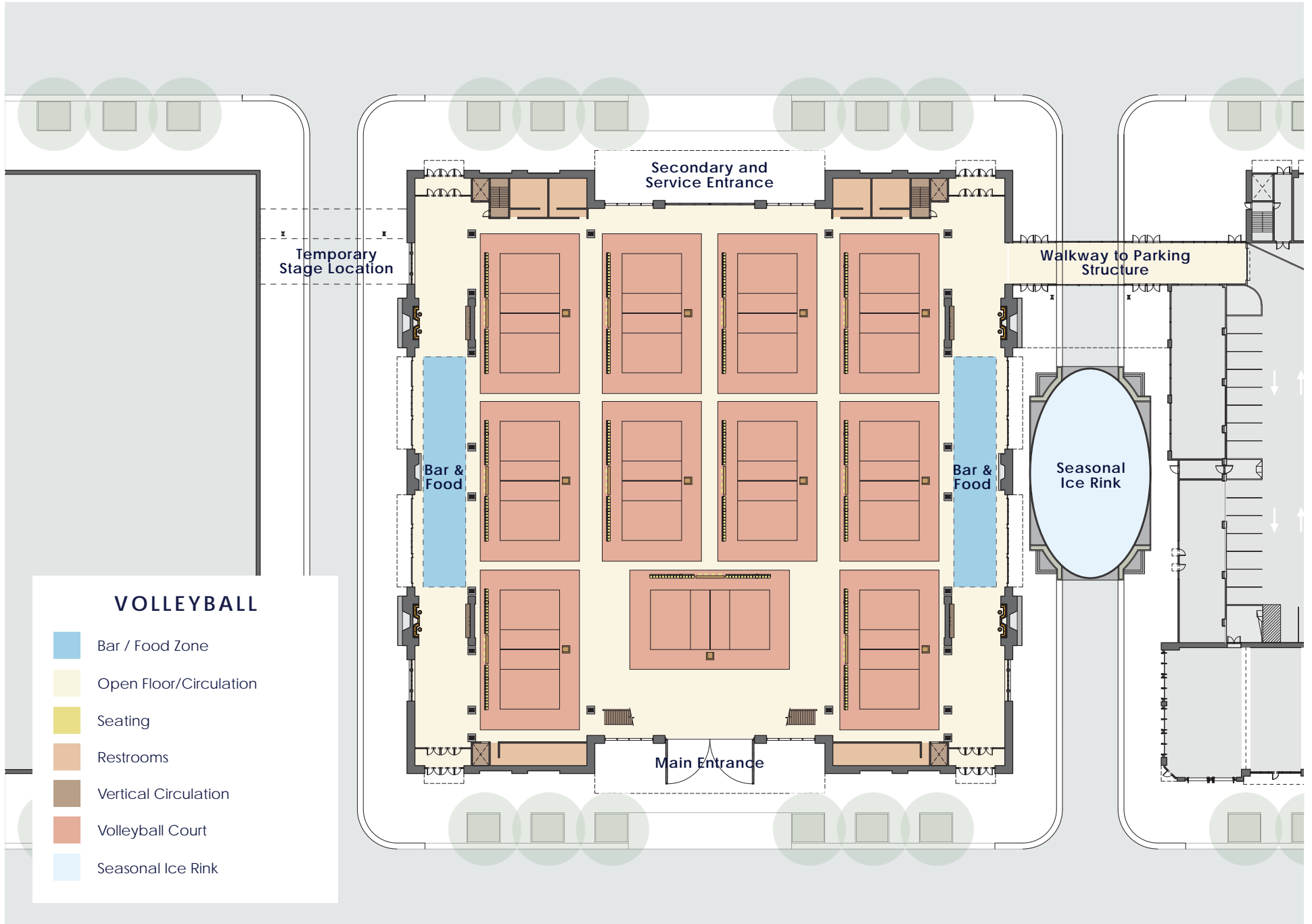
BASKETBALL LAYOUT

This floor plan illustrates how the convention floor can become a participant venue for basketball events.



VOLLEYBALL LAYOUT

This floor plan illustrates how the convention floor can become a participant venue for volleyball events.








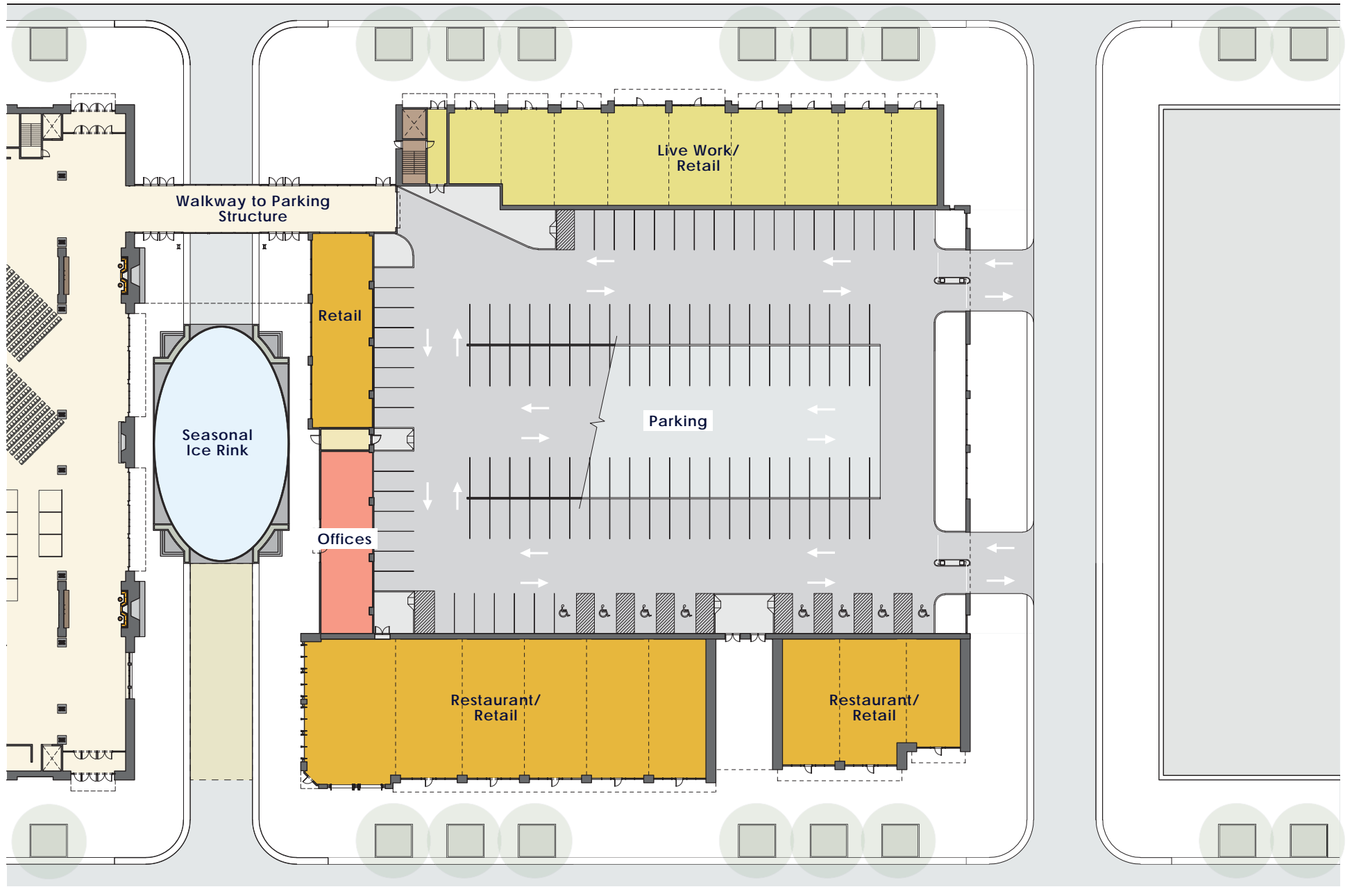
PARKING GARAGE LAYOUT

A parking garage is proposed to sit adjacent to the Montana Station. The garage is designed to support convention center events parking in combination with other downtown parking garages within walking distance.

The garage design places the parking in the center of the typical Billings 300' x 300' block and wraps the perimeter with space for convention center administration, mixed use space, and kitchen spaces for businesses that can assist in food and beverage support for convention center events.

PARKING - LEVEL 1

-  Parking
-  Offices
-  Retail
-  Open Floor/Circulation
-  Vertical Circulation

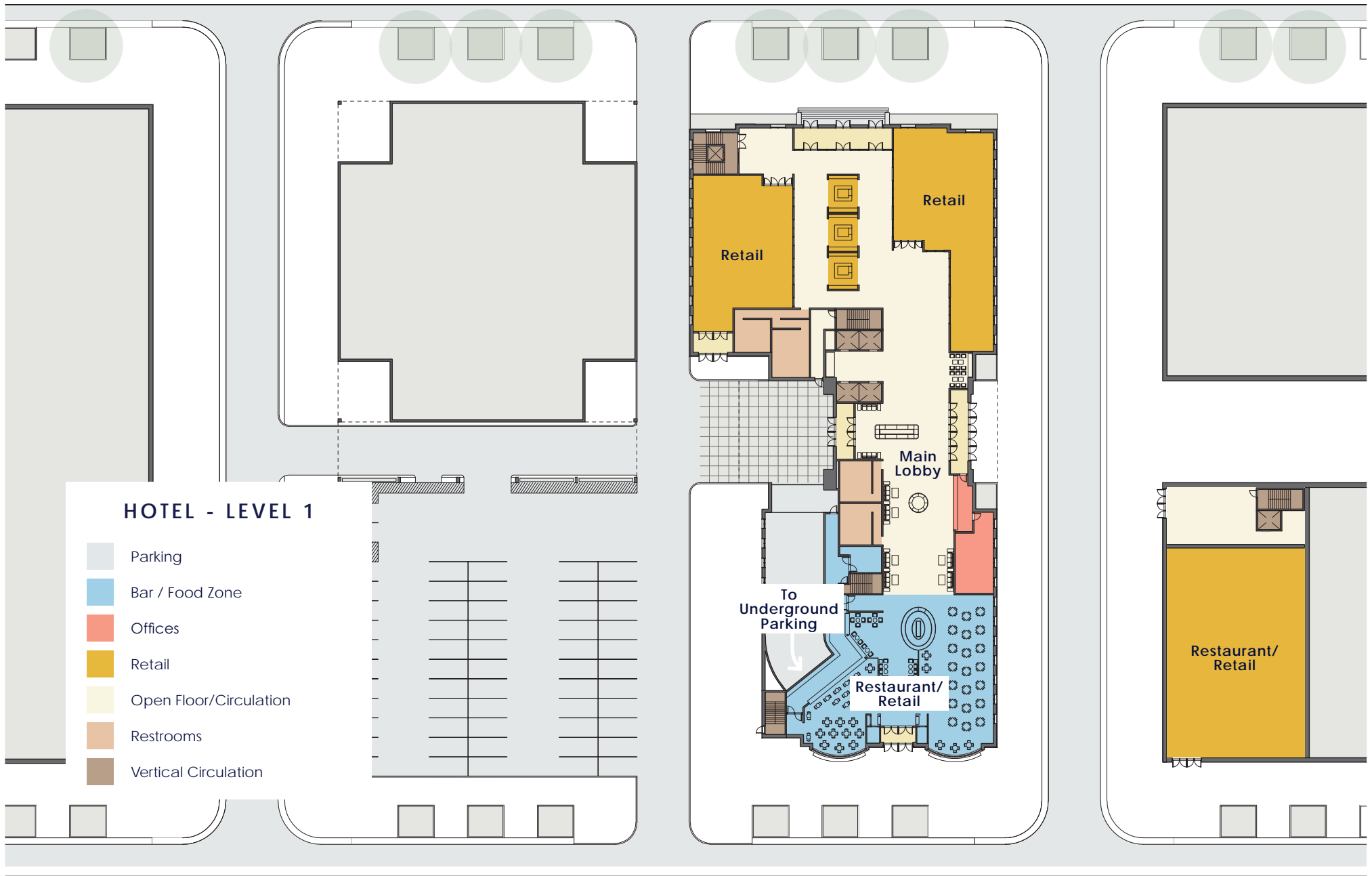


HOTEL PLANS

LEVEL 1

The proposed hotel facility is located in the nearby vicinity of the Montana Station development and is intended to provide full service accommodations for visitors to Billings as well as Montana Station event attendees.

The first floor would contain the main lobby with entries facing the east and west to provide an easy drop off point as well as a check in area with temporary off-street parking available. Off the lobby would be the full service restaurant catering to the hotel guests as well as the local diners. The main floor would accommodate large conferences and meetings as a supplement to the Montana Station events. This would provide a dedicated space for those half-day break-out sessions.



LEVEL 2

The second floor includes more of the conference and meeting room functions that help supplement the Montana Station function. These spaces can also be used by the hotel guests and other local organizations providing a much needed capacity in the city.

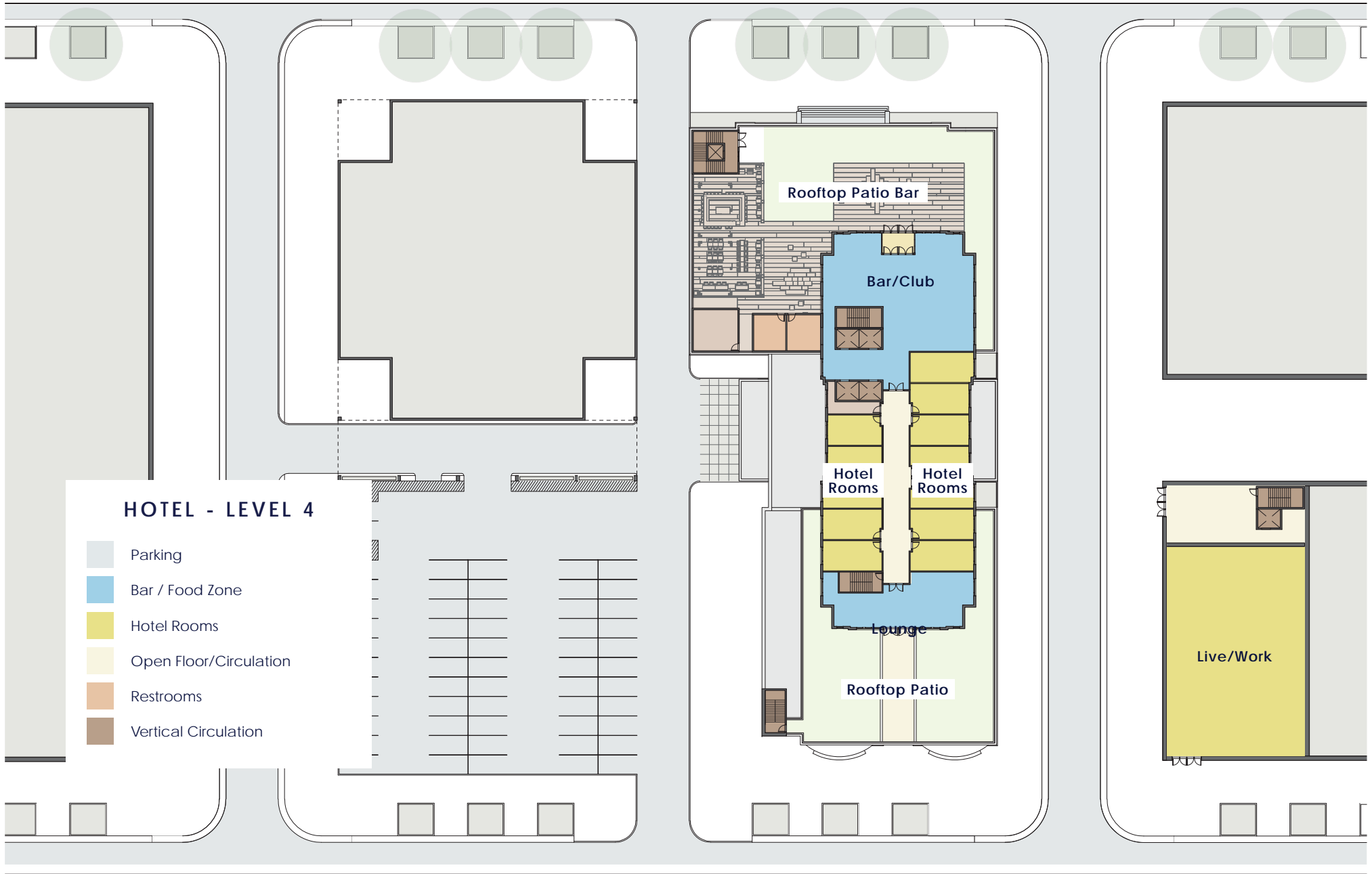
This floor is also the start of the hotel room accommodations and the second story volume over the first floor dining area.



LEVEL 4

The fourth floor is the start of a typical hotel room floor footprint. It includes a lounge which opens up to a rooftop patio with a view over to the Montana Station and the street level activity.

The remaining floors are similar to this one including the typical hotel room keys. The uppermost level is proposed to be the location of the hotel suites which provide a great bird's eye view over the Entertainment District and the surrounding natural attractions.



ENTERTAINMENT DISTRICT DESIGN

MONTANA STATION - EXTERIOR

This image is looking northeast across 1st Avenue. The exterior brick and masonry references the historical exteriors of Montana Avenue.



MONTANA STATION - EXTERIOR

This image looks over the pedestrian mall adjacent to the Convention and Events Center. The Convention and Events Center exterior (left) will feature large glass operable doors connecting the interior to the pedestrian way. Large Montana stone fireplaces face the pedestrian mall which is designed to host a multitude of events.

The building on the right hosts parking, administrative support spaces, and lease space designed for food and beverage businesses capable of supporting events at the Convention and Events Center.



MONTANA STATION - COMMUNITY EVENT

This image looks over the Convention and Events Center floor during the Great Montana Brewfest.



GREAT MONTANA BREW FEST 2020

MONTANA MELT

Sandee's

Big Guy's BBQ

ARTER'S BREWING

WILDWOOD BREWING

TAMARACK BREWING COMPANY

BIG SKY BREWING CO.

COWFLY CO.

MONTANA STATION - CONCERT

This image looks over the Convention and Events Center floor during an evening concert. The second floor mezzanine is functioning as a VIP lounge and beverage stations are shown on the Convention and Events Center floor in the foreground.



MONTANA STATION STAGE

MAGIC CITY
WINTER
BLUES

MAGIC CITY
WINTER
BLUES

Maker's Mark

MONTANA STATION - REGIONAL CONVENTION

This image looks over the Convention and Events Center floor during a conference event. The large barn doors are pulled shut for this size of event.



National Governors Convention



MONTANA STATION - YOUTH & AMATEUR SPORTS

This image looks over the Convention and Events Center floor during the finish of the Montana Marathon.



MONTANA MARATHON

2021

2021

MONTANA MARATHON 2021
8:03
T USA 2:44:01
Y USA 2:44:27
T USA 2:44:56

Billings Clinic | St. Vincent Healthcare | First Interstate Bank | ebms | 2021 • MONTANA MARATHON • 2021 RUNNERS | the Y | Wellness | Billings Clinic | Vincent | Wellnes |

4.6

LIFESTYLE DISTRICT

The Vision

Residential Plans

Lifestyle District Design

THE VISION

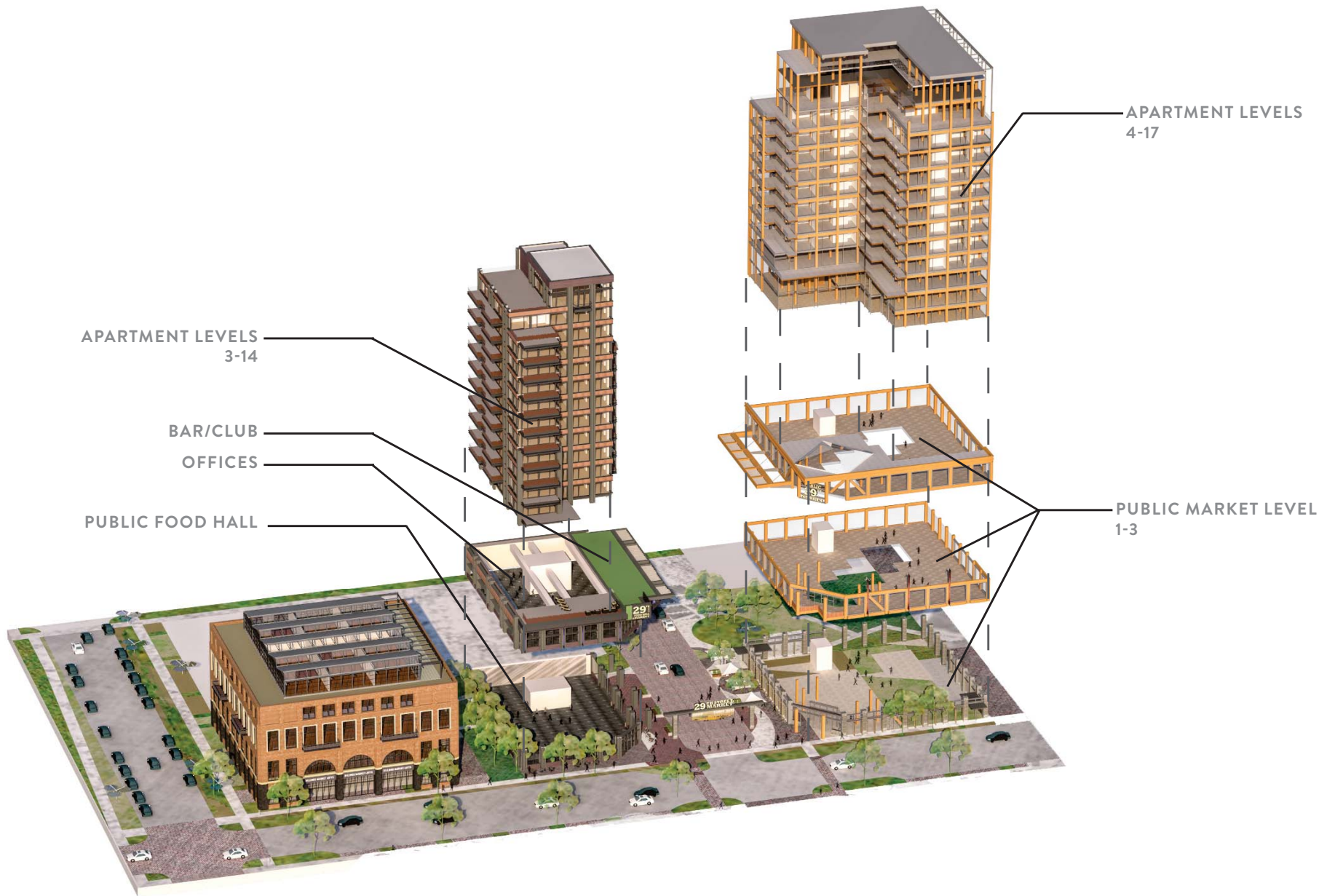
THE CATALYST TO THE DISTRICT

If the Entertainment District is the spark, then the Lifestyle District is the fuel that will feed the economic growth to ensure the stability and prosperity that this project promises.

People across America are favoring life in urban centers rather than suburban areas, and the lifestyle-centered neighborhood known as the “Lifestyle District” will provide a living room and workplace for new and existing residents. The Lifestyle District is intended to promote local activities through a community-scaled, mixed commercial and residential activity node.

Land use consists of retailers (serving the specialty and leisurely shopping needs of the greater community) integrated with residential areas, creating a strong community- and civic-oriented environment based on access and convenience. Creating places to work is critical in this district as well. These spaces are characterized as the workplace of the future, designed as flexible co-working and informal work space.

Although a high-density urban environment is envisioned, the Lifestyle District maintains a pedestrian-scaled “Main Street” character at the street level. An enhanced public realm strongly contributes to the Lifestyle District. This begins with activated, pedestrian-oriented building frontages that include largely transparent retail storefronts or walk-up style multifamily housing. The level of interaction between people and buildings is high at the ground level; people are accessing and moving in between front doors of their houses, shops, and offices 18 hours a day.





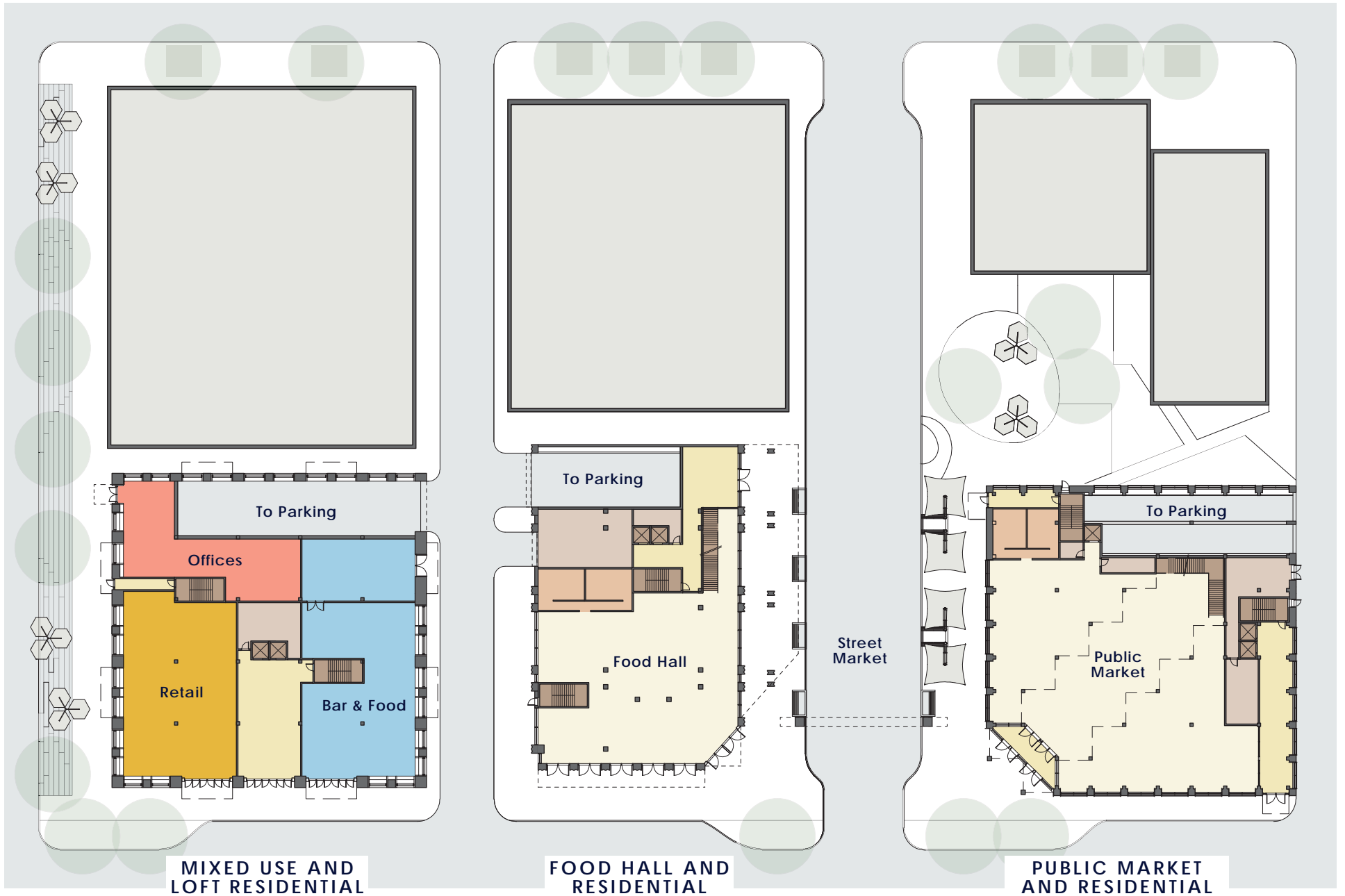
RESIDENTIAL PLANS

LEVEL 1

The residential unit plans vary per building. The 1st floor of the west building consists of mixed use space while the center and east buildings' 1st floor focus on community market spaces that interact with the 29th Street Market along the pedestrian way. Separate private entries with support and storage space are provided on the ground floor of all three buildings.

RESIDENTIAL - LEVEL 1

-  Parking
-  Bar / Food
-  Offices
-  Retail
-  Open Floor/Circulation
-  Restrooms
-  Vertical Circulation

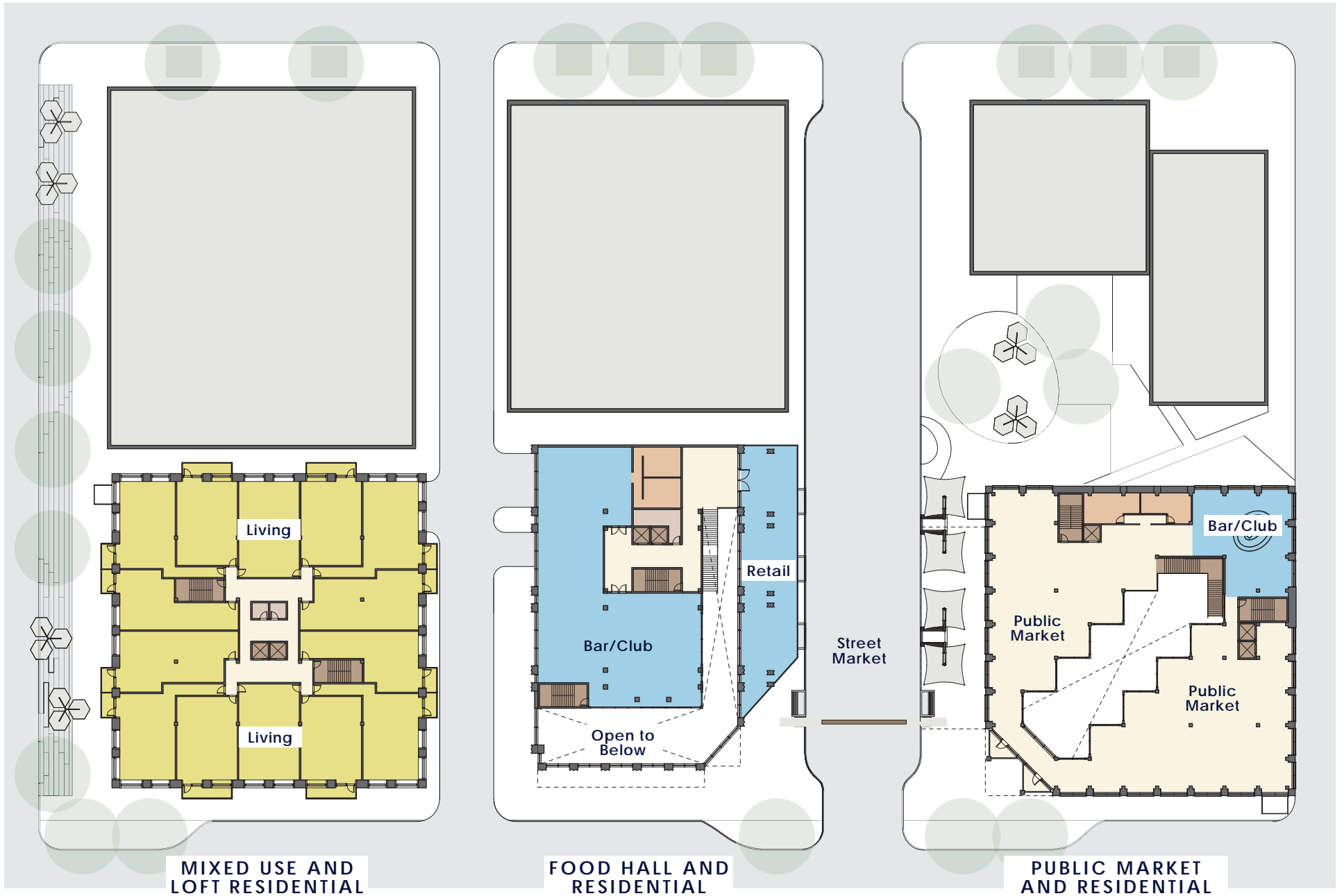


LEVEL 2

The 2nd floor plans vary per building. The 2nd floor of the west building consists of residential units. The center and east buildings' 2nd floor consists of support and community spaces that interact with the 29th Street Market below. All three buildings reference the variety of downtown loft like spaces found across Billings and Montana by using materials of brick, stone, timber, and steel, with rich structural detailing.

RESIDENTIAL - LEVEL 2




-  Bar / Food
-  Live / Work
-  Open Floor/Circulation
-  Restrooms
-  Vertical Circulation

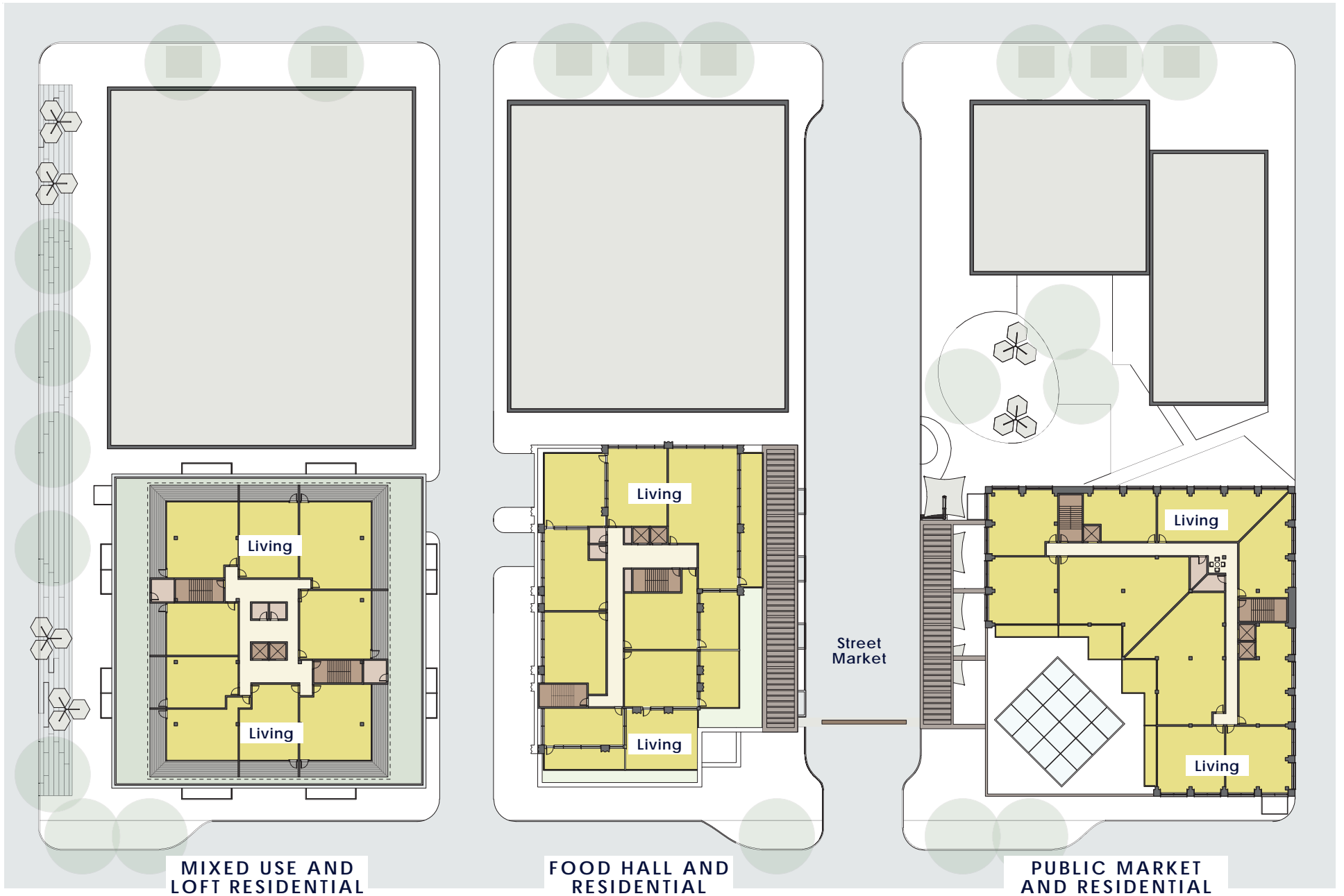


LEVEL 3 & ABOVE

The residential unit plans vary per building. Units and balconies are designed to maximize the experience of living in the heart of the Yellowstone Valley. All three buildings reference the variety of downtown loft like spaces found across Billings and Montana by using materials of brick, stone, timber, and steel, with rich structural detailing.

RESIDENTIAL - LEVEL 3

-  Live / Work
-  Open Floor/Circulation
-  Restrooms
-  Vertical Circulation



LIFESTYLE DISTRICT DESIGN

RESIDENTIAL TOWERS

The right two residential towers sit over a community market and pedestrian friendly street. Residential units and balconies are designed to maximize the experience of living in the heart of the Yellowstone Valley. All three buildings reference the variety of downtown loft like spaces found across Billings and Montana by using materials of brick, stone, timber, and steel, with rich structural detailing.



BILLINGS MARKET LOFTS

BILLINGS MARKET LOFTS

29th STREET MARKET

PUBLIC 29th MARKET

PUBLIC MARKET

The two residential towers sit over a community market and pedestrian friendly street. Residential units and balconies are designed to maximize the experience of living in the heart of the Yellowstone Valley. The buildings reference the variety of downtown loft like spaces found across Billings and Montana by using materials of brick, stone, timber, and steel, with rich structural detailing.



4.7

CIVIC & WELLNESS DISTRICT

The Vision

Office Plans

Civic & Wellness District Design

THE VISION

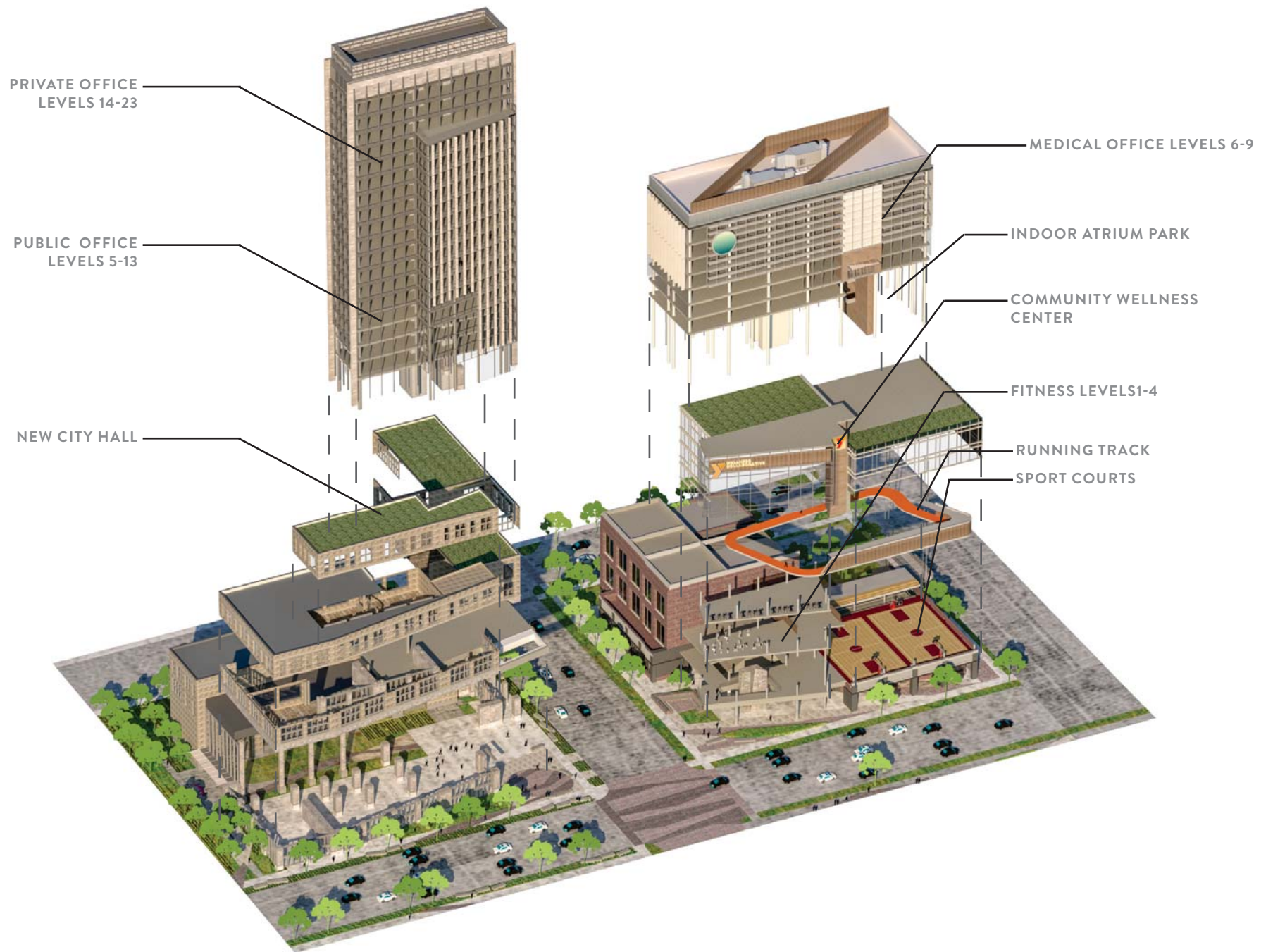
THE CATALYST TO THE DISTRICT

The Civic & Wellness District is also essential to ONE Big Sky and its success, as the existing healthcare industry in Billings is a key employer attracting more visitors from neighboring states and communities than any other.

This district is envisioned as the future urbanism where Billings' regional healthcare providers can anchor a wellness-focused, mixed-use village connecting facilities at Billings Clinic and St. Vincent Healthcare to the downtown core. This district is focused on bridging the planning, design and operations of state-of-the-art healthcare facilities with their surrounding environments, with a focus on integrating these facilities into the fabric of the community and creating a vibrant urban atmosphere that supports workforce recruitment for Billings Clinic and St. Vincent Healthcare in the future.

Having a collection of compatible educational, professional and technological uses makes this the center of knowledge for the state. Proposed civic uses such as the YMCA and expanded city offices are companions to an educational training center and offices for medical professionals. Dense senior housing will also benefit from proximity to healthcare providers. These uses are complemented by a new urban grocer and retailer in close proximity making for cosmopolitan shopping where one can find virtually anything they need in a lively, walkable, amenity-rich environment. Residential units on upper floors look down on a bustling hub of activity on the street level, which still maintains a human-scaled pedestrian streetscape.

Strong mobility connections are important to bridge the gap between educational institutions in the Education & Innovation District to the north, with healthcare providers and other proposed uses in the south.



OFFICE PLANS

LEVEL 1

SENIOR LIVING

The ground floor of the Senior Living Facility is designed for communal use, administrative use, and living units. The building footprint and landscape is designed to buffer from the traffic on 6th Avenue while encouraging connection to the Health and Wellness building to the east.

HEALTH & WELLNESS

The street level of the Health & Wellness building is designed to complement the medical corridor. Wellness activities like free weights, rock climbing, and nutritional training intersect with public circulation space. Space is also allocated for facility operations and healthcare offices.

URBAN GROCERY & LIVING

Most of the level 1 space for the Urban Grocery & Living is allocated to grocery retail, customer pickup, and operations. Space is also allocated for management offices and a smaller separate retail unit.

URBAN RETAIL STORE & HOTEL

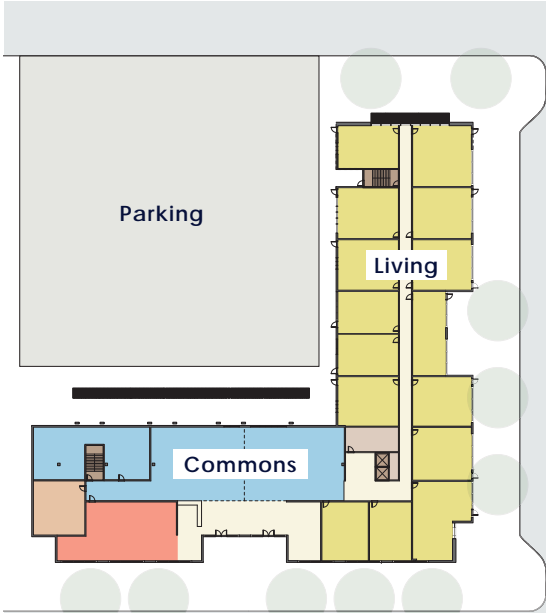
Most of the level 1 space for the Urban Retail Store & Hotel is allocated to retail, customer pickup, and operations. Space is also allocated for management offices and a smaller separate retail units.

CITY HALL & OFFICE TOWER

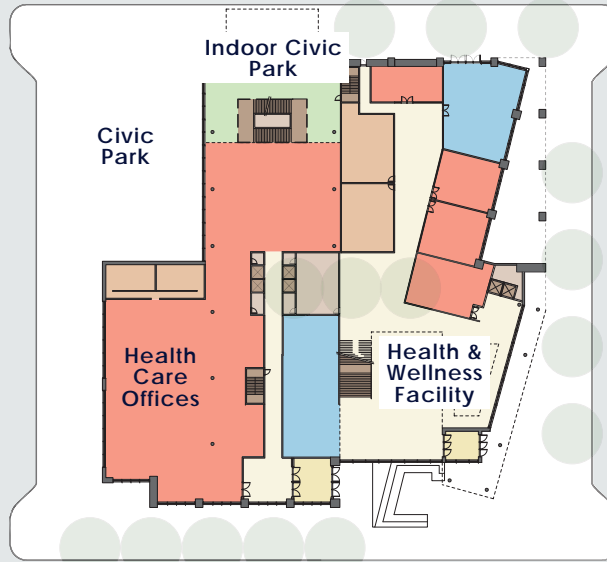
The street level of the mixed use is designed to connect to the hub of activity. A central public circulation core connects people to city offices and the office tower above. Space is also allocated for a small retail unit.

OFFICE - LEVEL 1

-  Parking
-  Bar / Food Zone
-  Live / Work
-  Offices
-  Retail
-  Open Floor/Circulation
-  Restrooms
-  Vertical Circulation
-  Indoor Park



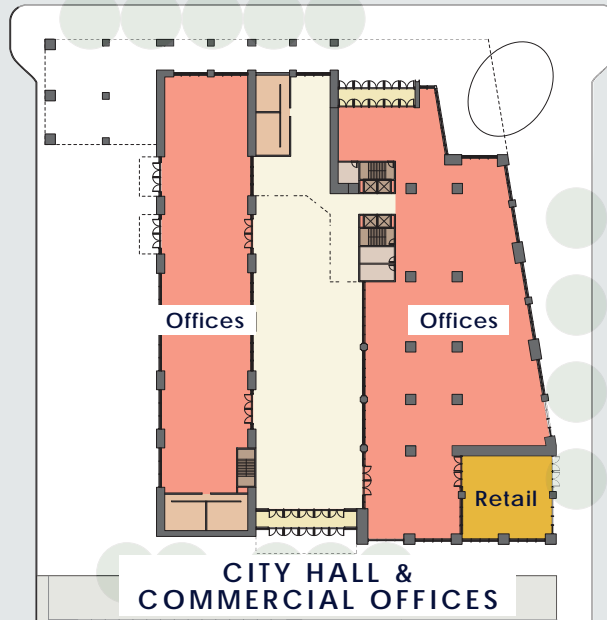
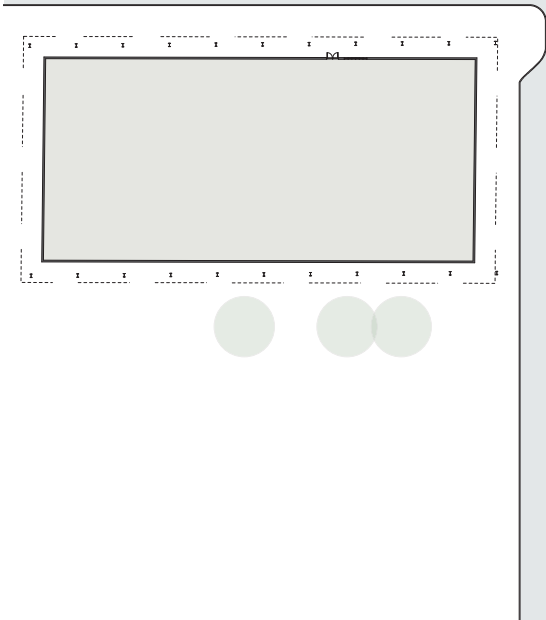
SENIOR LIVING FACILITY



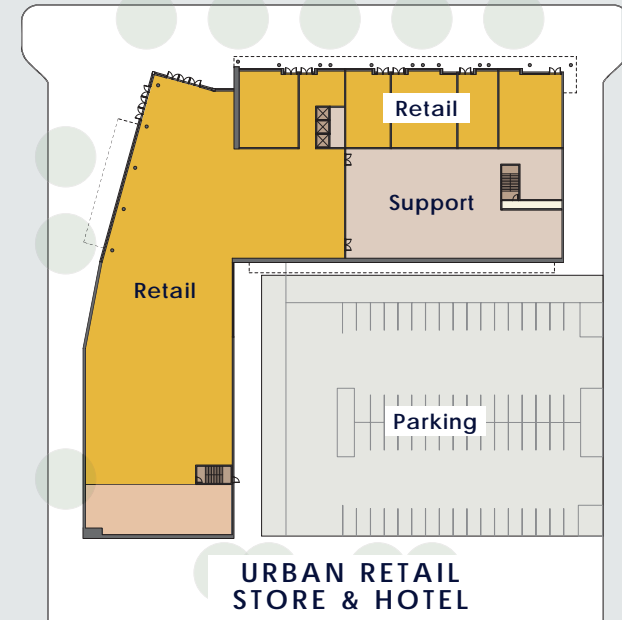
HEALTH & WELLNESS AND MEDICAL OFFICE



URBAN GROCERY & DOWNTOWN LIVING



CITY HALL & COMMERCIAL OFFICES



URBAN RETAIL STORE & HOTEL

LEVELS 3 & ABOVE

SENIOR LIVING

Above the ground floor, senior living units are arranged around daylight, views, and circulation cores.

HEALTH & WELLNESS

Level 3 hosts an elevated multi-use sports floor and running track with views looking over the street scape and Rimrocks. Healthcare support spaces are adjacently located on level 3 and extend into the upper levels on the west side of the building.

URBAN GROCERY & LIVING

Above the ground floor, living units are arranged around daylight, views, and circulation cores.







URBAN RETAIL STORE & HOTEL

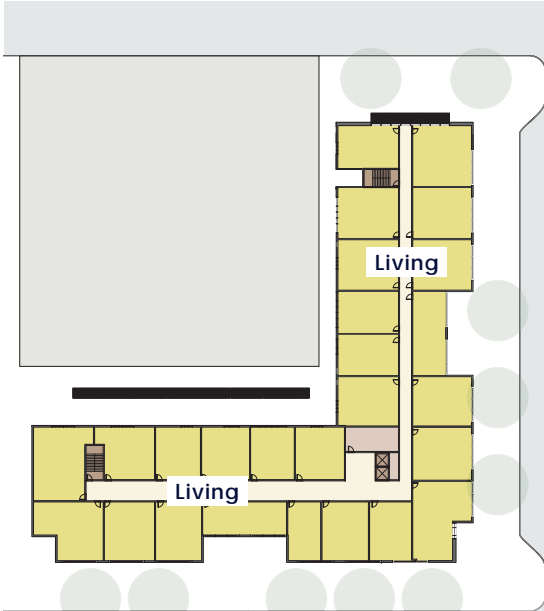
Above the ground floor, hotel units are arranged around daylight, views, and circulation cores.

CITY HALL & OFFICE TOWER

Above the ground floor, a smaller central public circulation core connects people to city offices and the office tower above. Most of the space at level 3 and above is allocated to office workspace.

OFFICE - LEVEL 3

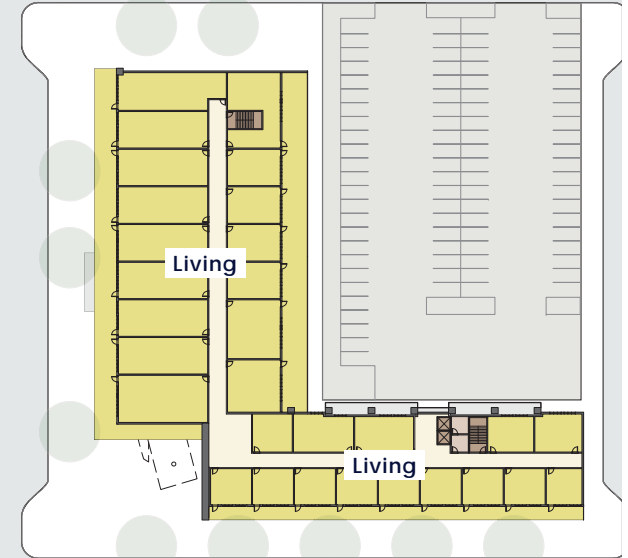
-  Parking
-  Live / Work
-  Offices
-  Open Floor/Circulation
-  Restrooms
-  Vertical Circulation



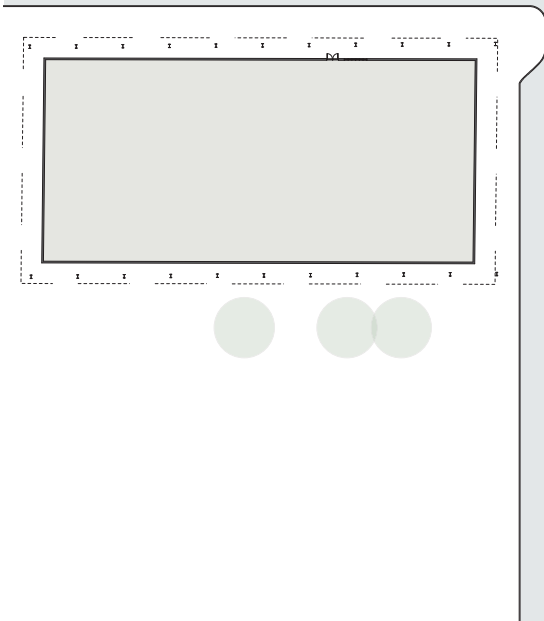
SENIOR LIVING FACILITY



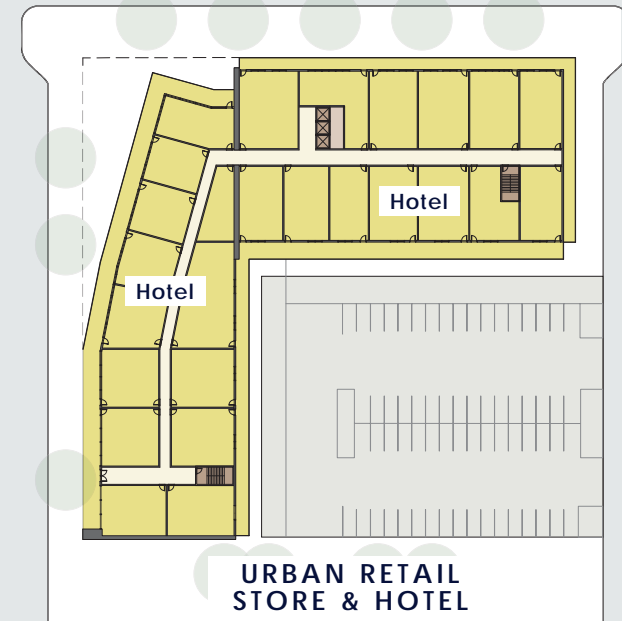
HEALTH & WELLNESS AND MEDICAL OFFICE



URBAN GROCERY & DOWNTOWN LIVING



CITY HALL & COMMERCIAL OFFICES



URBAN RETAIL STORE & HOTEL

CIVIC & WELLNESS DISTRICT DESIGN

DISTRICT AERIAL

This image depicts a complete revisioning of civic Billings, with buildings set back from main intersections to make appropriate space for pedestrians. Anchoring this district, ONE Big Sky envisions an office tower, a medical / wellness building, an urban grocery store with apartments above and a retail anchor.



STREET VIEW

This image depicts a complete revisioning of civic Billings, with buildings set back from main intersections to make appropriate space for pedestrians. Anchoring this district, ONE Big Sky envisions an office tower, a medical / wellness building, an urban grocery store with apartments above and a retail anchor.



PEDESTRIAN VIEW

Walkability and pedestrian focused streetscapes will be a priority for this new hub of civic and retail activity in.



4.8

EDUCATION & INNOVATION DISTRICT

The Vision

Education & Innovation District Master Plan

Residence Hall Plans

Innovation Center Plans

Education & Innovation District Design

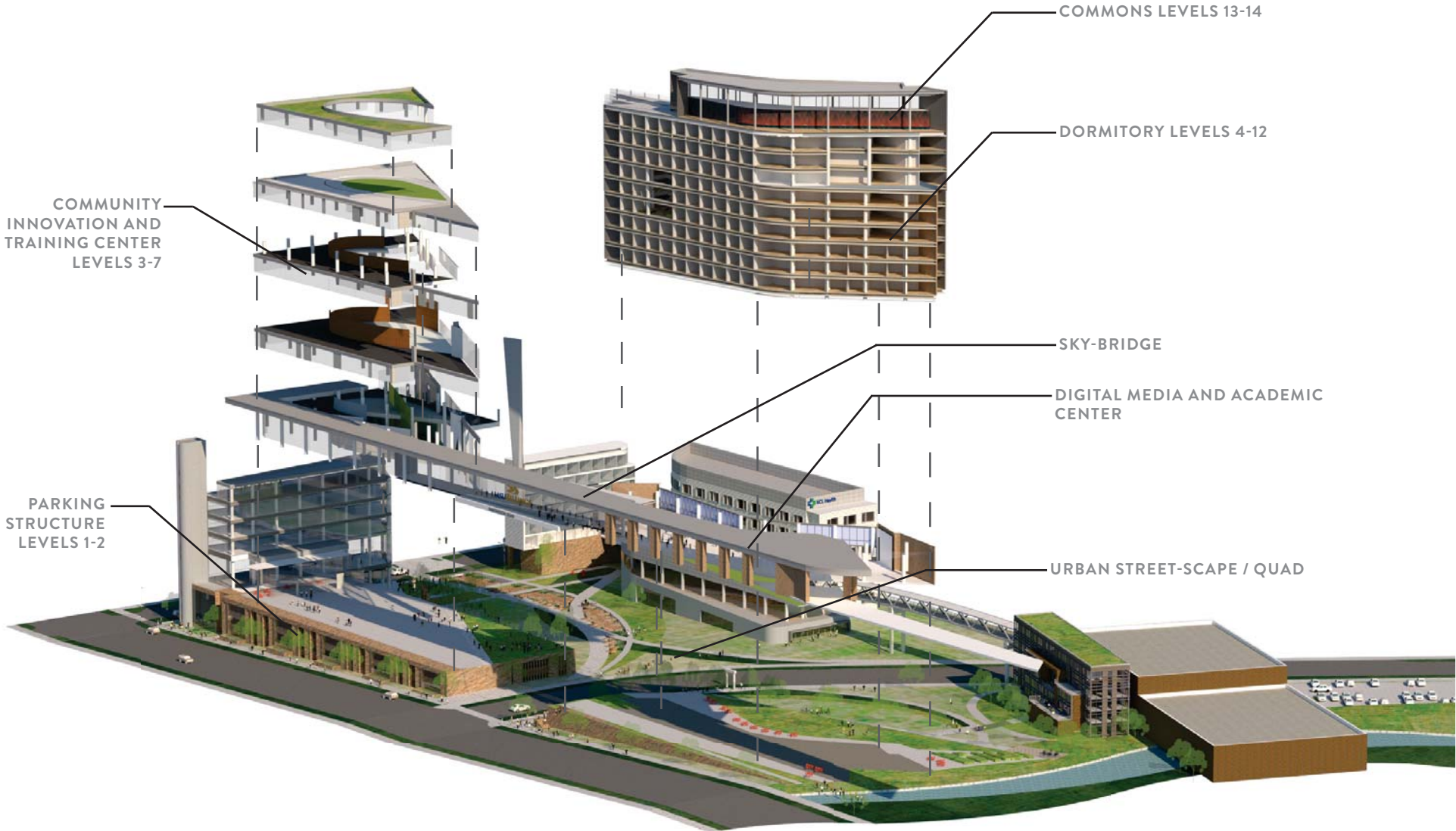
THE VISION

THE CATALYST TO THE DISTRICT

A burgeoning knowledge and medical technology district requires the direct collaboration, partnership, and proximity between institutions of healthcare practice and medical education. The Education & Innovation District exemplifies this by incorporating the opportunity to build Montana's first medical school adjacent to the established healthcare institutions.

The environment of the Education & Innovation District is designed to leverage the presence of the existing healthcare institutions and their regional draw to Billings to transform the northern end of downtown into the medical campus of the future. The environment of the Education & Innovation District is designed to leverage the presence of the existing education institutions and their regional draw to Billings to transform the northern end of ONE Big Sky into the learning and innovation campus of the future.

The Education & Innovation will be an evolving concept of "place" where investments will be targeted to improve campus infrastructure and life, along with building connection, collaboration and innovation to our existing healthcare industry. With a focus on connectivity, the Education & Innovation District will bridge to the Civic & Wellness District building the full ONE Big Sky walkability structure from Downtown to Campus.

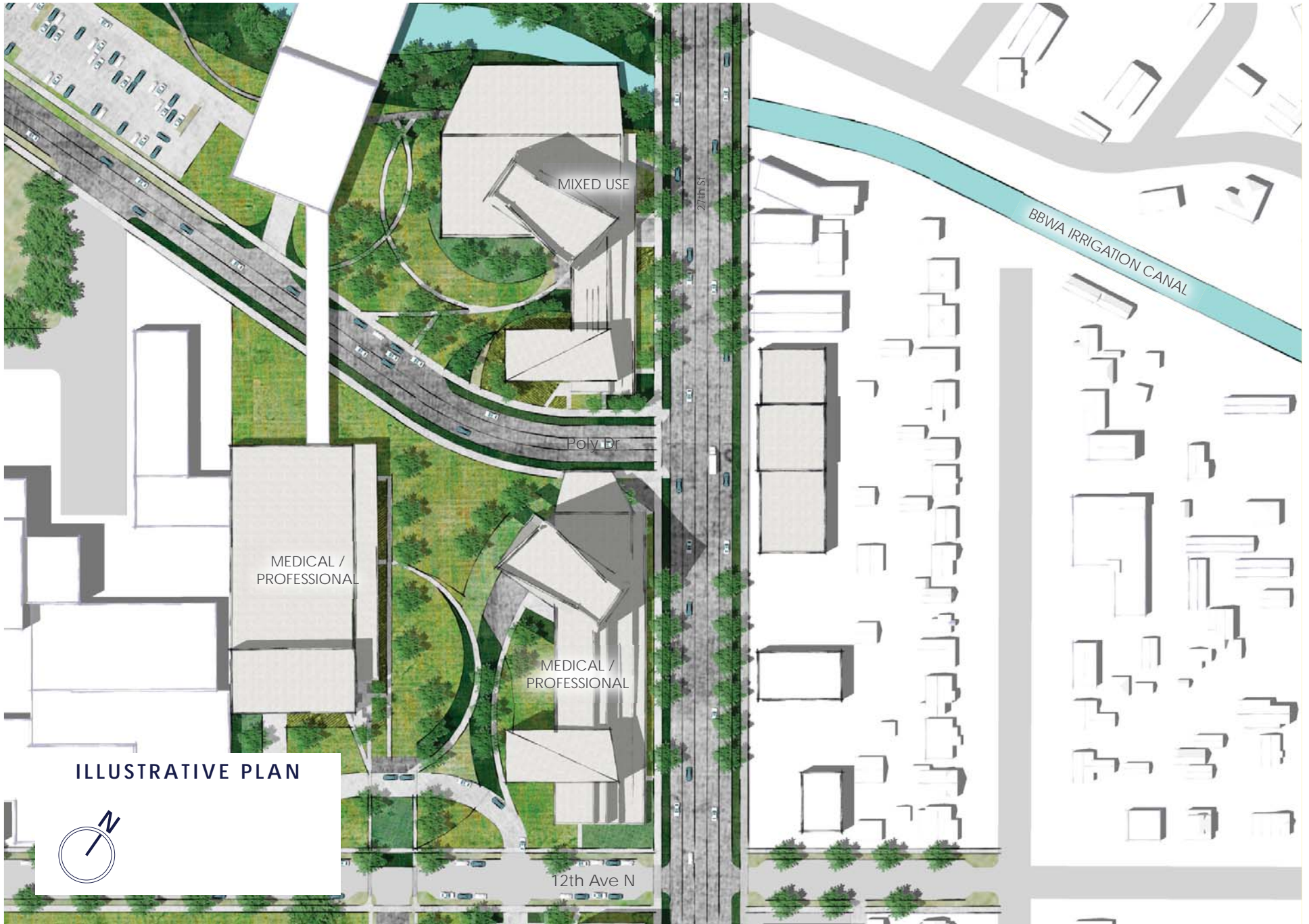


EDUCATION & INNOVATION DISTRICT MASTER PLAN

ILLUSTRATIVE PLAN

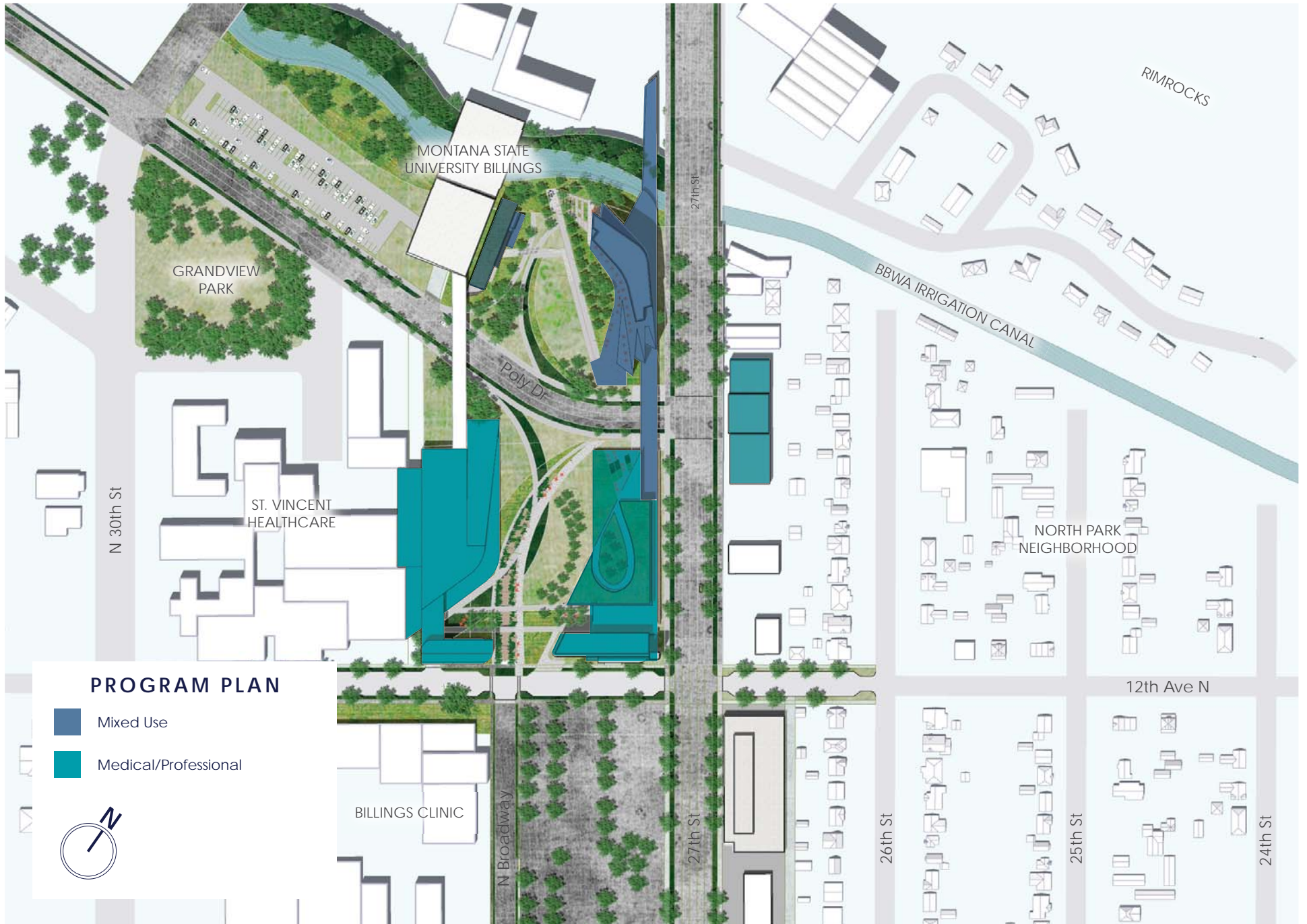
The Education & Innovation District connects the existing medical and education campuses both visually and physically. The synergy of education, innovation, medical technology, and wellness will be facilitated and strengthened by this new anchor.

The Education & Innovation District takes inspiration from the existing surroundings and helps to define a language of the “Urban Campus”. Taller buildings allow for more of the ground plane to be left over to greenery, which will be experienced by long curving walkways.



PROGRAM PLAN

The Education & Innovation anchor will help to define an entrance into both medical and education campuses. The buildings are sited on an underutilized corner. Their design will help reinforce the language of the “Urban Campus”.



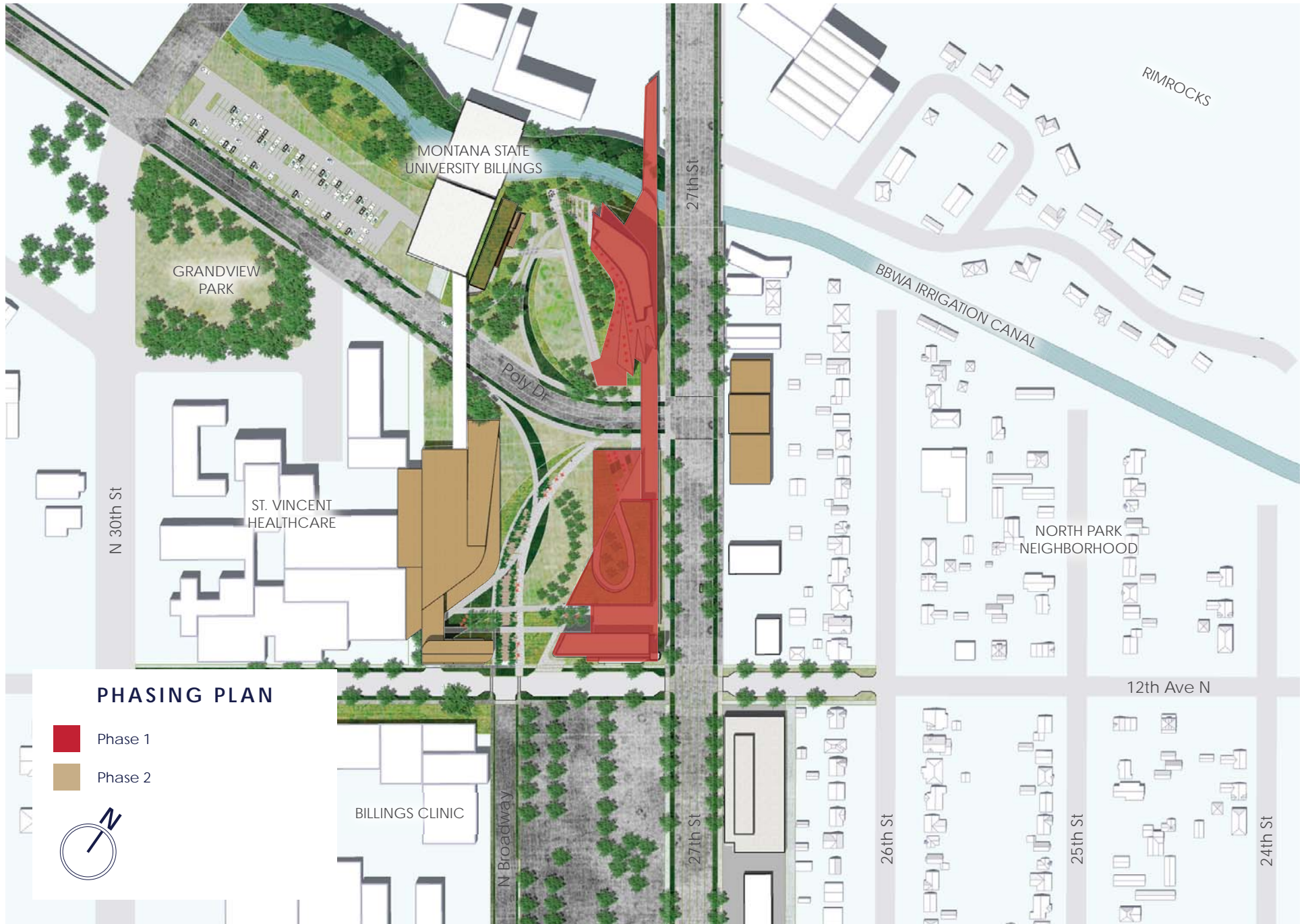
PHASING PLAN

ANCHOR

The mixed use education and medical office buildings act as the public face of both campuses and represent a gateway. Walkways through verdant lawns reinforce the campus-like feeling of these anchor buildings.

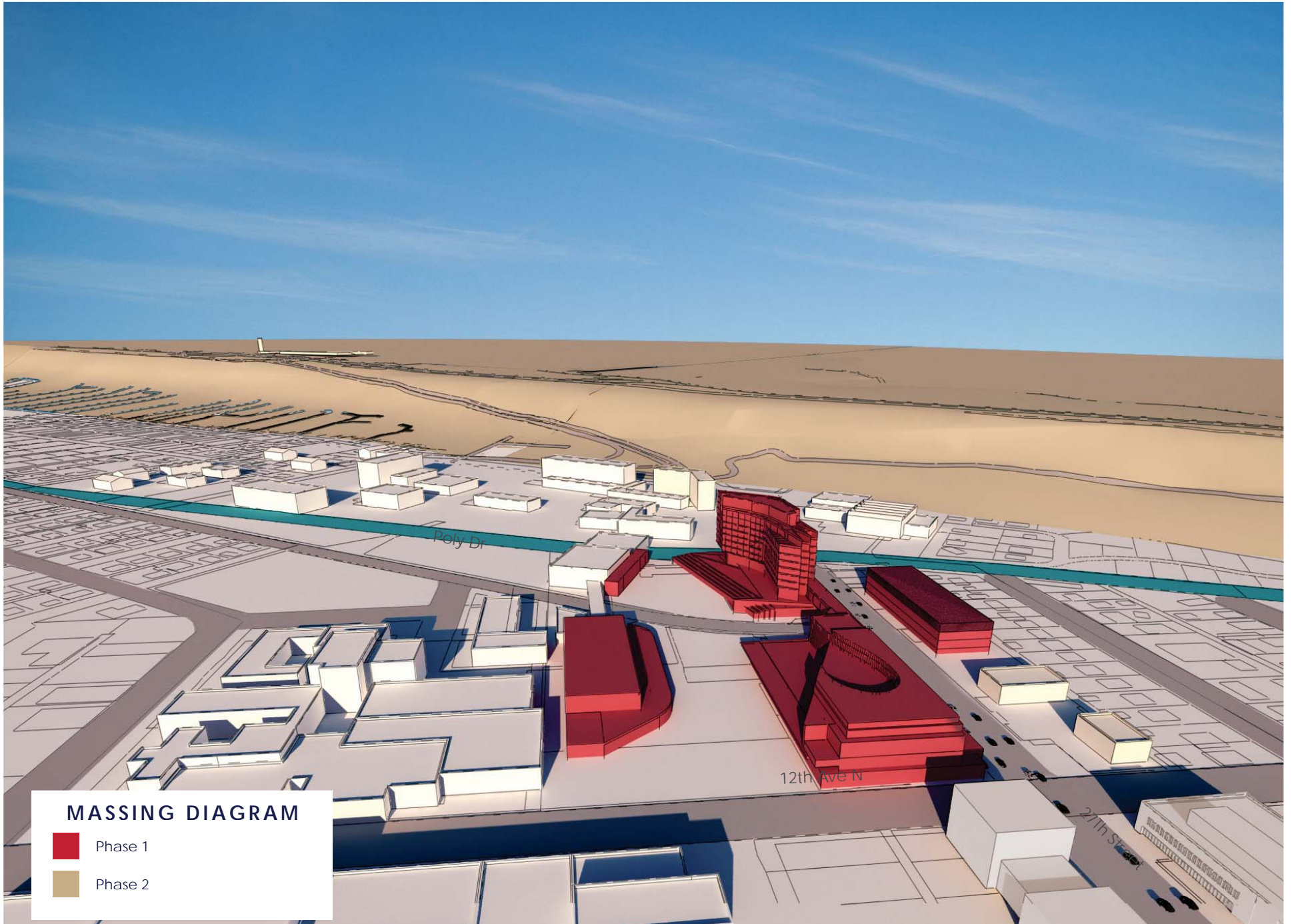
PERIPHERAL / TRANSITIONAL

Pathways and lawn surround the anchor.



MASSING PLAN

This image illustrates the scale of possible development if the connection to MSUB and the healthcare community is strengthened.



MASSING DIAGRAM

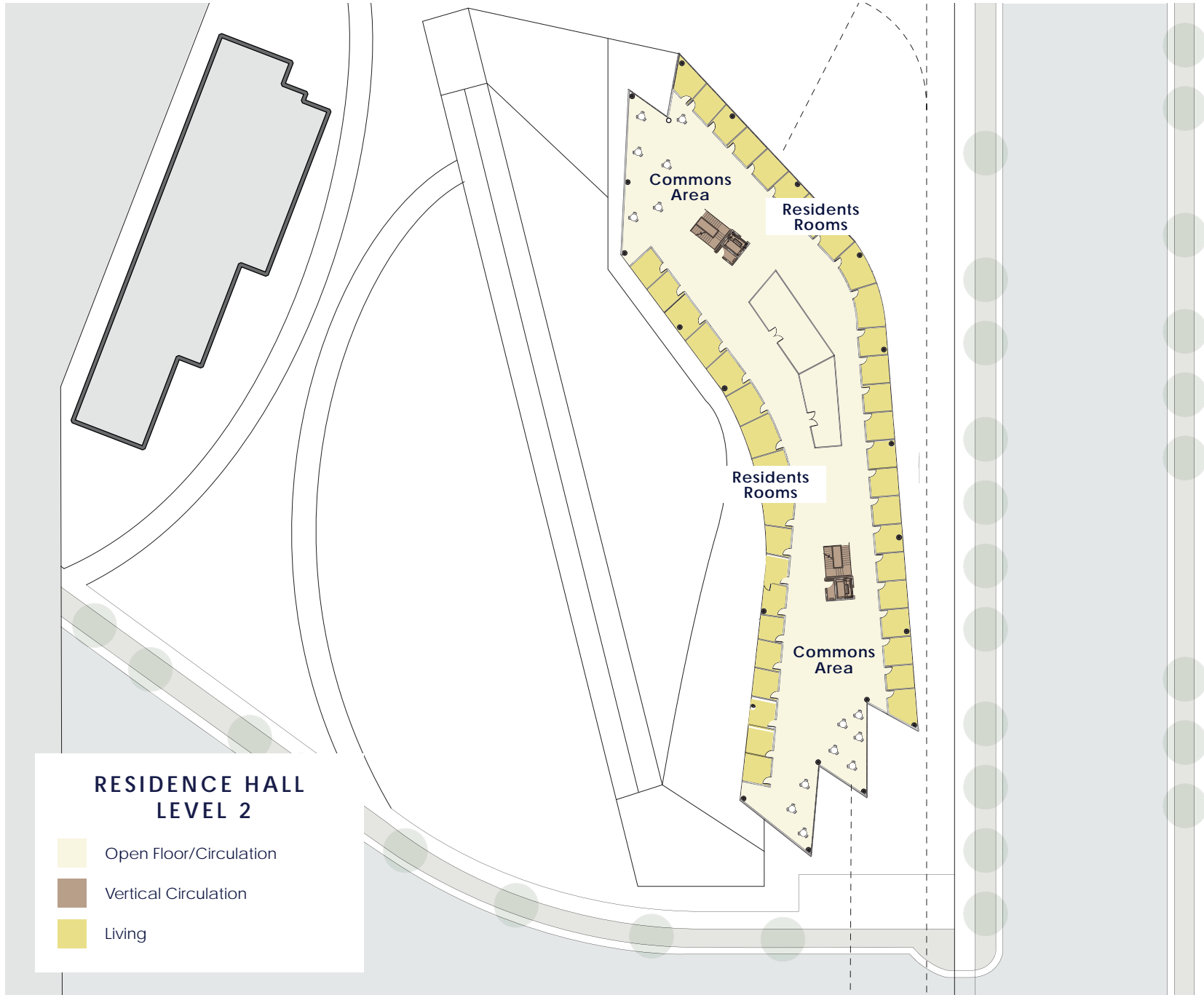
- Phase 1
- Phase 2

RESIDENCE HALL PLANS

LEVEL 2

The main floor of the Residence Hall will be an extension of the Community & Innovation Center to the south (connected by a cable-suspended pedestrian bridge over Poly Drive). This western gateway to the MSUB campus will create a space for MSUB students to interact with professionals from across the city of Billings and throughout the State of Montana – using collaboration to spur the next level of innovative thinking. The typical floorplan of the Residence Hall will contain flexibly sized, suite-style living areas and bedrooms along the perimeters to provide daylit living spaces that offer great views of the geographic features of the surrounding Billings area. These suites will feature both private and shared rooms, kitchenettes, restroom and shower rooms, and private study areas. Additional amenities will be offered throughout the facility such as student workrooms, fitness rooms, a theater room, laundry, music practice rooms, and flexible common lounge spaces throughout the cores of each floor. The lower levels will provide parking for the student residents.

The north terminus to the walkability corridor lies just outside of the Residence Hall on the MSUB campus and connects with the downtown core through the healthcare corridor. The Quad will be a new public space and an outdoor extension of the Community Innovation Center. This will be furnished with Wi-Fi connectivity throughout as well as opportunities for power - allowing discussions inside to continue outside.



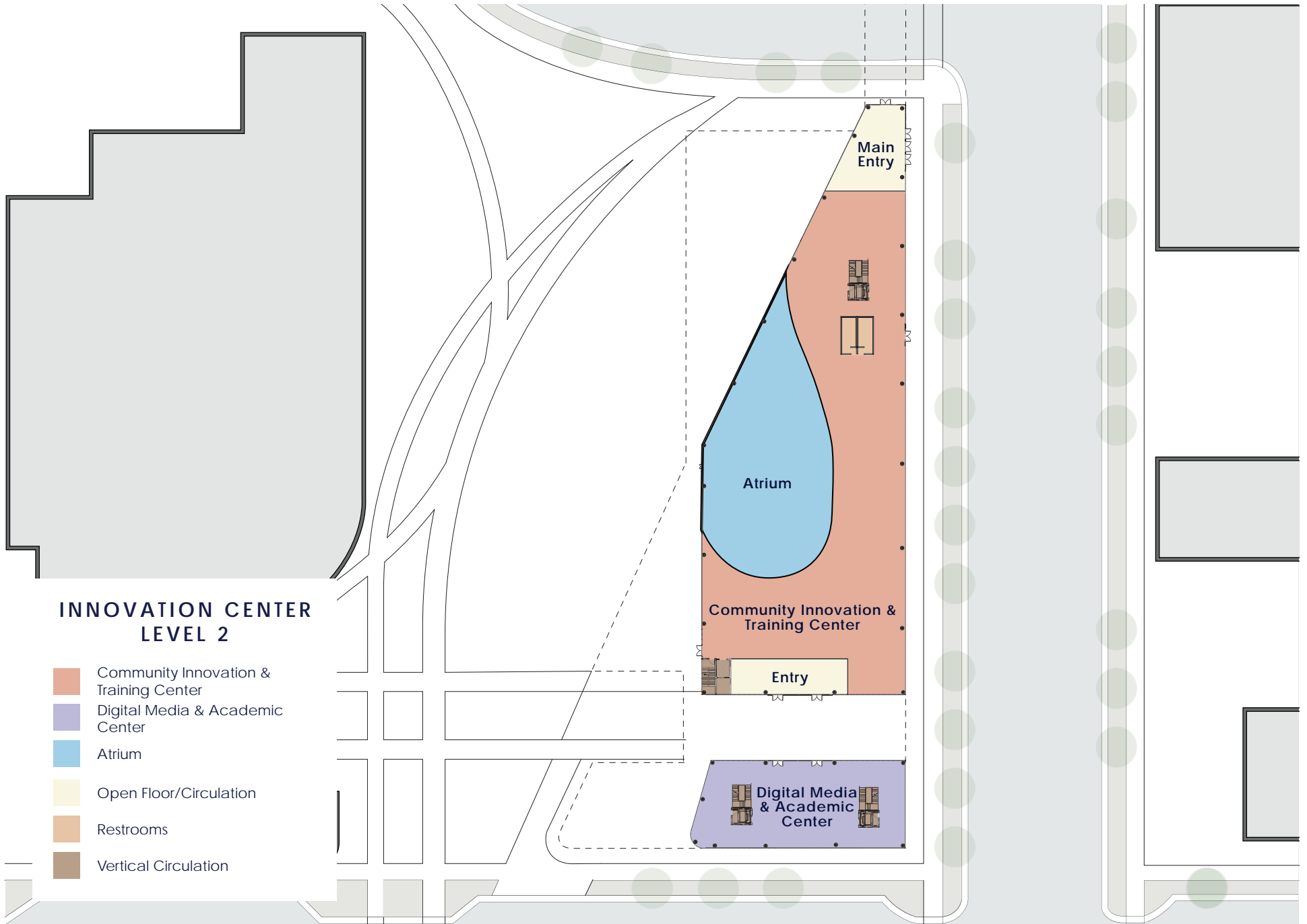
**RESIDENCE HALL
LEVEL 2**

- Open Floor/Circulation
- Vertical Circulation
- Living

INNOVATION CENTER PLANS

LEVEL 2

The Innovation Center will cater to a mixture of several functions throughout the facility. This will be the epicenter for collaboration and innovation between many of the leading entities within the Billings Community and from around the state of Montana. The lower levels will be characterized by welcoming, open collaboration spaces featuring such amenities as a coffee and refreshments shop, a cafeteria, and multiple flexible breakout spaces. Typical floors of the north building provide custom spaces for community innovation and training. These makerspaces and co-working spaces will surround an open, bright atrium space, and will be where college and high school students have opportunities to learn from local entrepreneurs outside the classroom. The typical floors of the south building will encompass the Digital Media & Academic Center. Within this facility, the digital connectivity necessary for academic and healthcare innovation will continuously evolve with technology advances, supporting community professionals and MSUB students' ability to collaborate around the world.



INNOVATION CENTER LEVEL 2

- Community Innovation & Training Center
- Digital Media & Academic Center
- Atrium
- Open Floor/Circulation
- Restrooms
- Vertical Circulation

EDUCATION & INNOVATION DISTRICT DESIGN

VIEW LOOKING NORTH

The Education & Innovation district creates a new environment for innovation and learning. Students live in the middle of it all, with access to workshops, networking events, innovation programs, community outreach and more.



VIEW LOOKING SOUTH

The Education & Innovation district creates a new environment for innovation and learning. Students live in the middle of it all, with access to workshops, networking events, innovation programs, community outreach and more.



MONTANA STATION
CONVENTION CENTER ANALYSIS



“Billings is a place of forever views and forever memories with the adventure of the untamed wilderness and history right out your front door.”

- VISIT BILLINGS

INTRODUCTION

In 2015, HVS completed a feasibility study for a traditional convention center project in downtown Billings. While the economics of this particular venue were challenged, only meeting baseline growth and financial expectations, this is not to say that a convention and events center cannot be successful, and extremely impactful, in Billings, Montana, with the right type of design, programming and vision.

The following Convention and Events Center Analysis takes a different approach to the traditional convention center model – tailoring its physical design and functionality to trends and analyzing the local and regional competitive set to imagine a venue that is larger and more impactful than any other venue in the State. Hunden Strategic Partners projects that this new model for a convention and events venue of the future can be an overnight success, allowing Billings to “punch above its weight class” and compete with much larger cities in the Mountain States region and even nationally.

This Section 5 covers the following:

- **Convention, Entertainment, Events & Sports Market Analysis.** An assessment of the convention, entertainment and sports market in Billings and the Mountain States Region to determine gaps in the market in and around Billings and to understand the market opportunity for Montana Station. (Independently conducted by Hunden Strategic Partners)
- **Convention Center Trends.** Current trends in the convention and events industry.
- **Competitive Overview.** An overview of convention and events venues in the State and broader region, establishing the lack of adequate and diverse venues in the Mountain States Region.
- **Convention Center of Tomorrow.** A vision for the “Montana Station” convention and events center that will meet tomorrow’s trends and break the traditional “box with docks” model to redefine the industry.
- **Market Demand & Financial Projections.** An analysis of demand and financial projections for a traditional convention center model (studied by HVS) versus the destination convention model (studied by HSP) envisioned for Montana Station, which serves as the anchor of a larger economic development strategy.



**CONVENTION,
ENTERTAINMENT,
EVENT & SPORT
MARKET ANALYSIS**



**CONVENTION
CENTER TRENDS**



**COMPETITIVE
OVERVIEW**



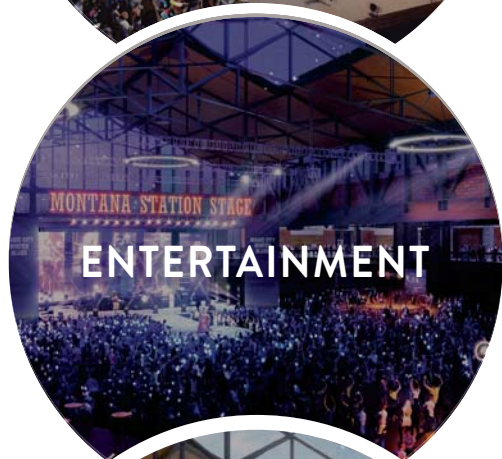
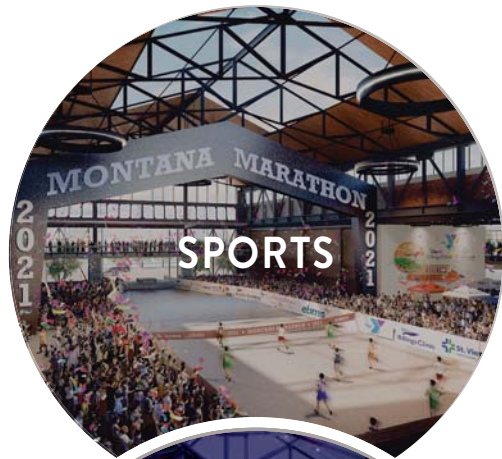
**CONVENTION
CENTER OF
TOMORROW**



**MARKET DEMAND
& FINANCIAL
PROJECTIONS**

5.1

CONVENTION, ENTERTAINMENT &
SPORTS MARKET ANALYSIS



5.1 CONVENTION, ENTERTAINMENT, EVENTS & SPORTS MARKET ANALYSIS OVERVIEW

This market analysis provides implications regarding the viability of a new multipurpose Convention and Event Center as part of ONE Big Sky.

The multipurpose venue contemplated in this Development Plan, Montana Station, is proposed to feature a multipurpose Convention and Event Center that will be able to host a diverse program of uses including traditional conventions and exhibitions, meetings and lectures, community events, sporting events, concerts and more. Due to its design, size, and functionality, the proposed event venue is being categorized as a modern, “unconventional convention center.”

The project encompasses a diverse business model that will aim to draw approximately 50 percent of its visitors from traditional convention function and 50 percent from local and regional use, including sports, festival and urban entertainment events. The design and flexibility of the venue is distinctly different from traditional convention centers which typically only offers exhibit space, ballrooms and meeting rooms. The design of the venue aims to allow for significantly greater operational flexibility to host events of all kinds. The event venue is the anchor development of the Phase I in the Events and Entertainment District of ONE Big Sky.

Based on the following analysis of the existing venues, quality, location and reputation, as well as historic demand analysis and conversations with entertainment professionals in the market, HSP’s analysis suggests that a flexible multipurpose event center with appropriate walkable and adjacent support amenities, including hotels, will establish Billings as a regional destination for sports, entertainment, conventions, and other events.



CONVENTION & EVENTS MARKET

Analysis of the meetings and event market indicated that there are no large-scale, high-quality meeting and event facilities available in Billings or in the state of Montana. The largest facilities in the market are located outside of the urban core and are generally perceived to be low quality. The new convention and meeting facility development in Billings would be the newest and highest quality in the region, and would allow Billings to attract state associations, in-state conferences, and conventions that, currently, do not consider Billings. With walkable amenities, including hotels, restaurants, and nightlife, the proposed development will provide regional meeting and event planners the venue that meets the unmet demand in the Mountain States Region.

LOCAL CONVENTION & EVENTS ENVIRONMENT
BILLINGS, MONTANA

VENUE	LOCATION	YEAR OPENED	DISTANCE FROM DOWNTOWN	SQUARE FEET
Missoula Conference Center	Missoula	Proposed	343 Miles	33,705
University of Montana University Center	Missoula	1969	344 Miles	30,449
Butte Civic Center	Butte	1952	225 Miles	29,500
Great Falls Civic Center	Great Falls	1939	219 Miles	23,938
Montana State University Strand Union Building	Bozeman	1940	142 Miles	19,348
Bozeman Conference Center	Bozeman	Proposed	144 Miles	20,000
Helena Civic Center	Helena	1920	239 Miles	15,140
AVERAGE			236.6 Miles	24,583

Source: Hundert Strategic Partners

REGIONAL CONVENTION & EVENTS ENVIRONMENT
MONTANA

VENUE	LOCATION	YEAR OPENED	DISTANCE FROM DOWNTOWN	SQUARE FEET
Chi Health Center	Omaha, NE	2003	838 Miles	296,426
Spokane Convention Center	Spokane, WA	2007	541 Miles	274,042
Greater Tacoma Convention Center	Tacoma, WA	2004	831 Miles	158,500
Bismarck Event Center	Bismarck, ND	1969	415 Miles	149,911
Fargodome	Fargo, ND	1992	611 Miles	129,902
Rushmore Plaza Civic Center	Rapid City, SD	1977	318 Miles	106,136
Utah Valley Convention Center	Provo, UT	2012	591 Miles	83,878
Boise Centre	Boise, ID	1990	612 Miles	81,424
Denny Sanford Premier Center	Sioux Falls, SD	2014	659 Miles	59,100
Meydenbauer Center	Belleve, WA	1993	812 Miles	53,310
Yakima Convention Center	Yakima, WA	1976	746 Miles	43,367
Wentatchee Convention Center	Wentatchee, WA	2017	709 Miles	40,067
Three Rivers Convention Center	Kenewick, WA	2004	683 Miles	33,074
Casper Events Center	Casper, WY	1982	276 Miles	30,896
Marian H. Rochelle Gateway Center	Laramie, WY	2014	424 Miles	12,095
AVERAGE			594.6 Miles	103,475

Source: Hundert Strategic Partners

Venue size measured in square feet of usable space

ENTERTAINMENT MARKET

In addition to hosting traditional conferences and conventions, the proposed Convention and Events Center will be flexible enough to be utilized for entertainment events.

As shown, the local entertainment venue supply in Billings is limited and is primarily comprised of small and dated facilities. The largest facility in the local market is the RimRock Auto Arena at MetraPark, which is able to accommodate 12,000 attendees. The Shrine Auditorium is the second largest facility in the market, but the aging facility is unable to host upscale events due to limited technology infrastructure and can accommodate various events only on a hard wood floor.

Although there is regional competition for entertainment facilities, almost all of the competition is located more than 300 miles from Billings. A flexible convention and event facility will allow Billings to compete in this regional market by offering a mid-sized entertainment option that is not currently available in the market.

LOCAL ENTERTAINMENT ENVIRONMENT

BILLINGS, MONTANA

VENUE	ADDRESS	DISTINCTION	LOCATION	YEAR OPENED	DISTANCE	
					FROM DOWNTOWN	CAPACITY / SEATING
RimRock Auto Arena at MetraPark	308 6th Avenue North	Arena	Billings	1975	2.0	12,000
Shrine Auditorium	1125 Broadwater Avenue	Theatre / Auditorium	Billings	1950	2.2	2,300
Alberta Bair Theatre	2801 3rd Avenue North	Theatre / Auditorium	Billings	1987	0.5	1,400
The Pub Station	2502 1st Avenue North	Club	Billings	--	0.2	1,000
Babcock Theater	2812 2nd Avenue North	Theater	Billings	2008	0.2	750
AVERAGE					1.0	3,490

Source: Pollstar, Various Facilities, Hunden Strategic Partners

REGIONAL ENTERTAINMENT ENVIRONMENT

MOUNTAIN STATES REGION

VENUE	ADDRESS	DISTINCTION	LOCATION	YEAR OPENED	DISTANCE	
					FROM DOWNTOWN	CAPACITY / SEATING
The Wilma	131 S. Higgins Avenue	Club	Missoula, MT	--	343	1,500
Big Sky Brewing Amphitheatre	5417 Trumpeter Way	Amphitheatre	Missoula, MT	--	349	6,000
Casper Events Center	1 Events Drive	Arena	Casper, WY	1985	276	9,700
Bismarck Event Center	315 S 5th Street	Arena	Bismarck, ND	1995	416	10,000
Knitting Factory Concert House	919 W Sprague Avenue	Club	Spokane, WA	--	540	1,500
Northern Quest Casino Amphitheatre	100 N Hayford Road	Amphitheatre	Spokane, WA	2011	548	1,244
Union Event Center	235 N 500 West	Auditorium / Theatre	Salt Lake City, UT	--	547	3,500
The Complex	536 W 100 South	Auditorium / Theatre	Salt Lake City, UT	--	548	2,500
The District	521 W Empire Place	Club	Sioux Falls, SD	--	551	1,500
AVERAGE					458	4,160

Source: Pollstar, Various Facilities, Hunden Strategic Partners

SPORTS MARKET

The Convention and Events Center is also proposed to be utilized for indoor sporting events and tournaments. HSP analyzed both the local and the regional indoor sports facility supply to better understand the opportunity for indoor sports programming in Billings.

The current supply of athletic complexes in Billings is very limited as can be seen in the table to the right. The Expo Building at MetraPark has the largest capacity space, however it is difficult for this venue to independently host tournaments and events as the flooring is not ideally suited for sporting events. The regional competition is also extremely limited, with only four indoor sports facilities capable of hosting larger scale tournaments within 700 miles.

With limited local and regional supply, HSP believes Billings has a unique opportunity to leverage Montana Station to pursue city-wide sporting events that Billings cannot currently attract.

Additionally, the South Billings Urban Renewal Association (SBURA), in collaboration with the City of Billings, is in initial planning stages for a Recreation and Aquatic Center in South Billings. This new center will also complement Montana Station, offering a range of sports amenities, including indoor courts, ice, aquatics, and other family recreation activities.

LOCAL INDOOR ATHLETIC SUPPLY
BILLINGS, MONTANA

VENUE	LOCATION	INDOOR			SOCCER / MULTI- PURPOSE FIELDS	SOFTBALL	BASEBALL	TENNIS	ICE HOCKEY	OUTDOOR TRACK AND FIELD
		BASKETBALL	VOLLEYBALL COURTS	INDOOR FIELD						
Amend Park	Billings	--	--	--	9+	--	--	--	--	--
Avitas Group Stadium	Billings	--	--	--	2	1	--	--	--	--
Billings Senior High School	Billings	2	3	--	--	--	--	--	--	--
Billings Sports Plex	Billings	--	--	1	--	--	--	--	--	--
Castle Rock Park	Billings	--	--	--	3	--	--	4	--	--
Centennial Ice Arena	Billings	--	--	--	--	--	--	--	1	--
Daylis Stadium	Billings	--	--	--	1	--	--	--	--	1
Dehler Park	Billings	--	--	--	--	--	1	--	--	1
Expo Building at MetraPark	Billings	6	11	--	--	--	--	--	--	--
Laurel High School Gym, Stadium & Fields	Laurel	1	2	--	1	--	--	--	--	1
MSUB Alterowitz Gym	Billings	1	--	--	--	--	--	--	--	--
Open Court Sports & Event Center	Billings	1	--	--	--	--	--	--	--	--
Pioneer Park	Billings	--	--	--	1	1	1	9	--	--
Rimrock Auto Arena at MetraPark	Billings	1	2	--	--	--	--	--	--	--
RMC Fortin Center Gym	Billings	1	2	--	--	--	--	--	--	--
Rose Park	Billings	--	--	--	3	1	--	2	--	--
Shrine Auditorium	Billings	1	3	--	--	--	--	--	--	--
Skyview High School Gym	Billings	2	3	--	--	--	--	--	--	--
Stewart Park	Billings	--	--	--	7	9	--	--	--	--
Thomsom Park	Laurel	--	--	--	--	2	1	--	--	--
Veterans Park	Billings	--	--	--	3	2	--	--	--	--
West High School Gym	Billings	1	2	--	--	--	--	--	--	--

Source: Various Facilities

REGIONAL INDOOR ATHLETIC SUPPLY
MOUNTAIN STATES REGION

VENUE	LOCATION	DISTANCE FROM DOWNTOWN BILLINGS	INDOOR			CONCESSION	MULTI- PURPOSE MEETING ROOMS	LOCKER ROOMS	OTHER
			BASKETBALL	VOLLEYBALL	INDOOR FIELD				
Paul Stock Aquatics & Rec Center	Cody, WY	105 miles	3	6	✓	✓	✓	8-lane, 25-yard lap pool; leisure pool; enclosed courts for handball / racketball / etc.	
Riley Arena	Cody, WY	105 miles	1	2	✓	1	✓	Primarily hockey arena with open meeting space that can be used for sports	
Montana Indoor Sports	Bozeman, MT	142 miles	✓	✓	✓	--	✓	Scheduled to open in winter 2018/2019 - minimal information available - primarily outdoor with some indoor space	
Sanford Pentagon	Sioux Falls, SD	663 miles	8	16	3	6	8	--	
TOTAL / AVERAGE		254 miles	4	8	3	3.5	--		

Source: Various Facilities

5.2

CONVENTION CENTER TRENDS

Introduction

Destination

Multi-Experience

Urban-Centered

Authentic / Cultural Influences

Adaptable / Flexible

Health / Wellness

Interactive

5.2 CONVENTION CENTER TRENDS

INTRODUCTION

“Sports venues and convention centers can activate communities, generate revenue, and reposition urban areas as regional destinations. Demands for new technology, better service, and more amenities are constant drivers for venue owners and operators.”

- GENSLER

A new generation of event attendees that look at space differently is creating an industry-wide shift in how venues will look and operate in the future, driven by a demand for more modern aesthetics and amenities, optimized functionality and efficiency, and an authentic, cultural experience that builds on the unique character of the host city.

In order for Montana Station to be successful, it is imperative to understand these changes and the corresponding areas of opportunity to create a venue that will meet the needs of meeting planners and attendees - as well as local businesses and residents. This Section 5.2 includes a discussion of the conference, convention, meeting and event industry trends and how they relate to a new Convention and Events Center in Billings.

Montana Station is at the forefront of these trends, redefining the convention center into a more desirable, flexible, and profitable model for the future.



“Bookings will be higher for convention centers that can offer an authentic experience of their cities.”

- LAWRENCE SPECK, SENIOR PRINCIPAL, PAGE ARCHITECTURE AND ENGINEERING, LEAD ARCHITECT FOR THE AUSTIN CONVENTION CENTER

AUTHENTIC DESTINATIONS

Research shows that travelers and meeting attendees of all ages want to visit unique destinations and experience them from an authentic, local perspective.

A study commissioned by the International Association of Exhibitions & Events found that destination is the No. 2 driver in attendees’ decision to register for a meeting.

The study also found that attendees are likely to turn into leisure travelers, with over half indicating they will extend their stay, turn their trip into a vacation and / or bring someone along with them. Three quarters of meeting goers say they will take advantage of what destinations offer by getting out and about during, before and after meetings. Remarkably, there is no significant variation between attendance frequency and generation. This shows that today’s attendees are consumers and should be valued in a new light, because they’re fueling additional room nights and doubling (or tripling) spending.

Few places - and none in the competitive set for Billings - offer the diversity of experiences that Montana does. For this reason, Billings is uniquely positioned to provide an authentic destination and capitalize on the corresponding “multiplier effects” by creating a convention and meeting venue that not only provides convention and event space, but does so in a way that reflects the City’s character and culture and provides meeting attendees with an authentic Montana experience.

DESTINATION CONVENTION CENTERS DRIVE MORE DOLLARS TO THE ECONOMY WITHOUT ADDITIONAL INVESTMENT:

TRADITIONAL
CONVENTION
CENTER



Convention Attendee
for Convention Event

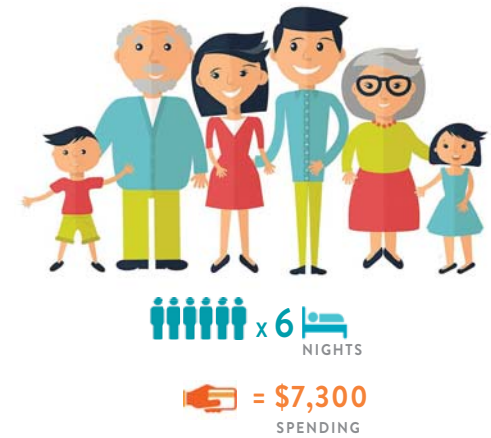
DESTINATION CONVENTION CENTER
"MULTIPLIER" EFFECT



Convention
Attendee + Guest for
Convention Event



Convention Attendee
+ Guests for
Convention Event +
Additional Nights



Convention Attendee
+ Guests for
Convention Event +
Additional Nights

“The box with docks model will not support this new direction. The model will be flipped. It may increasingly start to look like a part of the city instead of standing apart from its host city.”

- WOODS BAGGOT ARCHITECTURE

MULTI-EXPERIENCE

We know that tomorrow’s generation of convention and event goers expect a more interactive conference experience based on their educational background, grasp of technology and social media. As a result, the new multi-experience venue is the new convention typology. The Convention and Events Center user experience has flipped from passive “lecture-style” presentation toward more collaborative, critical thinking and dynamic, interactive exchanges among participants.

Multi-experience venues will include more open spaces where events reflect festival typologies. They will include hybrid meeting spaces integrating the physical and digital; plenary and flat floor spaces designed for concerts and entertainment events; pre-function spaces that can double as galleries; and incubator and interactive spaces, which promote a platform for participatory learning and knowledge-sharing experiences.

By creating a multi-experience venue, where the convention center can be an entertainment venue, social venue, art gallery, performance space, public market, education or workspace, Montana Station will be programmed with year-round activity, creating additional revenue opportunities and spurring hospitality and retail development.



“When evaluating a region’s economy, the first question to ask is, ‘Do people want to live there?’ If people want to live there, then something is working. If people do NOT want to live there, then something may be wrong.”

- BRYCE WARD, BUREAU OF BUSINESS & ECONOMIC RESEARCH AT THE UNIVERSITY OF MONTANA

URBAN-CENTRIC

Just as we have seen sporting venues move from the exurbs to the urban core, convention centers are capitalizing on the trend by integrating themselves into these urban cores and acting as community accelerators. More and more, event goers and planners are gravitating to urban-centric venues in hopes of amping up the experiential nature of the meeting or event with the added perk of exciting urban amenities all in a walkable setting.

Beyond providing a better experience for event and convention goers, thoughtfully planned urban convention centers offer brand connection to the city, acting as a catalyst and anchor to revitalize urban neighborhoods.



“I am seeing **more and more companies and brands seeking unexpected venues** to host meetings in. Many companies strive to keep their employees engaged and offer a surprise and delight when it comes to venues, and let’s face it, **we can only get so excited over another ballroom with no windows.**”

- SARAH SEBASTIAN, ROSE GOLD COLLECTIVE

NON-TRADITIONAL SPACES

Suppliers named flexible, “nontraditional” meeting rooms as one of the biggest trends in meeting space development and design over the past three years. Rather than using the usual lecture format, many conferences are experimenting with more collaborative settings which require flexible space that can be configured in different ways. Venue operators and suppliers report that break out rooms are used more now than they were three years ago; with suppliers citing an increased demand for smaller rooms with capacity of approximately 90 people or less. In conjunction with these results, more venues are offering collaborative/networking spaces outside of meeting rooms including activating under-used or third spaces, such foyers and atriums into work cafes and networking lounges.



“Wellness breaks in the conference and meetings world are going to become a much higher priority, as the millennial generation are far more conscious of their health and well-being. The trend towards looking after yourself is also extending to choice of location for events, as organizers take into account every aspect of the experience for delegates.”

- DIANE WALDRON, DIRECTOR OF SALES AND MARKETING AT THE QEII CENTRE

HEALTH / WELLNESS

As the amount of time we spend indoors peaks (it’s at 90 percent today), the demand for “wellness architecture” is rising. The wellness real estate boom worldwide started with commercial buildings and the introduction of the WELL Building Standard in 2014 as workers sought healthier office environment. This trend is now poised to explode into other real estate markets – including the convention and events industry.

The number of wellness-oriented properties (including residential, mixed-use and commercial) has grown 6.4% annually since 2015 and is expected to continue growing at that pace through 2022, to reach \$180 billion—half the size of the global “green” building industry.

As this trend gains momentum, venues will increasingly incorporate wellness-related design into their facilities, and meeting and event planners will include wellness programming into their schedules. Physical spaces designed for wellness usually start with energy-efficient and sustainable construction. Indoor components like natural lighting, air quality, acoustics, proximity to green spaces and exercise facilities take it to the next level. Convention and meeting spaces will also have to be designed to facilitate wellness programming, including offering healthier food options during breaks and mid-day energy sessions.



5.3

COMPETITIVE OVERVIEW

Purpose & Objectives

Montana Conference Venues

Regional Convention Venues

5.3 COMPETITIVE OVERVIEW

PURPOSE & OBJECTIVES

Montana Station is a purposeful strategy to put Montana “on the map” in the convention world and to create a wholly new segment of event-based tourism and visitation for the City of Billings and entire State of Montana.

This Competitive Overview identifies gaps in the market in and around Billings to understand the market opportunity for the new Convention and Events Center facility. Based upon these market gaps, this Section 5.3 defines opportunities for programming, design and operational parameters for a new Convention and Events Center in Billings, Montana. It informs the establishment of a distinct program for a new venue in Billings that positions Montana to compete in the convention sector beyond what is possible with current and planned facilities across the State.

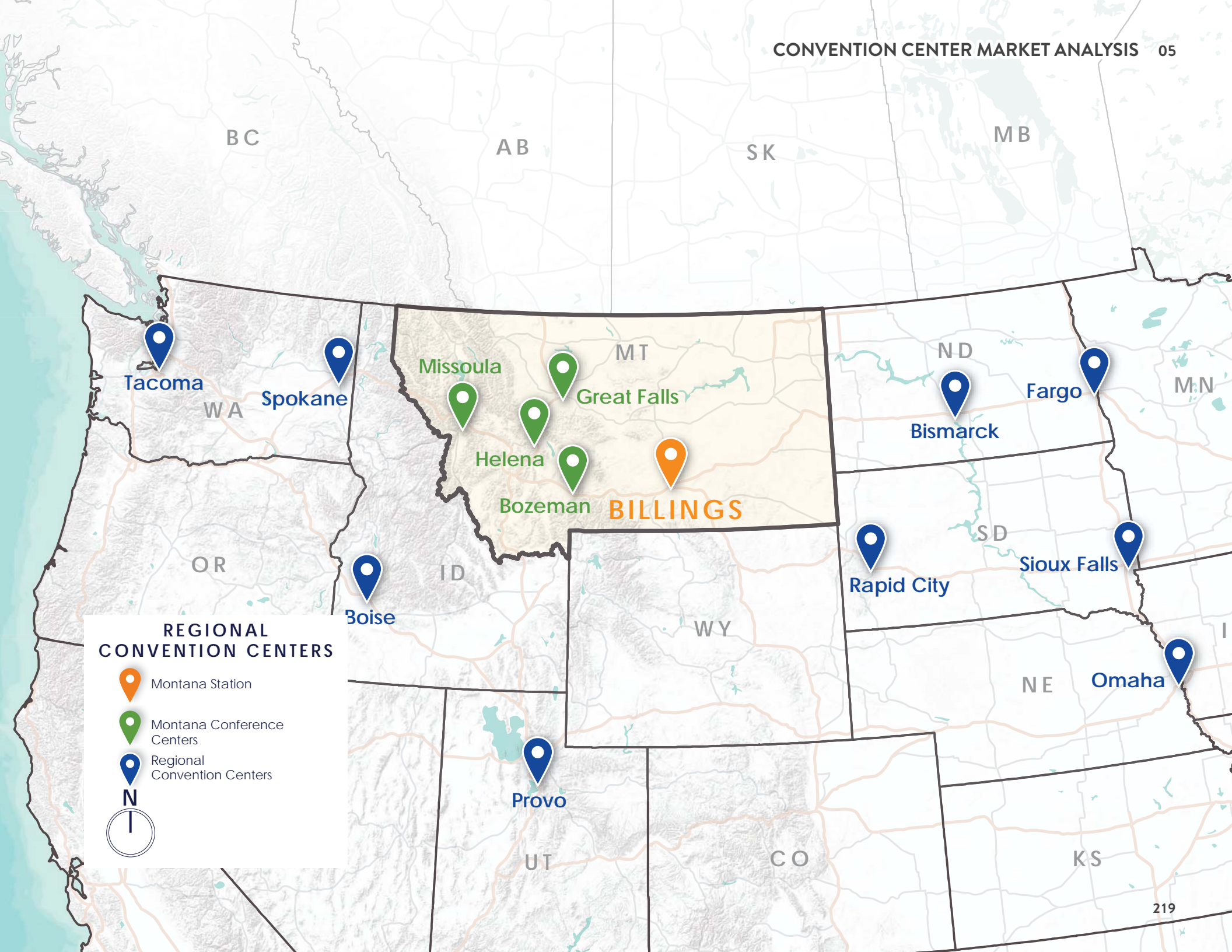
The specific objectives of this analysis, include:

#1 ANALYZE MONTANA MEETING & CONFERENCE CENTERS




- Identify meeting and conference venues in the state of Montana
- Evaluate the age and quality of these venues
- Evaluate the relative size and programmatic breadth of these venues
- Evaluate the breadth of users and primary bookings among these venues

#2 ANALYZE REGIONAL MEETING & CONVENTION CENTERS

- Identify a competitive set of meeting and convention centers in the Mountain States Region
- Evaluate the age and quality of these venues
- Evaluate the relative size and programmatic breadth of these venues
- Evaluate the breadth of users and primary bookings among these venues
- Establish competitive strengths and weaknesses of these venues



REGIONAL CONVENTION CENTERS

-  Montana Station
-  Montana Conference Centers
-  Regional Convention Centers



MONTANA CONFERENCE VENUES

The meetings and conference industry in Montana today is defined by small (15,000 to 30,000 square foot) community venues that draw from a local, not regional or national, market. **The State today lacks a venue that can accommodate mid-sized to large convention events – an enormous lost opportunity for the State to keep or attract new convention spending in the local community.**

Existing venues in the State are characterized generally by functional obsolescence and lack the physical space and modern amenities to attract the types of events that will make the convention venues of tomorrow successful – and financially impactful – in a community.

The Convention and Events Center concept contemplated as part of the ONE Big Sky, known as “Montana Station,” is a uniquely sized, designed and programmed venue that is unlike any building in the State today. Therefore, it will not cannibalize the smaller local conferences and meetings that these surrounding venues currently attract.

The table to the right presents a summary of the Montana venues, organized by largest contiguous space.

Montana doesn't currently have a venue that can compete at the scale / level of experience that is envisioned for "Montana Station":

VENUE	MONTANA STATION	MISSOULA CONFERENCE CENTER	UNIVERSITY OF MONTANA UNIVERSITY CENTER	BUTTE CIVIC CENTER	GREAT FALLS CIVIC CENTER	MONTANA STATE UNIVERSITY STRAND UNION BUILDING	BOZEMAN CONFERENCE CENTER	HELENA CIVIC CENTER
LOCATION	Billings, MT	Missoula, MT	Missoula, MT	Butte, MT	Great Falls, MT	Bozeman, MT	Bozeman, MT	Helena, MT
YEAR OPENED	Proposed	Proposed	1969	1952	1939	1940	Proposed	1920
DISTANCE FROM BILLINGS	N/A	343 Miles	344 Miles	225 Miles	219 Miles	142 Miles	144 Miles	239 Miles
PRIMARY USE								
CONVENTION / EXHIBITION	●		●	●	●			
MEETINGS / CONFERENCE	●	●	●	●	●	●	●	●
EXPOSITIONS	●							
SPORTING EVENTS	●			●				
CONCERTS	●			●		●		●
PERFORMING ARTS	●				●			●
TRADE SHOWS	●		●	●				●
SPECIAL EVENTS	●	●	●	●	●		●	●
PROGRAM								
EXHIBIT HALL	90,000	**	9,424	20,000	15,300	**	**	**
BALLROOM	SEE ABOVE	17,735	10,437	9,500	4,160	14,500	20,000	14,465
MEETING / CONFERENCE	30,000	2,820	8,788	**	4,478	4,848	**	**
PRE-FUNCTION SPACE	SEE ABOVE	13,150	1,800	**	**	**	**	675
PLAZA	50,000	**	**	**	**	**	**	**
THEATER / ARENA	NA	**	2,835 Seats	7,500 Seats	1,750 Seats	190 Seats	**	1,925 Seats
TOTAL USABLE SPACE	170,000	33,705	30,449	29,500	23,938	19,348	20,000	15,140

MetraPark, located in Billings, has not been included in this competitive analysis as it is unlikely that a new downtown facility will directly compete with MetraPark for flat-floor events, but rather complement MetraPark's event mix.

REGIONAL CONVENTION VENUES

Looking beyond Montana, the broader regional and national convention and events industry is typical of what we find in mid-sized markets nationwide. These venues are larger than the local venues, ranging in size from 40,000 to 300,000 square feet; however, each of them operates under the traditional “box with docks” model that has defined the industry for decades. A number of these regional facilities have invested in technology upgrades and physical expansions, but still lack the characteristics that tomorrow’s event-goers will demand. Montana Station will be at the forefront of the convention industry of tomorrow. Based on the analysis completed by HSP, there is demand for a convention and events center of this caliber in the Mountain States Region and it is believed that the vision and strategy for Montana Station will position Billings to out-compete any venue in the competitive set.

The exhibit to the right presents a summary of 15 regional convention center facilities and markets organized by largest contiguous space.

ONE Big Sky and Montana Station positions the City of Billings and State of Montana to compete regionally, punching above our weight class:

VENUE	MONTANA STATION	CHI HEALTH CENTER	SPOKANE CONVENTION CENTER	GREATER TACOMA CONVENTION CENTER	BISMARCK EVENT CENTER	FARGODOME	RUSHMORE PLAZA CIVIC CENTER	UTAH VALLEY CONVENTION CENTER	BOISE CENTRE
LOCATION	Billings, MT	Omaha, NE	Spokane, WA	Tacoma, WA	Bismarck, ND	Fargo, ND	Rapid City, SD	Provo, UT	Boise, ID
URBAN?	YES	YES	YES	YES	YES	YES	YES	YES	YES
YEAR OPENED	Proposed	2003	2007 (renovated)	2004	1969	1992	1977	2012	1990
DISTANCE FROM BILLINGS	0 Miles	838 Miles	541 Miles	831 Miles	415 Miles	611 Miles	318 Miles	591 Miles	612 Miles
PRIMARY USE									
CONVENTION / EXHIBIT	●	●	●	●		●	●	●	●
MEETINGS / CONFERENCE	●	●	●	●	●	●	●	●	●
EXPOSITIONS	●		●		●			●	
SPORTING EVENTS	●	●		●	●	●	●		
CONCERTS	●	●	●	●	●	●	●	●	
PERFORMING ARTS	●	●	●		●			●	
TRADE SHOWS	●		●	●	●	●		●	●
SPECIAL EVENTS	●			●				●	
PROGRAM									
EXHIBIT HALL	90,000	194,300	120,000	99,500	100,000	115,000	65,212	19,620	**
BALLROOM	SEE ABOVE	41,876	50,530	13,650	**	**	15,158	16,894	42,161
MEETING / CONFERENCE	30,000	22,050	24,983	18,550	15,911	14,902	13,388	10,331	21,612
PRE-FUNCTION SPACE	SEE ABOVE	29,200	53,926	26,800	34,000	**	12,378	31,480	17,651
PLAZA	50,000	9,000	24,603	**	**	**	**	5,553	
THEATER / ARENA	NA	18,300 Seats	3,153 Seats	**	10,100 Seats	25,000 Seats	7,000 Seats	**	**
TOTAL USABLE SPACE	170,000	296,426	274,042	158,500	149,911	129,902	106,136	83,878	81,424

REGIONAL CONVENTION VENUES

(REGIONAL VENUES CONTINUED)

VENUE	MONTANA STATION	DENNY SANFORD PREMIER CENTER	MEYDENBAUER CENTER	YAKIMA CONVENTION CENTER	WENTATCHEE CONVENTION CENTER	THREE RIVERS CONVENTION CENTER	CASPER EVENTS CENTER	MARIAN H. ROCHELLE GATEWAY CENTER
LOCATION	Billings, MT	Sioux Falls, SD	Bellevue, WA	Yakima, WA	Wenatchee, WA	Kennewick, WA	Casper, WY	Laramie, WY
URBAN?	YES	NO	NO	NO	NO	NO	NO	NO
YEAR OPENED	Proposed	2014	1993	1976	2017 (renovated)	2004	1982	2014
DISTANCE FROM BILLINGS	0 Miles	659 Miles	812 Miles	746 Miles	709 Miles	683 Miles	276 Miles	424 Miles
PRIMARY USE								
CONVENTION / EXHIBIT	●	●	●	●	●	●	●	●
MEETINGS / CONFERENCE	●	●	●	●	●	●	●	●
EXPOSITIONS	●		●		●	●	●	
SPORTING EVENTS	●	●						
CONCERTS	●	●					●	
PERFORMING ARTS	●		●					
TRADE SHOWS	●	●			●		●	
SPECIAL EVENTS	●		●		●	●		●
PROGRAM								
EXHIBIT HALL	90,000	33,600	36,000	**	7,560	**	24,064	1,826
BALLROOM	SEE ABOVE	16,800	**	29,568	10,080	21,600	3,820	8,000
MEETING / CONFERENCE	30,000	8,700	10,390	799	7,212	11,474	3,012	1,500
PRE-FUNCTION SPACE	SEE ABOVE	**	6,920	6,000	7,712	**	**	769
PLAZA	50,000	**	**	7,000	7,500	**	**	**
THEATER / ARENA	NA	12,000 Seats	410 Seats	**	**	**	**	**
TOTAL USABLE SPACE	170,000	59,100	53,310	43,367	40,064	33,074	30,896	12,095

5.4

THE CONVENTION AND EVENTS
CENTER OF TOMORROW

A Vision for the Venue of Tomorrow

5.4 THE CONVENTION & EVENTS CENTER OF TOMORROW

What is Montana Station? How is it different?

Things become outdated in today's high-tech world faster than ever before, and the convention and meetings industry is no exception. As an industry stuck in "yesterday," this dynamic of rapid change prompts important questions about the future: How can we design and build a convention and events center that will repay our investment? How can Montana be a leader in this industry and stay competitive well into the future?

By anticipating what the future will hold and then developing a strategy to capitalize on opportunities and mitigate future risks, Montana Station implements three strategic objectives to create a new model of convention and events centers of the future:

- **Build a Destination**
- **Diversify Operations**
- **Leverage the Authentic Montana Lifestyle**

With this new model, Montana Station puts Billings "on the map" in the convention and events market and gives Montana a competitive advantage over other venues in the Mountain States Region.



Attendees turn into leisure travelers. They are likely to extend their stay, turn it into a vacation, and bring others.

- INTERNATIONAL ASSOCIATION OF EXHIBITIONS & EVENTS

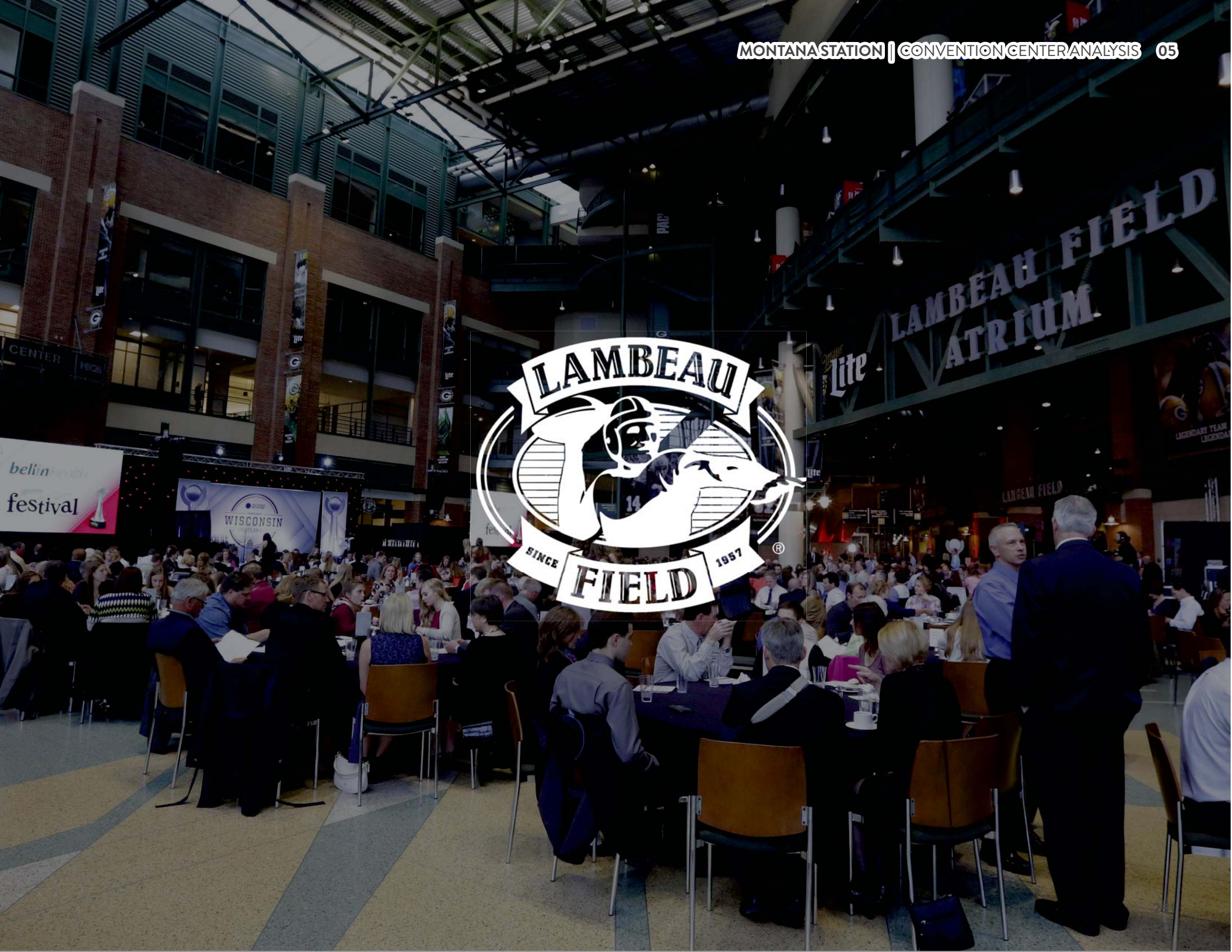
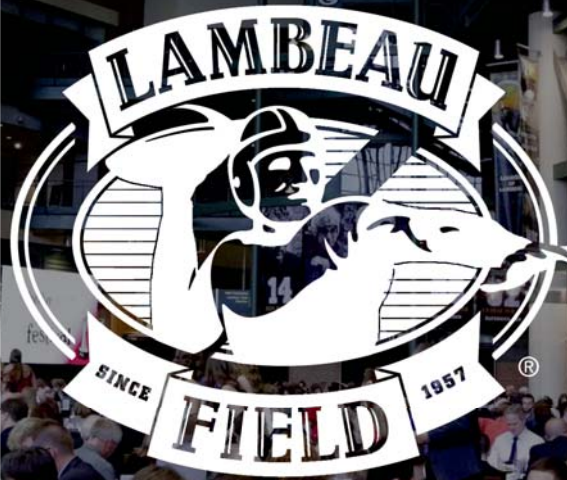
BUILD A DESTINATION

One of the keys to any economic development strategy is to create new jobs and new spending – bringing growth to the economy by building on its strengths. In Billings, this means capitalizing on the area’s status as a destination – for tourists, for those coming to the health care providers and to the University, and for those coming to experience Montana’s largest city and business hub, as well as the great outdoors.

Billings can dramatically boost its tourism draw by making the Convention and Events Center itself a unique destination. Instead of a “box with docks” that could be located in any city in the State, the region or the country, **Montana Station can revolutionize the convention experience by building a venue that is a destination in its own right ... a building that reflects the local culture, character, history and flavors.**

This has been done with other major civic assets and attractions like sports stadiums, other health care campuses and entertainment districts. For example, a few savvy public stadium owners have designed and built their facilities to be a draw for well beyond the handful of home game days each year. They’re designed to attract events and draw visitation 365-days a year – with the ability to host everything from concerts to weddings and with features like retail shops, restaurants and museums.

Following this model, this transformational Montana Station project will enable Billings to compete for regional tourism and convention business (from outside the State), while creating a community asset that can anchor and catalyze other development and attract private capital.



DIVERSIFY OPERATIONS

As an iconic, destination venue, Montana Station will be operated in a unique way to accommodate a variety of events, appeal to a broad range of interests and, importantly, drive fiscal gain and increase profitability. The operation of the venue will be diversified in a way that is uncommon to convention centers nationwide – redefining how the convention-goer and community members experience the venue.

Smart businesses know that diversification of operations can lead to major profitability. Today grocery stores are more than just food, with banks, flower shops and “minute clinics” on site. Uber recently realized its drivers could not only deliver passengers, but dinners too. Like Topgolf has changed its sport by creating an operational model for a new, more social environment centering the game of golf around food and beverage, targeting all age and skill levels, and offering a different price point and time commitment, Montana Station will redefine the convention and events industry. It will establish a more balanced business model that is geared toward both local and regional population bases, with a mix of conferences and conventions events as well as civic events and programming.

Imagine a Convention and Events Center that is activated 365-days a year. An asset not only for tourists and convention-goers, but an asset that equally benefits the community. This is place to attend a keynote speech, an educational program, a concert performed by a national act, a brew festival, or a family movie night. Montana Station will be a dynamic community asset that embodies everything that is “Billings,” for the local community and for conference attendees lucky enough to visit and experience it.



TOPGOLF

LEVERAGE THE AUTHENTIC MONTANA LIFESTYLE

Montana boasts a unique “lifestyle” factor that is very appealing to every generation. Billings and the surrounding environs offer authentic character, western culture, historical context, and a breathtaking landscape that should be reflected in every element of the venue. Montana Station will provide a backdrop that reflects Montana in every way, from materials to artwork to the food served.

Montana Station will get them here – and Montana’s authentic lifestyle should keep them here; hopefully, for days beyond the convention ends. Those who will experience the best of the State at Montana Station will no doubt bring companions along, whether a spouse or partner, children and even grandparents, to explore more of the State of Montana.

This includes everything from the excitement of Montana Avenue, to the natural beauty of Bighorn Canyon, to the majestic heights of Glacier Country. With no additional marketing dollars or effort, the value of this unique project expands exponentially by capitalizing on all that the State has to offer.

MONTANA

5.5

MARKET DEMAND &
FINANCIAL PROJECTIONS

5.5 MARKET DEMAND & FINANCIAL PROJECTIONS

OVERVIEW

A series of analyses have been conducted to estimate potential demand / utilization and financial projections associated with a convention and events center in Billings. These analyses were performed on two different models: first, a traditional convention center (as defined in the original HVS study) and second, a new destination convention and events center model as envisioned for Montana Station (as detailed in the HSP study).

Performance estimates for a potential convention center have been presented over a 10-year projection period, with all dollar figures represented in terms of 2018 dollars.

Projections for the traditional convention center model are based on the 66,000 square foot convention center comprised primarily of multi-purpose ballroom space and meeting rooms, as contemplated in the HVS study.

Projections for Montana Station assume a destination-caliber venue of over 150,000-square feet of usable space that has a more robust operating model and is programmed year-round with a multitude of convention and community events. By creating a new physical plan and operating model for the convention and events center, Montana Station is able to realize superior financial performance and has the ability to drive tourism growth for the City and State.



DEMAND PROJECTIONS

As discussed in the Competitive Overview, Montana does not have a convention center today that can accommodate medium to large, high-impact events. While there may not be the venue to host this type of activity today, there is certainly demand for a larger convention product in the market.

Under the traditional convention center model contemplated in the HVS study, demand is constrained by the size and functionality of the proposed venue, with demand for 119 events in year 1, increasing to 270 by stabilization (Year 5). It is important to note that of these 270 events, 229 (or 84%) are non-exhibit (local) events which have little to no impact beyond the convention center since these primarily draw Billings area residents and workers, versus regional visitors staying in hotels and spending new dollars in the local economy.

By comparison, projections for Montana Station achieve demand for 176 events in year 1, increasing to 340 by stabilization (Year 5). The larger footprint, unique space and flexible programming of Montana Station accommodates a mix of larger, high-impact events that will drive regional demand and profitability for a convention and events center in downtown Billings.

DEMAND PROJECTION
TRADITIONAL CONVENTION CENTER

EVENT TYPE	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10
Exhibit Events										
Conventions and Trade Shows	7	8	10	12	12	12	12	12	12	12
Consumer Shows	9	11	14	15	15	15	15	15	15	15
Sports / Entertainment Events	8	9	11	13	14	4	4	4	4	4
SUBTOTAL EXHIBIT HALL	24	28	35	40	41	31	31	31	31	31
Non-Exhibit										
Corporate Events and Conferences	18	19	22	25	26	26	26	26	26	26
Banquets & Meetings	22	26	36	42	44	44	44	44	44	44
Meeting Room Events	55	81	107	133	159	159	159	159	159	159
SUBTOTAL NON-EXHIBIT	95	126	165	200	229	229	229	229	229	229
TOTAL	119	154	200	240	270	260	260	260	260	260

Source: Hunden Strategic Partners

DEMAND PROJECTION
MONTANA STATION

EVENT TYPE	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10
Exhibit Events										
Conventions and Trade Shows	11	13	14	15	15	15	15	15	15	15
Consumer Shows	12	13	17	18	19	19	19	19	19	19
Sports / Entertainment Events	12	15	16	18	20	20	20	20	20	20
SUBTOTAL EXHIBIT HALL	35	41	47	51	54	54	54	54	54	54
Non-Exhibit										
Corporate Events and Conferences	29	33	36	40	44	44	44	44	44	44
Banquets & Meetings	32	40	46	53	58	58	58	58	58	58
Meeting Room Events	80	106	132	158	184	184	184	184	184	184
SUBTOTAL NON-EXHIBIT	141	179	214	251	286	286	286	286	286	286
TOTAL	176	220	261	302	340	340	340	340	340	340

Source: Hunden Strategic Partners

ATTENDANCE PROJECTIONS

In accordance with demand projections, attendance projections for a traditional convention center in downtown Billings anticipates attendance of 2,300 in the first year, declining to 2,200 in year 10. The reason for the decline in average attendance is due to the size of events that a venue of this size and scale can attract, with the majority of events being generated by meetings and small events.

Attendance projections for Montana Station are estimated at 127,700 attendees in the first year, ramping up to more than 225,600 by stabilization. The majority of this attendance is anticipated to be generated by flat-floor consumer shows, sports and entertainment events. The largest events are projected to be consumer shows, which is normal for convention facilities. The average size of conventions, conferences and trade shows is projected to be 200 to 500, although many will be smaller, while some will be much larger. Banquet events and meeting room events are projected to generate approximately 300 attendees per event. Importantly, the economic factors for Montana Station provide considerable growth in non-local attendance which has an enormous positive impact on the local economy.

PROJECTED AVG. ATTENDANCE
TRADITIONAL CONVENTION CENTER

EVENT TYPE	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10
Exhibit Events										
Conventions and Trade Shows	500	600	500	500	500	500	500	500	500	500
Consumer Shows	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
Corporate Events and Conferences	200	200	200	200	200	200	200	200	200	200
Sports / Entertainment Events	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
SUBTOTAL EXHIBIT HALL	5,700	5,800	5,700	5,700	5,700	5,700	5,700	5,700	5,700	5,700
Non-Exhibit										
Banquets & Meetings	300	300	300	300	300	300	300	300	300	300
Meeting Room Events	300	300	300	300	300	300	300	300	300	300
SUBTOTAL NON-EXHIBIT	600	600	600	600	600	600	600	600	600	600
TOTAL	6,300	6,400	6,300	6,300	6,300	6,300	6,300	6,300	6,300	6,300

Source: Hunden Strategic Partners

PROJECTED AVG. ATTENDANCE
MONTANA STATION

EVENT TYPE	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10
Exhibit Events										
Conventions and Trade Shows	7,700	9,300	9,900	10,700	10,700	10,700	10,700	10,700	10,700	10,700
Consumer Shows	42,000	45,500	59,500	63,000	66,500	66,500	66,500	66,500	66,500	66,500
Sports / Entertainment Events	31,200	39,000	41,600	46,800	52,000	52,000	52,000	52,000	52,000	52,000
SUBTOTAL EXHIBIT HALL	80,900	93,800	111,000	120,500	129,200	129,200	129,200	129,200	129,200	129,200
Non-Exhibit										
Corporate Events and Conferences	5,000	6,000	6,500	7,100	8,000	8,000	8,000	8,000	8,000	8,000
Banquets & Meetings	10,700	12,700	14,600	16,600	18,500	18,500	18,500	18,500	18,500	18,500
Meeting Room Events	31,100	40,700	50,800	60,300	69,900	69,900	69,900	69,900	69,900	69,900
SUBTOTAL NON-EXHIBIT	46,800	59,400	71,900	84,000	96,400	96,400	96,400	96,400	96,400	96,400
TOTAL	127,700	153,200	182,900	204,500	225,600	225,600	225,600	225,600	225,600	225,600

Source: Hunden Strategic Partners

TRADITIONAL CONVENTION CENTER OPERATING PROJECTIONS

The table to the right presents the projected operating statement (as per HVS) for a traditional convention center following yesterday's model. The projection uses inflated dollars and accrual-based accounting, wherein revenues are recognized when they are earned, and expenses are recognized when they are incurred. Revenues include all revenues of the facility that can be used for operations. All revenues and expenses are inflated at a three percent annual rate.

It is projected that in the first year of operation, a traditional convention center would generate revenues of \$1.12 million and incur approximately \$1.96 million in operating expenses, leaving a deficit of \$839,000. Under this model, the convention center would reach \$2.35 million in revenue and \$2.31 million in expense after stabilization, decreasing the deficit to a breakeven status by Year 5.

OPERATING STATEMENT OF REVENUE & EXPENSES (\$000'S INFLATED)
TRADITIONAL CONVENTION CENTER

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10
REVENUE										
Event Revenue										
Space Rental	\$425	\$528	\$657	\$775	\$829	\$849	\$870	\$892	\$915	\$937
Equipment Rental	\$74	\$92	\$115	\$136	\$145	\$149	\$152	\$156	\$160	\$164
Net Food and Beverage	\$299	\$403	\$532	\$647	\$730	\$748	\$766	\$786	\$805	\$825
Event Services Income	\$300	\$391	\$493	\$582	\$623	\$538	\$654	\$671	\$687	\$704
SUBTOTAL	\$1,098	\$1,414	\$1,797	\$2,140	\$2,327	\$2,284	\$2,442	\$2,505	\$2,567	\$2,630
Other Revenue										
Advertising and Sponsorships	\$25	\$26	\$26	\$27	\$28	\$28	\$29	\$30	\$30	\$31
SUBTOTAL	\$25	\$26	\$26	\$27	\$28	\$28	\$29	\$30	\$30	\$31
TOTAL OPERATING REVENUE	\$1,123	\$1,440	\$1,823	\$2,167	\$2,355	\$2,312	\$2,471	\$2,535	\$2,597	\$2,661
EXPENSES										
Salaries & Wages	\$643	\$659	\$676	\$692	\$710	\$727	\$746	\$764	\$783	\$803
Employee Benefits	\$180	\$185	\$189	\$194	\$199	\$204	\$209	\$214	\$219	\$225
Passthrough Labor	\$102	\$129	\$161	\$187	\$193	\$197	\$202	\$207	\$213	\$218
Maintenance & Repairs	\$8	\$12	\$23	\$27	\$30	\$30	\$31	\$32	\$33	\$34
Cleaning	\$37	\$44	\$55	\$66	\$70	\$71	\$73	\$75	\$77	\$79
Utilities	\$317	\$327	\$341	\$354	\$359	\$362	\$364	\$366	\$369	\$371
Sales & Marketing	\$75	\$77	\$53	\$54	\$55	\$57	\$58	\$59	\$61	\$62
General & Administrative	\$270	\$277	\$284	\$291	\$298	\$305	\$313	\$321	\$329	\$337
Insurance	\$180	\$185	\$189	\$194	\$199	\$204	\$209	\$214	\$219	\$225
Other Operating Expenses	\$37	\$39	\$40	\$42	\$43	\$44	\$45	\$46	\$47	\$48
Management Fee	\$90	\$93	\$95	\$98	\$101	\$104	\$107	\$111	\$114	\$117
Reserve for Replacement	\$25	\$31	\$39	\$46	\$49	\$50	\$51	\$52	\$54	\$55
TOTAL EXPENSES	\$1,964	\$2,058	\$2,145	\$2,245	\$2,306	\$2,355	\$2,408	\$2,461	\$2,518	\$2,574
NET OPERATING INCOME	-\$839	-\$618	-\$322	-\$78	\$49	\$56	\$64	\$72	\$80	\$88

Source: Hunden Strategic Partners

MONTANA STATION OPERATING PROJECTIONS

The following table presents the projected operating statement for Montana Station following a more diversified, destination convention and events center model. The projection uses inflated dollars and accrual-based accounting, wherein revenues are recognized when they are earned, and expenses are recognized when they are incurred. Revenues include all revenues of the facility that can be used for operations. All revenues and expenses are inflated at a three percent annual rate.

It is projected that in the first year of operation, Montana Station would generate revenues of \$1.8 million and incur approximately \$2.07 million in operating expenses, leaving a deficit of \$268,000.

By building bigger, more diverse venue that can compete to compete regionally, it is expected that Montana Station will reach breakeven by Year 2 and be profitable by Year 5.

OPERATING STATEMENT OF REVENUE & EXPENSES (\$000'S INFLATED)

MONTANA STATION

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10
REVENUE										
Event Revenue										
Space Rental	\$636	\$758	\$901	\$1,017	\$1,129	\$1,157	\$1,186	\$1,215	\$1,246	\$1,277
Equipment Rental	\$111	\$133	\$158	\$178	\$197	\$202	\$207	\$213	\$218	\$223
Net Food & Beverage	\$526	\$660	\$806	\$941	\$1,079	\$1,106	\$1,133	\$1,161	\$1,191	\$1,220
<i>Gross Food and Beverage</i>	\$1,502	\$1,886	\$2,302	\$2,689	\$3,082	\$3,159	\$3,238	\$3,319	\$3,402	\$3,487
<i>Less Costs @ 65%</i>	(\$977)	(\$1,226)	(\$1,496)	(\$1,748)	(\$2,003)	(\$2,053)	(\$2,104)	(\$2,157)	(\$2,211)	(\$2,266)
Event Services Income	\$435	\$525	\$634	\$714	\$779	\$799	\$819	\$839	\$860	\$882
SUBTOTAL	\$1,709	\$2,076	\$2,499	\$2,850	\$3,184	\$3,263	\$3,345	\$3,429	\$3,514	\$3,602
Other Revenue										
Advertising and Sponsorships										
SUBTOTAL	\$90	\$92	\$95	\$97	\$99	\$102	\$104	\$107	\$110	\$112
TOTAL OPERATING REVENUE	\$1,799	\$2,168	\$2,594	\$2,947	\$3,283	\$3,365	\$3,449	\$3,536	\$3,624	\$3,714
EXPENSES										
Salaries & Wages	\$643	\$568	\$676	\$692	\$710	\$727	\$746	\$764	\$783	\$803
Employee Benefits	\$180	\$185	\$189	\$194	\$199	\$204	\$209	\$214	\$219	\$225
Passthrough Labor	\$148	\$175	\$209	\$231	\$247	\$253	\$259	\$266	\$72	\$279
Maintenance & Repairs	\$11	\$18	\$32	\$35	\$40	\$41	\$42	\$43	\$44	\$45
Cleaning	\$54	\$66	\$76	\$85	\$94	\$97	\$99	\$102	\$104	\$107
Utilities	\$339	\$354	\$368	\$380	\$391	\$394	\$397	\$401	\$404	\$407
Sales & Marketing	\$75	\$77	\$53	\$54	\$55	\$57	\$58	\$59	\$61	\$62
General & Administrative	\$270	\$277	\$284	\$291	\$298	\$305	\$313	\$321	\$329	\$337
Insurance	\$180	\$185	\$189	\$194	\$199	\$204	\$209	\$214	\$219	\$225
Other Operating Expenses	\$39	\$41	\$42	\$44	\$46	\$47	\$48	\$49	\$50	\$51
Management Fee	\$90	\$93	\$95	\$98	\$101	\$104	\$107	\$111	\$114	\$117
Reserve for Replacement	\$38	\$45	\$54	\$60	\$66	\$68	\$69	\$71	\$73	\$75
TOTAL EXPENSES	\$2,067	\$2,084	\$2,267	\$2,358	\$2,446	\$2,501	\$2,556	\$2,615	\$2,472	\$2,733
NET OPERATING INCOME	-\$268	-\$6	\$328	\$588	\$838	\$865	\$893	\$922	\$951	\$981

Source: Hunden Strategic Partners



06

“CIVIC BUILD” PLAN

6.1 THE CATALYTIC “CIVIC BUILD”

OVERVIEW

To effectively execute an economic development strategy and drive the level of new private development outlined in the Master Plan, a number of catalytic civic infrastructure components must be constructed, mostly as part of Phase I and, to a lesser extent, as part of Phase II (the “Civic Build”) to support the overall Master Plan. This Civic Build will also enable the City to adequately meet the future demands of increased visitation, job growth and population growth projected as a result of the ONE Big Sky initiative.

The Civic Build, as further described in this Section 6, includes extraordinary elements of infrastructure to support the ONE Big Sky vision of a vibrant, urban environment and to spur economic growth, including the Convention and Events Center, complementary conference and meeting pavilions, public market and food hall, new community spaces, public plazas, pedestrian ways and urban streetscapes, parking structures, and certain limited utility and transportation improvements that make it all possible.



CIVIC BUILD V. ORDINARY CIVIL INFRASTRUCTURE

The Civic Build includes catalytic projects that can anchor development in the urban core of Billings and make the transformation of the City possible. It is distinguishable from basic “civil infrastructure” – the ordinary infrastructure that every community builds to support growth, such as streets and sewer and water utilities. Downtown Billings is an area, unlike others in the farther reaches of the City, that is already supported by a significant amount of ordinary civil infrastructure investment, including a base level of public parking and sufficient utility and roadway capacity. The downtown area is well-positioned given the current level of ordinary civil infrastructure to support the density of the ONE Big Sky Vision, as further outlined in Appendix C.

Downtown Billings is, of course, also the center of the community’s anchoring civic, cultural and business institutions (health care, education, financial and other business anchors). Finding a way to creatively finance the **catalytic Civic Build projects** will leverage capital investment in and from these anchoring institutions and from other private development interests who have otherwise been discouraged from investing in downtown Billings due to the existing market “gap.”

ORDINARY CIVIL INFRASTRUCTURE

- Typical City Street / Road Improvements
- Standard Sanitary Sewer Upgrades / Repairs
- Standard Storm Sewer Upgrades / Repairs
- Typical Water Utility Improvements
- Transit Improvements
- Lighting, Wayfinding Updates / Upgrades

EXTRAORDINARY CIVIC BUILD

The Anchoring Catalyst Projects

- Convention & Events Center
- Conference & Meeting Pavilion
- “E Street” Exterior Plazas & Sky Terrace
- Public Market & Food Hall
- Farmers Market Pavilion
- Community Wellness Center
- Plaza and Public Town Square
- New City Hall
- Community Innovation & Training Center
- Digital Media & Academic Center

Plus Supportive Infrastructure

- Common Areas
- Urban Streetscaping
- Parking Structures
- Smart Building Technology
- Site Acquisition & Related Improvements

6.2 CIVIC BUILD REQUIREMENTS

To overcome the market gap and unlock the potential of the Master Plan, a number of project components of civic importance are proposed to be built as part of the comprehensive ONE Big Sky economic development strategy and to drive additional private, anchoring development in each district. An independent analysis conducted by Hunden Strategic Partners found that this “Civic Build” is key to the overall transformation of Billings, Montana’s largest city, and a major driver of growth for the region and the entire State. A total inventory and district-by-district breakdown of this required Civic Build is included on the pages that follow. A preliminary Cost Model for the Civic Build along with a more detailed Utility and Transportation Civil Infrastructure Analysis for the downtown development districts.

WHY IS THE “CIVIC BUILD” SO IMPORTANT?

“There is market demand for high quality downtown office, residential, retail, restaurant and various types of housing, not to mention a desire and demand from regional users for a convention and events center, as well as a higher quality hotel package, [but] the financial viability of certain elements is challenging due to the existing conditions in the downtown market.

... However, long-term, the program elements are financially feasible provided the appropriate transformation strategy is advanced and key elements of civic infrastructure are developed.”

- HUNDEN STRATEGIC PARTNERS



ENTERTAINMENT DISTRICT

The downtown Entertainment District will be the centralized hub of activity for the City, including exhibitions, tournaments, fairs, concerts, conventions, cultural activities and public gatherings never before accommodated in Montana. It will contain exciting new retail, dining and entertainment options that complement the City’s existing restaurant and entertainment establishments. The Civic Build for the Entertainment District includes:

CONVENTION & EVENTS CENTER – Montana Station, a multi-experience venue unlike any other conference or convention facility in the State, region or even the country, will be programmed year-round for event-based tourism and visitation.

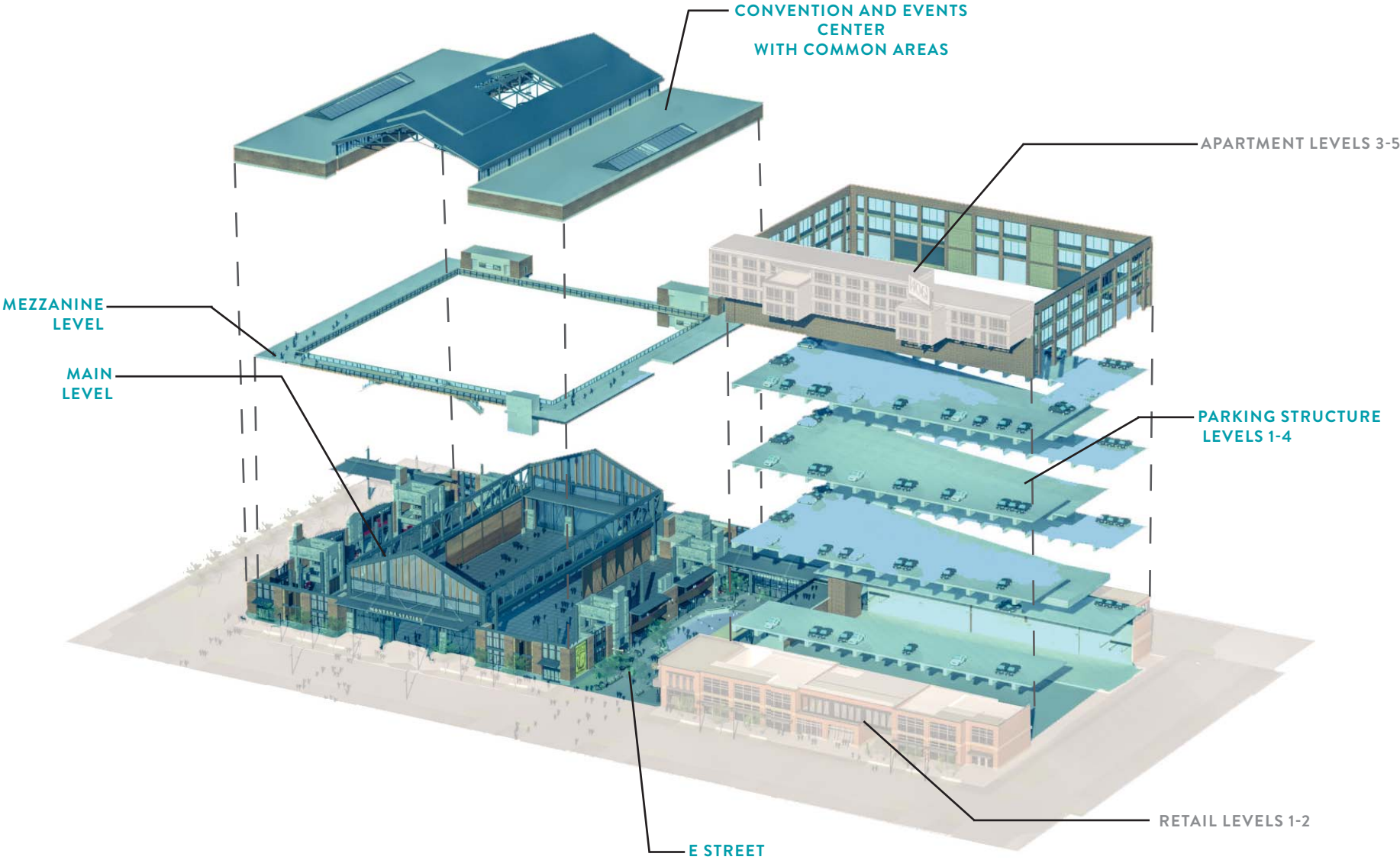
CONFERENCE & MEETING PAVILION – A complement to Montana Station, these additional breakout and social spaces (indoor and outdoor) serve the convention-goer and the community.

COMMON AREAS – The convention and convention facilities will be thoughtfully designed to share infrastructure, and create operational efficiencies in everything from the physical plant, to the food and beverage facilities, and beyond.

“E STREET” – The uniquely landscaped, authentically-designed and themed exterior plazas and sky terraces that create the dynamic, walkable entertainment experience sure to become known as the “Best of the West.”

PARKING STRUCTURE – Convenient additional parking will accommodate visitors and residents.

SITE ACQUISITION AND RELATED IMPROVEMENTS – Underutilized parcels will be repurposed to generate new tax revenues and drive the economic growth that defines the ONE Big Sky initiative.

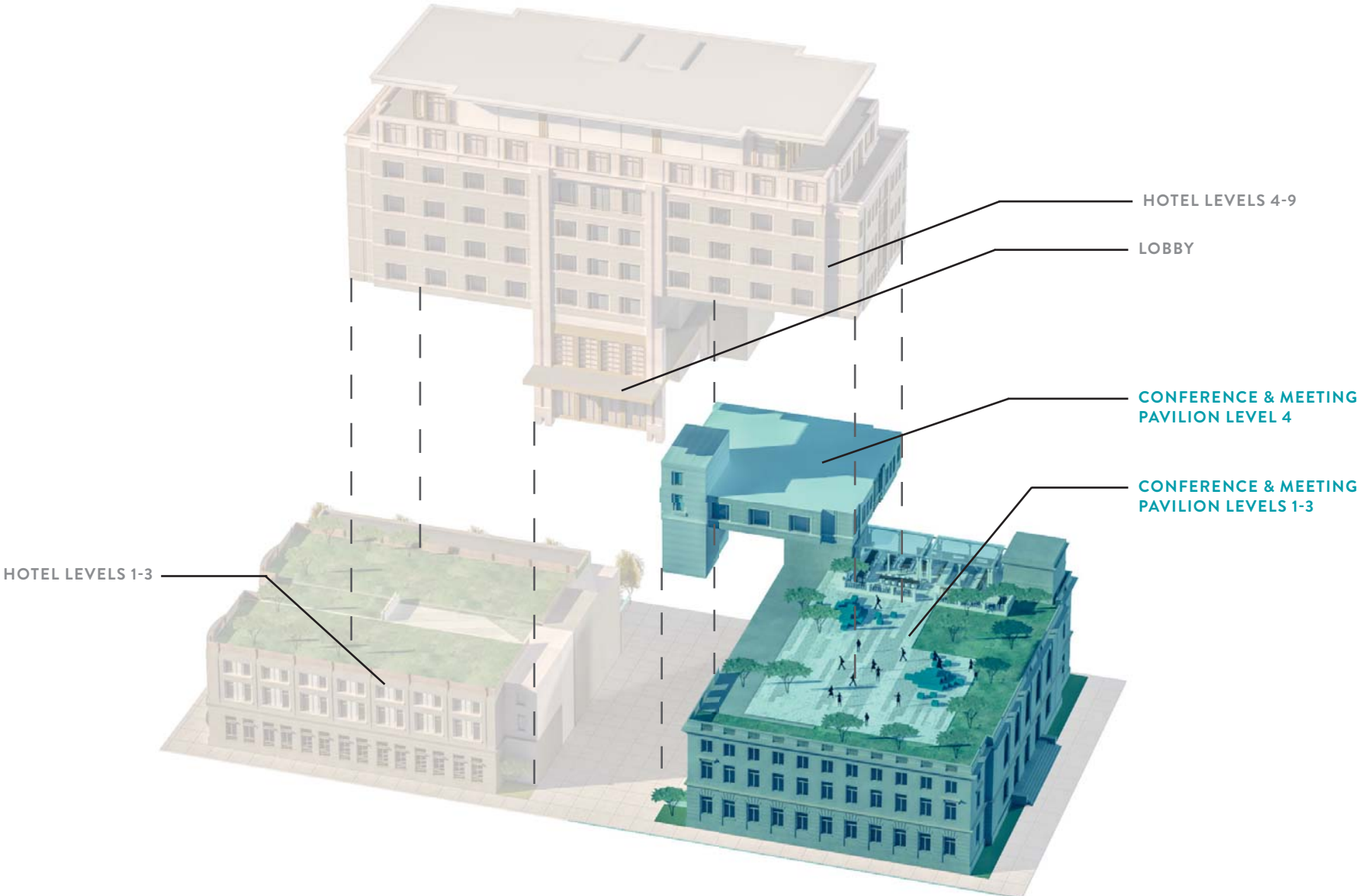


● “CIVIC BUILD”

● PRIVATE DEVELOPMENT

ENTERTAINMENT DISTRICT

In addition to the catalytic Montana Station venue, an integral component of the Entertainment District includes an adjacent convention hotel that includes additional indoor and outdoor breakout and social spaces.



- “CIVIC BUILD”
- PRIVATE DEVELOPMENT

LIFESTYLE DISTRICT

People across America of all ages are demanding a more lifestyle-centered neighborhood right in the urban core. The Lifestyle District is intended to promote livability and walkability through a new community-scaled, mixed-use commercial and residential zone in downtown Billings, surrounded by its great architecture, character and culture. The Civic Build for the Lifestyle District includes:

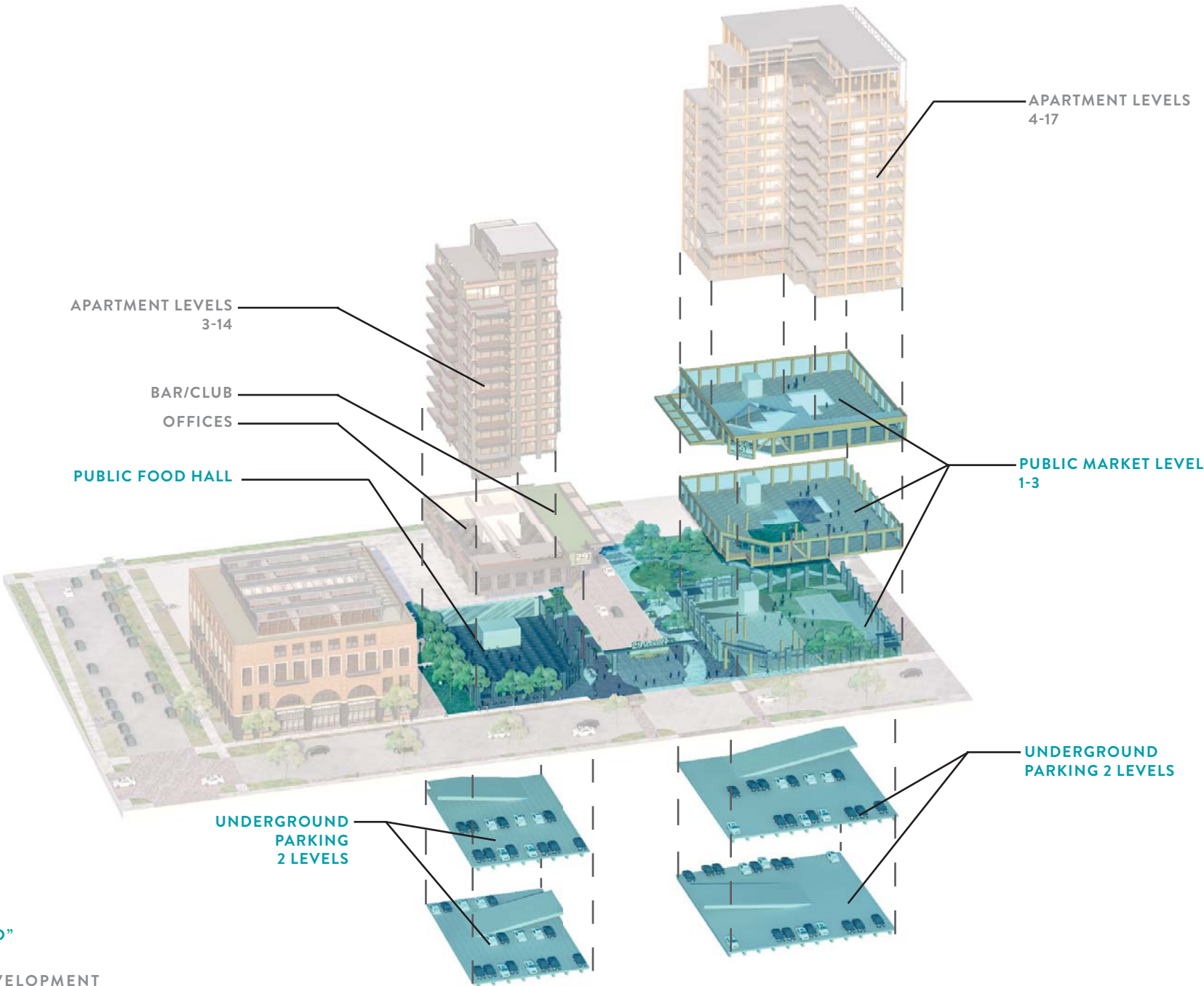
PUBLIC MARKET & FOOD HALL - These public realm elements, at the base of the new urban residential buildings, will offer a true urban experience, but familiar “Main Street” character that will appeal to everyone from Millennials to Baby Boomers.

FARMERS MARKET PAVILION - This Western farmers market and outdoor pavilion greets visitors, serves residents and workers, and supports existing downtown retail and dining.

PARKING STRUCTURE(S) - Parking will be provided at the appropriate scale to supplement existing parking infrastructure in the City.

SMART BUILDING TECHNOLOGY - Residential units of the next generation in busy, urban environments will need to offer cutting-edge security and high-tech features that will also set the bar for energy efficiency and sustainability.

SITE ACQUISITIONS & RELATED IMPROVEMENTS - This will support basic infrastructure, site improvements and remediation.



- “CIVIC BUILD”
- PRIVATE DEVELOPMENT

CIVIC & WELLNESS DISTRICT

A unique city center where civic institutions anchor a wellness-focused, mixed-use village connecting the existing “Medical Corridor” to the downtown core. This Civic & Wellness District will integrate state-of-the-art healthcare facilities into the fabric of the community, creating a vibrant urban atmosphere that supports health care workforce recruitment and retention, attracts health & wellness-related business and enterprise, and supports / sustains the regional medical draw that Billings currently enjoys. The Civic Build for the Civic & Wellness District includes:

COMMUNITY WELLNESS CENTER – Health and wellness-oriented providers, businesses and community organizations will make this unique new address their home ... for fitness, nutrition, orthopedics, healthy lifestyle products and restaurants, and more.

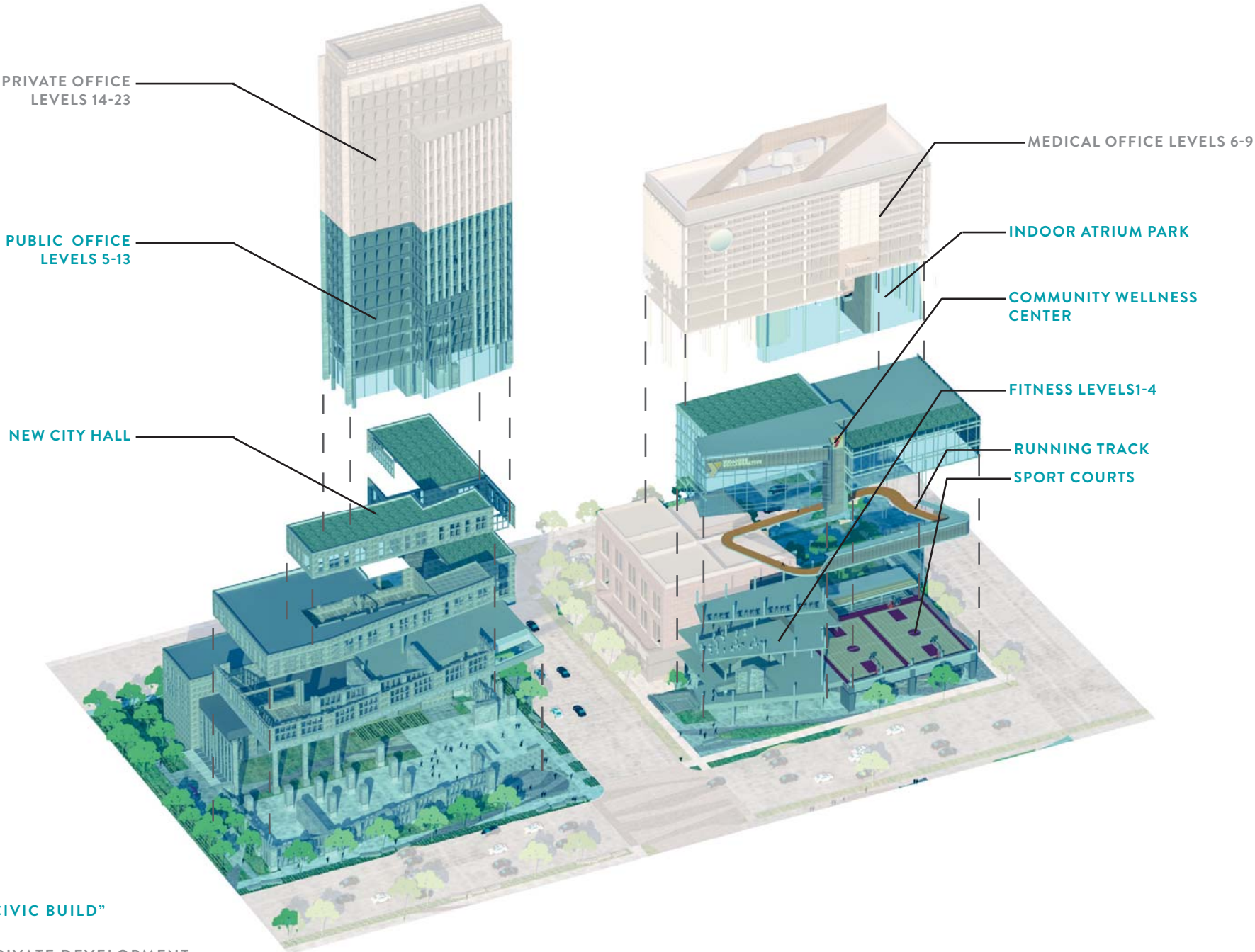
PLAZA, ATRIUM & PUBLIC TOWN SQUARE – Indoor and outdoor modern-day “town square”-type facilities will serve residents in nearby multi-generational housing developments, as well as workers, patients, shoppers and visitors from around the region.

NEW CITY HALL – The City of Billings has a unique opportunity to leverage its potential investment in new civic office / administrative space by becoming an “anchor tenant” and co-locating with other civic and business interests, creating economies of scales and jump-starting the new commercial office market in downtown Billings, which has been stagnant for over 30 years.

CENTRAL PLANT & SMART BUILDING TECHNOLOGY – As noted above related to City Hall, sharing central plant and other building and civil infrastructure will create cost-savings for all users – public and private. Next-generation smart building technology will save on long-term operational and maintenance costs and become a model for smart city sustainability and eco-friendly design in a State that values the outdoors and its natural resources.

PARKING STRUCTURE(S) – Supplemental parking will be provided at the appropriate scale to meet district-wide needs.

SITE ACQUISITIONS & RELATED IMPROVEMENTS – These improvements will support basic infrastructure and necessary site work.



EDUCATION & INNOVATION DISTRICT

A burgeoning innovation and technology corridor that capitalizes on proximity between educational institutions and the State’s preeminent healthcare providers and other leading businesses, leveraging the unique opportunity to create the place where innovation meets education and the industries of tomorrow. It will complement any future expansion of the MSU Billings campus, and have space to accommodate academic areas of emphasis for both MSU Billings and Rocky Mountain college and their programs geared toward the next generation, including medicine and aviation. The Civic Build for the Education & Innovation District includes:

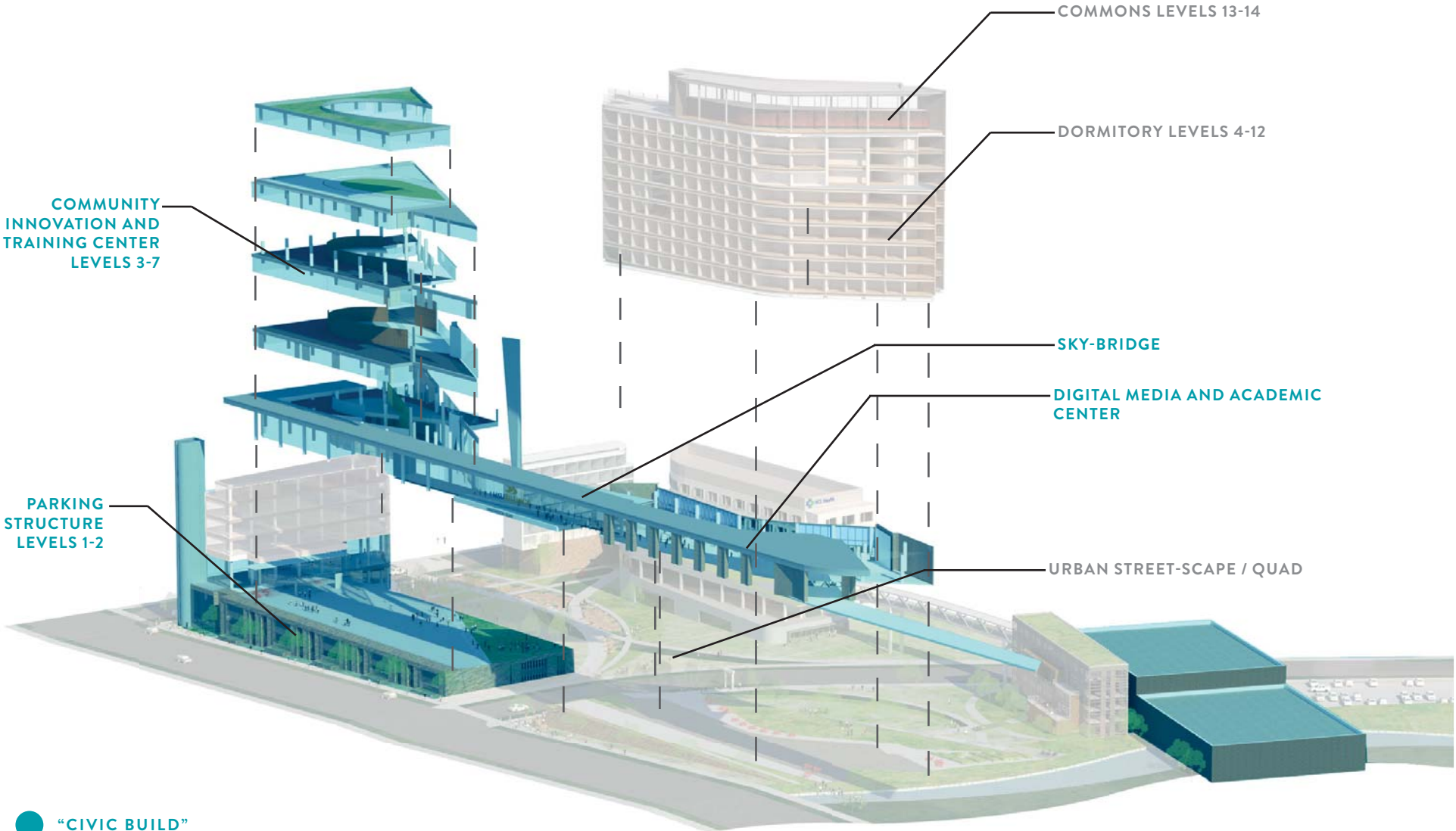
COMMUNITY INNOVATION & TRAINING CENTER – This will be the Mountain State Region’s integration of technology, innovation and academic pursuits, and a place for the intersection of creativity and collaboration among students, educators, innovators, entrepreneurs, and business leaders, along with a unique environment for workforce development that will build Montana’s employee base of the future.

DIGITAL MEDIA & ACADEMIC CENTER – High-tech, digital and distance learning concepts for public educators, executive education, tele-medicine and other technical training programs that support business throughout the State of Montana.

PARKING STRUCTURE – This will be supplemental public parking to district-wide parking needs.

URBAN STREETScape / “QUAD” – Streetscape, pedestrian-way and other urban green and open space improvements will promote walkability to and connectivity with the rest of the ONE Big Sky synergistic development districts, creating an attractive urban environment from the Rim Rocks to the South.

SITE ACQUISITIONS & RELATED IMPROVEMENTS – Repurposing underutilized land and covering extraordinary civil infrastructure costs to make the ONE Big Sky vision a reality.



● “CIVIC BUILD”

● PRIVATE DEVELOPMENT

6.3 CIVIC BUILD COST MODEL

The Cost Model for the Civic Build identified for the combined ONE Big Sky districts is based upon capital construction cost estimates performed by independent parties experienced in civic and civil infrastructure delivery, design and construction and consistent with industry standards. A discussion of the complete Master Project Budget (for the Civic Build and private master-planned development projects) is included in Section 8 (Finance Plan).

CIVIC BUILD
ONE BIG SKY

CIVIC USES

ENTERTAINMENT DISTRICT

Convention & Events Center	\$	75,000,000
Conference & Meeting Pavilion	\$	12,500,000
Common Areas - Physical Plant / F&B Operations / Etc.	\$	11,000,000
E Street - Exterior Plazas and Sky Terrace	\$	6,000,000
Parking Structure	\$	15,500,000
Site Acquisition & Improvements	\$	6,000,000
SUBTOTAL	\$	126,000,000

LIFESTYLE DISTRICT

Public Market	\$	8,000,000
Farmers Market Pavilion	\$	5,000,000
Parking Structure(s)	\$	10,750,000
Smart Building Technology (e.g., Security / Utilities / Etc.)	\$	3,250,000
Site Acquisition & Improvements	\$	2,000,000
SUBTOTAL	\$	29,000,000

CIVIC & WELLNESS DISTRICT

Community Wellness Center	\$	10,000,000
Plaza and Public Town Square (Indoor + Outdoor)	\$	7,000,000
New City Hall	\$	43,500,000
Central Plant & Smart Building Technology	\$	4,500,000
Parking Structure - Civic	\$	21,500,000
Parking Structure - Mixed-Use	\$	29,500,000
Site Acquisition & Improvements	\$	4,000,000
SUBTOTAL	\$	120,000,000

INNOVATION & EDUCATION DISTRICT

Community Innovation & Training Center	\$	5,000,000
Digital Media & Academic Center	\$	4,000,000
Parking Structure	\$	13,500,000
Urban Streetscape / Quad	\$	2,500,000
Site Acquisition & Improvements	\$	2,000,000
SUBTOTAL	\$	27,000,000

GENERAL PUBLIC IMPROVEMENTS

Streetscape and Public Right-of-Way Improvements	\$	16,000,000
SUBTOTAL	\$	16,000,000

TOTAL CIVIC BUILD	\$	318,000,000
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CIVIC SOURCES

New Markets Tax Credits (NMTTC) / EB-5 / Opportunity Zone Benefits	\$	68,000,000
State of Montana - Value Capture Structure	\$	125,000,000
City of Billings - TIF / Other	\$	60,000,000
City of Billings - City Hall	\$	65,000,000
SUBTOTAL	\$	318,000,000

ECONOMIC & FISCAL IMPACT ANALYSIS

7.1 THE VALUE OF MASTER PLAN + CIVIC BUILD

MEASURING ECONOMIC & FISCAL IMPACTS

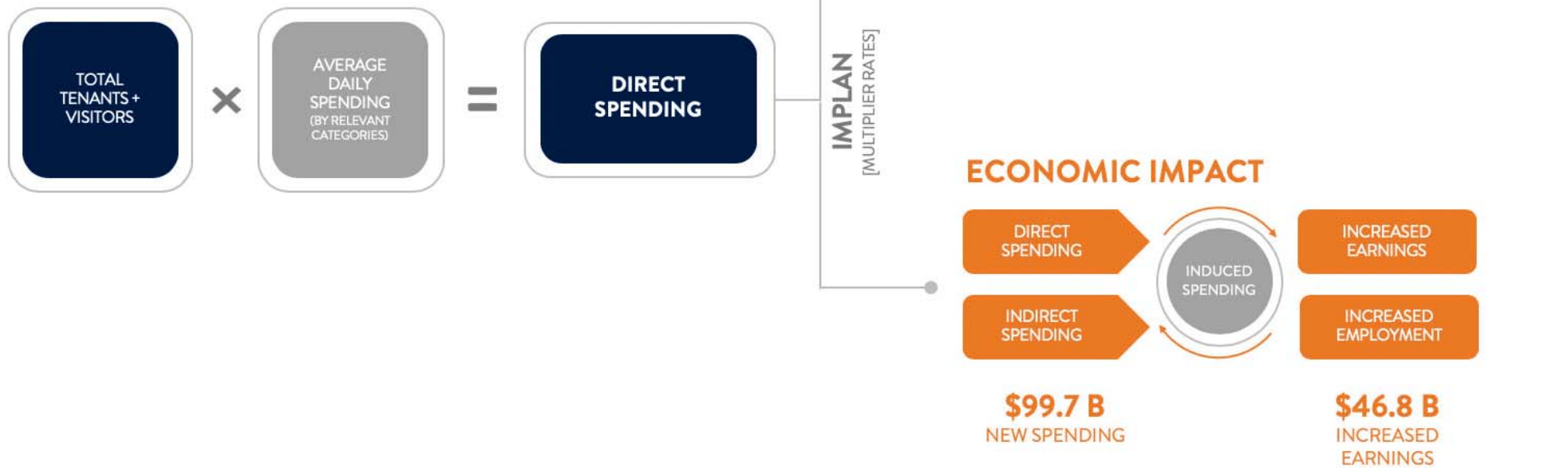
The success of the ONE Big Sky economic development initiative is dependent upon future economic and fiscal impacts that strengthen and diversify the economies of the City, Region and State. Independent analyses conducted by C.H. Johnson, Inc., and Baker Tilly measure the value of the ONE Big Sky Master Plan and Civic Build program by quantifying the impacts (or public “return”) of this unique project.

Economic impact refers to the incremental new spending in an economy that is the direct result of certain activities, like new construction projects catalyzed as part of an economic development initiative. In the case of ONE Big Sky, increased visitation from the convention / event facilities, multiplier effects from companion travel and increases in length of stay, construction spending in the four development districts, and new business operations in Billings and the State create new direct spending, indirect spending, induced spending, and increased earnings, plus new jobs – both construction jobs and permanent jobs.

Fiscal impact is the calculation of the resulting net new tax revenues that will be received by the City, County, State and other taxing jurisdictions as a direct result of the economic impact. This includes increases in corporate and personal income taxes, hotel taxes, property taxes, auto rental taxes, and more. It results in a stronger tax base and economy overall. These are taxes that would not be generated without (or “but for”) the ONE Big Sky Project, which means the Project creates new revenues for State and local governments to spend on priority public policy and other infrastructure needs around the City, the region and the State.

ECONOMIC & FISCAL IMPACT:

How it Works



7.2 TOTAL ECONOMIC & FISCAL IMPACTS

The fiscal impact of the ONE Big Sky project components within the district are projected to total approximately \$2.39 billion in net new City, County, State and other local tax revenues over 30 years, \$99.7 billion in new spending, and 31,866 new permanent jobs, all as further described in the table to the right. This is a very high public return on investment when compared to other economic development models around the country, and certainly well-beyond what can be achieved in the old “public subsidy” model, as discussed in Section 8 (Finance Plan). Many times when a government entity considers contributing toward an initiative that lures private business and enterprise, it is with the hope that the public will simply see a return of its investment. Based on independent analyses, Billings and the State are forecasted to receive 10:1 return on public investment over the life of this economic development initiative.

In addition to these “baseline” impacts generated within the boundaries of the district, the analysts have projected broader ancillary impacts directly attributable to ONE Big Sky. These additional tax revenue projections reflect the benefits of the Project that will extend beyond the physical boundaries of the ONE Big Sky District. As has occurred as a result of similar projects in other cities around the country, ONE Big Sky will serve to provide new employment opportunities and wages for nearby workers, drive demand and increase rents throughout the City, and increase occupancies and average daily rates at all local hotels (not just the hotels downtown).

The analysts have also conservatively assumed that the State will reinvest a portion of the nearly \$1.8 billion in State tax revenues generated by ONE Big Sky into local infrastructure, public services, facilities and amenities all around the State, which will generate additional tax revenues for the State beyond what is measured by the ONE Big Sky limited project area.

ESTIMATED SPENDING & IMPACT

SUMMARY: ONE BIG SKY

ECONOMIC IMPACT (\$ MILLION)	2022	2026	2031	2036	2041	2046	2051	TOTAL 30-YEAR
Direct Spending	\$122	\$754	\$1,499	\$2,468	\$2,904	\$3,357	\$3,879	\$66,518
Indirect Spending	33	203	403	663	781	902	1,043	17,878
Induced Spending	28	174	345	568	669	773	893	15,315
TOTAL SPENDING	\$183	\$1,130	\$2,248	\$3,699	\$4,354	\$5,033	\$5,815	\$99,710
Increased Earnings	\$114	\$573	\$1,077	\$1,730	\$2,026	\$2,335	\$2,688	\$46,802
Employment (FTE Jobs)	1,866	10,290	18,575	27,068	28,747	30,201	31,886	31,866

FISCAL IMPACT (\$ MILLION)	2022	2026	2031	2036	2041	2046	2051	TOTAL 30-YEAR
Use Taxes	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0
Hotel/ Motel Tax	1.4	3.4	6.2	8.2	9.5	11.0	12.8	231
Auto Rental Tax	0.1	0.3	0.6	0.8	0.9	1.0	1.2	22
State Personal Income Tax	2.2	15.3	33.1	45.4	53.4	61.8	71.5	1,251
State Corporate Income Tax	0.1	2.0	4.2	7.0	8.3	9.7	11.2	188
Property Tax**	1.4	9.1	15.6	25.2	29.2	33.8	39.2	678
SUBTOTAL	\$5.2	\$30.2	\$59.7	\$86.6	\$101.3	\$117.3	\$135.8	\$2,370
One-Time Impact of Construction	3.8	1.0	1.1	0.7	0.0	0.0	0.0	\$20
SUBTOTAL	\$9.0	\$31.2	\$60.8	\$87.3	\$101.3	\$117.3	\$135.8	\$2,389
Ancillary Benefits***	1.0	6.0	11.9	17.3	20.3	23.5	27.2	\$474
State Reinvestment****	2.2	6.8	13.8	19.2	22.3	25.8	29.8	\$527
TOTAL TAX REVENUES	\$12.3	\$44.1	\$86.6	\$123.8	\$143.8	\$166.5	\$192.8	\$3,390

Notes:

**Reflecting an effective tax rate and referencing 2018 Baker Tilly report; Convention/ Event Center and Education are tax exempt.

*** Assumes 20% additional fiscal impact.

**** Assumes State reinvests 30% of tax revenues from OBSD into infrastructure.

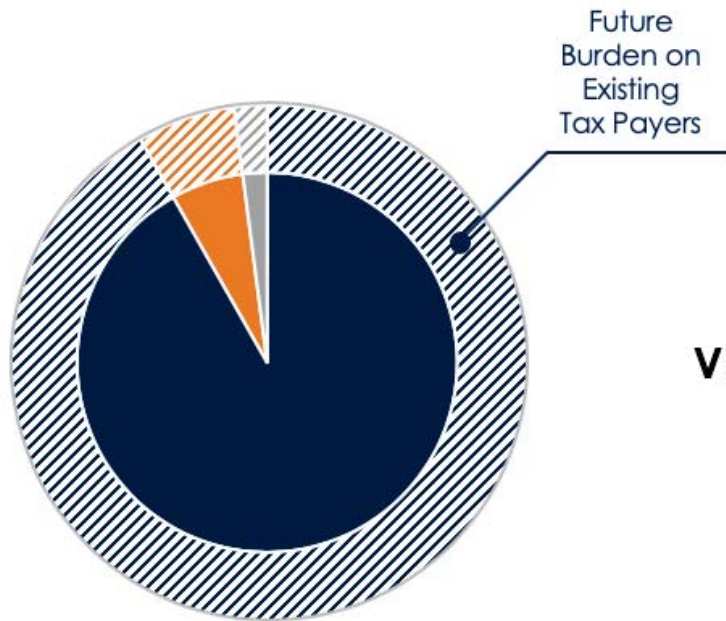
Source: Johnson Consulting

THE “DO-NOTHING” ALTERNATIVE

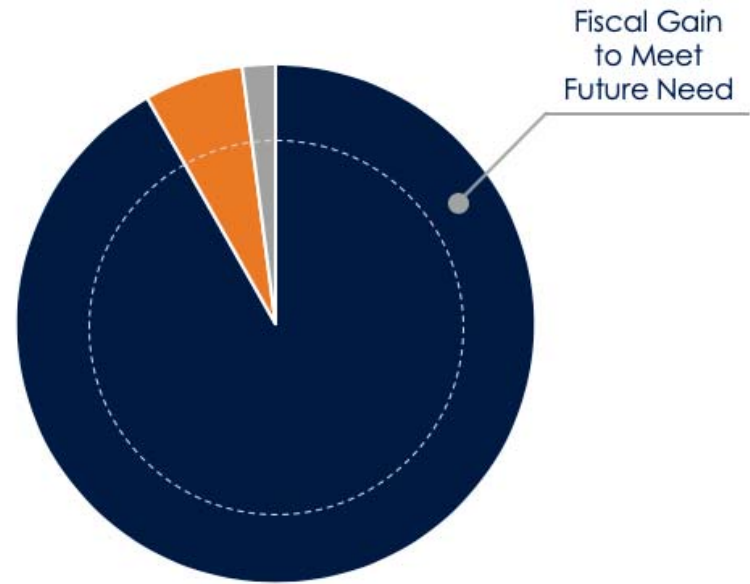
It's important to recognize that these new City, County, State and other local tax revenues (the combined fiscal impacts) would not be available without – or “but for” – the comprehensive economic development strategy known as ONE Big Sky. **The City of Billings has \$214 million to gain and the State of Montana has nearly \$1.8 billion to gain in new revenues as part of this comprehensive and synergistic downtown economic development strategy ... \$2.39 billion to all taxing jurisdictions in combined revenues over 30 years as shown on the previous page.**

While Billings, the region and the State as a whole have a lot to gain by implementing the ONE Big Sky strategy, unfortunately, the alternative “do nothing” approach is not just the status quo. There is actually much to lose without a definitive plan to grow the local and statewide economies.

Today, unmet needs exist at all levels of government. Estimates at the end of the 2015 Montana legislative session pegged unfunded capital infrastructure needs alone at \$150 million, not including school projects.



VS.



BILLINGS & MONTANA CURRENT PATH
GREATER BURDEN ON CURRENT TAXPAYERS

BILLINGS & MONTANA WITH ONE BIG SKY
"GROWS THE PIE"

- STATE BUDGET
- CITY BUDGET
- COUNTY BUDGET
- /// UNMET STATE NEED
- /// UNMET LOCAL NEED
- /// UNMET COUNTY NEED

- STATE BUDGET
- CITY BUDGET
- COUNTY BUDGET

By not implementing an economic development strategy, Montana is in serious jeopardy:

Montana's per capita income tax revenues will decline by 3 - 4 % by 2030 - much higher than the national average.

- FEDERAL RESERVE BANK OF KANSAS CITY

DO-NOTHING = DECLINE

Failure to implement a strategic plan that will drive economic growth will mean that employment will decline, tax receipts will decrease, and taxpayers of tomorrow – younger, lower-wage earners – will pay significantly more. Across the country, an aging population will lead to rising per capita expenditures and falling per capita revenue as the Baby Boom generation retires.

According to an independent analysis by Baker Tilly and Federal Reserve Bank projections, since Montana does not have a sales tax, the per capita income tax impact to its residents will likely be even greater.

Baker Tilly projects that the loss of workers due to retirements in Yellowstone County alone by 2027 means that annual tax receipts there will decline by over \$4.8 million. These Yellowstone County retirements will reduce State and local tax receipts by over \$37 million by 2027. **This is a ripple effect with significant negative Statewide induced impacts, including a decline in employment of 6,161 jobs, reduction in labor income by \$275,019,445, and lost output of \$787,786,916.**

DECLINE IN YELLOWSTONE COUNTY TAX RECEIPTS DUE TO RETIREMENTS (YEAR 2027)

ANNUAL TAX RECEIPTS FOR YEAR 2027
YELLOWSTONE COUNTY

	PRODUCTION & IMPORTS TAX	HOUSEHOLDS									TOTAL	
		LT15K	15-30K	30-40K	40-50K	50-70K	70-100K	100-150K	150-200K	GT200K		
TOPI: Property Tax	(\$4,457,790)											
TOPI: Motor Vehicle License	(101,947)											(101,947)
TOPI: Special Assessments	(79,467)											(\$79,467)
Personal Transfers		(60)	(18,662)	(711)	(17,579)	(2,338)	(2,808)	(1,670)	(6,849)	(5,564)		(56,241)
Personal Tax: Motor Vehicle License		(423)	(2,850)	(5,748)	(6,991)	(18,412)	(25,126)	(22,829)	(8,940)	(9,905)		(101,224)
Personal Tax: Property Tax		(140)	(1,073)	(1,922)	(1,481)	(5,630)	(6,856)	(7,955)	(2,765)	(2,995)		(30,817)
TAX DEFICIT	(\$4,639,204)	(\$623)	(\$22,585)	(\$8,381)	(\$26,051)	(\$26,380)	(\$34,790)	(\$32,454)	(\$18,554)	(\$18,464)		(\$4,827,486)

Source: Baker Tilly

\$4.8 M DEFICIT FOR THE COUNTY DUE TO RETIREMENTS ALONE ...
STATEWIDE RETIREMENTS = **\$151.3 M** DEFICIT FOR THE STATE

7.3 FISCAL IMPACTS BY DISTRICT

ENTERTAINMENT DISTRICT

The fiscal impact of the combined ONE Big Sky programmatic elements to be constructed in the Entertainment District is projected to total over \$278 million in net new City, County, State and other local tax revenues over 30 years. Development in the Entertainment District will also result in growth in the economy of over \$5.6 billion in increased earnings, approximately \$12.6 billion in total new spending over 30 years,

ESTIMATED SPENDING & IMPACT

ENTERTAINMENT DISTRICT

ECONOMIC IMPACT (\$ MILLION)	2022	2026	2031	2036	2041	2046	2051	TOTAL 30-YEAR
Direct Spending	\$37	\$105	\$170	\$314	\$366	\$423	\$489	\$8,448
Indirect Spending	10	28	46	84	98	114	132	2,270
Induced Spending	9	24	39	72	84	97	113	1,945
TOTAL SPENDING	\$56	\$157	\$255	\$470	\$548	\$634	\$734	\$12,663
Increased Earnings	\$25	\$71	\$114	\$211	\$246	\$285	\$329	\$5,681
Employment (FTE Jobs)	550	1,381	1,929	3,072	3,092	3,084	3,077	3,077

FISCAL IMPACT (\$ MILLION)	2022	2026	2031	2036	2041	2046	2051	TOTAL 30-YEAR
Use Taxes	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0
Hotel/ Motel Tax	1.1	2.1	2.7	3.2	3.7	4.3	5.0	96
Auto Rental Tax	0.1	0.1	0.2	0.2	0.2	0.2	0.2	4
State Personal Income Tax	0.2	0.9	1.7	2.5	3.0	3.5	4.0	69
State Corporate Income Tax	0.0	0.2	0.4	0.6	0.8	0.9	1.0	17
Property Tax***	0.4	1.3	2.4	3.3	3.9	4.5	5.2	91
TOTAL	\$1.8	\$4.5	\$7.3	\$9.9	\$11.5	\$13.3	\$15.4	\$278
One-Time Impact of Constuction	0.3	0.2	0.2	0.1	0.0	0.0	0.0	\$3
TOTAL TAX REVENUES	\$2.1	\$4.7	\$7.5	\$10.0	\$11.5	\$13.3	\$15.4	\$280

Notes:

***Reflecting an effective tax rate and referencing 2018 Baker Tilly report; Convention/ Event Center and Education are tax exempt.

Source: Johnson Consulting

LIFESTYLE DISTRICT

The fiscal impact of the combined ONE Big Sky programmatic elements to be constructed in the Lifestyle District is projected to total over \$140 million in net new City, County, State and other local tax revenues over 30 years. Development in the Lifestyle District will also result in growth in the economy of nearly \$2.2 billion in increased earnings, approximately \$4.8 billion in total new spending over 30 years,

ESTIMATED SPENDING & IMPACT

LIFESTYLE DISTRICT

ECONOMIC IMPACT (\$ MILLION)	2022	2026	2031	2036	2041	2046	2051	TOTAL 30-YEAR
Direct Spending	\$8	\$30	\$58	\$124	\$145	\$168	\$194	\$3,235
Indirect Spending	2	8	16	33	39	45	52	870
Induced Spending	2	7	13	28	33	39	45	745
TOTAL SPENDING	\$11	\$45	\$87	\$185	\$217	\$251	\$291	\$4,850
Increased Earnings	\$5	\$20	\$39	\$83	\$97	\$113	\$131	\$2,176
Employment (FTE Jobs)	113	396	661	1,211	1,221	1,221	1,221	1,221

FISCAL IMPACT (\$ MILLION)	2022	2026	2031	2036	2041	2046	2051	TOTAL 30-YEAR
Use Taxes	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0
Hotel/ Motel Tax	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0
Auto Rental Tax	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0
State Personal Income Tax	0.1	0.2	0.4	0.6	0.7	0.8	0.9	15
State Corporate Income Tax	0.0	0.1	0.1	0.2	0.2	0.2	0.3	5
Property Tax***	0.5	1.7	2.8	4.4	5.1	5.9	6.9	120
TOTAL	\$0.6	\$1.9	\$3.3	\$5.1	\$6.0	\$6.9	\$8.0	\$140
One-Time Impact of Constuction	0.3	0.2	0.2	0.1	0.0	0.0	0.0	\$3
TOTAL TAX REVENUES	\$0.9	\$2.1	\$3.5	\$5.3	\$6.0	\$6.9	\$8.0	\$143

Notes:

***Reflecting an effective tax rate and referencing 2018 Baker Tilly report; Convention/ Event Center and Education are tax exempt.

Source: Johnson Consulting

CIVIC & WELLNESS DISTRICT

The fiscal impact of the combined ONE Big Sky programmatic elements to be constructed in the Civic & Wellness District is projected to total nearly \$1.78 billion in net new City, County, State and other local tax revenues over 30 years. Development in the Civic & Wellness District will also result in growth in the economy of approximately \$35.4 billion in increased earnings, approximately \$74.3 billion in total new spending over 30 years.

ESTIMATED SPENDING & IMPACT

CIVIC & WELLNESS DISTRICT

ECONOMIC IMPACT (\$ MILLION)	2022	2026	2031	2036	2041	2046	2051	TOTAL 30-YEAR
Direct Spending	\$75	\$602	\$1,181	\$1,818	\$2,148	\$2,482	\$2,865	\$49,595
Indirect Spending	20	162	317	489	577	667	770	13,329
Induced Spending	17	139	272	419	495	571	660	11,419
TOTAL SPENDING	\$112	\$902	\$1,770	\$2,726	\$3,220	\$3,720	\$4,295	\$74,343
Increased Earnings	\$82	\$471	\$862	\$1,293	\$1,517	\$1,746	\$2,006	\$35,421
Employment (FTE Jobs)	1,167	8,281	14,708	19,921	21,202	22,235	23,430	23,430

FISCAL IMPACT (\$ MILLION)	2022	2026	2031	2036	2041	2046	2051	TOTAL 30-YEAR
Use Taxes	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0
Hotel/ Motel Tax	0.3	1.3	2.7	3.2	3.7	4.3	5.0	90
Auto Rental Tax	0.0	0.2	0.3	0.4	0.5	0.5	0.6	11
State Personal Income Tax	1.9	14.0	29.8	39.9	46.9	54.3	62.8	1,106
State Corporate Income Tax	0.0	1.7	3.6	6.1	7.3	8.5	9.8	164
Property Tax***	0.4	5.6	9.6	15.2	17.6	20.4	23.6	408
TOTAL	\$2.7	\$22.8	\$46.1	\$64.7	\$75.9	\$87.9	\$101.8	\$1,779
One-Time Impact of Constuction	2.7	0.4	0.5	0.3	0.0	0.0	0.0	\$11
TOTAL TAX REVENUES	\$5.4	\$23.2	\$46.5	\$65.0	\$75.9	\$87.9	\$101.8	\$1,790

Notes:

***Reflecting an effective tax rate and referencing 2018 Baker Tilly report; Convention/ Event Center and Education are tax exempt.

Source: Johnson Consulting

EDUCATION & INNOVATION DISTRICT

The fiscal impact of the combined ONE Big Sky programmatic elements to be constructed in the Education & Innovation District is projected to total over \$173 million in net new City, County, State and other local tax revenues over 30 years. Development in the Entertainment District will also result in growth in the economy of over \$3.5 billion in increased earnings, approximately \$7.8 billion in total new spending over 30 years,

ESTIMATED SPENDING & IMPACT

EDUCATION & INNOVATION DISTRICT

ECONOMIC IMPACT (\$ MILLION)	2022	2026	2031	2036	2041	2046	2051	TOTAL 30-YEAR
Direct Spending	\$2	\$17	\$91	\$212	\$246	\$285	\$330	\$5,240
Indirect Spending	1	5	24	57	66	77	89	1,408
Induced Spending	1	4	21	49	57	66	76	1,207
TOTAL SPENDING	\$4	\$25	\$136	\$318	\$368	\$427	\$495	\$7,855
Increased Earnings	\$2	\$11	\$61	\$143	\$165	\$192	\$222	\$3,524
Employment (FTE Jobs)	37	232	1,277	2,863	3,233	3,661	4,158	4,158

FISCAL IMPACT (\$ MILLION)	2022	2026	2031	2036	2041	2046	2051	TOTAL 30-YEAR
Use Taxes	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0
Hotel/ Motel Tax	0.0	0.1	0.8	1.8	2.1	2.4	2.8	45
Auto Rental Tax	0.0	0.0	0.1	0.3	0.3	0.3	0.4	6
State Personal Income Tax	0.0	0.2	1.2	2.4	2.8	3.3	3.8	61
State Corporate Income Tax	0.0	0.0	0.0	0.1	0.1	0.1	0.1	2
Property Tax***	0.1	0.6	0.9	2.3	2.6	3.1	3.6	60
TOTAL	\$0.1	\$1.0	\$3.1	\$6.9	\$8.0	\$9.2	\$10.7	\$173
One-Time Impact of Constuction	0.4	0.3	0.3	0.2	0.0	0.0	0.0	\$4
TOTAL TAX REVENUES	\$0.6	\$1.2	\$3.4	\$7.1	\$8.0	\$9.2	\$10.7	\$177

Notes:

***Reflecting an effective tax rate and referencing 2018 Baker Tilly report; Convention/ Event Center and Education are tax exempt.

Source: Johnson Consulting

7.4 FISCAL IMPACTS BY JURISDICTION

The fiscal impact of all ONE Big Sky programmatic components (all districts) can be measured by jurisdiction over the 30-year measurement period, illustrating major new tax revenues available to each of the State, City, School District and County and totaling \$2.38 billion.

ESTIMATED SPENDING & IMPACT

IMPACT BY JURISDICTION - INCLUDING ANCILLARY BENEFITS

FISCAL IMPACT (\$ MILLION)	2022	2026	2031	2036	2041	2046	2051	TOTAL 30-YEAR
City*	\$0.7	\$3.0	\$5.1	\$7.9	\$9.1	\$10.6	\$12.2	\$214
School District**	0.6	4.2	7.1	11.5	13.3	15.4	17.9	309
County**	0.2	1.5	2.5	4.1	4.7	5.5	6.3	110
State***	7.5	22.6	46.0	63.9	74.2	85.9	99.4	1,756
TOTAL TAX REVENUES	\$9.0	\$31.2	\$60.8	\$87.3	\$101.3	\$117.3	\$135.8	\$2,389

Notes:

* Includes Property Tax, Sales Tax and Hotel/ Motel Tax - City (TBID)

** Includes Property Tax

*** Includes Hotel/ Motel Tax - State, Auto Rental Tax - State, State Personal Income Tax, and State Corporate Income Tax, Construction of Hospital Expansion and University Expansion.

Source: Johnson Consulting



08

FINANCE PLAN

8.1 FINANCE PLAN

CHALLENGES & OPPORTUNITIES

The success of the ONE Big Sky Project is dependent upon the passage of legislation to create a new State economic development tool to support a comprehensive private / public plan of finance that addresses the challenges of today and capitalizes on the opportunities of tomorrow by ...

- 1. Building Anchoring Civic Assets**
- 2. Promoting Shared Infrastructure**
- 3. Inducing Market Demand**

In Billings today:

There is limited private investment in new development due to the market realities and inequities caused by a lack of demand drivers and rents that don't support new construction costs – the real estate market “gap” further described in this Section 8 (see also Appendix A, Market Research & Analysis). Correspondingly, there has been limited public investment in infrastructure due to constrained budgets at all levels of government and a lack of economic development tools that can build the civic infrastructure, which helps correct market inefficiencies.

With the comprehensive ONE Big Sky economic development strategy:

The market gap is overcome by effectively lowering construction costs for the private sector and making private development financially feasible. This is the result of incenting strategic development consistent with the Master Plan and Civic Build, which includes constructing anchoring civic assets, promoting private – public infrastructure cost sharing, and capitalizing on the City's strengths to drive visitation and future demand. The specific incentive, described in this Section, is in the form of a new economic development tool that encourages private investment on the front end in these anchoring civic assets, as well as other private development, generating new real estate demand that will fuel additional market-driven development and correcting the inequities of today for the next generation.

So in Billings tomorrow:

With real estate values that support construction costs, the market will function as it should. More visitation, newer office product, a downtown residence base and accompanying retail, dining and entertainment options mean that the private sector will continue to invest to meet naturally growing demand. This also means that the public sector will be required to invest at a much more modest level to meet the civil / civic infrastructure need of the future.



McCormick

HOTEL
INTERNET

McCormick
CAFE

BILLINGS
2nd HAND STORE
YELLOWSTONE HOTEL

OXFORD
ANTIQUES

“Absent a plan to address the critical challenges they face today, the City of Billings and the State of Montana will certainly experience negative consequences, potentially including loss of major employers, loss of skilled labor, loss of capital investment, declining home values, and declining tax revenues.”

- BAKER TILLY

FINANCE PLAN OVERVIEW

The Master Plan for ONE Big Sky combined with the Civic Build together make up the comprehensive strategy grounded in both private investment and public commitments to construct and ensure the viability and success of the Montana Station Convention and Events Center and other catalytic civic projects that span and anchor all four ONE Big Sky development districts. The Finance Plan for ONE Big Sky is based upon an innovative “Value Capture” model that makes possible the delivery of all of the key civic infrastructure projects and shares risk and reward between the public and private sectors. This model, successfully implemented in other states as outlined in Section 3, has been proven to lower costs, drive demand and generate massive new revenues at the state and local levels.

Specifically, this Finance Plan provides:

- An overview of the vision for ONE Big Sky as a new model for an **economic development strategy** that is grounded in up-front private capital investment in the community -- not a public subsidy;
- An analysis of the **market “gap”** problem that must be addressed in downtown Billings;
- An outline of the **Value Capture solution**: An economic development tool that leverages private capital by providing a reasonable private return on investment, produces an enormous public return on investment, and closes the market gap to enable market-driven private development in the future.
- An order of magnitude cost estimate of the Civic Build and anticipated private development in each of the ONE Big Sky districts in the form of a **Master Project Budget**; and
- An assessment of the overall **Sources & Uses** of Funds.



8.2 ECONOMIC DEVELOPMENT STRATEGY

THE TRADITIONAL MODEL OF ECONOMIC DEVELOPMENT



“Amazon has triggered a \$5 billion bidding war”

Forbes

“Amazon’s HQ2 search sets off race to the bottom”

TIME

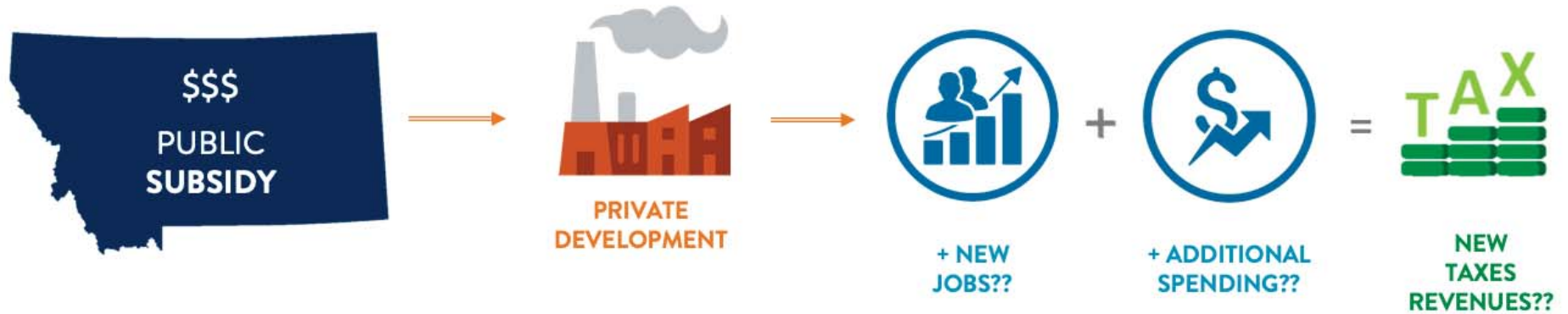
For many years, the public sector in the U.S. has taken the lead in creating economic development opportunities, including bearing the risk of designing, building, operating and paying for public infrastructure that may directly benefit only a single private business interest. This often occurs at the request of the private interest that wants the public sector to lead (i.e., invest first) with a public subsidy.

Historically, this has been a public sector attempt to stimulate economic development in the community or region by blindly putting public funds at risk on the front end, with the hope that private companies would relocate or expand – the very linear or one-dimensional “build it and they will come” model.

This traditional model of economic development also meant that a city, county, state or other authority might offer direct public subsidies to pay for largely private assets to lure major employers to their jurisdictions. The recent race to attract Amazon’s second headquarters is a prime example, with 238 cities, states, provinces and territories across the country and throughout North America promising massive public incentives to the corporate giant in what the media dubbed a “bidding war” and even a “race to the bottom.” And, of course, this model doesn’t work at all if the public sector doesn’t have enough funds or economic development tools to provide these direct subsidies.

“LINEAR” ECONOMIC DEVELOPMENT

A Subsidy Model



- Public sector leads
- Public sector risk

- Private development must follow
- No private risk
- Major subsidies for private development to lower private cost

A NEW MODEL FOR ECONOMIC DEVELOPMENT ... LEADING WITH PRIVATE INVESTMENT

“Gone are the days of chasing a single employer that will bring hundreds of jobs to a community, often at the expense of another community and at high tax consequence. Today, economic development strategies are shifting toward a broader approach that considers the long-term goals of the community and brings together a variety of stakeholders.”

- BAKER TILLY

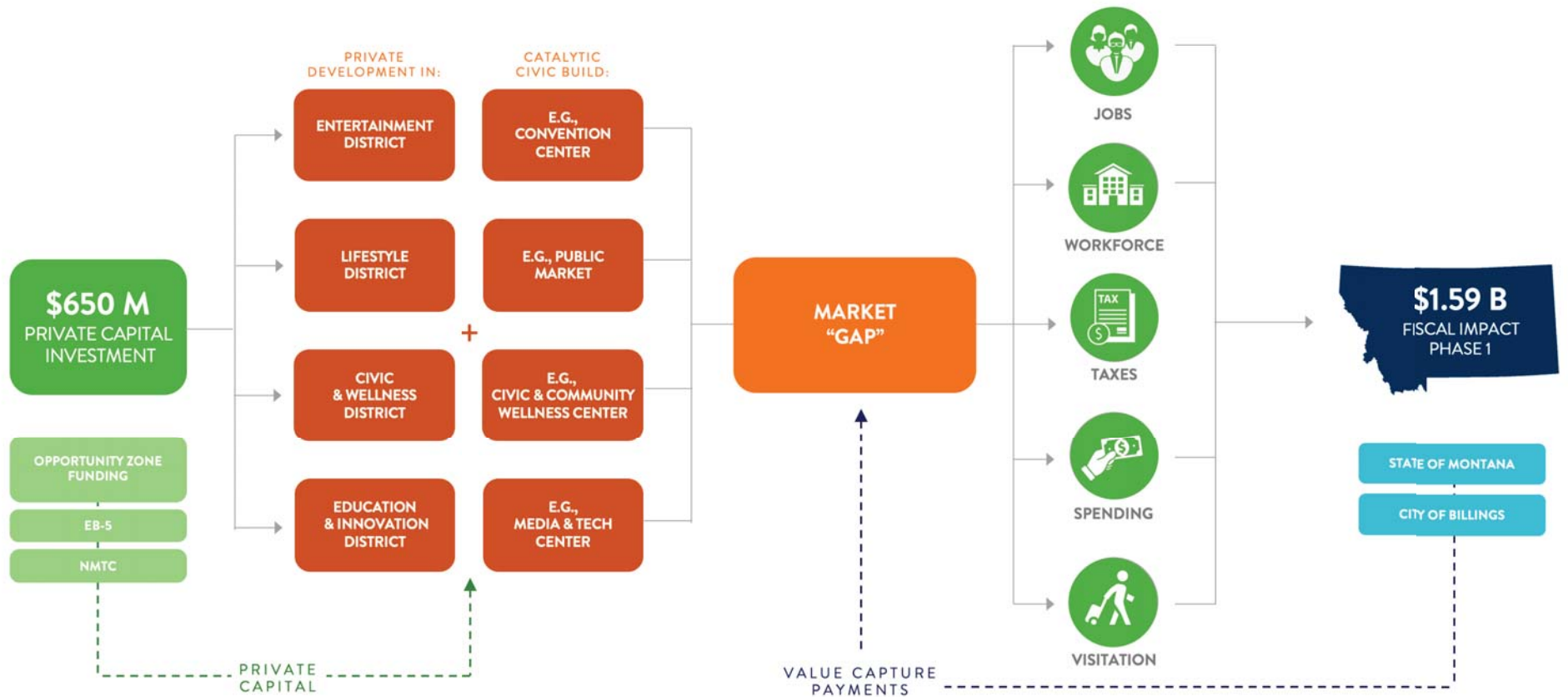
ONE Big Sky is a new and dynamic economic development strategy and private / public plan of finance. It is structured as a true partnership – with private investment leading. It is a cooperative effort to incent private investment in the City of Billings with a new “Value Capture” economic development tool, creating jobs, expanding the tax base, and charting the course for long-term growth and prosperity for Billings and the State of Montana. It unlocks the potential for private capital investment, including private capital incented by federal programs like Opportunity Zones, Tax Credits, and EB-5 (all as further described herein).

In ONE Big Sky’s new model for economic development, a small percentage of the value of the ONE Big Sky Master Plan + Civic Build is captured in the form of new revenues generated by these projects for the State and the City and other local taxing jurisdictions from existing taxes. As illustrated in the graphic to the right

- The private sector commits to invest funds and build private development projects in the ONE Big Sky districts, and also takes the risk of financing and building catalytic civic infrastructure projects on behalf of the public.
- Because of the real estate market gap and constrained public funds for new civic assets, there is a need for the Value Capture tool to incent the private sector to invest on the front end, unlocking private sources of capital and sharing infrastructure costs between the public and private sectors.
- When the projects are built, this drives visitation, results in new spending, creates new jobs and strengthens the workforce, all resulting in new tax revenues generated by the projects (the direct “fiscal impacts”).
- It is only AFTER the fiscal impacts are realized that the State and City return a small portion of these new tax revenues as Value Capture payments to share in the cost of civic infrastructure, which helps total projects costs meet values and provides reasonable returns to both the public and private sectors.

“DYNAMIC” ECONOMIC DEVELOPMENT

The New ONE Big Sky Model (Phase 1)



- Private sector leads
- Public sector shifts risk
- Private sector builds civic infrastructure
- No public finance risk
- Private development NOT subsidized

“The one big Sky economic development model is feasible if the tool exists to incent the private sector to contribute to infrastructure costs and allow projects to recoup a portion their direct fiscal impacts (new taxes). Overall, the success of one big sky is dependent on the formation of a public-private partnership that is led by private capital investment and a sharing of the costs needed to build important civic infrastructure.”

- HUNDEN STRATEGIC PARTNERS

A NEW MODEL FOR ECONOMIC DEVELOPMENT ... PRIVATE SECTOR LEADS

As illustrated on the previous page, the promise of public contribution in the future is leveraged to attract hundreds of millions – potentially billions – in projected up-front private investment in downtown Billings in Phase I. As the projects are completed, the public sector’s commitment in this new economic model for ONE Big Sky is to take a portion of the value (new revenues) that directly result from new construction, new spending and new jobs in the Statewide economy to support the necessary civic infrastructure improvements (i.e., the Civic Build) financed up front – and at the risk of – the private sector.

As the Civic Build and private development mature through Phase I and into Phase II, supply and demand reach equilibrium in the real estate market and the market differential is overcome, allowing the private sector to realize a reasonable return on investment.

The vast majority of the new revenues received by the public entities are retained to expand their ability to pay for public costs and services, closing the public financing gap. At the local level, the balance of the new revenues will be used to fund expanded services and meet other important needs throughout the City. At the State level, the vast majority of the revenues will be available to significantly increase the State’s budget capacity and its ability to fund projects and programs in both urban and rural areas across Montana.

“DYNAMIC” ECONOMIC DEVELOPMENT

The New ONE Big Sky Model (Gap Closed by End of Phase 2)



8.3 THE PROBLEM

THE “GAP”

“As has been experienced in many other markets, when the public and private sectors come together to invest in compelling, transformative projects, the nature and performance of the whole downtown can change dramatically.”

- HUNDEN STRATEGIC PARTNERS

As previously discussed, the independent market and financial analysis prepared by Hundén Strategic Partners found that the stagnant downtown Billings real estate market over the past decades has been caused by a meaningful and measurable market gap. New development projects have largely been infeasible because rent levels (the indication of project value) will not support project development costs, which in turn leads to lack of new construction, aging supply, lower quality, high vacancy rates – a vicious cycle that is hard to break.

As shown in the table to the right, the rents (or in the case of hotel, average daily rates) are 16% to 50% below what is necessary to support new development, depending upon the program category (hotel, office, retail, market-rate residential, senior housing or student housing). So in each of the Entertainment, Lifestyle, Civic & Wellness, and Education & Innovation Districts, the real estate value based on market conditions today in downtown is lower than what is needed to meet Phase I construction costs and provide a return on investment to private development interests, as further discussed in subsection 8.4.

This disparity between value necessary to support development and value based upon current market conditions (rent levels) is quantified as the “gap”: \$72.7 million in the Entertainment District, \$81.7 million in the Lifestyle District, \$205.7 million in the Civic & Wellness District, and \$30.4 million in the Education & Innovation District. This is why Phase I of ONE Big Sky cannot get off the ground without a Finance Plan that has a SOLUTION that closes the gap.

PHASE I MARKET GAP DEMONSTRATED BY SUPPORTABLE RENTS & VALUE

(BY PROGRAM & DISTRICT)

MARKET GAP ONE BIG SKY							
		HOTEL	OFFICE	RETAIL	RESIDENTIAL	SR HOUSING	STUDENT HSG
MARKET CONDITIONS (Current Dollars)		\$139.77 /Night Avg Daily Rate	\$17.50 /SF NNN Rental Rate	\$14.86 /SF NNN Rental Rate	\$1,326 /MO Avg Rental Rate	\$3,716 /MO Avg Rental Rate	\$1,222 /MO Avg Rental Rate
REQUIRED FOR DEVELOPMENT (Current Dollars)		\$167.62 /Night Avg Daily Rate	\$28.00 /SF NNN Rental Rate	\$30.00 /SF NNN Rental Rate	\$1,828 /MO Avg Rental Rate	\$4,545 /MO Avg Rental Rate	\$1,625 /MO Avg Rental Rate
VALUE BASED ON MARKET CONDITIONS (\$M)		\$ 29.4	\$ 63.0	\$ 46.9	\$ 48.4	\$ 30.6	\$ 12.7
Entertainment District	\$ 47.4	\$ 19.5	\$ 7.2	\$ 15.6	\$ 5.1	\$ -	\$ -
Lifestyle District	\$ 39.3	\$ -	\$ -	\$ 6.9	\$ 32.4	\$ -	\$ -
Civic & Wellness District	\$ 128.2	\$ 9.9	\$ 55.8	\$ 21.0	\$ 10.9	\$ 30.6	\$ -
Education & Innovation District	\$ 16.1	\$ -	\$ -	\$ 3.4	\$ -	\$ -	\$ 12.7
VALUE NEEDED TO SUPPORT DEVELOPMENT (\$M)		\$ 76.1	\$ 171.4	\$ 147.0	\$ 144.4	\$ 49.9	\$ 32.6
Entertainment District	\$ 120.0	\$ 52.8	\$ 12.0	\$ 43.3	\$ 11.9	\$ -	\$ -
Lifestyle District	\$ 121.0	\$ -	\$ -	\$ 21.8	\$ 99.2	\$ -	\$ -
Civic & Wellness District	\$ 333.9	\$ 23.3	\$ 159.4	\$ 68.0	\$ 33.3	\$ 49.9	\$ -
Education & Innovation District	\$ 46.5	\$ -	\$ -	\$ 13.9	\$ -	\$ -	\$ 32.6
MARKET GAP (\$M)		\$ 46.7	\$ 108.5	\$ 100.1	\$ 96.0	\$ 19.3	\$ 19.9
Entertainment District	\$ 72.7	\$ 33.3	\$ 4.9	\$ 27.7	\$ 6.8	\$ -	\$ -
Lifestyle District	\$ 81.7	\$ -	\$ -	\$ 14.9	\$ 66.8	\$ -	\$ -
Civic & Wellness District	\$ 205.7	\$ 13.4	\$ 103.6	\$ 47.0	\$ 22.4	\$ 19.3	\$ -
Education & Innovation District	\$ 30.4	\$ -	\$ -	\$ 10.5	\$ -	\$ -	\$ 19.9

8.4 THE SOLUTION

VALUE CAPTURE TOOL

“Based upon economic development strategies successfully implemented around the country, including value capture, when the public sector and various private sector interests and community anchors come together to invest in transformative and synergistic redevelopment projects, dramatic changes happen in the market that close the feasibility gap.”

- HUNDEN STRATEGIC PARTNERS

The new model of economic development, in the form of a legislatively-authorized Value Capture tool, provides a solution to the downtown market gap problem in four key ways:

- **BUILDS ANCHORING CIVIC ASSETS** - The value capture tool can support the construction of important civic assets. Each of the ONE Big Sky districts includes anchoring civic projects that, together, will be critical to the transformation of Billings according to independent market analyses. This “Civic Build” supports the development of a vibrant, urban environment that will attract the workforce of tomorrow and provide the concentration of jobs, income, and tax base necessary to grow the local and Statewide economies.
- **PROMOTES SHARED INFRASTRUCTURE** - Achieving lower costs of construction is a way for both the public and private sectors to increase return on investment, as further discussed in this subsection. Shared infrastructure is a proven method for public and private development components to be coordinated and integrated. By authorizing private parties to partner with the City, the public sector can design, build, finance and operate the Civic Build, leveraging private sector innovation and strategies to reduce not only construction costs (through things like shared public / common areas, parking and even building / mechanical systems), but also reduce long-term operating costs.
- **INDUCES MARKET DEMAND** - The synergistic ONE Big Sky district programs are certain to increase visitation and induce dramatic market demand for Billings, according to real estate market experts. Market demand drives rents higher, overcoming the deficiencies in the economic landscape and making future market-driven development feasible, and eliminating the need for public subsidies or extraordinary economic development tools.

VALUE CAPTURE:

Closes the gap by lowering cost & increasing demand without the need for public subsidy

DISTRICTS	PROVIDE PUBLIC SUBSIDY	BUILD ANCHORING CIVIC ASSET(S)	SHARE INFRASTRUCTURE	INDUCE MARKET DEMAND
ENTERTAINMENT DISTRICT	X	✓	✓	✓
LIFESTYLE DISTRICT	X	✓	✓	✓
CIVIC & WELLNESS DISTRICT	X	✓	✓	✓
EDUCATION & INNOVATION DISTRICT	X	✓	✓	✓

“The ONE Big Sky plan capitalizes on new economic development initiatives by breaking the from the tradition of silo single-project development and embracing a concept-driven plan. This plan will build a platform for long-term growth in Billings and the region.”

- BAKER TILLY

OVERVIEW OF THE TOOL

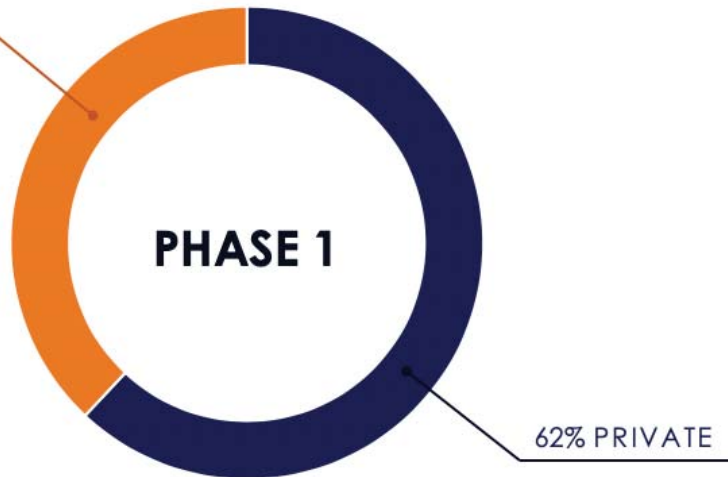
Value Capture is most commonly used as an umbrella term. It is a new model of economic development that encompasses private – public funding mechanisms and harness the projected or realized increase in value imparted to land from development projects (i.e., net new tax revenues), which is typically monetized on the front end to help finance development and solve market inefficiencies that hamper new development and economic growth. Public entities that want to shift the up-front risk away from the public sector to the private sector can require private development or investment to occur prior to commitments.

This is distinguishable from the “old” public subsidy model of economic development (including local tax increment financing), where the public sector commits up front – often paying for private assets.

With an investment from private sources of approximately \$2 billion, and a capture of roughly \$250 million of the net new tax base generated from ONE Big Sky development, the private sector shoulders 87% of the burden, including financing all of the upfront costs.

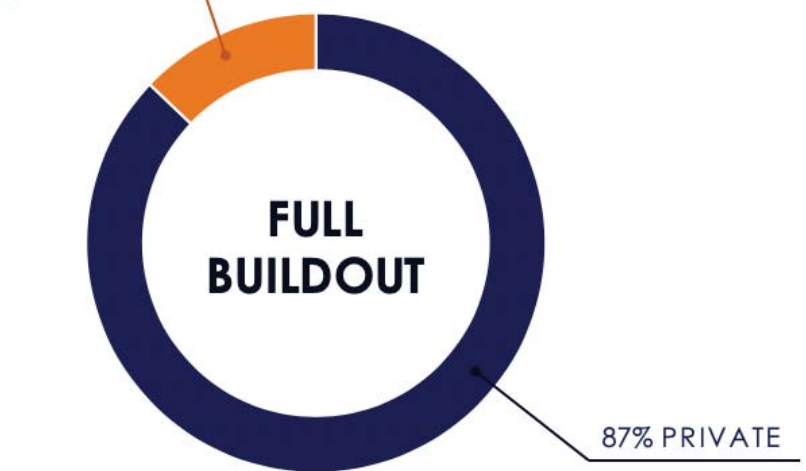
ONE BIG SKY INVESTMENT RATIO

38% PUBLIC



\$650 M PRIVATE INVESTMENT
\$250 M PUBLIC INVESTMENT
\$1.59 B NET NEW TAXES

13% PUBLIC



\$2+ B PRIVATE INVESTMENT
\$0 ADDITIONAL PUBLIC INVESTMENT
\$2.39 B NET NEW TAXES

10:1

PUBLIC RETURN ON INVESTMENT

RETURN ON INVESTMENT

PRIVATE

Private capital demands a return on investment. “ROI” is arguably the most important piece of information for real estate investors in any given market, helping them understand how profitable their property investment strategies will be based upon recognized real estate metrics that quantify many variables associated with profitability, such as rental income and rental expenses.

Under current market conditions, the gap previously described prevents private interests from investing because they can achieve only very low returns on their capital – ranging from 0.2% to 2.9%. These aren’t sufficient levels, and future rents are too low, to incent private developer to build any significant new amount of office, retail, residential, hotel, or retail / dining / entertainment space in downtown Billings.

By utilizing the value capture tool to build the catalytic civic anchors in each of the ONE Big Sky districts, sharing key components of infrastructure between the civic spaces and private development, and inducing market demand with catalytic projects like the convention and events center, public market and others, the rent levels in downtown Billings increase to a level and the costs are lowered to a level that private return on investment reaches a level that is required (in the range of 7.5% to 9.3%, depending on the program and district, as show in the table to the right).

RETURN ON INVESTMENT
ONE BIG SKY

	CURRENT MARKET	ONE BIG SKY DISTRICT
Entertainment District	1.4% - 2.1%	7.8% - 9.0%
Lifestyle District	0.5% - 2.3%	7.5% - 9.1%
Civic & Wellness District	0.2% - 2.9%	7.6% - 9.3%
Education & Innovation District	1.1% - 2.4%	7.7% - 9.2%

RETURN ON INVESTMENT

PUBLIC

ROI in the public context is usually equated to the return on a public dollar spent as part of an economic development effort. The ONE Big Sky economic development initiative and Value Capture strategy provides a high return on public investment – more than 10:1 – by requiring the private sector to make substantial, up front capital investments in downtown Billings for both the private development and “Civic Build.” As illustrated in the model to the right:

- Once these private capital investments reach a minimum threshold of \$300 million (Tier 1), City and State contributions toward up front Civic Build costs are triggered.
- The State and City financial contribution comes from growth in revenues from existing taxes generated by the private capital investments (capturing the “value” created by ONE Big Sky Master Plan projects).
- The State and City value capture payments will be made on a proportional basis.
- These payments reimburse a portion – but not all – of the cost of the Civic Build (NOT the private development).
- Additional private capital investments made within 10 years (up to \$450 million (Tier 2) and \$650 million (Tier 3)) are eligible for additional City/State appropriations (up to maximum of \$125 million each from the City and the State).
- Extraordinary private capital investments within 10 years totaling \$1 billion or more extend the State reimbursement for Civic Build financing costs up to a total of 30 years (versus 20 years).

REPRESENTATIVE VALUE CAPTURE MODEL

CAPITAL INVESTMENT						
YEAR	TOTAL INVESTMENT	ANNUAL PRIVATE INVESTMENT	CITY CONTRIBUTION	STATE CONTRIBUTION	% PRIVATE	% PUBLIC
YEAR 1	\$ 100.0 M	\$ 100.0 M	-	-	100%	0%
YEAR 2	\$ 200.0 M	\$ 100.0 M	-	-	100%	0%
YEAR 3	\$ 300.0 M	\$ 100.0 M	\$ 75.0 M	\$ 75.0 M	50%	50%
YEAR 4	\$ 400.0 M	\$ 100.0 M			63%	38%
YEAR 5	\$ 450.0 M	\$ 50.0 M	\$ 100.0 M	\$ 100.0 M	56%	44%
YEAR 6	\$ 600.0 M	\$ 150.0 M			67%	33%
YEAR 7	\$ 650.0 M	\$ 50.0 M	\$ 125.0 M	\$ 125.0 M	62%	38%
YEAR 8	\$ 800.0 M	\$ 150.0 M			69%	31%
YEAR 9	\$ 900.0 M	\$ 100.0 M			72%	28%
YEAR 10	\$ 1.0 B	\$ 100.0 M	\$ 125.0 M	\$ 125.0 M	75%	25%
YEAR 15	\$ 1.50 B	\$ 100.0 M	\$ 125.0 M	\$ 125.0 M	83%	17%
YEAR 20	\$ 2.00 B	\$ 1.75 B	\$ 125.0 M	\$ 125.0 M	87%	13%
YEAR 30	\$ 2.00 B	\$ 1.75 B	\$ 125.0 M	\$ 125.0 M	87%	13%

FISCAL IMPACT	
YEAR	CUMULATIVE
Y1	\$ 9.0 M
Y2	\$ 19.8 M
Y3	\$ 37.2 M
Y4	\$ 61.9 M
Y5	\$ 93.1 M
Y6	\$ 128.5 M
Y7	\$ 170.4 M
Y8	\$ 217.3 M
Y9	\$ 271.2 M
Y10	\$ 332.0 M
Y11	\$ 399.1 M
Y12	\$ 469.2 M
Y13	\$ 548.7 M
Y14	\$ 629.8 M
Y15	\$ 717.1 M
Y16	\$ 806.7 M
Y17	\$ 899.4 M
Y18	\$ 994.9 M
Y19	\$ 1.09 B
Y20	\$ 1.19 B
Y21	\$ 1.30 B
Y22	\$ 1.41 B
Y23	\$ 1.52 B
Y24	\$ 1.63 B
Y25	\$ 1.75 B
Y26	\$ 1.87 B
Y27	\$ 1.99 B
Y28	\$ 2.12 B
Y29	\$ 2.25 B
Y30	\$ 2.39 B

“The core elements of ONE Big Sky can be feasible if they are developed simultaneously, to create critical mass and synergy among projects, and tools exist to contribute to public infrastructure costs and allow the projects to recoup their direct fiscal impacts (new taxes). Overall, the success of ONE Big Sky is dependent on the formation of a public-private partnership that is led by private capital investment and a sharing of the costs needed to build important civic infrastructure.”

- HUNDEN STRATEGIC PARTNERS

PUBLIC SECTOR GOALS

The new Value Capture economic development funding tool necessary to unlock the local, regional and Statewide benefits of the Project and support the Civic Build will require special State legislation. This new economic development model is typically preferred by the public sector (versus the traditional model for economic development) for a number of reasons, including the public’s ability to meet the following goals:

- Require minimum thresholds for private investment on the front end and performance benchmarks, maximizing public “ROI” (as demonstrated on the previous page).
- Generally de-risk a project and, particularly, mitigate the financial risk to both local government and the State (shifting burden to a private sector owner / operator).
- Finance public infrastructure with private equity and debt placed in commercial capital markets (thus, no public debt).
- Support a comprehensive economic development strategy to maximize new jobs and spending and generate more new taxes from a broader public and private development program (as opposed to supporting a single project).



BILL SUMMARY

WHAT IS IT?

A new economic development tool to be used by Billings and other Montana communities that can formulate a compelling vision and articulate a definitive plan to build an economic engine that fuels more spending, higher earnings, new jobs, and increased visitation for long-term statewide prosperity, attracting the workforce of the next generation.

HOW IS IT IMPLEMENTED?

- The 66th Montana Legislature must authorize the formation of new “State Economic Impact Districts” by cities or counties.
- As part of this new tool, cities and counties are required to adopt detailed development plans for their districts and a process to create positive economic and fiscal impacts and incent private investment in both private development projects and civic infrastructure.
- The development plan must address policy goals, objectives and land use issues, including third-party estimates of statewide economic and fiscal impacts, and providing a framework to achieve outcomes.

WHAT CAN BE FINANCED?

- Only costs of catalytic “civic infrastructure projects” that create or support civic and institutional anchors in the community and drive major economic growth, new jobs and new tax base.

HOW DOES THE TOOL WORK?

- Private interests must make substantial new capital investments in a Statewide Economic Impact District for private development.
- Once these private capital investments, plus up front investments (local or private) reach a minimum threshold of \$300 million (Tier 1), State contributions toward civic infrastructure costs are triggered.
- State contributions must be met with a local “match.” City or county financial contributions come from growth in revenues from existing taxes generated by the private capital investments (capturing the “value” created in the Statewide Economic Impact District).
- These payments can only be used to reimburse civic infrastructure costs.
- Additional private capital investments made within 10 years (up to \$450 million (Tier 2) and \$650 million (Tier 3)) are eligible for additional City/State and local appropriations (up to maximum of \$125 million each from the city or county and the State).
- Extraordinary private capital investments within 10 years totaling \$1 billion or more extend the State reimbursement for all civic infrastructure financing costs up to a total of 30 years (versus 20 years).

WHAT THE ONE BIG SKY LEGISLATIVE MODEL DOES NOT DO:

- Does not impose any new taxes at the State or local levels
- Is not part of the State infrastructure bonding bill
- Does not create a debt of the State, now or in the future
- Does not put public funds at risk ... private funds must lead for public investment to follow
- Does not pay for private development, but rather reimburses the private sector for the cost of building and operating civic assets that are privately financed
- Is not a blank check – public investment in civic assets only
- It is not a “build it and they will come” theory

STATE SUPPORT FOR THE ONE BIG SKY VALUE CAPTURE MODEL

The State support for the ONE Big Sky Value Capture legislation will be driven based on a number of key benefits:

- \$2.39 billion in growth in State and local tax base (which won't occur without ONE Big Sky).
- A workforce strategy for the future of Montana ... addresses the jobs shortage in the State (46th overall in attracting the all-important Millennial population).
- New revenue sources to address urban and rural interests (for investment in infrastructure around the State, health and wellness, education, etc.).
- Alleviates the burden on future taxpayers – finally, a growth strategy that increases the tax base (grows the “pie”).
- The law may be made available for other cities around the State to use if they can meet the benchmarks.
- Attracts private capital that wouldn't otherwise be invested in Montana (Opportunity Funds, etc.).
- Built-in safeguards:
 - Detailed Development Plan required.
 - Doesn't finance “ordinary” civil infrastructure.
 - Minimum private investment and projected thresholds for new jobs, economic impacts and corresponding tax growth.
 - NO RISK if private investment isn't made.

“The NIZ incentives have turned a severely challenged downtown into one that is benefiting not only the entire Lehigh Valley but the Commonwealth of Pennsylvania as well. **The ongoing revitalization of Downtown Allentown serves as a world model of what can be achieved through public incentives combined with private investments.**”

SENATOR PAT BROWNE

“The Landing is paying its own way. The 95-acre project, which includes an outdoor mall with more than 100 stores, a public events plaza, a convention center and two hotels, has **generated \$50 million through 2012 to repay [city] bonds.**”

HUNDEN STRATEGIC PARTNERS

“The DMC initiative is transformative and priceless. When we look back 15 years from now at the changes made to Rochester and Mayo Clinic, the project will clearly be one we’re glad we took on.”

GOVERNOR MARK DAYTON (2014)

8.5 MASTER PROJECT BUDGET

“Cities are actively investing in infrastructure and amenities. There’s a return to urbanism. And it gains momentum as cities create more livable, walkable, civic environments.”

- ELVA RUBIO, DESIGN PRINCIPAL, GENSLER

The Master Project Budget for ONE Big Sky provides a preliminary projection of the total cost of necessary Civic Build components and projected costs of the private development program in Phase I and Phase II. This Master Project Budget is based on the conceptual design established for the ONE Big Sky included in the Master Plan and the plan for Civic Build:

- Site Acquisition & Improvements – The cost to acquire land or, alternately, recognize the contribution of land.
- Construction / FF&E Costs – These include “hard” costs of buildings and other improvements, including furniture, fixtures and other standard equipment.
- Development Costs – These additional capital costs include those related to architectural design and engineering, testing and inspection, project management, insurance and legal costs. These costs can total 15% to 25% of construction costs, depending on project complexity.
- Financing Costs – This type of cost is associated with the debt financing of projects that will have both transactions costs and an interest carrying cost during the construction period until revenues are generated to pay debt service (i.e., capitalized interest).
- Project Contingency – A contingency fund to be controlled by the building or infrastructure owner is carried on overall project cost to allow for unforeseen costs that are the responsibility of the owner or the result of owner-elected changes to design.

SOURCES & USES
ONE BIG SKY

USES OF FUNDS (\$MM)	PHASE 1	PHASE 2	TOTAL
PRIVATE			
Site Acquisition & Improvements	\$ 55.0	\$ 98.6	\$ 153.6
Construction / FF&E Costs	\$ 495.7	\$ 1,031.6	\$ 1,527.2
Development Costs	\$ 79.5	\$ 150.3	\$ 229.8
Financing Costs	\$ 25.7	\$ 48.3	\$ 73.9
Project Contingency	\$ 25.1	\$ 47.5	\$ 72.6
PUBLIC			
Convention Center	\$ 75.0		\$ 75.0
Civic Infrastructure	\$ 152.3		\$ 152.3
Structured Parking	\$ 90.8		\$ 90.8
TOTAL	\$ 999.1	\$ 1,376.2	\$ 2,375.3

8.6 SOURCES & USES OF FUNDS

ASSESSMENT OF SOURCES

The new “Value Capture” economic development tool helps close the market gap ... unlocking private sources of capital and limiting the public funding requirements for major civic infrastructure projects.

The proposed Sources & Uses of Funds for both the private development program and the Civic Build -- each incented by the new economic development tool -- are listed on the table on the following page. The uses are based upon the Master Project Budget, and the sources will be driven by a reasonable private ROI made possible by the Value Capture legislation. The “public” participation is limited to payments secured by new tax revenues actually generated by the private development program outlined in the Master Plan (see Section 4):

- ✓ **CASH ON HAND / PRIVATE EQUITY:** This includes private development of civic infrastructure and amenities paid for with private cash on hand or other equity. This also includes private funds incented by tax or other federal benefits:
 - **Opportunity Zone Funds:** Private equity that receives incentives for investing in low-income communities, including capital gains tax deferral, partial forgiveness and tax-free appreciation.
 - **EB-5 Funds:** Private equity from eligible immigrant investors to finance U.S. projects in exchange for lawful permanent residency.
 - **Tax Credit Financings (including New Market Tax Credits):** Private equity that spurs certain types of development and fuels job creation / economic development in certain areas in exchange for tax credits.
- ✓ **PRIVATE DEBT:** Private sectors loans from commercial debt markets.
- ✓ **ALSO POSSIBLE: USER FEES / LEASE OR RENTAL PAYMENTS:** Payments made by private lessees or users to public entities as owners of public buildings and civic spaces.
- ✓ **ALSO POSSIBLE: NAMING RIGHTS / SPONSORSHIPS:** The purchase of rights to name or brand a facility or otherwise sponsor the construction of public or private facilities and civic spaces.

SOURCES & USES
ONE BIG SKY

SOURCES OF FUNDS (\$MM)	PHASE 1	PHASE 2	TOTAL
PRIVATE			
Private Equity	\$ 197.1	\$ 327.9	\$ 525.0
Private Equity (Opportunity Fund)	\$ 140.0	\$ 291.4	\$ 431.4
Private Debt	\$ 412.0	\$ 756.9	\$ 1,168.9
PUBLIC			
Public Investment	\$ 250.0		\$ 250.0
TOTAL	\$ 999.1	\$ 1,376.2	\$ 2,375.3
USES OF FUNDS (\$MM)	PHASE 1	PHASE 2	TOTAL
PRIVATE			
Site Acquisition & Improvements	\$ 55.0	\$ 98.6	\$ 153.6
Construction / FF&E Costs	\$ 495.7	\$ 1,031.6	\$ 1,527.2
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TOTAL	\$ 999.1	\$ 1,376.2	\$ 2,375.3

PROJECT DEVELOPMENT AGREEMENTS & TIMEFRAMES

A number of agreements and related documents will be important in moving forward with the Civic Build projects and commitments for other private development, as well as authorizing the Value Capture structure and agreements between the public and private sectors. These documents – and their primary purposes – are illustrated in the table to the right:

PROJECT DEVELOPMENT AGREEMENTS
ONE BIG SKY

	PARTIES	TIMING
<p>CITY COUNCIL APPROVING RESOLUTION</p> <p>The City Council will consider a written resolution adopting the ONE Big Sky vision and private – public investment strategy. This will demonstrate the community’s interest in moving forward with a strategic economic development plan, which includes creating a new financing tool that provides local and statewide economic, fiscal and social benefits. The Resolution will not bind the City to any debt or capital structure, but will be the first major step in creating an innovative private-public and inter-governmental partnership model.</p>	City of Billings City Council	February 2019
<p>STRATEGY PARTNERS / STAKEHOLDERS MEMORANDUM OF UNDERSTANDING</p> <p>The Strategy Partners, key stakeholders and any willing community or statewide interests will formally express their support for the ONE Big Sky economic development strategy in an “MOU” format, which will recite the goals and objectives.</p>	Strategy partner entities, higher ed. partners, health care partners, financial industry partners, hospitality partners, retail / dining / entertainment partners, and other business and community interests	February 2019
<p>PRIVATE COOPERATION AGREEMENTS</p> <p>Interested property owners in the ONE Big Sky project will be encouraged to enter into cooperative land use and development agreements that will assist them in putting their real estate resources to the highest and best use. Phased development strategies and opportunities in and between the development districts will help parties to pool risk, share in rewards, and avoid market inequities and competing interests to ensure that the full program of development can be realized as part of this ONE Big Sky economic development strategy, which is not about competing interests but rather cooperative interests.</p>	Private property owners	Ongoing
<p>VALUE CAPTURE LEGISLATION & AVAILABILITY PAYMENT APPROPRIATIONS</p> <p>ONE Big Sky legislation is unique because private capital builds civic infrastructure (the “Civic Build”). The structure of the economic development initiative generally “de-risks” the transaction for the public sector, shifting the burden of designing, building and financing to the private sector, and also delaying transfer of the asset to the private sector until the asset’s operations are stabilized. The Civic Build is financed with approximately \$2 billion of private equity and debt placed in the commercial capital markets. The related Value Capture mechanism allows for a return on public investment from a mature and appreciated asset and proven revenue stream. The value capture payments (or “Availability Payments”) come from direct new tax revenues generated by the Civic Build.</p>	Montana State Legislature / Executive Branch	May 2019
<p>PROJECT PLANS & DEVELOPMENT AGREEMENTS</p> <p>Any owner / operator of the Civic Build projects and other private development interests constructing Phase I projects will work with the City to ensure that all local requirements are met to allow for construction of all necessary public infrastructure components that support the Civic Build and other private development in Phase I ONE Big Sky projects. Such projects will be detailed in Project Plans and local requirements will be memorialized in a development agreement for each project between the City and the respective private party.</p>	Private owner / operator of Civic Build, other private developers and City	Year End



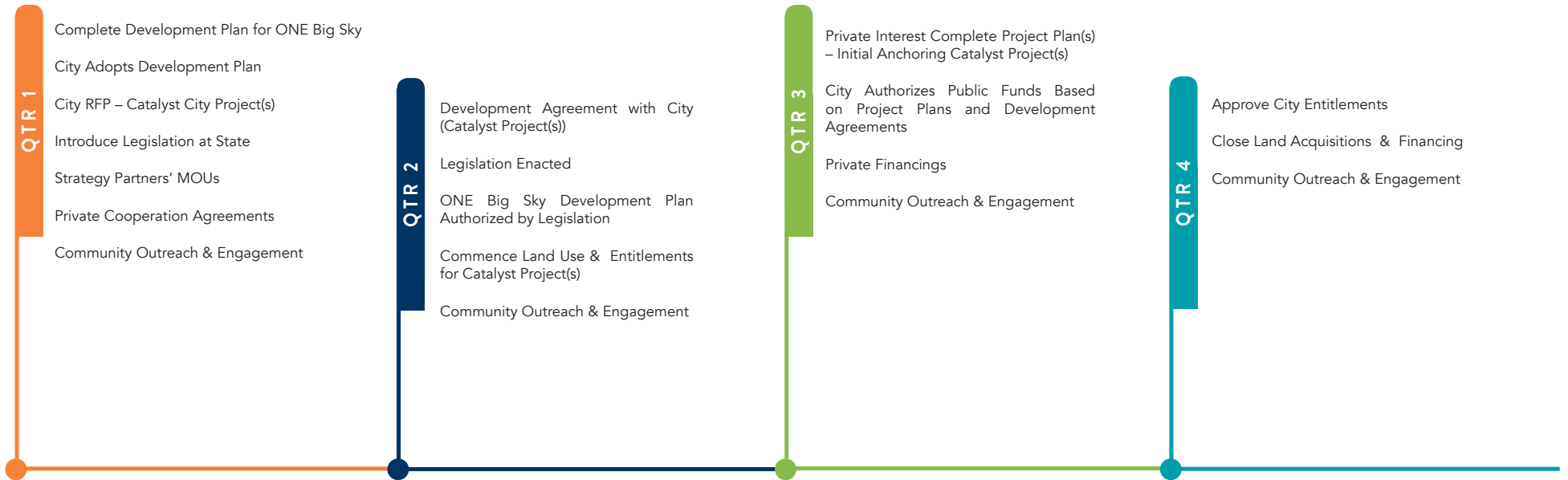
09

NEXT STEPS

MASTER PROJECT SCHEDULE

NEXT STEPS

A number of steps will be required in the near-term to authorize and implement the kind of transformative vision that will grow the Montana economy, help it and its major communities attract tomorrow's workforce, and build a modern urban "lifestyle" city in Billings that can compete for jobs, visitors and a strong and sustainable tax base. The Master Project Schedule provides a detailed overview of the primary activities that need to be undertaken in the next 12 months to implement the ONE Big Sky vision. The implementation phase of the Project begins in January 2019 when the Montana Legislative Session convenes. Activities through the year will enable certain Phase I anchoring projects to break ground in the Spring of 2020.



An aerial night photograph of a city intersection, overlaid with a dark blue filter. Light trails from cars are visible on the roads. Buildings and streetlights are scattered throughout the scene. The word 'APPENDIX' is written in white, bold, uppercase letters in the upper right quadrant, with a thin orange horizontal line underneath it.

APPENDIX

APPENDIX A

MARKET RESEARCH & ANALYSIS

OVERVIEW

METHODOLOGY, KEY FINDINGS

“Without a strong core, the whole region suffers as economic opportunities pass it by for more vibrant urban centers of activity. Given Billings’ position as a key center of economic activity in the greater region, it is important for it to have a critical mass of a mix of uses and event facilities to anchor the statewide economy.”

- HUNDEN STRATEGIC PARTNERS

Hunden Strategic Partners (“HSP”) has provided a market and financial feasibility analysis of the proposed ONE Big Sky development in downtown Billings. In this analysis, HSP analyzes the proposed Project, profiles current market conditions within the relevant real estate marketplace, and projects the financial viability of the various project components under two scenarios: the current market and the transformed market assuming the ONE Big Sky economic development plan is implemented.

Currently, the financial viability of individual programmatic elements of the Project is extremely challenging due to the existing conditions in the downtown market. However, Hunden finds that with a transformative, district-wide strategy and development of catalytic elements of civic infrastructure, each of the elements of the Project can be supported by market demand.

Hunden has determined that the private Master Plan elements (as described in Section 4), including high-quality downtown office, residential, hospitality, retail, restaurant and various types of housing, are feasible if they are developed in concert to create critical mass and synergy among projects. In addition, core elements of civic infrastructure will serve as long-term anchors to strengthen downtown Billings as a regional destination. This includes the convention and events center, which -- if designed to be a more diverse and active venue than a traditional convention or conference facility -- is viewed by Hunden as the dominant new anchor to lead the transformation of downtown Billings into an even stronger regional draw.

Hunden’s research also acknowledges the need for new tools to contribute to public infrastructure costs, allowing catalytic “civic build” components (as described in Section 6) to recoup their direct fiscal impacts – i.e., net new tax revenues. Hunden concludes that, overall, the success of OBS is dependent on private – public collaboration, ideally led by private capital investment and a sharing of the costs needed to build important civic infrastructure that makes the ONE Big Sky vision financially feasible.

MONTANA TODAY ...

Based on HSP’s research and other public data, the future of Montana will be dependent on a balanced economy between urban and rural interests. The City of Billings is a proven regional economy, drawing from important sectors such as tourism, healthcare and higher education. By leveraging the strength of these existing industries, Billings presents opportunity for Montana to build a more diverse economy and increase the State’s ability to attract young talent, which is currently constrained among all sectors.

ONE Big Sky is a transformative vision for the State of Montana and City of Billings to build one of America’s strongest second tier cities for the next generation. Building on the pillars of tourism, health care and higher education, a vision has been established that aims to generate strong job growth, foster new and evolving industries, improve health and education, and generate new tax base in the community. These factors also support rural interests through growth in the tax base (vs. putting additional burden on existing tax payers), better education options to retain young workforce, new employment opportunities, and better and more affordable health care.

This vision follows national trends that indicate an emphasis on reurbanization in the next 20 to 30 years. Montana must have a balanced urban and rural strategy to compete in the new economy, or the cost of attracting and retaining talent will be prohibitive.

MARKET DEMAND

Over the last few decades the real estate market in Billings has seen little growth. However, according to Hunden’s research this is not to say there is not demand. Due to the relatively limited and sporadic development in downtown Billings, there is significant pent up demand – and dire need for – new development across all market sectors. From residential, to hospitality, to retail, dining and entertainment, the demand is there. There is a demand for more and varied restaurants, retail and grocery; there is a demand for all levels of housing, including senior housing; there is strong pent-up demand for quality event facilities and accompanying hotels; there is demand for office with a desire from existing users to up-cycle into Class A spaces.

THE “GAP”

Despite strong market demand as determined by HSP, there are also challenges. Most importantly, there is a market “gap” that exists today, in which development of any meaningful scale or quality is not financially viable. New development projects have largely been infeasible because rent levels (the indicia of project value) will not support project development costs and provide private development interests with a reasonable return on their capital. This, in turn, leads to lack of new construction, aging supply, lower quality, and high vacancy rates. In a market gap environment such as this, it is necessary to induce demand, lower costs, or both to break the cycle.

“Private capital cannot build both the private market components and the City’s core infrastructure.”

- HUNDEN STRATEGIC PARTNERS

THE IMPORTANCE OF CREATING ANCHORS

Developing any project in isolation requires it to be 100 percent viable on its own, despite the economic realities of the market that it is entering. However, developing multiple new anchoring projects in close proximity to each other creates a critical mass of new economic activity that is symbiotic in nature: new residential creates new spending power for retail and restaurants; new offices create or move jobs near the new retail, restaurant and housing; new event space generates the need for new hotel rooms; new hotel rooms generate tourism to support retail and restaurant. All of the uses proposed help the others succeed.

Anchor developments and transformative civic elements are imperative in markets like Billings where “gaps” are prohibitive to private investment. Using economic development tools for a single project, thinking that it will be a silver bullet to break through market barriers, has not worked for most cities. However, using tools to create a broader district strategy anchored by a vibrant mix of uses is proven to incent and drive additional private capital investment. This new model for economic development, tailored to ONE Big Sky, is further described in Section 9.



ECONOMIC & DEMOGRAPHIC MARKET ASSESSMENT

POPULATION

THE GRAYING OF AMERICA

“The aging phenomena occurring in Billings – often referred to as the “graying of America” – is not unique to the Region or State of Montana. Over the past two decades, as large urban cores have become job centers that attract diverse young people, smaller cities have become older, whiter, and less populated. **America’s 100 largest metro areas recovered all of the jobs they lost in the recession and added nearly 6 million additional jobs by 2017.** The rest of the country, combined, was barely 300,000 jobs over its pre-recession peak by 2017.”

- BROOKINGS INSTITUTION ANALYSIS OF MOODY’S ANALYTICS DATA

The City of Billings has a current population of 116,000. Population has increased by 12.1 percent over the past eight years, consistent with greater Yellowstone County and at a rate much faster than the U.S. and Montana as a whole. This growth is expected to continue, with an anticipated increase in population of 6.3 percent over the next five years; however, primarily in older age cohorts.

One of the primary challenges facing the long-term economic prosperity of Billings is an aging workforce. While this trend has positive implications for senior housing development, it makes already challenging economic realities for the City and State almost insurmountable if this trend cannot be reversed.

POPULATION & GROWTH RATES

	POPULATION				PERCENT CHANGE
	2000	2010	2018	2023 (EST.)	2010 - 2018
United States	281,421,906	308,745,538	330,088,686	343,954,683	6.9%
State of Montana	902,195	989,415	1,068,947	1,123,300	8.0%
Yellowstone County	129,352	147,972	165,805	177,142	12.1%
City of Billings	92,550	104,103	116,728	124,031	12.1%
City Pop. As % of County Pop.	71.5%	70.4%	70.4%	70.0%	-

Source: ESRI

POPULATION BY AGE

BILLINGS, MT

AGE	2010		2018		2023	
	NUMBER	PERCENT	NUMBER	PERCENT	NUMBER	PERCENT
0 - 4	7,285	7.0%	7,386	6.3%	7,830	6.3%
5 - 9	6,452	6.2%	7,183	6.2%	7,414	6.0%
10 - 14	6,064	5.8%	7,012	6.0%	7,412	6.0%
15 - 19	6,324	6.1%	6,658	5.7%	7,212	5.8%
20 - 24	7,652	7.4%	7,553	6.5%	7,733	6.2%
25 - 34	15,312	14.7%	16,736	14.3%	16,798	13.5%
35 - 44	12,012	11.5%	14,145	12.1%	15,901	12.8%
45 - 54	14,788	14.2%	13,399	11.5%	13,667	11.0%
55 - 64	12,613	12.1%	15,518	13.3%	14,847	12.0%
65 - 74	7,507	7.2%	11,601	9.9%	13,954	11.3%
75 - 84	5,346	5.1%	6,106	5.2%	7,694	6.2%
85+	2,748	2.6%	3,430	2.9%	3,570	2.9%
TOTAL	104,103	--	116,728	--	124,032	--

Source: ESRI

“ONE of the primary challenges facing the long-term economic prosperity of Billings is an aging workforce ... it hinders the attractiveness of the city for new industry.”

- HUNDEN STRATEGIC PARTNERS

EMPLOYMENT

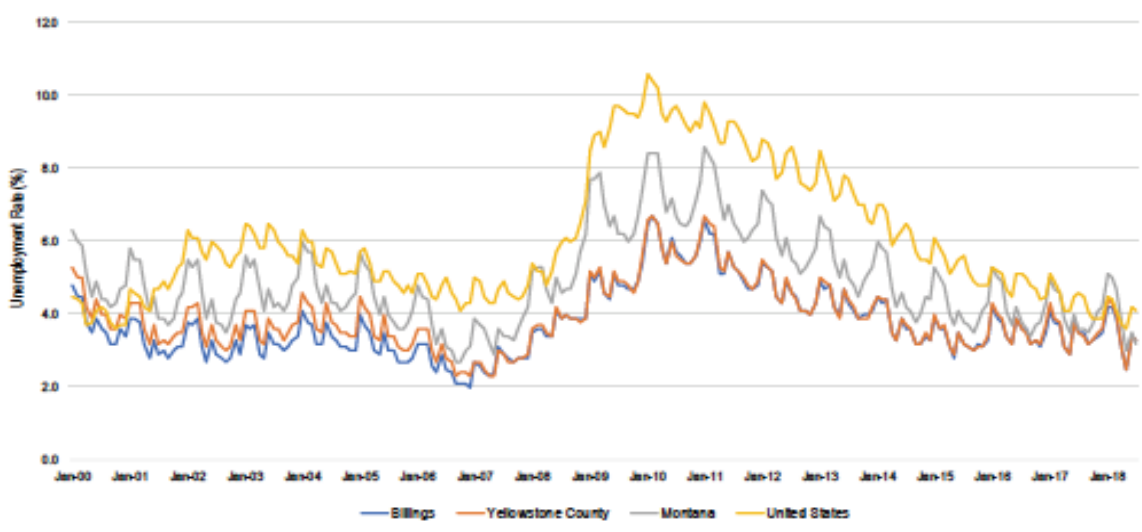
UNEMPLOYMENT RATE

The unemployment rate for Billings has been consistently lower than national averages since 2000. Unemployment rates peaked for both Billings and Yellowstone County in 2010 at 6.7 percent. From January 2015 to January 2018 the average unemployment rate for Billings has been 3.5 percent; however, the aging Baby Boomer population in Billings will have a detrimental impact on employment levels in the near future.

MAJOR EMPLOYERS

Billings' position as the State's economic hub has made it a destination for stable employers. The following table shows the largest employers in Yellowstone County by number of employees. The largest private employers in Billings are both hospitals: the Billings Clinic and St. Vincent Healthcare, which together employ over 5,000 employees and serve patients from an approximate 500-mile radius. In addition, the presence of colleges and universities can play a major role in supporting the growth of the State's largest city. Today, the City has roughly 5,400 students in higher education, who can either be incented to stay in the City and the State – or otherwise may leave for other, more attractive urban environments and employment centers in the Mountain State region.

UNEMPLOYMENT RATE (2000-2018)
BILLINGS, MT



TOP EMPLOYERS
YELLOWSTONE COUNTY

COMPANY	EMPLOYEES
Billings Clinic	1,000+
St. Vincent Healthcare	1,000+
Wal-Mart	1,000+
Target	100-249
Advanced Employment Services	250-499
Charter Communications	250-499
Costco	250-499
ExxonMobil	250-499
Phillips 66 Company	250-499
Rocky Mountain college	250-499
Scheels	250-499
Sysco Food Service	250-499
Town Pump	250-499
United Parcel Service	250-499
Yellowstone Boys & Girls Ranch	250-499
Albertsons Food & Drugs	500-999
Cenex Harvest States	500-999
First Interstate Bank	500-999
St. John's Lutheran Home	500-999
Wells Fargo	500-999

Source: Bureau of Labor Statistics

STATEWIDE EDUCATION & INCOME CHALLENGES

“The median college-educated Montanan earns only 77 percent as much as the median college-educated American (82 percent adjusted for cost of living). In contrast, the median Montanan without a college degree earns 90 percent as much as the median American without a college degree (95 percent adjusted for cost of living).”

- 2017 MONTANA ECONOMIC REPORT

EDUCATION & INCOME POTENTIAL

HIGHER EDUCATION

Billings is home to two colleges: Montana State University-Billings, which has campuses in downtown Billings and its City College on the west end, and Rocky Mountain College. Together, these two institutions have a combined enrollment of roughly 5,400 students. With 21.7 percent of adults aged 25 years and over having a Bachelors Degree or higher, Billings ranks higher in educational attainment than the County, the State and the U.S.

However, a recent Montana economic report cited the State’s inability to attract and retain more college graduates and the costs that imposes on the State’s economy. Because of its high educational attainment, and as the largest city in the State and with a comprehensive economic development effort and two colleges, Billings is well-positioned to attract and retain more college graduates.

INCOME POTENTIAL

Educational attainment is generally linked to income potential, resulting in disposable income and long-term economic growth for cities in which educated people reside. With higher-than-average educational attainment, Billings’ median income is slightly above State income levels as would be expected; however, it lags the U.S. and Yellowstone County. The Billings workforce must be better leveraged to help the Region and State achieve economic success, with faster population, employment, wage and housing price growth, increasing productivity and overall quality of life.

EDUCATIONAL ATTAINMENT

POPULATION AGE 25+ | 2016

EDUCATIONAL ATTAINMENT	UNITED STATES	MONTANA	YELLOWSTONE COUNTY	BILLINGS
Did Not Complete High School	13.0%	7.1%	7.0%	6.8%
Completed High School	27.5%	29.8%	31.1%	28.8%
Some College	21.0%	24.5%	24.8%	25.3%
Completed Associate Degree	8.2%	8.7%	7.9%	7.6%
Completed Bachelor Degree	18.8%	20.2%	20.4%	21.7%
Completed Graduate Degree	11.5%	9.8%	8.8%	9.7%

Source: U.S. Census Bureau

INCOME, SPENDING & OTHER DEMOGRAPHIC DATA

CATEGORY	UNITED STATES	MONTANA	YELLOWSTONE COUNTY	BILLINGS
Homeownership rate, 2016	63.6%	67.2%	67.8%	62.8%
Median value of owner-occupied housing units, 2016	\$184,700	\$199,700	\$201,500	\$198,300
Persons per household, 2016	2.64	2.41	2.43	2.37
Median household income, 2016	\$55,322	\$48,380	\$55,032	\$52,944
Persons below poverty level, percent	12.7%	12.5%	8.8%	11.6%
Total employment, 2016	126,752,238	378,463	70,372	-
Total employment, percent change, 2015-2016	2.1%	0.9%	0.5%	-
Retail sales per capita, 2012	\$13,443	\$15,544	\$21,544	\$25,823

Source: U.S. Census Bureau

REAL ESTATE MARKET ANALYSIS

OFFICE MARKET

“New office supply is needed, as there are few truly Class A options ... Once new space comes online, the tenant mix will shift upward and the ability to attract new companies to Billings will be more apparent.”

- HUNDEN STRATEGIC PARTNERS

HSP CONCLUSIONS

CURRENT SUPPLY: 3.9 MSF

ESTIMATED DEMAND WITH ONE BIG SKY STRATEGY (10 YEARS): 508,000 MSF

HSP has analyzed the current downtown and broader City of Billings office market to assess the feasibility of new office development as part of ONE Big Sky. HSP found that the overall supply of large office buildings is dated and of low quality. No new Class A office buildings have been developed since 1985. **Today’s large office buildings are of substandard quality compared to what would be considered Class A on a national level.** Class A buildings in Billings have highly varied performance data. The largest Class A-type buildings have single-digit vacancies, which are substantially lower than the market average, yet possess a wide range of rental rates.

The office market supply in Billings has increased by about 300,000 square feet since 2016, an eight percent (8%) increase. However, the majority of this supply growth was the result of the [Old Federal Building] being refurbished and added to the available supply. Due to the slow absorption rate in downtown Billings as well as the new supply, vacancy has increased by more than six percentage points since 2016, rising to more than 28 percent – nearly double the national average of 15 percent.

Despite an up-tick in vacancy, this does NOT equate to the downtown Billings market being “overbuilt.” With improved quality, an office market correction can be expected. The tendency is for tenants to shift to newer and better spaces over time. New office space is needed, as there are no true Class A options by national standards in the City. Once new space comes online, the tenant mix will shift upward and the ability to attract new companies to Billings will be more apparent. Currently, without quality space available, it is hard for Billings to market itself to new or expanding companies. Local brokers have stated that what would be considered Class A space by Billings standards is far outperforming the dated, lower-quality space that is still claiming Class A status. There is interest in downtown office space from companies outside the area currently, but the issue of “quality” persists. Medical office space overall is outperforming traditional office space and presents a huge opportunity for future development.

LARGEST OFFICE BUILDINGS

ONE BIG SKY DISTRICT

BUILDING	ADDRESS	CLASS	YEAR BUILT / RENOVATED	RENTABLE SF	AVAILABLE SF	VACANCY %	RENT		LEASE TYPE	CAM/SF
							LOW	HIGH		
Double Tree Building	27 N 27th St	A	2016	313,400	15,200	5%	\$16.00	\$16.00	Full Service - Gross	--
First Interstate Bank	401 N 31st St	A	1985	230,000	11,200	5%	\$10.50	\$10.50	NNN	--
Stillwater Building	316 N 26th St	A	1960	184,000	167,000	91%	\$26.00	\$26.00	--	--
Wells Fargo Building	175 N 27th St	A	2016	160,000	10,800	7%	\$13.00	\$13.00	NNN	\$7.80
Rocky Mountain Bank Building	2929 3rd Ave N	A	1978	63,000	18,150	29%	\$12.00	\$12.00	NNN	\$4.50
Securities Building	2718 Montana Ave	A	2015	60,000	15,500	26%	\$15.90	\$15.90	Full Service - Gross	--
US Bank Building	303 N Broadway	A	1956	28,400	16,400	58%	\$14.00	\$14.00	--	--
TOTAL / AVERAGE - CLASS A			1989	1,038,800	254,250	24%	\$15.34	\$15.34	--	\$6.15
Transwestern 3	550 N 31st St	B	1983	81,500	12,800	16%	\$10.50	\$10.50	NNN	\$9.50
Transwestern 2	490 N 31st St	B	1981	79,300	9,400	12%	\$11.00	\$11.00	NNN	\$9.50
Miller Building	2825 3rd Ave N	B	2003	72,200	14,500	20%	\$11.50	\$14.50	Full Service - Gross	--
Transwestern 1	404 N 31st St	B	1955	56,700	2,800	5%	\$11.00	\$11.00	NNN	\$9.50
TOTAL / AVERAGE - CLASS B			1981	289,700	39,500	14%	\$11.00	\$11.75	--	\$9.50
Yegen Building	3021 3rd Ave N	C	1940	24,400	24,400	100%	\$8.00	\$8.00	Modified Gross	Plus Utilities
TOTAL / AVERAGE - OVERALL			1982	1,352,900	318,150	24%	\$13.28	\$13.53	--	\$8.06

Source: NAI Business Properties, Loopnet

OFFICE MARKET PERFORMANCE METRICS

BILLINGS, MT

YEAR	RENTABLE SF	VACANT SF	VACANCY %	SF NET	VACANCY NET	ABSORPTION	NET ABSORPTION
2016	3,704,985	540,479	15%	--	--	--	--
2017	3,989,757	713,332	18%	284,772	172,853	111,919	2.81%
2018	4,009,757	774,778	19%	20,000	61,446	(41,446)	-1.03%
TOTAL / AVERAGE	3,901,500	676,196	17%	304,772	234,299	70,473	1.77%

Source: NAI

“The primary hindrance to high-end downtown residential development has been the lack of local developers with the means to complete such a project. **There are Billings citizens, including empty-nesters and young professionals, who would choose to move downtown if quality options were available.**”

- HUNDEN STRATEGIC PARTNERS

HSP CONCLUSIONS

CURRENT SUPPLY: 141 APT. / 35 CONDO

ESTIMATED DEMAND WITH ONE BIG SKY STRATEGY (10 YEARS): 396 APT.

RESIDENTIAL MARKET

HSP analyzed the current residential market conditions within Billings to assess the feasibility of new multifamily development as part of ONE Big Sky. Currently, downtown Billings offers only about 140 market-rate rental apartments and 35 condominiums. The existing downtown properties offer between eight and 16 units, the majority of which are situated on the second and third floors of repurposed industrial buildings and warehouses. On average, downtown residential properties are 13 years old. While many of these repurposed units have come online in the last 15 years, there has been minimal new construction in the downtown market.

Residential supply is extremely limited and a large, contemporary apartment complex does not currently exist. Repurposed second- and third-level residential lofts are performing very well in the market. Occupancy downtown has remained above 90 percent for over a decade, and rental rates for the highest quality units in Billings have shown considerable upward movement with new development. In particular, new quality market-rate senior housing options in downtown Billings are projected to be in high demand and quickly stabilize, with low vacancy rates.

HSP’s analysis suggests significant opportunity for additional housing development, with additional development necessary to support the other project components of ONE Big Sky. The existing housing stock lacks diversification, limiting opportunities for young professionals, empty nesters, and downtown workers. More residential inventory is vital to increase the vibrancy and activity of the downtown environment. A critical mass of residents enhances the feasibility of supporting developments, including restaurants, retail, and entertainment and, importantly, commercial office space for employers who are increasingly following the workforce.

DOWNTOWN MULTIFAMILY RESIDENTIAL SUPPLY

BILLINGS, MT

PROPERTY	ADDRESS	1 BR SF	1 BR \$	1 BR \$/SF	2 BR SF	2 BR \$	2 BR \$/SF
Acme Building	107 N Broadway	470	\$550	\$1.17	600	\$727	\$1.21
Babcock	2812 2nd Avenue	--	\$520	--	--	\$825	--
McDonald Lofts	124 N 29th Street	796	\$1,200	\$1.51	1,146	\$1,600	\$1.40
Montana Avenue Lofts	1 N 33rd Street	--	--	--	1,195	\$1,000	\$0.84
O'Donnell Building	2504 2nd Avenue North	900	\$1,000	\$1.11	--	--	--
Old Maverick	201 S 30th Street	--	--	--	--	--	--
One South Broadway	1 S Broadway	787	\$750	\$0.95	1,435	--	--
Pinehurst Apartments	608 N 30th Street	750	\$680	\$0.91	875	\$835	\$0.95
Securities Building	2700 1st Avenue	900	\$950	\$1.06	1,100	\$1,200	\$1.09
SoNoMa Lofts	2915 2nd Avenue South	987	--	--	851	\$845	\$0.99
SoPo Lofts	2608 Montana Avenue	900	\$1,200	\$1.33	1,100	--	--
Swift Lofts	2605 Montana Avenue	--	--	--	--	--	--
Tracy Lofts	2600 Montana Avenue	662	\$935	\$1.41	914	\$1,060	\$1.16
TOTAL / AVERAGE		795	\$865	\$1.18	1,024	\$1,012	\$1.09
Condominiums							
Oliver Building	2702 Montana Avenue	1,400	\$215,000	\$153.57	1,700	\$250,000	\$147.06
Phoenix Condominiums	703 N 29th Street	--	--	--	1,213	\$186,000	\$153.34
Stapleton Lofts	104 N Broadway	1,401	\$225,000	\$160.60	--	\$270,000	--
TOTAL / AVERAGE		1,401	\$220,000	\$157.00	1,457	\$235,333	\$150.00

**Approximate based on best available data*
Source: Hunden Partners
MULTIFAMILY RESIDENTIAL SUPPLY

BILLINGS, MT

PROPERTY	ADDRESS	OPENED / RENOVATED	UNITS	OCCUPIED UNITS*	CURRENT OCCUPANCY
Acme Building	107 N Broadway	--	18	18	100%
Babcock	2812 2nd Avenue	2011	14	13	93%
McDonald Lofts	124 N 29th Street	2018	12	7	58%
Montana Avenue Lofts	1 N 33rd Street	2002	9	7	78%
O'Donnell Building	2504 2nd Avenue North	--	7	6	86%
Old Maverick	201 S 30th Street	2003	2	2	100%
One South Broadway	1 S Broadway	2001	6	5	83%
Pinehurst Apartments	608 N 30th Street	1984	15	13	87%
Securities Building	2700 1st Avenue	2003	12	11	92%
SoNoMa Lofts	2915 2nd Avenue South	2009	12	11	92%
SoPo Lofts	2608 Montana Avenue	2004	6	6	100%
Swift Lofts	2605 Montana Avenue	2009	9	9	100%
Tracy Lofts	2600 Montana Avenue	2012	19	19	100%
TOTAL / AVERAGE		2005	141	127	90%
Condominiums					
Oliver Building	2702 Montana Avenue	2005	7	5	71%
Phoenix Condominiums	703 N 29th Street	--	14	14	100%
Stapleton Lofts	104 N Broadway	2005	14	14	100%
TOTAL / AVERAGE		2005	35	33	94%

**Approximate based on best available data*
Source: Hunden Partners

“With the development of a new convention facility that will drive room nights in downtown Billings, an adjacent convention hotel will be critical.”

- HUNDEN STRATEGIC PARTNERS

HSP CONCLUSIONS

CURRENT SUPPLY: 1,200 ROOMS

ESTIMATED DEMAND WITH ONE BIG SKY STRATEGY (10 YEARS): 704 ROOMS

HOSPITALITY MARKET

HSP analyzed the existing hospitality market conditions within Billings to assess the feasibility of new hotel development in downtown and to assess the impact of other ONE Big Sky development (such as the Convention and Events Center) on existing hotel performance. HSP identified the competitive set of hotels in Billings, which includes approximately 1,200 hotel rooms across ten properties. The largest hotel in the market, with 289 rooms, is the DoubleTree Billings, which opened in 1980. Two hotels, the 95-room Home2 Suites and the 91-room TownePlace, have opened in the last four years.

Today, the hotel market in Billings is very seasonal, which is not uncommon for many hotel markets in the northern United States. Corporate transient demand remains fairly strong year-round; however, leisure demand peaks in the summer. Overall, occupancy has remained in the mid-60 percent range since 2013 and has slightly decreased since the opening of both Home2 Suites in November 2016 and TownePlace Suites in April 2015. Despite the slight dip in occupancy, rates increased from \$105 to \$112 over the same period, which is a positive sign for the competitive set.

HSP’s analysis demonstrates an aging supply and the lack of large branded hotels to support increased visitation with major group bookings. This severely hampers the City’s ability to capitalize on its tourism draw. The proposed Convention and Events Center will require an immediately proximate “convention hotel” that can offer large room blocks, its own meeting and function space, quality food and beverage service, and significant parking. The Convention and Events Center will also have a significant positive impact on average daily rate (ADR) and occupancy among all existing hotels in the market. Downtown’s historic Northern Hotel underwent a \$30 million renovation that was completed in 2013.

HOTEL COMPETITIVE SET

BILLINGS, MT

PROPERTY	DISTANCE		ROOMS	CHAIN SCALE	OPENED
	FROM				
Northern Hotel	0.1		160	Independent	February 1942
DoubleTree Billings	0.1		289	Upscale	June 1980
Best Western Plus Clocktower Inn	0.2		125	Upper Midscale	June 1966
Home2 Suites Billings	0.5		95	Upper Midscale	November 2016
Hampton Inn Billings	2.7		120	Upper Midscale	June 2000
Springhill Suites Billings	3.3		79	Upscale	September 2004
Fairfield Inn & Suites Billings	3.5		60	Upper Midscale	March 1993
Hilton Garden Inn Billings	4.1		128	Upscale	January 2008
TownePlace Suites Billings	4.1		91	Upper Midscale	April 2015
Residence Inn Billings	4.2		92	Upscale	September 2007
TOTAL / AVERAGE	2.28		1,239		June 1993

Source: Smith Travel Research

HISTORICAL METRICS FOR COMPETITIVE HOTELS

BILLINGS, MT

YEAR	ANNUAL AVERAGE AVAILABLE			ROOM NIGHTS		% OCCUPANCY	ADR	% CHANGE	REVPAR	% CHANGE
	ROOMS	ROOM NIGHTS	% CHANGE	SOLD	% CHANGE					
2013	1028	375,270	--	250,165	--	66.7%	\$104.50	--	\$69.66	--
2014	1054	384,710	2.5%	268,540	7.3%	69.8%	\$109.28	4.6%	\$76.28	9.5%
2015	1123	409,735	6.5%	268,789	0.1%	65.6%	\$108.85	-0.4%	\$71.40	-6.4%
2016	1161	423,720	3.4%	277,588	3.3%	65.5%	\$107.17	-1.5%	\$70.21	-1.7%
2017	1240	452,600	6.8%	280,490	1.0%	62.0%	\$111.67	4.2%	\$69.21	-1.4%
2018 YTD (SEPTEMBER)	1240	338,398	0.0%	231,301	4.4%	68.4%	\$112.58	0.1%	\$76.95	4.6%
CAGR* (2013-2017)	5.2%	5.2%	--	3.0%	--	-1.8%	--	1.7%	--	-0.2%

*Compound Annual Growth

Source: Smith Travel Research, Hunden Strategic Partners

RETAIL & DINING MARKET

“Downtown is starved for quality [retail] development. Existing properties are not being absorbed due to their quality, and not due to a lack of downtown demand.”

- HUNDEN STRATEGIC PARTNERS

HSP analyzed the existing retail and dining market conditions within Billings to assess the feasibility of new retail / restaurant development in downtown. Existing retail inventory downtown Billings can generally be described as small, locally-owned specialty shops and a lack of national brands. The majority of the retail options are concentrated between Montana Avenue and 3rd Avenue, west of 27th Street, with few options currently offered north of 6th Avenue. Restaurant establishments are generally comprised of fast food and fast casual options, with a few fine-dining and upscale options in the downtown area. Similar to the retail inventory, the highest density of restaurants are located south of 2nd Avenue, with the majority of the quality dining options clustered near 27th Street and Montana Avenue.

HSP acquired all available market performance data to better understand retail performance and future opportunity for retail development. Existing retail space in downtown Billings today totals approximately 485,000 SF with a total vacancy of 9.1 percent. The amount of rentable retail square footage in downtown Billings has decreased by nearly 12,000 square feet over the last two years, but total vacancy has increased over the period due to a few retailers (e.g. Gainin’s and Good Earth Market) vacating larger spaces in the market. Lease rates downtown range from \$11 to \$16 for properties under 2,000 square feet, from \$9 to \$13 for properties between 2,000 and 5,000 square feet, and from \$6.50 to \$11.50 for 30,000 square feet or more.

Even with a slight up-tick in vacancy, quality retail development is in demand in the downtown Billings market. Additional restaurants and retail options will not survive, however, without the catalytic development that ONE Big Sky aims to create. With new event and entertainment options to drive visitation, as well as an increase in downtown residential supply, supporting restaurant options will be necessary to enhance the experience of guests and establish downtown as a true destination.

RETAIL ABSORPTION
DOWNTOWN BILLINGS

	OFF MARKET (SF)	ABSORPTION (SF)	NEW VAC. (SF)	NOTES
Wendy's Building	7,000	-	-	Converted to Office
502 N 32nd St.	4,191	-	-	Converted to Office
Babcock Theatre	-	20,394	-	
Gainan'	-	-	33,384	
Good Earth Market	-	-	12,220	
TOTAL	11,191	20,394	45,604	
NET			14,019	

Source: HSP

RETAIL RENT PER SQUARE FOOT - NNN
BILLINGS, MT

TOTAL SF	BILLINGS	DOWNTOWN
Under 2,000 SF	--	\$11 - \$16
2,000 - 5,000 SF	--	\$9 - \$13
5,000 - 10,000 SF	--	NA
10,000 - 30,000 SF	--	NA
30,000 SF	\$6.5 - \$11.50	NA

Source: NAI

APPENDIX B

MONTANA STATION COMPETITIVE ANALYSIS

Montana Conference Centers

Regional Convention Centers

MONTANA CONFERENCE CENTERS

The following pages provide an overview of existing and proposed conference centers in Montana.

MISSOULA CONFERENCE CENTER MISSOULA, MONTANA

VENUE	MONTANA STATION	MISSOULA CONFERENCE CENTER
LOCATION	Billings, MT	Missoula, MT
YEAR OPENED	Proposed	Proposed
DISTANCE FROM BILLINGS	N/A	343 Miles
PRIMARY USE		
CONVENTION / EXHIBITION	●	
MEETINGS / CONFERENCE	●	●
EXPOSITIONS	●	
SPORTING EVENTS	●	
CONCERTS	●	
PERFORMING ARTS	●	
TRADE SHOWS	●	
SPECIAL EVENTS	●	●
PROGRAM		
EXHIBIT HALL	90,000	**
BALLROOM	SEE ABOVE	17,735
MEETING / CONFERENCE	30,000	2,820
PRE-FUNCTION SPACE	SEE ABOVE	13,150
PLAZA	50,000	**
THEATER / ARENA	NA	**
TOTAL USABLE SPACE	170,000	33,705



UNIVERSITY OF MONTANA - UNIVERSITY CENTER
 MISSOULA, MONTANA

VENUE	MONTANA STATION	UNIVERSITY OF MONTANA UNIVERSITY CENTER
LOCATION	Billings, MT	Missoula, MT
YEAR OPENED	Proposed	1969
DISTANCE FROM BILLINGS	N/A	344 Miles
PRIMARY USE		
CONVENTION / EXHIBITION	●	●
MEETINGS / CONFERENCE	●	●
EXPOSITIONS	●	
SPORTING EVENTS	●	
CONCERTS	●	
PERFORMING ARTS	●	
TRADE SHOWS	●	●
SPECIAL EVENTS	●	●
PROGRAM		
EXHIBIT HALL	90,000	9,424
BALLROOM	SEE ABOVE	10,437
MEETING / CONFERENCE	30,000	8,788
PRE-FUNCTION SPACE	SEE ABOVE	1,800
PLAZA	50,000	**
THEATER / ARENA	NA	2,835 Seats
TOTAL USABLE SPACE	170,000	30,449



BUTTE CIVIC CENTER

BUTTE, MONTANA

VENUE	MONTANA STATION	BUTTE CIVIC CENTER
LOCATION	Billings, MT	Butte, MT
YEAR OPENED	Proposed	1952
DISTANCE FROM BILLINGS	N/A	225 Miles
PRIMARY USE		
CONVENTION / EXHIBITION	●	●
MEETINGS / CONFERENCE	●	●
EXPOSITIONS	●	
SPORTING EVENTS	●	●
CONCERTS	●	●
PERFORMING ARTS	●	
TRADE SHOWS	●	●
SPECIAL EVENTS	●	●
PROGRAM		
EXHIBIT HALL	90,000	20,000
BALLROOM	SEE ABOVE	9,500
MEETING / CONFERENCE	30,000	**
PRE-FUNCTION SPACE	SEE ABOVE	**
PLAZA	50,000	**
THEATER / ARENA	NA	7,500 Seats
TOTAL USABLE SPACE	170,000	29,500



GREAT FALLS CIVIC CENTER

GREAT FALLS, MONTANA

VENUE	MONTANA STATION	GREAT FALLS CIVIC CENTER
LOCATION	Billings, MT	Great Falls, MT
YEAR OPENED	Proposed	1939
DISTANCE FROM BILLINGS	N/A	219 Miles
PRIMARY USE		
CONVENTION / EXHIBITION	●	●
MEETINGS / CONFERENCE	●	●
EXPOSITIONS	●	
SPORTING EVENTS	●	
CONCERTS	●	
PERFORMING ARTS	●	●
TRADE SHOWS	●	
SPECIAL EVENTS	●	●
PROGRAM		
EXHIBIT HALL	90,000	15,300
BALLROOM	SEE ABOVE	4,160
MEETING / CONFERENCE	30,000	4,478
PRE-FUNCTION SPACE	SEE ABOVE	**
PLAZA	50,000	**
THEATER / ARENA	NA	1,750 Seats
TOTAL USABLE SPACE	170,000	23,938



MONTANA STATE UNIVERSITY - STRAND UNION BUILDING
BOZEMAN, MONTANA

VENUE	MONTANA STATION	MONTANA STATE UNIVERSITY STRAND UNION BUILDING
LOCATION	Billings, MT	Bozeman, MT
YEAR OPENED	Proposed	1940
DISTANCE FROM BILLINGS	N/A	142 Miles
PRIMARY USE		
CONVENTION / EXHIBITION	●	
MEETINGS / CONFERENCE	●	●
EXPOSITIONS	●	
SPORTING EVENTS	●	
CONCERTS	●	●
PERFORMING ARTS	●	
TRADE SHOWS	●	
SPECIAL EVENTS	●	
PROGRAM		
EXHIBIT HALL	90,000	**
BALLROOM	SEE ABOVE	14,500
MEETING / CONFERENCE	30,000	4,848
PRE-FUNCTION SPACE	SEE ABOVE	**
PLAZA	50,000	**
THEATER / ARENA	NA	190 Seats
TOTAL USABLE SPACE	170,000	19,348



BOZEMAN CONFERENCE CENTER

BOZEMAN, MONTANA

VENUE	MONTANA STATION	BOZEMAN CONFERENCE CENTER
LOCATION	Billings, MT	Bozeman, MT
YEAR OPENED	Proposed	Proposed
DISTANCE FROM BILLINGS	N/A	144 Miles
PRIMARY USE		
CONVENTION / EXHIBITION	●	
MEETINGS / CONFERENCE	●	●
EXPOSITIONS	●	
SPORTING EVENTS	●	
CONCERTS	●	
PERFORMING ARTS	●	
TRADE SHOWS	●	
SPECIAL EVENTS	●	●
PROGRAM		
EXHIBIT HALL	90,000	**
BALLROOM	SEE ABOVE	20,000
MEETING / CONFERENCE	30,000	**
PRE-FUNCTION SPACE	SEE ABOVE	**
PLAZA	50,000	**
THEATER / ARENA	NA	**
TOTAL USABLE SPACE	170,000	20,000



HELENA CIVIC CENTER HELENA, MONTANA

VENUE	MONTANA STATION	HELENA CIVIC CENTER
LOCATION	Billings, MT	Helena, MT
YEAR OPENED	Proposed	1920
DISTANCE FROM BILLINGS	N/A	239 Miles
PRIMARY USE		
CONVENTION / EXHIBITION	●	
MEETINGS / CONFERENCE	●	●
EXPOSITIONS	●	
SPORTING EVENTS	●	
CONCERTS	●	●
PERFORMING ARTS	●	●
TRADE SHOWS	●	●
SPECIAL EVENTS	●	●
PROGRAM		
EXHIBIT HALL	90,000	**
BALLROOM	SEE ABOVE	14,465
MEETING / CONFERENCE	30,000	**
PRE-FUNCTION SPACE	SEE ABOVE	675
PLAZA	50,000	**
THEATER / ARENA	NA	1,925 Seats
TOTAL USABLE SPACE	170,000	15,140



REGIONAL CONVENTION CENTERS

The following pages provide an overview of existing and proposed convention centers in the Mountain States Region.

CHI HEALTH CENTER (CENTURY LINK CENTER)
 OMAHA, NEBRASKA

VENUE	MONTANA STATION	CHI HEALTH CENTER
LOCATION	Billings, MT	Omaha, NE
URBAN?	YES	YES
YEAR OPENED	Proposed	2003
DISTANCE FROM BILLINGS	0 Miles	838 Miles
PRIMARY USE		
CONVENTION / EXHIBIT	●	●
MEETINGS / CONFERENCE	●	●
EXPOSITIONS	●	
SPORTING EVENTS	●	●
CONCERTS	●	●
PERFORMING ARTS	●	●
TRADE SHOWS	●	
SPECIAL EVENTS	●	
PROGRAM		
EXHIBIT HALL	90,000	194,300
BALLROOM	SEE ABOVE	41,876
MEETING / CONFERENCE	30,000	22,050
PRE-FUNCTION SPACE	SEE ABOVE	29,200
PLAZA	50,000	9,000
THEATER / ARENA	NA	18,300 Seats
TOTAL USABLE SPACE	170,000	296,426



SPOKANE CONVENTION CENTER SPOKANE, WASHINGTON

VENUE	MONTANA STATION	SPOKANE CONVENTION CENTER
LOCATION	Billings, MT	Spokane, WA
URBAN?	YES	YES
YEAR OPENED	Proposed	2007 (renovated)
DISTANCE FROM BILLINGS	0 Miles	541 Miles
PRIMARY USE		
CONVENTION / EXHIBIT	●	●
MEETINGS / CONFERENCE	●	●
EXPOSITIONS	●	●
SPORTING EVENTS	●	
CONCERTS	●	●
PERFORMING ARTS	●	●
TRADE SHOWS	●	●
SPECIAL EVENTS	●	
PROGRAM		
EXHIBIT HALL	90,000	120,000
BALLROOM	SEE ABOVE	50,530
MEETING / CONFERENCE	30,000	24,983
PRE-FUNCTION SPACE	SEE ABOVE	53,926
PLAZA	50,000	24,603
THEATER / ARENA	NA	3,153 Seats
TOTAL USABLE SPACE	170,000	274,042



GREATER TACOMA CONVENTION CENTER

TACOMA, WASHINGTON

VENUE	MONTANA STATION	GREATER TACOMA CONVENTION CENTER
LOCATION	Billings, MT	Tacoma, WA
URBAN?	YES	YES
YEAR OPENED	Proposed	2004
DISTANCE FROM BILLINGS	0 Miles	831 Miles
PRIMARY USE		
CONVENTION / EXHIBIT	●	●
MEETINGS / CONFERENCE	●	●
EXPOSITIONS	●	
SPORTING EVENTS	●	●
CONCERTS	●	●
PERFORMING ARTS	●	
TRADE SHOWS	●	●
SPECIAL EVENTS	●	●
PROGRAM		
EXHIBIT HALL	90,000	99,500
BALLROOM	SEE ABOVE	13,650
MEETING / CONFERENCE	30,000	18,550
PRE-FUNCTION SPACE	SEE ABOVE	26,800
PLAZA	50,000	**
THEATER / ARENA	NA	**
TOTAL USABLE SPACE	170,000	158,500



BISMARCK EVENT CENTER

BISMARCK, NORTH DAKOTA

VENUE	MONTANA STATION	BISMARCK EVENT CENTER
LOCATION	Billings, MT	Bismarck, ND
URBAN?	YES	YES
YEAR OPENED	Proposed	1969
DISTANCE FROM BILLINGS	0 Miles	415 Miles
PRIMARY USE		
CONVENTION / EXHIBIT	●	
MEETINGS / CONFERENCE	●	●
EXPOSITIONS	●	●
SPORTING EVENTS	●	●
CONCERTS	●	●
PERFORMING ARTS	●	●
TRADE SHOWS	●	●
SPECIAL EVENTS	●	
PROGRAM		
EXHIBIT HALL	90,000	100,000
BALLROOM	SEE ABOVE	**
MEETING / CONFERENCE	30,000	15,911
PRE-FUNCTION SPACE	SEE ABOVE	34,000
PLAZA	50,000	**
THEATER / ARENA	NA	10,100 Seats
TOTAL USABLE SPACE	170,000	149,911



Bismarck 
Civic Center
ARENA
ENTRANCE
315 S 5th St.

FARGODOME

FARGO, NORTH DAKOTA

VENUE	MONTANA STATION	FARGODOME
LOCATION	Billings, MT	Fargo, ND
URBAN?	YES	YES
YEAR OPENED	Proposed	1992
DISTANCE FROM BILLINGS	0 Miles	611 Miles
PRIMARY USE		
CONVENTION / EXHIBIT	●	●
MEETINGS / CONFERENCE	●	●
EXPOSITIONS	●	
SPORTING EVENTS	●	●
CONCERTS	●	●
PERFORMING ARTS	●	
TRADE SHOWS	●	●
SPECIAL EVENTS	●	
PROGRAM		
EXHIBIT HALL	90,000	115,000
BALLROOM	SEE ABOVE	**
MEETING / CONFERENCE	30,000	14,902
PRE-FUNCTION SPACE	SEE ABOVE	**
PLAZA	50,000	**
THEATER / ARENA	NA	25,000 Seats
TOTAL USABLE SPACE	170,000	129,902



RUSHMORE PLAZA CIVIC CENTER RAPID CITY, SOUTH DAKOTA

VENUE	MONTANA STATION	RUSHMORE PLAZA CIVIC CENTER
LOCATION	Billings, MT	Rapid City, SD
URBAN?	YES	YES
YEAR OPENED	Proposed	1977
DISTANCE FROM BILLINGS	0 Miles	318 Miles
PRIMARY USE		
CONVENTION / EXHIBIT	●	●
MEETINGS / CONFERENCE	●	●
EXPOSITIONS	●	
SPORTING EVENTS	●	●
CONCERTS	●	●
PERFORMING ARTS	●	
TRADE SHOWS	●	
SPECIAL EVENTS	●	
PROGRAM		
EXHIBIT HALL	90,000	65,212
BALLROOM	SEE ABOVE	15,158
MEETING / CONFERENCE	30,000	13,388
PRE-FUNCTION SPACE	SEE ABOVE	12,378
PLAZA	50,000	**
THEATER / ARENA	NA	7,000 Seats
TOTAL USABLE SPACE	170,000	106,136



UTAH VALLEY CONVENTION CENTER PROVO, UTAH

VENUE	MONTANA STATION	UTAH VALLEY CONVENTION CENTER
LOCATION	Billings, MT	Provo, UT
URBAN?	YES	YES
YEAR OPENED	Proposed	2012
DISTANCE FROM BILLINGS	0 Miles	591 Miles
PRIMARY USE		
CONVENTION / EXHIBIT	●	●
MEETINGS / CONFERENCE	●	●
EXPOSITIONS	●	●
SPORTING EVENTS	●	
CONCERTS	●	●
PERFORMING ARTS	●	●
TRADE SHOWS	●	●
SPECIAL EVENTS	●	●
PROGRAM		
EXHIBIT HALL	90,000	19,620
BALLROOM	SEE ABOVE	16,894
MEETING / CONFERENCE	30,000	10,331
PRE-FUNCTION SPACE	SEE ABOVE	31,480
PLAZA	50,000	5,553
THEATER / ARENA	NA	**
TOTAL USABLE SPACE	170,000	83,878



BOISE CENTRE BOISE, IDAHO

VENUE	MONTANA STATION	BOISE CENTRE
LOCATION	Billings, MT	Boise, ID
URBAN?	YES	YES
YEAR OPENED	Proposed	1990
DISTANCE FROM BILLINGS	0 Miles	612 Miles
PRIMARY USE		
CONVENTION / EXHIBIT	●	●
MEETINGS / CONFERENCE	●	●
EXPOSITIONS	●	
SPORTING EVENTS	●	
CONCERTS	●	
PERFORMING ARTS	●	
TRADE SHOWS	●	●
SPECIAL EVENTS	●	
PROGRAM		
EXHIBIT HALL	90,000	**
BALLROOM	SEE ABOVE	42,161
MEETING / CONFERENCE	30,000	21,612
PRE-FUNCTION SPACE	SEE ABOVE	17,651
PLAZA	50,000	
THEATER / ARENA	NA	**
TOTAL USABLE SPACE	170,000	81,424



DENNY SANFORD PREMIER CENTER SIOUX FALLS, SOUTH DAKOTA

VENUE	MONTANA STATION	DENNY SANFORD PREMIER CENTER
LOCATION	Billings, MT	Sioux Falls, SD
URBAN?	YES	NO
YEAR OPENED	Proposed	2014
DISTANCE FROM BILLINGS	0 Miles	659 Miles
PRIMARY USE		
CONVENTION / EXHIBIT	●	●
MEETINGS / CONFERENCE	●	●
EXPOSITIONS	●	
SPORTING EVENTS	●	●
CONCERTS	●	●
PERFORMING ARTS	●	
TRADE SHOWS	●	●
SPECIAL EVENTS	●	
PROGRAM		
EXHIBIT HALL	90,000	33,600
BALLROOM	SEE ABOVE	16,800
MEETING / CONFERENCE	30,000	8,700
PRE-FUNCTION SPACE	SEE ABOVE	**
PLAZA	50,000	**
THEATER / ARENA	NA	12,000 Seats
TOTAL USABLE SPACE	170,000	59,100



MEYDENBAUER CENTER BELLEVUE, WASHINGTON

VENUE	MONTANA STATION	MEYDENBAUER CENTER
LOCATION	Billings, MT	Bellevue, WA
URBAN?	YES	NO
YEAR OPENED	Proposed	1993
DISTANCE FROM BILLINGS	0 Miles	812 Miles
PRIMARY USE		
CONVENTION / EXHIBIT	●	●
MEETINGS / CONFERENCE	●	●
EXPOSITIONS	●	●
SPORTING EVENTS	●	
CONCERTS	●	
PERFORMING ARTS	●	●
TRADE SHOWS	●	
SPECIAL EVENTS	●	●
PROGRAM		
EXHIBIT HALL	90,000	36,000
BALLROOM	SEE ABOVE	**
MEETING / CONFERENCE	30,000	10,390
PRE-FUNCTION SPACE	SEE ABOVE	6,920
PLAZA	50,000	**
THEATER / ARENA	NA	410 Seats
TOTAL USABLE SPACE	170,000	53,310



YAKIMA CONVENTION CENTER YAKIMA, WASHINGTON

VENUE	MONTANA STATION	YAKIMA CONVENTION CENTER
LOCATION	Billings, MT	Yakima, WA
URBAN?	YES	NO
YEAR OPENED	Proposed	1976
DISTANCE FROM BILLINGS	0 Miles	746 Miles
PRIMARY USE		
CONVENTION / EXHIBIT	●	●
MEETINGS / CONFERENCE	●	●
EXPOSITIONS	●	
SPORTING EVENTS	●	
CONCERTS	●	
PERFORMING ARTS	●	
TRADE SHOWS	●	
SPECIAL EVENTS	●	
PROGRAM		
EXHIBIT HALL	90,000	**
BALLROOM	SEE ABOVE	29,568
MEETING / CONFERENCE	30,000	799
PRE-FUNCTION SPACE	SEE ABOVE	6,000
PLAZA	50,000	7,000
THEATER / ARENA	NA	**
TOTAL USABLE SPACE	170,000	43,367



WENTATCHEE CONVENTION CENTER

WENTATCHEE CONVENTION CENTER

VENUE	MONTANA STATION	WENTATCHEE CONVENTION CENTER
LOCATION	Billings, MT	Wenatchee, WA
URBAN?	YES	NO
YEAR OPENED	Proposed	2017 (renovated)
DISTANCE FROM BILLINGS	0 Miles	709 Miles
PRIMARY USE		
CONVENTION / EXHIBIT	●	●
MEETINGS / CONFERENCE	●	●
EXPOSITIONS	●	●
SPORTING EVENTS	●	
CONCERTS	●	
PERFORMING ARTS	●	
TRADE SHOWS	●	●
SPECIAL EVENTS	●	●
PROGRAM		
EXHIBIT HALL	90,000	7,560
BALLROOM	SEE ABOVE	10,080
MEETING / CONFERENCE	30,000	7,212
PRE-FUNCTION SPACE	SEE ABOVE	7,712
PLAZA	50,000	7,500
THEATER / ARENA	NA	**
TOTAL USABLE SPACE	170,000	40,064



THREE RIVERS CONVENTION CENTER KENNEWICK, WASHINGTON

VENUE	MONTANA STATION	THREE RIVERS CONVENTION CENTER
LOCATION	Billings, MT	Kennewick, WA
URBAN?	YES	NO
YEAR OPENED	Proposed	2004
DISTANCE FROM BILLINGS	0 Miles	683 Miles
PRIMARY USE		
CONVENTION / EXHIBIT	●	●
MEETINGS / CONFERENCE	●	●
EXPOSITIONS	●	●
SPORTING EVENTS	●	
CONCERTS	●	
PERFORMING ARTS	●	
TRADE SHOWS	●	
SPECIAL EVENTS	●	●
PROGRAM		
EXHIBIT HALL	90,000	**
BALLROOM	SEE ABOVE	21,600
MEETING / CONFERENCE	30,000	11,474
PRE-FUNCTION SPACE	SEE ABOVE	**
PLAZA	50,000	**
THEATER / ARENA	NA	**
TOTAL USABLE SPACE	170,000	33,074



CASPER EVENTS CENTER CASPER, WYOMING

VENUE	MONTANA STATION	CASPER EVENTS CENTER
LOCATION	Billings, MT	Casper, WY
URBAN?	YES	NO
YEAR OPENED	Proposed	1982
DISTANCE FROM BILLINGS	0 Miles	276 Miles
PRIMARY USE		
CONVENTION / EXHIBIT	●	●
MEETINGS / CONFERENCE	●	●
EXPOSITIONS	●	●
SPORTING EVENTS	●	
CONCERTS	●	●
PERFORMING ARTS	●	
TRADE SHOWS	●	●
SPECIAL EVENTS	●	
PROGRAM		
EXHIBIT HALL	90,000	24,064
BALLROOM	SEE ABOVE	3,820
MEETING / CONFERENCE	30,000	3,012
PRE-FUNCTION SPACE	SEE ABOVE	**
PLAZA	50,000	**
THEATER / ARENA	NA	**
TOTAL USABLE SPACE	170,000	30,896



MARIAN H. ROCHELLE GATEWAY CENTER LARAMIE, WYOMING

VENUE	MONTANA STATION	MARIAN H. ROCHELLE GATEWAY CENTER
LOCATION	Billings, MT	Laramie, WY
URBAN?	YES	NO
YEAR OPENED	Proposed	2014
DISTANCE FROM BILLINGS	0 Miles	424 Miles
PRIMARY USE		
CONVENTION / EXHIBIT	●	●
MEETINGS / CONFERENCE	●	●
EXPOSITIONS	●	
SPORTING EVENTS	●	
CONCERTS	●	
PERFORMING ARTS	●	
TRADE SHOWS	●	
SPECIAL EVENTS	●	●
PROGRAM		
EXHIBIT HALL	90,000	1,826
BALLROOM	SEE ABOVE	8,000
MEETING / CONFERENCE	30,000	1,500
PRE-FUNCTION SPACE	SEE ABOVE	769
PLAZA	50,000	**
THEATER / ARENA	NA	**
TOTAL USABLE SPACE	170,000	12,095

