



MEMORANDUM

From: Steve Zeier, Zeier Consulting, LLC

To: SBURA Board of Directors

Date: May 7th, 2019

RE: Orchard School Playground Application for TIF Funds

Orchard Elementary School has submitted the attached TIF Assistance Application for your consideration at the May 7th, 2019 meeting of the South Billings Urban Renewal Association Board of Directors.

This project is the installation of rubber mulch fall protection in the main playground area of the school recess area. Currently the pea gravel in place is insufficient fall protection. In addition, a request for educational materials related to sidewalk art is also being requested. This project is in conformance with the South Billings Master Plan as the improvement of neighborhood parks and schools is a recommendation of the plan and an allowed use under Montana Urban Renewal Law.

The TIF application is for a request of \$45,675.80 for removal of the current pea gravel fall protection and the installation of the new rubber mulch fall protection material and educational materials.

In summary, this application is being forwarded for the following reasons:

- 1) The project is consistent with the adopted South Billings Master Plan for the removal of blight located in the South Billings Boulevard Urban Renewal District.
- 2) The project will provide a greater element of safety for the students via the removal of the pea gravel and installation of rubber mulch.
- 3) The community benefit component due to the improvements to the property will serve the entire neighborhood and student body.

Please contact me with any questions. I look forward to discussing this at the May 7th board of directors meeting.

Sincerely,

A handwritten signature in blue ink, appearing to read "Steve Zeier". The signature is written in a cursive, flowing style.

Steve Zeier

enc: TIF Application Packet



City of Billings South Billings Boulevard
Urban Renewal District

T.I.F Assistance Application
For Public/Private Development Projects

Information & Application

Please return to: SBURA, Inc.
c/o Steve Zeier
Billings, MT 59101
(406) 670-6969
steve@zeierconsulting.com

TAX INCREMENT FINANCING APPLICATION PROCESS FOR POTENTIAL PUBLIC INFRASTRUCTURE ASSISTANCE VIA A DEVELOPMENT AGREEMENT AND POSSIBLE ISSUANCE OF TIFD BONDS

IMPORTANT: The material below outlines the Tax Increment Development Agreement application process and the responsibilities of the APPLICANT and the South Billings Urban Renewal Association, Inc. (SBURA). Please review this information carefully before submitting the application or finalizing your development plans.

Failure to receive approval of a completed application **BEFORE** construction begins may affect the Applicant's eligibility for Public Infrastructure Tax Increment Financing assistance from the City of Billings.

INTRODUCTION

The SBURA is responsible for advising Billings City Council for the South Billings Boulevard Tax Increment District (aka SBBURD), pursuant to Montana Urban Renewal Law Title 7 Chapter 15 part 42 Montana Code Annotated, (MCA) "Urban Renewal." Tax Increment Financing (TIF) is an important element of the program as it provides a means to complete public urban renewal activities that assist and enhance private development opportunities within the district. A TIF program operates by first establishing a base year taxable value for all properties within the urban renewal district. Property taxes continue to be paid to all taxing jurisdictions on the basis of the base year valuation. All increases in property taxes above this base valuation due to new development or reappraisals are assigned to the TIF District. They are then used for district revitalization activities.

The SBURA offers this tax increment financing assistance consideration for **public infrastructure** (See Schedule "A" attached) components of projects developed within the boundaries of the South Billings Boulevard TIFD.

TAX INCREMENT FINANCING ASSISTANCE PARAMETERS

Each project is unique. Funding availability depends upon the number of years remaining in the district, with or without TIFD Bond extensions beyond the initial 15 year lifetime of the TIFD. TIF assistance with **public infrastructure** shall be based upon criteria outlined in the Criteria for Review section. The amount of assistance is determined by the comparison of two calculations: 1) The amount of incremental revenue generated by the project and 2) The amount of the project that is considered an eligible expense under MCA 7-15-4288. **The assistance provided cannot exceed 45% of the total tax increment generated by the project over the remaining years left in the life of the TIFD. The TIFD was established in 2008.** Please note that property acquisition costs are *not* to be included in the calculations; *only* property improvements are to be considered. Property improvements are defined as all project costs excluding property acquisition. Generally, TIF assistance may be awarded to the eligible PUBLIC PORTION (Schedule "A") of projects meeting the criteria and approval processes as described herein, subject to availability of funds.

ELIGIBLE ACTIVITIES

As specified by Title 7 Chapter 15 Part 4288 Montana Code Annotated, TIF funds may be used to complete certain urban renewal activities. Pursuant to this statute, the SBURA will review applications for assistance to projects eligible under the following guidelines. Each application is evaluated on a case by case basis under these guidelines. The SBURA will place special emphasis on those projects that implement the SOUTH BILLINGS BOULEVARD URBAN RENEWAL MASTER PLAN¹, particularly mixed-use developments.

APPLICATION PROCESS AND TIMELINE

Anyone seeking TIF assistance from the SBURA must submit a written application for each TIF-assisted project. The following procedure has been developed to expedite the review of TIF funding requests.

1. Initial Contact. Contact the SBURA Representative, Steve Zeier at 406-670-6969 or via email at steve@zeierconsulting.com, to discuss the project and determine preliminary eligibility for TIF assistance.

¹ Adopted by Billings City Council, 2/27/2012 and by the Board of County Commissioners, 4/24/2012.

2. Prepare a Written Application. The Applicant must prepare a written application for each project assistance request. For all TIF requests, the Applicant must complete a “Developer’s Statement of Qualification and Financial Responsibility” which includes submittal of personal financial statements.
3. SBURA Staff Review. Upon submittal of all necessary information, SBURA staff will review the project and the need for funding. At any point in the review process the staff may request more information of the Applicant or solicit comment on the project from other public agencies. Items included in personal financial statements will not be subject to public review or presentation to or comment by other public entities.
4. SBURA Board Review. The SBURA Board will review the application and staff recommendations. The Board reserves the right to seek additional project review from other public agencies. The Board will issue preliminary approval/disapproval of the assistance request or any part thereof and will make a recommendation to the City Council.
5. City Council Review. Projects receiving approval by the SBURA Board will be forwarded to the Billings City Council through the City of Billings Planning and Community Services Department for final approval and consideration of a Development Agreement that will clearly describe the public investment required to be applied towards public infrastructure and/or development improvements within the public right of way. City Council approval is required before the City will enter a Development Agreement with the Applicant.
6. Development Agreement. The City and the Applicant must execute a mutual agreeable legally binding Development Agreement which establishes the terms and conditions of TIF assistance. Sample Development Agreements are available at the City/County Planning Division office for reference. The Development Agreement may include, but is not limited to, the following:
 - Complete architectural design specifications and site plan
 - Time frame for project development, construction and completion
 - Specifications for release of funds related to public infrastructure
 - Cash flow and pro forma statements for a minimum of five years of the development
 - Terms and conditions of the various financings
 - Commitment letters and loan documents related to the various financings
 - Ownership of completed development
 - Events of default; remedies
 - Zoning approval
 - Tenant commitments
 - Non-liability of city officials
 - Cause for termination

7. Timing. Following the above process for approval, the Applicant can expect a minimum of 60 days between submitting an application to the SBURA and potentially receiving a decision from the City Council.

COMMITMENT OF FUNDS

Upon City Council approval of a project, the approved funds will be budgeted. Budgeted funds will be encumbered for a grace period of 180 days, by which time construction must have commenced. Commencement of construction means the date on which the first building permit is issued. Projects that have not commenced construction within 180 days are at risk for losing the committed funds.

Funds will be released as specified by the Development Agreement. Depending on the nature of each individual project, funds may be released as a lump sum payment or multiple payments made over subsequent fiscal years. The Development Agreement will specify the payment terms. Funds may be released according to one of the following methods.

1. Release of funds following project completion. Funds will be released upon the project's receipt of a Certificate of Occupancy from the City of Billings' Building Division. If necessary, the City will encumber funds for additional fiscal years to accommodate construction schedules.
2. Release of funds over a multi-year repayment schedule. Prior to a project receiving a TIF assistance payment, a Certificate of Occupancy shall be provided to the project by the City of Billings Building Division. Subject to payment amounts and funding availability, multiple payments may be required. TIF assistance payments may be made according to an agreed upon payment schedule. This schedule will be contained within the Development Agreement.

Funds will be release only if the project is developed and constructed essentially as presented in the Development Agreement.

**SOUTH BILLINGS BOULEVARD TAX INCREMENT FINANCING (TIF) ASSISTANCE
APPLICATION**

Project Name: Safe and Engaging Playground

Date Submitted: February 20, 2019

APPLICANT INFORMATION

1. Name: Melissa Soucy, Assistant Principal and Orchard PTA
2. Address: 120 Jackson Ave
3. Telephone Number: 406-281-6686

PROJECT INFORMATION

1. Building Address: 120 Jackson Ave, Billings, Montana 59101
2. Legal Description:
3. Ownership: Billings Public Schools/Taxpayers of Billings
4. Address: 415 N. 30th, Billings, MT 59101
5. If property is not owned by the Applicant, list leasehold interests (Attach evidentiary materials.)

Lessor's Address: N/A

6. Existing/Proposed Businesses: n/a
7. Business Description: Public Elementary School
8. Employment: Existing FTE jobs- Teachers, Counselors, Librarians, Custodians, Administrators, Secretary, Para Professionals and food service
9. New Permanent FTE jobs created by project 0 Construction FTE jobs: 120 hours Billings Schools Facility Crew
10. Architectural Firm: n/a
Address: _____

Representative: _____

Description of Project: (Attach narrative explanation.)

Orchard Elementary is home to 350+ students and 40+ staff that work collaboratively to educate and empower our youth for tomorrow's future. Our playgrounds are in need of a few critical safety updates and educational and engaging hands on and interactive activities and additions. Our playgrounds are currently covered in small pea gravel. The pea gravel overflows to our sidewalk borders and creates a very slick surface for students and surrounding community members who utilize the playground on a day-to-day basis. We have many students who trip and fall daily while working their way out of the playground area. The small rocks make their way into the building spreading rocks all over classrooms, hallways and entrance areas, making it very hard to manage and keep outside. The playground is utilized daily, not only by students who attend the school, but by neighbors and families who live near the school as. It is a beautiful area that is home to many hours of playtime and community engagement daily. We would like to purchase rubber mulch to replace the pea gravel and create a safer and more manageable play area for our students and community.

We also see a great need to expand the playground sidewalks and concrete areas to create outdoor engaging lessons and exposure to educational math and literacy games and graphics. Students and youth in our neighborhood do not get exposed enough to literacy and math concepts before they begin school. These sidewalk games and graphics would allow them to begin to see and utilize things such as 100's charts, alphabet courses and number puzzles when they visit the playground. We would also love our classroom teachers to be able to use our grounds as a universal outdoor classroom when appropriate as well. The games would allow entire classrooms and grade levels to participate in outdoor learning as well and expose our young visitors to critical learning concepts that they might not otherwise be exposed to before school.

9. Rehabilitation/construction plans: (Attach schematics, site and landscaping plans.)

10. Project Schedule: We would order the materials immediately upon approval of the project and have the intent to have all rubber mulch replaced by the beginning of the 2019-2020 school year. We would also make sure our concrete games and graphics are painted by the end of the school year as well.

CRITERIA FOR REVIEW

Materials contained in TIF Assistance applications are used to assess the merits of projects in relation to the goals and objectives of the South Billings Urban Renewal Master Plan in relation to other district development and urban renewal projects. Projects will be evaluated based on the following criteria. Please provide an explanation and supporting documentation for how the project addresses each criterion.

1. Relevance to the South Billings Urban Renewal Master Plan – Documentation of the project's consistency with the goals in the Master Plan.
2. Economic Stimulus – The amount of economic activity to be generated by the, as well as the leverage ratio of public to private investment. Applications should contain credible, measurable information substantiating Applicant's claims of economic stimulus.
3. Tax Generation – The increase in taxable value due to new construction/rehabilitation as estimated by the County Assessor's office.
4. Employment Generation – Total employment generated by the project assessed in terms of new permanent and part-time jobs, and construction jobs.
5. Elimination of Blight – The project's direct and indirect impact on the physical and fiscal condition within the District.
6. Special or Unique Opportunities – The extent to which the project represents a unique opportunity, meets a special need, or addresses community goals. The provision of public space or workforce housing are examples of special and unique opportunities.
7. Impact Assessment – The extent of both positive and negative environmental impacts, appropriateness of the project design, and impact on existing businesses or residents.
8. Financial Assistance – Other forms of financing available to the Applicant i.e. lender participation and state and federal grant monies,
9. Project Feasibility – Demonstration of market demand for the project as contained primarily on the pro forma and financing commitments.
10. Developer's Ability to Perform – Applicant's capability to undertake the relative complexities of the project based on past performance on similar or comparable projects.
11. Timely Completion – The feasibility of completing the project according to the Applicant's project schedule.

12. Payment of Taxes – All property taxes, special improvement district assessments, and other assessments on the project property must be paid at the time of application.

PROJECT COSTS

Land and Site Improvements (Itemized)

1. Equity in Land and Buildings	\$ _____
2. Rubber Mulch(7,709.80sq. ft)	\$ __39.054.20_____
3. Learning Stencils and supplies	\$ 3,000.00
4. Work	\$ \$3621.60.
Subtotal	\$ 45, 675.80

Construction/Rehabilitation Costs (Use general construction trade divisions)

1.	\$ _____
2.	\$ _____
3.	\$ _____
4.	\$ _____
5.	\$ _____
6.	\$ _____
7.	\$ _____
8.	\$ _____
Subtotal	\$ _____

Fees

1. Architectural design/Supervision	\$ _____
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2. Permits _____	\$ _____
3. Other fees _____	\$ _____
Subtotal	\$ _____
Total Project Development Costs	\$ <u>45,675.80</u>

PROJECT FINANCING

Please complete Sources of Funds detail and summarize below.

Developer Equity

Cash Invested	\$ _____
Land & Buildings	\$ _____
Other (Specify) _____	\$ _____
_____	\$ _____
Subtotal	\$ _____

Lender Commitments (Attach evidence i.e. Letters of Credit or other documentation.)

Lender Payment/Period	Loan Amount	Interest	Term	
_____	\$ _____	_____ %	____ yrs	\$ _____/Month
_____	\$ _____	_____ %	____ yrs	\$ _____/Month
Total Loan Amount				\$ _____

TIF Request for improvements within the Public Right of Way

Eligible Improvements (See Schedule "A")

\$ _____

\$ _____

\$ _____

\$ _____

Subtotal

\$ _____

Sources of Funds Summary (Post totals from above.)

Developer Equity \$ _____

Lender Commitments \$ _____

TIF Request \$ 45,675.80

Other Funds (Specify) _____ \$ _____

Total Project Financing \$ 45,675.80

DEVELOPER STATEMENT OF QUALIFICATIONS AND FINANCIAL RESPONSIBILITY

Applicant

1. Name: Orchard School

Address: 120 Jackson St

2. If the applicant is not an individual doing business under his/her own name, the applicant has the status indicated below and is organized or operating under the laws of _____.

3. The applicant is:

_____ A corporation.

_____ A nonprofit or charitable institution or corporation

_____ A partnership known as _____

X Other (explain): School District

Date of organization: _____

4. Names, address, title of position (if any), and nature and extent of the interest of the officers and principal members, principal shareholders, investors, or partners of the applicant.

Name and Address

Nature and Extent of Interest

_____	_____
_____	_____
_____	_____
_____	_____

Financial Condition

1. Provide a current financial statement for each private entity involved in the project. Documentation of financial capacity may include net worth statements, balance sheets, or profit and loss statements.
2. Has the applicant or any individual or entity affiliated with the development of this project been adjudged bankrupt, either voluntary or involuntary, within the past ten years?
No _____ Yes _____ If yes, give date, place, and under what name:

3. Has the applicant or any individual or entity affiliated with the development of this project been indicted for or convicted of any felony within the past ten years:
No _____ Yes _____ If yes, give date, charge, place, court and action taken for each case.

CONSTRUCTION CONTRACTOR

1. Identify the construction contractor or builder who will undertake this project.

Name: _____

Address: _____

2. Has such contractor or builder ever failed to qualify as a responsible bidder, refused to enter into a contract after an award has been made, or failed to complete a construction or development contract within the last ten years?

No ____ Yes ____ If yes, explain.

CERTIFICATION

I (we), _____ (please print),
certify that the statements and estimates within this Application as well as any and all
documentation submitted as attachments to this Application or under separate cover are true
and correct to the best of my (our) knowledge and belief.

Signature _____

Signature _____

Title _____

Title _____

Address _____

Address _____

Date _____

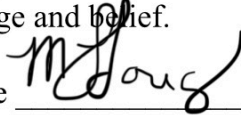
Date _____

CERTIFICATION

I (we),

_____ (please print), certify that the statements and estimates within this Application as well as any and all documentation submitted as attachments to this Application or under separate cover are true and correct to the best of my (our) knowledge and belief.

Signature _____



Signature _____

Title _____

Title _____

Address _____

Address _____

Date _____

Date _____

SCHEDULE "A"
EXAMPLES OF ELIGIBLE PUBLIC PORTION PROJECTS OF INFRASTRUCTURE
COMPLETE LIST FOUND IN MONTNA CODE ANNOTATED 7-15-4288

Purchase of Site for a Public use

Demolition and Abatement

Sidewalks, Curbs, Gutters, Drive Approaches

Public Utilities such as Water, Sewer, and Storm Drain

Street Surface Improvements

Crosswalks

Landscaping, Green Space, and Improvement of Pedestrian Areas

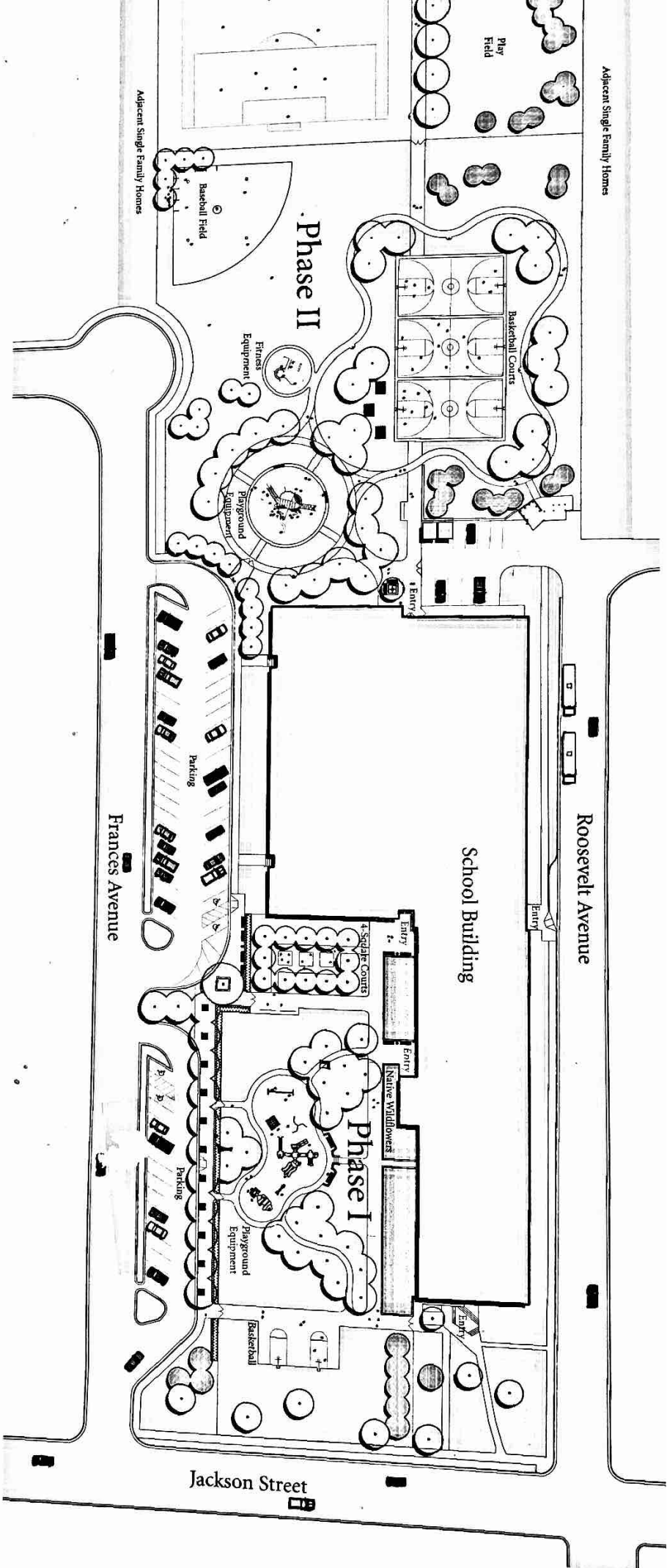
Historical Restorations

Off Street Parking

Pollution Reduction

Private Utilities such as Electrical, Natural Gas, Telecommunication Lines

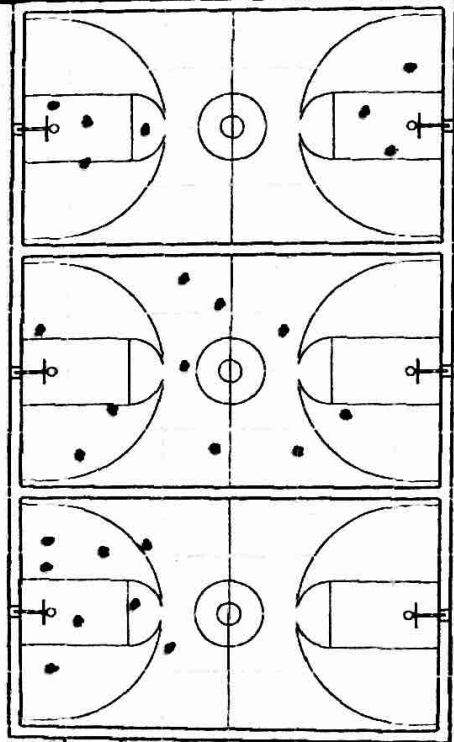
Area	Sq. Ft				Store	Cost		Store	Cost
Primary Playground	3,809.80				American Floor Mats	\$39,054.20		AAA State of Play	\$24,397.50
Intermediate Large	2,900								
Intermediate Small	1,000								
Total Square Feet	7,709.80								
BPS Labor to remove old and replace new	\$3621.60.				Labor	\$3621.60.		Labor	\$3621.60.
						\$39,054.20			\$24,397.50
Stencil Package	\$2,500.00				Stencils	\$2,500.00		Stencils	\$2,500.00
					Total Project	\$45,175.90		Total Project	\$30,519.10



Master Plan
Orchard Elementary School Playground
School District #2

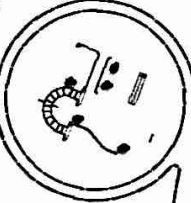
Playground Planning and

BASKETBALL COURTS

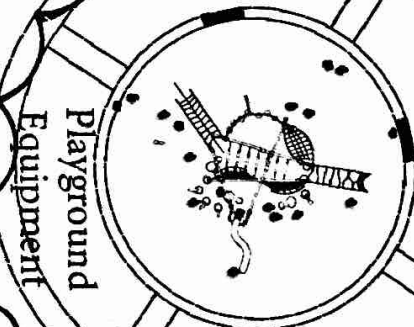


Entry

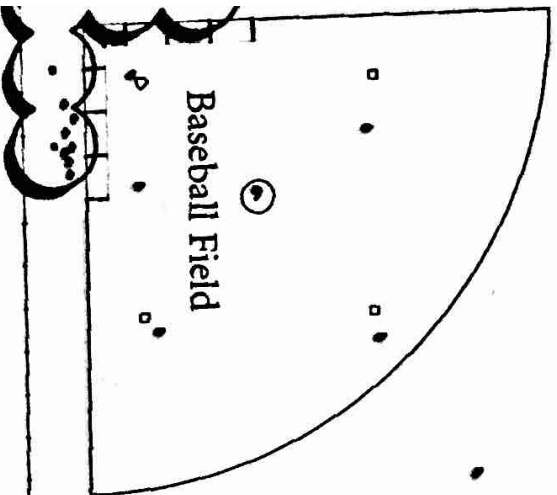
Phase II



Fitness Equipment

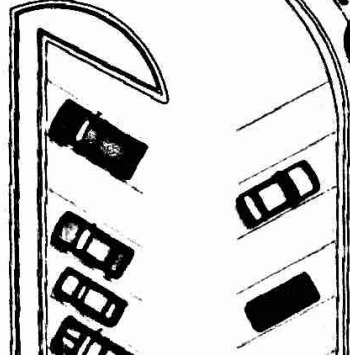


Playground Equipment



Baseball Field

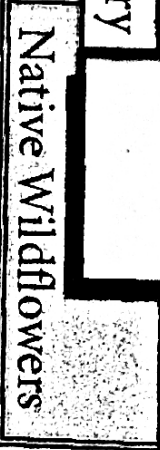
Family Homes



Entry



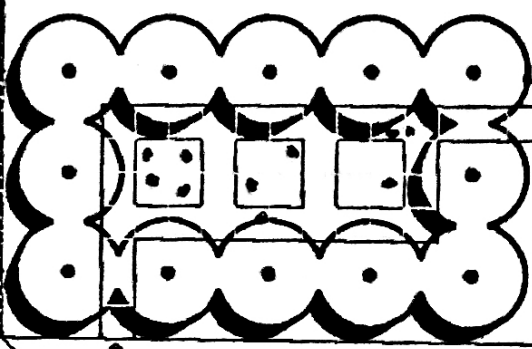
Entry



Native Wildflowers

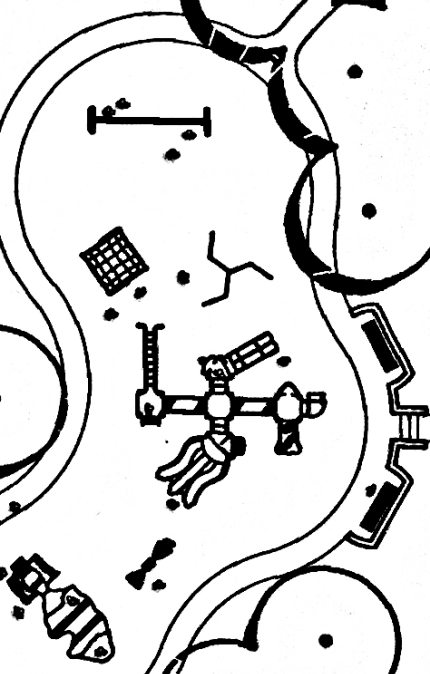


4-Square Courts

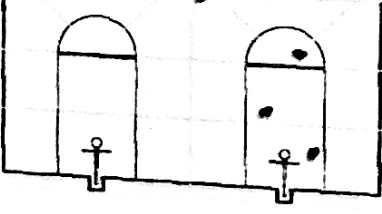


Phase I

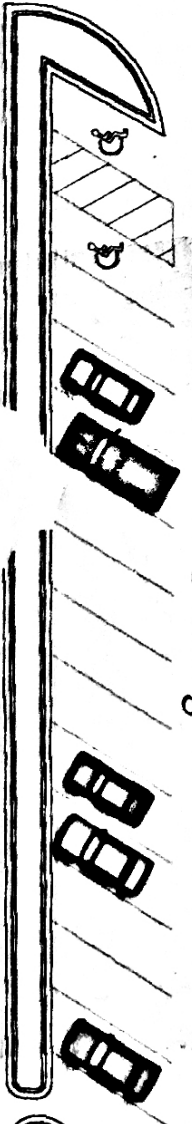
Playground Equipment



Basketball



Parking



venue