

DBP Board Meeting
 February 28, 2020
 7:30 am, GW Building

ATTENDED:							
Andy Patten	Norm McDonald	Marguerite Jodry	Steve Wahrlich	Ethan Kanning	Dave Fishbaugh	Kevin Iffland	Jock West
Sam Merrick	Chris Montague	Sean Lynch	Jana Hafer	Joni Harman	Kim Olsen	Denis Pitman	Ignacio Barrón Viela
Katy Easton	Mehmet Casey	James Chandler	Emily Meick	GUESTS:	Wyeth Friday	Randy Hafer	Tim Tevlin
ABSENT:							
Steve Arveschoug	Steve Tostenrud	Zach Dunn	Penny Ronning				

1. **Call to Order and Introductions** – Mr. Patten called the meeting to order at 7:29 am and introduced Mr. Tevlin, the new SBURA leader.
2. **Regular Agenda**
 - a. **Minutes – January 24, 2020** – Mr. Wahrlich made a motion to approve minutes. Seconded by Mr. Miller and approved by all.
 - b. **DBP Staff Update**
 - i. **Development Director** – Mr. Casey traveled to Helena with Mr. Friday to meet the Montana TIF working group. Development agreements for the TIF projects recently approved by Council are being reviewed by the attorney. Mr. Casey has established a better communication with the Gazette to help dispel inaccuracies. He recently toured ABT and he’s received some final pieces for that agreement. He and Mr. Headlee are working on marketing for a recruitment packet.
 1. Mr. Wahrlich suggested reaching out to legislative candidates about TIF and starting now with educational pieces.
 - a. Ms. Easton reminded all that the DBP board cannot endorse a candidate, but it can help educate.
 2. Mr. Montague asked about the new TIF district.
 - a. Mr. Casey has reached out and a petition was turned in with four signatures.
 - b. Mr. Iffland will meet with Mr. Fagg on Monday. The blight portion remains unclear. The area would either be annexed or a new district. The City remains neutral, because there isn’t enough information yet.
 - i. Ms. Easton said the DBA is also neutral and she wonders if it’s worth the time and effort. Annexation won’t reset the base, as their section would start a new base. Mr. Iffland’s point is important: Can a new boundary be identified, and does it contain enough blight?
 - ii. **CEO** – Ms. Easton’s working to finalize bonding a project to extend the lifespan of the TIF district. She’s looking at bonding street conversions on N. 29th and N. 30th, which would allow for the capture of an additional 15 million dollars at the end of its lifespan. She’s worked closely with City staff to determine a project that could be executed quickly. They have also looked at possibly financing City Hall in the Stillwater building. The next step for street conversions is to move forward to Council. DBA staff help bolster buy-in and spread information. Everyone, including Council, is fairly positive about the project and the benefits are good.
 1. Mr. Iffland said the Stillwater building is just a thought currently. They’re in premature negotiations and waiting for more significant information.
 2. Mr. Wahrlich suggested looking at N. 26th as the next street to convert.
 - c. **Financials** – Mr. Casey provided a handout and explained that nothing major changed since last meeting with typical expenses. Ms. Easton spoke of a hail claim on the roof of Yesteryears, which will likely start with good weather. The claim isn’t for the entire roof but smaller identified sections that need fixed to extend the continued life of the building.

3. Old Business

- a. **Stillwater Update** – Ms. Easton spoke of a lunch with Mr. Holden that was set up by Mr. Pitman. She expected to talk and feel him out, but it didn't go as expected. He doesn't plan to bring a lawsuit, but he plans to go to the Gazette about an agenda against him. Ms. Easton has a letter from the attorney, and she feels comfortable sending it. There's a low risk of litigation, but the board isn't free of that possibility.
 - i. Mr. Pitman said resolving the issue is the best way forward. Mr. Holden could be a good partner.
 - ii. Mr. Iffland suggested approaching City Council at the next business meeting with the letter to be dissolved because it was approved by Council.
 - iii. Mr. Wahrlich suggested putting Mr. Holden in good light. It's a success for downtown, because he was able to complete the project on his own.

4. New Business

5. Action Items

- a. **TIF Policy Packet** – Ms. Easton provided binders with backup documents for TIF policy for the board, City Council, and anyone interested in applying. Grant applications have been emailed. With this binder, the board is ready to start fresh with a structured program. There are five different grant applications to review: CPTED, Sign applications, Façade applications, Technical Assistance grants, and Large Projects. They have been reviewed and commented on by the Development Committee and some board members. Ms. Easton would like to create a quarterly grant cycle and she would appreciate board input.
 - i. Ms. Jodry did not receive the emailed applications.
 - ii. **Presentation** – Mr. Hafer gave a short presentation as a developer on smaller TIF programs to make them more defined and predictable. thinks smaller project should be 1:1 match instead of 5:1 due to size and because it's not necessarily an incentive. In his opinion, Feasibility/Technical Assistance grants were the most successful and allowed owners to consider older buildings. The process needs to be easier. In terms of a large projects, he needs predictability and a schedule for several big projects currently downtown. The binder helps and provides transparency, but it should be a value evaluation to determine if a project is contributing to the goals of downtown. He provided a handout with a value chart and ratios that increase with project size.
 1. Ms. Easton appreciates Mr. Hafer's effort. She doesn't think it will be decided right now. She proposed that either the board start the grant cycle in April or take slower steps and start accepting applications in FY21. She suggested taking this back to the Development Committee to spend some time diving in. There would be an opportunity in March to bring it back to the board.
 - a. Mr. Hafer said he's willing to wait. If the board could take time, it would be better for everyone to help determine funding. He thinks it should go to Council, so they understand the process.
 - b. Mr. Casey isn't opposed to matching on smaller projects; however, it currently corresponds with City TIF policy.
 - c. Mr. Montague and Ms. Olsen both agree that the board shouldn't rush.
 - d. Mr. Lynch thinks it should go through to complete the process.
- b. **Recommendation for 2511 1st Ave. N.** – Mr. Casey gave a brief overview of the project, which would enhance the façade and improve the point of entry into the Clocktower Inn, as well as extending the vibrancy of downtown east of N. 27th. DBP Staff and Development Committee recommend approval of this project by the Board of Directors with the following contingencies:
 - i. Fund 203 will encumber up to \$116,000 to be disbursed in FY21.
 - ii. DBP and Clocktower Inn, LLC must sign a development agreement or award letter within 90 days of Council approval.
 - iii. This TIFD reimbursement is the maximum that can be received pending satisfactory submission of all paid invoices showing the completion of expenditures related to this project.

- iv. If the project is not complete by June 30, 2020 or funds are not available, reimbursement will be carried into FY22.
 - 1. Mr. Wahrlich asked if he should leave and Mr. Patten said he could stay.
 - 2. Ms. Hafer thinks it's important to include financials to see matching amounts.
 - a. Mr. Wahrlich said \$700,000 is the total cost. If the project doesn't get done by summer 2020, he would miss the summer window. It's a time-sensitive project.
 - 3. Ms. Jodry struggles to see property as blighted but understands the outdated exterior. It would help to better understand how it promotes connectivity and improves the pedestrian experience.
 - a. Mr. Wahrlich said there's a consistent number of people walking through the property with multiple points of entry.
 - 4. Mr. Merrick made a motion to approve the project with the contingencies laid out by the Development Committee. Seconded by Ms. Harman.
 - a. Ms. Easton spoke of re-educating Council about what applies as public benefit. If this goes to Council, Mr. Wahrlich could help formulate that conversation.
 - b. Mr. West struggles with the perception that downtown is unsafe and welcoming. If the project helps make it more welcoming, then he's for it.
 - c. Motion approved by all. Mr. Wahrlich abstained from voting.
- c. **Recommendation for 14 N. 29th Street** – Mr. Casey gave a brief overview of the technical assistance grant, which would include a grandfathered 1:1 match. DBP Staff and Development Committee do not recommend approval of this project by the Board of Directors due to the following reasons:
 - i. Applicant has already indicated that he would come back for more TIFD dollars for the actual project, which the committee eagerly welcomes.
 - ii. Expenses of the study can be used as part of the total private investment in the 5:1 match later of if the applicant applies changes soon and requests TIFD dollars toward the project.
 - iii. While ask is nominal to the amount of taxes the owner had been paying over the course of twenty-plus years, what happens if a study is funded but ultimately the owner decided he cannot afford the project?
- iv. A feasibility study may not be the best use of TIFD money due to lack of visibility.
 - 1. Mr. Hafer said there's currently no defined technical assistance program, which didn't guarantee anything because there wasn't anything to work from. He didn't hear the decision until he asked. He said studies are completed upfront to determine project feasibility and it's not an invisible process. He feels as though it wasn't properly addressed. The building owner will pull it off any, because the project is important. Definition is critical.
 - a. Mr. Patten asked if a study would relate to the structural integrity of a building.
 - i. Mr. Hafer said yes, but it's not the only aspect. It could help with the entire financials of a project.
 - 2. Mr. Lynch asked if there's a defined policy. He's unsure of how Council might react without definition.
 - a. Ms. Easton said one currently doesn't exist, but it has previously. This project was grandfathered in and the last one in this manner.
 - 3. Ms. Hafer said the applicant wasn't invited to state his case. If it wasn't a 1:1 in the past, the board should look at what was done.
 - a. Mr. Casey said the applicant isn't presenting today. The last two applicants requested to be in attendance. He's unsure how to approach the recommendation not to move forward. It must come to the board first, because it can be modified or changed, and this is part of the cleanup and the binder.

4. Mr. Fishbaugh said projects were grandfathered and the feasibility study falls into plans for July 1. He asked if it's outside the board's plan.
 - a. Ms. Easton said no, it's not outside but it was part of a group that applied before. The it was nebulous, and the binder is part of clarifying the process.
5. Ms. Olsen said it's good that the board is focusing on improving these programs, but the board isn't evaluating on past technical assistance grants.
6. Mr. Lynch made a motion to follow the recommendation of DBP Staff and Development Committee. Seconded by Mr. West.
 - a. Ms. Jodry asked if the applicant could come back in July when the process is finalized.
 - i. Mr. Casey said yes, and it was communicated to the applicant.
 - b. Ms. Hafer feels as though the applicant wasn't treated fairly. He didn't know he could attend the meeting.
 - i. Mr. Casey apologized for not providing prompt answers.
 - c. Motion approved 15 – 1.

6. Partner Reports

- a. **City of Billings**
 - b. **Yellowstone County**
 - c. **School District #2**
 - d. **Big Sky EDA**
 - e. **Downtown Billings Alliance**
 - f. **Business Improvement District**
 - g. **Billings Cultural Partners**
 - h. **Parking Advisory Board**
 - i. **Downtown Billings Property Owners Association**
7. **Adjournment** – Meeting was adjourned at 9:05 am.
- a. **Next Meeting: March 27, 2020**