

DBP Board Meeting
 May 22, 2020 – 7:30 am
 Zoom Video Conference

ATTENDED:	Andy Patten	Sean Lynch	Dave Fishbaugh	Sam Merrick	Joni Harman	Norman Miller	Steve Arveschoug
	Ignacio Barrón Viela	Zach Dunn	Jock West	Chris Montague	Jana Hafer	Steve Wahrlich	Denis Pitman
	Kim Olsen	Wyeth Friday	Chris Kukulski	Katy Easton	Mehmet Casey	James Chandler	Emily Meick
GUESTS:	Bill Cole	Pam Purinton	Dusty Eaton	Brad Constantine	Joshua Toneyes	Zack Terakedis	
ABSENT:	Marguerite Jodry	Steve Tostenrud	Penny Ronning				

1. **Call to Order** – Mr. Patten called the meeting to order at 7:32 am.
2. **Regular Agenda**
 - a. **Minutes** – April 24, 2020 – Mr. Lynch motioned to approve minutes and seconded by Mr. Merrick. Approved by all.
 - b. **DBP Staff Update**
 - i. **Development Director** - Mr. Casey provided an update on Covid-19 community restart efforts to support downtown businesses. The TIF applications that went through Council have agreements to share with entities and then acquire signatures. He provided a memo from the attorney about handling occupancy and ownership requirements on development agreements moving forward and welcomes board feedback. The City approved moving forward with the first phase of the Founders District to provide a third-party assessment. Mr. Casey has received feedback from 20 of 30 property owners regarding the street conversions, over half of which were positive; however, N. 30th Street remains an issue. He'll send a list for the board to reach out. He's been meeting with Council members and he plans to streamline communications and TIF project presentations with Council, Mayor, and City staff.
 1. Mr. Patten asked if it's practical to have a draft development agreement available so the board can see the entire agreement.
 - a. Mr. Casey said yes, it will be the practice moving forward with the established template.
 2. Ms. Purinton said Mr. Schmidt at Army Navy opposed the two-way street conversions.
 3. Ms. Easton said that Council will be taking the street conversion up on the agenda to move forward selling bonds. She'll be available for the next Council meeting. She and Mr. Casey will be reaching out for letters of support from property owners.
 4. Mr. Cole thanked Mr. Casey for reaching out. He said that Council is on the fence regarding the Founders District without projects that require TIF districts for success.
 - ii. **CEO** - Ms. Easton updated about the economic recovery group. The Yellowstone Valley Economic Recovery website is a one-stop shop for up-to-date information. They will be holding additional round-table conversations with John Felton about guidelines for Phase Two. There are two new water-based handwashing stations downtown, which will be maintained by the BID Team. They are also working on designing and implementing pedlets in several downtown locations through a \$7,000 grant from Healthy by Design.
 - c. **Financials and TIF Forecast** – Mr. Casey reviewed the profit and loss. Ms. Easton said April's rent for the Yesteryears building was forgiven due to the circumstances. Generally, the Partnership is on track, but there will be an increase in legal expenses for development agreements. Property Management costs are related to maintenance on the Yesteryears building, including significant work on the air conditioner last summer. She's negotiating with the adjuster on a hail claim for the roof, which has been budgeted for and is ready to be addressed.
 - i. Mr. Patten asked if unused Business Development funds would go back into that line item.
 1. Ms. Easton said she submitted the same budget for this year and the amount can be amended to show that all funds were not expended during the fiscal year. That work in

business development will be very important in the budget process, but she would generally have expected to have used the amount on marketing.

3. Old Business

4. New Business

5. Action Items

- a. **Amendment of Bylaws** – Mr. Casey reviewed the proposed amendments to the bylaws indicated by highlights, including a change of address, the conflict of interest (COI) statement, and Article 4 – Meetings on attendance, video conferencing, and action by written consent.
 - i. Mr. Patten asked about excused absences within the attendance policy.
 1. Mr. Casey is willing to amend the language.
 - a. Mr. Wahrlich expressed worry about excused versus non-excused language and how it might place DBP staff in a difficult position. Board members don't have to be present to participate in meetings.
 2. Mr. Wahrlich made a motion to approve the proposed amendments. Seconded by Mr. Montague. Discussion followed.
 - a. Mr. Arveschoug suggested changes to the COI language to have board members disclose conflicts before board discussion and an annual statement to declare a conflict of interest.
 - b. Mr. West expressed discomfort in adopting a motion without final wording.
 - i. Mr. Wahrlich and Mr. Montague withdrew the motion and the second.
- b. **Sign Incentive Grant Recommendation** – Bethany Joy Pilates
 - i. DBP staff and the Development Committee recommend the approval of the project by the Board of Directors with the following contingencies: (1) The Applicant shall receive a reimbursement grant of up to \$3,000 as long as their private investment is of equal or greater value; (2) 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; and (3) If funds are not available, reimbursement can be carried over to the next fiscal year.
 1. Mr. Casey reviewed the application for Bethany Joy Pilates with the board.
 - a. Mr. Wahrlich motioned to approve the recommendation of DBP staff and the Development Committee to award this applicant a reimbursement grant of up to \$3,000, so long as the conditions above are met. Motion seconded by Ms. Olsen and approved by all.
- c. **Large Project Incentive Grant Recommendation** – Billings Symphony Orchestra and Chorale
 - i. DBP staff and the Development Committee recommend the approval of the project by the Board of Directors with the following contingencies: (1) The Applicant shall sign a development contract with the City of Billings and DBP within 90 days of City Council's approval; (2) 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; and (3) If funds are not available, reimbursement can be carried over to the next fiscal year.
 1. Mr. Casey reviewed the application for the Billings Symphony Orchestra and Chorale with the board.
 - a. Mr. Patten asked if the building will be subject to property tax if the Billings Symphony is a non-profit organization.
 - i. Mr. Casey said it was addressed by the Development Committee and he can provide the memo. One of the terms to fulfill the agreement was that a private organization must maintain ownership. The building will remain on the tax rolls because it's owned by the Billings Symphony Society, a private organization.
 - b. Mr. Wahrlich asked if Mr. Casey had seen the building appraisal. He expressed concerns regarding the DBP perspective of valuing a 5:1 match on a building that was donated. He doesn't see the closing cost as part of the valuation of a project. He wants to find a way to make it work, but expressed concern over the funding method.

- i. Mr. Montague said that valuing appraisal in closing cost into the match is difficult and requires board discussion. He believes the 5:1 match should be against project cost and not building cost.
 1. Mr. Casey said the appraisal can be requested and current DOR assessment values can be found on the application. The application is a working document. The board agreed that TIF dollars would go toward development and not to property or land, but this is a different case. The Development Committee wanted to push for the amount asked, with expenses going to the visible/public piece.
 2. Ms. Easton said the board is welcome to make a motion to grant up to a certain amount should the board choose to remove the building/land equity. She stressed that the building will remain on tax rolls, which makes the application different from ABT or other non-profit ownership.
 - a. Mr. Friday said that policy does allow for non-profits and Council has the discretion to separate from a 5:1 match. There have been challenging discussions among Council surrounding the value of property across all three districts. There is flexibility in the policy.
- c. Mr. Wahrlich made a motion to approve the recommendation of DBP staff and the Development Committee to award this applicant a reimbursement grant of up to \$181,340 (predicated on a total amount that doesn't meet the 5:1 match) so long as the conditions above are met. Motion seconded by Mr. Lynch and approved by all.

6. Partner Reports

- a. **City of Billings** – Mr. Cole said the Rescue Mission campus project and the Garfield School advanced through for redevelopment tax fund credits. Both must go through the next round of selection, but both with benefit downtown greatly. He spoke of interest in a street music program as a great opportunity to have safe outdoor music and entertainment.
 - i. Ms. Easton said Ms. Richardson is currently working toward that idea.
- 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 adjourned at 9:03 am. Next meeting scheduled: June 26, 2020