

Downtown Properties, LLC

Downtown Properties, LLC / Randy Swenson
4040 Parkhill Drive, Billings, MT 59106
406-855-9990
randy@tendernest.com

October 15, 2020

Dear Downtown Billings Partnership,

The Stone Building is a significant renovation on a very busy and high-profile building of our downtown. This project will have significant impact on our city. We currently have two existing west-end businesses that want to expand to downtown, that have plans to occupy a portion of the Stone Building. We estimate there will be 50-75 employees who will work in this building when it's fully developed.

The building is sound and will have all new components and will definitely add a "vibe" to downtown Billings. This will soon be recognized as one of the premier buildings and small business center that will attract many to spend more time, money and energy downtown.

The Billings Historical Society said *"Celebrating the historical, cultural and architectural significance of the Stone Building will provide opportunities and stability for the neighborhood. This project will be a catalyst for the area and inject new life into a building that has been underutilized for many years."*

The former development direct, Greg Krueger said *"There are two key buildings downtown that are vital to its redevelopment. The Stone Building is one of them."*

Recently, a local citizen that picked up some of the old windows said *"I love this building. We are so excited for this project and to see this beautiful old building be restored. I'm elated to have a piece of its history."*

Warm regards,



Randy Swenson, Applicant

guarantees are expressed or implied by the description of, application for, or participation in the Urban Renewal Project Program. The applicant is advised to consult with licensed architects, engineers, or building contractors before proceeding with final plans or construction.



DOWNTOWN (N 27TH STREET) URBAN RENEWAL DISTRICT

N27URD

Tax Increment Financing Fund Application

APPLICANT INFORMATION			
Name: Downtown Properties, LLC, Randy Swenson / Member, Manager			
Address: 4040 Parkhill Drive			
City/State/Zip Billings, MT 59106			
Phone: 406-855-9990		E-mail: randy@tendernest.com	
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:			
A corporation/LLC: <input checked="" type="checkbox"/>	A non-profit or charitable institution or corporation <input type="checkbox"/>	A partnership: Known as: <input type="checkbox"/>	Other: <input type="checkbox"/>
Date of Organization: November 2017			
PROJECT INFORMATION			
Building Address: 2624 Montana Avenue			
City: Billings		State: MT	ZIP Code: 59101
Legal Description: S03, T01 S, R26 E, MRL Lease #502,016; 12300 Squ. Feet (20) (IMP@I-263)			
Property Owner (if property is not owned by the Applicant, list leasehold interests and attach evidentiary materials)			
Property Owner (name or entity):			
Property Owner Contact Name:		Contact Phone:	
Lessor's Address:			
City:		State:	ZIP Code:
PROJECT ARCHITECTURAL FIRM			
Firm Name: EEC			
Address: 720 Lohwest Lane, Billings, MT 59106			
Representative: Kody Johnson			
Phone: 406-671-2473		E-mail: kody@eecmt.com	
PROJECT CONTRACTOR (OR PARTY RESPONSIBLE FOR CONSTRUCTION)			
Name/Representative: EEC			
Address: 720 Lohwest Lane, Billings, MT 59106			
Phone: 406-647-2473		E-mail: kody@eecmt.com	
PROJECT FINANCIAL LENDING INSTITUTION (leave blank if not applicable)			
Name/Representative:			
Address:			
Phone:		E-mail:	

PROJECT FINANCING

Please complete Sources of Funds detail and summarize below.

Applicant Equity

Cash Invested (Phase1/prior demo)	\$	<u>889,612</u>
Land & Buildings (Acquisition 03/14/18)	\$	<u>680,000</u>
Other (Specify) (design/general)	\$	<u>216,321</u>
Subtotal	\$	<u>1,785,933</u>

If land & building value is more than the State of Montana valuation, a current appraisal must be submitted (within 3 years).

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

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

TIF Request

Eligible Improvements

Phase 1: Shell Building - Initial Scope	\$	<u>1,010,210</u>
Phase 2: Shell Building & YP Shell Space	\$	<u>2,296,407</u>
Land & Building Acquisition (03/14/18)	\$	<u>680,000</u>
		\$ _____
TOTAL	\$	<u>3,986,617</u>
		\$ _____
Subtotal of TIF Funds Requested	\$	<u>700,000</u>

\$3,306,617
(See EEC Budget Summary Spread Sheet for reference of Eligible TIF Improvements)

Sources of Funds Summary (Post totals from above)

Applicant Equity	\$	<u>1,785,933</u>
Lender Commitments	\$	<u>0.00</u>
TIF Funds Request	\$	<u>700,000</u>
Other Funds (Specify) <small>Additional Owner funds</small>	\$	<u>1,500,684</u>

Total Project Cost \$ **3,986,617**

To receive maximum funding all applications must be submitted to the DBP and approved by the CITY prior to the start of the relevant phase of construction.

CERTIFICATION

I (we), RK Development, LLC / Randy Swenson (please print), the APPLICANT, 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 Member / Manager Title _____

Address 4040 Parkhill Drive Address _____

Billings, MT 59106 _____

Date October 15, 2020 Date _____

URD TIF GRANT PROGRAMS – Governing Body: City of Billings, City Council

To receive maximum funding all applications must be submitted to the DBP and approved by the CITY prior to the start of the relevant phase of construction.



720 Lohwest Lane, Billings, MT 59106
 Phone: 406.839.9151 Fax: 406.839.9150

PROJECT: STONE BUILDING - Building Shell Improvements

11/18/2020

Work Type: BUDGET

LOCATION: 2624 Montana Ave

TOTAL SITE AREA:	23,170
Basement Area:	11,250
1st Floor Area:	11,250
2nd Floor Area:	11,250
TOTAL BLD. AREA	33,750

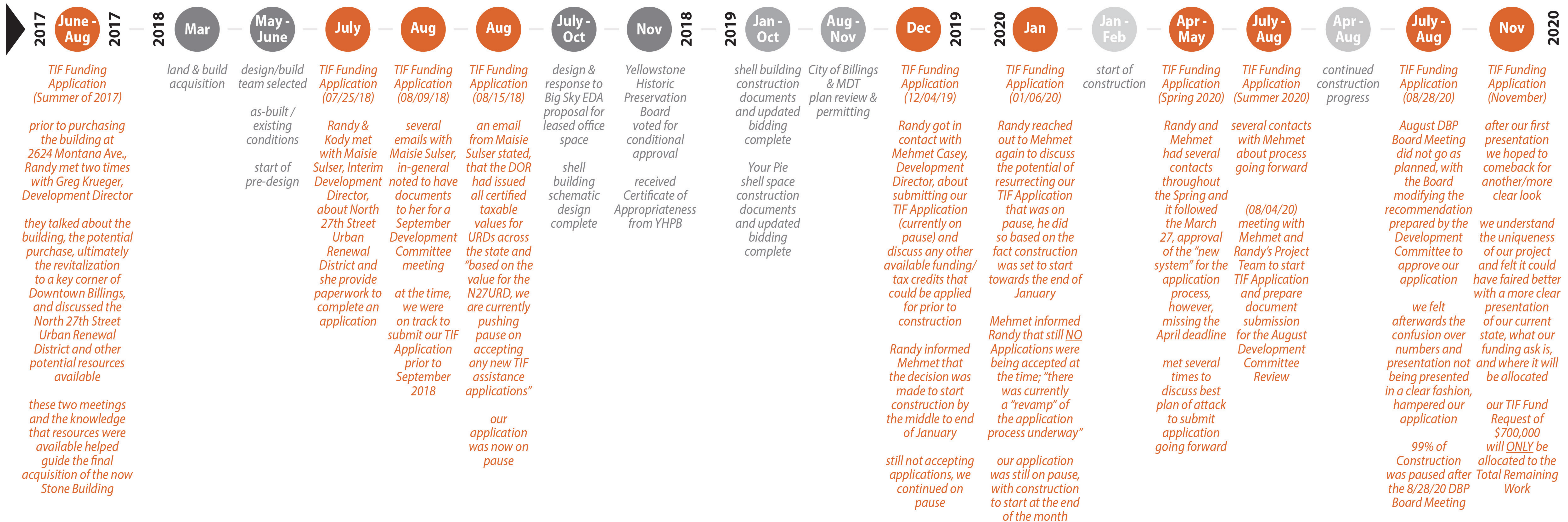
BUDGET SUMMARY - HISTORIC PRESERVATION & REHABILITATION BUILDING SHELL IMPROVEMENTS

DESCRIPTION - ELIGIBLE IMPROVEMENTS	TOTAL COMPLETE <i>TIF Funds Requested, NOT Allocated to Total Completed Work</i>	TOTAL REMAINING <i>TIF Funds Requested, ONLY Allocated to Total Remaining Work</i>	TOTAL MATERIAL & LABOR <i>Combines both Completed & Remaining Work for Reference to Eligible Improvments</i>
1.0 GENERAL REQUIREMENTS / DESIGN FEES / CONSTRUCTION MANAGEMENT / RENTALS			
*Mob, Insurance, Construction Super, Project Managemnt, Rentals, Design Fees, Permit & Plan Review Fees, Asbestos & LBP Testing, Soil & Concrete Testing Services	\$102,178.66	\$315,034.11	\$417,212.77
2.0 DEMOLITION			
*Asbestos Removal, Existing Elevator/Shaft/Equip Demo, New Elevator/Stair Demo, West Entrance Stair/Lift & South Stair/Floor Demo, Concrete Demo, Exterior Demo, and Misc Demo	\$246,734.88	\$81,581.84	\$328,316.72
3.0 CONCRETE / MASONRY			
*Masonry Demo/Salvage/Rebuild/Repoint, New Concrete Slab & Footings	\$223,554.35	\$54,650.33	\$278,204.68
5.0 METAL / STEEL FABRICATION			
*Guardrail/Handrai at Exterior Patio/Ramp/Stair & Interior Stairs, Northeast Canopy, South Canopy, Metal Siding at roof & patio, Metal trim, Patio Struct., Lintels, Misc. MTI, Flashing	\$14,731.77	\$162,258.23	\$176,990.00
6.0 WOOD			
*Furout Exterior walls (Energy Code), Exterior Window Furout, New Elevator Shaft/Stairs/ Landing, Floor Struct. Infill, New Rough Sawn Lumber (Struct.), Framing & Materials	\$116,765.15	\$69,260.69	\$186,025.84
7.0 THERMAL & MOISTURE			
*Perimeter Insulation @ 3 floors, Fire Wall Insualtion, New Stair Penthouse/Elevator Penthouse/Canopy Roof Assembly, Energy Code Compliant Overall Roof Assembly	\$29,728.45	\$176,456.83	\$206,185.28
8.0 DOORS & WINDOWS			
*Exterior Windows (Historic), Exterior Storefront window/door New/Replace, Door assemblies at Exterior/Fire Rated/Access	\$83,073.09	\$81,713.77	\$164,786.86
9.0 FINISHES			
*Perimeter Gyp, Fire Rated Shaft/Stair Walls Gyp, Misc. Gyp at Fire-Draft Curtains/Roof Drains/Fire Sprinkler Furouts, Paint ceilings/columns, WD cap/Hand Rails at each stair & Patio, flooring to patch damaged, Paint Shell Doors/Misc., Flooring/Roof Protection	\$573.75	\$272,548.83	\$273,122.58
10.0 SPECIALTIES			
*Fire Extinguishers, Occupancy Load Signs/Code Required Signage, Shell Janitor Closet Items, Restrooms 1st/2nd/Bathroom Accessories	\$0.00	\$86,122.50	\$86,122.50
14.0 ELEVATOR / PLATFORM LIFT			
*New Elevator & associated sturct. Concrete, NW Platform Lift	\$34,436.24	\$127,459.46	\$161,895.70
21.0 FIRE SPRINKLERS			
*Demo Existing System, Supply/Install New Fire Sprinklers System	\$68,874.09	\$10,896.51	\$79,770.60
22.0 PLUMBING			
*Demo Existing System, Supply/Install New Plumbing/Gas Lines, Restrooms 1st/2nd floor, Roof Drain/Leaders, all new below concrete sewer in basement	\$23,756.25	\$76,356.25	\$100,112.50
23.0 HVAC			
*Temp. Tuneup on existing system, Demo Existing System, Supply/Install New HVAC System for shell space only	\$6,604.50	\$290,887.90	\$297,492.40
26.0 ELECTRICAL			
*Demo Existing System, Supply/Install New Electrical System - Shell Lighting interior/exterior/emergency/Parking Lot	\$38,562.37	\$148,907.63	\$187,470.00
27.0 LOW-VOLTAGE, COMMS. VOICE, DATA, AUDIO VISUAL			
*Supply/Install New Low-Voltage for Shell Space/Parking Lot	\$0.00	\$5,460.00	\$5,460.00
28.0 FIRE ALARM AND SECURITY SYSTEMS			
*Supply/Install New Fire Alarm System, Video Surveillance, Intrusion Security, and Access Control - Shell Space/Parking Lot	\$0.00	\$41,370.00	\$41,370.00
31.0 SITE WORK / PATIO / EXTERIOR CONCRETE			
*Stone Building Exterior Concrete/Sidewalk/Patio work, Parking Lot Required Upgrades, Shell related Sidewalk/Lane Closures	\$19,179.46	\$172,671.29	\$191,850.75
32.0 LANDSCAPING & FENCING			
*Shell/Parking Lot Replated Construction Fencing, New Perimeter Parking Lot Fencing, Trees/associated Landscaping at Parking Lot and Street	\$1,155.00	\$20,538.00	\$21,693.00
33.0 UTILITIES			
*New Electrical Meters/Service, New Gas Meters/Service, New 2" Water Meter, New Communication Service/Equipment	\$301.88	\$102,233.12	\$102,535.00

*Indicates general discription of shell related work for each division

	TOTAL COMPLETE	TOTAL REMAINING	TOTAL MATERIAL & LABOR
TOTAL SHELL BUILDING CONSTRUCTION COSTS	\$1,010,209.89	\$2,296,407.29	\$3,306,617.18
		<i>TIF Funds Requested ONLY Allocated to Total Remaining Work</i>	

Stone Building: Brief Project Timeline



 * Indicates a TIF Funding Application Key Item of Note/Contact

 * Indicates a Key Project Item

THE STONE BUILDING – 2624 MONTANA AVENUE, BILLINGS MT 59101

A complete renovation project of this 100 year old, nearly 40,000 square foot building located in downtown Billings.

OWNER; RANDY SWENSON, CONTACT INFO; 406-855-9990

DOWNTOWN PROPERTIES, LLC

PROJECT FIRM; EEC EMAIL; randy@tendernest.com

MANAGER; KODY JOHNSON

CONTACT INFO; 406-671-2473 EMAIL; kody@eecmt.com

PROJECT TIMELINE;

Purchased building; August 2018 Began Renovation; January 2020 Projected Completion; Summer 2021

EXTERIOR – SHELL RENOVATION

Windows; August 2020
Dock (footings); August 2020
Brick; September 2020
Roof caps; September 2020
Roof replacement; Spring 2021

INTERIOR RENOVATION

Fire suppression system; Spring 2020
Basement Concrete; Summer 2020
Plumbing; September 2020
Elevator and Lift; November 2020
Flooring; March 2021

MECHANICAL – UTILITIES

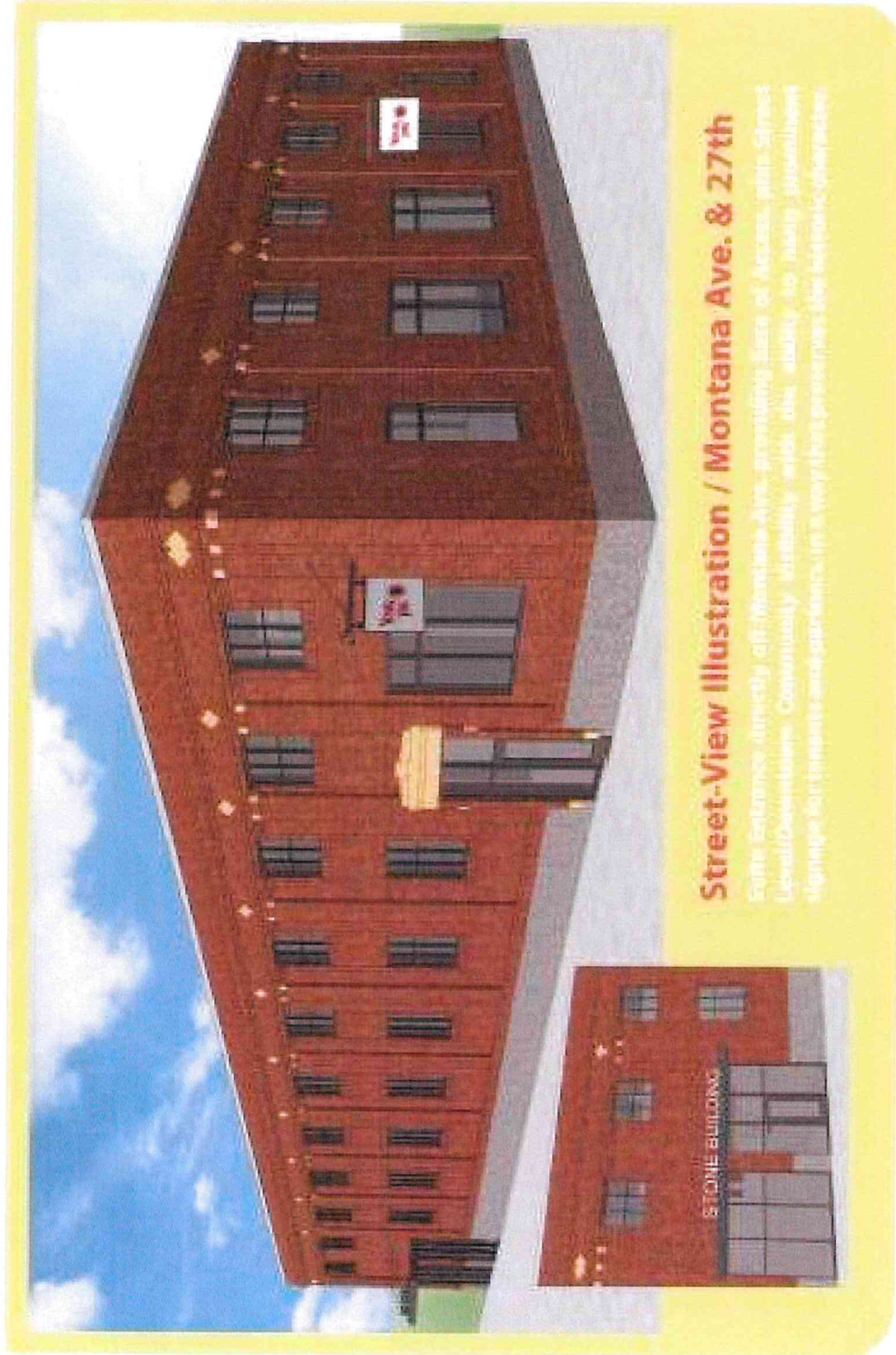
Electrical; September 2020
Heat; Spring 2020
HVAC; February 2021
Internet-Fiber optics; Spring 2021

PARKING LOT - LANDSCAPING

Resurfacing, security, cameras, lighting, fencing; Fall 2020
Landscaping; Spring 2021
Signage; Spring 2021

ADDITIONAL INFORMATION

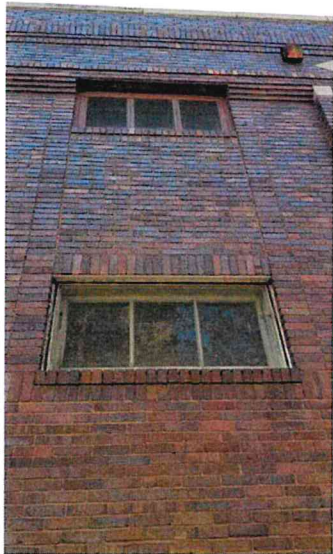
STREET-VIEW ILLUSTRATIONS



STREET-VIEW ILLUSTRATIONS



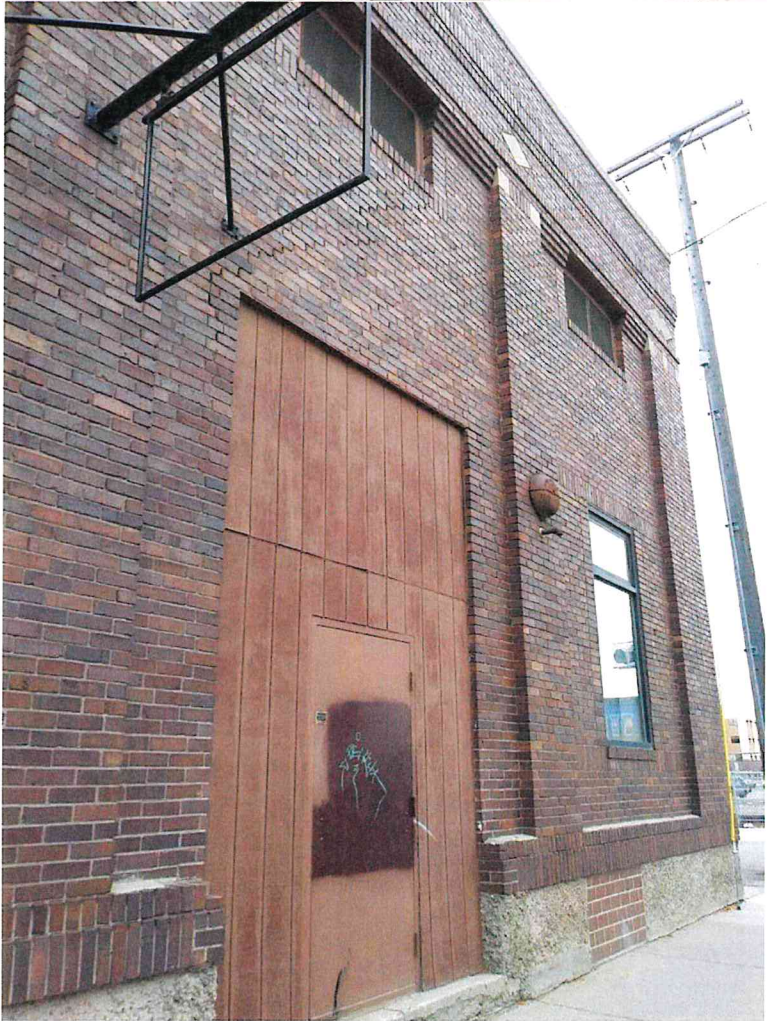
CURRENT PHOTOS



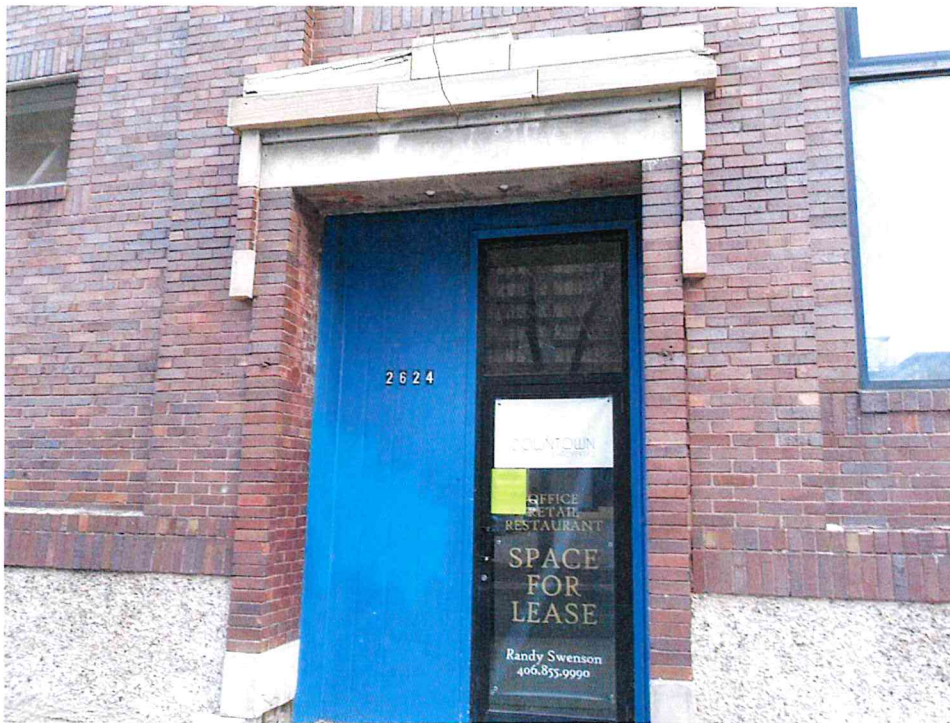
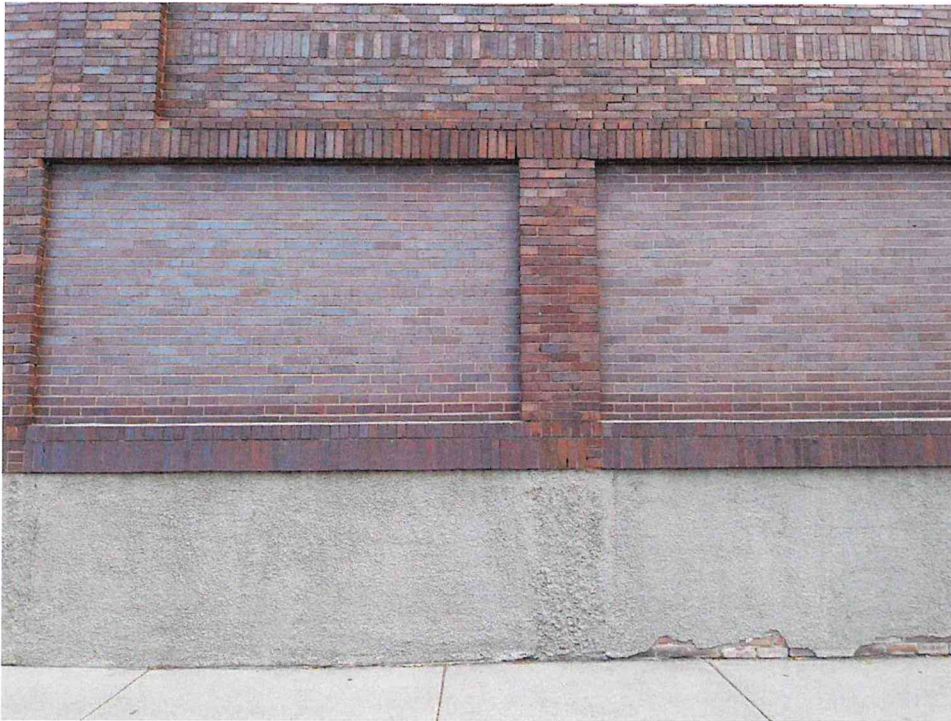
CURRENT PHOTOS – CONTINUED



CURRENT PHOTOS – CONTINUED



CURRENT PHOTOS – CONTINUED



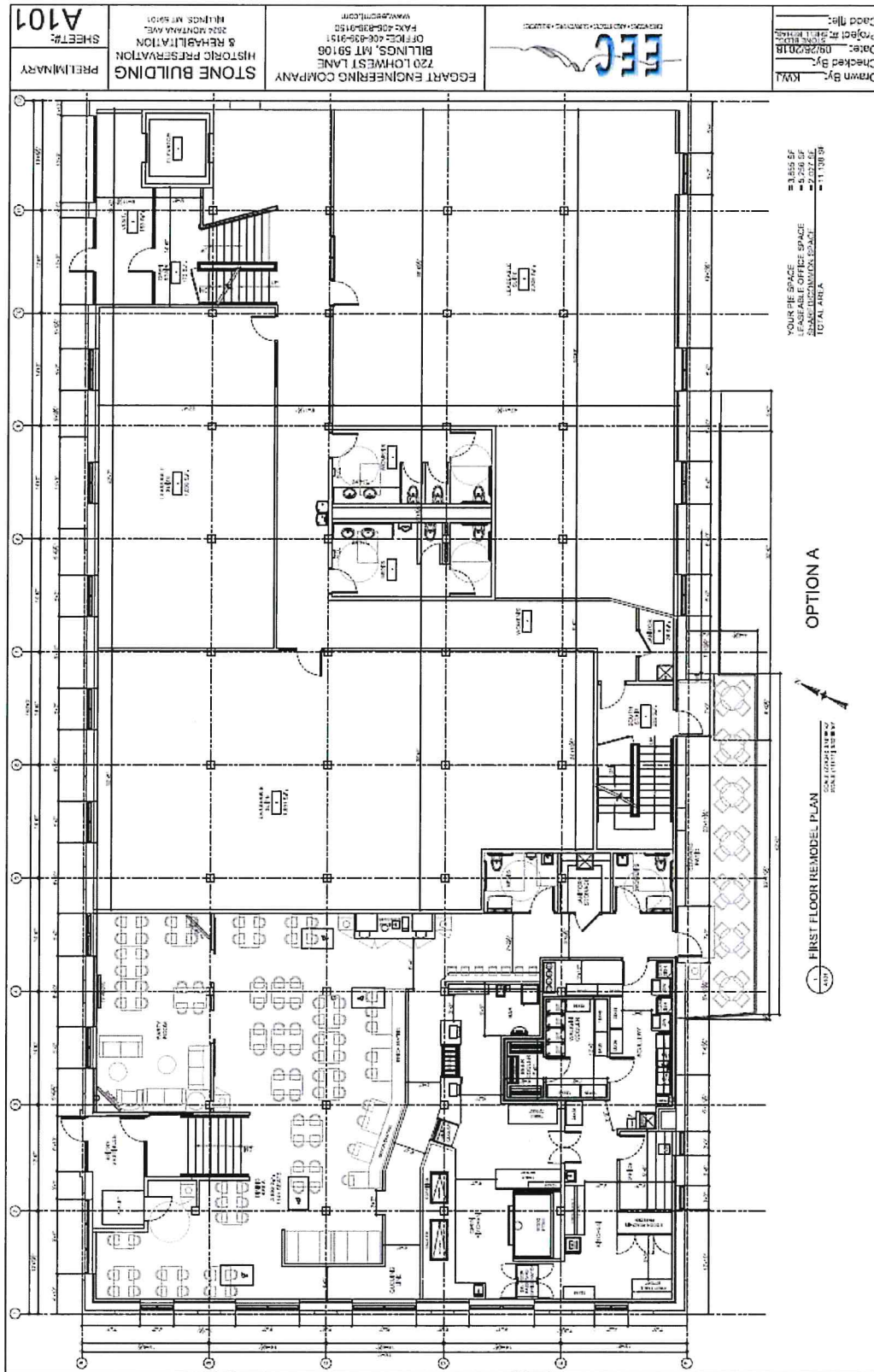
Strong Identity		
Creative painting of crosswalks and intersections can have dual benefits of adding to the visual appeal of downtown while also improving safety by alerting drivers to areas with heavier pedestrian traffic.		
Two way street networks provide lower vehicle moving capacities but can serve trips at a higher rate.		
Two way traffic, enhanced sidewalk spaces, and a narrower street attracts new and vibrant businesses.		
Does the project support increased visitation?	Examples include large spaces which could host concerts or other gatherings, spaces which could be occupied by destination businesses such as restaurants or boutique retail.	0 1 2 3 4 5
Does the project improve the overall design/aesthetic?	Examples include improvements to the façade, signage, historic preservation, alleyscapes.	0 1 2 3 4 5
Does the project provide an improved pedestrian/visitor experience?	Examples include seasonal décor, seasonal event opportunity, ambiance lighting, safety improvements, additional trees or landscaping, public seating, etc.	0 1 2 3 4 5
Does the project add public art?	Examples include large murals, sculptures, interactive installations.	0 1 2 3 4 5
Diverse Economy & Sustainability		
Downtown Billings has the opportunity to implement large scale development in the Downtown area. Such development should create new jobs and engage the existing workforce as well as provide meaningful economic and fiscal impacts to the city, county, and state.		
Does the project promote the creation of jobs?	Will potential tenants create new jobs? How many employees?	0 1 2 3 4 5
Does the project promote economic growth?	Current taxable value vs. projected value	0 1 2 3 4 5
Does the project include energy efficient components?	Examples include doors, windows, roofing, HVAC, plumbing, recycled products, etc.	0 1 2 3 4 5
Does the project encourage business development?	Will the project assist in business recruitment (new business), retention (expansion of existing business), diversification (add new industry/retail/etc.)	0 1 2 3 4 5
Benefit to the Public		
Project should include appropriate wayfinding signage to direct drivers to existing parking and then on foot to their destination. Where possible, the project should also delineate future employee parking on higher floors of parking garages.		
Does the project add public parking?	Underground? Ground? Higher floors?	0 1 2 3 4 5
Does the project support public safety	Will the project incorporate CPTED evaluation and standards? Will the project improve an existing public safety challenge?	0 1 2 3 4 5
Does the project reinforce safe pedestrian crossing and promote traffic calming?	Examples include installation of pedlets, widening of sidewalks	0 1 2 3 4 5
Additional/Bonus		
Convention Center		0 1 2 3 4 5
Infrastructure		0 1 2 3 4 5

Grading Criteria:

<p>The purpose of this program is to provide financial and practical assistance to develop or redevelop buildings within the boundaries of the Expanded North 27th Street Urban Renewal District (URD) in downtown Billings. This program will:</p> <ul style="list-style-type: none"> - Assist in the economic revitalization and stabilization of the URD; - Attract and retain a stable clientele population within the URD; - Stimulate private investment within the URD; - Generate additional property tax revenues within the URD; and - Encourage and facilitate in the remodeling and restoration of historically significant structures within the URD. 		<p>Out of a total of 85 points, each item to be scored 0-5:</p> <ul style="list-style-type: none"> • 55 to be considered • 65 to be strongly considered • 75 to be of highest priority
<p><u>Vibrancy & Connectedness</u></p>		
<p>Some of the resistance to walking from a parking facility to a destination in the downtown area can be overcome if the walk itself offers the visitor a pleasant, unique, fun, or informative experience.</p> <p>Promotion of upper floor housing and new housing development projects for downtown and prioritization of model housing development projects that test the market, establish a price floor, and prove viability.</p>		
Does the project eliminate blight?	Blight may include but is not limited to conditions which represent a risk to public health, morals, safety, and welfare in its present condition. Examples range from physical dilapidation to improper or inefficient layout. For a more complete list of factors, refer to MCA 7-15-4206	0 1 2 3 4 5
Does the project add or improve housing opportunities?	Construction or rehabilitation of housing is a priority in the downtown area. Quantity, quality, and projected rental or sale rates of units are to be considered.	0 1 2 3 4 5
Does the project add, maintain, and/or enhance landscaping?	Addition of significant and sustainable landscaping where appropriate is encouraged.	0 1 2 3 4 5
Does the project activate an inactive building or space?	Vacant buildings can be considered blighted. Consideration is to be given to current AND expected duration of vacancy based on all currently available information.	0 1 2 3 4 5
Does the project connect and/or improve walkways, parks, or parking options?	Does it widen sidewalks and calm car traffic? Does it provide weather protection with trees or awnings? Are any or all improvements aesthetically pleasing (painted in interesting ways or otherwise include public art)?	0 1 2 3 4 5
Does the project add or improve green space or public space?	Examples include urban parks, micro parks, and parklets.	0 1 2 3 4 5

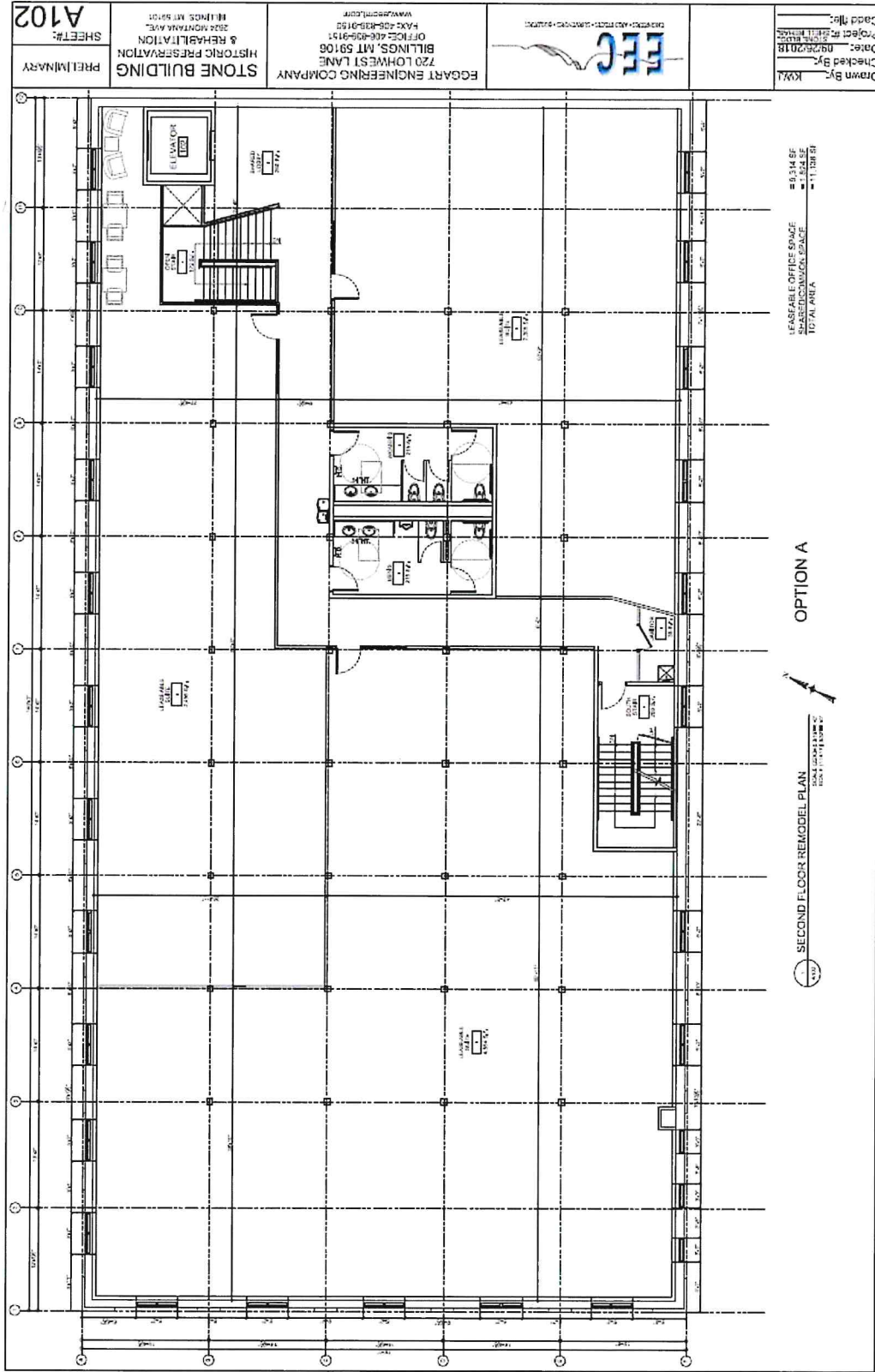
PROJECT SCHEMATICS

First Floor

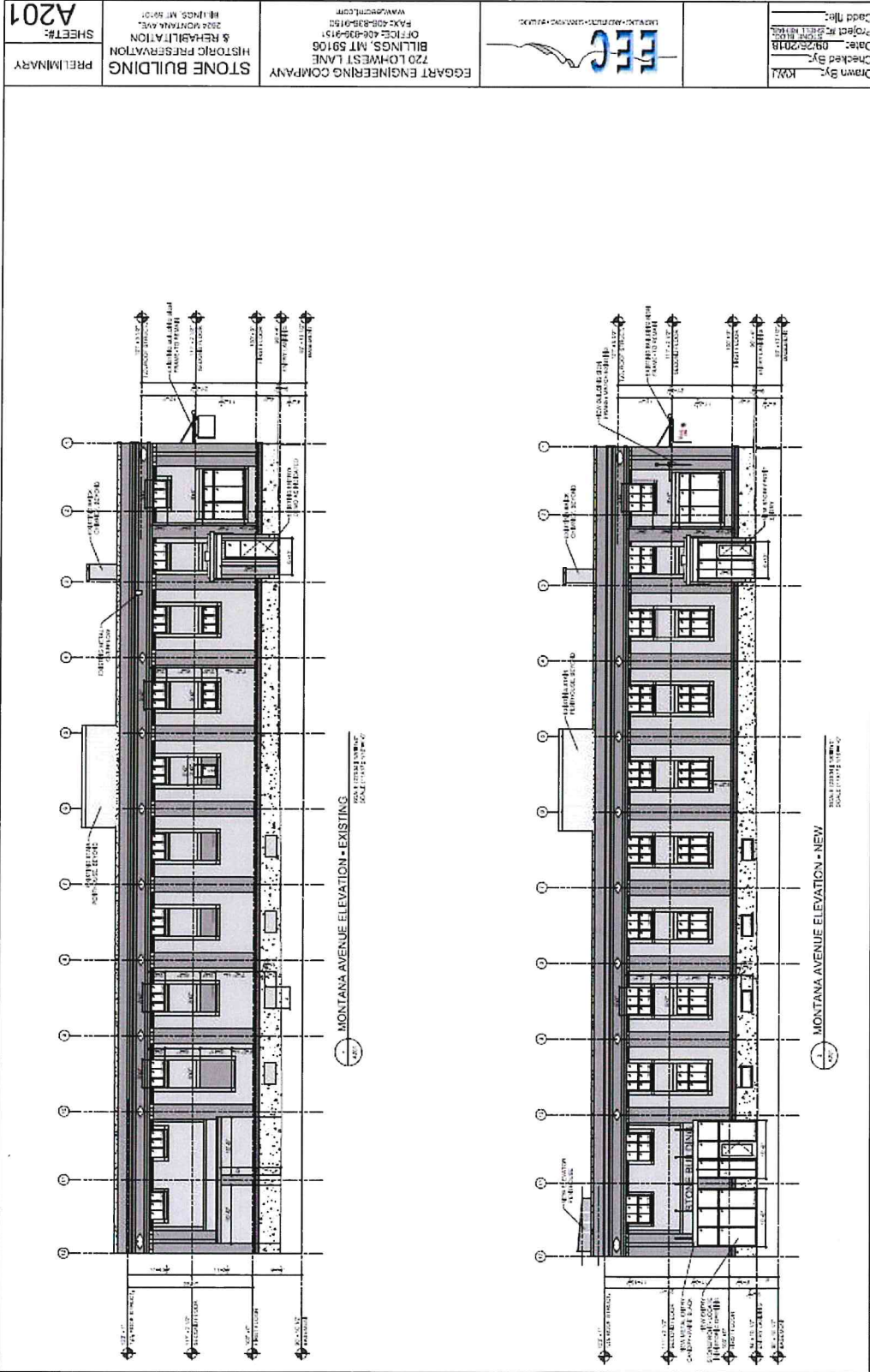



PROJECT SCHEMATICS

Second Floor

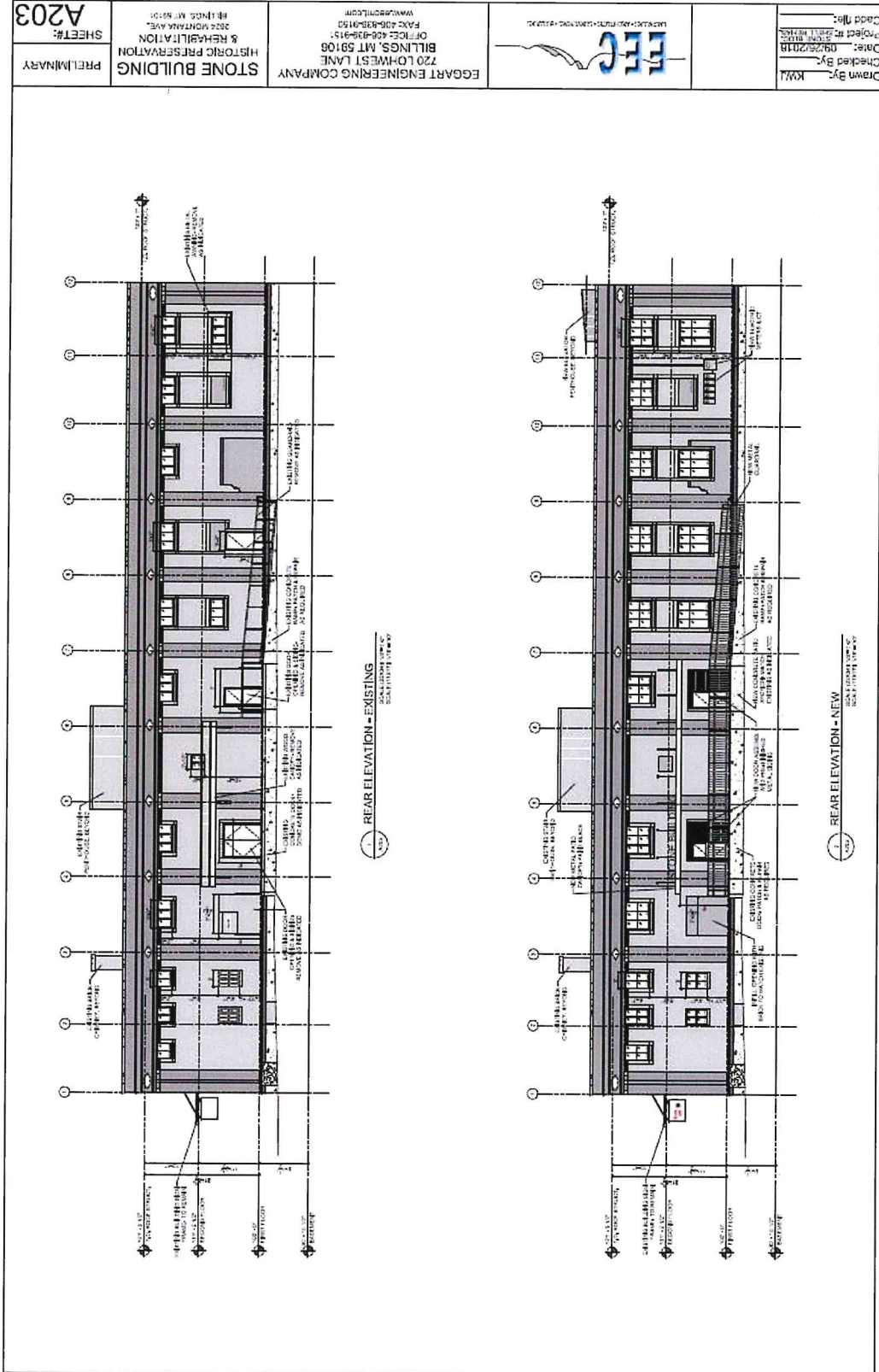



ELEVATION VIEW



SHEET#: A201 PRELIMINARY	HISTORIC PRESERVATION & REHABILITATION 3024 MONTANA AVE. BILLINGS, MT 59102	EGGART ENGINEERING COMPANY 7701 WEST LANE BILLINGS, MT 59106 OFFICE: 406-339-9151 FAX: 406-339-9152 WWW.EGGART.COM	 EGGART ENGINEERING COMPANY 7701 WEST LANE BILLINGS, MT 59106 OFFICE: 406-339-9151 FAX: 406-339-9152 WWW.EGGART.COM	Checked By: KWL Date: 09/26/18 Project No: 18-001
				Cadd No:

ELEVATION VIEW



SHEET#: A203	PRELIMINARY	STONE BUILDING HISTORIC PRESERVATION & REHABILITATION	161 N. HUNTER ST. MONTANA AVE. HELENA, MT 59101	EGART ENGINEERING COMPANY 720 LO-WEST LANE BILLINGS, MT 59106 OFFICE: 406-838-9151 FAX: 406-838-9150 WWW.EGART.COM	 ENGINEERING ENVIRONMENTAL CONSTRUCTION	Checked By: KWL Date: 09/25/2018 Project # 2018-001
						Cadd #: Project # 2018-001

Meeting Date: Friday, November 20, 2020, 7:30 am

Location: Remotely via Zoom

RE: downtown Properties LLC TIFD Assistance

Proposal:

The Downtown Properties LLC owns the Stone Building, which is located at 2624 Montana Avenue (the Southeast corner of 27th Street and Montana Avenue - formerly known as St. Vincent de Paul). Randy Swenson, a managing member of the Downtown Properties LLC, has been actively recruiting tenants to occupy space in the building but without a shell built, all prospective businesses have been reluctant and non-committal. Between trying to obtain enough financial assistance and needing to incentivize future tenants to occupy the building, Randy and partners started construction on the building in January, 2020. Soon after, circumstances changed locally and globally, which led to Downtown Properties LLC submitting an application for TIF assistance in the July cycle. Due to discrepancies in numbers and details, the Board modified and approved the grant. However, in order to do our due diligence and fairly consider the merits of the projects, a second application was submitted through the current cycle (Oct-Dec). Hence the Committee recommendation before you. The Committee sees the value and potential of this project but also understands the challenging components of this property. Having a property on a rail line is a challenge in and of itself but this challenge is amplified even more during a pandemic and a year of record high hurricanes in the south, which are events that continue to impact the speed and cost of construction and materials. Those variables also don't bode well with financial institutions when courting for loans to fund this project.

Nevertheless, this vital and large corner will impact our downtown positively when it is repurposed and revitalized. It has been vacant since 2018 and prior to that, it was owned by a nonprofit. The TIF increment alone is going to be positively impactful let alone a building of this size bustling with movement. Not to mention this kind of activity would only help the surrounding buildings and neighbors leading to future potential projects and business. There's a unique opportunity to address many of the goals of the Downtown Billings Strategic Plan and Urban Renewal Plan. Improving the perception of safety around this building is significant, which will be accomplished by providing natural surveillance - updated security on ports of entry/exit, lighting, structural reinforcement - to deter undesired activities such as graffiti, loitering, or break ins. Activating this corner will eliminate a blighted space and bring new visitors to our downtown. Most importantly, this project is not leveling the building and instead building upon the existing infrastructure to restore the health and vitality to an unoccupied or neglected corner for the benefit of downtown life and vibrancy.

In terms of tenants, a second branch of Your Pie is currently confirmed to occupy the northwest corner of this building. Further discussions are being had with an office upstairs and another street level business. Moreover, the Downtown Properties LLC has already been an actively engaged landlord in the downtown community by staying plugged in and joining the ongoing discussions. The building is being named the "Stone Building" building to honor its heritage dating back to the Stone Ordean & Wells Company, which was a large wholesale grocery store between 1914 and the 1930s.

The Downtown Properties LLC is requesting TIFD assistance in the amount of \$700,00 dollars. While the request deviates ever so slightly from the 5:1 preferred matching threshold, their project is projected to cost \$3,986,617. Keeping in mind that this project will only bring the building to a shell, meaning that further investments will be made privately by the landlord or tenants. If approved, this TIFD assistance request will be subject to available Fund 203 cash and will only be applied to qualified expenditures.

Financial Breakdown Details

Private Investment	TIF Request	Ratio %
Acquisition = \$680,000 (March 14, 2018)		
Construction = \$3,306,617 (\$1,010,210 complete/\$2,296,407 to go)		
Total = \$3,986,617	\$700,000	18%

Financials

If approved, reimbursement funds are available in the fiscal year following the year of project completion.

DBP Development Committee recommends approval of this 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.
3. If funds are not available, reimbursement can be carried over to the next fiscal year.

DBP board of directors has authority to approve, modify and approve, or disapprove the recommendation prepared by the Development Committee.

Motion to approve: I make a motion to approve the recommendation of the Development Committee to award this applicant a reimbursement grant not to exceed \$700,000 so long conditions above are met.

Motion to disapprove: I make a motion to disapprove the recommendation of the Development Committee in awarding this applicant a reimbursement grant of up to \$700,000.

Motion to modify: I make a motion to modify the Committee’s recommendation...



Street-View Illustration / Montana Ave. & 27th

Suite Entrance directly off Montana Ave. providing Ease of Access, plus Street Level/Downtown Community Visibility with the ability to hang prominent signage for tenants and partners, in a way that preserves the historic character.



Street-View Illustrations

Top: Montana Ave. Elevation
 Right: N. 27th Street Elevation
 Bottom: Rear (Railroad) Elevation

