

Mayor and City Council Informational Summary

Extending Life of Downtown Urban Renewal District Brings Significant Opportunity

Overview

City staff and Downtown Billings Partnership staff have been researching the City's opportunity to extend the life of the Downtown Urban Renewal District (URD) to maximize the benefits to the City and community. Further detail on this District life extension is outlined later in this summary, but the key to extend the District's life is to sell bonds for a project within the Downtown URD before July 1, 2020 to meet the statutory requirements of a District extension. Stimulating Downtown Revitalization is one of the City Council's adopted 2020 Priorities, which also includes implementing the Downtown Traffic Study's one-way to two-way street conversion plan. This prompted staff to review the recently completed Downtown Area Traffic and Circulation Study findings to select a viable and beneficial project that could be designed, bonded and constructed in time to meet the District extension requirements.

The staff selected one-way to two-way street conversion projects for North 29th Street and North 30th Street between 6th Avenue North and Montana Avenue, an existing couplet in downtown Billings identified in the Downtown Area Traffic and Circulation Study. Since the Montana Department of Transportation also identifies North 29th Street and North 30th Street as Urban Routes, action by the Montana Transportation Commission is required to approve City construction on these roadways. To complete this approval at the State level, the Billings Metropolitan Planning Organization must amend its Billings Long Range Transportation Plan to ensure these roadway projects are properly identified in the Plan.

The wheels are already turning to get these many steps done through City Finance, Downtown Billings Partnership, City Engineering, City-County Planning and MDT. The following bullets provide more detail on the opportunities and challenges involved in the City Council completing this process.

➤ **Downtown Urban Renewal District Life Extension**

Currently, the Tax Increment revenue within the Downtown URD is around \$3 million dollars per year. This money is used to pay for projects that benefit the public. If the District life is not extended to the full length allowed under statute, the City of Billings

will lose an opportunity to invest an additional \$15 million into our downtown core. This is a very conservative estimate assuming no growth over the 19 remaining years in the District with the extension. City Finance staff is confident the amount of investment the community would forego if it did not extend the District's life is far greater than \$15 million dollars, but staff is hesitant to make any specific assumption as to what that amount may actually be.

Investments in our Downtown that boost our tax base as a community are likely to have some of the best Returns on Investment when compared to other parts of our community. The taxable value per acre in our downtown core is greater than nearly any other area of the City, so the importance of supporting and facilitating downtown development and redevelopment is critical to the entire economic stability of the community.

➤ **District Bonding to Extend Life Funds North 29th Street and North 30th Street 2-way Conversions**

The City Council would need to take action to approve a bond sale before June 30, 2020, to ensure the Downtown URD life extension would occur. Staff has begun the initial work to complete this process by working on design, project cost estimates and the bonding financing process to bring the process to City Council in time this spring. After bringing this overall package of steps to the City Council Work Session on April 20, and if Council provides direction to complete the effort, staff will set a schedule and prepare the materials for Council action in June.

One-way to Two-Way Street Conversion Benefits

Since the Downtown Area Traffic and Circulation Study was completed in 2019, the DBP staff has completed research on the benefits of converting downtown one-way streets to two-way streets. According to a study of street conversions by Clemson University, two-way streets offer important advantages in commercial corridors:

- They facilitate an appropriate amount of traffic
- Provide a safe environment for pedestrians
- Support a good location for small business
- Property values tend to rise at a faster rate on two-way streets than one-way streets

It is on these slower paced, two-way commercial streets that pedestrian shoppers, diners, and downtown visitors feel the safest and most comfortable.

➤ **Design of North 29th Street and North 30th Street 2-way Conversions**

Given the time constraints of completing this multi-part process, City Engineering is moving ahead to design the street conversion projects, develop costs and be prepared to use City approved bonding (extending the life of the District) to build the projects.

The Downtown Area Traffic and Circulation Study investigated a number of projects within the Downtown and determined their feasibility in relation to one another. The projects analyzed included eliminating travel lanes, closing certain streets, converting the east-west streets to two-way traffic, and converting the north-south streets to two-way traffic. When the opportunity to implement one of the alternatives was discussed, it was determined the best project to start with is the conversion of N. 29th and N. 30th to two way streets between Montana Avenue and 6th St North. The one-way to two-way conversion of 29th and 30th Streets moves toward a consistent network of two-way streets within downtown Billings, increasing accessibility for all users. The anticipated cost of the conversion is \$1.9 million.

➤ **Montana Department of Transportation Jurisdiction of North 29th Street and North 30th Street Requires Billings Long Range Transportation Plan Amendment and Highway Commission Action**

Since MDT identifies North 29th and North 30th as Urban Routes, it takes an action by the Montana Transportation Commission to approve City construction work on those roadways. To receive approval from the Commission, the Billings MPO must amend its 2018 Billings Long Range Transportation Plan (LRTP) to properly identify these two roadway projects in the Plan. To amend the LRTP, MPO staff will follow its standard process for plan updates or adoptions, bringing the amendment to the City Council, Yellowstone County Board of Planning, Yellowstone County Board of County Commissioners and, ultimately, the Policy Coordinating Committee (PCC) for local approval of the amendment. The Transportation Commission would then take action at its June 25 Meeting. Communication between MPO staff and MDT is ongoing and both agencies are clear and supportive of the process.