

Meeting Date: Friday, March 26, 2020, 7:30 am

Location: Remotely via Zoom

RE: Montana Rescue Mission TIFD Assistance

Proposal:

The Montana Rescue Mission (MRM) is embarking on a project to create a Unified Campus for their operations and services. This project will encompass several buildings on Minnesota Avenue; some of which have been operational but not as optimal as they can be while other properties have been underutilized and in dire need of revitalization. This project involves properties between S 29th St and S 28th St (west to east) as well as Minnesota Ave and 1st Ave S (north to south). This effort will streamline MRM's services in addition to contributing to the energetic momentum of reactivating Minnesota Avenue. This new campus is a holistic approach to combat homelessness and guide vulnerable populations through the challenges of being re-established in the community.

The plan dictates releasing the Women's Shelter building from their ownership and consolidating all operations within the new campus. The new space will offer more privacy for its tenants, increase capacity, and offer low-income housing. Low-income tenants are still expected to meet the conditions associated with low-income housing requirements and are subject to availability of units. This campus will also offer an outdoor green space, car and bike parking, playground and pet area, on-site daycare, vocational training, library lounge, exercise facility, community auditorium, medical clinic, computer lab, class and office spaces, and a barber/beauty shop. By reinvigorating this existing space as well as releasing the Women's Shelter building back into a tax-paying entity, this project addresses many of the goals of the Downtown Billings Strategic Plan and Urban Renewal Plan such as enhancing the pedestrian experience, contributing to public safety, activating vacant spaces, and providing natural surveillance. Additionally, this project uses existing infrastructure and resources to restore health and vitality for the benefit of downtown life and the surrounding neighborhood.

MRM is requesting TIFD assistance in the amount of \$1.5M dollars on a 5:1 matching basis. Their private investment is \$10.5M, which includes federal low-income housing tax credits and private fundraising. The total project will cost \$12M and below is a breakdown of TIF eligible expenses. Following a lengthy extensive review of the program goals, the proposal's merits, the projected funds available, and the applicant's desire for short term disbursement, the Development Committee is recommending a grant allocation of \$420,000 toward blight elimination to be paid in two equal consecutive installments following completion of the project. If approved, this TIFD assistance request will be subject to available Fund 203 cash and will only be applied to qualified expenditures, such as demolition, exterior restoration (exterior windows, doors, lighting, signage, awnings), foundational/structural improvements, landscaping and streetscaping.

Eligible TIF expenses:

Exterior improvements: \$782,742
Exterior sitework: \$797,848
Structural upgrades: \$967,389
Subtotal: \$2,547,979

Privately funded expenses

East building interior improvements
Middle building interior improvements
West building interior improvements
Building 21 interior improvements
Subtotal: \$9,458,062

Financials

If approved, reimbursement funds are available for reimbursement starting in the fiscal year following the fiscal year in which the project is completed. Reimbursement is to be in at least two consecutive installments of \$210,000 a year.

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 90-150 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 may 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 \$420,000 so long conditions above are met.

Motion to disapprove: I make a motion to disapprove the recommendation of the Development Committee...

Motion to Modify: I make a motion to...

