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|------------------|----------------------|------------------|-----------------|------------------|
| <b>ATTENDED:</b> | Dave Fishbaugh       | Norman Miller    | Andy Patten     | Denis Pitman     |
| Sam Merrick      | Chris Montague       | Steve Arveschoug | Wyeth Friday    | Sean Lynch       |
| Matt Blakeslee   | Ignacio Barron Viela | Janna Hafer      | Katy Easton     | James Chandler   |
| Jenny Ross       | Mehmet Casey         |                  |                 |                  |
| <b>GUESTS:</b>   | Lauren Wright        | Eric Schmidt     | Cori LeFever    |                  |
| <b>ABSENT</b>    | Penny Ronning        | Ethan Kanning    | Jock West       | Marguerite Jodry |
| Joni Harman      | Steve Wahrlich       | Chris Kukulski   | Steve Tostenrud |                  |

1) Call to Order – Introductions, Courtesies, and Public Comments (3 min. limit) Meeting was called to order at 7:29 AM.

2) Regular Agenda:

a. Minutes – April 23, 2021 meeting minutes, vote to approve minutes - Mr. Lynch made a motion to approve the April 23, 2021 minutes Mr. Pitman seconded all were in favor, none were opposed.

b. Presentations:

i. The Monte TIF Assistance – Ms. LeFever & Eric Schmidt - Ms. LeFever gave a brief history of the Monte and an overview of the experience they hope their guests get when visiting The Monte. Ms. LeFever gave an overview of their remodel plan, that includes plans to remove the brown awning, replace the tinted glass with clear glass to provide better visibility, restore the "chamber" entrance and liven up the 29th corner, as well as add some street trees on 29th street and eventually on 1st depending on what the state is doing. They hope to get a new roof, new mechanical, and pedestrian focused signage. They want to paint a mural on the east side of the building in the alley with Western Security Bank. Ms. LeFever reviewed the interior plans of changing up their seating by the windows, and have long term goals that engage with the community, grow their business and employee base. They feel like these improvements will help connect downtown to MT Ave. Ms. LeFever shared that they are a woman owned business and is a second generation owner of The Monte.

Mr. Lynch asked about their plans for the building that they own next door. Ms. LeFever shared that this project is smaller and more attainable but they do plan to do renovations on that building eventually.

- ii. Billings Community Foundation TIF Assistance - Ms. Wright gave an overview of the Billings Community Foundation. She shared they recently purchased the building located at 404 N30th Street and they intend to work with non-profits and other opportunities to engage their community and provide a collaborative center. Ms. Wright shared that they have already started their phase one of their renovations, which include the upstairs location for the Billings Community Foundation offices and are moving on to the streetfront portion of Phase one which she believes is where the TIF dollars are so important. They are requesting funds for the ADA Lift to become ADA compliant in addition to this they learned they are not connected to the sewer line and are needing to resolve this issue quickly. Additionally, there are needed improvements to the roof, exterior of the building as well as the sidewalk and landscaping around the property. Ms. Wright shared an overview of their large project budget breakdown for the board. Mr. Casey invited the board to ask questions.

Mr. Patten asked if the building was going to be tax exempt. Ms. Wright shared that they are a non-profit and tax exempt. Ms. Wright shared that their annual distributions are approximately 850k to 1MM to the community. A discussion was had amongst the board over the clarity on what the Billings Community Foundation is and what they do, including their annual operating budget of 175k-200k.

iii. ArtHouse Cinema TIF Assistance update/request - Mr. Blakeslee shared that a letter was provided to the board with detailed information on their funding and they fully intend to continue to break ground and continue to make renovations and he is asking for a two year extension on their TIF award. Ms. Easton shared that this project is something that she believes is very important. Mr. Blakeslee clarified that the first extension was requested when ArtHouse Cinema acquired operations of the Babcock Theater. This time, the delay of Phase 2 is primarily due to COVID-19 and how the industry is performing as it recovers.

### 3) Action Items

a. Monte Committee Recommendation - Mr. Patten asked to take up consideration of the Monte Project, Ms. Hafer recused herself. Mr. Lynch asked Ms. LeFever to make a commitment to work on their other two buildings if the funds were approved. Ms. LeFever shared that they are working on the Montana Ave building slowly, she said they can't give a timeline on the Roxy but can confirm that they will be working on the building. Mr. Montague asked about the subcommittee's opinion and their recommendations. Mr. Casey

shared an overview of the report provided on the subcommittee's last meeting and that City Council asked to see the financials in a different format. Mr. Casey shared that most of the items are foundational, structural and electrical. The Committee had discussed the awning and general exterior appearance. They also spoke highly in favor of this and taking it back to the historic look of what it was in the 1930's. Mr. Casey shared that the amount requested is \$113,997 and that the development contract would be signed within 150 days of council's approval. Mr. Patten asked about the contingency portion that is listed, and Ms. Easton shared that this checked in house and then again by the city and shared that the cap listed per category and that if they underspend then they receive the amount spent and funds would not be able to allocate the excess to a different category. Ms. LeFever shared that she understands this. Mr. Patten asked for a motion and Mr. Miller made a motion to approve, which was seconded by Mr. Merrick. All were in favor, none were opposed.

b. Billings Community Foundation Committee Recommendation- Mr. Casey provided an overview of the BCF TIF request and he reviewed the list of improvements. The committee saw value in this project and that the committee believes filling the vacancy will provide more activity and life to this area within the downtown corridor. Mr. Casey shared that the Committee reduced the award amount from the original ask to \$181,774. Mr. Patten asked about the stance of the City Council's opinion on granting to Non-Profits. Ms. Easton shared that we are a year into this new application cycle and believe that it is going well with the quarterly grant cycle. She shared that one thing the Board might want to consider is calculating the percentage of awards given to nonprofits vs for-profits similar to loan portfolios. Ms. Easton shared that this project is very important especially due to the improvements needed for the plumbing in this particular situation.

Mr. Montague asked about the current percentage with Non-Profits and Mr. Casey shared since May 2019, only one in the traditional fashion was a non-profit that is not paying taxes. Mr. Lynch shared that the Montana Rescue Mission (MRM) had a clause for a building to be sold to a for-profit buyer. Mr. Montague clarified that the MRM, Billings Community Foundation, The Art House and the Alberta Bair Theater are non-profits that have applied. Mr. Lynch shared his concern of granting funds to nonprofits and then the inability to contribute back to the TIF funds.

Mr. Patten asked for a motion, Mr. Montague made a motion to approve and Mr. Barron Viela seconded. A discussion was had expressing concerns about the perception that might arise at the Council level. Mr. Lynch asked Ms. Wright how quickly they needed the funds, Ms. Wright shared that they are currently at a standstill until the funds are approved due to their cash flow status but do have donors that have pledged their support if they were able to get TIF approval and that she would be comfortable going in front of City Council. Mr. Patten shared that this could potentially lead to a difficult situation because this is a non-profit and not due to the project, this group is responsible for making sure that the district has the available funds. Mr. Lynch stated that he thinks this group needs to revisit this application once the percentage portfolio is complete instead of pushing an application through, which might put Ms. Wright in a stronger position. Mr. Lynch asked if they have a plan B if funds are not approved and Ms. Wright shared they will continue to privately fund raise and likely try to work with this board to figure out where they can improve on their proposal. She shared

that this approval will be a catalyst to other fundraising efforts. Mr. Montague asked when we can have the portfolio by, Ms. Easton thought by next month and that this is the appropriate time to determine a for profit and a nonprofit allocation because this is a new fiscal year. Ms. Easton also mentioned that since this application came in under the current procedure that it likely needs to follow the current practice. Mr. Friday brought up that during the budget discussion there was a suggestion brought forth to find a work session time when we can talk about the districts' vision and big picture for all of the districts. Mr. Patten shared that there is a simple motion on the floor which is BCF can move forward or withdraw it and wait for the restructure of the for profit v nonprofit allocation in the future. He encouraged the board to take a step back and understand what is at hand. The board was in favor 7-3. Mr. Lurch, Mr. Pitman, and Mr. Miller were not in favor.

c. ArtHouse Cinema Extension - Ms. Hafer made a motion to approve the extension and Mr. Lynch seconded. Mr. Patten clarified that the motion is to be amended to up to two years. Mr. Fishbaugh asked for clarity since building costs are going up if the \$350k was going to be sufficient. Mr. Blakeslee said they have some contingencies in place and that they would not seek more. Mr. Fishbaugh made a motion to approve and My. Lynch seconded and all were in favor and none were opposed.

4) Staff Update/Financials - Mr. Patten asked for questions on the budget. Ms. Easton shared that the finance committee met for two hours this past week and they will be able to report back to everyone in the near future.

Mr. Casey shared that next week, N29th street and N30th street are scheduled to be live as two way streets and he will continue to send out correspondence as he obtains information.

7) Meeting was adjourned at 9:15 AM and everything else on the agenda is contingent on next month's meeting.