

Meeting Date: Friday, June 18, 2021, 7:30 am

Location: Pub Station

*RE: Billings Community Foundation TIFD Assistance*

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**The DBP Board recommends approval of this project to the City Council with the following contingencies:**

- 1. The Applicant shall sign a development contract with the City of Billings and DBP within 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.**

**Proposal:**

The Billings Community Foundation (BCF) has been a local philanthropy and charitable giving organization in Billings and the Greater Yellowstone County since 2007. Their service encompasses south-central and south-eastern Montana in Yellowstone, Musselshell, Rosebud, Custer, Treasure, Bighorn, Carbon, Stillwater, and Fergus County. Since its inception, BCF has distributed over \$3.5M in grants and distributions for the support of charitable organizations and projects throughout the region. In addition to grant making activities, BCF partners with area nonprofits to provide capacity building workshops, assists clients utilizing the MT Charitable Income Tax Credit, establishes endowments, manages Donor Advised Funds, creates Community Funds, and offers consultations upon request.

The BCF's Home of Philanthropy will be the first in the State of Montana. It will allow the BCF to scale proven initiatives in an innovative and collaborative space designed to meet the needs of the philanthropic and non-profit sectors. BCF will revitalize a historic landmark, enhancing vibrancy and economic investment in Downtown Billings through a centralized location. BCF will strengthen Billings, the Greater Yellowstone Valley Region, and Southeast Montana by cultivating an environment that promotes networking, partnerships, and community engagement through philanthropy. BCF will provide a dedicated space to inspire philanthropy, promote strategic community investment, and encourage economic growth through collaborations. BCF will also increase capacity, community support, and asset development for the non-profit sector through additional grantmaking, programming, and opportunities. Finally, BCF will continuously strive to make the Greater Yellowstone Valley a better place to live, work, play, and serve.

BCF acquired the property at 404 N 30th Street, which has been vacant for over a year. Richard Crowe built a home in 1882 and resided in it until the 1980s. The property was then purchased by Mary Ann Andrews and occupied as the George Henry's Restaurant for over 30 years. Following the retirement of the Andrews, the building continued as a restaurant and was home to Benson's and Commons 1882 until July of 2019.

## Financials

BCF is requesting TIFD assistance up to \$202,713. Their private investment is \$1,013,566, which includes cash, equity, and a bank loan. The reported total project cost is \$1,216,279, which includes the purchase price of the building at \$685,000. A recent appraisal of the property valued the building at \$650,000, \$35,000 lower than the purchase price.

The DBP Development Committee reviewed this application and recommended using the appraised value of the building instead of the purchase price, and excluding FF&E expenses (as non-permanent improvements). These values lower the project total to \$1,088,466, and the 5:1 ratio grant to \$181,774.

If approved, this TIFD assistance request will be subject to available Fund 203 cash and will only be applied to qualified expenditures such as plumbing and sewer repairs, ADA compliance, fire & security, foundational flooring installation, parking and sidewalk resurfacing, exterior drainage and gutters, exterior demo and preparation of doors, landscaping, lighting, and signage. Below is a breakdown of expenses.

<b>Eligible Public Improvements</b>	<b>Actual</b>	<b>Recommended</b>	<b>Percentage</b>	<b>MCA Statute</b>
Plumbing for ADA restrooms	\$44,693	\$34,213	76%	7-15-4233 (i) (m)
Sewer repairs/public utilities access	\$15,400	\$15,400	100%	7-15-4288 (2)
Fire & security	\$10,412	\$5,206	50%	7-15-4233 (i) (m)
ADA lift demo & construction	\$58,425	\$33,684	57%	7-15-4233 (i) (m)
Structural Engineering	\$2,500	\$1,250	50%	7-15-4233 (m) (n)
Foundational flooring installation	\$9,000	\$9,000	100%	7-15-4233 (i) (m)
Parking & sidewalk resurfacing	\$5,818	\$3,502	60%	7-15-4288 (4)
Exterior drainage & gutters	\$10,898	\$10,898	100%	7-15-4288 (4)
Exterior landscaping	\$30,130	\$30,130	100%	7-15-4233 (m) (n)
Exterior door replacement	\$16,991	\$16,991	100%	7-15-4233 (i) (m)
Exterior lighting & signage	\$21,500	\$21,500	100%	7-15-4288 (4)
Construction cleaning	\$250		0%	
Minor plumbing	\$118		0%	

Architectural services	\$20,531		0%	
Telecomm	\$14,687		0%	
Conference	\$2,255		0%	
Interior lights	\$2,159		0%	
Electrical	\$2,381		0%	
Office Reno	\$46,958		0%	
Utility relocation	\$8,921		0%	
Bathroom hardware	\$7,500		0%	
Classroom infrastructure	\$19,665		0%	
Cafe shelving	\$12,992		0%	
Lobby reno	\$10,000		0%	
Interior windows	\$15,214		0%	
Interior finishes	\$15,000		0%	
Exterior planters/raised beds	\$29,150		0%	
Interior carpentry	\$4,920		0%	
Building acquisition	\$650,000		0%	
<b>Total</b>	<b>\$1,088,466</b>	<b>\$181,774</b>	<b>16.7%</b>	

If approved by City Council, reimbursement funds are available for reimbursement starting in the fiscal year following the fiscal year in which the project is completed.