

MEMORANDUM

Date: April 13, 2022
To: Billings City Council
From: Jim Tevlin
 Consultant, South Billings Boulevard Urban Renewal District
Subject: TPA Group LLC Application for Tax Increment Assistance

Project: TPA Group LLC Logistics Center
Location: Between 3508 and 3218 South Frontage Rd
Entity: TPA Group LLP
Recommendation: The South Billings Urban Renewal Association recommends approval.

Qualified Improvements	Estimated Costs	Recommended Costs	City TIF Policy	Urban Renewal Plan	MT Code Annotated
South Frontage Rd ROW Improvements	\$284,771	\$204,997	Section 1(b)	Section 10,13	7-15-4288(4)
Site Structural Improvements	\$401,550	\$289,062	Section 1(b)	Section 4,5	7-15-4288(4)
Existing Conditions	\$430,716	\$310,058	Section 1(b)	Section 4,5	7-15-4288(4)
Utility Extensions, Relocations & Connections	\$272,111	\$195,883	Section 1(b)	Section 2,12	7-15-4288(4)
Total	\$1,389,148	\$1,000,000			

Recommended Tax Increment Assistance: \$ 1,000,000

Total Project Cost: \$37,996,513
 Expected Increase in Taxable Value \$23,790,862 (A)
 Annual Commercial Tax (1.89%) \$ 449,647
 Annual Tax Increment (69 mills) \$ 310,256
 Payback Period (years) 4.8

Public Benefit:

- Project eliminates blight (demolition of dilapidated buildings, unstable soil resulting from prior use).
- Project includes construction of a multi-use trail.
- Project will result in additional jobs.
- Project will likely spur additional development along South Frontage Rd.

(A) The expected increase is 80% of those expenses (approximately \$29.7 million) that are likely to result in tax increment (i.e., TIF-eligible “hard” costs).