



Billings Industrial Revitalization District

City of Billings
East Billings Urban Renewal District

Urban Renewal Assistance
Information and Application

Effective: **January 11, 2021**

To receive maximum funding all applications must be submitted to the BIRD and approved by the CITY prior to the start of construction. If applications are submitted after the commencement of construction the amount of funds to be awarded will be discounted or denied.

Billings Industrial Revitalization District Inc. (BIRD)
1413 4th Ave N, Suite C
Billings, MT 59101
406.272.4321

TAX INCREMENT FINANCING APPLICATION PROCESS FOR POTENTIAL PUBLIC
INFRASTRUCTURE ASSISTANCE VIA A DEVELOPMENT AGREEMENT AND POSSIBLE
ISSUANCE OF TIFD BONDS

IMPORTANT: The material below outlines the Tax Increment Financing (TIF) application process and Development Agreement and the responsibilities of the person or firm requesting TIF fund assistance (hereinafter known as APPLICANT) and the Billings Industrial Revitalization District, Inc. (hereinafter known as BIRD). Please review this information carefully before submitting the application or finalizing your development plans. Incomplete applications will be returned.

INTRODUCTION

The BIRD is responsible for advising the Billings City Council (hereinafter known as CITY), of the East Billings Tax Increment District, pursuant to Montana Urban Renewal Law (Title 7 Chapter 15 part 4288 Montana Code Annotated). TIF is an important element of the program as it provides a means to finance public urban renewal activities that assist and enhance private development within the district. A TIF program operates by first establishing a base year taxable value for all properties within the urban renewal district. Property taxes continue to be paid to all taxing jurisdictions on the basis of the base year valuation. All increases in property taxes above this base valuation due to new development or reappraisals are assigned to the TIF District (TIFD.) They are then invested in district revitalization activities. Consideration of TIFD assistance is available to private land owners for public infrastructure components of construction projects within the boundaries of the East Billings Urban Renewal District (EBURD).

ELIGIBLE ACTIVITIES

The TIF may be used to finance certain urban renewal activities. The BIRD will review applications and make recommendations to the CITY for assistance to projects eligible under this statute. Requests are evaluated on criteria outlined in the "Criteria for Review" section. Special emphasis will be placed on those projects that exemplify the EBURD Master Plan. This plan is available for download at the BIRD website: www.billingsbird.com

Projects requesting TIFD funds should eliminate blight where development will contribute to increased tax revenue for the TIFD that improve the aesthetics, character, safety and/or quality of life in the area.

This application is intended for eligible increment generating projects. All requests for TIFD funds are subject to approval by the CITY and TIFD fund availability.

Examples of TIF-Eligible Public Infrastructure Improvements

	MCA Statue
Demolition and abatement of structures and removal of blight	7-15-4288 (2)
Relocation of residents from building to be raised	7-15-4288 (3)
Sidewalks, Curbs, Gutters	7-15-4288 (4)
Public Utilities - Water, Wastewater, Storm Water	7-15-4288 (4)
Private Utilities - Electrical, Natural Gas, Telecommunications, Fiber Optic	7-15-4288 (4)
Intersection Signals & HAWK Crossings	7-15-4288 (4)
Street & Alley Surface Improvements	7-15-4288 (4)
Crosswalks	7-15-4288 (4)
Landscaping	7-15-4288 (4)
Green Space & water ways	7-15-4288 (4)
Improvement of Pedestrian Areas	7-15-4288 (4)
Historical Restorations	7-15-4288 (4)
Off Street Parking for public use where there is a need for public parking	7-15-4288 (4)
Bridges & walkways	7-15-4288 (4)
Pollution Reduction	7-15-4288 (12)
Architect, Engineering, Surveys & Appraisals	7-15-4233(n)

Applications must be approved by CITY and a Development Agreement signed before any construction begins to qualify for maximum TIFD funds.

Allow a minimum of 60 days between submitting a complete application to the BIRD and receiving a decision from the CITY.

APPLICATION PROCESS AND TIMELINE

Anyone seeking TIF assistance from the BIRD must submit a written application for each TIF-assisted project. The following procedure has been developed to expedite the review of TIF funding requests.

1. Initial Contact. Contact: BIRD: EBURD Coordinator, 1413 4th Avenue North, Suite C, Billings, MT 59101, 406-272-4321, to discuss the project and determine preliminary eligibility for TIF assistance.
2. Prepare a Written Application. The APPLICANT must prepare a written application for each project assistance request using the most current form. Applications must be received by the BIRD staff in advance of any construction work on the project. Development Agreements must be approved and signed prior to commencement of construction (see #6 below.) Waiver of this requirement can be considered when public safety or other factors warrant. For all TIF requests, the APPLICANT must complete a "Developer's Statement of Qualification and Financial Responsibility" which includes submittal of personal financial statements.
3. Staff Review. Upon submittal of all necessary information, the BIRD staff will review the project and the need for funding. At any point in the review process the staff or BIRD Board may request more information of the APPLICANT or solicit comment on the project from other public agencies. Items included in personal financial statements become public documents and are subject to public review or presentation to or comment by other agencies.
4. TIFD Application Review Committee. The BIRD Board has appointed a review committee that will evaluate the application and staff recommendations. The review committee reserves the right to seek additional project review from supporting committees of the BIRD and from other public agencies. The review committee will issue preliminary approval/disapproval of the assistance request or any part thereof and will make a recommendation to the BIRD Board that will then submit to the CITY, if approved.
5. Billings City Council Review. Projects will be forwarded to the CITY for final approval to proceed to a Development Agreement that will clearly spell out the public investment required to be applied towards public infrastructure on private property and/or development improvements within the public right of way. CITY approval is required before the BIRD and the CITY enter a Development Agreement with the APPLICANT.

6. Development Agreement. The BIRD, the CITY and the APPLICANT must execute a mutual agreeable legally binding Development Agreement which establishes the terms and conditions of TIF assistance. Sample Development Agreements are available at the BIRD office for reference. The Development Agreement may include, but is not limited to, the following:
- Complete architectural design specifications and site plan
 - Time frame for project development, construction, and completion
 - Specifications for release of funds related to public infrastructure
 - Cash flow and pro forma statements for a minimum of five years of the development
 - Terms and conditions of the various financings
 - Commitment letters and loan documents related to the various financings
 - Ownership of completed development
 - Events of default/remedies
 - Zoning approval
 - Tenant commitments
 - Non-liability of CITY officials and BIRD
 - Cause for termination
7. Timing. Following the above process for approval, the APPLICANT can expect a minimum of 60 days between submitting an application to the BIRD and receiving a decision from the CITY.

COMMITMENT OF FUNDS

Upon CITY approval of a project, the BIRD will commit funds to the project from the available TIFD funds and/or potential for Tax Increment Bond issuance. Committed funds will be encumbered for a period of 180 days, by which time construction must have commenced. Commencement of construction means the date on which the first building permit is issued. Projects that have not commenced construction within 180 days risk losing the committed funds. Funds will be released only if the project is developed and constructed as presented in the Development Agreement. Funds will be released as specified by the Development Agreement or following project's receipt of a Certificate of Occupancy from the City of Billings if not specified. When necessary, the BIRD will encumber funds for additional fiscal years to accommodate construction schedules.

CRITERIA FOR REVIEW - Materials contained in TIFD application are used to assess the merits of projects in relation to the goals and objectives of the EBURD Master Plan. The BIRD evaluates projects based on the following criteria. Please prepare written response and provide supporting documentation for each of the applicable criteria areas.

1. Relevance to the EBURD Master Plan – Documentation of the project’s impact in relation to the goals and objectives of the EBURD Master Plan, particularly mixed-use development. Urban design elements will also be considered, including pedestrian emphasis, quality of design, and Billings’ personality.
2. Economic Stimulus – The amount of economic activity to be generated by the project is assessed, as well as the leverage ratio of public to private investment. Applications should contain credible, measurable information substantiating APPLICANT claims of economic stimulus.
3. Tax Generation – The increase in taxable value due to new construction & rehabilitation is estimated by the County Assessor’s office or State Department of Revenue to determine tax increment generation.
4. Employment Generation – Total employment generated by the project assessed in terms of new permanent and part-time jobs, and construction jobs.
5. Elimination of Blight – The project’s direct and indirect impact on the physical and fiscal deterioration within the Tax Increment Financing District and the community.
6. Special or Unique Opportunities – The extent to which the project represents a unique opportunity, meets a special need, or addresses specific BIRD or community goals. The restoration of historic property or the provision of an unmet community need, are examples of special and unique opportunities.
7. Impact Assessment – The extent of both positive and negative environmental impacts, appropriateness of the project design, and impact on existing businesses or residents.
8. Financial Assistance – Other forms of financing available to the APPLICANT, i.e. lender participation and state and federal grant monies, are examined to assess the need for TIF assistance.
9. Project Feasibility – A determination of feasibility is made on the strength of the APPLICANT’s demonstration of market demand for the project as contained primarily on the pro forma and financing commitments.
10. Developer Ability to Perform – An assessment of the APPLICANT’s capability to undertake the relative complexities of the project based on past performance on similar or comparable projects.
11. Timely Completion – The feasibility of completing the project according to the APPLICANT’s project schedule.
12. Payment of Taxes – All property taxes, special improvement district assessments, and other assessments on the project property must be paid to date.



Billings Industrial Revitalization District

**BILLINGS INDUSTRIAL REVITALIZATION DISTRICT, INC.
EBURD APPLICATION**

Project Name: Yellowstone Water and Ice Plant. Date Submitted: 5/10/2022

APPLICANT INFORMATION

1. Name: J&S Properties, Inc. – Scott Chesarak
2. Address: 7 N. 17th Street, Billings, MT. 59101
3. Telephone Number: 406-259-1528 Cell Number. 406-855-4248_

PROJECT INFORMATION

1. Building Address: 1523 Montana Ave., Billings, MT. 59101
2. Legal Description: Billings Original Townsite, S33, T01 N, R26 E, Block 121, Lot 1-12
3. Ownership: J&S Properties, Inc.

Address: PO Box 31292, Billings, MT 59107

4. If property is not owned by the APPLICANT, list leasehold interests (Attach evidentiary materials.)

Name: _____

Address: _____

5. Existing/Proposed Business: Yellowstone Water and Ice

Business Description: Ice and Water Manufacturing

6. Employment: Existing FTE Jobs 15

New Permanent FTE Jobs created by project: 2. Construction FTE Jobs _____

7. Architectural Firm: Simonsen Architects

Address: PO Box 2132, Billings, MT. 59103

Architect: Eric Simonsen

8. Description of Project: (Attach narrative explanation & plans.)

9. Rehabilitation/construction plans: (Attach schematics, site and landscaping plans.)

10. Project Schedule: (Attach time line or schedule through completion.)

PROJECT COSTS

Land and Site Improvements (Itemized)

1. <u>See Attached</u>	\$ _____
2. _____	\$ _____
3. _____	\$ _____
4. _____	\$ _____
Subtotal	\$ _____

Construction/Rehabilitation Costs (Use general construction trade divisions)

1. <u>See Attached</u>	\$ <u>4,386,590</u>
2. _____	\$ _____
3. _____	\$ _____
4. _____	\$ _____
5. _____	\$ _____
6. _____	\$ _____
7. _____	\$ _____
8. _____	\$ _____
Subtotal	\$ <u>4,386,590</u>

Fees

1. Architectural/Engineering	\$ _82,624__
2. Permits _____	\$ _\$110,384_____
3. _____	\$ _____
Subtotal	\$ __193,008_____
Total Project Development Costs	\$ __4,579,598__

PROJECT FINANCING

Please complete Sources of Funds detail and summarize below.

A. Applicant Equity

Cash Invested	\$ __269,500__
Land & Buildings (if value is more that State of Montana valuation then a current appraisal must be submitted)	\$ _____
Other _____	\$ _____
_____	\$ _____
A. Subtotal Applicant Equity	\$ __269,500_____

B. Lender Commitments (Attach Bank Loan Commitment letter, Letters of Credit or other documentation.)

Lender	Loan Amount	Interest	Term	Payment/Period
_____	\$ _____	_____%	____yrs	\$ _____/Month
_____	\$ _____	_____%	____yrs	\$ _____/Month
B. Total Loan Amount				\$ _____

C. TIFD request for funds for eligible public improvements.

MCA Statute
(office use only)

_____	\$ _____	_____
_____	\$ _____	_____
_____	\$ _____	_____
_____	\$ _____	_____
_____	\$ _____	_____
_____	\$ _____	_____
_____	\$ _____	_____
_____	\$ _____	_____
_____	\$ _____	_____
_____	\$ _____	_____
_____	\$ _____	_____
_____	\$ _____	_____

C. Subtotal TIFD Funds Requested \$ _____

D. Other Source of Funding _____

_____ \$ _____

Sources of Funds Summary (Post totals from above.)

A. Applicant Equity	\$ _269,500__
B. Lender Commitments	\$ _5,000,000__
C. TIFD Funds Request	\$ _968,214__
D. Other Funds	\$ _1,800,000 State MBOI Loan__
Total Project Financing	\$ __8,037,714__

APPLICANT STATEMENT OF QUALIFICATIONS
AND FINANCIAL RESPONSIBILITY

APPLICANT

1. Name: _____J&S Properties, Inc._____

Address: ___7 N. 17th St., Billings, MT 59101_____

2. If the APPLICANT is not an individual doing business under his/her own name, the APPLICANT has the status indicated below and is organized or operating under the laws of _____.

3. _____x_____ corporation/LLC.

_____ nonprofit or charitable institution

_____ partnership known as _____

_____ Other (explain): _____

Date of organization: _____

4. Names, address, title of position (if any), and nature and extent of the interest of the officers and principal members, principal shareholders, investors, or partners of the APPLICANT.

<u>Name and Address</u>	<u>Nature and Extent of Interest</u>
Scott Chesarek PO Box 31888, Billings MT 59107	President, 50%
Jason Kummerfeldt 4816 Arapaho Tr, Billings, MT. 59106	Vice President, 50%

FINANCIAL CONDITION

1. Provide a current financial statement (consisting of a Balance Sheet and Profit & Loss Statement) & Current Tax Return for each private entity involved in the project. This application and all financial information become part of the public record when submitted to the BIRD and is available upon request under the State of Montana Public Information Rules.
2. Has the APPLICANT or any individual or entity affiliated with the development of this project been adjudged bankrupt, either voluntary or involuntary, within the past ten (10) years?
No _____ Yes _____ If yes, give date, place, and under what name

3. Has the APPLICANT or any individual or entity affiliated with the development of this project been indicted for or convicted of any felony within the past ten years:
No _____ Yes _____ if yes, give date, charge, place, court and action taken for each case.

CONSTRUCTION CONTRACTOR

1. Identify the construction contractor or builder who will undertake this project.
Name: ___Jones Construction _____
Address: ___123 Regal St., Billings, MT. 59101_____
2. Has named contractor or builder ever failed to qualify as a responsible bidder, refused to enter into a contract after an award has been made, or failed to complete a construction or development contract within the last ten years?
No Yes _____ if yes, explain.
3. Attach copies of bids to application:

4. If Applicant intends to do any of the construction themselves then APPLICANT shall provide three (3) independent contractor bids which must accompany this application for the work to be provided.

CERTIFICATION

I (we), _____
(please print), certify that the statements and estimates within this Application as well as any and all documentation submitted as attachments to this Application or under separate cover are true and correct to the best of my (our) knowledge and belief. I/We certify that I/We will make no application for any other tax abatement that may be available for this real property or building.

Signature _____ Signature _____

Title _____ Title _____

Address _____ Address _____

_____ _____
Date _____ Date _____