

Action Item - b

RE: Relocation of Yesteryears TIFD Assistance

Background:

With the help of the Development Committee, the Downtown Billings Partnership Board is moving forward with the one proposal received from Urban Frontier Development Services to redevelop 102 N 29th Street. The DBP will furnish the developer with a letter of intent to begin their steps in studying the project, establishing partnerships, securing funding, and ultimately executing a development agreement. This will require relocating the Yesteryears Antique Mall; therefore, DBP staff has worked diligently with the owners of the business and the owners of their future home. DBP staff is seeking TIF funding to assist in the relocation of the Yesteryears Antique Mall from 102 N 29th Street to 208 N Broadway, the lower level of the Hart Albin building. Zoot Enterprises is the property owner of the Hart Albin building and is excited to welcome retail activity back into the building. The hope is to obtain approval, implement improvements to the future space, and relocate the business in February of 2024. The lower level of the Hart Albin building had not been occupied since the 1990s when Zoot Enterprises acquired the building. There's roughly 20,000+ square feet of usable space. MCA 7-15-4288 (3) permits relocation of occupants and the City's current TIF policy supports this use. Coincidentally, this may be Billings' first use of TIF dollars to relocate an occupant. The only other examples staff was able to find were in Butte. Due to the unique nature of this request, it will not look like a regular TIF request in which an applicant applies and presents to a review committee. This request is coming before the Board as the first step and if recommended, it will go to Council as a second step and final step. In anticipation of this, DBP staff had allocated adequate funding in the FY24 budget. Below is a breakdown of the DBP's staff recommendation:

Eligible expenses/categories	Eligibility	Recommended	Percentage of Recommendation
	MCA 7-15-4288		
Demo	\$10,000	\$10,000	100%
Utilities (electrical services)	\$18,000	\$18,000	100%
ADA restrooms	\$32,000	\$32,000	100%
Utilities (HVAC)	\$25,000	\$25,000	100%
Moving Expenses	\$63,000	\$63,000	100%
Signage	\$3,000	\$3,000	100%
Parking	\$1,500	\$1,500	100%
Total	\$152,500	\$152,500	100%

Zoot Properties Contributions (landlord)	
Drop ceiling repairs	\$6,000
Storage removal	\$10,000
Elevator repairs	\$90,000
Sound dampening	\$30,000
Flooring repairs	\$20,000
Project management	\$25,000
Total	\$181,000

Yesteryears Antiques Contributions (Tenant)	
Finishes (paint, cabinetry, etc.)	\$5,000
Coffee bar	\$14,500
Advertising/marketing	\$3,500
Lost revenue	\$80,000
Total	\$103,000

Proposal:

This award will also be dispersed differently than usual TIF projects in which the disbursement ought to be processed faster to pay for the services rendered for the site improvements and relocation of the business.

Financials:

If approved, reimbursement is available in FY24. City Council has final authority in approval, disapproval, or modification then approval of DBP recommendation. No budget amendment is needed as it was budgeted for when the FY24 budget was approved.