

Present:	Brandon Scala	Andy Zoeller	Katy Easton
Steve Arveschong	Steve Wahrlich	David Fishbaugh	Tom Rupsis
Ethan Kanning	Janna Hafer	Chris Kukulski	Andy- James Patten
Chris Montague	Blake Wahrlich	Meri McGlone	James Chandler
Mehmet Casey	Megan Zimmerman	Mary Walks Over Ice	Erika Guy
Absent:	Sean Lynch	Steve Tostenrud	Jock West
Matt Blakeslee	Wyeth Friday (via Zoom)	Guest: Bill Honaker	Guest: Marsha Honaker
Guest: Danny Kramer	Gust: Lucy Kramer		

1. Call to Order – Introductions, Courtesies, and Public Comments:

Mr. Kanning called the meeting to order at 7:32 am, a round of introductions took place.

2. Regular Agenda:

- a. Minutes – Mr. Fishbaugh made a motion to approve the September 22, 2023 meeting minutes, his motion was seconded by Mr. Wahrlich (Sr.), all were in favor, none were opposed.

3. Presentation:

- a. Rockman Project - Bill Honaker

Mr. Honaker provided an overview of the Rockman Project to the board in three phases. Phase 1 - Mr. Honaker discussed the construction of the hotel, presented designs from A&E and asked the board for a TIF commitment of up to five million - taking into account fluctuation of the economy. Mr. Honaker’s six to seven floor hotel is anticipated to have 120 to 140 rooms, a rooftop patio bar/lounge with an expected overall cost to be projected around \$42 million dollars. Mr. Honaker’s TIF ask of up to five million equals out to be about 12% of the total cost, Mr. Honaker believes he is under the traditional amount of TIF ask given the size of his project. Due to the new census data, New Market Tax Credits are not eligible for this project, which makes the TIF contribution that much more critical to the success of this project. Mr. Honaker shared that this would be the first hotel built in the CBD in 45 years. The Hotel is expected to bring a 10 million-dollar-draw into the downtown economy, create at least 80 jobs for employees in the hotel, in addition to the employment hours generated from the construction of the building and influence on local development.

Phase 2 - Parking for hotel users and others would be available in Park 3, which is what is adjacent to the current City Hall building. That is part of the proposal Mr. Honaker has

presented to the City in pursuit to acquire the city-owned assets. There's still due diligence to be done on the structure and parking is integral to the project.

Phase 3 - City Hall would be repurposed for another use whether another office tenant or some other use. That portion may get developed by Mr. Honaker as well or another entity depending on the findings of the due diligence process as well as availability of economic tools to help fund it and the endeavor of landing tenants. The hope and the plan is not to let it sit vacant for a while but that will depend on several factors including the city's relocation schedule, rehabbing the building/securing tenants, securing funding, etc. It will however contribute to the tax base and increment by simply changing ownership from public to private. Any further enhancements will contribute more.

Mr. Arveschoug asked questions about the timeline of the Rockman project, the need for housing in our community, specifically workforce housing. Mr. Honaker stated that if everything goes according to the plan, the hotel should be open for business in mid 2026. Further discussion explored Mr. Honaker's ability to finance the project. Mr. Patten inquired about the acquisition process of the city-owned assets and Mr. Honaker provided context regarding a development agreement that is slated to go before city council on December 11th. Ms. Easton added that with TIF development agreements, applicants are given 180 business days to execute after City Council approval is acquired. Mr. Wahrlich (Sr.) acknowledged the complementary benefits of attracting a hotel, which attracts more visitors downtown, which also contributes to local businesses where guests tend to eat and shop while downtown residents may choose to cook at home. The Board also discussed the future arrival of a mixed-use project with housing on the Yesteryears building, which should help add more units to the downtown inventory of housing. The hotel also provides "eyes on the street" in a nontraditional way where guests of the hotel tend to be ages 28-55 staying 2-3 nights, so the hotel will have 24/7 eyes from visitors and employees. The Board thanked Mr. Honaker & Mrs. Honaker and they departed the meeting.

4. Action Items:

a. TIF Request - Rockman Project

Mr. Montague made a motion to approve the agreement of allocating up to and no more than \$5 million in TIF Funds, Mr. Arveschong seconded. Mr. Ruis asked if there are any current structures that bring in similar numbers in taxable value. The Northern Hotel and DoubleTree are both larger structures but are existing buildings prior to today's market of construction costs and interest rates. Further discussion ensued regarding the TIF's ability to support this project as well as the payout period. Mr. Kanning stated that this will be new construction in the downtown area that happens to be a vertical development after purchasing a property through fair market rate price, which also happens to be publicly owned. While there would be a significant add to the increment of the district, finding out exactly the return on investment will be a challenge. Mr. Casey promised to follow up similar structures in our downtown area, connect with the Department of Revenue, and with City staff on the presentation of these numbers. The Board suggested looking at Mr. Casey's findings in the November meeting in case it changes the Board's opinion on the disbursements of the TIF reimbursements.

Mr. Kanning reminded the Board of the motion and second, all were in favor, none opposed.

- b. Ms. Easton provided an update to the Board regarding the relocation of the Yesteryears Antique Mall and the improvements taking place in the Hart Albin building. Ms. Easton reminded the Board that it was not ready to vote in the October meeting because the Board wanted to see contributions from the landlord and tenant. The Board's packet had tables showing upwards of \$181,000 investment from the property owner and upwards of \$103,000 investment from the tenant. In addition, DBP Committee & staff is recommending TIF assistance up to \$152,500 to assist in the relocation of a business, due to the future development of their current site. Mr. Patten motioned to approve TIF allocations to relocate the Yesteryears Antiques Mall, Mr. Scala seconded the motion, all were in favor, none opposed.

6. Old Business:

- a. Mr. Casey reminded the Board that he updated them on this via email but that the short version is to move forward on the concept of decorative luminaires along 1st Ave N but that ultimately, this project will take partnerships between MDT, City of Billings, DBP, and BIRD. Costs may change between now and their tentative date of start of construction (2027-ish). That the source of funding may change as we continue to move forward and that the City of Billings is in talks with MDT regarding the possibility of changing 1st Ave N and Montana Ave into two-ways. Nothing is discussed or finalized yet regarding the direction of traffic. No yes answers but no no answers either. It's the preliminary conversation for now between the two entities.

7. Partner Reports:

- a. Mr. Kukulsi reminded the Board of the upcoming election date and what questions are on the ballots. Offered to answer any questions about the ballot initiatives.

8. Adjournment:

Mr. Kanning adjourned the board meeting at 8:59 am.