



City of Billings South Billings Boulevard  
Urban Renewal District

**Tax Increment Finance Assistance  
Application  
For Public/Private Development Projects**

## Information & Application

Please return to:  
South Billings Urban Renewal Association  
PO Box 21271  
Billings, MT 59104

### Tax Increment Finance (TIF) assistance application process for public infrastructure assistance

IMPORTANT: The material below outlines the Tax Increment Finance Assistance application process and the responsibilities of the Applicant and the South Billings Urban Renewal Association, Inc. (SBURA). Please review this information carefully before submitting the application or finalizing your development plans.

Failure to receive approval of a completed application BEFORE construction begins may affect the Applicant's eligibility for Public Infrastructure Tax Increment Financing assistance from the City of Billings.

### INTRODUCTION

In May 2019, City of Billings and the SBURA executed a Memorandum of Understanding pertaining to SBURA's management of the South Billings Boulevard District ("the District"), pursuant to Montana Urban Renewal Law Title 7 Chapter 15 Part 42 Montana Code Annotated, (MCA) "Urban Renewal.". This Memorandum of Understanding is incorporated by reference to this application. Tax Increment Financing (TIF) is an important element in facilitating public urban renewal activities that assist and enhance private development opportunities 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 based on 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. These funds are then used for district revitalization activities.

The SBURA offers tax increment financing assistance for public infrastructure components of projects developed within the boundaries of the South Billings Boulevard TIFD.

## **TAX INCREMENT FINANCING ASSISTANCE PARAMETERS**

Each project is unique. TIF assistance shall be based upon criteria outlined in the Criteria for Review section. TIF assistance may be awarded for eligible costs as defined in 2019 Montana Code Annotated Title 7, Chapter 15, Part 42. Generally, awards are limited to 20% of eligible costs (see Memorandum of Understanding) which reflects a 5 to 1 private-to-public dollar matching ratio.

## **ELIGIBLE ACTIVITIES**

As specified by 2019 Montana Code Annotated Title 7, Chapter 15, Part 42, TIF funds may be used to complete certain urban renewal activities. The SBURA will place special emphasis on those projects that implement the South Billings Boulevard Urban Renewal Plan, particularly mixed-use developments.

## **APPLICATION PROCESS AND TIMELINE**

Anyone seeking TIF assistance from the SBURA 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 the SBURA Representative, Dick Zier at 406-698-3153 or via email at [sburabillings@gmail.com](mailto:sburabillings@gmail.com), 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. 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. SBURA Staff Review. Upon submittal of all necessary information, SBURA staff will review the project and the need for funding. At any point in the review process the staff may request more information of the Applicant or solicit comment on the project from other public agencies. Items included in personal financial statements will not be subject to public review or presentation to or comment by other public entities.
4. SBURA Board Review. The SBURA Board will review the application and staff recommendations. The Board reserves the right to seek additional project review from other public agencies. The Board will issue preliminary approval/disapproval of the assistance request or any part thereof and will make a recommendation to the City Council.

5. City Council Review. Projects receiving approval by the SBURA Board will be forwarded to the Billings City Council through the City of Billings Planning and Community Services Department for final approval and consideration of a Development Agreement that will clearly describe the public investment required to be applied towards public infrastructure and/or development improvements within the public right of way. City Council approval is required before the City will enter a Development Agreement with the Applicant.
6. Development Agreement. 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 City/County Planning Division 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
  - Cause for termination
7. Timing. SBURA staff will expedite processing of fully completed applications when received.

## **COMMITMENT OF FUNDS**

Upon City Council approval of a project, the approved funds will be budgeted. Budgeted funds will be encumbered for a grace 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 are at risk for losing the committed funds.

Funds will be released as specified by the Development Agreement. Depending on the nature of each individual project, funds may be released as a lump sum payment or multiple payments made over subsequent fiscal years. The Development Agreement will specify the payment terms. Funds may be released according to one of the following methods.

1. Release of funds following project completion. Funds will be released upon the project's receipt of a Certificate of Occupancy from the City of Billings' Building

Division. If necessary, the City will encumber funds for additional fiscal years to accommodate construction schedules.

2. Release of funds over a multi-year repayment schedule. Prior to a project receiving a TIF assistance payment, a Certificate of Occupancy shall be provided to the project by the City of Billings Building Division. Subject to payment amounts and funding availability, multiple payments may be required. TIF assistance payments may be made according to an agreed upon payment schedule. This schedule will be contained within the Development Agreement.

Funds will be released only if the project is developed and constructed essentially as presented in the Development Agreement.

**SOUTH BILLINGS BOULEVARD TAX INCREMENT FINANCING ASSISTANCE  
APPLICATION**

Project Name: Torgerson's South Frontage Facility Date Submitted: \_\_\_\_\_

**APPLICANT INFORMATION**

1. Name: Torgerson's Real Estate Holdings, LLC (DBA: TREH Commercial, LLC)
2. Address: 4701 River Drive N, Great Falls, MT 59405
3. Telephone Number: 406-899-3423

**PROJECT INFORMATION**

1. Building Address: 3508 S. Frontage Rd., Billings, MT 59101
2. Legal Description: Unplatted
3. Ownership: Torgerson's Real Estate Holdings, LLC (DBA: TREH Commercial, LLC)
4. Address: 4701 River Drive N, Great Falls, MT 59405
5. If property is not owned by the Applicant, list leasehold interests (Attach evidentiary materials.)  
Lessor's Name: \_\_\_\_\_  
Lessor's Address: \_\_\_\_\_
6. Existing/Proposed Businesses: No Existing/Agricultural and Construction Equipment
7. Business Description: Sales and service of construction and agricultural equipment.
8. Employment: Existing FTE jobs 44
9. New Permanent FTE jobs created by project 12 Construction FTE jobs 50
10. Architectural Firm: Performance Engineering  
Address: 608 N. 29th St., Billings, MT 59101

Representative: Taylor Kasperick

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8. Description of Project: (Attach narrative explanation.)  
Please see Exhibit A - Project Overview
9. Rehabilitation/construction plans: (Attach schematics, site and landscaping plans.)  
Please see Exhibit B - Construction Plans
10. Project Schedule: (Attach time line or schedule through completion.) Please see Exhibit C - Project Schedule

#### CRITERIA FOR REVIEW

Materials contained in TIF Assistance applications are used to assess the merits of projects in relation to the goals and objectives of the South Billings Urban Renewal Master Plan and in relation to other District development and urban renewal projects. Projects will be evaluated based on the following criteria.

1. **Relevance to the South Billings Urban Renewal Master Plan** – This document is available on SBURA’s website ([www.southbillings.org](http://www.southbillings.org)).
2. **Economic Stimulus** – The amount of economic activity to be generated by the project.
3. **Tax Generation** – The increase in taxable value due to new construction/rehabilitation as estimated by the County Assessor’s office.
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 condition within the District.
6. **Special or Unique Opportunities** – The extent to which the project represents a unique opportunity, meets a special need, or addresses community goals. The provision of public space or workforce housing 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,
9. **Project Feasibility** – Demonstration of market demand for the project
10. **Developer’s Ability to Perform** – 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.

**PROJECT COSTS** See provided spreadsheet with cost breakdowns.

**Land and Site Improvements (Itemized)**

- 1. Equity in Land and Buildings \$ \_\_\_\_\_
- 2. \$ \_\_\_\_\_
- 3. \$ \_\_\_\_\_
- 4. \$ \_\_\_\_\_
- Subtotal \$ \_\_\_\_\_

**Construction/Rehabilitation Costs (or attach separate statement)**

- 1. \$ \_\_\_\_\_
- 2. \$ \_\_\_\_\_
- 3. \$ \_\_\_\_\_
- 4. \$ \_\_\_\_\_
- 5. \$ \_\_\_\_\_
- 6. \$ \_\_\_\_\_
- 7. \$ \_\_\_\_\_
- 8. \$ \_\_\_\_\_
- Subtotal \$ \_\_\_\_\_

Fees

- 1. Architectural design/Supervision \$ \_\_\_\_\_
- 2. Permits \_\_\_\_\_ \$ \_\_\_\_\_

3. Other fees \_\_\_\_\_ \$ \_\_\_\_\_

Subtotal \$ \_\_\_\_\_

Total Project Development Costs \$ \_\_\_\_\_

**PROJECT FINANCING**

Please complete Sources of Funds detail and summarize below.

Developer Equity

Cash Invested \$ 11,638,080 (new development)

Land & Buildings \$ 1,800,000 (land acquisition)

Other (Specify) Planning, survey, \$ 61,460  
and engineering

\_\_\_\_\_ \$ \_\_\_\_\_

Subtotal \$ 13,499,540

Lender Commitments (Attach evidence i.e. Letters of Credit or other documentation.)

Lender Payment/Period	Loan Amount	Interest	Term	
<u>Opportunity Bank</u>	\$ <u>\$2,400,000</u>	<u>5.25%</u>	<u>20</u> yrs	<u>~\$16,100</u> /Month
<u>Opportunity Bank</u>	\$ <u>\$6,000,000</u>	<u>6.53%</u>	<u>20</u> yrs	<u>~\$44,840</u> /Month
<u>Opportunity Bank</u>	<u>\$3,100,000</u>	<u>Pending</u>	<u>Pending</u>	<u>Pending</u>
<u>Total Loan Amount</u>				\$ _____

**DEVELOPER STATEMENT OF QUALIFICATIONS AND FINANCIAL RESPONSIBILITY**

Applicant

1. Name: Torgerson's Real Estate Holdings, LLC (DBA: TREH Commercial, LLC)

Address: 4701 River Drive N., Great Falls, MT 59405

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. The applicant is:

\_\_\_\_\_ A corporation.

\_\_\_\_\_ A nonprofit or charitable institution or corporation

\_\_\_\_\_ A partnership known as \_\_\_\_\_

\_\_\_\_\_ Other (explain): Limited Liability Company

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.

Name and Address

Nature and Extent of Interest

<u>Brion Torgerson</u>	<u>Managing Member</u>
<u>Aron Torgerson</u>	<u>Member</u>
<u>Lin Torgerson</u>	<u>Member</u>
_____	_____
_____	_____

Financial Condition

1. Provide a current financial statement for each private entity involved in the project. Documentation of financial capacity may include net worth statements, balance sheets, or profit and loss statements.

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 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: Bauer Construction, Inc.

Address: 3333 2nd Ave N, Suite 240., Billings, MT 59101

2. Has such 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.

\_\_\_\_\_

**CERTIFICATION**

I (we), Torgerson's Real Estate Holdings, LLC; dba TREH Commercial, LLC (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.

Signature  Signature \_\_\_\_\_

Title Managing Member Title \_\_\_\_\_

Address 4701 River Drive N, Great Falls, MT 59405 Address \_\_\_\_\_

\_\_\_\_\_

Date 12/10/2024 Date \_\_\_\_\_



# MEMO

To: South Billings Urban Renewal Association

City of Billings Council

From: Taylor Jay Kasperick, PE, Project Manager, Performance Engineering

Brion Torgerson, Managing Member, Torgerson Real Estate Holdings, LLC

Date: 12/17/2024

Re: Torgerson's Equipment Site Development TIF Application

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## Introduction

Performance Engineering (PE) submits this memorandum on behalf of Brion Torgerson (Managing Member) and Torgerson Real Estate Holdings, LLC, in support of the Tax Increment Finance (TIF) assistance application for the proposed Torgerson's Equipment development. The site is located at 3508 South Frontage Road within the South Billings Urban Renewal Association (SBURA) TIF district. While the property is currently owned by TREH Commercial, LLC, a separate entity, it is managed and owned by the same family members who operate Torgerson Real Estate Holdings, LLC—Brion, Aron, and Lin Torgerson.

## Project Overview

The proposed commercial development includes constructing a 52,000-square-foot facility for Torgerson's Equipment, a leading dealer of heavy machinery and farm equipment. This state-of-the-art facility will consolidate Torgerson's current operations from their Lockwood (Torgerson's Implement) and Laurel Road (Torgerson's Agriculture) locations into a single, easily accessible site off Interstate 90.

The development will enhance customer convenience for both local and regional clients and further strengthen Torgerson's Equipment's regional presence.

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## Relevance to SBURA

The property was identified in the 2012 SBURA Master Plan as under-utilized and historically blighted, presenting challenges such as:

- Inclusion in the Yellowstone River floodplain.
- Lack of adjacent water and sewer utilities (recently addressed by SBURA infrastructure improvements).
- Presence of the Grey Eagle Ditch bisecting the property.

For decades, the site has remained vacant and intermittently used for agriculture, with frequent transient habitation and related illicit activity. The proposed project aligns with SBURA's goals by revitalizing this underdeveloped corridor.

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## Economic Impact

### 1. Tax Generation:

The property currently generates approximately \$1,018.82 annually in taxes. Post-development, the estimated annual tax revenue is \$253,993, based on the City's commercial land and improvements tax rate of 1.89%.

### 2. Employment Growth:

- 12 new full-time employees will be added to Torgerson's existing 44 FTEs upon project completion.
- Upwards of 50 construction jobs are anticipated during the development phase.

### 3. Regional Economic Stimulus:

The facility will draw additional customers to the SBURA district and City of Billings from surrounding areas, boosting local commerce and supporting workforce growth.

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## Elimination of Blight

The development will transform a historically blighted site into a modern facility, addressing longstanding issues such as trespassing and illicit activity. Key enhancements include:

- **Trail Development:** A 10-foot-wide asphalt trail along the northern boundary, with an easement provided to the City for future expansion.

- **Site Security and Aesthetics:** Constant occupation, landscaping, fencing, and infrastructure improvements will create an attractive, safe, and functional property.
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### Special Opportunities

This project presents a unique opportunity to:

- Contribute to the City's trail system development.
  - Relocate and preserve the historical Grey Eagle Ditch for continued operation.
  - Enhance visibility along Interstate 90, Billings' largest transportation corridor.
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### Impact Assessment

The project will contribute to the near-completion of a fully developed South Frontage Road corridor between Washington Street and Garden Avenue—a transformation largely driven by SBURA and City financial assistance. This development will significantly reduce blight while offering vital services to the community and increasing funding for the SBURA district.

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### Financial Assistance

The developer, TREH Commercial, LLC/Torgerson Real Estate Holdings, LLC, has secured two loans from Opportunity Bank and is coordinating a third loan to fulfill financial commitments. Requested TIF assistance will fund:

- Trail construction.
- Site surfacing (asphalt, concrete, and gravel).
- Landscaping.
- Site security (fencing).
- Piping of the Grey Eagle Ditch.

Without TIF assistance, these critical project components cannot be completed.

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### Project Feasibility and Developer Capability

Torgerson's Equipment, with 16 locations across Montana and Wyoming, recently celebrated 100 years as a family-owned and operated business. Led by Brion, Aron, and Lin Torgerson, the company has demonstrated a strong track record of successful project execution and operational excellence.

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### Timely Completion

The developer is committed to completing the project by fall 2025 to consolidate operations and facilitate the sale or lease of their existing facilities.

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### Conclusion

This project represents a significant investment in the SBURA district and City of Billings. It will eliminate blight, stimulate economic growth, enhance infrastructure, and provide a modern, consolidated facility for Torgerson's Equipment to serve local and regional clients efficiently. The requested financial assistance is critical to realizing this transformative project.

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