

Regular City Council Meeting

Meeting Date: 10/28/2019

~~TITLE: EBURD Tax Increment Assistance - Commercial Demolition at 1617 1st Avenue North~~

PRESENTED BY: Wyeth Friday

Department: Planning & Community Services

Presentation: No

PROBLEM/ISSUE STATEMENT

The Billings Industrial Revitalization District (BIRD) Board of Directors is presenting this recommendation to the City Council for allocating \$66,004.00 in tax increment finance funds (TIF) from the East Billings Urban Renewal District (EBURD) to provide financial assistance to J & S Properties for demolition of a large commercial building at 1617 1st Avenue North. The applicant is requesting TIF funding to assist in the demolition on the property after a fire severely damaged the existing building and forced tenants to vacate the structure. Demolition has already started on the property and J & S Properties would like to complete removal of the structure and prepare the site for future redevelopment. The total costs to demolish the structure is \$198,670. The expenses recommended are eligible as per Section 7-15-4233 (m)(n), MCA and Section 7-15-4288 (2), MCA (See BIRD Recommendation attached).

The BIRD Board of Directors discussed support for funding of this application at its meeting on September 10, 2019, and then conditionally approved it pending additional insurance documents supplied by the applicant. Final approval was completed on September 23. This process and action of the BIRD is under its authority per the Memorandum of Understanding between the City of Billings, Big Sky Economic Development, and the BIRD, Inc. recently renewed and approved by the City Council on May 13, 2019.

ALTERNATIVES ANALYZED

The City Council is the final authority in disbursing TIF funding. This proposed use of TIF funds appears to conform to the City's TIF Policy. The City Council may:

- Approve the recommendation from the BIRD Board for the expenditure of these TIF funds, or;
- Disapprove the recommendation from the BIRD Board for the expenditure of these TIF funds.

FINANCIAL IMPACT

The request is for a total of \$66,004 to be reimbursed to J & S Properties only upon completion of the demolition and submittal of the invoices for the cost incurred. There is \$100,000 in the FY20 EBURD miscellaneous projects budget for payment of TIF assistance, so there is budget available for this project if it is approved by the City Council.

RECOMMENDATION

The Billings Industrial Revitalization District (BIRD) Board of Directors recommends that the City Council approve reimbursement of \$66,004 from the EBURD tax increment finance district funds to J & S Properties for demolition of the commercial structure at 1617 1st Avenue North to prepare the property for future redevelopment.

APPROVED BY CITY ADMINISTRATOR

Attachments

- J & S Properties TIF Application
- Property Photos
- BIRD TIF Funding Recommendation