

LAST MONTH'S MINUTES

Billings DBP Meeting 09.19.2025

Present Members

- Steve Tostenrud
- Meri McGlone
- Dave Fishbaugh
- Janna Hafer
- Ashley Kavanagh
- Councilman Rupsis
- Ethan Kanning
- JR Reger
- Brandon Scala
- Wyeth Friday
- Matt Blakeslee
- Nick Steen

- Cherish Linse
- James Chandler
- Sean Lynch
- Mehmet Casey
- Katy Schreiner
- Blake Wahrlich

Absent Members

- Jock West
- Erika Guy
- Mary Walks Over Ice

Guests

- Christian Bautista

- This board meeting was recorded and transcribed using AI software. In this document you will see online voting, motions, minutes, and board member updates.**
- ELECTRONIC VOTE MEETING - August 18, 2025 - September 16, 2025 - Signage Incentive Grants
 - As noticed to the board, an electronic meeting was held to consider approval of two sign grant requests as listed below:
 - Frae Collective: Purpose of this request is to be reimbursed for eligible expenditures affiliated with downtown business signage design, fabrication, and installation consistent with our Signage Incentive Grant criteria and guidelines. The TIF Review Committee recommends approval. Based on a 1:1 matching basis, Frae Collective is eligible for \$934.50.
 - Yellowstone Art Museum: Purpose of this request is to be reimbursed for eligible expenditures affiliated with downtown business signage design, fabrication, and installation consistent with our Signage Incentive Grant criteria and guidelines. The TIF Review Committee recommends approval. Based on a 1:1 matching basis, Yellowstone Art Museum is eligible for \$1,136.60.
 - Electronic Vote Results:



Board votes in favor	Board votes against	Abstentions
Black Wahrlich Matt Blakeslee Nick Steen Chris Montague Steve Tostenrud Ethan Kanning Meri McGlone Brandon Scala J.R. Reger David Fishbaugh Sean Lynch		Mary Walks Over Ice Chris Kukulski Janna Hafer Paul Green Jock West

3. CALL TO ORDER – Introductions, Courtesies, and Public Comments (3 min. limit)
 - Mr. Lynch called the meeting to order at 7:32 AM.

4. CONSENT AGENDA

a. APPROVE MINUTES – July 25, 2025 meeting minutes - Ms. Hafer made the first motion to approve the July 25, 2025 meeting minutes. The motion was seconded by Mr. Tostenrud; all were in favor, none were opposed.

5. TRANSCRIPTION SUMMARY

- a. Mr. Casey & Ms. Schreiner focused on updates regarding the Cooperative Safety Program and ongoing development initiatives in downtown Billings. Ms. Schreiner began by sharing with the board a new contact system for the cooperative safety program, which now includes options for emergency and non-emergency situations, BPD, SK Security, Street Outreach team, and Street Clean team. She emphasized the importance of clear communication to the public regarding the roles of SK Security, which has been contracted to provide safety services in light of staffing shortages within the Billings Police Department.
- b. Ms. Schreiner provided an overview of the current police staffing situation, noting that only one officer is available downtown from Tuesday to Friday, with security coverage extending from Monday to Saturday. The hiring process for new officers is lengthy, taking six to ten months, which poses challenges for maintaining adequate patrols. The police union is focused on filling these positions to prevent officer burnout. A report from the police chief is anticipated to shed more light on staffing and training developments.
- c. The discussion also included property acquisition efforts with BNSF, when Ms. Schreiner highlighted the potential for purchasing properties on Montana Avenue while facing challenges with those on Minnesota Avenue. She discussed that BNSF is working on acquiring an appraisal of the land value as a portfolio. The need for collaboration with local stakeholders was emphasized to secure financing for these acquisitions.
- d. Mr. Casey & Ms. Schreiner outlined the transition to a new Downtown Billings Partnership format, with an application deadline for board members set for October 6. Mr. Casey provided an update from the County that Commissioner Chris White will be the new county representative. They also provided an update to the board on remaining



meetings to be had with City Staff, City Council, and attorneys to finalize the transition for the new board to be up and running hopefully by November. Additionally, Ms. Schreiner handed out two samples of Placer AI quarterly reports and discussed the significance of these reports for strategic planning and marketing.

6. ACTION ITEMS

a. OLD BILLINGS HARDWARE BUILDING

- i. Mr. Casey began the discussion by giving the board a refresher on the history of this project from when we began and how we got here. He added that back in the spring of this year, when we were finalizing all the contracts and development agreements that may have defaulted on their dates, we made an effort to make sure everything is up to date. And so you as a body directed Mr. Casey to reach an executable version of this in order to establish some deadlines that can be met. Mr. Casey communicated with the developer after some clarifications, the developer was ready to execute no later than June 30, 2025 to get it in the books in fiscal year 2025. After sending all documents to the city, the city discovered a discrepancy in the Staff Memo language back in 2022 when this project was approved. The language stated that the applicant must meet one of two conditions, whichever happens first. And the conditions were either they execute within 365 days, or after historic tax credit approval from phase two was in hand. Because Council at the time approved it consistent with the staff recommendation, it is implied that this condition was approved as well. 365 days have come and gone but nobody seems to have a record of why that condition was put there. Not DBP staff, not City staff, and certainly not the developer. Needless to say, after the three parties discussed the matter, their notes, and what next steps might be, the decision was to take it back to Council for their blessing to move forward with this. On September 8th, the plan was to inform Council of this and to recommit the project moving forward. However, the developer asked for a potential delay of that item to November. The developer asked Mr. Casey if he saw any concerns with that and Mr. Casey didn't really see a concern given that we had already entered fiscal year 26 so whether this is approved in Sep or Nov, the reimbursements are already committed and wouldn't be disbursed until after the project is complete.
- ii. Instead, Council denied the request to postpone and had the discussion on Sep 8th. At the end of the meeting, they approved the request to postpone the discussion to November 10th but they requested a new position from the board to be available to them no later than November 10th. Hence the discussion today at the board level.
- iii. Mr. Friday agreed that this was a nice short summary and added that in 2022, the Council minutes went with the recommendation following the DBP minutes but the condition being there was a challenge. Mr. Friday also stated that a 60-day deadline was put or proposed with this



- agreement to ensure execution within a decently short timeframe.
- iv. A question was asked if Mr. Casey needed a motion from the board to extend this to November 10th?
 - v. Mr. Casey clarified that we're going to council November 10th regardless. More so Council wants to know, does this body (DBP board) still believe in the project? Do we still recommend funding it, is what they want to see. Mr. Wahrlich asked what the timeframe was on the project? and has the project's economics changed at all? Mr. Casey confirmed that the numbers have changed. When we first took this to Council, the award at the time was 14% of the project. Now, it's actually 11% of the project. From Mr. Casey' standpoint, it was even a better investment for the city.
 - vi. Mr. Kanning asked if the development committee should look at it again?
 - vii. Mr. Casey didn't think so because the design and the intent of the tenants haven't changed.
 - viii. Mr. Hafer stated that when they came in, back in 22, they thought the project was pretty ready to move forward; otherwise, they wouldn't have applied for TIF. Mr. Hafer reminded the board that back then, interest rates went up, inflation went up, supply chain issues worsened, and everything changed in that period. Consequently, the project went from about \$5.9 million to \$8.6 million to do the exact same thing. They have not changed the scope of the project at all. There's still 24 apartments upstairs. There's still 20,000 square feet of commercial space for lease in the basement and ground floor. They're not asking for more TIF money. They applied for and were awarded \$745,000. And that's what they still need. Additionally, for anybody who might have seen the signs on the building, they're not selling the building, Coldwell Banker made a mistake but they're going to modify the sign to say, commercial space for lease. That was frustrating and apologies for the confusion. But at any rate, Mr. Hafer stated that they do have an agreement with Coldwell Banker to start leasing spaces; the building documents will be going into the city for permit at the end of this month. They have their Phase II tax credit application at the National Park Service right now in D.C. They're working with a local bank to finally get the project fully financed. So the anticipation is that by November 10th, they will have lots of good news about the project and that's why they wanted to delay execution. For further clarity, Mr. Hafer wanted to reiterate that he and his team had no idea whatsoever about the 365-day condition. The agreement they had said that they had a deadline of 180 business days after receipt of Phase II approval of the tax credit application. While they don't have that yet, they are not worried about it at this point so they are ready to sign the agreement. They had agreed to execute within the previous fiscal year prior to June 30th, 2025. They were waiting to receive a DocuSign to execute until they received notification about the 365-day condition. That's because that just came out of nowhere. Mr. Hafer



expressed his concern of fairness to change the rules at the end of the game or at least, that's how it feels with this condition coming out of virtually nowhere. In other words, Mr. Hafer is not fully understanding why they are here or what is needed of them but does sincerely hope that the board still supports the project. They believe in the project and think it's still a viable project. They're not doing anything different nor are they asking for more money despite the cost increase of the project. Also, the project is still going to be a LEED Platinum building. It'll be a historic tax credit certified building. It's going to fill in that last gap on Montana Avenue of that size.

- ix. A board member asked, are you confident you can get this development agreement signed by the time the council needs it?
- x. Mr. Hafer stated that they were in motion to sign before it was halted by the one-year condition.
- xi. Councilman Rupsis asked if the 365 days isn't normally part of the staff recommendation?
- xii. Mr. Casey confirmed No, which is why he'd pointed out to Council on Sep 8th that it wasn't consistent with what he normally brings to Council with these TIF recommendations but that we as staff couldn't find documentation or reasoning as to why it was added. It was also why it was brought back to Council to be as transparent as possible.
- xiii. Mr. Friday added that, despite the frustration at council, it was brought back for that reason, to be transparent and because the condition was there regardless of the reason as to why it was decided to put it there. It was unusual and the staff was in a strange situation.
- xiv. Mr. Lynch would re-affirm commitment to the project and to execute the agreement within 60 days after Council's approval. Mr. Lynch asks for a show of hands in support of this. All are in favor, none are opposed, Ms. Hafer abstains.

7. PARTNER REPORTS

a. BID

- i. Mr. Wahrlich updated the board about completing the BID renewal and launch of the new cooperative safety program. Now they are looking at new and bigger goals for the next few years.

b. DBA

- i. Mr. Steen updated the board that the new tiers of membership have been rolled out and that if you haven't signed up to please do.

c. Cultural

- i. Mr. Blakeslee updated the board that Billings is hosting NNA for people from across the state that are nonprofit oriented.

d. BSED

- i. Mr. Green updated the board that they're working on bridging the divide between east and west at the state level.

e. Public School District

- i. Mr. Hafer updated the board that school is in session. There is a public event at ABT with a Broncos player for the Daylis Stadium project. The State will be in town at MSUB to hear a public comment for funding public schools.



f. County

i. Mr. Schreiner provided an update on behalf of the County that she & Kody presented at the County Commissioners meeting. We have been really challenged to hear from them if we will be funded for the next year. They will be funding what they have in the past for \$75,000. We did ask for a bit more to try and expand our outreach team. There is a huge benefit with them from the detention center to treatment programs. We hope they will consider the additional funding.

g. City

i. Mr. Friday updated the board about the recent CIP meeting. The city is drafting a CIP for public review and council review. We are moving forward with the future land act. He will be sending the Community survey for everyone to take.

8. ADJOURN by 9:00 a.m. - Mr. Lynch adjourned the meeting. The meeting was adjourned at 8:56 AM.

