

****ATTENTION****

The City Council meeting will be held in a hybrid format that may include both in-person AND virtual attendance via Zoom. Unless they have cause to appear virtually, Councilmembers will attend the meeting in person in Council Chambers, fifth floor of City Hall, 316 N. 26th Street. In order to honor the Right of Participation and the Right to Know in Article II, Sections 8 and 9, of the Montana Constitution, the City of Billings and City Council are making every effort to meet the requirements of the open meeting laws.

Citizens are invited to:

- . Review the Agenda Packet on the City's website at: www.billingsmt.gov and click on "Your Government," "City Council," and "Agendas & Minutes".
- . View the meeting:
 - . On Community 7 TV - Channel 7 or Channel 507 -- Spectrum Cable. *(On evenings when there is a conflict with School District No. 2 Board meetings, the City Council meeting will be broadcast on Channel 8 - Spectrum Cable.)* Channel 7 or Channel 978 - TDS Fiber.
 - . Online at www.comm7tv.com and click on the "Watch Live" icon. Community 7 also has links to their Facebook page and YouTube channel.
 - . On the City's website at www.billingsmt.gov and click on "Watch Meetings Online" on the homepage.
 - . In-Person.

Citizens may submit public comment via the following methods:

- . Mail: City Clerk, P.O. Box 1178, Billings, MT 59103
- . Email: Council@billingsmt.gov.
 - . Emails received after 3:00 PM on the day of the meeting, may be posted on the Council's webpage the following day for public viewing.
- . Attend the meeting in person

Please contact Denise Bohlman, City Clerk, at bohlmand@billingsmt.gov, or at 406.657.8210, with any questions.



VISION STATEMENT:
"The Magic City: A diverse,
welcoming community
where people prosper and
business succeeds."

**WORK SESSION AGENDA
SEPTEMBER 2, 2025**

5:30 P.M.

**COUNCIL CHAMBERS
316 N. 26th Street, 5th Floor**

CALL TO ORDER: Mayor Cole

PUBLIC COMMENT ON ALL ITEMS. This is the time to comment on any matter (Agenda or Non-Agenda) falling within the scope of the Billings City Council. There will also be time in conjunction with each agenda item for public comment relating to that item. You may only speak once for each item during the meeting.

Please note, the City Council cannot take action on any item of significant interest to the public that does not appear on the agenda. Comments are limited to three (3) minutes during each public comment period or as set by the Mayor. **Speaker sign-in required.** Please sign the roster at the cart located at the back of the Council chambers or at the podium.

1. South Billings Boulevard Urban Renewal District (SBBURD) Expansion Analysis Update.

-Public comment

2. Urban Renewal District Legislative and Operational Modifications.

-Public comment

HIGHLIGHT UPCOMING AGENDA ITEMS OF COUNCIL INTEREST:

COUNCIL DISCUSSION:

PUBLIC COMMENT on "NON-AGENDA ITEMS". Speaker Sign-in required. *(Restricted to ONLY items not on this printed agenda. Comments are limited to 3 minutes or as set by the Mayor. Please sign the roster at the cart located at the back of the Council chambers or at the podium.)*

ADJOURN:

Note:

- This meeting is an "informal" meeting of the City Council. The content of the Agenda is subject to change at the meeting.
- In the event there is a closed executive session to discuss litigation strategy, the other parties to the case(s) discussed are not public bodies or associations as described in Section 2-3-203(1) and (2), MCA. The meeting is closed, as allowed by Section 2-3-203(4)(a), MCA, "to discuss a strategy to be followed with respect to litigation when an open meeting would have a detrimental effect on the litigating position" of the City of Billings.
In the event there is a closed executive session to discuss a matter related to an individual's privacy, the presiding officer must determine the demands of individual privacy exceed the merits of public disclosure and the individual has not waived their right to privacy.

City Council Work Session

Date: 09/02/2025
Title: SBBURD Expansion Analysis Update
Presented by: Wyeth Friday
Department: Planning & Community Services
Presentation: Yes
Legal Review: Not Applicable
Project Number: NA

RECOMMENDATION

Staff recommends the City Council hear the update on the South Billings Boulevard Urban Renewal Plan Expansion process and affirm with staff to move ahead with the formal process to expand the District per State Statute.

BACKGROUND (Consistency with Adopted Plans and Policies, if applicable)

Following Council direction at this Work Session, the formal process to expand the South Billings Boulevard Urban Renewal District (SBBURD) will move forward, with anticipated completion of the City formal actions in November 2025, and the MT Department of Revenue setting the base year for the expanded area of 2025.

Pioneer Technical Services (PTS), in coordination with City staff, has prepared a draft determination of blight analysis (attached to this memo) that is required for Council to proceed.

Recent Progress and Key Activities

- Defined the study area boundary for the expansion and worked with City GIS to create the official map (attached)
- Provided PTS with data on public infrastructure, parks, and transit needs
- PTS completed a draft determination of blight report, confirming the South Side Triangle area qualifies for Urban Renewal under state law.

City Staff Activities:

- Updated the SBURA Board at its August meeting on project progress and schedule
- Met with the Billings Public Schools Development Committee in August to explain the process and invite feedback
- Contacted Elysian School District to explain the process and invite feedback - in communication with the Superintendent
- Attending the Yellowstone County Commission Discussion Session on September 4 to explain the process and invite feedback
- Provided an update and answered questions at the South Side Task Force meeting on August 21

Next Steps

- Prepare the schedule for Council action on the determination of blight and set a public hearing for the proposed expansion (See proposed schedule below)
- Host a community information meeting for all property owners in both the current SBBURD and the proposed expansion area
- Send mailed postcard notifications of the meeting and public hearing dates to:
 - All affected property owners
 - Yellowstone County, Billings Public Schools, and Elysian Public Schools.

Proposed Action Schedule

- September 22 - City Council acts on Resolution of Intent to Expand the District, declaration of finding of blight, sets public hearing
- Community Information Meeting -- October 9 (This is based on sending a postcard to all properties within the existing District and expansion area inviting them to the information meeting and also noticing them of the October 27 Public Hearing)
- October 14 - Planning Board Growth Policy Conformance Action (Urban Renewal Plan Draft for this Meeting)
- October 27 - City Council 1st Reading and Public Hearing to Expand the District and Amend the Urban Renewal

Plan

- November 10 -- City Council 2nd Reading

STAKEHOLDERS

Residents in South Billings as well as the community as a whole may potentially benefit from the expansion of the SBBURD to include the South Side Triangle neighborhood area. Improvements in infrastructure and support of development and redevelopment would help existing and future residence, and business owners by improving the area and making it an even better place to live and work in the community.

ALTERNATIVES

There are no formal alternatives for this Work Session Meeting. However, the staff is asking for Council affirmation to formally move the SBBURD expansion process ahead and schedule meetings and public notification of the process.

FISCAL EFFECTS

The current fiscal impact of this expansion effort involves a contract with Pioneer Technical Services paid for by SBBURD funds to assist City staff in the process to expand the District. About \$5,200 has been spent of that contract work to date. In addition, City staff in PCSD, Finance, Public Works, GIS, Parks, and MET Transit have provided staff time to assist in this process to date. It is a significant amount of time for the PCSD Director to oversee this expansion process.

Attachments

SBBURD Expansion - Conditions that Contribute to Blight Report
Existing SBBURD and Expansion Area Map



South Billings Boulevard Urban Renewal District Potential Expansion Area: Review of Conditions that Contribute to Blight

August 18, 2025



Prepared for:

City of Billings
Planning and Community Services Department

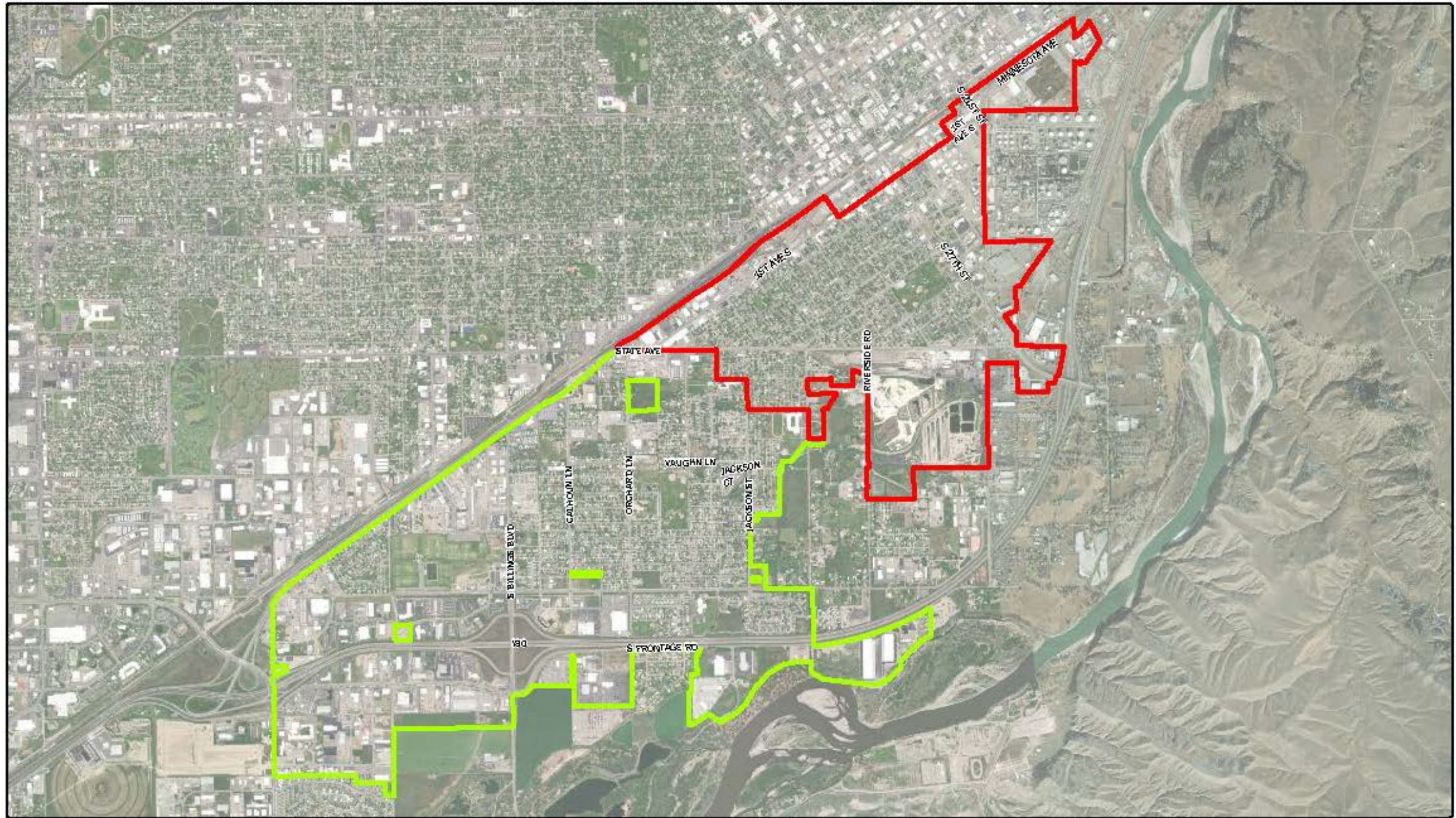


Prepared by:

Pioneer Technical Services, Inc.
2310 Broadwater Ave., Suite 1
Billings, Montana 59102

1 Introduction

The City of Billings, Montana (City) is working to improve the overall economic health of the community through the revitalization and redevelopment of blighted areas. To that end, on May 12, 2008, the City of Billings adopted an ordinance creating the South Billings Boulevard Urban Renewal District (SBBURD) with a Tax Increment Financing (TIF) provision. Part of this ordinance included the adoption of an urban renewal plan and the boundaries of the tax increment financing district. In October of 2008, the City modified the SBBURD to include three additional properties. The SBBURD was amended a second time in July 2019 and then was amended for the third and last time in 2021, as codified in Ordinance 21-5765 of the Billings Municipal Code. The 2021 amendment expanded the boundary of the SBBURD to add five new properties to the district. The SBBURD boundary, as of the 2021 amendment, is shown on Figure 1.



<p>LEGEND</p> <ul style="list-style-type: none"> ▬ PROPOSED EXPANSION AREA ▬ EXISTING URD BOUNDARY 		<p>DISCLAIMER:</p> <p>COORD SYS / ZONE: MONTANA STATE PLANE DATUM: NAD 1983 UNITS: INT'L FEET SOURCE: ESRI/AERIAL DATE: 10/26/2023</p> <p>SCALE IN FEET</p>	<p>PIONEER TECHNICAL SERVICES www.pioneer-technical.com (406) 752-5177</p>	<p>FIGURE</p> <p>SOUTH BILLINGS BOULEVARD URBAN RENEWAL DISTRICT PROPOSED EXPANSION</p>
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© 2023 ESRI. All rights reserved. This is a technical drawing and not a map. It is not intended to be used for navigation or other purposes. The information shown here is for informational purposes only and does not constitute a warranty or any other form of assurance. The information shown here is not intended to be used for navigation or other purposes. The information shown here is for informational purposes only and does not constitute a warranty or any other form of assurance.

Figure 1. South Billings Boulevard Urban Renewal District and Proposed Expansion

The City is now considering amending the SBBURD to include additional areas adjacent to the existing district. These areas could benefit from inclusion in the SBBURD to provide resources to address conditions contributing to blight and help to achieve the City's goal to improve the overall economic health of the community through the revitalization and redevelopment of blighted areas. Therefore, the City initiated an examination of conditions that can be considered to contribute to blight in an area generally east of and adjacent to the SBBURD. The purpose of this review is to determine whether such conditions exist and whether rehabilitation, redevelopment, or both, are necessary and in the interest of the public health and welfare of Billings residents. This evaluation is required by Montana's Urban Renewal statutes in §7-15-4210, Montana Code Annotated (MCA) (Montana State Legislature, 2025a), as a first step in amending the SBBURD.

The statutory definitions of blight are found in §7-15-4206, MCA (Montana State Legislature, 2025b) and detailed in Section 2.2 of this review; for purposes of clarity, visible signs of conditions that contribute to blight are as follows:

- Structures that have become ill-suited for their original use
- Deterioration of building structure components or infrastructure, such as roadways, alleys, curbs, gutters, and sidewalks
- Buildings or structures that endanger the life, limb, health, property, or safety of the general public or their occupants
- Inadequate utilities and infrastructure, such as storm sewers and storm drainage, sanitary sewers, water lines, power, roadways, alleys, curbs, gutters, sidewalks, and communication services, that are shown to be lacking, of insufficient capacity to serve the uses of the area, deteriorated, antiquated, obsolete, or in disrepair.
- Real property in the area that has incurred or may incur future planned Montana Department of Environmental Quality or U.S. Environmental Protection Agency remediation costs.
- Excessive vacancies occurring in buildings that are unoccupied and underutilized and that represent an adverse influence on the area because of the frequency, extent, or duration of the vacancies.

Following this examination, the City will determine whether it is appropriate to expand the SBBURD. Expanding the Urban Renewal District (URD) will enable the City to address conditions that contribute to blight through:

- The investment in public infrastructure in support of economic development
- The attainment of urban density to achieve greater efficiency in the delivery of public services
- Retention and recruitment of commerce
- Leveraging private and public local, state, and federal capital
- The creation of opportunities for living wage jobs

2 Growth Policy Conformance

One of the requirements of Montana’s Urban Renewal Law (Title 7, Chapter 15, Parts 42 and 43, MCA) is that the urban renewal plan must conform to the community’s growth policy. The 2016 City of Billings Growth Policy ("Growth Policy") (City of Billings, 2016) refers to and promotes economic development and urban renewal in various ways. Note that the Growth Policy was officially adopted by the City of Billings via Resolution 16-10575 on August 8, 2016. The City of Billings Growth Policy Statement is:

“In the next 20 years, Billings will manage its growth by encouraging development within and adjacent to the existing City limits, but preference will be given to areas where City infrastructure exists or can be extended within a fiscally constrained budget and with consideration given to increased tax revenue from development. The City will prosper with strong neighborhoods with their own unique character that are clean, safe, and provide a choice of housing and transportation options” (City of Billings, 2016).

Expanding the SBBURD and developing plans and means to address conditions contributing to blight can help to achieve the vision included in this Growth Policy Statement. While a more detailed analysis of compliance with the Growth Policy will be incorporated into the Urban Renewal Plan, this preliminary evaluation indicates that including this area into the SBBURD will most likely be in compliance with the City of Billings Growth Policy.

3 Background

3.1 History and Previous Activities

The SBBURD lies within the City, is situated between major transportation routes, and stretches from the east side of the King Avenue Overpass east to Washington Street and from State Avenue South to the City limit boundaries. Located within the SBBURD is Interstate Highway 90 and the major railway line through the City. Figure 1 shows the boundary of the existing SBBURD.

Billings, Montana, was established in 1882 by the Northern Pacific Railway and named after Frederick H. Billings, a former president of the company. The City quickly grew as a railroad hub. The City’s commercial core developed along Montana Avenue, with the Parmly Billings Memorial Library, built in 1901, symbolizing its growing civic pride. Billings’ strategic location and access to railroads helped it flourish as a distribution center during the homesteading boom (Montana Historical Society, 2025).

Following the homesteading boom, Billings evolved from a railroad town into Montana's leading economic center. Its strategic location and access to transportation networks helped it become a hub for agriculture, energy, and trade. Over time, the City diversified its economy, adding healthcare, education, finance, and tourism as major sectors. Today, Billings accounts for roughly 20% of Montana's Gross Domestic Product (GDP), with a metropolitan population nearing 200,000. The City serves a regional market of over 650,000 people, stretching across multiple states and provinces. With two major hospitals, several colleges, and a growing technical and service industry, Billings continues to attract businesses and workers. Investments in infrastructure, housing, and air travel have further solidified its role as a dynamic and resilient economic powerhouse in the Northern Rockies (Big Sky Economic Development, 2024). However, portions of the City have not enjoyed growth and prosperity to the same extent, including the SBBURD and the area being considered for expansion.

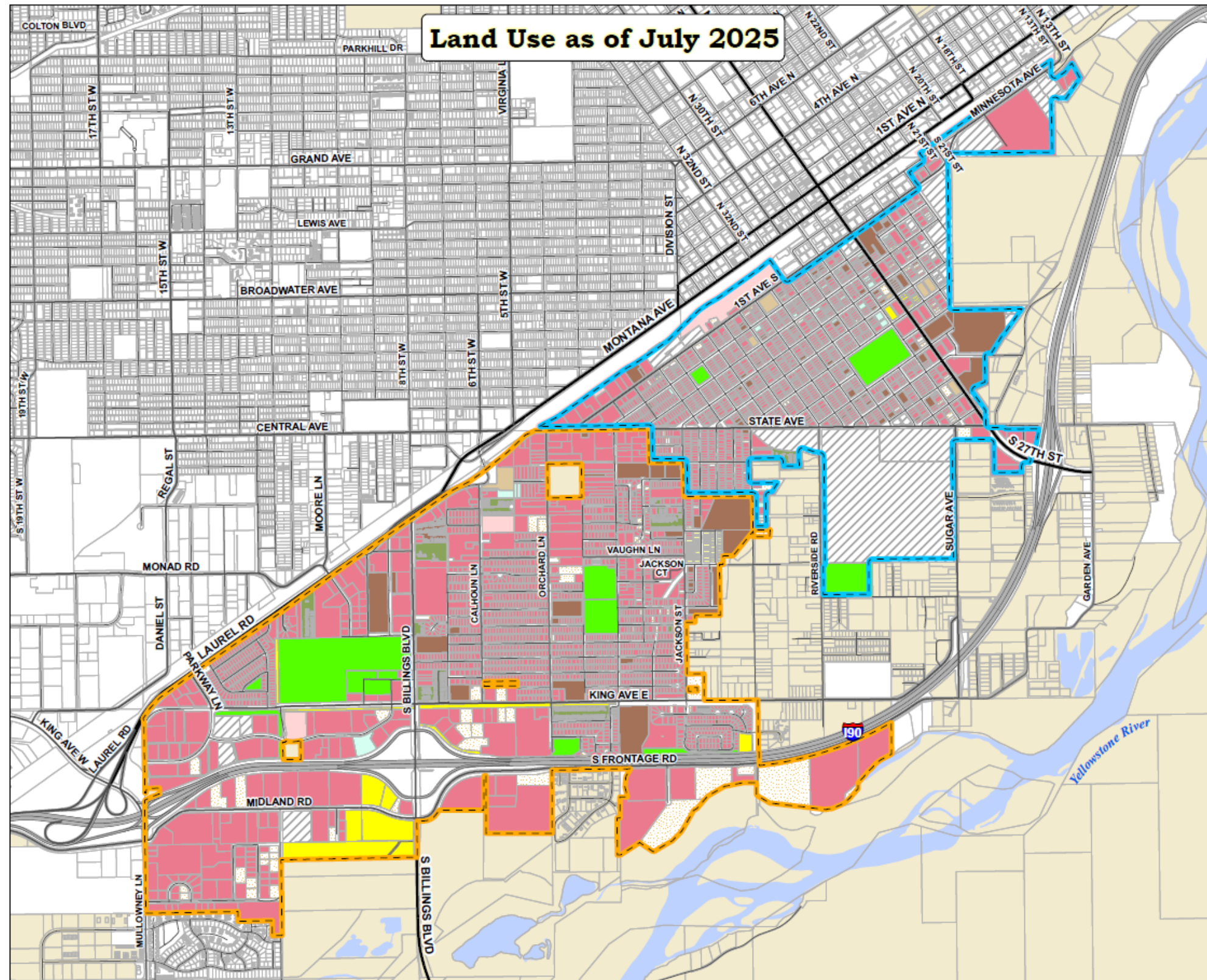
While the SBBURD is administered by the City of Billings, it is advised by the South Billings Urban Renewal Association (SBURA). The SBURA advises the Billings City Council on the SBBURD's administration and tax increment expenditures. This includes funding of public infrastructure projects and support of private development that promote economic development and/or reduce blight in the SBBURD.

Due to the location, the SBBURD has demonstrated an immense amount of potential to become a major economic force. Development has occurred since the formation of the SBBURD given its destination for retail, goods and services, manufacturing, and entertainment. The area considered for expansion also has significant potential to add to this positive economic impact.

3.2 Area General Description

The current SBBURD is in the south-center region of the City of Billings. Bordered by the interstate corridor, the main railroad line, and principal transportation routes, it is an area with numerous economic development opportunities. In addition, numerous service-related, commercial, industrial, parks and recreation, and housing choices are located within the area.

The area being considered for the URD expansion encompasses the area generally north and east of the SBBURD, starting near the intersection of State Street and Orchard Lane in the west, extending northeast along and south of Montana Avenue to the City's boundary near the Yellowstone River, and then south to include the Western Sugar Co-op, generally following the City's southern boundary in this area. The area includes commercial, residential, and industrial properties. It covers approximately 903 acres and encompasses 1,597 non-right-of-way parcels of property. The area is shown on Figure 1. A more detailed description of the boundary is included in Appendix A. The entire area is within the City of Billings. Existing land uses and current zoning are shown on Figures 2 and 3.



South Billings Boulevard Urban Renewal District (SBBURD) - Current Boundary and Proposed Expansion

SBBURD comprised of Levy Districts 2T5 and 23T5



Legend

- SBBURD Boundary
- SBBURD Proposed Expansion
- Billings City Limits
- Yellowstone County Boundary
- City Owned Property**
 - City Park
 - Other City Property
- Property Type (Land Use)**
 - Apartment
 - CN - Centrally Assessed Non-Valued Property
 - Condominium
 - Exempt Property
 - Improved Property
 - Industrial Property
 - Mobile/RV Parks
 - Non-Valued Property
 - On Leased Land
 - Partial Exempt Property
 - Townhouse
 - Vacant Land

The parcel data mapped hereon does not constitute a legal survey. Inaccuracies exist with both the mapped data and the Montana Department of Revenue CAMA data; when seeking the definitive description of real property, consult the deed recorded at the Yellowstone County court house.

Land uses are determined from CAMA property type values for residential and commercial properties, and may not be entirely consistent with actual ground conditions.

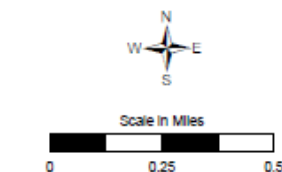
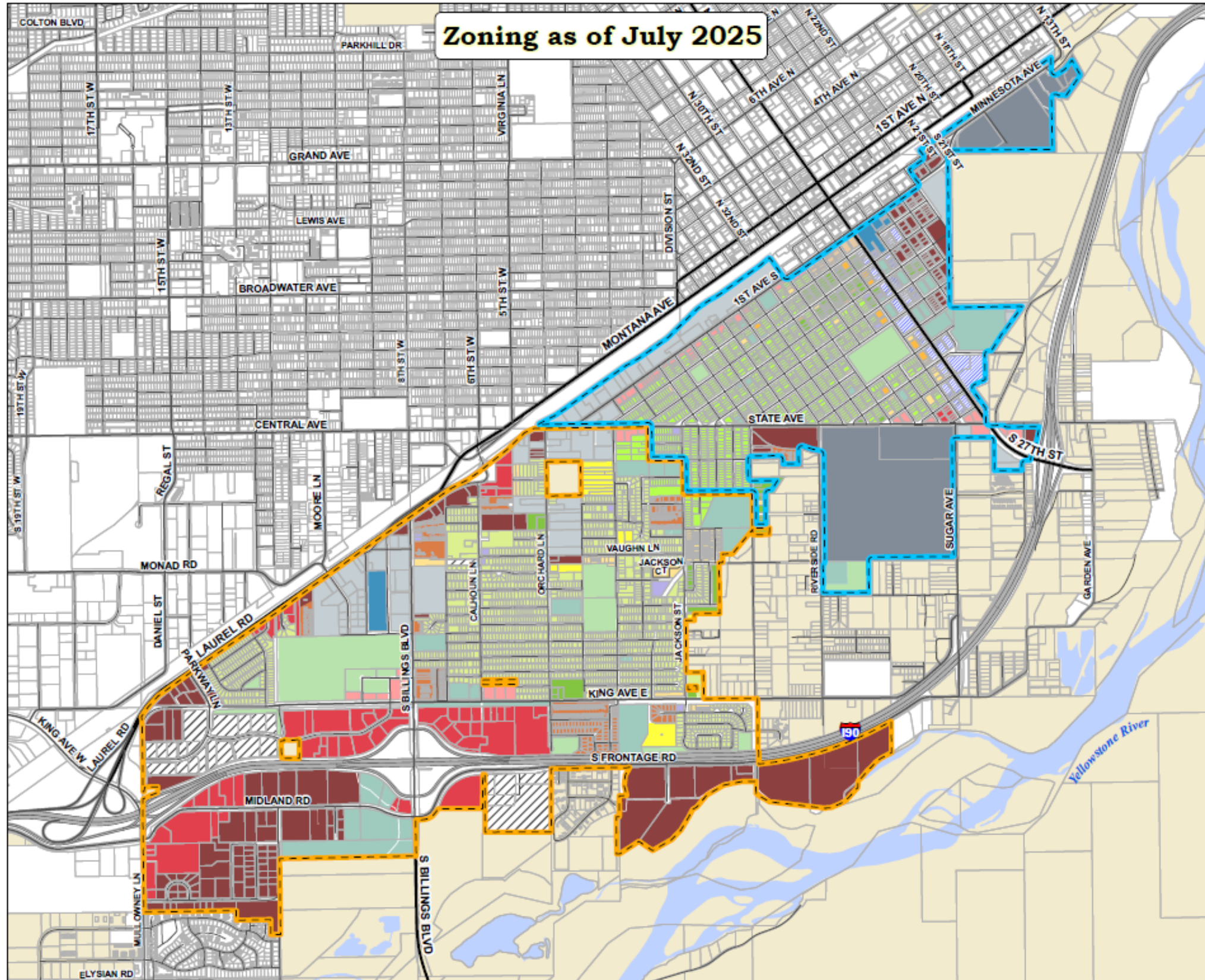


Figure 2. Current Land Uses.



South Billings Boulevard Urban Renewal District (SBBURD) - Current Boundary and Proposed Expansion

SBBURD comprised of Levy Districts 2T5 and 23T5



Legend

- SBBURD Boundary
- SBBURD Proposed Expansion
- Billings City Limits
- Yellowstone County Boundary

Zoning

- A - Agriculture (10+ acres)*
- C3 - General Commercial*
- CBD - Central Business District
- CMU1 - Corridor Mixed-Use
- CMU2 - Corridor Mixed-Use & Commercial Centers
- CX - Heavy Commercial
- DX - Downtown Support
- EBURD Industrial Sanctuary
- I1 - Light Industrial
- I2 - Heavy Industrial
- N1 - First Neighborhood
- N2 - Mid-Century Neighborhood
- N3 - Suburban Neighborhood
- N4 - Large Lot Suburban Neighborhood*
- NMU - Neighborhood Mixed-Use
- NX1 - Mixed Residential 1 (1-4 du/structure)
- NX2 - Mixed Residential 2 (2-8 du/structure)
- NX3 - Mixed Residential 3 (>=5 du/structure)
- P1 - Open Space, Parks, Recreation
- P2 - Public- Civic, Institutional
- P3 - Public- Campuses - Medical, Civic, Educational
- PD - Planned Development
- RMH - Residential Mobile Home
- RR1 - Rural Residential (1 to 2.99 acres)*
- RR3 - Rural Residential (3 to 9.9 acres)*

The parcel data mapped hereon does not constitute a legal survey. Inaccuracies exist with both the mapped data and the Montana Department of Revenue CAMA data; when seeking the definitive description of real property, consult the deed recorded at the Yellowstone County court house.

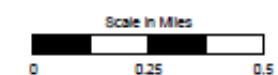


Figure 3. Current Zoning.

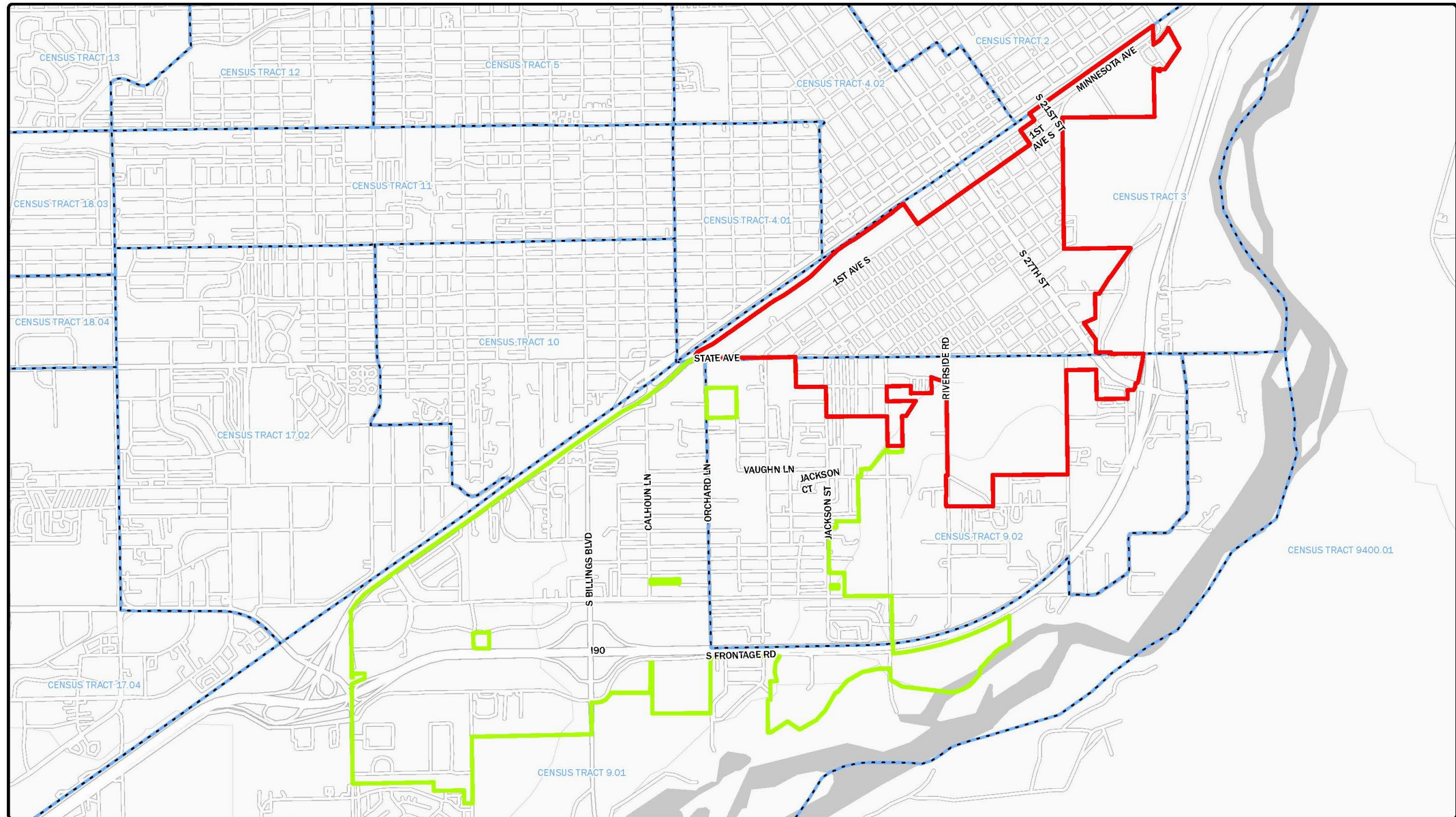
The current SBBURD neighborhood includes an established mixed residential and commercial area. It also includes three elementary schools and one middle school. Some areas include unimproved streets with no sidewalk, curb, or gutter. In addition, a few areas are still not served by municipal water and sewer. While some municipal water and sewer services consist of old, inadequate infrastructure, much of the District has seen utility improvements under the SBBURD, which was one of the reasons for its establishment as conditions contributing to blight. A significant concern raised by residents within the SBBURD has centered around routes for children to get to school, including bus routes that run on unimproved streets and children walking down the street instead of on sidewalks. Many of these infrastructure deficits were identified in the SBBURD Urban Renewal Plan and projects have been completed to remedy the deficiencies.

3.3 Current Demographic Conditions for Billings and the SBBURD

The City of Billings has a population of 120,874 as of 2023 (U.S. Census Bureau, 2023a). It has a land area of 44.6 square miles, and the median age of the residents is 38.2, less than the median age in Montana of 40.6. Those aged 65 and older comprise 19.0% of the population, again less than the Montana average of 20.5% (U.S. Census Bureau, n.d.).

The racial makeup of Billings is predominantly White at 78.2%, with significant fractions of Hispanic or Latino (6.3%), American Indian or Alaska Native (4.6%) populations, and 7.0% of the population identify as belonging to two or more races.

The proposed expansion area falls primarily in Census Tract 3, with a smaller fraction falling within Census Tract 9.02, as shown on Figure 4.



<p>LEGEND</p> <ul style="list-style-type: none"> ▬ PROPOSED EXPANSION AREA ▬ EXISTING URD BOUNDARY - - - CENSUS TRACT BOUNDARIES (2020 CENSUS) 		<p>DISPLAYED AS:</p> <p>COORD SYS/ZONE: MONTANA STATE PLANE DATUM: NAD 1983 UNITS: INTL FEET SOURCE: ESRI/PIONEER DATE: 8/25/2025</p> <p>SCALE IN FEET</p>	<div style="text-align: center;"> <p>PIONEER TECHNICAL SERVICES</p> <p>www.pioneer-technical.com (406) 782-5177</p> </div> <p>FIGURE SOUTH BILLINGS BOULEVARD URBAN RENEWAL DISTRICT CENSUS TRACTS</p>
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Figure 4. SBBURD Census Tracts

Table 1 shows the housing data for the census tracts that cover the proposed expansion area, as well as for the City of Billings overall, based on American Community Survey 2023 estimates from the U.S. Census Bureau.

Table 1. Housing Data

	City of Billings	Census Tract 3	Census Tract 9.02
Total Housing Units	54,758	1,459	2009
Occupied Housing Units	52,878	1,357	1927
Occupancy Rate	97%	93%	96%
Vacancy Rate	3%	7%	4%
Median Gross Rent	\$ 1,033	\$ 852	\$ 911

(Source: U.S. Census Bureau, 2023a).

In 2023 Billings had a median annual household income of \$67,028, less than the state median of \$70,804. In Billings, 11.2% of the people live in poverty, as compared to a state-wide average of 11.7% (U.S. Census Bureau, 2023a). Within the proposed expansion area, median incomes are lower. In Census Tract 3, the median household income is \$50,765, 24% less than the median for Billings and 28% less than the state median. In census tract 9.02, the median household income is estimated at \$52,202, 22% and 26% lower, respectively, than the Billings and state median household incomes (U.S. Census Bureau, 2023b). Both Census Tracts experience more poverty than the rest of Billings or the state. The Census Bureau estimates that 13.3% of the population in Census Tract 9.02 live below the poverty level (U.S. Census Bureau, 2023c) and 15.6% of the population in Census Tract 3 lives below the poverty level (U.S. Census Bureau, 2023c).

Both of these census tracts are designated as Qualified Census Tracts (QCTs) by the U.S. Department of Housing and Urban Development (HUD), thereby qualifying for the Low-Income Housing Tax Credit program (Office of Policy Development and Research, n.d.) To be designated as a QCT, a census tract must have at least 50% of households with incomes below 60% of the Area Median Gross Income or have a poverty rate of at least 25%, per Section 42(d)(5)(C) of the Internal Revenue Code (Office of the Law Revision Council, n.d.).

The labor force participation rate in Billings is 65.7% for those aged 16 years and over, above the state-wide average of 60.8%, per the U.S. Census Bureau (U.S. Census Bureau, 2023a). According the U.S. Bureau of Labor Statistics, city-wide the total work force in April 2025 was 99,068, of which 96,487 were employed and 2,581 were unemployed for an unemployment rate of 2.6% (U.S. Bureau of Labor and Statistics, 2025). As shown in Table 2, the “Educational services, and healthcare and social assistance” sector is the largest, employing 25.7% of the workforce, followed by “Professional, scientific, and management, and administrative and waste management services,” which employs 12% of the workforce (U.S. Census Bureau, n.d.).

Table 2. City of Billings Industry for Civilian Employed Population 16 Years and Older

Industry for Civilian Employed Population	Percent of Workforce
Educational services, and health care and social assistance	25.7%
Professional, scientific, and management, and administrative and waste management services	12.0%
Arts, entertainment, and recreation, and accommodation and food services	11.4%
Retail trade	10.1%
Finance and insurance, and real estate and rental and leasing	7.9%
Construction	6.3%
Transportation and warehousing, and utilities	6.0%
Public administration	5.5%
Other services, except public administration	5.4%
Manufacturing	3.6%

Source: U.S. Census Bureau, n.d.

Labor participation is slightly lower in the area of the proposed expansion based on data from the U.S. Census Bureau. Census Tract 3 has a labor force participation rate of 56.6% for those aged 16 years and older. In Census Tract 9.02, the rate is 64.7% (U.S. Census Bureau, 2023a).

3.4 The Montana Urban Renewal Law

The expansion of an URD must be undertaken in accordance with §7-15-4201, et Seq., MCA (Montana State Legislature, 2023a) and enables local government to use the TIF provision to help fund its efforts. Tax Increment Financing is a locally driven funding mechanism that allows cities to direct property tax increments that accrue from increases in taxable value within a specified URD to a special fund that can be used to finance economic development and infrastructure projects within that district.

Taxpayers located within a district where TIF is in effect pay the same amount of property tax as they would if the property were located outside the district. Tax Increment Financing only affects the way that taxes, once collected, are distributed. Taxes that are derived from base-year taxable values continue to be distributed to the various taxing jurisdictions, including local and state government entities and school districts. Taxes derived from the incremental increase in taxable value are placed in a special fund for purposes set forth in an urban renewal plan (see Figure 5 below). Per §7-15-4292, MCA (Montana State Legislature, 2023b), a TIF provision is authorized for 15 years but may be extended for up to an additional 15 years if TIF bonds are sold any time during the first 15 years; the total life of the TIF may not extend beyond the 30th year following the original adoption of the tax increment provision. The TIF provision for the SBBURD is due to sunset in 2046. Funds may be used for a variety of purposes as detailed in §7-15-4288, MCA (Montana State Legislature, 2023c) and include improvements to vehicular and pedestrian transportation infrastructure, land acquisition, streetscapes, parks and landscaping, water and sewer lines, and connecting to infrastructure outside the district.

How a Tax Increment Finance Provision (TIF) Works

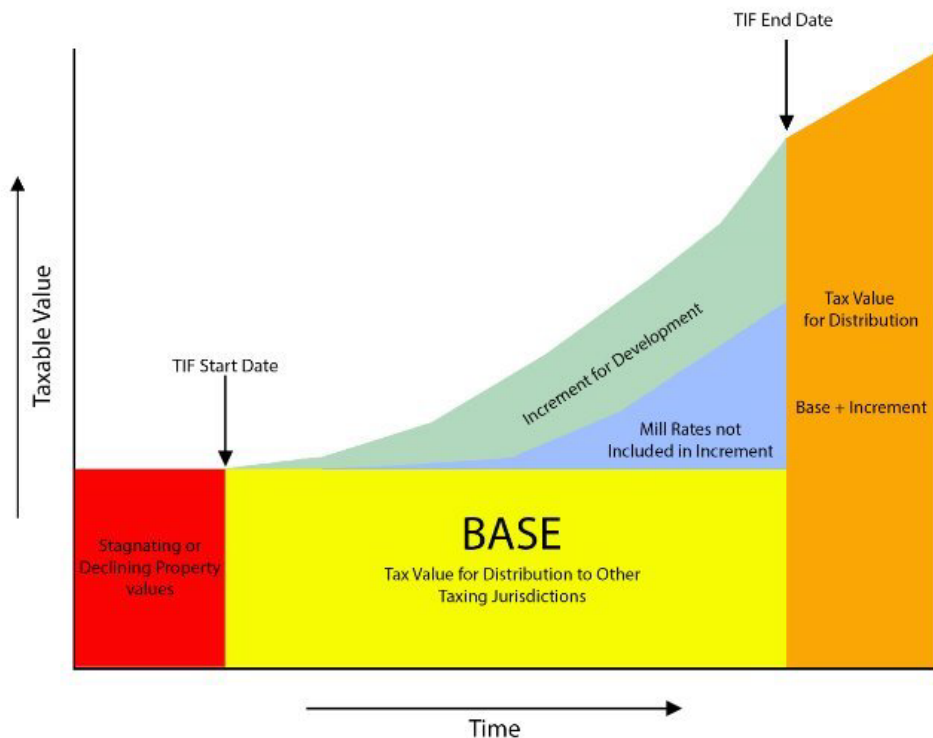


Figure 5. Tax Increment Financing Schematic

As stated in § 7-15-4209, MCA (Montana State Legislature, 2023d), a local government “may formulate a workable program for using appropriate private and public resources:

- (a) to eliminate and prevent the development or spread of blighted areas;
- (b) to encourage needed urban rehabilitation;
- (c) to provide for the redevelopment of such areas; or
- (d) to undertake such of the aforesaid activities or other feasible municipal activities as may be suitably employed to achieve the objectives of such workable program.”

While funds are typically used for public infrastructure investments, there are instances where local governments have used TIF funds to partner with private property owners to make improvements to historic buildings, to address life-safety issues, and to enhance landscaping. The statutes also provide for the establishment of a TIF revolving loan program that can support private investment in the district. Loan funds can continue to “revolve” in perpetuity; however, eligible projects must be undertaken in accordance with and in the area encompassed by an urban renewal (URD) plan for the district.

This review of conditions contributing to blight constitutes the first step in the process to create the URD. This document will determine if the proposed boundary meets the statutory requirements for an URD, which would allow the City to incorporate the area into the SBBURD and undertake revitalization programs and activities. This is followed by the adoption of a Resolution of Necessity and the update of the urban renewal plan with a TIF provision to include the proposed area. The urban renewal plan acts as a guide for revitalization activities and the ability to address critical issues within the district.

4 Establishing Blight

4.1 Resolution of Necessity

As previously discussed, the City council must first adopt a resolution of necessity required per §7-15-4210, MCA (Montana State Legislature, 2025a), finding that the area being proposed displays at least three conditions as described in §7-15-4206, MCA (Montana State Legislature, 2025b). This action enables the preparation of an urban renewal plan and provides the rationale for using public funds in redevelopment activities.

4.2 Defining Blight

Montana law defines specific conditions regarding blight in §7-15-4206, MCA (Montana State Legislature, 2025b). A “blighted area” means an area that is determined to be detrimental to public health, safety, or welfare due to the presence of at least three of the following characteristics or conditions:

- (a) An advanced state of disrepair or neglect of necessary repairs to the primary structural components of buildings or improvements in such a combination that a documented building condition analysis determines that major repair is required, or the defects are so serious and so extensive that the buildings must be removed.
- (b) Structures that have become ill-suited for their original use.
- (c) Deterioration of building structure components or infrastructure, such as roadways, alleys, curbs, gutters, and sidewalks.
- (d) Buildings or structures that endanger the life, limb, health, property, or safety of the general public or their occupants.
- (e) Inadequate utilities and infrastructure, such as storm sewers and storm drainage, sanitary sewers, water lines, power, roadways, alleys, curbs, gutters, sidewalks, and communication services, that are shown to be lacking, of insufficient capacity to serve the uses in the area, deteriorated, antiquated, obsolete, or in disrepair.
- (f) Real property in the area that has incurred or may incur future planned Montana Department of Environmental Quality or U.S. Environmental Protection Agency remediation costs.

- (g) Tax or special assessment delinquency exceeding the fair value of a majority of the land and improvements.
- (h) Excessive vacancies occurring in buildings that are unoccupied and underutilized and that represent an adverse influence on the area because of the frequency, extent, or duration of the vacancies.

4.3 Conditions Identified in the Area that Contribute to Blight

Many instances of conditions contributing to blight are apparent in the proposed expansion area. These include deteriorating or inadequate infrastructure, disrepair of buildings and buildings ill-suited for their original use, and environmental contamination. Parks and recreation infrastructure is deteriorating in places and in need of repairs or upgrades. Neighborhoods, in some cases, suffer from lack of connectivity, and access for disabled people is not always adequate, which substantially limits access and reduces overall safety. Specific instances of conditions contributing to blight, as defined in §7-15-4206, MCA (2) (Montana State Legislature, 2025b), are described below.

§7-15-4206, MCA (2)(b): Structures that have become ill-suited for their original use

Structures that have become ill-suited for their original use can significantly deter economic vitality by limiting their functionality and appeal to potential investors, businesses, and residents. Such structures often fail to meet modern requirements, creating an environment of neglect and underutilization. This contributes to blight by reinforcing perceptions of decline, reducing property values, and discouraging economic activities in the affected area.

There are examples of this in the proposed expansion area, including warehouses and other buildings that have been repurposed as commercial businesses, or structures designed for one type of commercial business but repurposed for a different use, which often leads to underutilization of the structure.



The Garfield School has been repurposed for alternative use, which may not be the most efficient use of the structure without extensive remodeling and retrofitting.



The South Park Pool building does not include secondary containment for chemical storage and does not function efficiently, which is a safety concern.

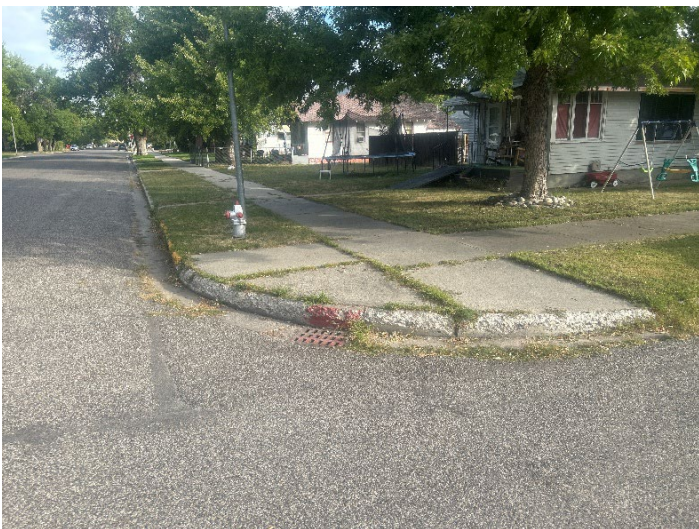
§7-15-4206, MCA (2)(c): Deterioration of building structure components or infrastructure, such as roadways, alleys, curbs, gutters, and sidewalks

Deterioration of building structure components or infrastructure refers to the visible and functional decline of essential physical elements such as walls, roofs, and foundations, as well as public infrastructure like roadways, alleys, curbs, gutters, and sidewalks. This degradation can result from age, neglect, weather exposure, or lack of maintenance, and it often leads to safety hazards, reduced accessibility, and a negative visual impact on the surrounding area. Over time, such deterioration can contribute to broader community decline by discouraging investment and diminishing the overall quality of life in the neighborhood.

Examples of this can be seen throughout the district and include, but are not limited to, the following:



Deteriorated sidewalk near the intersection of 3rd Avenue South and South 25th Street.



Deteriorated curb and gutter and sidewalk at intersection of 5th Avenue South and South 36th Street.



Deteriorated alleyway near the intersection of 3rd Avenue South and South 28th Street.



Roof of ancillary building in South Park is in disrepair and in need of replacement.





The South Park Pool and associated infrastructure is in an advanced state of disrepair.



Much of the curbing around South Park is in deteriorated condition.



Damaged, unsafe sidewalks in South Park.



Deteriorated curb and gutter at Highland Park.



Deteriorated curb and gutter near the intersection of 4th Avenue South and South 31st Street.

§7-15-4206, MCA (2)(d): Buildings or structures that endanger the life, limb, health, property, or safety of the general public or their occupants

Buildings or structures that pose a danger to life, limb, health, property, or public safety are considered hazardous and can significantly impact both their occupants and the surrounding community. These dangers may arise from structural instability, fire hazards, exposure to harmful materials, or other unsafe conditions that make the building or property unsafe to the public. When such risks are present, they not only threaten the well-being of individuals but can also lead to broader public safety concerns, including emergency response burdens and neighborhood decline. Addressing these issues promptly is essential to protect residents and maintain a safe, livable environment.

Examples of this can be seen in the district, including the following.



The City of Billings, via legal action, is trying to compel significant improvement or demolition of The Colonial Apartments on South 27th Street due to conditions endangering residents and neighboring properties, including structural damage, electrical and plumbing hazards, peeling paint, broken windows and doors. .

§7-15-4206, MCA (2)(e): Inadequate utilities and infrastructure, such as storm sewers and storm drainage, sanitary sewers, water lines, power, roadways, alleys, curbs, gutters, sidewalks, and communication services, that are shown to be lacking, of insufficient capacity to serve the uses in the area, deteriorated, antiquated, obsolete, or in disrepair

Inadequate utilities and infrastructure refer to essential systems—such as storm and sanitary sewers, water lines, power, roadways, alleys, curbs, gutters, sidewalks, and communication services that are either missing, outdated, deteriorated, or insufficient to meet the needs of the area. When these systems lack capacity or fall into disrepair, they hinder daily operations, reduce quality of life, and can pose safety and environmental risks to the community.

The Billings Engineering Department has a lengthy list of infrastructure that is lacking and in need of improvement. This includes, but is not limited to, the following:

- Replace the contaminated storm main in State Avenue from South 35th Street to South 27th Street.
- Pipe the existing Kratz Drain between the Mitchell and Jackson Court Apartments.
- Replace the water mains in the President streets south of State Avenue: Buchanan, Roosevelt, Monroe, Jefferson, Adams, Madison, Washington.
- Install a sidewalk or trail on Sugar Avenue from State Avenue to Riverside Drive, located south of Interstate 90 to improve safety for pedestrians and non-motorized vehicles.
- Add street lights in areas without any or inadequate lighting.

Other examples of infrastructure requiring improvements throughout the district include, but are not limited to, the following examples.



There are over 6,700 feet of residential streets in the proposed expansion area that are gravel and do not meet the City's standards for residential streets, like this example from Newman Lane. This is after significant street improvements have already been made in the area.



Washington Street between State Avenue and King Avenue East does not have proper drainage controls, curb and gutter, or sidewalks. There are many other similar streets within the area that need infrastructure upgrades, including portions of Riverside Road and Jackson Street.



Properties within the SBBURD either have inadequate drainage controls, such as this example lacking curb and gutter, and controlled parking with an approach onto an arterial street, which can cause confusion and safety concerns. This picture is from Washington Street just south of State Avenue.



The sidewalk approaches at this intersection of State Avenue and South 35th Street are not fully compliant with the Americans with Disabilities Act (ADA).



Evidence of improper drainage on South 33rd Street, leading to asphalt damage, and not fully compliant crossings with the Americans with Disabilities Act (ADA)



Improper drainage and missing curb, gutter or sidewalk on Fifth Avenue South near 27th Street, right at the entrance to Downtown Billings.



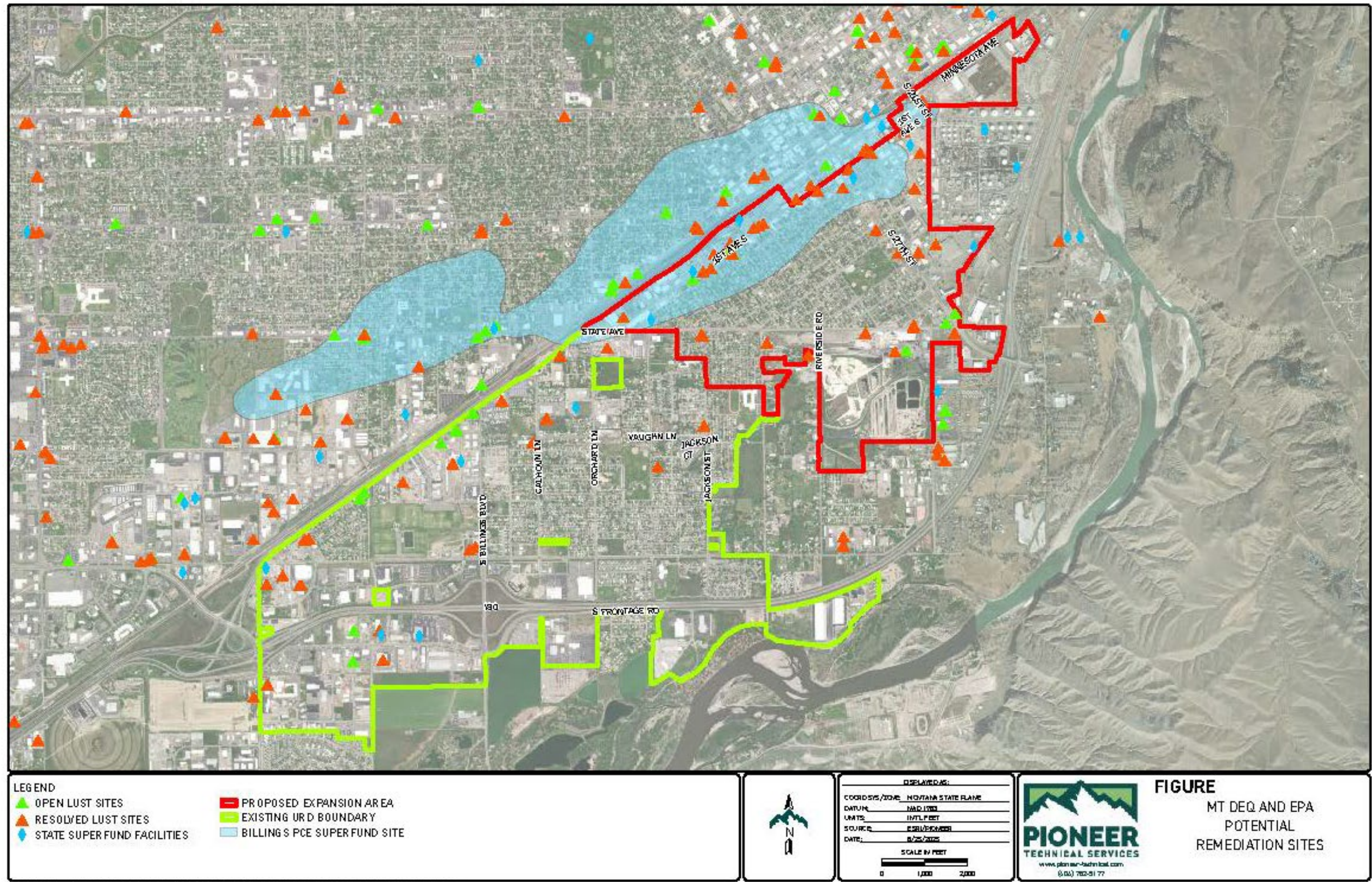
Damaged electrical infrastructure in South Park.

§7-15-4206, MCA (2)(f): Real property in the area that has incurred or may incur future planned Montana Department of Environmental Quality or U.S. Environmental Protection Agency remediation costs

Properties affected by contamination, whether due to hazardous waste, chemical spills, or other environmental pollutants, face significant barriers to development. Developers may be discouraged by the high costs of remediation required to meet environmental safety standards, as well as the potential legal liabilities and prolonged timelines associated with cleanup efforts. Contaminated sites often remain undeveloped for extended periods, fostering neglect and disrepair. This not only diminishes the aesthetic and functional value of the area but also discourages investment and economic activity, perpetuating a cycle of blight that affects the broader community. Such properties can become eyesores and even health hazards, further exacerbating their adverse impact on neighborhood vitality and public welfare.

Within the proposed expansion area, there are numerous sites that have or may incur environmental remediation costs, as shown on Figure 6. The Billings PCE Superfund site overlies a portion of the area. There are also some state Comprehensive Environmental Cleanup and

Responsibility Act (CECRA) Superfund sites within the boundary, and some active and remediated leaking underground storage tank (LUST) sites.



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Figure 6. Environmental Remediation Sites

§7-15-4206, MCA (2)(h): Excessive vacancies occurring in buildings that are unoccupied and underutilized and that represent an adverse influence on the area because of the frequency, extent, or duration of the vacancies

Conditions relating to excessive vacancies refer to situations where buildings remain unoccupied or underutilized for extended periods, either frequently or across large areas. These vacancies can negatively impact the surrounding neighborhood by creating a sense of neglect, reducing property values, and discouraging investment or development. When such buildings are left empty for too long or in significant numbers, they can become a visible sign of economic decline and contribute to broader social and environmental challenges in the area.

Examples of this in the district include, but are not limited to, those below:



Partially vacant commercial space on State Avenue.



Vacant, underutilized and poorly maintained property on 1st Avenue South near South 35th Street. The top photograph is from 2021, and the bottom photograph is from 2025, demonstrating further dilapidation and lack of maintenance.



Vacant, underutilized property on 1st Avenue South with deteriorating infrastructure and no maintenance.

5 Conclusion

In conclusion, the findings presented in this review clearly demonstrate that the proposed area being considered for expansion of the SBBURD meets the statutory criteria for designation as an URD. To be included in an URD, the area must display at least three conditions contributing to blight as described in §7-15-4206, MCA. This area clearly meets six of the conditions included in the MCA, and likely more.

The presence of deteriorating infrastructure, unsafe structures, and excessive vacancies collectively contribute to conditions of blight that hinder the area’s economic vitality and public welfare. Expanding the SBBURD will provide the City with the necessary tools to address these challenges through strategic reinvestment, infrastructure improvements, and community revitalization efforts. This designation marks a critical step toward realizing the goals outlined in the Growth Policy (City of Billings, 2016) and fostering a more vibrant, safe, and economically resilient neighborhood.

6 References

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Appendix A
SBBURD Expansion Legal Description

SBBURD PROPOSED EXPANSION AREA LEGAL DESCRIPTION

Created 8.21.2025 by S. Gilbert

DESCRIPTION

A tract of land as described as follows: Commencing at the SE corner of the SW $\frac{1}{4}$ of Section 4 of Township 1S, Range 26E, thence North 19.46 Feet, thence S 89° W a distance of 220.99 Feet to the POINT OF BEGINNING.

Thence N 0° 36' 43.29" E a distance of 79.398 Feet
Thence N 32° 6' 22.33" E a distance of 78.184 Feet
Thence N 62° 25' 46.52" E a distance of 109.512 Feet
Thence N 62° 36' 17.38" E a distance of 102.459 Feet
Thence N 63° 2' 58.94" E a distance of 20.338 Feet
Thence N 62° 28' 8.86" E a distance of 45.943 Feet
Thence N 62° 33' 35.35" E a distance of 37.591 Feet
Thence N 61° 10' 43.27" E a distance of 36.322 Feet
Thence N 59° 18' 13.3" E a distance of 33.703 Feet
Thence N 57° 45' 48.74" E a distance of 29.568 Feet
Thence N 55° 34' 41.82" E a distance of 30.67 Feet
Thence N 54° 52' 32.36" E a distance of 52.488 Feet
Thence N 55° 6' 47.53" E a distance of 50.038 Feet
Thence N 54° 38' 28.31" E a distance of 73.359 Feet
Thence N 54° 36' 32.47" E a distance of 44.614 Feet
Thence N 54° 40' 49.19" E a distance of 80.95 Feet
Thence N 55° 20' 21.12" E a distance of 179.854 Feet
Thence N 53° 50' 32.75" E a distance of 121.553 Feet
Thence N 54° 22' 13.35" E a distance of 84.369 Feet
Thence N 54° 52' 53.49" E a distance of 64.837 Feet
Thence N 54° 56' 21.59" E a distance of 76.45 Feet
Thence N 54° 37' 35.3" E a distance of 123.218 Feet
Thence N 54° 50' 19.57" E a distance of 132.2 Feet
Thence N 54° 42' 48.22" E a distance of 151.068 Feet
Thence N 54° 56' 10.64" E a distance of 93.29 Feet
Thence N 54° 10' 10.01" E a distance of 172.571 Feet
Thence N 57° 59' 40.44" E a distance of 40.269 Feet
Thence N 54° 51' 4.62" E a distance of 56.844 Feet
Thence N 62° 42' 1.16" E a distance of 82.727 Feet
Thence N 59° 54' 14.09" E a distance of 134.305 Feet
Thence N 57° 19' 9.76" E a distance of 149.322 Feet
Thence N 54° 0' 22.86" E a distance of 54.586 Feet
Thence N 54° 59' 43.75" E a distance of 113.766 Feet
Thence N 54° 33' 50.29" E a distance of 99.47 Feet
Thence N 54° 45' 59.9" E a distance of 106.282 Feet
Thence N 54° 43' 39.48" E a distance of 121.948 Feet

Thence N 53° 37' 30.13" E a distance of 77.284 Feet
Thence N 47° 18' 17.63" E a distance of 69.383 Feet
Thence N 44° 59' 60.0" E a distance of 90.146 Feet
Thence N 45° 8' 33.72" E a distance of 86.068 Feet
Thence N 46° 19' 22.66" E a distance of 67.413 Feet
Thence N 44° 59' 59.64" E a distance of 132.134 Feet
Thence N 46° 24' 52.03" E a distance of 108.691 Feet
Thence N 43° 44' 27.43" E a distance of 65.935 Feet
Thence N 46° 9' 12.11" E a distance of 95.961 Feet
Thence N 46° 32' 54.29" E a distance of 47.666 Feet
Thence N 46° 36' 57.38" E a distance of 68.496 Feet
Thence N 51° 49' 16.75" E a distance of 45.178 Feet
Thence N 56° 33' 34.07" E a distance of 20.434 Feet
Thence N 54° 35' 19.71" E a distance of 65.443 Feet
Thence N 55° 7' 38.31" E a distance of 36.342 Feet
Thence N 54° 19' 9.95" E a distance of 54.289 Feet
Thence N 58° 24' 34.09" E a distance of 49.126 Feet
Thence N 59° 46' 52.73" E a distance of 28.458 Feet
Thence N 64° 1' 29.43" E a distance of 11.886 Feet
Thence N 59° 38' 17.37" E a distance of 38.049 Feet
Thence N 59° 27' 27.66" E a distance of 58.871 Feet
Thence N 60° 10' 2.58" E a distance of 47.251 Feet
Thence N 57° 37' 9.95" E a distance of 56.588 Feet
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Thence N 54° 38' 34.33" E a distance of 57.405 Feet
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Thence N 53° 50' 29.72" E a distance of 43.791 Feet
Thence N 54° 49' 19.77" E a distance of 53.951 Feet
Thence N 54° 37' 25.56" E a distance of 64.09 Feet
Thence N 54° 58' 37.88" E a distance of 96.281 Feet
Thence N 54° 44' 37.35" E a distance of 107.799 Feet
Thence N 54° 11' 19.83" E a distance of 88.709 Feet
Thence N 54° 11' 47.8" E a distance of 68.49 Feet
Thence N 55° 5' 11.76" E a distance of 90.689 Feet
Thence N 51° 16' 56.56" E a distance of 47.073 Feet
Thence N 49° 10' 0.05" E a distance of 29.895 Feet
Thence N 49° 55' 8.54" E a distance of 43.061 Feet
Thence N 48° 37' 16.16" E a distance of 34.795 Feet
Thence N 49° 52' 6.47" E a distance of 27.97 Feet
Thence N 50° 39' 34.92" E a distance of 29.419 Feet
Thence N 52° 31' 42.34" E a distance of 40.26 Feet
Thence N 55° 45' 51.05" E a distance of 38.48 Feet

Thence N 53° 1' 54.63" E a distance of 45.225 Feet
Thence N 55° 59' 12.51" E a distance of 20.492 Feet
Thence S 35° 1' 53.83" E a distance of 546.505 Feet
Thence N 54° 53' 14.91" E a distance of 323.612 Feet
Thence N 54° 23' 52.07" E a distance of 465.296 Feet
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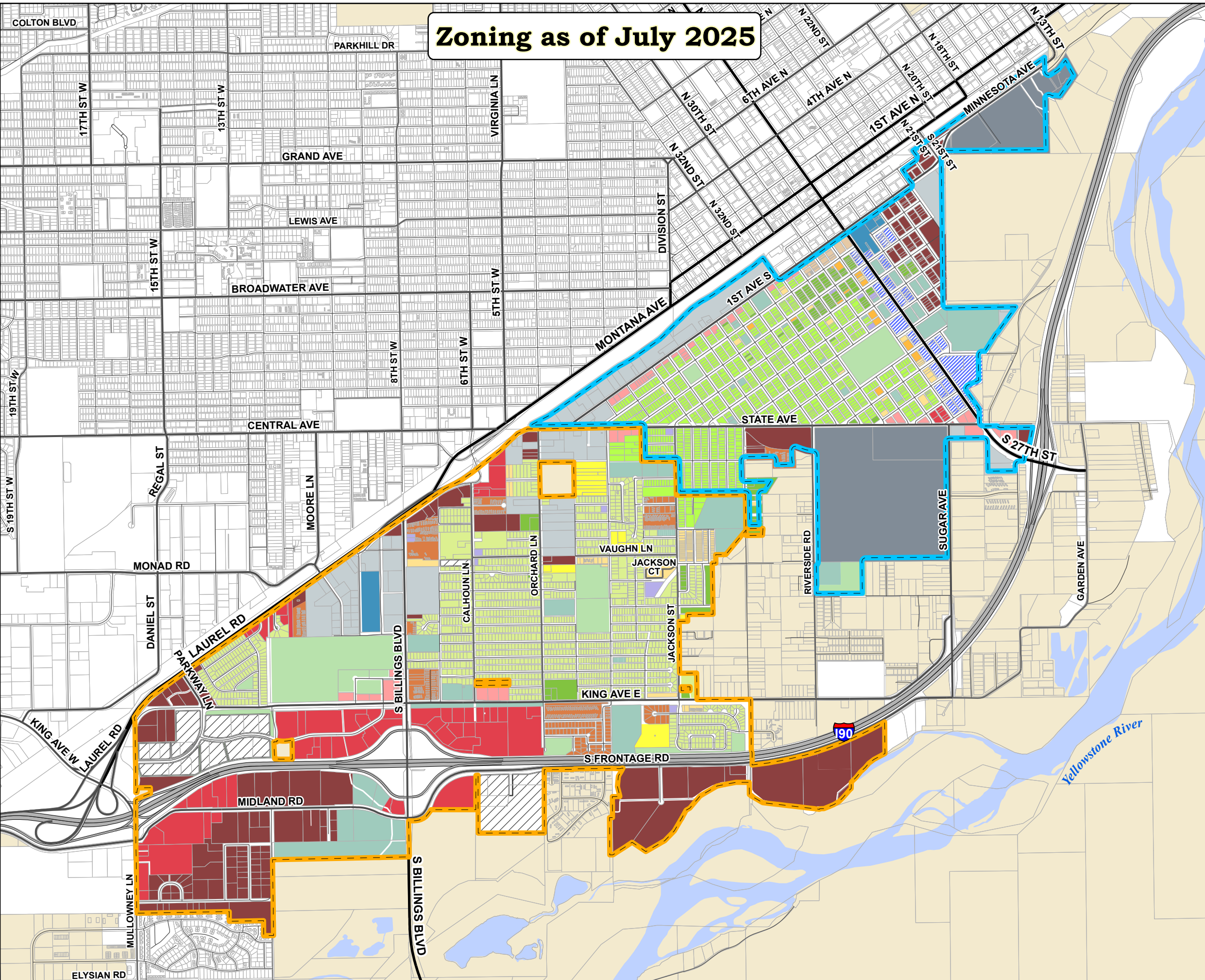
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Thence S 89° 41' 43.4" W a distance of 1333.209 Feet
Thence N 1° 9' 50.67" W a distance of 657.024 Feet
Thence S 89° 56' 35.09" W a distance of 658.512 Feet
Thence N 0° 54' 23.58" W a distance of 659.483 Feet
Thence S 87° 47' 22.64" W a distance of 118.606 Feet
Thence S 87° 47' 23.53" W a distance of 99.665 Feet
Thence S 89° 10' 21.9" W a distance of 1980.38 Feet to the point of
beginning for an area of 902.899 US survey acres.

Zoning as of July 2025

South Billings Boulevard Urban Renewal District (SBBURD) - Current Boundary and Proposed Expansion

SBBURD comprised of Levy Districts 2T5 and 23T5



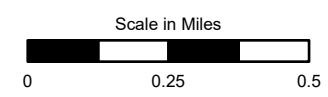
Legend

- SBBURD Boundary
- SBBURD Proposed Expansion
- Billings City Limits
- Yellowstone County Boundary

Zoning

- A - Agriculture (10+ acres)*
- C3 - General Commercial*
- CBD - Central Business District
- CMU1 - Corridor Mixed-Use
- CMU2 - Corridor Mixed-Use & Commercial Centers
- CX - Heavy Commercial
- DX - Downtown Support
- EBURD Industrial Sanctuary
- I1 - Light Industrial
- I2 - Heavy Industrial
- N1 - First Neighborhood
- N2 - Mid-Century Neighborhood
- N3 - Suburban Neighborhood
- N4 - Large Lot Suburban Neighborhood*
- NMU - Neighborhood Mixed-Use
- NX1 - Mixed Residential 1 (1-4 du/structure)
- NX2 - Mixed Residential 2 (2-8 du/structure)
- NX3 - Mixed Residential 3 (>=>5 du/structure)
- P1 - Open Space, Parks, Recreation
- P2 - Public- Civic, Institutional
- P3 - Public- Campuses - Medical, Civic, Educational
- PD - Planned Development
- RMH - Residential Mobile Home
- RR1 - Rural Residential (1 to 2.99 acres)*
- RR3 - Rural Residential (3 to 9.9 acres)*

The parcel data mapped hereon does not constitute a legal survey. Inaccuracies exist with both the mapped data and the Montana Department of Revenue CAMA data; when seeking the definitive description of real property, consult the deed recorded at the Yellowstone County court house.



City Council Work Session

Date: 09/02/2025
Title: Urban Renewal District Legislative and Operational Modifications
Presented by: Wyeth Friday
Department: Planning & Community Services
Presentation: No
Legal Review: Yes
Project Number: NA

RECOMMENDATION

There is no recommendation for this Work Session, but staff is updating the Council on the status of setting up the new District Advisory Committees and the coordination with the District entities.

BACKGROUND (Consistency with Adopted Plans and Policies, if applicable)

The 2025 Montana Legislature passed Senate Bill 3 (SB3) which required "the local government that adopts a tax increment financing provision shall appoint an advisory committee to advise the local government about the administration of the urban renewal area or targeted economic development district." The committee must include at least one representative from each incorporated city or town, county, or school district with boundaries that overlap with the urban renewal area or targeted economic development district. City code also provides requirements for the appointment of city boards, commissions and committees. Some of these provisions may be superseded by state law, but generally, city code provisions will apply to this committee.

Per this new state law, City staff and Council have made the following steps toward compliance:

- On July 21, 2025, Council discussed SB3 and indicated it would like to keep the operations of the districts the same, to the extent possible. Based on this direction, staff requested feedback from the three urban renewal districts to obtain their requests and recommendations about the makeup of the advisory committees.
- Staff used input from the three urban renewal districts entities to prepare resolutions for Council consideration and the City Council approved the three resolutions at its meeting on August 25 to create the committees.
- Staff is now preparing the application process for these committee seats to solicit applicants so appointments may be made by the Mayor and Council as soon as practical because the effective date of SB3 is October 1, 2025. Legal advertising for applications for these seats is going out in early September with applications due in early October. The Mayor is expected to review the applications and bring them to Council in late October or early November.
- Staff is also directly contacting the County Commission, Billings School District, and Elysian School District to receive appointments for the seats to represent these entities.
- Staff plans to bring draft agreements to the City Council Work Session on October 6. Staff will receive input from the three District entities on the agreement drafts before that Work Session.

Discussion topics for this Work Session:

- City Council needs to decide on its City representative(s) for the three advisory committees.
- Staff is developing draft agreements between the City and the three districts to replace the current memorandums of understanding. If City Council has questions or input on the content of the agreements, staff will take that information back after this Work Session as we work on the drafts and bring responses and follow up to Council on October 6.

STAKEHOLDERS

The City of Billings is the primary stakeholder in this process to ensure the Urban Renewal Districts and the new Advisory Committees follow state laws, local City codes, and local policies. It is the responsibility of the City to ensure the Districts and the Tax Increment Finance provisions in each District are administered and implemented correctly.

ALTERNATIVES

There are no alternatives for this item at this Work Session. Staff is asking for some discussion by Council on its representative(s) for the three advisory committees and if it has questions or input for staff to take and follow up on as it develops the new agreements with the independent entities that will be supporting the new City-appointed urban

renewal district advisory committees. Review of the draft agreements is scheduled for the October 6 Work Session.

FISCAL EFFECTS

The fiscal effects of this process are City Administrator, City Attorney, City Finance Director, and PCSD Director time to develop the new agreements, review them with the three independent entities that will be supporting the new advisory committees for the three Districts and bringing the agreements through the City Council process for approval.
