

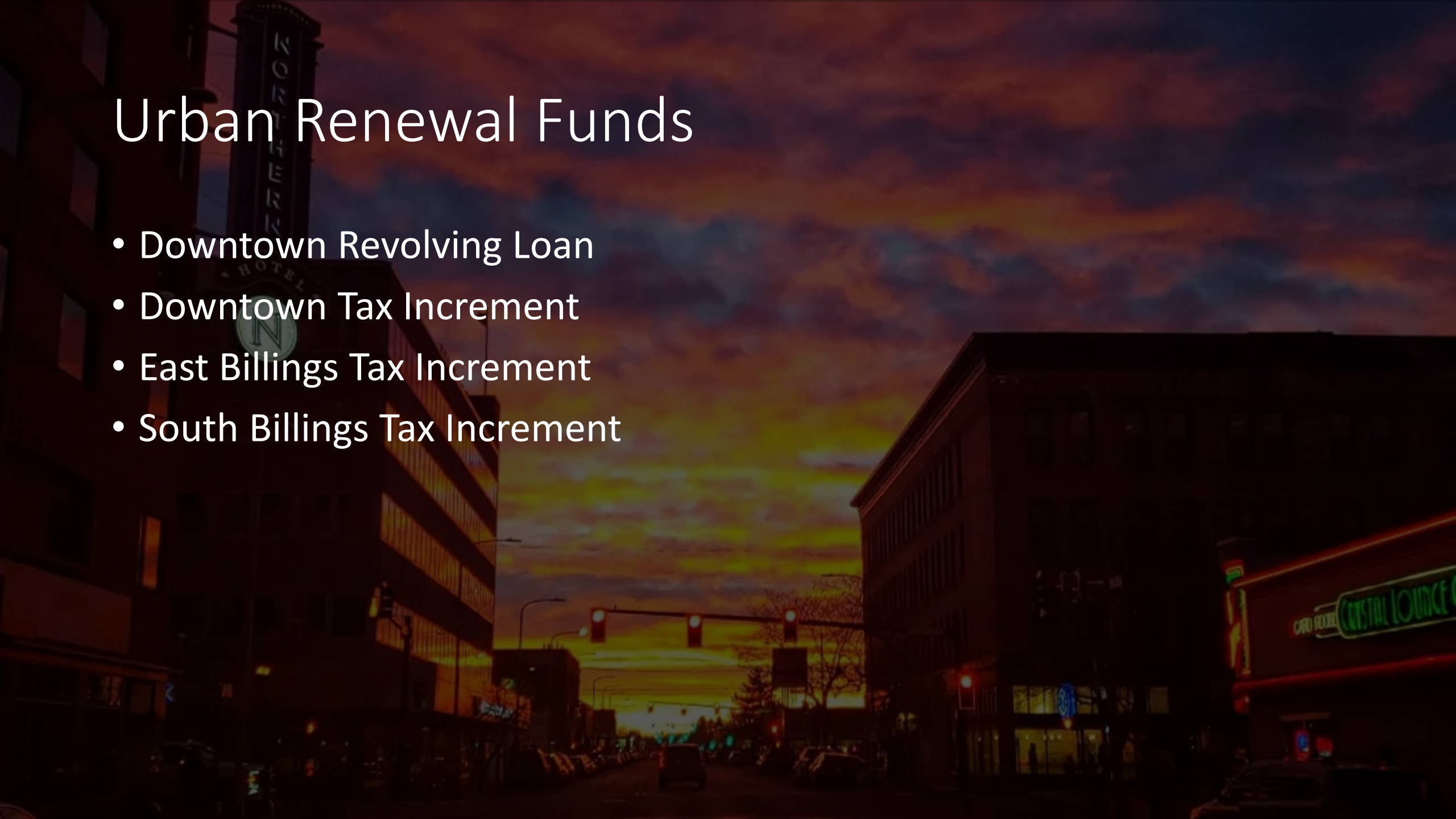
An aerial photograph of a city at sunset. The sky is a mix of orange, yellow, and blue, with scattered clouds. The city below is densely packed with buildings, roads, and green spaces. In the foreground, there are two large white cylindrical tanks and several smaller buildings. The text 'Urban Renewal Funds' is overlaid in the center of the image in a white, sans-serif font.

# Urban Renewal Funds

FY2026 Budget

# Urban Renewal Funds

- Downtown Revolving Loan
- Downtown Tax Increment
- East Billings Tax Increment
- South Billings Tax Increment





## Downtown Revolving Loan

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- Total FY26 Budget \$807,030
  - \$800,000 Loans
  - \$7,030 General Fund Cost Allocation

# Downtown Tax Increment

N27th Street Billings Fund

- Total Budget \$2,736,821
- Debt Payments \$1,310,707
- Transfer to Parking \$45,947 (Free Holiday Parking)
- Cost Allocation \$103,113
- DBP Operating Agreement \$326,105
- Development Incentives \$824,553
  - Sign Program, CPTED Program, Battle of the Plans
  - Prior Approved Projects (MRM, Old Town Flats, Lincoln Apartments)
  - Anticipated Projects \$384k

## Downtown Tax Increment

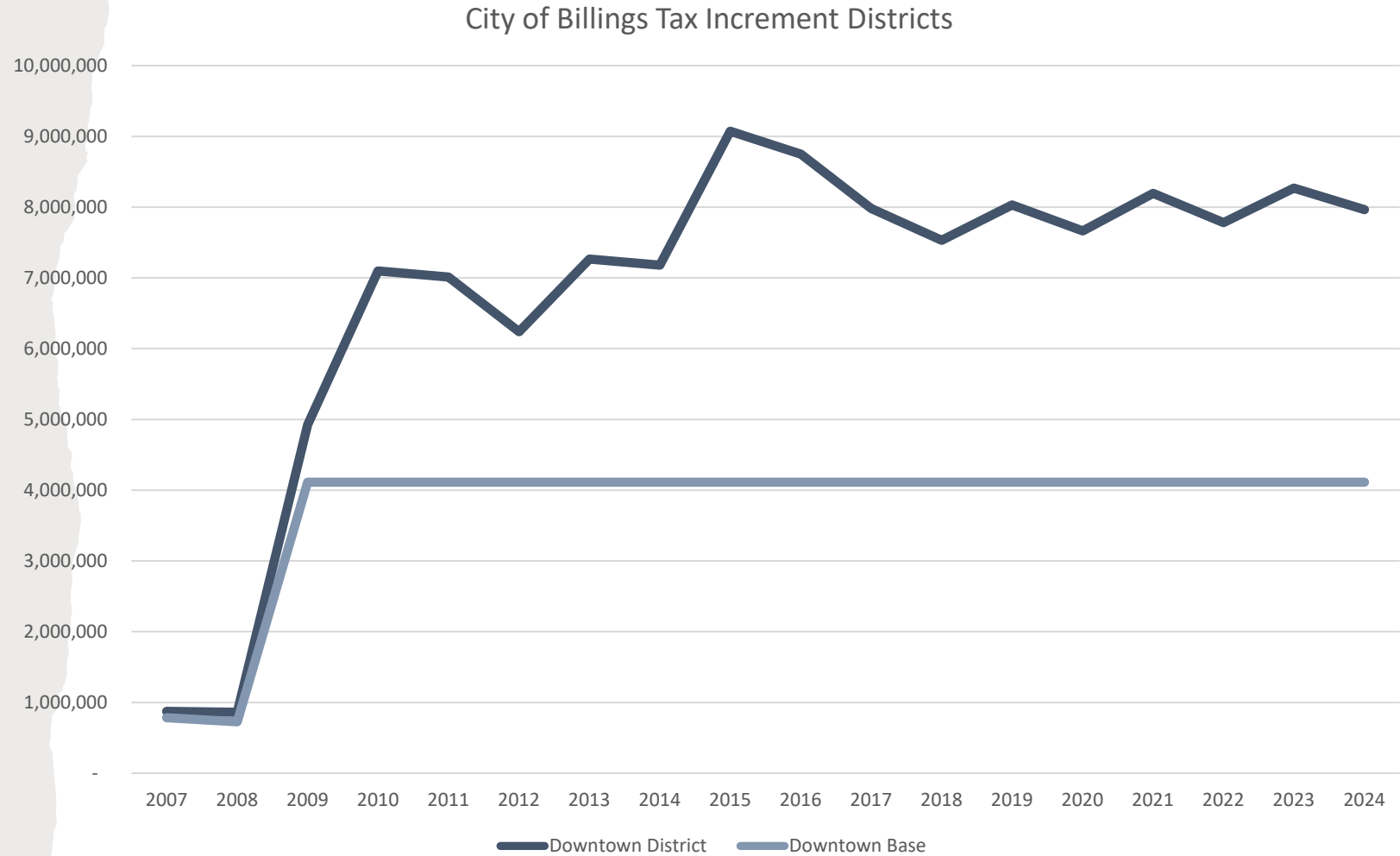
Estimated Total Revenue for FY26

\$3,255,589

- Increment \$3,019,949
- Interest Income \$ 235,640

# Downtown Tax Increment

- Established in 2006
- Current Taxable Value (2024) - \$7,963,520
- Base Taxable Value - \$4,112,238
- Growth – 93.7%
  
- City Growth Since 2006 – 99.1%



# South Tax Increment Fund

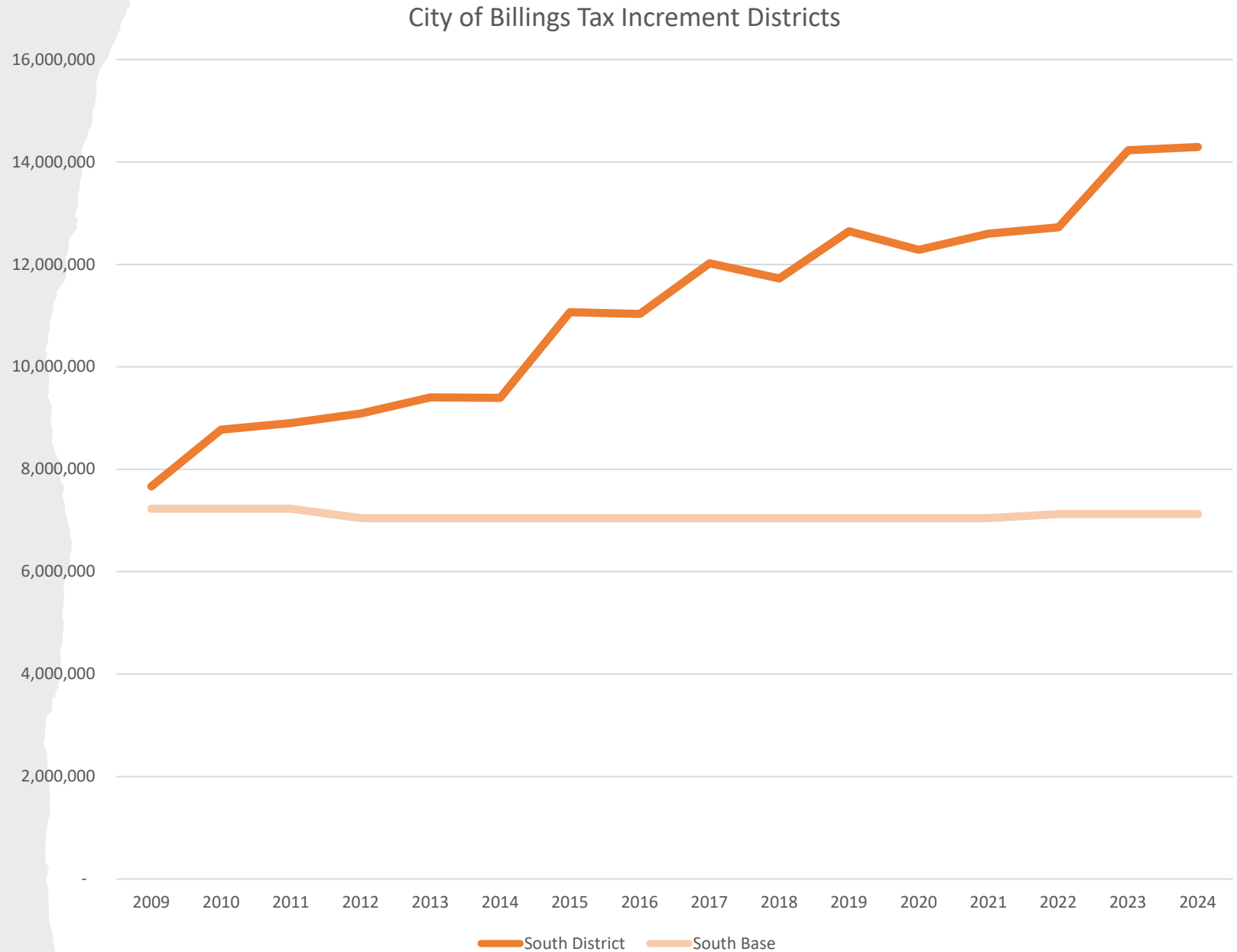
- Total FY26 Budget - \$35,461,392
- Debt Payments \$2.7 million
- Cost Allocation \$11k
- SBURA Operating Agreement \$160,000
- Capital Outlay – Rec Center & South Pool \$29,600,000
- Development Incentives \$2,878,012
  - Prior Approved Projects \$1.6M (Torgerson, Yellowstone Ice Foundation)
  - Anticipated Projects \$1,250,000

# South Tax Increment Fund

- FY26 Revenue Estimates
  - Tax Increment Revenue \$5,020,077
  - Interest Income \$141,263
  - Bond Proceeds \$29,600,000
- Impacts of new property tax legislation unknown, but could lead to tax revenue of approx. \$400k less than budgeted

## South Tax Increment Fund

- Established in 2008
- Current Taxable Value (2024) - \$14,291,754
- Base Taxable Value - \$7,124,210
- Growth – 97.7%
  
- City Growth Since 2008 – 78.5%

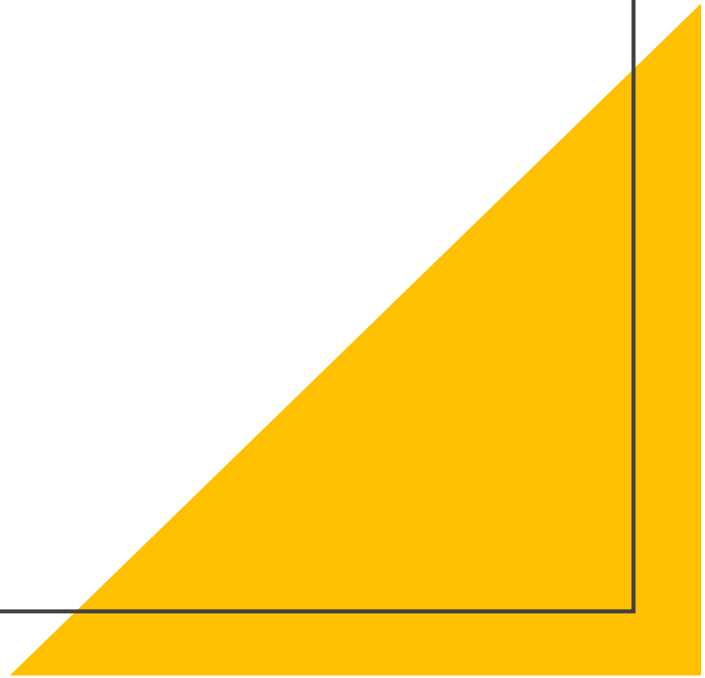


# East Tax Increment Fund

- Total FY26 Budget \$1,383,721
- Debt Payment \$468,643
- Cost Allocation \$82,828
- BIRD Operating Agreement \$179,750
- Development Incentives \$552,500
  - Prior Approved Projects \$475,000 (Animal Hospital)
  - Anticipated Projects and Programs \$77,500

# East Tax Increment Fund

- Total FY26 Estimated Revenue \$1,289,097
  - Tax Increment \$1,229,151
  - Interest Income \$59,946



## City of Billings Tax Increment Districts

### East Increment Fund

- Established in 2007
- Current Taxable Value (2024) - \$3,420,077
- Base Taxable Value - \$1,939,797
- Growth – 89.9%
  
- City Growth Since 2007 – 88.9%



# City of Billings Tax Increment Funds FY 2026

	East Tax Increment	Downtown Tax Increment	South Tax Increment	Total Tax Increment
<b>Revenue</b>				
Taxes	1,017,521	2,689,148	4,664,717	8,371,386
Intergov - Entitlement Share	211,630	330,801	355,360	987,791
Debt Proceeds	0	0	29,600,000	29,600,000
Investment Earnings	59,946	235,640	141,263	436,849
<b>Revenue Total</b>	<b>1,289,097</b>	<b>3,255,589</b>	<b>34,761,340</b>	<b>39,306,026</b>
<b>Expense</b>				
Operation and Maintenance	815,078	1,330,167	3,151,011	5,296,256
Debt Service	468,643	1,310,707	2,710,381	4,489,731
Capital Outlay	100,000	50,000	29,600,000	29,750,000
Transfers Out	0	45,947	0	45,947
<b>Expense Total</b>	<b>1,383,721</b>	<b>2,736,821</b>	<b>35,461,392</b>	<b>39,581,934</b>

Tax Revenue likely to vary due to tax law changes in FY2026, full impact unknown at this time

# Legislative Changes and Impacts, MOUs, Next Steps

- City staff and URD advisory organizations communicating
- Legislation (SB3) requires advisory boards fall under BMCC 2-500 (effective October 2025)
- Determining URD operational impacts – potential significant impacts
- MOUs
  - All expire June 30, 2025
  - Recommend renew as is till October 31, then reevaluate
- Next Steps
  - July Work Session to discuss and receive Council direction



# Council Discussion