

**MEMORANDUM OF UNDERSTANDING**

Between  
City of Billings and  
Billings Tourism Business Improvement District

This Memorandum of Understanding (“MOU”) is entered into by and between the City of Billings , a Montana municipal corporation ( “CITY”) located at 316 N. 26th Street, Billings, MT 59101, and Billings Tourism Business Improvement District (“BTBID”) located at 815 South 27<sup>th</sup> Street, Billings, MT 59101. CITY and BTBID are sometimes referred to herein individually as a “party” and collectively as the “parties”.

**Recitals**

**WHEREAS**, in 2017 the owners of qualified lodging facilities in the City of Billings petitioned the CITY pursuant to §§ 7-12-110 et seq. MCA to renew a tourism business improvement district and on May 8, 2017, the Billings City Council approved Resolution No. 17-10619 to renew the District to be known as the Tourism Business Improvement District No. 0002 of the City of Billings, Montana (referred to herein as the BTBID).

**WHEREAS**, City Resolution No 17-10619 became effective October 1, 2017, and provides that the duration of the BTBID shall be for a period of 10 years as prescribed by § 7-12-1141 MCA and provides for the boundaries of the District, the property to be assessed, and the amount of assessments.

**WHEREAS**, the purpose of the BTBID is to aid tourism, promotion, and marketing within the District, to promote and market Billings, and to grow the Hotel Lodging Occupancy Demand.

**WHEREAS**, the CITY’s Parks, Recreation and Public Lands Department (“PRPL”), a department of CITY, formed a sub-committee of five elected officials from the Billings City Council, representing each ward, to explore operation and long-term maintenance for the Amend Recreation Center (“ARC”). On September 15, 2025, at a Work Session, the Billings City Council took an informal vote of 9-0 in favor of PRPL operating the ARC for the first 3 years supported with a forthcoming Council Resolution.

**WHEREAS**, PRPL completed architectural design regarding construction and operation of the ARC, obtained conceptual drawings, and prepared a budget for the construction of the ARC and Amend Campus site work in the range of \$20,000,000 funded by the South Billings Urban Renewal Association (“SBURA”); and, pro forma financials, including a budget for operation of the ARC, reflecting estimated annual revenues of approximately \$392,000 (Year 1), \$486,000 (Year 2) and \$639,000 (Year 3) and an annual estimated operating shortfall of \$260,000 (Year 1), \$ 185,000 (Year 2) and \$53,000 (Year 3).

**WHEREAS**, PRPL has met with the BTBID Board and requested assistance in funding the operations of the ARC. The BTBID Board determined that the purpose and mission of the ARC is consistent with the goals and purposes of the BTBID, and the BTBID wishes to work together with PRPL to promote the success of the ARC.

**WHEREAS**, on April 10, 2025, the BTBID Board conditionally approved providing funding for operational expenses of the ARC.

**WHEREAS**, PRPL has commenced construction of the ARC.

**WHEREAS**, BTBID's funding support for the ARC is intended to further the purposes of the BTBID and support the success of the ARC.

**WHEREAS**, the CITY and BTBID wish to document their agreement regarding BTBID's commitment to the future operation and management of the ARC.

**NOW, THEREFORE**, the CITY and BTBID, in consideration of the covenants and promises in this MOU and other good and valuable considerations, the receipt of which is hereby acknowledged, hereby agree as follows:

1. The parties acknowledge that the Recitals above are true and correct statements of fact and are incorporated herein.
2. **BTBID Funding Commitment for ARC.** Subject to the terms and conditions set forth in Sections 5 and 6 below, BTBID will provide funding for expenses of the ARC as follows (the "BTBID Funding Commitment"):
  - i. The BTBID Funding Commitment is intended to pay a total of up to \$500,000 over the first three (3) years to support operational shortfall at the ARC.
3. **BTBID Future Requests for Assessment.** BTBID will propose work plans and budgets to the CITY for its FY 2027, FY 2028 and FY 2029 that will include amounts necessary to pay the BTBID Funding Commitment.
4. **BTBID Renewal of District.** The BTBID has an automatic termination date of September 30, 2027, based on its 10-year statutory duration. The BTBID Board intends to request a renewal of the BTBID for an additional 10-year term prior to the termination of the current term of the BTBID. If renewed, the new District shall submit work plans and budgets for the renewed District that will include amounts necessary to pay the BTBID Funding Commitment; provided, however, that in the event the District is not renewed, BTBID shall have no obligation to pay the BTBID Funding Commitment after expiration of the current term of the District.
5. **Terms of Payment of BTBID Funding Commitment.** The following terms shall apply to payment of the BTBID Funding Commitment:

- a. The BTBID Funding Commitment will be paid directly by BTBID to PRPL, a department of the CITY, as manager and operator of the ARC. The payments shall be made by agreed means of payment.
- b. BTBID will not be required to expend any portion of the BTBID Funding Commitment that was not required or expended to make up an operating shortfall during each fiscal year. Such unexpended funds will no longer be committed to fund the ARC and will not carry over to subsequent fiscal years. BTBID shall be entitled to use such unexpended funds for its other programs to promote tourism in the District.
- c. The BTBID will provide a total funding commitment of up to \$500,000 to the CITY for PRPL over the first three operating years, distributed as follow:
  - i. FY27: \$100,000 committed for start-up operational costs at beginning of fiscal year, with up to an additional \$160,000 available at the end of the fiscal year to address any operational shortfall as identified through PRPL's financial statements.
  - ii. FY28: Up to \$185,000 available at the end of the fiscal year to address any operational shortfall as identified through PRPL's financial statements.
  - iii. FY29: Up to \$55,000 available at the end of the fiscal year to address any operational shortfall as identified through PRPL's financial statements.
- d. PRPL shall keep adequate books and records, setting forth a true and accurate account of all transactions arising out of and in connection with the ARC. BTBID or its designated representative shall have the right, at any reasonable time and at its expense, to have access to and inspect and copy the contents of such books and records.
  - i. PRPL will provide the Billings City Council and BTBID with quarterly financial statements reflecting actual operating revenues and expenses for the ARC in a form acceptable to BTBID. PRPL shall provide those statements to BTBID within 30 days after the end of each quarter. The financial statements will provide sufficient information to determine any operational shortfall for each fiscal year of the MOU.
  - ii. PRPL Quarterly financial forecasts will be provided to the BTBID Board to assist with ongoing budgeting and planning.
- e. BTBID and PRPL shall meet 12 months prior to the end of the term of this MOU to discuss any future agreements.

6. **Conditions Precedent to BTBID Funding Commitment.** The BTBID Funding Commitment pursuant to Section 2 of the MOU is expressly conditioned and

contingent upon satisfaction of each of the following conditions precedent in each quarter of the BTBID Funding Commitment as applicable:

- a. Construction of the ARC is diligently pursued to completion and PRPL receives a certificate of occupancy.
- b. The ARC remains fiscally viable and operational.
- c. The CITY and BTBID approve the BTBID's subsequent annual work plans and budgets in amounts necessary to fund the BTBID Funding Commitment.
- d. The CITY and BTBID property owners approve a renewal of the District to take effect upon termination of the current 10-year term of the District on September 30, 2027.
- e. The ARC is owned by CITY, and will be properly and reasonably managed and operated by PRPL or a successor to PRPL that is acceptable to BTBID in its sole and absolute discretion.
- f. PRPL timely provides BTBID with the quarterly financial statements required by Section 5C. of the MOU.
- g. PRPL will appoint an advisory board to advise City Council on operations of the ARC. 20% of the voting authority of the ARC advisory board shall be represented by BTBID during the term of the BTBID Funding Commitment.
- h. The ARC will be consistently operated and managed to promote its mission to promote indoor sports and to support economic activity through sports tourism and related community events.
- i. PRPL and ARC management will coordinate with BTBID in promoting, arranging and scheduling events that support BTBID's purpose of promoting tourism, lodging stays, and sports tourism in the District.
- j. PRPL will provide prominent lobby recognition for Visit Billings in a mutually agreeable form.

In the event any of these conditions' precedent are not satisfied, and such failure continues for 90 days following written notice from BTBID to the CITY, BTBID may terminate this MOU by written notice, in which case any and all obligations of BTBID under this MOU shall terminate and cease.

7. **Additional Documents.** The parties shall execute and acknowledge, if required, any and all documents consistent with this MOU and necessary to carry out its terms and conditions.

8. **This MOU and the rights associated therewith may not be assigned by the CITY without prior written consent of BTBID.**

9. **No Creation of Entity, Hold Harmless.** This MOU shall not be construed to create, either expressly or by implication, the relationship of agency or partnership between CITY and BTBID. Neither CITY nor BTBID is authorized to act on behalf of the other in any manner in relation to the subject matter of this MOU, and neither shall be liable for the acts, errors, or omissions of the other entered into, committed or performed with respect to or in the performance of this MOU. Each party agrees to indemnify and hold the other party harmless against any claims arising from the acts, errors, or omissions of its employees, agents, or Departments, related to CITY's ownership or PRPL's management or operation of the ARC; or for the party's material breach of the obligations under this MOU.

10. **No Delegation of Governmental Authority.** Nothing in this Agreement shall be construed as delegating governmental authority, policymaking authority, or operational control of ARC to BTBID.

11. **Governing Law, Informal Dispute Resolution, Venue.** This MOU shall be governed by, and construed in accordance with, the laws of the State of Montana. Should a dispute arise regarding the terms of this Agreement, the parties shall first enter into good faith discussions in an attempt to resolve the dispute. Should the dispute result in litigation, the parties agree that proper venue lies in the Montana 13th Judicial District Court.

12. **Entire Agreement and Revocation of Prior Agreements.** This MOU embodies the entire understanding between CITY and BTBID with respect to the specific subject matter hereof, and no prior oral or written representation shall serve to modify or amend this MOU. This MOU may not be modified except by written agreement of both parties.

13. **Severability.** If any provision of this MOU is held to be illegal or void, the validity of the remaining terms shall not be affected.

14. **Public Information.** All materials related to this MOU are considered public records and may be distributed by request made pursuant to Montana's Public Records Acts.

15. **Authorized Representatives.** The parties appoint the following authorized representative to receive notices and to provide direct communication between the parties:

For CITY:  
PRPL Director, City of Billings  
390 N. 23rd St.  
Billings, MT 59101

For BTBID:  
(Position), BTBID  
(Address)  
Billings, MT 59101

16. **Authorized Signatures.** The parties represent and agree that the persons signing this MOU have authorization to bind their respective entities to its terms.

IN WITNESS WHEREOF, the parties hereto have executed this instrument the day and year set

forth below.

**Signed this \_\_\_ day of \_\_\_\_\_, 202\_\_ :**

City of Billings, Montana

\_\_\_\_\_  
Mike Nelson, Mayor

ATTEST:

\_\_\_\_\_  
Denise Bohlman, Clerk

**Signed this \_\_\_ day of \_\_\_\_\_, 202\_\_ :**

Billings Tourism Business Improvement District

\_\_\_\_\_  
Jeff Schoenhard, BTBID Chair