

****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

COUNCIL CHAMBERS

APRIL 6, 2026

5:30 P.M.

CALL TO ORDER: Mayor Nelson

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. 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 back of the Council chambers or at the podium.

1. Urban Renewal Districts - Consolidation of Consultants. (CM Boyett's Initiative)

-Public Comment

2. City Annexation Policy and Map Recommendations.

-Public Comment

3. Billings 2045 Land Use Plan and Future Land Use Map Review.

-Public Comment

4. Cybersecurity Awareness.

-Public Comment

5. Interim City Administrator Appointment Process.

-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 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, the sole purpose is 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.

City Council Work Session

1.

Meeting Date: 04/06/2026

TITLE: Urban Renewal Districts – Consolidation of Consultants (CM Boyett’s Initiative)

PRESENTED BY: Wyeth Friday

Department: Planning & Community Services

Presentation: Yes

Legal Review: Yes

Project Number: NA

RECOMMENDATION

Staff recommends the City Council review the enclosed materials collected in response to the Council's approved initiative and provide clear direction on how you want staff to move forward.

EXECUTIVE SUMMARY

Council Member Boyett proposed, and the full council supported, an initiative at the City Council's February 9 business meeting to issue a Request for Proposals (RFP) to consolidate the administration of the three Urban Renewal Districts (URDs) in coordination with the expiration of the three Agreements for support of the URDs on June 30, 2026. City Council requested the issue be placed on the April 6 work session agenda to discuss next steps.

City Council last discussed how to implement the new State Statutory requirements for taxing jurisdiction representation on its three Urban Renewal District advisory boards at a Work Session in July 2025 (See attached memo from July 21, 2025 Work Session). At the time, City Administration, PCSD, Finance and Legal staff recommended the City Council consider several solutions to address the new state legal requirements and make operational changes for managing the three Districts. The Council directed staff to implement changes that would comply with state law while retaining, as closely as possible, the status-quo regarding the management of the three URDs. The current system is now functioning under that direction.

For the current initiative discussion, staff has identified the following questions for Council to answer:

What direction does Council want staff to go before June 30, 2026 when the agreements with the three entities expire:

- a. Leave management as it is and extend the current agreements for a time TBD?
- b. Issue an RFP for consolidated services?

-If an RFP is issued, would it consider responses that only administer 1 or 2 districts, or must it be all or nothing?

- c. Reduce the annual operating budgets for the three district entities, update agreements, add City FTE to support core operations?
- d. Bring all District management into City operations and add City FTE(s) to support operations?

Managing three separate advisory committees that are supported by three non-profit entities is inefficient, and the current operating costs are high. However, the city does not have the personnel to do this work without adding additional staff. We also do not have any staff that perform economic development functions.

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

City Council discussed how to implement the new State Statutory requirements for taxing jurisdiction representation on its three Urban Renewal District advisory boards at a Work Session in July 2025 (See attached memo from July 21, 2025 Work Session). At the time, City Administration, PCSD, Finance and Legal staff recommended the City Council consider several solutions to address the new state legal requirements and operational changes for managing the three Districts. The solutions included improving the City's staffing oversight for management of the Districts while still maintaining three outside entities to support the newly formed Advisory Committees, or bringing all operations of the three Districts into the City except for some economic development activities to be defined by the City.

Ultimately, the Council elected to make no changes to the City staff support of the Districts and to keep the arrangement as much the same as possible. The approach included having three separate entities be contracted with the City to provide Advisory Committee support, initial application solicitation and review, delivery of applications to the City staff and Council, and other duties to support District success. This is the current arrangement that has been operating since late 2025. The work supporting the three Districts is significantly handled by the Planning and Community Services Department Director. Although the Council's intention was to maintain the previous arrangement with the three nonprofits managing the districts, the change in the law requires oversight by City staff to

ensure compliance with all legal requirements. Managing three separate advisory committees that are supported by three non-profit entities is inefficient, and the current operating costs are significantly higher than estimates for handling the operations internally. We estimate the planning director spends between 20-30 hrs/month attending meetings and dealing with issues related to the three URDs. When the URD's are dealing with complex TIF grant applications, the finance director, city attorney's office and city administration also dedicate additional resources. This is exacerbated by the fact that no-one person is assigned to oversee the URDs at the ground level.

Council Member Boyett proposed an initiative at the City Council's February 9, 2026 business meeting to issue a Request for Proposals (RFP) to consolidate the administration of the three Urban Renewal Districts (URDs) in coordination with the expiration of the three Agreements for support of the URDs on June 30, 2026. City Council discussed the initiative at the February 9 meeting and voted to move it forward to a Work Session on April 6 to discuss next steps for taking action on the initiative. Consolidation of the administration would improve efficiency, but would still require oversight by City staff to make sure the URDs are compliant with state and local regulations, following processes to bring applications to City Council, and coordinating execution and follow up on projects as they are completed and seek reimbursement.

FISCAL EFFECTS

Estimated costs for bringing the district management into the City are \$150k-\$250k per year. It is assumed that the City would need to hire 1-2 FTE in order to accomplish these tasks.

Currently, the City pays a combined total of approximately \$665,855 for support services to the Downtown Billings Partnership, BIRDworks, and the South Billings Urban Renewal Association. Total direct City staff support for the three Districts through cost allocation (Financial and PCSD) for FY26 is \$298,940.

Currently, the City utilizes URD TIF funds annually for support and operations of the three Districts as follows:

- Downtown District - Allocated to the DBA - \$326,105; PCSD Support is \$36,481; Finance & Administration Department support is \$66,632
- SBURA - Allocated to the SBURA - \$160,000; PCSD Support 36,481; Finance & Administration Department support is \$76,518
- EBURD - Allocated to BIRDworks - \$179,750; PCSD support is \$36,481; Finance & Administration Department support is \$46,347

The fluctuation in city overhead costs is tied to time spent on projects/budgets/issues within each URD.

STAKEHOLDERS

The community as a whole benefits from the City's effective and efficient operation of the three URDs in Billings. The activities of urban renewal, including remediation of blight, improvement of properties through redevelopment and infrastructure improvements, and improved public facilities all benefit the residents of Billings.

ALTERNATIVES

The Council is expected to give direction to staff at this meeting on next steps to address management of the three urban renewal districts. The only real alternative, given the expiration of the three service agreements on June 30, 2026, is for the Council to decide at this meeting how it wants to move ahead with the Council Initiative per the FY27 budget.

Attachments

CM Boyett Initiative
CC_Memo_July_2025_WS
Draft RFP Scope of Services
DBP Agreement
SBURA Agreement
EBURD Agreement

COUNCIL INITIATIVE PROPOSAL FORM

COUNCIL MEMBER PROPOSING INITIATIVE: MIKE BOYETT

SHORT NAME OF INITIATIVE: In coordination with the Memorandums of Understanding (MOUs) for the three TIFs that expire on June 30, 2026, I propose issuing a Request for Proposals (RFP) to consolidate the administration of the TIFs.

Currently, the City pays a combined total of approximately \$665,855 for TIF administration. By consolidating services and utilizing a single consultant/liaison rather than three separate consultants, our goal would be to reduce this overall cost while maintaining effective administration and oversight.

For consideration:

Option 1:

Engage one consultant to administer all three TIFs.

TERMS OF MOTION PROPOSING LEGISLATIVE OR STAFF ACTION: (Please be as specific as possible. Indicate if action is to be divided into steps or phases. Use separate sheet if needed

Start with a work session to:

- Discuss each TIF's requests for a different amount of funding each year
- Clarify the scope of work for each TIF and whether there are meaningful differences
- Evaluate whether TIF administration could be consolidated under one person rather than three
- Consider locating the new consultant's office in City Hall to reduce office-related expenses, and increase efficiency given TIFs regularly coordinate with both Finance and Planning
- Identification of potential cost savings and operational efficiencies moving forward including the need for a full-time or part time consultant.

CITY STAFF OR DEPARTMENT POTENTIALLY IMPACTED BY INITIATIVE: Planning, Finance

HAS COUNCIL MEMBER COMMUNICATED WITH CITY ADMINISTRATOR ABOUT THE INITIATIVE?

YES NO

ESTIMATE OF APPROXIMATE STAFF AND COUNCIL TIME REQUIRED: 50 hours

APPROXIMATE TIMELINE FOR STAFF/DEPARTMENT ACTION:

3 MONTHS

COSTS OTHER THAN STAFF TIME, IF ANY: _____

City Council Work Session

Date: 07/21/2025
Title: Urban Renewal District Legislative and Operational Modifications
Presented by: Wyeth Friday
Department: Planning & Community Services
Presentation: Yes
Legal Review: Yes
Project Number: N/A

RECOMMENDATION

City Administration, PCSD, Finance and Legal staff recommend the City Council hear the presentation, consider the solutions provided to address the new state legal requirements and operational changes, and hear from representatives of the three District advisory entities. Based on feedback and direction from the Council at this Work Session, staff will prepare appropriate action item(s) for a future business meeting.

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

At the June 23 City Council meeting when it adopted the FY26 preliminary budget, City staff presented information to the Council about the need for compliance with Legislation (Senate Bill 3 (SB 3)) that passed the 2025 State Legislature regarding advisory boards for urban renewal districts. Council on June 23 also approved extensions of all of the MOUs with the three District advisory entities until October 1, 2025 with the expectation that changes would be made to meet the new state law by that date. October 1 is the date the new state law takes effect.

Legal Compliance

The legal requirements of SB 3 are black and white, and are not driving the operational and budgetary questions that are also part of this discussion. The City Attorney has advised staff that the City must comply with state law (SB 3) and BMCC 2-500, but exactly how the Council approaches this change and what needs to be considered to do it, are solutions City staff have provided in this memo.

SB 3 requires that the Mayor and Council "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. The committee may include representatives of other taxing bodies with boundaries that overlap with the urban renewal area or targeted economic development district" (SB 3).

When creating this advisory committee, the City must also comply with the requirements of BMCC 2-500 Boards, Commissions and Committees. This city code section outlines how these advisory boards, commissions and committees operate. Some highlights of 2-500 applicable to entities like Urban Renewal Advisory Boards include:

- Sec. 2-506 -- each permanent advisory board shall have a designated staff liaison appointed by the city administrator.
- Sec. 2-507 -- all boards shall comply with this article and specific meeting processes, rules and procedures.
- Sec. 2-509 -- the Mayor and City Council have the authority to direct, supervise, and oversee the activities of any board.

Board Recommendation

Staff recommends the Mayor and Council specify the membership of the three advisory boards in a very similar fashion to the current board composition as follows:

- *East Billings Urban Renewal District (EBURD) Advisory Board* - 7 members: 1 County representative, 1 SD#2 representative, 1 City representative, and 4 individuals who represent business and/or property interests within the district boundary.
- *South Billings Boulevard Urban Renewal District (SBBURD) Advisory Board* - 9 members: 1 County representative, 1 SD#2 representative, 1 Elysian SD Representative, 1 City representative, and 5 individuals who represent business and/or property interests within the district boundary.
- *27th Street Urban Renewal District Advisory Board (Downtown District)* - 7 members: 1 County representative, 1 SD#2 representative, 1 City representative, and 4 individuals who represent business and/or property

interests within the district boundary. In consideration, the new board's make-up may also take advantage of the fact that the downtown has several other boards that you could tap into by using 1 District business owner (DBA Board Member?), 1 District property owner (BID Board Member?), 1 District business/organization representative (Downtown Billings Alliance Exec. Director?), 1 District resident.

Mayor and Council may establish the qualifications and the makeup of these three advisory boards as recommended above by resolution in accordance with BMCC 2-500 or by amending BMCC 2-500. We have also briefly discussed having one advisory committee rather than three separate committees. We will be prepared to discuss this further on Monday, including whether it would be in compliance with state statutes.

Solutions for Operations Compliance

Staff have discussed extensively the operational side of management of the three Districts and developed two solutions for complying with SB 3 and making associated operational adjustments to accommodate the change. Goals of any changes should consider:

- The solution should identify the approach that best carries out the implementation of the Urban Renewal Plans for each District
- The solution should best manage the TIF application and program review and approval processes
- The solution should be as efficient as possible with the funding allocated for operations of all three Districts. Staff has experienced inefficiencies in the oversight, administration and support of the three districts, especially in the SBBURD and EBURD. This partly is due to the difference with the Downtown where there are several long-standing organizations that have pooled and coordinated their efforts to provide the most impact on the redevelopment, safety and sustainability of Downtown Billings. However, any solution should determine what, if anything, is lacking in the current operations, and what change could support better implementation of urban renewal activities.

With these goals in mind, staff has provided two solutions to consider:

#1 - Hybrid District Management Solution -- Comply with new state law and follow BMCC 2-500 with a TIF Coordinator position in the City (staff liaison) (See Paragraph #1 under Other Considerations below), and through new agreements, Council could delegate authority to another entity to manage the advisory boards for each or all Districts. The City could contract with the entities to come to mutually agreeable terms/conditions. In this scenario, Mayor and Council would appoint board members with proper representation as mentioned above and according to the requirements of state law and city code. New agreements would have to be negotiated to allow each entity to run board meetings in compliance with state law and city code and perform other operations and processes similar to today. District budgets would be modified for city staff oversight to accommodate a dedicated TIF Coordinator (See Paragraph #1 under Other Considerations below).

Under this scenario, for example, the entity managing the EBURD Advisory Board would solicit TIF applications, provide them to the advisory board for review and recommendation to Council, manage the board functions, oversee the proper legal notifications and meeting conduct for the boards, work on business recruitment and outreach for the district and report those activities to the advisory board, City staff, and City Council on a regular basis. This scenario does have efficiency and oversight challenges that exist today, as the City's TIF Coordinator would still need to ensure the entities were running the processes per the contracts, the TIF applications and recommendations, and any program ideas, met the applicable Urban Renewal Plan, City TIF Policy, state law, and any other local regulations that apply - all tasks PCSD, Finance, and Legal are involved in today.

#2 - City-Supported Districts and Advisory Boards with Separate Economic Development Support -- Upon expiration of all three MOUs, comply with new state law and follow BMCC 2-500 with a TIF Coordinator position in the City and most operations for District support are City-managed. Budgets would be modified to redirect funds for the TIF Coordinator and Finance and Legal oversight, and some funds might be returned to the Districts for projects and programs. Under this solution, staff recommends the Mayor and Council consider if the economic development activities for the SBBURD and EBURD, like business retention and recruitment, business development, outreach, etc. be managed by an entity with the capacity to address activities not covered by the City TIF Coordinator. The Downtown District has a robust network of organizations carrying out this work now to provide the most impact on the redevelopment, safety and sustainability of Downtown Billings.

Operational approach:

- One FTE housed in PCSD
- Full support of Districts and Council Appointed URD Advisory Boards
- Boards would meet at City Hall, use City web platform, use City Legal Notice tools, use City Finance staff, etc.
- Manage intake, review, and processing of TIF applications

- Work with City Departments on TIF supported Infrastructure and Programs (Administration, Finance, Public Works, Planning, Parks, Community Development, City Grant Manager Position)
- Present TIF applications to City Council
- Provide information on URDs to community members, businesses, and organizations as needed
- Assist Finance in development of annual URD Budgets
- Work with City Council on TIF Policy updates and changes to process as applicable
- Work with City Council on any District expansions, considerations of new URDs, etc.
- Pursue grants and outside funding sources for projects, P3s, etc.
- Maintain URD information on City website

Economic Development Activities:

As noted above, the City should consider contracting with an outside entity that has the capacity and experience to handle business retention, recruitment, development and program management in the SBBURD and EBBURD, or all three Districts. A city employee is not well suited to lead the economic development activities within any of the districts. Therefore, this could continue with three independent efforts (one for each district) or any combination of two or all three districts consolidating their economic development efforts.

Other Considerations:

1. A given in both solutions, and something that continues to be an efficiency issue today, is that while BMCC 2-500 requires a staff liaison for the boards, there are already staff liaison(s) at the Director level now (PCSD Director, Finance Director and sometimes City Attorney) for all 3 Districts. So, there is an inherent overlap of work that always includes the City staff, as all the work of supporting the districts and managing applications can't ever be totally passed to the District entities under the advisory board/entity model. That operational challenge has always existed and has been difficult off and on throughout the years of managing the Districts. City staff are recommending funding be allocated to have a staff person (TIF Coordinator) manage much of what the PCSD Director does now and coordinate with Finance and Legal no matter what solution is chosen by Council. This will include consideration of the current allocation to PCSD to fund the Director position and resources for support of the three Districts as is identified in the FY26 Budget (See Fiscal Impact section), but will be focused to fully fund a position and some PCSD oversight. This would also be an efficiency improvement as it makes more sense for the PCSD Director to oversee these tasks and have a separate staff member focused on the Districts and only require Legal and Finance participation as applicable.

2. Also, as part of the solutions drafting, staff have provided the operational information for each District and the Urban Renewal Plans for each District (see attached). The idea is to show what added value, or deliverables, or economic development activity might be outside the "standard" operations of TIF. Standard operations include city infrastructure and private application solicitation, submittal, review, drafting and presentation and processing for Advisory Board and City Council actions, etc. This is discussed above in relation to the coordinated approach Downtown uses with its multiple organizations to achieve a broad support of revitalization, safety and business support in the Downtown.

Much of what the operational costs demonstrate is that if the advisory boards and a City TIF Coordinator operated within the City organization, many of the operational costs incurred would be reduced and combined for a lesser overall cost. For example, having three entities utilize UR funding to pay for office space, meeting space, website maintenance, and accounting services, is redundant when the City has office space, meeting spaces, a web platform, and financial services. Again, this is organized in Downtown in a non-siloed approach where multiple organizations share resources and so any savings would need to be balanced against the existing savings the organizations achieve by operating together now.

Next Steps

Council direction on what information it would like further details on, or what solution it would like to pursue to meet state law and adjust operations will provide staff an approach to coordinate with the existing District entities and begin the process to bring back corresponding action items for Council to enact the changes formally. Staff will work to move this ahead steadily to meet the October 1 deadline as closely as possible. The process of Council adopting a resolution or amending City code to determine the advisory board membership, preparing advertising for candidate applications through the City Administrative staff and coordinating those applications for Mayor review and Council action is expected to be time consuming. Other elements of the operations as far as any new or revised contracts or MOUs, City TIF Coordinator hiring, budget amendments, and any other actions can be accomplished along with the advisory board work, but do not all have to be enacted on October 1.

STAKEHOLDERS

The City, the three URD entities currently advising on urban renewal activities and implementation of urban renewal

plans, and the Billings community are all stakeholders in this process. The City must comply with the oversight of the three District advisory boards as required by SB 3, while also ensuring efficient and successful operations of its three urban renewal districts.

ALTERNATIVES

This is a Work Session, so Council alternatives include discussing the information provided, asking questions, and providing direction to staff for next steps.

FISCAL EFFECTS

The FY26 Urban Renewal District (URD) budgets, per the preliminary adoption by Council at its June 23, 2025, meeting, will continue to be implemented until the Council provides direction and budget amendments are developed per the solutions described in this memo.

Currently, the City utilizes URD TIF funds annually for support and operations of the three Districts as follows:

-Downtown District - allocated to the DBA - \$326,105; PCSD Support is \$36,481; Finance & Administration Department support is \$66,632

-SBURA - Allocated to the SBURA - \$160,000; PCSD Support 36,481; Finance & Administration Department support is \$76,518

-EBURD - Allocated to BIRDworks - \$179,750; PCSD support is \$36,481; Finance & Administration Department support is \$46,347

-Total DBA, SBURA and BIRDworks support is \$665,855

-Total City staff support is \$189,497. City staff oversight in PCSD of a TIF Coordinator and Finance for the City's fiscal responsibilities would continue under any solution but may be modified based on the TIF Coordinator position responsibilities.

Attachments

SB 3

BMCC 2-500 Boards, Commissions and Committees

SBURA Operations Budget

SBBURD UR Plan

BIRD Operations Budget

EBURD UR Plan

Downtown Operating Budget

Downtown Operating Budget Detail

Downtown UR Plan

Scope of Services

All Services provided under this Agreement must comply with the adopted Urban Renewal Plans for each respective District, the City's TIF policy, Montana law (including but not limited to Montana Code Annotated Title 7, Chapter 15, Parts 42 and 43), City of Billings code, and any other applicable regulations. Services shall cover the Downtown Billings Urban Renewal District, the East Billings Urban Renewal District (EBURD), and the South Billings Boulevard Urban Renewal District (SBBURD) (collectively, the "Districts") and shall include, but are not necessarily limited to, the following integrated functions:

1. Administration and Implementation of the Urban Renewal Plans

The Contractor shall:

- a. Ensure all TIF-funded projects and activities in each District align with its respective adopted Urban Renewal Plan.
- b. Coordinate with City staff and the applicable advisory committee (Downtown Committee for Downtown District; EBURD Committee for East Billings District; SBBURD Committee for South Billings District) on any recommendations for amendments or updates to the respective Urban Renewal Plans.
- c. Coordinate with each advisory committee to provide written quarterly reports to the City on the progress of implementing the Urban Renewal Plans across all Districts.
- d. Actively recruit private investment in each District in partnership with the City.

2. Tax Increment Financing (TIF) Authority and Administration

The Contractor shall:

- a. Work with the City to develop, maintain, and update (as needed) a standardized application form and assistance guidelines for parties seeking the use of TIF funds in any of the Districts.
- b. Accept, review, and process applications for TIF funds related to any District; provide copies of applications to City staff for concurrent review.
- c. Ensure applications are complete and that proposals align with the respective Urban Renewal Plan before forwarding to the applicable advisory committee for review and consideration.
- d. Timely submit all complete applications that meet statutory criteria and the City's TIF policy to the City Council for consideration, along with an Advisory Committee recommendation for approval or denial. Only incomplete applications or those that do not meet TIF policy criteria shall not be forwarded.
- e. Present recommendations for expenditures to the City Council in coordination with the Advisory Committees and City staff.

- f. In coordination with City staff, draft development agreements for approved applications in accordance with any conditions of approval established by Council.
- g. Follow up with applicants to ensure compliance with development agreement conditions and provide any documentation requested by the City.
- h. Plan and coordinate regular meetings of each advisory committee (Downtown Committee, EBURD Committee, SBBURD Committee) in full compliance with Montana law and City code requirements for notice, open meetings, and public participation. The Contractor shall provide affidavits of publication for any required public notices.
- i. Ensure meetings of each advisory committee are held at City Hall or another facility that is open and accessible to the public.
- j. Provide comprehensive administrative support to each advisory committee, including but not limited to:
- i. Preparing meeting agendas;
 - ii. Communicating with committee members and City staff regarding meeting notifications, cancellations, and agenda items;
 - iii. Preparing and publishing meeting notices.
- k. Coordinate, consult, and assist each advisory committee in preparing and submitting the following:
- i. Annual work plans and budgets;
 - ii. Allocation of TIF funds for urban renewal projects and programs;
 - iii. Amendments to the District's Urban Renewal Plan; and
 - iv. Other matters as directed by the City Council related to the Districts.
- l. Work with the City Administrator and City Finance Director to maintain and administer the City of Billings Downtown Revolving Loan Program per Section 13-1100 of the Billings City Code.
- m. Assist District committees in adopting bylaws addressing meeting schedules, officers and their election, and other appropriate conditions for member conduct. All bylaws, policies, and procedures shall comply with Billings City Code Article 2-500 (Boards, Commissions, and Committees).

3. Integrated Service Delivery and Single Point of Accountability

In addition to the specific functions above, the Contractor shall:

- Serve as the single point of contact for all TIF/urban renewal matters across the three Districts, including designation of a dedicated Program Manager or equivalent responsible

for oversight of all services.

- Ensure seamless coordination, consistent application of policies, and avoidance of duplication or gaps between Districts.
- Proactively identify and recommend cross-District efficiencies, shared best practices, cost savings, or service improvements (e.g., unified application processes, joint reporting formats, or combined outreach efforts).
- Maintain unified yet District-specific documentation, records, and reporting systems that allow clear tracking and auditing per District while providing consolidated overviews to the City.
- Deliver unified quarterly and annual reports to the City that cover progress, expenditures, and outcomes across all Districts, with clear breakdowns by District where required.
- Support transition from current providers (DBP, BIRDworks, SBURA) with minimal disruption, including knowledge transfer, document handover, and continuity of ongoing applications/committee work.

AGREEMENT

This Agreement is made and entered into on 12/9/2025, 2025, (the “Effective Date”) by and between the City of Billings (“City”), and the Downtown Billings Partnership, Inc. (“DBP”), a 501c(4) tax exempt corporation. For purposes of this Agreement, the City, and the DBP are each a “Party” and are sometimes collectively referred to as the “Parties.”

RECITALS

1. This Agreement is for the purpose of assisting the City in the revitalization and continued development of the Expanded North 27th Street Urban Renewal District (“District”) through coordinated planning, project implementation, and economic development initiatives. The Downtown Billings Partnership will collaborate with City staff, the Urban Renewal District Advisory Committee (“Downtown Committee”), and private partners to administer and advance the District’s Urban Renewal Plan, promote investment, identify and facilitate public infrastructure improvements, and assist the City Council in evaluating and implementing projects supported by Tax Increment Financing (TIF) and other related programs.

2. The District was created by the City in 2006 and modified in 2008 (Ordinance No. 06-5394 & Ordinance No. 08-5483) and is defined in the attached Exhibit A map. The 2008 modification of the District followed multiple amendments by the City to the boundary of the original District first created by the City in 1976.

3. The City has adopted a TIF Policy by Resolution No. 18-10750 (“Policy”).

4. The parties share the mutual objective of enhancing economic development opportunities in the District. These efforts include, but are not limited to, commercial, residential and mixed-use development, public infrastructure improvement, and implementing the Goals for Downtown Billings as embodied in the 2018 Downtown Billings Strategic Plan, as well as other City-adopted ordinances, plans and programs affecting Downtown Billings.

5. This Agreement is intended to be a cooperative effort between the City and Downtown Billings Partnership, with the mutual objective of enhancing economic development opportunities in the District by promoting efforts that include, but are not limited to, commercial, residential and mixed-use development, public infrastructure improvement, and implementing the goals for downtown Billings as embodied in the 2018 Downtown Billings Strategic Plan, 2008 Urban Renewal Plan, as well as other City-adopted ordinances, plans and programs affecting Downtown Billings.

6. In order to actively pursue the administration and marketing of the District, DBP requires funding assistance from the City to supplement the funds of its staff dedicated to this effort.

AGREEMENT

NOW THEREFORE, in consideration of the mutual promises, covenants, and agreements contained herein, the parties agree as follows:

1. **Incorporation of Recitals.** The recitals are incorporated into this Agreement by this

reference.

2. Purpose. The City agrees to hire DBP as an independent contractor to perform the services as described in the Scope of Work attached hereto as Exhibit “B” and by this reference made a part hereof.

- a. In performing these services, DBP shall at all times comply with all federal, state and local statutes, rules and ordinances applicable.
- b. These services and all duties incidental or necessary therefore, shall be performed diligently and completely and in accordance with professional standards of conduct and performance.
- c. The DBP will maintain compliance with the City’s TIF Policy in operating under this Agreement and will use the Policy in its decisions related to any opinions or recommendations rendered to City Council.

3. Term. This Agreement shall be in effect from the Effective Date until June 30, 2026. The parties may mutually agree, in writing, to renew this agreement for up to two (2) additional one (1) year terms.

4. Payment. As part of the annual budgeting process, City Council will review the work plan and proposed budget prepared by DBP and approve appropriate allocations of TIF funds for DBP to carry out the timely performance of the services required under this Agreement as described in the Scope of Services attached hereto as Exhibit B and incorporated herein by this reference.

The amount of the payment may be modified upon request by DBP with approval of City Council. Except as otherwise specified herein, the DBP shall invoice the City monthly (or on such other basis as the Parties may mutually determine) for all services rendered pursuant to this Agreement. Such invoices shall specify the services provided to the City during the preceding month and identify the applicable fees and shall be accompanied by reasonable documentation or other reasonable explanations supporting such charges.

Except as otherwise specified herein, the City shall pay, net of applicable withholding tax, if any, the DBP for said invoice within thirty (30) days after receipt.

It is understood that the DBP will not perform any work that the City deems outside the scope prior to receiving written approval from the City. Any payment for work not agreed upon by the City shall be denied.

5. Relationship of the Parties. The parties agree that DBP is an independent contractor for purposes of this Agreement and is not to be considered an employee of the City for any purpose. DBP is not subject to the terms and provisions of the City’s personnel policies handbook and may not be considered a City employee for workers’ compensation or any other purpose.

- a. DBP is not authorized to represent the City or otherwise bind the City in any

dealings between DBP and any third parties.

- b. This Agreement is not intended to create or constitute any joint venture, partnership, joint powers agency, or other formal organization of any kind.
- c. No Party is authorized herein to act as the agent of the other.

6. Training and Conflict of Interest.

- a. DBP shall exercise reasonable care and diligence to prevent any actions or conditions which could result in a conflict with the City's interest. During the term of this Agreement, DBP shall not accept any employment or engage in any consulting work which creates a conflict of interest with City or in any way compromises the services to be performed under this Agreement. DBP shall immediately notify City of any and all violations of this Section upon becoming aware of such violation.
- b. DBP will participate, support, and assist in providing biannual training for the Downtown Committee in coordination with City staff. The training must include but is not limited to review of urban renewal and tax increment financing laws, Administrative Rules, ethics, conflicts of interest, meeting management, and maintenance of minutes and records.
- c. DBP shall avoid both actual and potential conflicts of interest and shall be subject to the applicable code of ethics provisions in state law and city code including but not limited to all laws governing conflict between public duty and private interest.

7. Tax Increment Financing Authority and Administration. The parties agree that City Council shall have the ultimate decision-making authority regarding any expenditure of TIF funds related to the District.

8. Other Adopted Plans. The parties agree to consider and implement other adopted plans relevant to the District.

9. Identify Funding Sources And Facilitate Public Infrastructure Improvements.

- a. The City will identify appropriate funding sources to facilitate necessary infrastructure and facility improvements as identified in the City's Current Capital Improvement Plan and other infrastructure master plans for projects within the District boundary.
- b. The DBP also will work with City staff, the Downtown Committee, and property owners to consider public infrastructure projects in the District and bring recommendations to City Council through established processes, including the City's Capital Improvement Plan.

10. Indemnity.

The DBP shall:

- a. Indemnify, defend and save the City, its officers, agents and employees harmless from any and all losses, damage and liability occasioned by, growing out of, or in any way arising or resulting from any intentional, reckless or negligent act on the part of DBP or its officers, agents or employees.
- b. Not indemnify, defend, save and hold the City harmless from claims, causes of action, lawsuits, damages, judgments, liabilities, and litigation costs and expenses or attorneys' fees, expert fees and costs arising from wrongful, reckless or negligent acts, error or omission solely of the City occurring during the course of or as a result of the performance of the Agreement.
- c. Where claims, lawsuits or liability, including attorneys' fees, expert fees and costs arise from wrongful, reckless or negligent act of both the City and DBP, DBP shall indemnify, defend, save, and hold the City harmless from only that portion of claims, causes of action, lawsuits, damages, judgments, liabilities, and litigation costs and expenses including attorneys' fees, expert fees and costs, which result from DBP'S wrongful, reckless or negligent acts occurring as a result from DBP'S performance pursuant to this Agreement.

The City shall:

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- b. Not indemnify, defend, save and hold the DBP harmless from claims, causes of action, lawsuits, damages, judgments, liabilities, and litigation costs and expenses or attorneys' fees and costs arising from wrongful, reckless or negligent acts, error or omission solely of DBP occurring during the course of or as a result of the performance of the Agreement.
- c. Where claims, lawsuits or liability, including attorneys' fees and costs arise from wrongful, reckless or negligent act of both the DBP and the City, the City shall indemnify, defend, save, and hold the DBP harmless from only that portion of claims, causes of action, lawsuits, damages, judgments, liabilities, and litigation costs and expenses including attorneys' fees and costs, which result from the City's or its officers, agents or employee's wrongful, reckless or negligent acts occurring as a result from the City's performance pursuant to this Agreement.

11. Insurance.

- a. The DBP shall maintain in good standing the insurance described in this Section. Before rendering any services under this Agreement, the DBP shall furnish the City with proof of insurance in accordance with this Section.

The DBP shall provide the following insurance:

- i. Workers' compensation and employer's liability coverage as required by Montana law.
- ii. Commercial general liability, including contractual liability assumed under an insured agreement and personal injury coverages in the minimum amount of \$750,000 per claim and \$1,500,000 per occurrence.
- iii. Automobile liability in the minimum amount of \$1,500,000 per accident.
- iv. Professional liability in the minimum amount of \$1,500,000 per claim.

The limits required by this Agreement can be met by either providing a primary policy or in combination with umbrella/excess liability policy(ies).

Each policy of insurance required by this Section shall provide for no less than 30 days' advance written notice to the City prior to cancellation.

The City shall be listed as an additional insured on all policies except Professional Liability and Worker's Compensation Policies.

DBP shall comply with the applicable requirements of the Workers' Compensation Act, Title 39, Chapter 71, MCA, and the Occupational Disease Act of Montana, Title 39, Chapter 71, MCA.

DBP shall maintain workers' compensation insurance coverage for all members and employees of DBP's business, except for those members who are exempted as independent contractors under the provisions of §39-71-401, MCA.

DBP shall furnish City with copies showing one of the following: (1) a binder for workers' compensation coverage by an insurer licensed and authorized to provide workers' compensation insurance in the State of Montana; or (2) proof of exemption from workers' compensation granted by law for independent contractors.

12. Agreements of DBP: As an inducement to the execution of this Agreement by the City and in consideration of the agreements to be performed by the City, the DBP agrees that:

- a. Qualifications. The DBP is qualified to perform the services to be furnished under this Agreement and is permitted by law to perform such services, and all personnel engaged in the work shall be qualified and so permitted to do the work they perform.
- b. Facilities and Personnel. DBP has and will continue to have proper facilities and personnel to perform the services and work agreed to be performed.
- c. Subcontracting. None of the work or services covered by this Agreement shall be subcontracted without the prior approval of the City.
- d. Compliance. If the DBP does seek contract services, supplies, or expenditures for other capital costs that utilize TIF funds, the DBP must follow City purchasing and

procurement policies in effect at the time.

- e. Affidavits of Compliance. The DBP will, if requested by the City, furnish the City affidavits certifying compliance with the provisions of this Section.

13. Agreements of City:

- a. To furnish all information, materials, equipment, supplies, and incidentals necessary to conduct and complete the City's portion of the project as designated in the scope of work.

14. Nondiscrimination:

- a. DBP shall, in performance of work under this Agreement, fully comply with all applicable federal, state, or local laws, rules, regulations, and executive orders including but not limited to, the Montana Human Rights Act, the Equal Pay Act of 1963, the Civil Rights Act of 1964, the Age Discrimination Act of 1975, the Americans with Disabilities Act of 1990, and Section 504 of the Rehabilitation Act of 1973. DBP is the employer for the purpose of providing healthcare benefits and paying any applicable penalties, fees and taxes under the Patient Protection and Affordable Care Act [P.L. 111-148, 124 Stat. 119]. Any subletting or subcontracting by DBP subjects subcontractors to the same provisions. In accordance with 49-3-207, MCA, and Executive Order No. 04-2016. DBP agrees that the hiring of persons to perform this Contract will be made on the basis of merit and qualifications and there will be no discrimination based on race, color, sex, pregnancy, childbirth or medical conditions related to pregnancy or childbirth, political or religious affiliation or ideas, culture, creed, social origin or condition, genetic information, sexual orientation, gender identity or expression, national origin, ancestry, age, physical or mental disability, military service or veteran status, or marital status by the persons performing this Agreement. DBP will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex, sexual orientation, gender identity, or national origin. Such action shall include, but not be limited to the following: Employment, upgrading, demotion, or transfer, recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the contracting officer setting forth the provisions of this nondiscrimination clause.
- b. DBP shall state, in all solicitations or advertisements for employees to work on jobs, that all qualified applicants will receive equal consideration for employment without regard to race, color, sex, pregnancy, childbirth or medical conditions related to pregnancy or childbirth, political or religious affiliation or ideas, culture, creed, social origin or condition, genetic information, sexual orientation, gender identity or expression, national origin, ancestry, age, physical or mental disability, military service or veteran status, or marital status.

DBP and subcontractor shall abide by the requirements of 41 CFR 60- 300.5(a) and 41 CFR 60-741.5(a), which prohibit discrimination against qualified protected veterans and/or qualified individuals on the basis of disability, and requires affirmative action by covered prime contractors and subcontractors to employ and advance in employment qualified protected veterans and individuals with disabilities.

DBP and any subcontractor shall abide by the requirements of 41 CRF 60- 1.4, which states employees or applicants may not be discharged or in any other manner discriminated against because they have inquired about, discussed, or disclosed their own pay or the pay of another employee or applicant. However, employees who have access to the compensation information of other employees or applicants as a part of their essential job functions cannot disclose the pay of other employees or applicants to individuals who do not otherwise have access to compensation information, unless the disclosure is (a) in response to a formal complaint or charge, (b) in furtherance of an investigation, proceeding, hearing, or action, including an investigation conducted by the employer, or (c) consistent with DBP's legal duty to furnish information.

- c. DBP will send to each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding, a notice to be provided by the agency contracting officer, advising the labor union or workers' representative of the contractor's commitments under section 202 of Executive Order 11246 of September 24, 1965, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.
- d. DBP shall comply with any and all reporting requirements that may apply to it that the City may establish by regulation. DBP will send to each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding, a notice to be provided by the agency contracting officer, advising the labor union or workers' representative of the contractor's commitments under section 202 of Executive Order 11246 of September 24, 1965, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.
- e. DBP shall comply with all applicable federal, state, and city laws concerning the prohibition of discrimination. This includes complying with all provisions of Executive Order 11246 of September 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of Labor.
- f. In the event of DBP's noncompliance with the nondiscrimination clauses of this contract or with any of such rules, regulations, or orders, this contract may be cancelled, terminated or suspended in whole or in part and the contractor may be declared ineligible for further Government contracts in accordance with procedures authorized in Executive Order No. 11246 of Sept 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in Executive Order No. 11246 of

September 24, 1965, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

- g. DBP shall include the provisions of Subsections a through f of this Section in every subcontract or purchase order under this Agreement, so as to be binding upon every such subcontractor or vendor of DBP under this Agreement. DBP will take such action with respect to any subcontract or purchase order as may be directed by the Secretary of Labor as a means of enforcing such provisions including sanctions for noncompliance: Provided, however, that in the event the contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction, the contractor may request the United States to enter into such litigation to protect the interests of the United States.
- h. DBP agrees to post, in conspicuous places available to employees and applicants for employment, notices setting forth the provisions of this non- discrimination clause.

15. Permits, Laws, and Taxes. The DBP shall acquire and maintain in good standing all permits, licenses and other entitlements necessary to its performance under this Agreement. All actions taken by DBP under this Agreement shall comply with all applicable statutes, ordinances, rules and regulations. DBP shall pay all taxes pertaining to its performance under this Agreement.

16. Nonwaiver. The failure of either party at any time to enforce a provision of this Agreement shall in no way constitute a waiver of the provision, nor in any way affect the validity of this Agreement or any part hereof, or the right of such party thereafter to enforce each and every provision hereof.

17. Termination Of Agreement. The right is reserved by the City to terminate this Agreement at any time upon not less than sixty (60) days' written notice to the DBP.

In the event the City terminates this Agreement, the DBP shall be paid for the amount of work performed or services rendered to date of termination per the Agreement fee.

If either party fails to comply with any condition of this Agreement at the time or in the manner provided for, the other party may, at its option, terminate this Agreement and be released from all obligations if the default is not cured within ten (10) calendar days after written notice is provided to the defaulting party. Said notice shall set forth the items to be cured. Additionally, the non-defaulting party may bring suit for damages, specific performance, and any other remedy provided by law. These remedies are cumulative and not exclusive. Use of one remedy does not preclude use of the others. Notices shall be provided in writing and hand-delivered or mailed to the parties at the addresses set forth in the first paragraph of this Agreement.

18. Successors and Assigns. This Agreement and all the covenants hereof shall inure to the benefit of and be binding upon the City and the DBP respectively and his partners, successors, assigns, and legal representatives. Neither the City nor the DBP shall have the right to assign, transfer, or sublet his interest or obligations hereunder without written consent of the other party.

19. Changes in Work: Any change in the scope of DBP'S services as stated in this Agreement for whatever reason, will be negotiated between the City and the DBP and an amendment to this Agreement will be issued with the appropriate change of services and

Agreement fee noted.

20. Legal Relations. The DBP shall comply with all federal, state, and local laws and ordinances applicable to the work to be done.

21. Ownership of Documents. All information relating to the project and prepared under the terms of this Agreement, including reports, data, recommendations, exhibits, analyses, and plans shall be deemed the property of the City. Reproducibles of all notes, reports, and plans shall be made available at the City’s request.

22. Public Information. The DBP shall inform the City of any statements, releases, or information regarding the work outlined in this Agreement for public dissemination. All materials related to this Agreement and services provided are considered public records under Article II, Section 9 of the Montana Constitution and §§ 2-6-102 and 7-1-4144, MCA and may be distributed by written request pursuant to Montana’s Constitutional Right to Know or Public Records Acts.

23. Records. The DBP shall maintain accounting records and other evidence pertaining to the cost incurred and to make the records available at all times during the Agreement term and for three (3) years from the date of final payment. Such accounting records and other evidence pertaining to the cost incurred will be made available for inspections authorized by the City and copies thereof shall be furnished if requested.

24. Attorney’s Fees and Costs. In the event it becomes necessary for either Party to this Agreement to retain an attorney to enforce any of the terms or conditions of the Agreement, the prevailing Party shall be entitled to reasonable attorney’s fees and costs.

25. Litigation Location. The parties agree that this Agreement shall be governed in all respects by the laws of the state of Montana, and the parties expressly agree that venue shall be in the Montana Thirteenth Judicial District Court for Yellowstone County and there shall be no other venue for resolution of disputes arising from the Agreement or the performance of its terms.

26. Modification and Amendments. That any amendment or modification of this Agreement or any provisions herein shall be made in writing and executed in the same manner as this original document and shall after execution become a part of this Agreement.

27. Notice.

The Parties have identified the following individuals for all communication and coordination. Any notice required hereunder shall be provided in writing.

City:	Wyeth Friday Director, Planning and Community Services Department 316 N 26 th St. Billings, MT 59101 fridayw@billingsmt.gov (406) 657-8249
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DBP:	Katy Schreiner Chief Executive Officer DBA katy@downtownbillings.com (406) 294-5060
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28. **Authority and Execution.** Each Party represents that it has the authority to enter into this Agreement and to perform the functions stated herein, and that the persons executing this Agreement on their respective behalf are authorized by law, resolution or other requisite action of the Party's governing body.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement on the dates indicated below.

CITY OF BILLINGS

Signed by:
 By: William A. Cole
 2CA11D5423934EE...
 William A. Cole, Mayor

ATTEST:

Signed by:
 By: Denise R. Bohlman
 D502C2218DC34F0...
 Denise R. Bohlman, City Clerk

APPROVED AS TO FORM:

Signed by:
 By: Gina Dahl
 060D78B59548457...
 Gina Dahl, City Attorney

DOWNTOWN BILLINGS PARTNERSHIP, INC.

DocuSigned by:
 By: [Signature]
 D0894ED4D7D3481...
 DPB Board President

EXHIBIT A

Map of entire Expanded N. 27th District

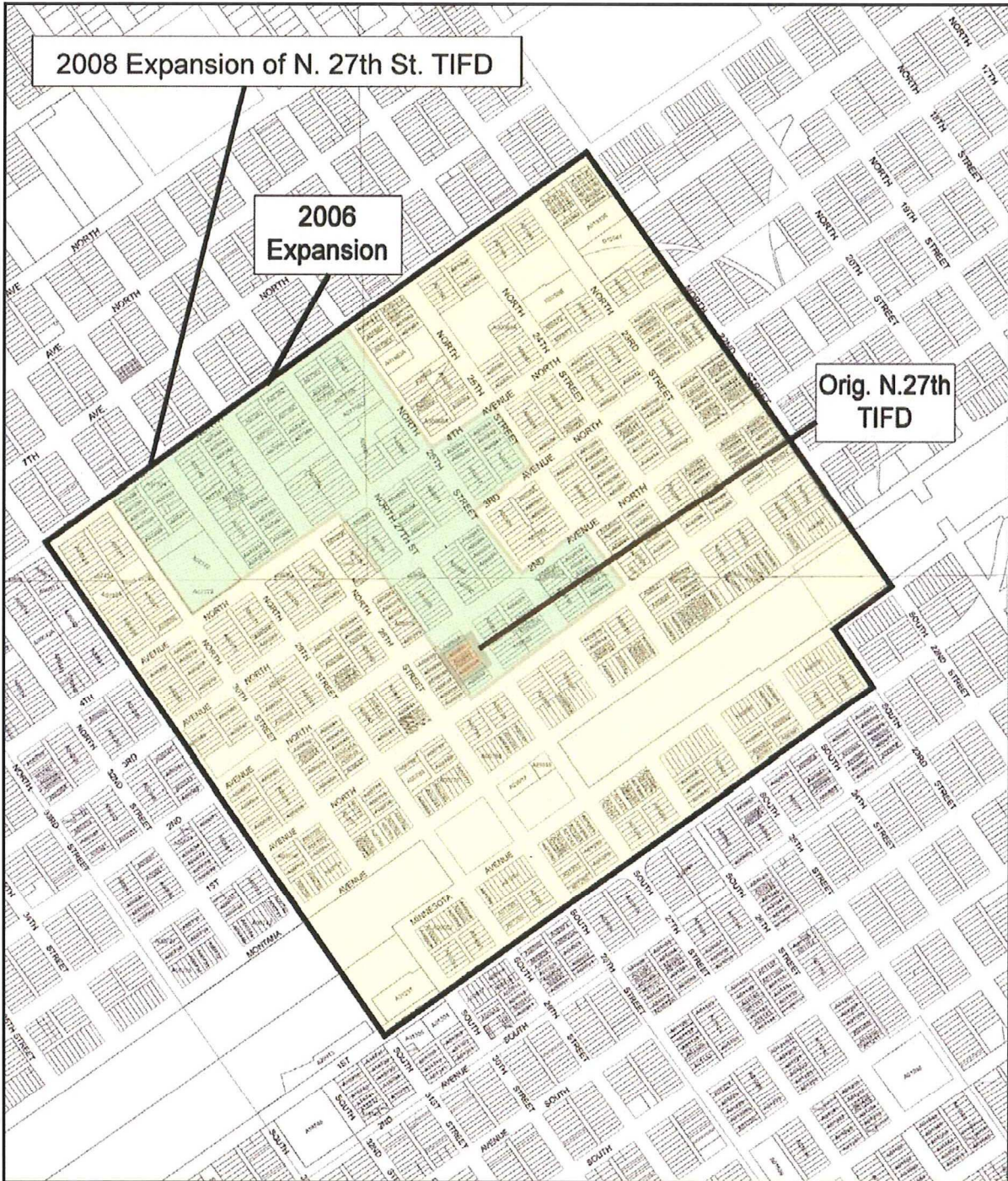


EXHIBIT B

Scope of Services

All Services provided under this Agreement must comply with the adopted District Urban Renewal Plan, City's TIF policy, Montana law, and City code and shall include, but are not necessarily limited to:

1. Administration and Implementation of the Urban Renewal Plan

- a. DBP will ensure TIF funded projects and activities in the District align with the Urban Renewal Plan.
- b. DBP shall coordinate with City staff and the Downtown Committee on any recommendations for amendments or updates to the Urban Renewal Plan.
- c. DBP shall coordinate with the Downtown Committee to provide written quarterly reports to the City on the progress of implementing the Urban Renewal Plan.
- d. DBP will actively work to recruit private investment in the District in partnership with the City.

2. Tax Increment Financing Authority and Administration

- a. DBP and the City will develop and maintain an application form and assistance guidelines for parties seeking the use of TIF Funds.
- b. DBP will accept and review applications for TIF Funds related to the District and will provide a copy of the application to the City staff for review.
- c. DBP will ensure applications are complete and the proposals align with the Urban Renewal Plan before Downtown Committee review and consideration.
- d. DBP shall timely submit all complete applications that meet statutory criteria as well as the City's TIF policy to Council for consideration with a recommendation for approval or denial. The only applications not forwarded to Council should be incomplete applications or those that do not meet criteria of the TIF policy.
- e. Recommendations for expenditures shall be presented to the City Council by DBP in coordination with City staff.
- f. In coordination with City staff, DPB shall draft development agreements for approved applications in accordance with Council's conditions of approval, if any.

- g. DBP shall follow up with the applicant to ensure compliance with the conditions of the development agreement and provide any documentation requested by the City.
- h. Plan and coordinate regular meetings of Downtown Committee in compliance with notice, open meeting, and public participation requirements of Montana law and City code. DPB shall provide affidavits of publication for any public notices required under this Agreement.
- i. Meetings of the Downtown Committee shall be held at City Hall or other facility open and accessible to the public.
- j. DBP will provide support to the Downtown Committee including, but not limited to:
 - i. Preparing Meeting Agendas
 - ii. Communicating with the Committee and City staff on meeting notifications, cancellations and agenda items
 - iii. Preparing and publishing meeting notices
- k. DBP shall coordinate, consult, and assist the Downtown Committee to prepare and submit the following:
 - i. Annual work plans and budgets;
 - ii. Allocation of TIF funds for urban renewal projects and programs;
 - iii. Amendments to the District's urban renewal plan; and
 - iv. Other matters as directed by City Council related to the District.
- l. DBP staff will work with the City Administrator and City Finance Director to maintain and administer the City of Billings Downtown Revolving Loan Program as per Section 13-1100 of the Billings City Code.
- m. DBP shall, within three (3) months of appointment of all Downtown Committee members, assist the Committee in adopting bylaws providing for meeting schedules, officers and their election, and other appropriate conditions for the conduct of its members. The bylaws and any policies and procedures adopted shall comply with the provisions of [Billings, Montana City Code Article 2-500. Boards, Commissions and Committees.](#)

AGREEMENT

This Agreement is made and entered into on 12/9/2025, 2025, (the “Effective Date”) by and between the City of Billings (“City”), and the South Billings Urban Renewal Association, (“SBURA”), a 501(c)(6) tax exempt Montana nonprofit corporation. For purposes of this Agreement, the City, and SBURA are each a “Party” and are sometimes collectively referred to as the “Parties.”

RECITALS

1. This Agreement is for the purpose of assisting the City in the revitalization and continued development of the Modified South Billings Boulevard Urban Renewal District (“District”) through coordinated planning, project implementation, and economic development initiatives. The SBURA will collaborate with City staff, the City’s Urban Renewal District Advisory Committee (“SBBURD Committee”), and private partners to administer and advance the District’s Urban Renewal Plan, promote investment, identify and facilitate public infrastructure improvements, and assist the City Council in evaluating and implementing projects supported by Tax Increment Financing (TIF) and other related programs.

2. The District was created and modified by the City in 2007 and 2008 (Ordinance No. 07-5441, Ordinance No. 08-5462, Ordinance No. 08-5484), expanded in 2021 (Ordinance No. 21-5765), and is defined in the attached Exhibit A map.

3. The City has adopted a TIF Policy by Resolution No. 18-10750 (“Policy”).

4. This Agreement is intended to be a cooperative effort between the City and SBURA with the mutual objective of enhancing economic development opportunities in the District by promoting efforts that include, but are not limited to, commercial, residential and mixed-use development, public infrastructure improvement, and implementing the goals for the District as embodied in the 2021 Amended Urban Renewal Plan for the South Billings Boulevard Urban Renewal District and the 2012 South Billings Master Plan, as well as other City-adopted ordinances, plans and programs affecting the District.

5. In order to actively pursue the administration and marketing of the District, SBURA requires funding assistance from the City to supplement the funds of its staff dedicated to this effort.

AGREEMENT

NOW THEREFORE, in consideration of the mutual promises, covenants, and agreements contained herein, the parties agree as follows:

1. Incorporation of Recitals. The recitals are incorporated into this Agreement by this reference.

2. Purpose. The City agrees to hire SBURA as an independent contractor to perform the services described in the Scope of Work attached hereto as Exhibit B and by this reference made a part hereof.

- a. In performing these services, SBURA shall at all times comply with all federal, state and local statutes, rules and ordinances applicable.
- b. These services and all duties incidental or necessary therefore, shall be performed diligently and completely and in accordance with professional standards of conduct and performance.
- c. SBURA will maintain compliance with the City's TIF Policy in operating under this Agreement and will use the Policy in its decisions related to any opinions or recommendations rendered to City Council.

3. **Term.** This Agreement shall be in effect from the Effective Date until June 30, 2026. The parties may mutually agree, in writing, to renew this agreement for up to two (2) additional one (1) year terms.

4. **Payment.** As part of the annual budgeting process, City Council will review the work plan and proposed budget prepared by SBURA and approve appropriate allocations of TIF funds for SBURA to carry out the timely performance of the services required under this Agreement as described in the Scope of Services attached hereto as Exhibit B and incorporated herein by this reference.

The amount of the payment may be modified upon request by SBURA with approval of City Council. Except as otherwise specified herein, SBURA shall invoice the City monthly (or on such other basis as the Parties may mutually determine) for all services rendered pursuant to this Agreement. Such invoices shall specify the services provided to the City during the preceding month and identify the applicable fees and shall be accompanied by reasonable documentation or other reasonable explanations supporting such charges.

Except as otherwise specified herein, the City shall pay, net of applicable withholding tax, if any, SBURA for said invoice within thirty (30) days after receipt.

It is understood that SBURA will not perform any work that the City deems outside the scope prior to receiving written approval from the City. Any payment for work not agreed upon by the City shall be denied.

5. **Relationship of the Parties.** The parties agree that SBURA is an independent contractor for purposes of this Agreement and is not to be considered an employee of the City for any purpose. SBURA is not subject to the terms and provisions of the City's personnel policies handbook and may not be considered a City employee for workers' compensation or any other purpose.

- a. SBURA is not authorized to represent the City or otherwise bind the City in any dealings between SBURA and any third parties.
- b. This Agreement is not intended to create or constitute any joint venture, partnership, joint powers agency, or other formal organization of any kind.

- c. No Party is authorized herein to act as the agent of the other.

6. Training and Conflict of Interest.

- a. SBURA shall exercise reasonable care and diligence to prevent any actions or conditions which could result in a conflict with the City's interest. During the term of this Agreement, SBURA shall not accept any employment or engage in any consulting work which creates a conflict of interest with City or in any way compromises the services to be performed under this Agreement. SBURA shall immediately notify City of any and all violations of this Section upon becoming aware of such violation.
- b. SBURA will participate, support, and assist in providing biannual training for the SBBURD Committee in coordination with City staff. The training must include but is not limited to review of urban renewal and tax increment financing laws, Administrative Rules, ethics, conflicts of interest, meeting management, and maintenance of minutes and records.
- c. SBURA shall avoid both actual and potential conflicts of interest and shall be subject to the applicable code of ethics provisions in state law and city code including but not limited to all laws governing conflict between public duty and private interest.

7. Tax Increment Financing Authority and Administration. The parties agree that City Council shall have the ultimate decision-making authority regarding any expenditure of TIF funds related to the District.

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- a. The City will identify appropriate funding sources to facilitate necessary infrastructure and facility improvements as identified in the City's Current Capital Improvement Plan and other infrastructure master plans for projects within the District boundary.
- b. SBURA also will work with City staff, the SBBURD Committee, and property owners to consider public infrastructure projects in the District and bring recommendations to City Council through established processes, including the City's Capital Improvement Plan.

10. Indemnity.

SBURA shall:

- a. Indemnify, defend and save the City, its officers, agents and employees harmless from any and all losses, damage and liability occasioned by, growing out of, or in

any way arising or resulting from any intentional, reckless or negligent act on the part of SBURA or its officers, agents or employees.

- b. Not indemnify, defend, save and hold the City harmless from claims, causes of action, lawsuits, damages, judgments, liabilities, and litigation costs and expenses or attorneys' fees, expert fees and costs arising from wrongful, reckless or negligent acts, error or omission solely of the City occurring during the course of or as a result of the performance of the Agreement.
- c. Where claims, lawsuits or liability, including attorneys' fees, expert fees and costs arise from wrongful, reckless or negligent act of both the City and SBURA, SBURA shall indemnify, defend, save, and hold the City harmless from only that portion of claims, causes of action, lawsuits, damages, judgments, liabilities, and litigation costs and expenses including attorneys' fees, expert fees and costs, which result from SBURA's wrongful, reckless or negligent acts occurring as a result of SBURA's performance pursuant to this Agreement.

The City shall:

- a. Indemnify, defend and save SBURA, its officers, agents and employees harmless from any and all losses, damage and liability occasioned by, growing out of, or in any way arising or resulting from any intentional or negligent act on the part of City or its agents or employees.
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- c. Where claims, lawsuits or liability, including attorneys' fees and costs arise from wrongful, reckless or negligent act of both SBURA and the City, the City shall indemnify, defend, save, and hold SBURA harmless from only that portion of claims, causes of action, lawsuits, damages, judgments, liabilities, and litigation costs and expenses including attorneys' fees and costs, which result from the City's or its officers, agents or employee's wrongful, reckless or negligent acts occurring as a result of the City's performance pursuant to this Agreement.

11. Insurance.

- a. SBURA shall maintain in good standing the insurance described in this Section. Before rendering any services under this Agreement, SBURA shall furnish the City with proof of insurance in accordance with this Section.

SBURA shall provide the following insurance:

- i. Workers' compensation and employer's liability coverage as required by Montana law.

- ii. Commercial general liability, including contractual liability assumed under an insured agreement and personal injury coverages in the minimum amount of \$750,000 per claim and \$1,500,000 per occurrence.
- iii. Automobile liability in the minimum amount of \$1,500,000 per accident.
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The limits required by this Agreement can be met by either providing a primary policy or in combination with umbrella/excess liability policy(ies).

Each policy of insurance required by this Section shall provide for no less than 30 days' advance written notice to the City prior to cancellation.

The City shall be listed as an additional insured on all policies except Professional Liability and Worker's Compensation Policies.

SBURA shall comply with the applicable requirements of the Workers' Compensation Act, Title 39, Chapter 71, MCA, and the Occupational Disease Act of Montana, Title 39, Chapter 71, MCA.

SBURA shall maintain workers' compensation insurance coverage for all employees of SBURA's business, except for those persons who are exempted as independent contractors under the provisions of §39-71-401, MCA.

SBURA shall furnish City with copies showing one of the following: (1) a binder for workers' compensation coverage by an insurer licensed and authorized to provide workers' compensation insurance in the State of Montana; or (2) proof of exemption from workers' compensation granted by law for independent contractors.

12. Agreements of SBURA: As an inducement to the execution of this Agreement by the City and in consideration of the agreements to be performed by the City, SBURA agrees that:

- a. Qualifications. SBURA is qualified to perform the services to be furnished under this Agreement and is permitted by law to perform such services, and all personnel engaged in the work shall be qualified and so permitted to do the work they perform.
- b. Facilities and Personnel. SBURA has and will continue to have proper facilities and personnel to perform the services and work agreed to be performed.
- c. Subcontracting. None of the work or services covered by this Agreement shall be subcontracted without the prior approval of the City. The City acknowledges and agrees that certain services provided under this Agreement are provided pursuant to a consulting agreement between SBURA and Dick Zier Consulting, LLC.
- d. Compliance. If SBURA does seek contract services, supplies, or expenditures for other capital costs that utilize TIF funds, SBURA must follow City purchasing and procurement policies in effect at the time.
- e. Affidavits of Compliance. SBURA will, if requested by the City, furnish the City affidavits certifying compliance with the provisions of this Section.

13. Agreements of City:

- a. To furnish all information, materials, equipment, supplies, and incidentals necessary to conduct and complete the City's portion of the project as designated in the scope of work.

14. Nondiscrimination:

- a. SBURA shall, in performance of work under this Agreement, fully comply with all applicable federal, state, or local laws, rules, regulations, and executive orders including but not limited to, the Montana Human Rights Act, the Equal Pay Act of 1963, the Civil Rights Act of 1964, the Age Discrimination Act of 1975, the Americans with Disabilities Act of 1990, and Section 504 of the Rehabilitation Act of 1973. SBURA is the employer for the purpose of providing healthcare benefits and paying any applicable penalties, fees and taxes under the Patient Protection and Affordable Care Act [P.L. 111-148, 124 Stat. 119]. Any subletting or subcontracting by SBURA subjects subcontractors to the same provisions. In accordance with 49-3-207, MCA, and Executive Order No. 04-2016. SBURA agrees that the hiring of persons to perform this Contract will be made on the basis of merit and qualifications and there will be no discrimination based on race, color, sex, pregnancy, childbirth or medical conditions related to pregnancy or childbirth, political or religious affiliation or ideas, culture, creed, social origin or condition, genetic information, sexual orientation, gender identity or expression, national origin, ancestry, age, physical or mental disability, military service or veteran status, or marital status by the persons performing this Agreement. SBURA will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex, sexual orientation, gender identity, or national origin. Such action shall include, but not be limited to the following: Employment, upgrading, demotion, or transfer, recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the contracting officer setting forth the provisions of this nondiscrimination clause.
- b. SBURA shall state, in all solicitations or advertisements for employees to work on jobs, that all qualified applicants will receive equal consideration for employment without regard to race, color, sex, pregnancy, childbirth or medical conditions related to pregnancy or childbirth, political or religious affiliation or ideas, culture, creed, social origin or condition, genetic information, sexual orientation, gender identity or expression, national origin, ancestry, age, physical or mental disability, military service or veteran status, or marital status.

SBURA and subcontractor shall abide by the requirements of 41 CFR 60- 300.5(a) and 41 CFR 60-741.5(a), which prohibit discrimination against qualified protected veterans and/or qualified individuals on the basis of disability, and requires affirmative action by covered prime contractors and subcontractors to employ and

advance in employment qualified protected veterans and individuals with disabilities.

SBURA and any subcontractor shall abide by the requirements of 41 CFR 60- 1.4, which states employees or applicants may not be discharged or in any other manner discriminated against because they have inquired about, discussed, or disclosed their own pay or the pay of another employee or applicant. However, employees who have access to the compensation information of other employees or applicants as a part of their essential job functions cannot disclose the pay of other employees or applicants to individuals who do not otherwise have access to compensation information, unless the disclosure is (a) in response to a formal complaint or charge, (b) in furtherance of an investigation, proceeding, hearing, or action, including an investigation conducted by the employer, or (c) consistent with SBURA's legal duty to furnish information.

- c. SBURA will send to each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding, a notice to be provided by the agency contracting officer, advising the labor union or workers' representative of the contractor's commitments under section 202 of Executive Order 11246 of September 24, 1965, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.
- d. SBURA shall comply with any and all reporting requirements that may apply to it that the City may establish by regulation. SBURA will send to each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding, a notice to be provided by the agency contracting officer, advising the labor union or workers' representative of the contractor's commitments under section 202 of Executive Order 11246 of September 24, 1965, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.
- e. SBURA shall comply with all applicable federal, state, and city laws concerning the prohibition of discrimination. This includes complying with all provisions of Executive Order 11246 of September 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of Labor.
- f. In the event of SBURA's noncompliance with the nondiscrimination clauses of this contract or with any of such rules, regulations, or orders, this contract may be cancelled, terminated or suspended in whole or in part and the contractor may be declared ineligible for further Government contracts in accordance with procedures authorized in Executive Order No. 11246 of Sept 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in Executive Order No. 11246 of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.
- g. SBURA shall include the provisions of Subsections a through f of this Section in every subcontract or purchase order under this Agreement, so as to be binding upon

every such subcontractor or vendor of SBURA under this Agreement. SBURA will take such action with respect to any subcontract or purchase order as may be directed by the Secretary of Labor as a means of enforcing such provisions including sanctions for noncompliance: Provided, however, that in the event the contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction, the contractor may request the United States to enter into such litigation to protect the interests of the United States.

- h. SBURA agrees to post, in conspicuous places available to employees and applicants for employment, notices setting forth the provisions of this non-discrimination clause.

15. Permits, Laws, and Taxes. SBURA shall acquire and maintain in good standing all permits, licenses and other entitlements necessary to its performance under this Agreement. All actions taken by SBURA under this Agreement shall comply with all applicable statutes, ordinances, rules and regulations. SBURA shall pay all taxes pertaining to its performance under this Agreement.

16. Nonwaiver. The failure of either party at any time to enforce a provision of this Agreement shall in no way constitute a waiver of the provision, nor in any way affect the validity of this Agreement or any part hereof, or the right of such party thereafter to enforce each and every provision hereof.

17. Termination Of Agreement. The right is reserved by the City to terminate this Agreement, at any time, upon not less than sixty (60) days' written notice to SBURA.

In the event the City terminates this Agreement, SBURA shall be paid for the amount of work performed or services rendered to date of termination per the Agreement fee.

If either party fails to comply with any condition of this Agreement at the time or in the manner provided for, the other party may, at its option, terminate this Agreement and be released from all obligations if the default is not cured within ten (10) calendar days after written notice is provided to the defaulting party. Said notice shall set forth the items to be cured. Additionally, the non-defaulting party may bring suit for damages, specific performance, and any other remedy provided by law. These remedies are cumulative and not exclusive. Use of one remedy does not preclude use of the others. Notices shall be provided in writing and hand-delivered or mailed to the parties at the addresses set forth in the first paragraph of this Agreement.

18. Successors and Assigns. This Agreement and all the covenants hereof shall inure to the benefit of and be binding upon the City and SBURA respectively and his partners, successors, assigns, and legal representatives. Neither the City nor SBURA shall have the right to assign, transfer, or sublet his interest or obligations hereunder without written consent of the other party.

19. Changes in Work: Any change in the scope of SBURA'S services as stated in this Agreement for whatever reason, will be negotiated between the City and SBURA and an amendment to this Agreement will be issued with the appropriate change of services and Agreement fee noted.

20. Legal Relations. SBURA shall comply with all federal, state, and local laws and

ordinances applicable to the work to be done.

21. Ownership of Documents. All information relating to the project and prepared under the terms of this Agreement, including reports, data, recommendations, exhibits, analyses, and plans shall be deemed the property of the City. Reproducibles of all notes, reports, and plans shall be made available at the City’s request.

22. Public Information. SBURA shall not issue any statements, releases, or information regarding the work outlined in this Agreement for public dissemination without prior written approval of the City. All materials related to this Agreement and services provided are considered public records under Article II, Section 9 of the Montana Constitution and §§ 2-6-102 and 7-1-4144, MCA and may be distributed by written request pursuant to Montana’s Constitutional Right to Know or Public Records Acts.

23. Records. SBURA shall maintain accounting records and other evidence pertaining to the cost incurred and to make the records available at all times during the Agreement term and for three (3) years from the date of final payment. Such accounting records and other evidence pertaining to the cost incurred will be made available for inspections authorized by the City and copies thereof shall be furnished if requested.

24. Attorney’s Fees and Costs. In the event it becomes necessary for either Party to this Agreement to retain an attorney to enforce any of the terms or conditions of the Agreement, the prevailing Party shall be entitled to reasonable attorney’s fees and costs.

25. Litigation Location. The parties agree that this Agreement shall be governed in all respects by the laws of the state of Montana, and the parties expressly agree that venue shall be in the Montana Thirteenth Judicial District Court for Yellowstone County and there shall be no other venue for resolution of disputes arising from the Agreement or the performance of its terms.

26. Modification and Amendments. That any amendment, modification, or renewal of this Agreement or any provisions herein shall be made in writing and executed in the same manner as this original document and shall after execution become a part of this Agreement.

27. Notice.

The Parties have identified the following individuals for all communication and coordination. Any notice required hereunder shall be provided in writing.

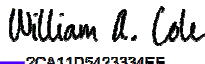
City:	Wyeth Friday Director, Planning and Community Services Department 316 N 26 th St. Billings, MT 59101 fridayw@billingsmt.gov (406) 657-8249
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SBURA:	Dick Zier Dick Zier Consulting, LLC 2139 Broadwater Ave., Suite F Billings, MT 59102 Dzier2@bresnan.net (406) 698-3153
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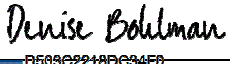
28. **Authority and Execution.** Each Party represents that it has the authority to enter into this Agreement and to perform the functions stated herein, and that the persons executing this Agreement on their respective behalf are authorized by law, resolution or other requisite action of the Party's governing body.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement on the dates indicated below.


CITY OF BILLINGS

Signed by:

 By: _____
 William A. Cole, Mayor

ATTEST:

Signed by:

 By: _____
 Denise R. Bohlman, City Clerk

APPROVED AS TO FORM:

Signed by:

 By: _____
 Gina Dahl, City Attorney

SOUTH BILLINGS URBAN RENEWAL ASSOCIATION, INC.

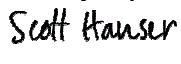
DocuSigned by:

 By: _____
 SBURA Board President

EXHIBIT A

South Billings Boulevard Urban Renewal District (SBBURD) - Combined Area Existing & Proposed Expansion

SBBURD comprised of Levy Districts 2, 2T5, 23T5, & O2



Legend

- SBBURD Boundary Combined (Existing & Proposed)
- Billings City Limits
- Yellowstone County Boundary

SBBURD Levy Districts

- 2
- 2 T5
- 23 T5
- O2

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.

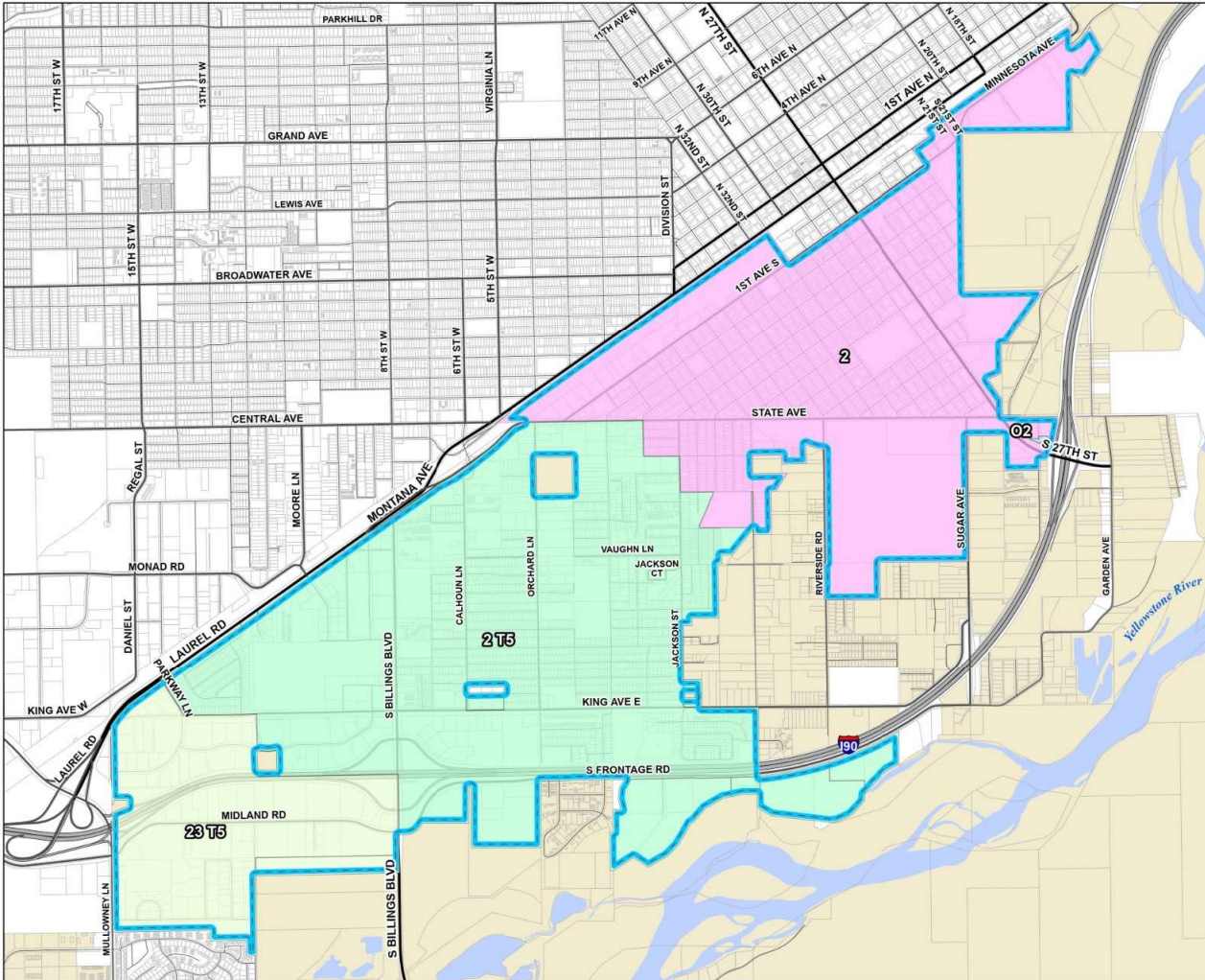


EXHIBIT B

Scope of Services

All Services provided under this Agreement must comply with the adopted District Urban Renewal Plan, City's TIF policy, Montana law, and City code and shall include, but are not necessarily limited to:

1. Administration and Implementation of the Urban Renewal Plan

- a. SBURA will ensure TIF funded projects and activities in the District align with the Urban Renewal Plan.
- b. SBURA shall coordinate with City staff and the SBBURD Committee on any recommendations for amendments or updates to the Urban Renewal Plan.
- c. SBURA shall coordinate with the SBBURD Committee to provide written quarterly reports to the City on the progress of implementing the Urban Renewal Plan.
- d. SBURA will actively work to recruit private investment in the District in partnership with the City.

2. Tax Increment Financing Authority and Administration

- a. SBURA and the City will develop and maintain an application form and assistance guidelines for parties seeking the use of TIF Funds.
- b. SBURA will accept and review applications for TIF Funds related to the District and will provide a copy of the application to the City staff for review.
- c. SBURA will ensure applications are complete and the proposals align with the Urban Renewal Plan before SBBURD Committee review and consideration.
- d. SBURA shall timely submit all complete applications that meet statutory criteria as well as the City's TIF policy to Council for consideration with a recommendation for approval or denial. The only applications not forwarded to Council should be incomplete applications or those that do not meet criteria of the TIF policy.
- e. Recommendations for expenditures shall be presented to the City Council by SBURA in coordination with City staff.
- f. In coordination with City staff, SBURA shall draft development agreements for approved applications in accordance with Council's conditions of approval, if any.

- g. SBURA shall follow up with the applicant to ensure compliance with the conditions of the development agreement and provide any documentation requested by the City.
- h. Plan and coordinate regular meetings of SBBURD Committee in compliance with notice, open meeting, and public participation requirements of Montana law and City code. SBURA shall provide affidavits of publication for any public notices required under this Agreement.
- i. Meetings of the SBBURD Committee shall be held at City Hall or other facility open and accessible to the public.
- j. SBURA will provide support to the SBBURD Committee including, but not limited to:
 - i. Preparing Meeting Agendas
 - ii. Communicating with the Committee and City staff on meeting notifications, cancellations and agenda items
 - iii. Preparing and publishing meeting notices
- k. SBURA shall coordinate, consult, and assist the SBBURD Committee to prepare and submit the following:
 - i. Annual work plans and budgets;
 - ii. Allocation of TIF funds for urban renewal projects and programs;
 - iii. Amendments to the District's urban renewal plan; and
 - iv. Other matters as directed by City Council related to the District.
- l. SBURA shall, within three (3) months of appointment of all SBBURD Committee members, assist the Committee in adopting bylaws providing for meeting schedules, officers and their election, and other appropriate conditions for the conduct of its members. The bylaws and any policies and procedures adopted shall comply with the provisions of [Billings, Montana City Code Article 2-500. Boards, Commissions and Committees.](#)

AGREEMENT

This Agreement is made and entered into on 12/18/2025, 2025, (the “Effective Date”) by and between the City of Billings (“City”), and BIRDworks, an I.R.C. 501(c)(3) Montana Non-Profit Corporation (“BIRD”). For purposes of this Agreement, the City, and BIRD are each a “Party” and are sometimes collectively referred to as the “Parties.”

RECITALS

1. This Agreement is for the purpose of assisting the City in the revitalization and continued development of the East Billings Urban Renewal District (“District”) through coordinated planning, project implementation, and economic development initiatives. The BIRD will collaborate with City staff, the City’s Urban Renewal District Advisory Committee (“EBURD Committee”), and private partners to administer and advance the District’s Urban Renewal Plan, promote investment, identify and facilitate public infrastructure improvements, and assist the City Council in evaluating and implementing projects supported by Tax Increment Financing (TIF) and other related programs.

2. The District was created by the City of Billings in 2006 and expanded in 2015 (Ordinance No. 06-5395, Ordinance No. 15-5652) and is defined in the attached Exhibit A map.

3. The City has adopted a TIF Policy by Resolution No. 18-10750 (“Policy”).

4. This Agreement is intended to be a cooperative effort between the City and BIRD, with the mutual objective of enhancing economic development opportunities in the District by promoting efforts that include, but are not limited to, commercial, residential and mixed-use development, public infrastructure improvement, and implementing the goals for the District as embodied in the 2015 Modified East Billings Urban Renewal Plan, 2009 EBURD Master Plan, 2012 EBURD Code (Ordinance No. 12-5581), 2013 Exposition Gateway Concept Plan, 2013 Hospitality Corridor Planning Study, as well as other City-adopted ordinances, plans and programs affecting the District.

5. In order to actively pursue the administration and marketing of the District, BIRD requires funding assistance from the City to supplement the funds of its staff dedicated to this effort.

AGREEMENT

NOW THEREFORE, in consideration of the mutual promises, covenants, and agreements contained herein, the parties agree as follows:

1. **Incorporation of Recitals.** The recitals are incorporated into this Agreement by this reference.

2. **Purpose.** The City agrees to hire BIRD as an independent contractor to perform the services as described in the Scope of Work attached hereto as Exhibit B and by this reference made a part hereof.

- a. In performing these services, BIRD shall at all times comply with all federal, state and local statutes, rules and ordinances applicable.
- b. These services and all duties incidental or necessary therefore, shall be performed diligently and completely and in accordance with professional standards of conduct and performance.
- c. BIRD will maintain compliance with the City's TIF Policy in operating under this Agreement and will use the Policy in its decisions related to any opinions or recommendations rendered to City Council.

3. **Term.** This Agreement shall be in effect from the Effective Date until June 30, 2026. The parties may mutually agree, in writing, to renew this agreement for up to two (2) additional one (1) year terms.

4. **Payment.** As part of the annual budgeting process, City Council will review the work plan and proposed budget prepared by BIRD and approve appropriate allocations of TIF funds for SBURA to carry out the timely performance of the services required under this Agreement as described in the Scope of Services attached hereto as Exhibit B and incorporated herein by this reference.

The amount of the payment may be modified upon request by BIRD with approval of City Council. Except as otherwise specified herein, BIRD shall invoice the City monthly (or on such other basis as the Parties may mutually determine) for all services rendered pursuant to this Agreement. Such invoices shall specify the services provided to the City during the preceding month and identify the applicable fees and shall be accompanied by reasonable documentation or other reasonable explanations supporting such charges.

Except as otherwise specified herein, the City shall pay, net of applicable withholding tax, if any, BIRD for said invoice within thirty (30) days after receipt.

It is understood that BIRD will not perform any work that the City deems outside the scope prior to receiving written approval from the City. Any payment for work not agreed upon by the City shall be denied.

5. **Relationship of the Parties.** The parties agree that BIRD is an independent contractor for purposes of this Agreement and is not to be considered an employee of the City for any purpose. BIRD is not subject to the terms and provisions of the City's personnel policies handbook and may not be considered a City employee for workers' compensation or any other purpose.

- a. BIRD is not authorized to represent the City or otherwise bind the City in any dealings between BIRD and any third parties.
- b. This Agreement is not intended to create or constitute any joint venture, partnership, joint powers agency, or other formal organization of any kind.
- c. No Party is authorized herein to act as the agent of the other.

6. Training and Conflict of Interest.

- a. BIRD shall exercise reasonable care and diligence to prevent any actions or conditions which could result in a conflict with the City's interest. During the term of this Agreement, BIRD shall not accept any employment or engage in any consulting work which creates a conflict of interest with City or in any way compromises the services to be performed under this Agreement. BIRD shall immediately notify City of any and all violations of this Section upon becoming aware of such violation.
- b. BIRD will participate, support, and assist in providing biannual training for the EBURD Committee in coordination with City staff. The training must include but is not limited to review of urban renewal and tax increment financing laws, Administrative Rules, ethics, conflicts of interest, meeting management, and maintenance of minutes and records.
- c. BIRD shall avoid both actual and potential conflicts of interest and shall be subject to the applicable code of ethics provisions in state law and city code including but not limited to all laws governing conflict between public duty and private interest.

7. Tax Increment Financing Authority and Administration. The parties agree that City Council shall have the ultimate decision-making authority regarding any expenditure of TIF funds related to the District.

8. Other Adopted Plans. The parties agree to consider and implement other adopted plans relevant to the District.

9. Identify Funding Sources And Facilitate Public Infrastructure Improvements.

- a. The City will identify appropriate funding sources to facilitate necessary infrastructure and facility improvements as identified in the City's Current Capital Improvement Plan and other infrastructure master plans for projects within the District boundary.
- b. BIRD also will work with City staff, the EBURD Committee, and property owners to consider public infrastructure projects in the District and bring recommendations to City Council through established processes, including the City's Capital Improvement Plan.

10. Indemnity.

BIRD shall:

- a. Indemnify, defend and save the City, its officers, agents and employees harmless from any and all losses, damage and liability occasioned by, growing out of, or in any way arising or resulting from any intentional, reckless or negligent act on the

part of BIRD or its officers, agents or employees.

- b. Not indemnify, defend, save and hold the City harmless from claims, causes of action, lawsuits, damages, judgments, liabilities, and litigation costs and expenses or attorneys' fees, expert fees and costs arising from wrongful, reckless or negligent acts, error or omission solely of the City occurring during the course of or as a result of the performance of the Agreement.
- c. Where claims, lawsuits or liability, including attorneys' fees, expert fees and costs arise from wrongful, reckless or negligent act of both the City and BIRD, BIRD shall indemnify, defend, save, and hold the City harmless from only that portion of claims, causes of action, lawsuits, damages, judgments, liabilities, and litigation costs and expenses including attorneys' fees, expert fees and costs, which result from BIRD's wrongful, reckless or negligent acts occurring as a result of BIRD's performance pursuant to this Agreement.

The City shall:

- a. Indemnify, defend and save BIRD, its officers, agents and employees harmless from any and all losses, damage and liability occasioned by, growing out of, or in any way arising or resulting from any intentional or negligent act on the part of City or its agents or employees.
- b. Not indemnify, defend, save and hold BIRD harmless from claims, causes of action, lawsuits, damages, judgments, liabilities, and litigation costs and expenses or attorneys' fees and costs arising from wrongful, reckless or negligent acts, error or omission solely of BIRD occurring during the course of or as a result of the performance of the Agreement.
- c. Where claims, lawsuits or liability, including attorneys' fees and costs arise from wrongful, reckless or negligent act of both BIRD and the City, the City shall indemnify, defend, save, and hold BIRD harmless from only that portion of claims, causes of action, lawsuits, damages, judgments, liabilities, and litigation costs and expenses including attorneys' fees and costs, which result from the City's or its officers, agents or employee's wrongful, reckless or negligent acts occurring as a result of the City's performance pursuant to this Agreement.

11. Insurance.

- a. BIRD shall maintain in good standing the insurance described in this Section. Before rendering any services under this Agreement, BIRD shall furnish the City with proof of insurance in accordance with this Section.

BIRD shall provide the following insurance:

- i. Workers' compensation and employer's liability coverage as required by Montana law.

- ii. Commercial general liability, including contractual liability assumed under an insured agreement and personal injury coverages in the minimum amount of \$750,000 per claim and \$1,500,000 per occurrence.
- iii. Automobile liability in the minimum amount of \$1,500,000 per accident.
- iv. Professional liability in the minimum amount of \$1,500,000 per claim.

The limits required by this Agreement can be met by either providing a primary policy or in combination with umbrella/excess liability policy(ies).

Each policy of insurance required by this Section shall provide for no less than 30 days' advance written notice to the City prior to cancellation.

The City shall be listed as an additional insured on all policies except Professional Liability and Worker's Compensation Policies.

BIRD shall comply with the applicable requirements of the Workers' Compensation Act, Title 39, Chapter 71, MCA, and the Occupational Disease Act of Montana, Title 39, Chapter 71, MCA.

BIRD shall maintain workers' compensation insurance coverage for all members and employees of BIRD's business, except for those members who are exempted as independent contractors under the provisions of §39-71-401, MCA.

BIRD shall furnish City with copies showing one of the following: (1) a binder for workers' compensation coverage by an insurer licensed and authorized to provide workers' compensation insurance in the State of Montana; or (2) proof of exemption from workers' compensation granted by law for independent contractors.

12. Agreements of BIRD: As an inducement to the execution of this Agreement by the City and in consideration of the agreements to be performed by the City, BIRD agrees that:

- a. Qualifications. BIRD is qualified to perform the services to be furnished under this Agreement and is permitted by law to perform such services, and all personnel engaged in the work shall be qualified and so permitted to do the work they perform.
- b. Facilities and Personnel. BIRD has and will continue to have proper facilities and personnel to perform the services and work agreed to be performed.
- c. Subcontracting. None of the work or services covered by this Agreement shall be subcontracted without the prior approval of the City.
- d. Compliance. If BIRD does seek contract services, supplies, or expenditures for other capital costs that utilize TIF funds, BIRD must follow City purchasing and procurement policies in effect at the time.
- e. Affidavits of Compliance. BIRD will, if requested by the City, furnish the City affidavits certifying compliance with the provisions of this Section.

13. Agreements of City:

- a. To furnish all information, materials, equipment, supplies, and incidentals necessary to conduct and complete the City's portion of the project as designated in the scope of work.

14. Nondiscrimination:

- a. BIRD shall, in performance of work under this Agreement, fully comply with all applicable federal, state, or local laws, rules, regulations, and executive orders including but not limited to, the Montana Human Rights Act, the Equal Pay Act of 1963, the Civil Rights Act of 1964, the Age Discrimination Act of 1975, the Americans with Disabilities Act of 1990, and Section 504 of the Rehabilitation Act of 1973. BIRD is the employer for the purpose of providing healthcare benefits and paying any applicable penalties, fees and taxes under the Patient Protection and Affordable Care Act [P.L. 111-148, 124 Stat. 119]. Any subletting or subcontracting by BIRD subjects subcontractors to the same provisions. In accordance with 49-3-207, MCA, and Executive Order No. 04-2016. BIRD agrees that the hiring of persons to perform this Contract will be made on the basis of merit and qualifications and there will be no discrimination based on race, color, sex, pregnancy, childbirth or medical conditions related to pregnancy or childbirth, political or religious affiliation or ideas, culture, creed, social origin or condition, genetic information, sexual orientation, gender identity or expression, national origin, ancestry, age, physical or mental disability, military service or veteran status, or marital status by the persons performing this Agreement. BIRD will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex, sexual orientation, gender identity, or national origin. Such action shall include, but not be limited to the following: Employment, upgrading, demotion, or transfer, recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the contracting officer setting forth the provisions of this nondiscrimination clause.
- b. BIRD shall state, in all solicitations or advertisements for employees to work on jobs, that all qualified applicants will receive equal consideration for employment without regard to race, color, sex, pregnancy, childbirth or medical conditions related to pregnancy or childbirth, political or religious affiliation or ideas, culture, creed, social origin or condition, genetic information, sexual orientation, gender identity or expression, national origin, ancestry, age, physical or mental disability, military service or veteran status, or marital status.

BIRD and subcontractor shall abide by the requirements of 41 CFR 60- 300.5(a) and 41 CFR 60-741.5(a), which prohibit discrimination against qualified protected veterans and/or qualified individuals on the basis of disability, and requires affirmative action by covered prime contractors and subcontractors to employ and

advance in employment qualified protected veterans and individuals with disabilities.

BIRD and any subcontractor shall abide by the requirements of 41 CFR 60- 1.4, which states employees or applicants may not be discharged or in any other manner discriminated against because they have inquired about, discussed, or disclosed their own pay or the pay of another employee or applicant. However, employees who have access to the compensation information of other employees or applicants as a part of their essential job functions cannot disclose the pay of other employees or applicants to individuals who do not otherwise have access to compensation information, unless the disclosure is (a) in response to a formal complaint or charge, (b) in furtherance of an investigation, proceeding, hearing, or action, including an investigation conducted by the employer, or (c) consistent with BIRD's legal duty to furnish information.

- c. BIRD will send to each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding, a notice to be provided by the agency contracting officer, advising the labor union or workers' representative of the contractor's commitments under section 202 of Executive Order 11246 of September 24, 1965, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.
- d. BIRD shall comply with any and all reporting requirements that may apply to it that the City may establish by regulation. BIRD will send to each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding, a notice to be provided by the agency contracting officer, advising the labor union or workers' representative of the contractor's commitments under section 202 of Executive Order 11246 of September 24, 1965, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.
- e. BIRD shall comply with all applicable federal, state, and city laws concerning the prohibition of discrimination. This includes complying with all provisions of Executive Order 11246 of September 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of Labor.
- f. In the event of BIRD's noncompliance with the nondiscrimination clauses of this contract or with any of such rules, regulations, or orders, this contract may be cancelled, terminated or suspended in whole or in part and the contractor may be declared ineligible for further Government contracts in accordance with procedures authorized in Executive Order No. 11246 of Sept 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in Executive Order No. 11246 of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.
- g. BIRD shall include the provisions of Subsections a through f of this Section in every subcontract or purchase order under this Agreement, so as to be binding upon every

such subcontractor or vendor of BIRD under this Agreement. BIRD will take such action with respect to any subcontract or purchase order as may be directed by the Secretary of Labor as a means of enforcing such provisions including sanctions for noncompliance: Provided, however, that in the event the contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction, the contractor may request the United States to enter into such litigation to protect the interests of the United States.

- h. BIRD agrees to post, in conspicuous places available to employees and applicants for employment, notices setting forth the provisions of this non-discrimination clause.

15. Permits, Laws, and Taxes. BIRD shall acquire and maintain in good standing all permits, licenses and other entitlements necessary to its performance under this Agreement. All actions taken by BIRD under this Agreement shall comply with all applicable statutes, ordinances, rules and regulations. BIRD shall pay all taxes pertaining to its performance under this Agreement.

16. Nonwaiver. The failure of either party at any time to enforce a provision of this Agreement shall in no way constitute a waiver of the provision, nor in any way affect the validity of this Agreement or any part hereof, or the right of such party thereafter to enforce each and every provision hereof.

17. Termination Of Agreement. The right is reserved by the City to terminate this Agreement at any time upon not less than sixty (60) days' written notice to BIRD.

In the event the City terminates this Agreement, BIRD shall be paid for the amount of work performed or services rendered to date of termination per the Agreement fee.

If either party fails to comply with any condition of this Agreement at the time or in the manner provided for, the other party may, at its option, terminate this Agreement and be released from all obligations if the default is not cured within ten (10) calendar days after written notice is provided to the defaulting party. Said notice shall set forth the items to be cured. Additionally, the non-defaulting party may bring suit for damages, specific performance, and any other remedy provided by law. These remedies are cumulative and not exclusive. Use of one remedy does not preclude use of the others. Notices shall be provided in writing and hand-delivered or mailed to the parties at the addresses set forth in the first paragraph of this Agreement.

18. Successors and Assigns. This Agreement and all the covenants hereof shall inure to the benefit of and be binding upon the City and BIRD respectively and his partners, successors, assigns, and legal representatives. Neither the City nor BIRD shall have the right to assign, transfer, or sublet his interest or obligations hereunder without written consent of the other party.

19. Changes in Work: Any change in the scope of BIRD'S services as stated in this Agreement for whatever reason, will be negotiated between the City and BIRD and an amendment to this Agreement will be issued with the appropriate change of services and Agreement fee noted.

20. Legal Relations. BIRD shall comply with all federal, state, and local laws and ordinances applicable to the work to be done.

21. Ownership of Documents. All information relating to the project and prepared under the terms of this Agreement, including reports, data, recommendations, exhibits, analyses, and plans shall be deemed the property of the City. Reproducibles of all notes, reports, and plans shall be made available at the City’s request.

22. Public Information. BIRD shall not issue any statements, releases, or information regarding the work outlined in this Agreement for public dissemination without prior written approval of the City. All materials related to this Agreement and services provided are considered public records under Article II, Section 9 of the Montana Constitution and §§ 2-6-102 and 7-1-4144, MCA and may be distributed by written request pursuant to Montana’s Constitutional Right to Know or Public Records Acts.

23. Records. BIRD shall maintain accounting records and other evidence pertaining to the cost incurred and to make the records available at all times during the Agreement term and for three (3) years from the date of final payment. Such accounting records and other evidence pertaining to the cost incurred will be made available for inspections authorized by the City and copies thereof shall be furnished if requested.

24. Attorney’s Fees and Costs. In the event it becomes necessary for either Party to this Agreement to retain an attorney to enforce any of the terms or conditions of the Agreement, the prevailing Party shall be entitled to reasonable attorney’s fees and costs.

25. Litigation Location. The parties agree that this Agreement shall be governed in all respects by the laws of the state of Montana, and the parties expressly agree that venue shall be in the Montana Thirteenth Judicial District Court for Yellowstone County and there shall be no other venue for resolution of disputes arising from the Agreement or the performance of its terms.

26. Modification and Amendments. That any amendment or modification of this Agreement or any provisions herein shall be made in writing and executed in the same manner as this original document and shall after execution become a part of this Agreement.

27. Notice.

The Parties have identified the following individuals for all communication and coordination. Any notice required hereunder shall be provided in writing.

City:	Wyeth Friday Director, Planning and Community Services Department 316 N 26 th St. Billings, MT 59101 fridayw@billingsmt.gov (406) 657-8249
BIRD:	Heather Doty Community Liaison 319 N 14 th St. Billings, MT 59102 heather@billingsbird.com (406) 545-7007

28. **Authority and Execution.** Each Party represents that it has the authority to enter into this Agreement and to perform the functions stated herein, and that the persons executing this Agreement on their respective behalf are authorized by law, resolution or other requisite action of the Party's governing body.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement on the dates indicated below.

CITY OF BILLINGS

Signed by:
By: William A. Cole
2CA11B5423334EE...
William A. Cole, Mayor

ATTEST:

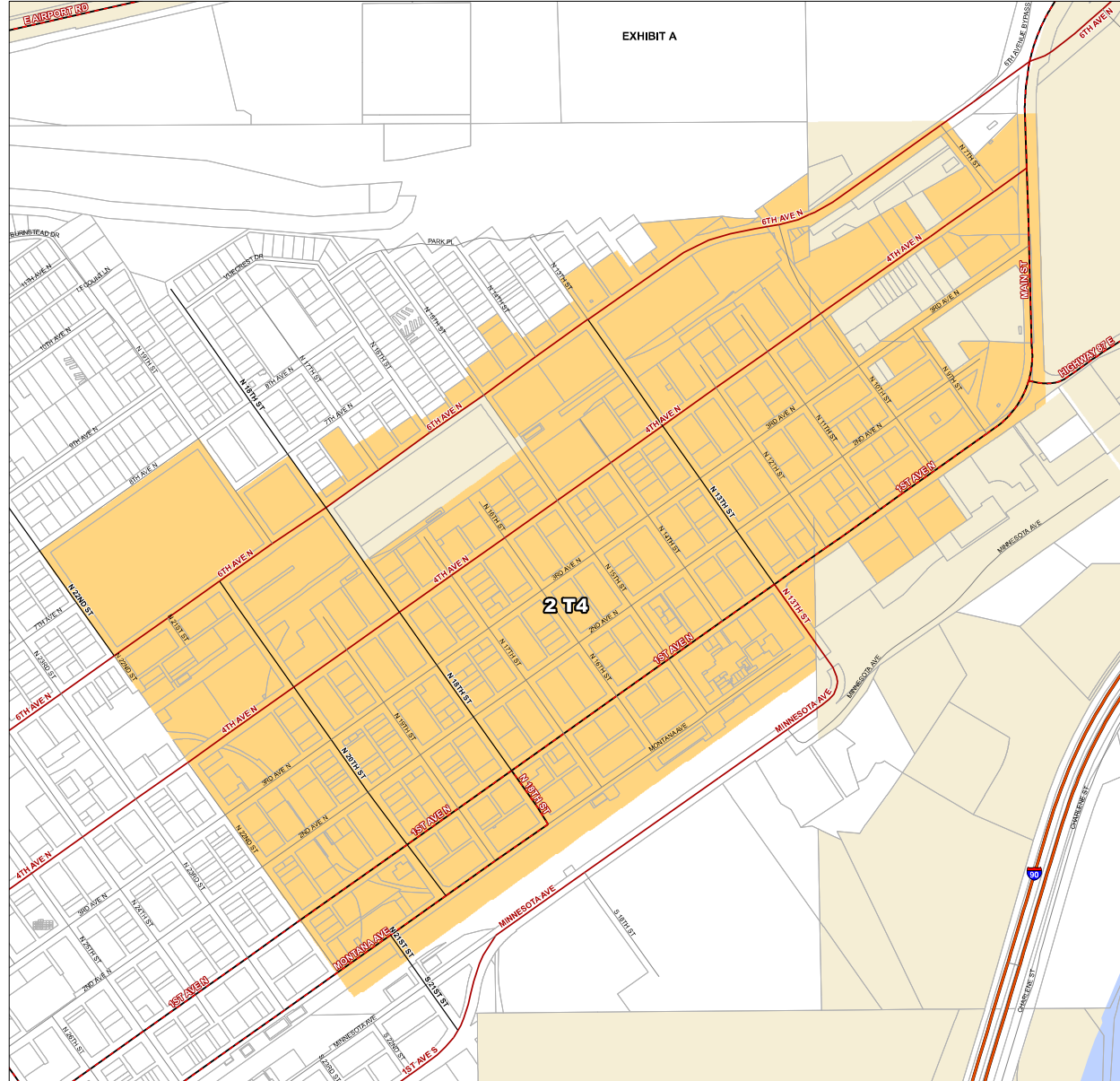
Signed by:
By: Denise Bohlman
D589C2218BC94F8...
Denise R. Bohlman, City Clerk

APPROVED AS TO FORM:

Signed by:
By: Gina Dahl
060D76B59546457...
Gina Dahl, City Attorney

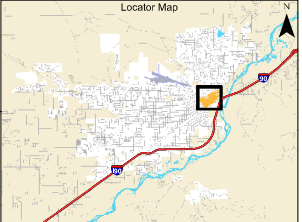
BIRDworks, INC.

Signed by:
By: Keith Robinson
9A77019E758248C...
BIRD Board President



East Billings Urban Renewal District (EBURD)

EBURD comprised of
Levy District 2T4



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.

Legend

- Interstate Highway
- US or State Route
- Arterial Street
- Collector Street
- City Street
- Levy District 2T4 (EBURD)
- Tax Parcel
- Yellowstone County Boundary

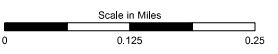


EXHIBIT B

Scope of Services

All Services provided under this Agreement must comply with the adopted District Urban Renewal Plan, City's TIF policy, Montana law, and City code and shall include, but are not necessarily limited to:

1. Administration and Implementation of the Urban Renewal Plan

- a. BIRD will ensure TIF funded projects and activities in the District align with the Urban Renewal Plan.
- b. BIRD shall coordinate with City staff and the EBURD Committee on any recommendations for amendments or updates to the Urban Renewal Plan.
- c. BIRD shall coordinate with the EBURD Committee to provide written quarterly reports to the City on the progress of implementing the Urban Renewal Plan.
- d. BIRD will actively work to recruit private investment in the District in partnership with the City.

2. Tax Increment Financing Authority and Administration

- a. BIRD and the City will develop and maintain an application form and assistance guidelines for parties seeking the use of TIF Funds.
- b. BIRD will accept and review applications for TIF Funds related to the District and will provide a copy of the application to the City staff for review.
- c. BIRD will ensure applications are complete and the proposals align with the Urban Renewal Plan before EBURD Committee review and consideration.
- d. BIRD shall timely submit all complete applications that meet statutory criteria as well as the City's TIF policy to Council for consideration with a recommendation for approval or denial. The only applications not forwarded to Council should be incomplete applications or those that do not meet criteria of the TIF policy.
- e. Recommendations for expenditures shall be presented to the City Council by BIRD in coordination with City staff.
- f. In coordination with City staff, BIRD shall draft development agreements for approved applications in accordance with Council's conditions of approval, if any.

- g. BIRD shall follow up with the applicant to ensure compliance with the conditions of the development agreement and provide any documentation requested by the City.
- h. Plan and coordinate regular meetings of EBURD Committee in compliance with notice, open meeting, and public participation requirements of Montana law and City code. BIRD shall provide affidavits of publication for any public notices required under this Agreement.
- i. Meetings of the EBURD Committee shall be held at City Hall or other facility open and accessible to the public.
- j. BIRD will provide support to the EBURD Committee including, but not limited to:
 - i. Preparing Meeting Agendas
 - ii. Communicating with the Committee and City staff on meeting notifications, cancellations and agenda items
 - iii. Preparing and publishing meeting notices
- k. BIRD shall coordinate, consult, and assist the EBURD Committee to prepare and submit the following:
 - i. Annual work plans and budgets;
 - ii. Allocation of TIF funds for urban renewal projects and programs;
 - iii. Amendments to the District's urban renewal plan; and
 - iv. Other matters as directed by City Council related to the District.
- l. BIRD shall, within three (3) months of appointment of all EBURD Committee members, assist the Committee in adopting bylaws providing for meeting schedules, officers and their election, and other appropriate conditions for the conduct of its members. The bylaws and any policies and procedures adopted shall comply with the provisions of [Billings, Montana City Code Article 2-500. Boards, Commissions and Committees.](#)

City Council Work Session

2.

Meeting Date: 04/06/2026

TITLE: 2026 City Annexation Policy and Map Recommendations

PRESENTED BY: Wyeth Friday

Department: Planning & Community Services

Presentation: Yes

Legal Review: No

Project Number: NA

RECOMMENDATION

The City Annexation Committee recommends the City Council hear a presentation on proposed changes to the Limits of Annexation Map. Staff is expecting Council direction to staff to prepare amendments to the map to bring back at a future business meeting for action.

EXECUTIVE SUMMARY

To provide guidance on Annexation Policy and Map amendments, an Annexation Committee, consisting of representatives from Administration, Airport, Fire, Parks, Planning, Police, Public Works, and Transit advises the City Council. The Committee meets to review the Annexation Policy, discuss revisions to the map, and develop strategies for long-term growth management and service delivery. The Committee solicits requests from private property owners and considers any City-initiated amendments to the Annexation Map each winter/spring with the City CIP review/approval.

The Committee is recommending changes to the map in four areas as described in the Background section of this memo and shown on the attached draft Limits of Annexation Map. One of the proposed changes is based on a request from a private property owner at the southwest corner of the intersection of Hesper Road and 48th Street West, just west of the City's new water reservoir and water treatment plant facilities. The other three proposed map amendments are City initiated based on service provision, future annexation potential, and recent discussions at Council regarding annexation of property along Jellison Road and the City's landfill.

Staff is asking for Council direction at this Work Session on these four map amendments to bring formal recommendations to Council at a future business meeting.

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

To provide guidance on Annexation Policy and Map amendments, an Annexation Committee, consisting of representatives from Administration, Airport, Fire, Parks, Planning, Police, Public Works, and Transit advises the City Council. The Committee meets to review the Annexation Policy, discuss revisions to the map, and develop strategies for long-term growth management and service delivery. The Committee solicits requests from private property owners and considers any City-initiated amendments to the Annexation Map each winter/spring with the City CIP review/approval.

The Committee is recommending changes to the map in four areas as described below and shown on the attached draft Limits of Annexation Map. One of the proposed changes is based on a request from a private property owner at the southeast corner of the intersection of Hesper Road and 48th Street West, just west of the City's new water reservoir and water treatment plant facilities. The other three proposed map amendments are City initiated based on service provision, future annexation potential, and recent discussions at Council regarding annexation of property along Jellison Road and the City's landfill.

The City Council first adopted an Annexation Policy and accompanying Map 24 years ago in May 2002 and the policy and map were most recently amended in 2023. The original adoption of the Policy was driven by annexations in the early 2000s of areas like Rehberg Ranch and Briarwood that were placing significant service demands on City services and the Council realized it needed a formal process and criteria to make future annexation decisions. To provide guidance on Annexation Policy and Map amendments, an Annexation Committee was formed to advise the City Council. The current adopted policy established three limits of annexation areas. The City Annexation Petition Area (Zone 1 - Green) defines an area where annexation petitions may be supported in the short term. The Long Range Area (Zone 2 -Yellow) covers areas where City services may be extended but would require additional analysis to support those services. The County Developed Area (Zone 3 -- Red) identifies areas within the Limits of Annexation Map that are fully developed in the County and not likely to annex at this time unless water and sewer systems in those areas are compromised.

The City of Billings has annexed about 6.5 square miles since 2004 (39 to 45.6 sq. mi.) when the Policy and Limits of Annexation Map were further refined to be similar to what they are today. The community's growth over this period has challenged the City's ability to balance serving new areas and maintaining a high level of service to present citizens. Discussions and funding efforts centered on the need to increase public safety services has been a core part of these service issues for many years. These challenges have meant the Committee continues to be cautious in recommending any expansion of the annexation areas. However, ensuring proper municipal infrastructure is positioned to serve City expansion long-term and that low-density County development does not occur in the way of these efforts are also critical elements in the community's fiscal and service sustainability. In this case, specific new development projects or potential development areas in, and on the edge of, the Long Range Urban Planning Area that the City wants to ensure are developed in the City to City standards for long-term continuity of services supports several of the current proposed map amendments.

Zone 1 Recommendations: The Annexation Committee is presenting two recommendations to City Council to expand the City Annexation Petition Area (Zone 1 -- Green Area) (See draft map attached). These areas are being recommended based on a private property owner request and submittal of an Urban Planning Study subjected to City Department analysis and evaluation, recent Council direction and action to consider provision of municipal services along Jellison Road, including the City's Landfill, where urban development on City services and to City standards is desired, and based on long-range infrastructure and land use planning evaluation.

Jellison Road between South Billings Boulevard and the City of Billings Landfill -- Approximately 959 acres with Landfill - Add area to Zone 1 (Green Area)

This property is about 959 acres located on both sides of Jellison Road between South Billings Boulevard and the City Landfill access, including the Landfill property. Several properties in this area were the focus of a Council Work Session on March 2 regarding possible annexation or provision of water service to the area and to the Billings Landfill (See March 2 Work Session Memos by Engineering Division attached). Council direction in those recent discussions indicated the Council wanted to consider the properties for annexation as the only path to service provision. Staff has proposed amending the map in this area to include the private properties and the City Landfill in Zone 1 for future annexation.

The properties in the area of the map amendment include:

- The Meadowlark Mobile Home Park, which has formally requested connection to the City's water system to address ongoing water quality concerns.
- The Blain property, a 2-acre site housing the Yellowstone Valley Animal Shelter, which has requested connection to the existing 6-inch sanitary sewer force main in Jellison Road.
- The City of Billings Landfill, which is owned by the City as a critical infrastructure element of City and regional services, and could benefit from having water service extended to it along Jellison Road.
- A variety of other commercial and residential properties along Jellison Road that could at some time request annexation if the area were included in Zone 1 of the Limits of Annexation Map and participate in the water and sewer utilities serving the area.

As was outlined at the March 2 City Council Work Session, all of these properties are currently located outside the City's designated annexation areas, and any opportunity for annexation at this time would require preparation of an urban planning study and submission of an annexation petition for Council consideration.

-Water and Sewer Utilities: There is an existing 6-inch sanitary sewer force main that serves the Meadowlark Mobile Home Park in Jellison Road that connects to the City sewer system in Blue Creek Road. This sewer main could serve additional properties (including the Blain's) in the area to some level before needing to be upgraded to a larger system. The closest City water system infrastructure is in Blue Creek Road where it serves the Briarwood Neighborhood to the south and the Cedar Park Neighborhood to the east along Blue Creek Road.

The Meadowlark Mobile Home Park has a water treatment plant that was placed into service in either 2009 or 2010. However, the effectiveness of the plant has diminished. The proposed water main extension to Meadowlark Mobile Home Park would be fully funded through the Montana DEQ Emerging Contaminant Grant, including design, construction, staff time, and the City's water system development fee, resulting in no capital cost to the City. The grant would fund the construction of a water main down Jellison Road to Blue Creek Road where it will connect to the City of Billings' water distribution system. The City would act as the grant recipient in order to complete the project, as required by DEQ funding requirements. If constructed, the new water main would have the benefit of providing fire protection at the landfill entrance and, in the future, could be looped through the landfill to provide redundancy to the landfill water system.

-Transportation Infrastructure: Jellison Road is classified as a Minor Arterial on the MPO's Functional Classification

Map (attached). The road is currently not built to any County or City arterial standard. If property along Jellison Road were annexed into the City, State Law requires the City to annex the adjacent right-of-way of Jellison Road. It is expected that ongoing City and County maintenance coordination will continue for the foreseeable future. It is anticipated that improvement to Jellison Road in the future would be funded by a combination of City infrastructure funding, developer contributions, a Special Improvement District, or some combination of these sources. There is no expectation of a significant increase in traffic in the near future on Jellison Road, aside from any further increase in traffic to the City Landfill.

If the Meadowlark Manufactured Home Park were annexed into the City, improvements to its internal street network and connectivity of the network may be required to address emergency access and circulation. Assessment of the improvements would be prepared in an Annexation Agreement between the City and the Meadowlark Manufactured Home Park at the time of annexation petition consideration.

-Public Safety Services: The Police Department and Fire Department have concerns with annexation of the Meadowlark Manufactured Home Park based on call volume and lack of fire hydrants within the court. Emergency services have indicated there were a high number of calls for service to this area in 2025 (370 calls). Emergency services do not anticipate a large volume of calls for service from the Yellowstone Valley Animal Shelter property (Blain's). This information was shared with the City Council at its March 2 Work Session (Memos attached). The subject property is not within the Billings Urban Fire Service Area (BUFSA) and is instead in the Blue Creek Volunteer Fire Department (Blue Creek VFD) response area. This means that bringing this property into the City would bring an area not currently serviced by the City Fire Department into its service area.

Other property in this area, if it were included in the Zone 1 area of the Limits of Annexation Map, would be assessed at time of annexation petition review. However, installation of City standard fire hydrants along Jellison Road and in developments along the road would improve the safety of the area from a fire-fighting perspective. And improvements in street connectivity and access would benefit all law enforcement and emergency services.

-Parks, Transit and other Services: Provision of park and open space development will occur as annexation, zoning and subdivision requirements are applied if property annexes and develops further. Given the existing development of the area, it is anticipated that some parks and trail corridors would be provided that may utilize the Yellowstone River Corridor. Sidewalks adjacent to Jellison Road may be added in the future with further corridor improvements to provide connectivity throughout the area.

MET Transit is not expected to serve this area in the foreseeable future with fixed route service. The location is too remote from the main area of the City and current residential density make transit unfeasible at this time. However, as paratransit service currently operates anywhere within City limits, the anticipated primary service areas present a number of infrastructure challenges such as narrow roads, unpaved roads, lack of sidewalk, and other issues that would limit paratransit vehicle ability to access client locations.

Recommendation: The Annexation Committee recommends the Jellison Road area between South Billings Boulevard and the City of Billings Landfill be included in the City Annexation Petition Area based on the opportunity to make utility improvements through the State DEQ grant, the ability to require public safety and other improvements to City standard through annexation agreements, and the ability to ensure urban development to City standards over time.

Property at Southeast Corner of Hesper and 48th Street West -- Approximately 85 acres - Add area to Zone 1 (Green Area) Petition Area

An Urban Planning Study was prepared in support of a proposed Annexation Map Amendment request for a 52-acre portion of an 85-acre parent parcel located at the southeast corner of the intersection of 48th Street West and Hesper Road. The parent parcel was recently divided through an agricultural exemption recorded with Yellowstone County in accordance with Montana subdivision law. This exemption created the 52-acre tract as a legally distinct parcel for this map amendment request and potential future annexation.

The property is owned by Jason Bernhardt, and the proposed development will be undertaken by John Mullen. The subject property lies within the Zone 2 Long Range Area of the Limits of Annexation Map as designated by the City of Billings 2023 Limits of Annexation Map and is adjacent to the City's West End Reservoir and West End Water Plant development. This area is identified as a location for future City development due to its proximity to expanding infrastructure, arterial road networks, and employment centers along the Shiloh Road Corridor. The proposed development is envisioned as a mixed-residential planned neighborhood development that balances housing, neighborhood-scale commercial, hospitality, and employment opportunities. The layout as proposed for the UPS includes:

• NX-1 & N1: 138 residential units = 25 four-plex units, and 19 duplex units.

• Hotel site: one 60,000-square-foot building.

• NMU: Commercial uses - two story mixed-use buildings with ground-floor restaurants, retail space, and offices with 4 to 8-plex residential units on the second story.

• Parks and open space: internal green spaces and pedestrian connections to support neighborhood livability.

While the Urban Planning Study outlines general land use categories and conceptual lot layout, the specific building form, height, and density will be refined during the subdivision and site development review process if the Limits of Annexation Map is amended and the property moves ahead with the annexation, subdivision and zoning processes. Final design elements such as multi-tenant configurations and parking layout will be coordinated with City staff to ensure compliance with zoning district regulations.

-Water and Sewer Utilities: Sanitary sewer service for the 52-acre area will be provided by the City of Billings public sewer system. The development will connect to existing infrastructure located within the Hesper Road right-of-way. The nearest point of connection is sanitary sewer that runs directly along the frontage of the subject property and supports recent infrastructure improvements associated with the adjacent City of Billings Water Treatment Facility to the east. As-built alignments, system capacity, and any future expansion plans will be confirmed through coordination with the City of Billings Engineering Division during the engineering design phases. The development is anticipated to be served by a gravity sewer system, with no lift stations proposed at this time (pending site grading and downstream capacity analysis).

Water service is available just east of the project site on Hesper Road and is located within pressure zone 3. A stub was provided with the water treatment plant project and is ready for extension west and can serve the proposed area. This water line can be extended at development cost with any oversizing compensation paid by the City. The water service plan for the site will be designed to:

- Accommodate the projected domestic demand for a future neighborhood mixed-use subdivision
- Provide adequate fire protection via hydrant spacing and flow capacity in accordance with City Fire Code
- Enable looped connections where feasible to ensure pressure stability and redundancy

-Transportation Infrastructure: The subject property is located at the intersection of two principal arterial streets, 48th Street West and Hesper Road, placing it within a key transitional area between developed urban neighborhoods and the future growth corridor of 48th Street West in West Billings. The property has direct frontage along both Hesper Road and 48th Street West, supporting the implementation of an internal gridded street network that aligns with connectivity goals.

The proposed neighborhood development will incorporate a public street network, with future connection points to both Hesper Road and 48th Street West. These connections will support circulation efficiency, emergency access, and compliance with the 2024 City of Billings Subdivision Regulations. Street Classification and Design will be coordinated with the City Engineering Division to ensure compliance with local standards for right-of-way widths, sidewalk placement, boulevard design, and utility corridors. Internal Roadways will be designed to accommodate local vehicle traffic, pedestrian movement, and potential future transit stops. The project will also evaluate the feasibility of incorporating a minor collector loop to improve connectivity. Pedestrian Infrastructure will include boulevard sidewalks and potential trail linkages to the City's West End Reservoir trail system.

-Public Safety Services: The proposed development would fall under the jurisdiction of the Billings Police Department (BPD) after annexation. The BPD provides 24-hour service across approximately 41 square miles of the city, divided into four zones and nine patrol beats. The BPD has a budgeted strength of 177 officers but often operates slightly under this total due to retirements. While specific beat assignments for the annexation area have not yet been determined, BPD coverage for the site will ultimately depend on final land use intensity, zoning, and the City's overall patrol deployment strategy.

The proposed development would fall under the jurisdiction of the Billings Fire Department (BFD) if annexed. The property currently falls under the Billings Urban Fire Service Area (BUFSA) in the County, so the City of Billings would continue to provide service with the property developed at urban standards and densities. Fire Station 7, located at 1501 54th Street West, is the closest station to the proposed development. Station 7 covers over 30 square miles, including the West End of Billings and the western BUFSA area. Additionally, Fire Station 5, situated at 605 South 24th Street West, serves the broader West End and houses the BFD's Hazardous Materials Team. The department operates seven fire stations citywide, providing 24-hour coverage. However, recent discussions by the Billings City Council have highlighted budgetary constraints affecting emergency services. To address this, the BFD has conceptually proposed a future Station 9, anticipated to be sited near the new water treatment plant to serve the expanding west Billings area. This station has not yet been constructed, and its timeline remains dependent on future capital planning.

-Parks, Transit and other Services: In accordance with Section 6.4.3 of the City of Billings Subdivision Regulations,

residential subdivisions are required to dedicate up to 11% of the gross area for parkland or provide equivalent cash-in-lieu contributions. For this property, the required Parkland Dedication could be 5.72 acres. The final parkland strategy--whether via on-site dedication or cash-in-lieu--will be coordinated with the Parks, Recreation, and Public Lands Department during subdivision review if the property is annexed. Given the property location just west of the City's West End Water Reservoir, pedestrian and trail infrastructure will include trail linkages to the West End Reservoir trail system.

The proposed development will not be served by MET Transit fixed-route in the near future, but it is between 1.5 and 1.3 miles of existing MET Transit routes along Shiloh Road and King Avenue West, and Shiloh Road and Zoo Drive; if annexed, the area would be eligible for paratransit services.

Recommendation: The Annexation Committee recommends this property at the Southeast Corner of Hesper and 48th Street West be included in the City Annexation Petition Area (Zone 1) based on the opportunity to have property immediately adjacent to the City's West End Reservoir and the 48th Street West Corridor developed in the City and development to City standards over time.

Zone 2 Recommendation: The Annexation Committee is presenting one recommendation to City Council to expand the City Annexation Petition Area (Zone 2 -- Yellow Area) (See draft map attached). This areas are being recommended based on City Department analysis and evaluation where urban development on City services and to City standards is desired, and based on long-range infrastructure and land use planning evaluation.

Billings Bypass and 5 Mile Road Intersection -- Approximately 240 acres - Add area to Zone 3 -- Long Range Area (Yellow)

This property is about 240 acres around the intersection of the Billings Bypass after it crosses the Yellowstone River and 5 Mile Road that runs north from the intersection to Highway 312 up to Dover Lane. This area has been the focus of analysis in the MPO's Billings Bypass Corridor Study in 2023 and the currently developing Billings Heights Neighborhood Plan. The expectation is with the Bypass connecting Billings Heights and Lockwood, the current analysis of consolidation of the County Water District of Billings Heights and the City for water services, the City's future analysis of providing sewer in this area, and the future development in the Heights area of housing and commercial services, this area should be included in the Long Range Area for evaluation for future annexation to the City.

-Water and Sewer Utilities: This area is expected to be served by the County Water District of Billings Heights and could be served in the future by City sewer given the proximity of these utilities to the east of this area. There would need to be City investment in service extensions combined with coordination of developer service extensions.

-Transportation Infrastructure: There are multiple existing opportunities for transportation corridor connections to the subject property via the Bypass on Mary Street (Principal Arterial) and Five Mile Road (Minor Arterial) to Highway 312 (Principal Arterial). Staff has attached to this memo the most current Functional Classification Map regarding the existing and proposed transportation corridors in the area of this property. These connections provide ample connectivity as well as the potential for shared costs of infrastructure upgrade opportunities between the City and developers as this area is built out over time.

-Public Safety Services: Passage of the Public Safety Mill Levy has created opportunity for public safety services to both address existing challenges in providing adequate response as well as planning for future service demands. While ultimate build out of this area over several decades may not be accommodated by current public safety service capacity, the Police Department and Fire Department have resources and have made recent changes in service delivery that equip them to evaluate initial expansion in this area. The Committee's recommendation to add this to the Long Range Area reflects the understanding that further assessment of service impacts from annexation of this area must be completed before any Annexation Map amendments move from the Long Range Area to the Petition Area. This analysis has not been conducted but adding this area to the Long Range Area recognizes this future need.

-Parks, Transit and other Services: Provision of park and open space development will occur as annexation, zoning and subdivision requirements are applied to this area in the future after further analysis of the area is conducted. Given the large area, it is anticipated that a variety of parks and trail corridors will be provided that extend from the existing Dover Park and the pedestrian walkway along the Bypass bridge over the Yellowstone River. Sidewalks, bike lanes, and some multi-use pathways adjacent to the arterial and collector roadways also are anticipated to provide connectivity throughout the area.

While MET Transit is not serving this area now or in the near future, MET governance and operations analysis does consider serving Lockwood and expanding services as the City expands and even in the Urban Planning Area of the MPO. Having this development area adjacent to the Bypass and Mary Street provides a long-range option for future

transit looping from and to Lockwood in this northeast area of the Heights for both residential and commercial areas.

Recommendation: The Annexation Committee recommends the Billings Bypass and 5 Mile Road Intersection area be included in Zone 2 of the City's Limits of Annexation Map based on the desire to see future urban development to City standards in this area of the Billings Heights.

Zone 2 Removal Recommendation: The Annexation Committee is presenting one recommendation to City Council to contract the City Annexation Long Range Area (Zone 2 -- Yellow Area) (See draft map attached). This area is being recommended to be taken out of Zone 2 based on City Department analysis and evaluation that has determined this area is beyond any current or long-term plans for utility services, public safety services and MET transit services.

Area West of Zimmerman Trail and Highway 3 and Zimmerman Park on both sides of Highway 3 -- Approximately 1,260 acres - Remove area from Zone 2 (Yellow Area)

This area of approximately 1,260 acres is west of the intersection of Zimmerman Trail and Highway 3 and beyond any current plans for utility services, public safety services and MET transit services. Staff has received multiple inquiries as to the potential to bring this area into the City and has had to repeatedly explain that this area is not serviceable in the foreseeable future. Focus in this area is from the intersection of Skyway Drive, Zimmerman Trail and Highway 3 east toward the City and Billings Airport. Not to the west up the Highway 3 corridor toward the Town of Broadview.

-Water and Sewer Utilities: Current and planned water and sewer system improvements are all focused to the east of this area to serve existing and future system demands along Skyway Drive, at the intersection of Skyway Drive, Zimmerman Trail and Highway 3, and east along the Highway 3 Corridor toward the Billings Airport and rest of the City. This includes a planned water reservoir in this area that is designed to provide added capacity to the existing system and future demands to the east. This area would have to be served by a Zone 7 pressure zone (pump station and another reservoir). The City has no line of sight to a project like this for this area or how it would be funded, given other CIP priorities. The area also is challenging to serve with sewer since it would have to go west and south to 54th Street West off the rimrocks in some area.

-Transportation Infrastructure: Highway 3 is under the jurisdiction of the Montana Department of Transportation (MDT) in this area. There are no plans at this time to make improvements to Highway 3 west of the Skyway Drive and Zimmerman Trail intersection to make it an urban arterial. In fact, the Highway 3 Corridor Study just now being concluded by MDT focuses all of its recommendations and future improvements to the east of this area along Highway 3 toward the Billings Airport and the intersection of Highway 3 and North 27th Street. The MDT study notes about \$50 million of improvements required at the Zimmerman intersection and further east along the corridor, and seems to further support removal of the area west of Zimmerman along Highway 3 from the City's Long Range Area. Further, an economic analysis of the Skyway Drive corridor for future commercial development demand that will be completed this year is focused on the Skyway Drive Corridor and the area from the intersection of Skyway Drive and Zimmerman Trail east along Highway 3 to the Billings Airport.

-Public Safety Services: This area is served by the Yellowstone County Sheriff for law enforcement, and a mix of the Billings Urban Fire Service Area and the Fuego Volunteer Fire Department. The closest City Fire Station is located at 17th Street West and Parkhill Drive about 4 miles from this area. The Billings Police Department has no patrols in this area and no City properties west of the Skyway Drive and Zimmerman Trail intersection. This area is well outside of any future service plans for the BPD or BFD.

-Parks, Transit and other Services: Zimmerman Park is a large County Park at the intersection of Skyway Drive and Zimmerman Trail. There are no plans for any future City parks in this area, aside from those provided during future development in the City along Skyway Drive or back east along Highway 3. MET Transit has no plans for service in this area, and currently has service to the Billings Airport about 3 miles to the east of this area. There is potential in the future for Transit to run from the Billings Heights along Skyway Drive and down Zimmerman Trail but that is not in any short-term plans and still would be east of much of this area currently in Zone 2,

Recommendation: The Annexation Committee recommends the area west of the intersection of Zimmerman Trail, Skyway Drive and Highway 3 be removed from Zone 2 of the Limits of Annexation Area as shown on the attached draft Limits of Annexation Map to provide clarity to property owners and developers that this is not an area of City focus for future annexation and services. The City is focused on the Skyway Drive corridor and the areas from the intersection of Skyway Drive and Zimmerman Trail at Highway 3 east toward the Billings Airport and existing City.

FISCAL EFFECTS

Staff does not have any specific dollar amounts to attach to any of these recommendations. However, the information provided to Council at its March 2 Work Session did provide some fiscal information for the Jellison Road area (See attached March 2 Engineering Memos) and the focus of the recommended changes is to balance existing service locations and proximity to the City Limits with demonstrating areas the City expects to evaluate in the future for annexation and areas where the City does not expect to spend resources to provide services.

STAKEHOLDERS

The property owners at Hesper and 48th Street West, along Jellison Road, and the community as a whole are affected by City decisions on future annexation and City expansion. The City desires to make efficient and sustainable decisions as it considers future annexation of property to the City and provision of services for its current and future residence and businesses. The amendments to the Limits of Annexation Map being presented are designed to balance the challenges of managing growth while also demonstrating where and how the City intends to grow presently and in the future.

Amendments to the City Limits of Annexation Map are completed through a public hearing and action by resolution by the City Council. The property owner and agent for the Hesper and 48th Street property attended a City Annexation Committee meeting to discuss their request and have been kept informed of the review and Council meeting schedule. A public hearing will be advertised and conducted when this item comes to a business meeting of the Council in the future.

ALTERNATIVES

Since this is a Work Session, there is only one alternative for Council to provide direction to staff on these Limits of Annexation Map amendment recommendations so changes may be brought back for formal action at a future Council business meeting.

Attachments

Current Annexation Policy and Limits of Annexation Map
Draft Limits of Annexation Map
48th and Hesper Urban Planning Study
Engineering CC WS Memo - Meadowlark
Engineering CC WS Memo - Blain
MPO Roadway Functional Classification Map

RESOLUTION 23-11146

A RESOLUTION OF THE CITY OF BILLINGS, MONTANA PURSUANT TO ARTICLE II. CITY BOUNDARIES, MCA 7-1- 114(1)(a); ANNEXATION PROCEDURES, MCA 7-2-4201 ET SEQ. AND SETTING FORTH AN ANNEXATION POLICY;

WHEREAS, the City Council adopted the City of Billings Annexation Policy by Resolution on November 22, 2004, further amended it by Resolution on April 10, 2006, May 23, 2011, and on May 23, 2016, and May 8, 2017, and it is amended from time to time.

NOW, THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF BILLINGS, MONTANA:

That the City Council now makes and adopts the following amendments to the Annexation Policy, and by its actions also updates the Limits of Annexation Map to align with these Policy changes as shown in Exhibit A attached to this Resolution:

ANNEXATION POLICY Revised, August 14, 2023

1. **Statement of Intent**

The City of Billings intends to permit the annexation of land as to provide for orderly growth, adequate provision of municipal services, and benefits to both the annexed territory and existing City properties. This policy is intended solely to provide guidance for the City and the public and shall not create any right or interest of any kind enforceable by any person applying for, contemplating applying for, or opposing any annexation.

2. **Policy Statement**

The City Council shall consider land annexations that adhere to the provisions specified in Montana Annexation Statutes (7-2-4201 through 7-2-4761, MCA) and the Billings Municipal City Code, Section 26-204 and Sections 20-301 through 305. The Council may approve, deny or conditionally approve petitions or initiatives for annexation based on the following criteria:

- (a) The area must be located within the Zone 1 or Zone 3 as defined herein;
- (b) The City must be able provide adequate city services at a cost acceptable to the City within a time period mutually agreed to by the property owners requesting annexation and the City;
- (c) Existing or proposed public improvements within the area to be annexed must meet City standards;
- (d) All property owners within the area to be annexed must sign a Waiver of Right to Protest the creation of Special Improvement Districts;
- (e) All residential property owners within the area to be annexed must create or join an existing park maintenance district;

- (f) Residential densities planned for development within the area to be annexed must meet an overall average minimum density of primary dwelling units per acre as per the current City of Billings Growth Policy or similar planning documents; and
- (g) The proposed land use within the area to be annexed must conform to the goals of the Adopted City of Billings Growth Policy.

3. Limits of Annexation Map (attached) - The City shall prepare a map showing limits of annexation for three zones. The first zone shall be known as the City Annexation Petition Area (Zone 1). The City will utilize its Five-Year Capital Improvements Plan and other departmental studies and ongoing analysis of the City's ability to provide services when considering amendments to Zone 1. The second zone shall be called the Long Range Urban Planning Area (Zone 2) and shall be reviewed by the City for amendments based on its service master plans and ongoing analysis of its ability to provide services over time. The third zone shall be known as the County Developed Area (Zone 3). These properties are in close proximity or may even be adjacent to city services but have been developed in the County and are not using City Services. These properties may, over time, annex into the City due to environmental concerns, the inability to continue providing on-site services or desire for urban services or redevelopment. In order for a property to be considered for annexation, it shall be located within the City Annexation Petition Area (Zone 1) on the Limits of Annexation Map. Additionally, the Council may consider, without requiring amendments to the Limits of Annexation Map, petitions in Zone 3.

a. Map Amendments

A map amendment may be initiated by City Staff and prepared for Council consideration whenever the Capital Improvements Plan is revised, new improvements have been constructed through private development, or when it would be beneficial for the City to work with new development in extending infrastructure and services. An annexation committee representative of service providing departments shall convene annually to consider property owner requests. The committee, at its discretion, may convene at any time and bring forward City initiated amendments at any time. A map amendment may be initiated by a property owner during the annual solicitation of amendments, in preparation for a future annexation request. Unless a property may be considered under the criteria outlined in subsection 'b' below, a property may not request inclusion in the City Annexation Petition Area unless it has first been included in the Long Range Urban Planning Area.

For any map amendment involving addition of property to the Long Range Urban Planning Area, the property owner must submit a letter requesting inclusion of the property in the Long Range Urban Planning Area. For any map amendment involving the addition of property to Zone 1 of the map, an Urban Planning Study shall be completed by the petitioner who requests the amendment. An Urban Planning Study shall evaluate how a development proposal will impact the following elements:

1. Streets and transportation
2. Traffic circulation and generation
3. Storm sewers and storm water management
4. Wastewater service
5. Sanitation and solid waste management
6. Water service
7. Parks, recreation and public lands

8. Public safety (police, fire and other emergency services)
9. Public schools
10. Projected and estimated population
11. Soils, geology and topography
12. Effects of urbanization on the existing environment
13. Effects on agriculture
14. Existing and potential land use
15. Historic sites
16. Development timetables
17. Capital improvements
18. Methods of funding for public improvements
19. Other considerations

Map amendments will be recommended to City Council by a committee of representatives from City Administration, Public Works Department, Fire Department, Parks Department, Planning Division, Police Department, and MET Transit.

Rationale

When proposing amendments to the map, the committee shall consider and document for Council:

1. Distance from existing city services and response times;
2. Capacity and location of existing facilities and future upgrades or construction of new facilities;
3. Cost of city services;
4. Effect on existing residents;
5. Conformance with all adopted plans including the Capital Improvements Plan, the Growth Policy, applicable area plans, parks master plan, the Billings Area Bikeway and Trails Master Plan, the most current Transportation Plan, the most current sewer, water and storm sewer plans, and other applicable adopted planning documents; and
6. Recommended or potential developer contributions to be made in kind or cash to help defray City costs, mitigate impacts, or otherwise provide compensation or financial assistance relating to the proposed annexation.

The Council will then determine at its discretion whether to approve appropriate Limits of Annexation consistent with the adopted Annexation Policy.

- b. Consideration for property outside the Long Range Urban Planning Area (Zone 2) being brought directly into the City Annexation Petition Area (Zone 1).

There may be circumstances when previous development and infrastructure improvements within the City have created situations where the City may choose to consider bringing a property outside of or within the Long Range Urban Planning Area directly into the City Annexation Petition Area. In this instance, the City Council will use all of the following criteria in guiding its decision:

1. An Urban Planning Study as outlined in subsection 'a' above has been completed on the subject property or the City has performed long range service studies that include the property that provide sufficient information as to the ability to adequately serve the property.

2. City water and sewer lines are directly adjacent to the property and are sized appropriately to serve development on the property
3. The property is directly adjacent to the City Limits
4. The City property adjacent already is developed and designed to connect via roads to the property
5. City services providers are able to serve the property while there is the potential for increases in response times for public safety services.

After review of all of these criteria, the City Council may consider adding the property into the City Annexation Petition Area. However, it remains the City Council's discretion as to whether to include any property in any Limits of Annexation area.

4. Annexation Process

The City may choose to annex any property in accordance with the provisions of the following state statutes:

- Annexations of Additions to Municipalities (7-2-4201 et. seq., MCA)
- Annexations of Contiguous Land (7-2-4301 et. seq., MCA)
- Annexations of Contiguous Government Land (7-2-4401 et. seq., MCA)
- Annexations of Wholly Surrounded Land (7-2-4501 et. seq., MCA)
- Annexation by Petition (7-2-4601 et. seq., MCA)
- Annexation with the Provision of Services (7-2-4701 et. seq., MCA)

The City may decide to condition the approval of the annexation in order to meet the criteria listed under the Policy Statement. The City may, in its discretion, consider additional conditions of approval that relate to the development. The conditions of approval must be clearly stated in the resolution of annexation. In the case where the property to be annexed is not developed, the conditions of approval shall include a requirement for; a) a development agreement prior to the issuance of a building permit, or b) a subdivision improvements agreement at the time of final subdivision plat approval. In the event the property to be annexed is already developed and contains public improvements that are not constructed to city standards, the City shall require an annexation agreement. The agreement shall specify which public improvements are to be upgraded and/or installed to city standards, and a time period and mechanism to finance the construction and installation of those improvements. In any case, all public improvements, whether existing or proposed, shall meet city standards.

5. Obligation of Petitioner

Petitions for annexation must comply with the provisions of Annexation by Petition (7-2-4601 et. seq., MCA) and Section 26-204 and Sections 20-301 through 305, BMCC. A fee, to be established by the City Administrator, must be paid at the time the petition is submitted. If the area to be annexed is not developed, petitioners are required to comply with the conditions of approval prior to the issuance of a building permit or at the time of final subdivision plat approval. If the area to be annexed is developed and requires the construction or installation of public improvements, the petitioner must enter into an annexation agreement prior to the City Council acting on the resolution of annexation.

APPROVED AND PASSED by the City Council of the City of Billings, this 14th day of August, 2023.

THE CITY OF BILLINGS:

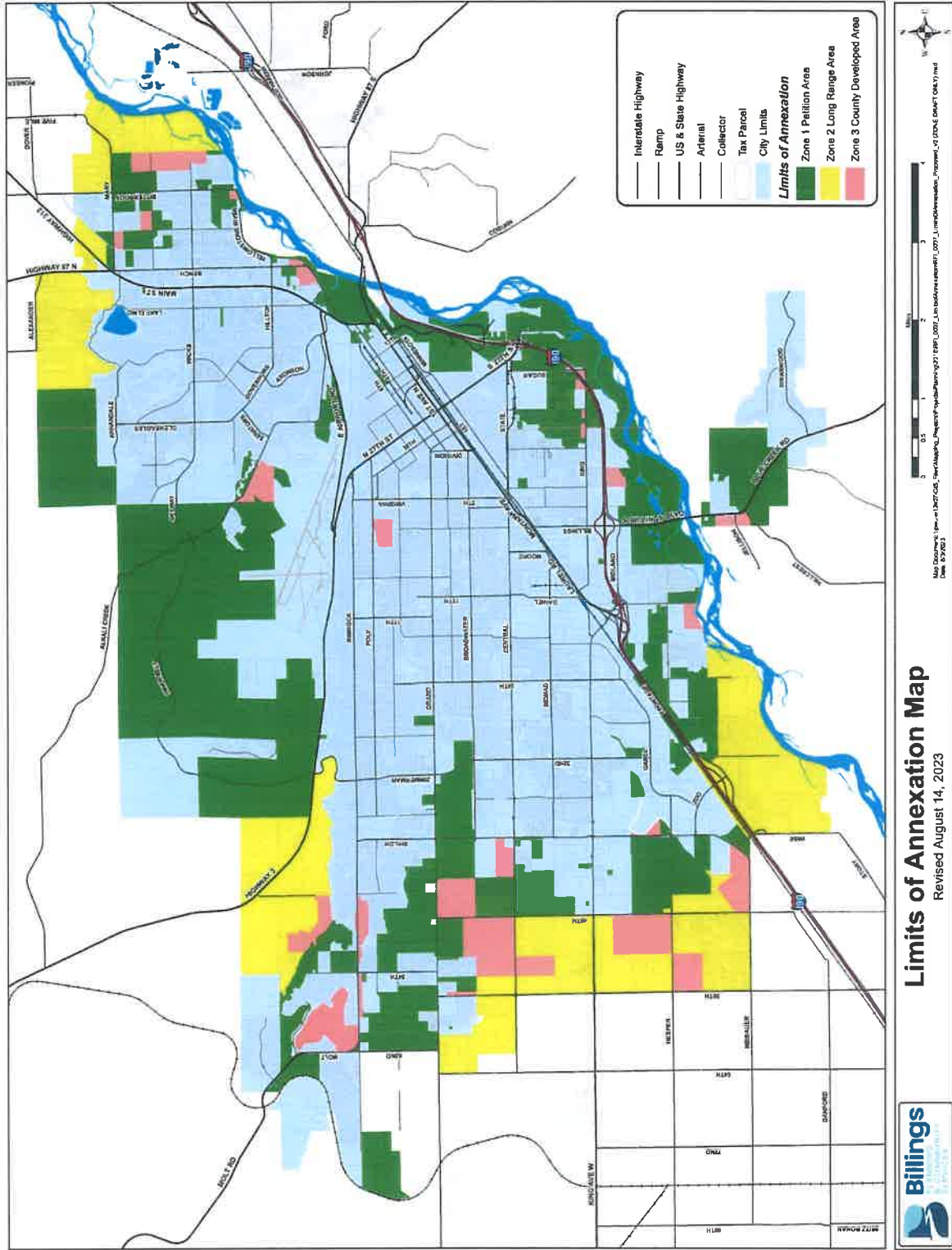
BY: William A. Cole
William A. Cole, Mayor



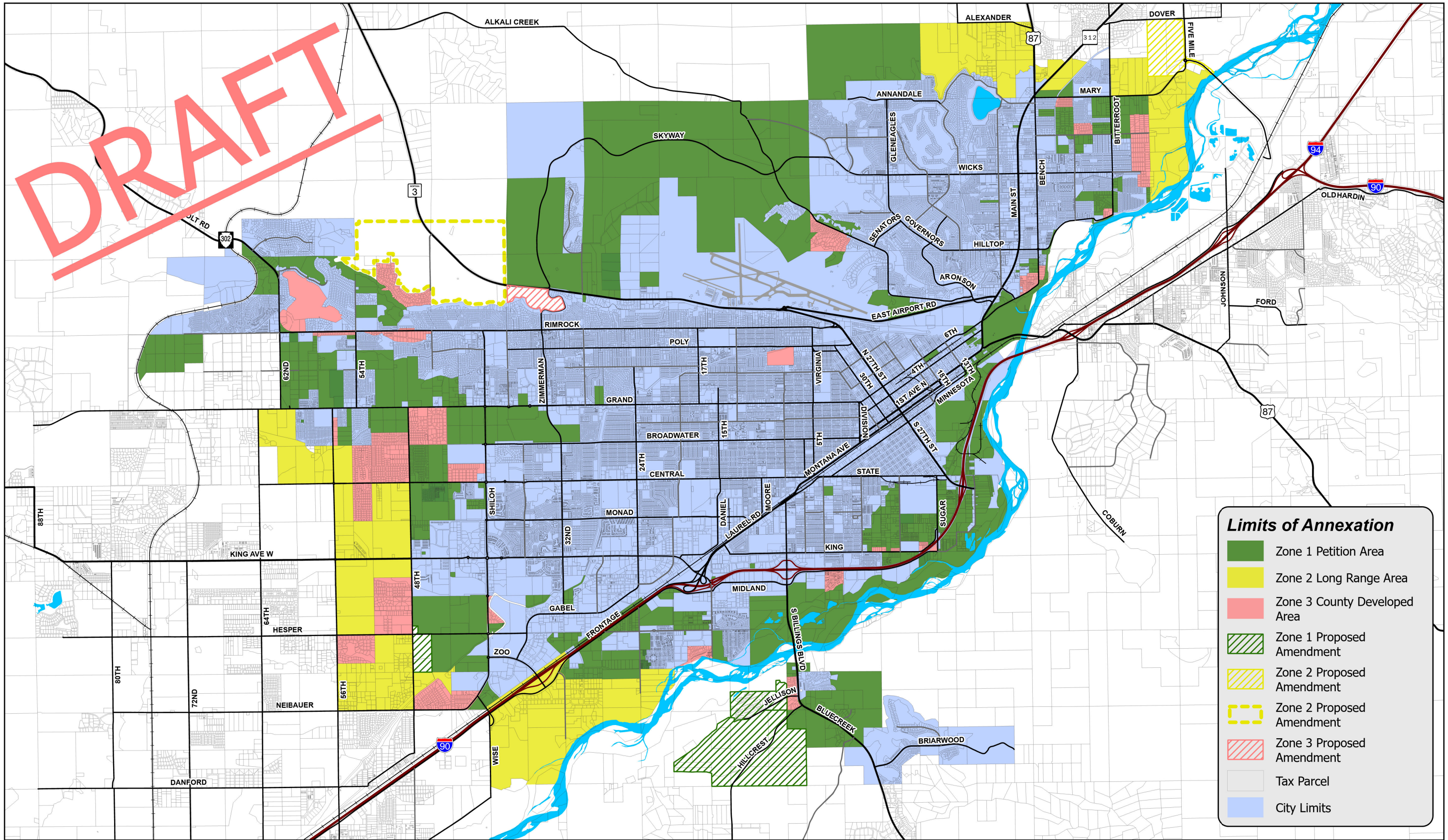
ATTEST:

BY: Denise R. Bohlman
Denise R. Bohlman, City Clerk

Exhibit A



DRAFT



Limits of Annexation

- Zone 1 Petition Area
- Zone 2 Long Range Area
- Zone 3 County Developed Area
- Zone 1 Proposed Amendment
- Zone 2 Proposed Amendment
- Zone 2 Proposed Amendment
- Zone 3 Proposed Amendment
- Tax Parcel
- City Limits



Limits of Annexation Map

Revised April 2026



Map Document: \\pwu-w12k07\GIS_Files\Mapping_Projects\Projects\Planning\2016\RFI_0097_LimitsOfAnnexation\ArcPro\RFI_0097_LimitsOfAnnexation.aprx
Date: 3/27/2026



February 27, 2026

Billings Planning & Community Services
Atten: Wyeth Friday, AICP
316 N. 26th St., 5th Floor
Billings, MT 59101

RE: Urban Planning Study Comments for the 48th and Hesper Map Amendment Request; Mullen Subdivision

IMEG #25002148.00

Dear: Wyeth Friday

IMEG Consultants Corp. received informal comments via email on February 18, 2026, from the Billings Planning Department. The purpose of this letter is to describe how the comments were handled.

The proposed subdivision shall now be classified as a Mixed Residential Planned Neighborhood (MR-PND). Neighborhood Mixed Use (NMU), NX-1, and N1 zones are proposed within the subdivision. Nineteen (19) NMU lots are proposed at intersection nodes due to land use allowances. As such, two (2) more accesses have been proposed along Hesper Road and S 48th Street W. Proposed uses of the NMU lots shall be offices, retail, or restaurants (without a drive-thru) on the ground level and proposed residential units on the second story, ranging from 4-8 units per building. A hotel on one of the lots is still proposed, but we are aware of the special review process. Twenty-five (25) NX-1 lots are proposed with 4-plex residential units, and Nineteen (19) N1 lots are proposed to have residential duplexes. Each residential zone is greater than 10% of the subdivision’s net acreage, per City of Billings zoning requirements, Sec.27-802(D)(1).

The proposed time frame for the subdivision and annexation is as follows:

Phase	Estimated Activities	Target Timeline	Notes
Annexation Request	Submit petition and request to move into Zone 1	Target Timeline	Align with City’s annual annexation map amendment cycle
Annexation Approval	Review and public hearings	Current	City Council consideration

February 27, 2026

Phase	Estimated Activities	Target Timeline	Notes
Preliminary Plat Submittal	Layout design, zoning request, environmental assessments	Spring 2026	May be submitted concurrently with annexation request
Utility Coordination	Final confirmation of utility availability to frontage	Summer 2026	Water and sewer infrastructure anticipated at site frontage
Infrastructure Design	Civil engineering, permitting, and construction planning	By Fall 2026	May begin prior to utility arrival
Phase 1 Construction	On-site grading, roads, and utility installation	Fall 2026 – Winter 2026	Assumes infrastructure is ready for connection
Vertical Construction	Homes, commercial buildings	Spring– Summer 2027	Begins as lots are completed and serviced
Subsequent Phases	Future phases depending on absorption	Fall 2027	Market-responsive phasing for remaining acreage

Two updated exhibits are attached with this letter. An exhibit of the proposed zoning within the subdivision and an updated phases of construction exhibit for the subdivision have been completed.

Enclosures:

- Updated Urban Planning Study Report
- Updated Conceptual Plan
- Proposed Zoning Exhibit
- Proposed Phasing of Construction Exhibit

Sincerely,

Mariah Lind



Urban Planning Study for Mixed-Residential Planned Neighborhood Development - Major Subdivision

PREPARED IN ACCORDANCE WITH
CITY OF BILLINGS ANNEXATION POLICY
FOR

Mullen Subdivision Billings, Montana

Applicant:

John Mullen
2139 Broadwater Ave, Suite G
Billings, Montana

Prepared By:



550 N. 31st Street, Suite 111 • Billings, Montana • Phone (406) 248-9000 • Imegcorp.com

Project: 25002148.0

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Executive Summary

This Urban Planning Study has been prepared in support of a proposed annexation request for a 52-acre portion of an 80-acre parent parcel located at the intersection of 48th Street West and Hesper Road in West Billings. The parent parcel, legally described as S22, T01 S, R25 E, Acres 80, W½NW, was recently divided through an agricultural exemption recorded with Yellowstone County in accordance with Montana subdivision law.

This exemption created the 52-acre tract as a legally distinct parcel for annexation. The property is owned by Jason Bernhardt, and the proposed development will be undertaken by John Mullen.

The subject property lies within the Urban Expansion Area as designated by the City of Billings 2023 Limits of Annexation Map and is adjacent to other developing parcels in the City's western growth corridor. This area is identified as a logical and serviceable location for future City development due to its proximity to expanding infrastructure, arterial road networks, and employment centers.

The proposed development is envisioned as a mixed-residential planned neighborhood development that balances housing, neighborhood-scale commercial, hospitality, and employment opportunities. The layout includes:

- NX-1 & N1: 138 residential units = 25 four-plex units, and 19 duplex units.
- Hotel site: one 60,000-square-foot building.
- NMU: Commercial uses = two story mixed-use buildings with ground-floor restaurants, retail space, and offices with 4 to 8-plex residential units on the second story.
- Parks and open space: internal green spaces and pedestrian connections to support neighborhood livability.

While the Urban Planning Study outlines general land use categories and conceptual lot layout, the specific building form, height, and density will be refined during the subdivision and site development review process. Final design elements such as multi-tenant configurations, parking layout, and architectural standards will be coordinated with City staff to ensure compliance with the anticipated zoning district and alignment with the City's evolving design expectations.

This land use program advances the primary goals of the 2016 City of Billings Growth Policy and the West Billings Neighborhood Plan, including:

- Compact and efficient growth that makes use of available infrastructure and reduces pressure for rural sprawl.
- Housing diversity that provides a mix of apartments, townhomes, and duplexes to meet a range of household needs.

- Economic vitality through neighborhood-serving restaurants, retail, offices, and a hotel that expand the local tax base and create employment opportunities.
- Multimodal connectivity and walkability by co-locating housing and services within a single development footprint.

Annexation of the 52-acre tract will allow the proposed development to proceed in a coordinated and serviceable manner, aligned with the City's long-range infrastructure and land use planning objectives. While the property is currently located within Zone 2 of the Limits of Annexation Map, it is anticipated to be considered for reclassification into Zone 1 during the Spring 2026 amendment cycle. Inclusion in Zone 1 would make the property eligible for municipal water and sewer service and enable the City to more directly guide future land use outcomes through zoning and subdivision review.

A location map, the current Limits of Annexation Map, and the proposed subdivision layout are included in the Appendix for reference.

Streets & Transportation

The 52-acre subject property is located at the intersection of 48th Street West and Hesper Road, placing it within a key transitional area between developed urban neighborhoods and planned future growth corridors in West Billings. The property benefits from direct access to two existing arterial and collector roadways and is positioned to accommodate future transportation infrastructure extensions envisioned in the City's long-range plans.

The project area lies within the Zone 2 Long Range Area of the 2023 Limits of Annexation Map, indicating its suitability for near-term inclusion in the urban boundary and supporting transportation investments. The project is also consistent with the 2023 Billings Urban Area Long Range Transportation Plan (LRTP), which emphasizes compact development and improved multimodal connectivity along arterial corridors.

Existing Transportation Network

- Hesper Road is classified as a principal arterial and provides east-west connectivity from Shiloh Road to South 56th Street West. It serves as a critical corridor for regional mobility and links existing and planned residential neighborhoods with major commercial and employment areas.
- 48th Street West is also classified as a principal arterial and functions as a key north-south corridor, connecting to King Avenue West and I-90 via South Frontage Road and Zoo Drive. While it currently serves a mix of residential and agricultural properties, it is planned for future urban upgrades consistent with the City's long-range transportation network.
- The property has direct frontage along both Hesper Road and 48th Street West, providing flexibility for multiple access points and supporting the implementation of an internal gridded street network that aligns with subdivision connectivity goals.



Proposed Transportation Improvements:

The proposed mixed-residential planned neighborhood development will incorporate a public street network, with future connection points to both Hesper Road and 48th Street West. These connections will support circulation efficiency, emergency access, and compliance with the 2024 City of Billings Subdivision Regulations, particularly Section 23-406 (Streets and Roads), which emphasizes conformance with adopted transportation plans and adequate access design.

- Street Classification and Design will be coordinated with the City Engineering Division to ensure compliance with local standards for right-of-way widths, sidewalk placement, boulevard design, and utility corridors.
- Internal Roadways will be designed to accommodate local vehicle traffic, pedestrian movement, and potential future transit stops. The project will also evaluate the feasibility of incorporating a minor collector loop to improve connectivity across the site.
- Pedestrian Infrastructure will include boulevard sidewalks and potential trail linkages to any future greenway systems or regional trail networks referenced in the *Bike and Trail Master Plan* and *Safe Routes to School Plan*.

Traffic Impact Considerations:

This preliminary traffic analysis provides an estimate of trip generation for the proposed 52-acre mixed-use subdivision located at the intersection of 48th Street West and Hesper Road in West Billings. The purpose of this assessment is to estimate potential traffic impacts under full build-out conditions, based on standard rates from the Institute of Transportation Engineers (ITE) Trip Generation Manual, 11th Edition.

Development Program Assumptions

The proposed development is assumed to include the following land uses:

- 19 duplex lots (38 units)
- 25 4-plex lots (100 units, townhome-style)
- 16 neighborhood mixed-use buildings with 8 apartments each (128 total units) above first-floor commercial
- 2 neighborhood mixed-use buildings with 4 apartments each (8 total units) above first-floor commercial
- 1 hotel (Lot 5) – 60,000 square feet, estimated 180 rooms
- General office, retail, or sit-down restaurant space included in the neighborhood mixed-use commercial footprint (sf estimated below)

These assumptions represent full build-out occupancy. Precise trip impacts will be refined through formal engineering and site planning phases.



Trip Generation Estimates

The following table summarizes estimated average daily trips based on ITE land use categories and standard trip generation rates.

Table 1: Trip Generation Estimates

Land Use	ITE Code	Quantity	Trip Rate	Estimated Daily Trips
Duplexes	210	38 units	9.44 trips / unit	359
Townhome-style 4-plexes	215	100 units	7.32 trips / unit	732
Mixed-Use Apartments 4-8 plexes	221	136 units	5.44 trips / unit	740
Mixed- Use Sit-Down Restaurant (in 6 bldgs)	932	60,000 sf	112.18 trips / 1,000 sf	6,761
Mixed-Use Office (in 6 bldgs)	710	60,000 sf	9.74 trips / 1,000 sf	585
Mixed Use Retail (in 6 bldgs)	820	46,000 sf	37.75 trips / 1,000 sf	1,737
Hotel (~180 rooms)	310	180 rooms	8.36 trips / room	1,505
Total Estimated Daily Trips	—	—	—	12,419

Table 2: Total Estimated Daily Trips

Category	Estimated Daily Trips
Residential (Duplexes, 4-plexes, Apartments)	1,831
Commercial (Office + Retail + Restaurants in mixed-use and stand-alone buildings)	9,083
Hotel (≈180 rooms)	1,505
Total	12,419 daily trips

Peak-Hour Method (planning-level)

Because the site is still in concept, we apply standard, conservative planning factors that reflect typical ITE patterns:

- Residential: AM ~8% of daily (outbound-heavy); PM ~10% of daily (inbound-heavy)
- Office: AM ~12% of daily (inbound-heavy); PM ~11% of daily (outbound-heavy)
- Restaurant (sit-down): AM ~3% of daily; PM ~12% of daily
 - Pass-by credit (planning): 44% for restaurants (net new = 56% of gross)
- Retail (shopping/inline): AM ~5% of daily; PM ~10% of daily
 - Pass-by credit (planning): 34% for retail (net new = 66% of gross)
- Hotel: AM ~8% of daily; PM ~8% of daily



Directional splits (typical):

- Residential: AM 20% in / 80% out; PM 65% in / 35% out
- Office: AM 80% in / 20% out; PM 20% in / 80% out
- Restaurant & Retail: assume roughly 50% in / 50% out at peak hours
- Hotel: AM 40% in / 60% out; PM 60% in / 40% out

Final traffic study can replace these with site-specific ITE 11th Ed. rates and local pass-by as warranted.

Peak-Hour Results (gross and net)

AM Peak Hour (approximate)

- Residential: $1,831 \times 8\% = 147$ trips (29 in / 118 out)
- Office: $585 \text{ trips} \times 12\% = 70$ trips (14 in / 56 out)
- Restaurant ($6,761 \times 3\% = 203$ gross) → net with 44% pass-by: $203 \times 0.56 = 114$ trips (≈57 in / 57 out)
- Retail ($1,737 \times 5\% = 87$ gross) → net with 34% pass-by: $87 \times 0.66 = 58$ trips (≈29 in / 29 out)
- Hotel: ($1,505 \times 8\%$) = 120 trips (48 in / 72 out)

AM Total (net new): ~509 trips

PM Peak Hour (approximate)

- Residential: $1,831 \times 10\% = 183$ trips (37 in / 146 out)
- Office ($585 \times 11\%$) = 65 trips (13 in / 52 out)
- Restaurant ($6,761 \times 12\% = 811$ gross) → net with 44% pass-by: $811 \times 0.56 = 454$ trips (227 in / 227 out)
- Retail ($1,737 \times 10\% = 174$ gross) → net with 34% pass-by: $174 \times 0.66 = 115$ trips (57 in / 58 out)
- Hotel: ($1,505 \times 8\%$) = 120 trips (72 in / 48 out)

PM Total (net new): ~937 trips

Access & Circulation

Access is expected to occur from both 48th Street West and Hesper Road, with internal roadways and intersections designed in accordance with City of Billings standards. A formal Traffic Impact Study (TIS) will be required during preliminary plat or site plan review, at which time:



- Trip distribution percentages will be assigned to surrounding roadways
- Intersection-level impacts will be evaluated
- Recommendations for turn lanes, access control, and signal warrants will be provided (if needed)

Conclusion

The updated traffic analysis for the proposed 52-acre proposed development demonstrates that projected daily and peak-hour trip generation is well within the capacity of the surrounding transportation network when paired with planned improvements. At full build-out, the project is expected to generate approximately 12,419 daily trips, with about 509 net new trips during the AM peak hour and 937 net new trips during the PM peak hour after accounting for pass-by traffic associated with retail and restaurant uses.

Residential uses contribute a steady but manageable share of daily and peak trips, while commercial and restaurant uses generate higher volumes that are concentrated during traditional evening hours. However, the project's mixed-use design promotes internal capture and shorter trip lengths, which will reduce pressure on external intersections compared to single-use suburban development.

The project's location within the City's planned growth area allows for integration with the Long Range Transportation Plan network improvements, ensuring that capacity enhancements along 48th Street West, Hesper Road, and nearby arterials will support the additional demand. Based on the land use mix, projected volumes, and City infrastructure planning, the proposed development can be accommodated without adverse impacts to traffic operations, provided that final subdivision and site plans incorporate standard access management, internal circulation, and multimodal connections.

Public Transit and Non-Motorized Modes:

The proposed development is within a reasonable distance of future MET Transit route extensions along arterial corridors such as King Avenue West and South Shiloh Road. Pedestrian and bicycle accommodations will be designed in conformance with the Complete Streets Policy and Neighborhood Bikeways Program, supporting the City's broader goals for livability and accessibility.

Stormwater Management

Site Topography and Drainage

The subject property generally slopes from the northwest to the southeast, with existing grade built up along the property's frontage at the intersection of 48th Street West and Hesper Road. This elevated frontage creates a gradual drainage pattern across the site, directing surface runoff toward the southeastern portion of the property.

This natural grading will influence both the stormwater management strategy and the design of the internal sewer and street networks. Final grading plans and drainage modeling will be developed during the subdivision design phase to ensure compliance with City of Billings



stormwater standards, including on-site detention, conveyance capacity, and outfall coordination with downstream infrastructure. Please see *Figure 4* in the Appendix.

Wastewater Service

This section outlines the assumptions used to estimate the projected water demand and wastewater generation for the proposed development. These assumptions are based on planning-level criteria established in the City of Billings Water and Wastewater Facilities Master Plan (2006), which was prepared by HDR, Inc., HKM, Inc., and JGA, Inc. The Master Plan provides a framework for analyzing utility impacts and system capacity needs for new developments located within the City's long-range growth areas.

Table 3: Water & Wastewater Estimations

Category	Assumption / Rate	Estimated Value	Unit	Notes
Estimated Population	—	630	persons	Based on 274 dwelling units
Persons per Dwelling Unit	2.3	2.3	persons/unit	City planning assumption
Average Day Water Demand	219	137,970	gpcd → gpd	630×219
Maximum Day Factor	2.20	2.20	multiplier	Planning factor
Maximum Day Water Demand	$219 \times 492 \times 2.20$	303,534	gpd	Residential maximum day
Average Day Wastewater Flow	100	63,000	gpcd → gpd	630×100
Max Month / Avg Month Factor	1.17	1.17	multiplier	Standard DEQ planning factor
Max Month Avg Wastewater Flow	$100 \times 492 \times 1.17$	73,710	gpd	Residential wastewater (planning)
Commercial Use Assumptions (Avg Day)	Hotel 60,000 sf @ 0.20 gpd/sf = 12,000 gpd; Restaurants 60,000 sf @ 0.20 = 12,000 gpd; Office 60,000 sf @ 0.10 = 6,000 gpd; Retail 46,000 sf @ 0.10 = 4,600 gpd	34,600	gpd	Reflects mixed-use bldgs (split office/restaurant/retail)
Commercial Max Day Factor	2.20	2.20	multiplier	Same as residential



Category	Assumption / Rate	Estimated Value	Unit	Notes
Commercial Max Day Water Demand	34,600 × 2.20	76,120	gpd	≈ 0.076 MGD
Peak Hour Factor (Water)	3.53	3.53	multiplier	For water system checks
Fire Flow Demand	~1,500–2,500	2,500 (est.)	gpm	Mixed-use w/ restaurants; final per City code

Sanitary Sewer

Sanitary sewer service for the proposed 52-acre mixed-use annexation area at the intersection of 48th Street West and Hesper Road will be provided by the City of Billings public sewer system. The development will connect to existing infrastructure located within the Hesper Road right-of-way.

The nearest point of connection is Sanitary Sewer Manhole 213-1, installed in 2009. This manhole is part of an 18-inch PVC gravity main that extends westward from Manhole 172-14, then transitions to an 8-inch PVC segment leading east to Manhole 172-15. These sanitary segments run directly along the frontage of the subject property and appear to support recent infrastructure improvements, potentially associated with the adjacent City of Billings Water Treatment Facility. As-built alignments, system capacity, and any future expansion plans will be confirmed through coordination with the City of Billings Engineering Division during the preliminary plat and engineering design phases.

Using the standard City planning assumption of 2.3 persons per dwelling unit, the projected residential population is:

$$274 \text{ units} \times 2.3 \text{ persons/unit} = 630.2 \sim 630 \text{ persons}$$

Figure 1: Projected Residential Population

Preliminary wastewater demand for the proposed development has been estimated using the City's planning factors from the 2006 Water and Wastewater Facilities Master Plan. The project includes 274 residential dwelling units (duplexes, four-plexes, and apartments above commercial). Using 2.3 persons per unit, the estimated residential population is 630 persons. Applying a residential wastewater generation rate of 100 gpcd, the average day residential wastewater flow is 63,000 gpd. Using a max-month to average-day multiplier of 1.17, the maximum-month average-day residential flow is 73,710 gpd.

The commercial component consists of mixed-use buildings (ground-floor restaurants, offices, and retail), and one 60,000-sf hotel. Using planning factors of 0.20 gpd/sf for restaurant and hotel, and 0.10 gpd/sf for office and retail, the average day commercial wastewater flow is:

- Hotel (60,000 sf): $60,000 \times 0.20 = 12,000 \text{ gpd}$



- Restaurants: 60,000sf × 0.20gpd/sf = 12,000 gpd
- Office: 60,000sf × 0.10gpd/sf = 6,000 gpd
- Retail: 46,000 sf × 0.10gpd/sf = 4,600 gpd

Total commercial average day flow = 34,600 gpd

Combining residential and commercial flows, the total average day wastewater flow for the development is 97,600 gpd, and the maximum-month average-day flow (residential MMAD + commercial AD) is 108,310 gpd. These planning-level estimates will be refined during detailed engineering design and coordination with the City of Billings Public Works Department to ensure system compatibility and appropriate service sizing.

Table 4: Total Projected Wastewater Flow

Land Use Category	Units / SF	Wastewater Generation Rate	Average Day Wastewater Flow (gpd)
Residential (274 units)	630 persons (2.3/person/unit)	100 gpcd	63,000
Hotel	60,000 sf	0.20 gpd/sf	12,000
Restaurants (Mixed-Use)	60,000 sf	0.20 gpd/sf	12,000
Office (Mixed-Use)	60,000 sf	0.10 gpd/sf	6,000
Retail (Mixed-Use)	46,000 sf	0.10 gpd/sf	4,600
Total Commercial	124,000 sf	—	34,600
TOTAL (Residential + Commercial)	—	—	97,600

These estimates will be further refined as part of the detailed engineering design and during the preliminary plat and subdivision review process. Coordination with the City of Billings Public Works Department will confirm infrastructure capacity, necessary system upgrades, and acceptable discharge rates for each development phase.

Inflow & Infiltration (I/I) Allowance:

To be determined during subdivision engineering design, based on City of Billings standards, pipe material, alignment lengths, and anticipated groundwater conditions. I/I is typically estimated at 15–25% of average flow or via a gpd/inch-diameter/mile formula depending on system configuration. Final sanitary sewer sizing, pipe routing, and manhole locations will be addressed in conjunction with preliminary plat submission and design coordination with City utility staff.

The development is anticipated to be served by a gravity sewer system, with no lift stations proposed at this time (TBD pending site grading and downstream capacity analysis). If necessary, pumping infrastructure will be designed to City standards and coordinated during subdivision review.



All sanitary sewer infrastructure will be constructed in accordance with the City of Billings Subdivision Regulations, Engineering Design Standards, and Montana DEQ Circular DEQ-4, as applicable. Coordination with the City Engineering Division and Public Works will ensure service availability and conformance with system planning.

Wastewater Treatment Capacity

The City of Billings operates a regional Water Reclamation Facility (WRF) with a current design capacity of 40 million gallons per day (MGD). Typical system loading averages around 26 MGD, leaving approximately 14 MGD of reserve capacity available for future growth. The proposed subdivision's wastewater contribution represents only a fraction of this reserve capacity and can be readily accommodated by the City's system.

The proposed 52-acre development will generate wastewater flows consistent with standard planning assumptions established by the City of Billings. Based on the development program which includes 274 residential units, a 60,000-square-foot hotel, and neighborhood mixed-use buildings, the total projected average day wastewater flow is approximately 97,600 gallons per day (gpd). Applying a standard maximum-month multiplier of 1.17 for residential uses, the maximum-month average day flow is estimated at 108,310 gpd.

The residential component accounts for the majority of demand, with a projected population of 630 residents generating 63,000 gpd based on a rate of 100 gallons per capita per day (gpcd). The commercial uses including hotel, restaurants, office, and retail generate a combined 34,600 gpd, reflecting a modest contribution relative to total demand.

These flow rates are well within the capacity of the City of Billings' Water Reclamation Facility (WRF), which is designed to handle 40 million gallons per day (MGD) and currently processes an average of approximately 26 MGD. The projected maximum contribution from the proposed development under 0.08 MGD represents less than 0.2 percent of the WRF's total capacity, indicating that sufficient treatment capacity exists to accommodate the project without adverse impact on system operations.

Given these projections, the City's wastewater treatment infrastructure has sufficient reserve capacity to serve the proposed annexation. Final flow projections will be refined during subdivision engineering and permitting, using fixture counts and City-accepted design standards. The proposed development can therefore be accommodated without the need for extraordinary off-site improvements or additional treatment expansion beyond what is already planned in the City's capital improvement program.

Conclusion

At full build-out, the proposed development is projected to generate approximately 97,600 gallons per day (gpd) of average daily wastewater flow and 108,310 gpd during maximum-month conditions. Residential uses account for the majority of demand, generating approximately 63,000 gpd. The commercial components including hotel, restaurant, office, and retail contribute the remaining 34,600 gpd, representing a modest share of overall system demand.

These results confirm that the City's existing wastewater infrastructure is more than adequate to serve the proposed development. No extraordinary improvements or treatment expansion are



anticipated beyond the City's established capital improvement programming. Final flow rates and infrastructure requirements will be refined during detailed subdivision design and utility coordination, but planning-level estimates clearly support that the annexation and associated development can be accommodated without adverse impacts to the City's wastewater system.

Wastewater Collection System

The proposed subdivision will be served by a newly constructed gravity wastewater collection system designed in accordance with City of Billings standards and Montana Department of Environmental Quality (DEQ) Circular DEQ-2 requirements. The system will be extended throughout the internal road network, with sewer mains located within dedicated public rights-of-way or utility easements. Each residential lot and neighborhood mixed-use lot will be provided with individual service laterals, and manholes will be placed at all intersections, changes in grade, and at intervals not exceeding 400 feet to allow for proper maintenance access.

Wastewater flow rates can be easily conveyed by an 8-inch gravity sewer main, which has a full-flow capacity of approximately 0.60 to 0.90 cfs depending on slope (typically 0.20% to 0.40%). Utilization of the pipe capacity would remain below 25 percent, providing a substantial margin of safety for long-term operation and future maintenance flexibility.

The collection system will discharge into the existing downstream City sanitary sewer network near the intersection of 48th Street West and Hesper Road, where adequate capacity is available. This alignment supports efficient service extension and avoids the need for lift stations or extraordinary improvements. Final tie-in locations and pipe sizing will be verified during detailed design and coordinated with the City of Billings Public Works Department to ensure compliance with long-range utility models and capital improvement planning.

Conclusion

The projected wastewater flows from the proposed subdivision are minimal relative to the capacity of standard City collection infrastructure. A conventional gravity sewer system with 8-inch mains is sufficient to serve the development, and downstream tie-ins are available within the planned urban service area. No unusual or extraordinary measures are required beyond standard subdivision infrastructure improvements.

Per DEQ-2, 8-inch diameter sewer mains constructed at the minimum allowable slope of 0.004 ft/ft can accommodate up to 270 gpm when flowing two-thirds full. Therefore, an 8-inch main would be adequate to serve the anticipated peak flow for the subject property, based on preliminary estimates. Final pipe sizing and layout will be determined upon completion of the subdivision design and engineering analysis.

All infrastructure will be designed and constructed in compliance with:

- Montana DEQ Circular DEQ-2
- City of Billings Engineering Design Standards
- City of Billings Subdivision Regulations



Solid Waste Management

Upon annexation, the proposed development will be served by the City of Billings Solid Waste Division, which operates under the Public Works Department. This division provides comprehensive waste management services, including residential and commercial garbage collection, yard waste pickup, and operation of the Billings Regional Landfill.

Residential Services: The City offers fully automated curbside garbage collection, utilizing standardized carts to ensure efficiency and cleanliness. Residents are expected to place their carts at the curb by 7:00 AM on their designated collection day. The City also provides a yard waste collection program from April through November, encouraging proper disposal of organic materials.

Recycling Services: While the City does not offer a curbside recycling program, it conducts monthly cardboard collection. The schedule is determined by the regular garbage collection day; for example, if your garbage is collected on Monday, cardboard is picked up on the first Monday of each month.

Commercial Services: For businesses within the development, the City provides commercial waste collection services. Additionally, private companies such as RoadRunner and MacKenzie Disposal Inc. offer tailored waste management solutions, including recycling and dumpster rentals, catering to various commercial needs.

Billings Regional Landfill: The landfill, located at 5240 Jellison Road, is the largest in Montana, spanning over 800 acres. It serves multiple counties and is designed with environmental safeguards, including synthetic liners and leachate collection systems, to prevent groundwater contamination. According to the City's Landfill Master Plan, this facility has a total projected capacity of 20 million tons and is anticipated to remain in active operation through 2042, assuming current regional growth rates.

Regulatory Compliance: All waste management activities comply with the Montana Department of Environmental Quality (DEQ) regulations, ensuring that solid waste facilities operate safely and sustainably.

Water Service

Water service for the proposed 52-acre annexation area located at 48th Street West and Hesper Road will be provided by the City of Billings municipal water system. The development is located within Pressure Zone 2, which currently serves surrounding residential and institutional areas.

A 12-inch PVC water main is installed on South Shiloh Road, south of Hesper Road, with the nearest fire hydrant identified as Hydrant #H172-15, installed in 2024. This infrastructure will serve as the primary water connection point for the proposed subdivision.

Based on preliminary discussions with City engineering staff during early coordination meetings, the City is planning to extend the water main west along Hesper Road, with a stub connection expected to be placed just past the eastern boundary of the subject property. This extension



would facilitate direct service into the proposed subdivision and support phased development within the site.

As of this study report, the final engineering design for the water main extension along Hesper Road is pending, and specific records and design plans will be requested from the City of Billings to verify the alignment, sizing, and pressure specifications associated with the planned extension.

The water service plan for the site will be designed to:

- Accommodate the projected domestic demand for a neighborhood mixed-use subdivision;
- Provide adequate fire protection via hydrant spacing and flow capacity in accordance with City Fire Code and DEQ Circular DEQ-1;
- Enable looped connections where feasible to ensure pressure stability and redundancy.

All water infrastructure design will comply with the City of Billings Engineering Design Standards, including pressure zone compatibility, main sizing, and fire flow requirements.

Table 5: Estimated Water Demands

Estimated Land Use	Total Pop.	Ave. Day Demand (gpd)	Ave. Day Water Demand (gpd)	Max. Day/Ave. Day Water Demand Ratio	Max. Day Water Demand (MGD)
Residential	630	219 / capita	137,970	2.2	0.304
Hotel (60,000 sf)	—	0.20 gpd/sf	12,000	2.2	0.026
Restaurants (60,000 sf)	—	0.20 gpd/sf	12,000	2.2	0.026
Office (60,000 sf)	—	0.10 gpd/sf	6,000	2.2	0.013
Retail (46,000 sf)	—	0.10 gpd/sf	4,600	2.2	0.010
Subtotal Commercial	—	—	34,600	—	0.075
Total	—	—	172,570	—	0.379

Treatment Capacity Analysis

This preliminary estimate demonstrates that the development’s projected demand is within the available capacity identified in the 2006 Master Plan. Final system impacts will be evaluated further during subdivision review and utility extension design.

Additionally, the city has initiated the construction of a new West End Water Treatment Plant at 4374 Hesper Road, near the subject property. This facility is designed to bolster the city’s water treatment capacity and resilience, particularly in response to increasing demand and the need



for maintenance flexibility of the existing plant. The new plant is scheduled to become operational in late 2026.

Parks and Recreation

The proposed annexation area is located within the Urban Expansion Area of West Billings and will support the City's growth objectives by contributing a well-balanced mix of residential and commercial uses.

In accordance with Section 6.4.3 of the City of Billings Subdivision Regulations, residential subdivisions are required to dedicate 11% of the gross area for parkland or provide equivalent cash-in-lieu contributions.

- Gross Area of Subdivision: 52 acres
- Required Parkland Dedication: 5.72 acres

The final parkland strategy—whether via on-site dedication or cash-in-lieu—will be coordinated with the Parks, Recreation, and Public Lands Department during subdivision review. Given the site's location within the underserved West End and near planned greenway corridors, the development presents an opportunity to contribute meaningfully to the City's open space and recreational network in alignment with the 2017 Parks and Recreation Master Plan.

In accordance with Section 6.4.3 of the City of Billings Subdivision Regulations, residential subdivisions are required to dedicate 11% of the gross area for public parkland, unless an alternative arrangement such as cash-in-lieu or a combination of both is approved. Given the proposed subdivision's gross area of 52 acres, the required parkland dedication equates to 5.72 acres. This requirement ensures that new development contributes to the City's goal of providing accessible recreational amenities for residents. The development team will coordinate with the Parks, Recreation, and Public Lands Department to determine whether the dedication will be satisfied through on-site land dedication, cash-in-lieu contribution, or a blended approach based on final subdivision design and community needs.

Public Safety

Police

Upon annexation, the proposed development would fall under the jurisdiction of the Billings Police Department (BPD). The BPD provides 24-hour service across approximately 41 square miles of the city, divided into four zones and nine patrol beats. The department operates with three main patrol shifts, each consisting of four 10-hour shifts, ensuring continuous coverage throughout the city.

As of early 2025, the BPD has a budgeted strength of 177 officers but is operating with 158 sworn personnel, indicating a shortfall of 19 officers. Despite this staffing challenge, the department has been proactive in addressing public safety concerns. Notably, the City Council approved the addition of eight more patrol officers, and the department is actively working to fill these positions.

In response to increasing demands and to improve service efficiency, the BPD has implemented several initiatives:



- Community Service Officers (CSOs): Introduced in early 2023, CSOs are civilian personnel who handle non-emergency calls, such as cold theft reports and traffic incidents. This program has significantly reduced wait times for non-urgent calls, allowing sworn officers to focus on higher-priority incidents.
- Selective Traffic Enforcement Program (STEP): Comprising four full-time officers and one sergeant, the STEP unit focuses on traffic law enforcement in problem areas, including school zones and high-accident locations. The program also conducts targeted DUI patrols during high-traffic events, contributing to safer roadways.
- Strategic Staffing Adjustments: The BPD is evaluating shift schedules and patrol deployment to better align with community needs. Recommendations include adjusting shift reporting times and reconsidering the practice of holding high-priority calls until a zone unit becomes available, aiming to reduce response times for critical incidents.

While specific beat assignments for the annexation area have not yet been determined, the development team is committed to coordinating with City staff and BPD leadership during the subdivision phase to support long-term service planning. Police coverage for the site will ultimately depend on final land use intensity, zoning, and the City's overall patrol deployment strategy.

Fire

Upon annexation, the proposed development would fall under the jurisdiction of the Billings Fire Department (BFD), which provides fire protection and emergency medical services (EMS) across approximately 90 square miles, encompassing both the City of Billings and the Billings Urban Fire Service Area (BUFSA).

Fire Station 7, located at 1501 54th Street West, is the closest station to the proposed development. Operational since December 21, 2007, Station 7 covers over 30 square miles, including the West End of Billings and the western BUFSA. The station is equipped with an engine, a reserve engine, and a brush truck, enabling it to respond effectively to both fire and EMS calls in the area.

Additionally, Fire Station 5, situated at 605 South 24th Street West, serves the broader West End and houses the BFD's Hazardous Materials Team. This station is equipped with specialized apparatus, including Engine 5, Tender 5, Brush 5, and Hammer 5, which includes a tow rig and a 25-foot enclosed Haz-Mat response trailer. The Haz-Mat Team is a regional response unit that collaborates with six other teams across Montana to manage hazardous materials incidents.

In 2023, the BFD responded to over 18,000 service calls, with 384 related to fires. The department also handled 473 calls through its Crisis Response Unit, a partnership with the Rimrock Foundation, addressing behavioral health emergencies. Recognizing the challenges posed by rapid urban growth, the BFD has been proactive in addressing staffing and resource needs. The department operates seven fire stations citywide, providing 24-hour coverage. However, recent discussions by the Billings City Council have highlighted budgetary constraints affecting emergency services, emphasizing the need for strategic planning to maintain effective operations.



To address this, the BFD has conceptually proposed a future Station 9, anticipated to be sited near the new water treatment plant to serve the expanding west Billings area. However, this station has not yet been constructed, and its timeline remains dependent on future capital planning. Given this context, the development team is open to discussing a proportional contribution to BUFSA or the City of Billings to support enhanced fire protection infrastructure for the area.

Public Schools

The proposed development lies within the jurisdiction of Billings Public Schools (BPS), Montana's largest school district, serving over 16,000 students across 28 schools. The district is structured into three main attendance areas: West High, Senior High, and Skyview High. Given the development's location in the West End, it falls under the West High attendance area.

Assigned Schools

Based on current school district boundaries, students residing in the proposed development would attend:

- Elementary School: Elder Grove Elementary School (1532 S 64th Street West)
- Middle School: Elder Grove Middle School (1540 S 64th Street West)
- High School: Billings West High School (2201 St. John's Avenue)

Elder Grove School District provides K–8 education at a modern, consolidated campus west of the city limits. The district has experienced steady enrollment growth in recent years and continues to expand its facilities and staffing to accommodate new residential development in the surrounding area.

Billings West High School is the largest high school in Montana, with a 2024 enrollment of approximately 2,163 students. It offers a comprehensive curriculum including Advanced Placement courses, career and technical education programs, and a wide range of extracurricular activities.

We will contact the Elder Grove School District to confirm current student-per-household multipliers used for enrollment projections. In the interim, our planning-level estimate assumes a rate of 0.50 students per dwelling unit, which is consistent with past subdivision impact assessments in the region and widely accepted as a conservative planning standard for K–12 public school enrollment.

Once the school district confirms their preferred calculation methodology, we will incorporate their feedback into the updated Urban Planning Study and revise the student impact estimate accordingly.

District Initiatives and Planning

To address the challenges of rapid growth, particularly in the West End, BPS has undertaken several initiatives:



- Redistricting Efforts: In response to overcrowding, especially in West End schools, BPS implemented boundary changes in Fall 2023 to better balance student populations across schools.
- West End Neighborhood Plan: The City of Billings and Yellowstone County are updating the 2001 West Billings Neighborhood Plan to guide future development, including educational infrastructure, in the West End.
- Adjusted School Calendar: Starting in the 2025-2026 school year, BPS will adopt a shorter school year of 173 days with longer school days. This change aims to provide additional time for teacher training and improve instructional quality.

Transportation and Accessibility

The City of Billings has developed Safe Routes to School plans, including walking route maps for each elementary school, to ensure student safety and promote active transportation. These plans will be considered in the development's design to facilitate safe and convenient access to schools.

Student Population Impacts of Proposed Development

The proposed development is anticipated to introduce a total of 274 residential units, consisting of 136 apartment units, 100 four-plex units, and 38 duplex units. Using the City of Billings' and School District 2 planning practice of approximately 0.30–0.35 students per dwelling unit, the project is projected to generate 81–131 new students at full build-out. This estimate provides a conservative planning range that accounts for variation in unit type and household demographics.

Distribution by School Level

Applying School District 2's historic enrollment ratios, these students are expected to be distributed approximately as follows:

- Elementary (K–5): 50% → 41–65 students
- Middle School (6–8): 25% → 20–33 students
- High School (9–12): 25% → 20–33 students

This distribution indicates the majority of students will be at the elementary level, with smaller but measurable impacts on the middle and high school systems.

Service Capacity and Planning Context

The subject property lies within School District 2, which serves the greater Billings area. The District has experienced steady enrollment growth over the past decade, particularly in the West Billings area, where substantial residential growth has occurred. The addition of 81-131 students from this subdivision represents a modest increase relative to the overall district enrollment of more than 16,000 students. However, it is recognized that localized impacts may occur at specific elementary attendance boundaries depending on the final assignment of the project area.



Fiscal Contribution

In addition to student population, the project will generate property tax revenues that directly support School District 2 operations and capital facilities. The mixed-residential planned neighborhood development further diversify the tax base, providing both residential and non-residential contributions. These revenues help offset the marginal service costs associated with additional students, ensuring that growth supports the fiscal health of the District.

Conclusion

The proposed subdivision is expected to yield 81-131 new students, primarily at the elementary level. This increase is manageable within the context of overall district enrollment, and the fiscal contributions generated by the development will assist in supporting educational services. Coordination with School District 2 during subdivision review and final platting will ensure enrollment impacts are monitored and that future capital planning can address localized needs.

Projected & Estimated Population

As of 2025, Billings, Montana, stands as the state's most populous city, with an estimated population of 123,290. This reflects a steady annual growth rate of approximately 0.99%, indicating a consistent upward trend in the city's population.

Looking ahead, projections suggest that Billings will continue to experience moderate growth. By 2030, the population is anticipated to reach approximately 127,000, assuming the current growth rate persists. This growth trajectory underscores the city's ongoing appeal and its role as a regional hub for commerce, education, and healthcare.

The proposed development, situated in the rapidly expanding West End of Billings, aligns with these growth trends. As the city continues to attract new residents, developments like this will play a crucial role in accommodating the increasing demand for housing and services. In summary, the projected population growth of Billings supports the strategic importance of the proposed development, ensuring it meets the future needs of the community while contributing to the city's sustainable expansion.

Soils, Geology, and Topography

The subject property is underlain by a combination of loamy and clay loam soils typical of the Yellowstone Valley benchlands. The predominant soil type is Keiser silty clay loam, which comprises approximately two-thirds of the site. Keiser soils are very deep, well-drained soils that formed in alluvium on low terraces and hill slopes. They have gentle slopes of 0 to 1 percent, moderate permeability, and stable structure, making them suitable for a range of urban uses when properly engineered.

The second most common soil unit on the property is the Toluca and Wanetta clay loams, which together account for more than one-fifth of the site. These soils occur on broad, nearly level terraces with slopes ranging from 0 to 2 percent. Like the Keiser soils, they are very deep and well-drained, with favorable development characteristics. Smaller areas of Toluca clay loam and Wanetta gravelly loam are also mapped within the property, both of which exhibit similar characteristics with some variability in gravel content and drainage rates.



Minor inclusions across the property include Larim gravelly loam, Haverson loam, and Wanetta clay loam, along with a small area mapped as a gravel pit, reflecting the site's history of aggregate extraction. These units represent only a small fraction of the overall acreage but highlight the variability in subsurface conditions that may be encountered during construction.

Overall, the soils on the site are characterized as very deep, well-drained loams and clay loams with gentle slopes of 0 to 2 percent. Depth to groundwater is generally greater than 80 inches, and no restrictive layers are identified within typical construction depths. These characteristics provide favorable conditions for subdivision development, including building foundations, pavements, and underground utilities. Isolated gravelly or clay-rich pockets may require minor grading adjustments or subgrade conditioning during construction, but no significant limitations to development are anticipated.

Geology

The site is underlain by the Paleocene Fort Union Formation, which consists of interbedded sandstones, shales, and coal beds. This formation is geologically stable and does not pose significant seismic or subsidence hazards. There are no mapped fault lines or geologic hazards within or near the site, and the area is not subject to significant liquefaction or landslide risk.

Subsurface investigation during engineering design will confirm:

- Bedrock depth and type
- Groundwater table elevation (if applicable)
- Potential gravel or sandstone layers affecting utility trenching

Topography

The subject property exhibits a gradual slope from northwest to southeast, with the highest elevations near the intersection of 48th Street West and Hesper Road. The frontage has been built up slightly, and natural grade transitions downward toward the southeast corner of the site. This slope supports favorable drainage and provides natural grading opportunities for site planning and stormwater design. There are no known steep slopes or topographic constraints that would restrict development, though grading plans will be required to conform to City of Billings subdivision grading and drainage standards.

Effects of Urbanization on the Existing Environment

Urbanization, while driving economic growth and infrastructure development, can significantly impact the natural environment. Understanding these effects is crucial for sustainable planning and mitigation strategies.

Habitat Loss and Biodiversity Decline

Urban development is commonly associated with the loss and fragmentation of native habitats, which can displace wildlife and reduce ecosystem biodiversity. However, in the case of the subject property, the environmental impact on habitat and biodiversity is expected to be minimal.



The 52-acre site was historically used as a gravel pit and has been fully disturbed by past industrial activity. The surrounding area has also been characterized by gravel mining and urbanization for several decades, leaving the site ecologically fragmented and disconnected from any intact habitat corridors.

While the property has been visually reclaimed, with limited vegetative regrowth and some grass cover, it does not support high-quality native habitat. There are no known wetlands, riparian zones, or wildlife corridors on-site, and no species of concern have been identified through local or state biological inventories.

Therefore, urban development of this property is unlikely to contribute to any meaningful loss of biodiversity. In fact, conversion of the site into a planned mixed-use neighborhood with managed landscaping, tree planting, and stormwater treatment features may result in enhanced ecological value compared to the site's current condition.

Water Resource Depletion and Pollution

Urbanization typically increases impervious surfaces such as roads and buildings, which can reduce natural groundwater recharge and increase surface runoff. This runoff often carries pollutants into water bodies, degrading water quality and harming aquatic life. Additionally, the demand for water in urban areas can strain local water resources, leading to shortages and conflicts over water use.

However, the proposed development on the subject property will be designed to mitigate these impacts through comprehensive stormwater management strategies. The site will be graded with stormwater management and treatment in mind, incorporating features such as detention basins and hydrodynamic separators. These systems are effective in removing sediments, oils, and other pollutants from stormwater runoff before it enters the municipal drainage system.

Furthermore, the development will benefit from the new West End Water Treatment Plant, located at 4374 Hesper Road. Scheduled to be operational by the end of 2026, this state-of-the-art facility will enhance the city's capacity to meet increasing water demands and improve water quality for the growing population.

By integrating advanced stormwater treatment systems and aligning with the city's expanding water infrastructure, the development aims to minimize its impact on water resources and contribute to the sustainable growth of the area.

Air Pollution and Health Impacts

Urban development often leads to increased vehicle emissions and industrial activities, contributing to higher levels of air pollutants such as nitrogen oxides and particulate matter. These pollutants can cause respiratory issues, cardiovascular diseases, and other health problems among urban populations.

However, the proposed development on the subject property is designed with several mitigation strategies to minimize these impacts:

- **Planned Urban Expansion:** The proposed development is located adjacent to the existing city limits and within the City's designated Urban Expansion Area. By directing growth to a location identified in the Limits of Annexation Map, the project supports the



City's goals of reducing outward sprawl and concentrating development where municipal services can be extended efficiently.

- **Integration with Transportation Infrastructure:** The development will connect to existing road networks and is in proximity to planned public transportation routes, promoting alternative modes of transportation and reducing reliance on personal vehicles.
- **Green Infrastructure Implementation:** The project will incorporate green spaces, tree planting, and landscaping features that can help absorb pollutants, provide shade, and improve overall air quality.
- **Stormwater Management:** As previously mentioned, the site will include stormwater management systems designed to reduce runoff and associated pollutants, which can also contribute to improved air quality by mitigating dust and particulate matter.

Urban Heat Island Effect

Urban areas often experience higher temperatures than surrounding rural regions due to the concentration of buildings and pavement that absorb and retain heat—a phenomenon known as the urban heat island effect. This can exacerbate heatwaves, increase energy consumption for cooling, and negatively affect human health.

However, the proposed development on the subject property is designed with several mitigation strategies to minimize these impacts:

- **Urban Edge Growth Location:** The project is located directly adjacent to the existing city limits and within the City's designated Urban Expansion Area. By focusing new housing and neighborhood commercial uses in this planned growth corridor, the development supports orderly expansion of municipal services and helps reduce the pressure for scattered, low-density development on the urban fringe.
- **Integration of Green Infrastructure:** The development will incorporate green spaces, tree planting, and landscaping features that can help absorb pollutants, provide shade, and improve overall air quality. These measures are effective in reducing surface and air temperatures through shading and evapotranspiration. Landscaping residential yards and adding parkland as required will help alleviate heat.

Increased Waste Generation

Urban development typically leads to higher volumes of solid waste, which, if not properly managed, can result in environmental pollution, attract disease vectors, and contribute to greenhouse gas emissions from decomposing organic waste.

However, the proposed development on the subject property is designed with several mitigation strategies to address these concerns:

- **Integration with Existing Waste Management Infrastructure:** The development will be serviced by the City of Billings' Solid Waste Division, which provides comprehensive garbage collection services for residential and commercial accounts.
- **Proximity to Billings Regional Landfill:** The site is located near the Billings Regional Landfill, the largest landfill in Montana, which receives over 350,000 tons of garbage per



year from five counties. The landfill is designed with environmental safeguards, including a synthetic liner and groundwater monitoring systems, to prevent contamination.

- **Adherence to State Regulations:** The development will comply with regulations set forth by the Montana Department of Environmental Quality (DEQ), which oversees solid waste facilities and promotes waste reduction, recycling, and composting initiatives.
- **Promotion of Recycling and Composting:** In alignment with the Montana Integrated Waste Management Act, the development will encourage residents to participate in recycling and composting programs, thereby reducing the volume of waste sent to landfills.

Soil Degradation

Construction activities and increased surface runoff in urban areas can lead to soil erosion and degradation. The loss of fertile topsoil affects vegetation growth and can lead to sedimentation in waterways, impacting aquatic ecosystems.

However, the proposed development on the subject property is designed with several mitigation strategies to address these concerns:

- **Erosion Control Measures:** The project will implement erosion control measures such as silt fences, sediment basins, and fiber rolls to prevent soil displacement during construction.
- **Stormwater Management Systems:** The development will include stormwater management systems designed to reduce runoff and associated pollutants, thereby minimizing erosion and protecting water quality.
- **Vegetative Stabilization:** Post-construction, the site will be stabilized with native vegetation to enhance soil structure, reduce erosion, and support local biodiversity or city approved landscaping measures.

Climate Change Contribution

Urban areas are significant contributors to greenhouse gas (GHG) emissions due to energy consumption, transportation, and industrial activities. This contributes to global climate change, leading to more extreme weather events, sea-level rise, and other environmental challenges. However, the proposed development on the subject property is designed with several mitigation strategies to address these concerns:

- **Energy-Efficient Building Design:** The development will incorporate energy-efficient building practices, including high-performance insulation, energy-efficient windows, and the use of sustainable materials, to reduce energy consumption and associated GHG emissions.
- **Sustainable Transportation Options:** The development will promote sustainable transportation options by incorporating pedestrian-friendly infrastructure, bicycle lanes, and connectivity to public transit, thereby reducing vehicle emissions.



- **Green Infrastructure Implementation:** The project will include green spaces, tree planting, and landscaping features that can help sequester carbon dioxide, provide shade, and improve overall air quality.

Effects on Agriculture

Urbanization in Montana, particularly in rapidly expanding areas like the West End of Billings, presents challenges and opportunities for land use planning. The proposed 52-acre development site is located within Zone 2 of the City of Billings 2023 Limits of Annexation Map, an area specifically designated for near- to mid-term urban expansion based on infrastructure access and surrounding growth patterns.

The subject property is currently zoned Agricultural 10+ Acres (A) under Yellowstone County regulations. However, the site has no recent history of agricultural production and is not classified as prime farmland by the USDA Natural Resources Conservation Service. Historical aerial imagery confirms the entire property was previously operated as a gravel pit, and the land has since been reclaimed, with a grass cover reestablished across portions of the site. The topography, soil profile, and historical disturbance make the property unsuitable for agricultural use without significant reclamation and investment.

Moreover, the property is surrounded on multiple sides by urbanizing land uses:

- To the north and east lie other gravel pits and former extraction sites;
- To the southeast is the site of the new West End Water Treatment Plant, currently under construction and scheduled to be operational by Fall 2026;
- To the west and south are established residential subdivisions and supporting infrastructure.

Given these surroundings and the disturbed condition of the land itself, the proposed annexation and redevelopment will not result in the loss of viable agricultural land. Rather, it represents a logical and efficient reuse of a non-productive, previously industrial parcel within the City's designated growth boundary. The project supports compact, contiguous development and helps implement the West Billings Neighborhood Plan by directing growth inward and avoiding the premature conversion of agricultural land in rural areas.

Farmland Conversion and Regional Context

Statewide, Montana experienced a reduction of approximately 3.3 million acres of agricultural land between 2007 and 2017. Much of this reduction has occurred near growing urban centers, including Billings. However, the incremental conversion of small, non-prime, non-productive parcels—such as this 52-acre tract—represents a targeted and appropriate approach to accommodating growth within established planning boundaries.

The subject property is not classified as prime farmland by the USDA Natural Resources Conservation Service, and it has no recent history of agricultural use. In fact, the entire site was historically disturbed by gravel pit operations, and it has since been reclaimed to a limited degree, with some vegetative cover but no evidence of irrigation, cultivation, or livestock operations. The land lacks the soil quality, water access, and infrastructure needed to support viable agricultural production.



Moreover, the site is surrounded by existing subdivisions, gravel extraction sites, and the new West End Water Treatment Plant, further isolating it from any remaining productive agricultural landscapes in the area. As such, its development poses no threat to agricultural continuity or regional food systems.

The site's location within Zone 2 of the City's 2023 Limits of Annexation Map, and its proximity to existing and planned urban infrastructure, make it an ideal candidate for annexation.

Redevelopment of this disturbed parcel will help fulfill City policy goals of:

- Reducing sprawl
- Consolidating infrastructure investments, and
- Protecting larger contiguous tracts of active farmland elsewhere in the county.

This project exemplifies responsible land conversion by prioritizing development on land that no longer serves an agricultural purpose and is surrounded by the urban fringe.

Economic and Resource Considerations

While agriculture plays a critical role in Montana's economy, with roughly 29,000 jobs tied to the sector, the annexation and development of this site are unlikely to meaningfully affect the region's agricultural productivity or economy due to the limited size and non-productive condition of the parcel.

Furthermore, this property lies within the BBWA (Billings Bench Water Association) canal influence area but does not appear to currently utilize irrigation or water rights for agricultural production. Future development will be designed to minimize disruption to adjacent ditch systems and respect canal easements, if applicable.

Policy Alignment

The proposed annexation and land use change:

- Align with the City's long-range planning vision for the West End;
- Support compact and contiguous urban growth;
- Avoid unnecessary loss of productive farmland by focusing development on already fragmented and underutilized land.

Existing and Potential Land Use

The subject property consists of approximately 52 acres located in the West End of Billings, near the intersection of 48th Street West and Hesper Road. It is currently zoned Agricultural 10+ Acres (A) under Yellowstone County zoning; however, the site has not functioned as productive agricultural land in recent decades.



Historical aerial imagery and land use records dating back to 1985 indicate that the site has long been surrounded by active and inactive gravel extraction operations. The subject property itself was historically used as a gravel pit, and while it now appears to have been partially or fully reclaimed—evidenced by the establishment of vegetative cover—it is unlikely to have viable agricultural potential without significant reconditioning. There is no evidence of active irrigation, cultivation, or crop rotation on-site in the available historical record.

Given this history and its location within the Zone 2 Long Range Area on the City of Billings Limits of Annexation Map, the site is well-positioned for future urban development. It is bordered on multiple sides by residential subdivisions, schools, and public infrastructure corridors. As such, the property represents a logical extension of the City’s westward growth pattern—where agricultural preservation goals are not applicable due to prior disturbance and long-standing industrial use.

The proposed land use, Mixed-Residential Planned Neighborhood Development, aligns with the goals of the West Billings Plan and the City of Billings Growth Policy, which promote compact development, reintegration of underutilized land, and efficient extension of City services into previously annexed or industrial areas.

Historical Sites

The 52-acre subject property has no known historical or cultural significance based on local, state, or federal records. Historical imagery and land use patterns confirm that the entire site was previously utilized as a gravel extraction operation, a common land use throughout this portion of West Billings dating back several decades.

Due to the scale and intensity of excavation activities, any potential historical or archaeological features that may have once existed were removed during past mining operations. The site has since been reclaimed to a limited extent, with a reestablished vegetative surface, but remains characterized by previous ground disturbance, grading modifications, and imported fill.

Given the site's fully disturbed condition and lack of any remaining original land surface, it is not considered historically or archaeologically sensitive. There are no known historic structures, cultural resources, or SHPO-listed features associated with the subject property. As such, the site presents no impediments to development from a historical or cultural resource standpoint.

Preliminary Development Timeline

Table 6: Preliminary Development Timeline

Phase	Estimated Activities	Target Timeline	Notes
Annexation Request	Submit petition and request to move into Zone 1	Current	Align with City’s annual annexation map amendment cycle
Annexation Approval	Review and public hearings	Spring 2026	City Council consideration



Phase	Estimated Activities	Target Timeline	Notes
Preliminary Plat Submittal	Layout design, zoning request, environmental assessments	Summer 2026	May be submitted concurrently with annexation request
Utility Coordination	Final confirmation of utility availability to frontage	By Fall 2026	Water and sewer infrastructure anticipated at site frontage
Infrastructure Design	Civil engineering, permitting, and construction planning	Fall 2026 – Winter 2026	May begin prior to utility arrival
Phase 1 Construction	On-site grading, roads, and utility installation	Spring– Summer 2027	Assumes infrastructure is ready for connection
Vertical Construction	Homes, commercial buildings	Fall 2027	Begins as lots are completed and serviced
Subsequent Phases	Future phases depending on absorption	2028 and beyond	Market-responsive phasing for remaining acreage

Capital Improvements

The proposed development will require the extension and construction of both public and private infrastructure to serve residential and commercial land uses. All capital improvements will be designed and constructed in accordance with the City of Billings Engineering Design Standards, the 2024 Subdivision Regulations, and Montana DEQ requirements.

Public Capital Improvements

The following off-site and on-site public infrastructure components are anticipated:

Water Infrastructure

- Connection to the City’s future 12" water main anticipated to extend along Hesper Road
- On-site distribution system including looped water mains and fire hydrants
- Coordination with City Engineering and Public Works to verify capacity and pressure (Zone 2)

Sanitary Sewer Infrastructure

- Connection to the existing or extended gravity sewer main in Hesper Road
- On-site sewer main network sized for phased development
- DEQ-2-compliant system design including peak flow and I/I allowances

Stormwater Management

- Construction of stormwater detention or retention basins



- Integration of storm drain piping, curb inlets, and BMPs per DEQ and MS4 standards
- Erosion control and discharge coordination with downstream facilities (e.g., BBWA Canal)

Streets and Rights-of-Way

- Construction of local and collector streets within dedicated ROWs
- Curb, gutter, boulevard sidewalks, and street lighting
- Possible off-site improvements to Hesper Road or 48th Street West

Parkland and Open Space

- Either land dedication or cash-in-lieu as required by City regulations
- Integration of trails, landscaping, and shared public spaces

Private Capital Improvements

The development will also involve private improvements, which will be constructed and maintained by the developer, HOA, or individual lot owners:

- Internal water/sewer service lines to individual lots
- Utility trenching for electric, gas, and telecom (coordinated with utility providers)
- Private stormwater facilities (if applicable to site layout)
- Fencing, signage, and neighborhood entrance features

Funding and Phasing

Capital improvements will be funded by the developer, with the potential for:

- System development charges and tap fees payable to the City
- Cost-sharing agreements for regional infrastructure
- Private financing or HOA assessments for ongoing maintenance of common facilities

Methods of Funding for Public Improvements

The City of Billings is actively expanding infrastructure in the West End to accommodate anticipated growth. Key funding mechanisms for these public improvements include:

Municipal Capital Investment

- West End Water Treatment Plant: The City is constructing a new water treatment facility at 4374 Hesper Road, with a projected completion date in 2026. This \$68 million project



is the largest public works undertaking in the city's history and is funded through municipal capital investment.

State and Federal Grants

- Infrastructure Investment and Jobs Act (IIJA): The City is leveraging funds from the IIJA to support transportation and infrastructure projects, including those in the West End.

Utility Enterprise Funds

- Water and Sewer Rates: The City utilizes revenue from water and sewer utility rates to fund maintenance and expansion of these services. Notably, no rate increases are proposed for residential water, wastewater, garbage, and street maintenance for the upcoming budget year starting July 1, 2025.

Developer Contributions

- System Development Charges (SDCs): Developers are required to pay SDCs to offset the cost of new infrastructure necessitated by their projects.
- Infrastructure Improvements: Developers may be responsible for constructing certain infrastructure components, such as roads and utility extensions, as part of their development agreements.

Tax Increment Financing (TIF)

- Urban Renewal Districts: The City may utilize TIF in designated urban renewal districts to fund public improvements by capturing the incremental increase in property tax revenues resulting from new development.

These funding methods collectively support the ongoing infrastructure expansion in the West End, ensuring that public improvements keep pace with development demands.

Annexation Justification Summary

This Urban Planning Study supports the annexation of the 52-acre property located at the intersection of 48th Street West and Hesper Road into the City of Billings. The site lies within the Zone 2 Long Range Area of the City's 2023 Limits of Annexation Map and represents a logical, infrastructure-supported expansion of the urban boundary. The following evaluation is based on the six criteria required under the City's Annexation Policy and is intended to support inclusion in Zone 1 during the Fall 2025 map amendment cycle.

Distance from Existing City Services and Response Times

- The property is located within one-quarter mile of existing or planned utility lines, including a 12" water main and sanitary sewer extensions along Hesper Road.
- The site is less than 2 miles from Fire Station 7 and falls within Police Beat 2, both of which serve the West End with 24/7 response.



- Stormwater infrastructure is available at Shiloh Road, and regional drainage patterns flow southeast, which aligns with stormwater design standards for the area.
- Solid waste services, including curbside collection and access to the Billings Regional Landfill, are already provided in adjacent subdivisions and can be easily extended.

Capacity and Location of Existing Facilities and Future Upgrades

- The City is currently constructing the West End Water Treatment Plant, located just east of the property. Scheduled to be operational by Fall 2026, it will directly serve this site with high-capacity potable water.
- The Billings Public Works Department has confirmed that both water and sewer infrastructure is expected to reach the frontage of this property by Fall 2026.
- The development will connect to planned public systems with no need for interim or temporary facilities.
- Nearby schools (Arrowhead Elementary, Will James Middle, and Billings West High) currently serve this portion of the West End and are included in the Billings Public Schools redistricting and capital planning framework.

Cost of City Services

- All capital improvements required for development—water, sewer, storm drainage, streets, sidewalks, and utilities—will be constructed at no cost to the City.
- The developer will pay all required System Development Charges (SDCs) and connection fees.
- Ongoing services such as trash collection, road maintenance, and public safety response will be offset by new property tax revenue from developed lots.
- The site does not contain any existing residents or City-owned infrastructure that would require relocation, retrofitting, or transitional service support.

Effect on Existing Residents

- The subject property is currently vacant and was historically used as a gravel pit, meaning it has not functioned as agricultural land in recent decades and is fully disturbed.
- It is bordered by urban land uses, including schools, utility corridors, and residential neighborhoods. Development of this parcel would represent a logical continuation of existing growth patterns and would utilize existing infrastructure networks rather than contributing to scattered or leapfrog development.
- The proposed land use (mixed residential and neighborhood commercial) is compatible with surrounding zoning and will complete an urbanized gap in the City's western edge.



- Traffic, noise, and drainage impacts will be mitigated through subdivision design and reviewed in accordance with the City's 2024 Subdivision Regulations.

Conformance with Adopted Plans

The project aligns with the following adopted plans and policies:

- *2016 City of Billings Growth Policy*: Supports compact, infrastructure-efficient growth, housing choice, and fiscally responsible development.
- *West Billings Neighborhood Plan*: Identifies this location as suitable for urban development, with a mix of residential and supporting commercial uses that complement surrounding neighborhoods and anticipated growth patterns.
- *Capital Improvements Plan (CIP)*: Coordinates with scheduled utility expansions including the West End Water Treatment Plant.
- *2023 Long Range Transportation Plan (LRTP)*: Access is provided via arterial (Hesper Road) and collector (48th Street West) corridors, which are slated for multimodal enhancements.
- *2023 Parks and Recreation Master Plan*: Future subdivision phases will either dedicate land or pay cash-in-lieu to support neighborhood-level parkland and trails.
- *2023 Limits of Annexation Map*: Site is in Zone 2 and directly adjacent to Zone 1; proposed annexation reflects continuity of City services and existing development pattern.

Developer Contributions

- The developer will fully fund all infrastructure improvements, including any required off-site connections, road improvements, and internal public utilities.
- System Development Charges will be paid to the City at the time of permit issuance.
- Parkland dedication or cash-in-lieu contributions will be provided as required by City code at the time of subdivision approval.
- The project will include trail, sidewalk, and boulevard connectivity, supporting the City's Complete Streets policy and neighborhood livability objectives.

Summary Statement

Annexing the 52-acre property into the City of Billings represents a logical, well-timed, and infrastructure-aligned extension of the urban boundary. The project is compatible with adopted planning documents, imposes no cost burden on the City, leverages existing and planned utilities, and contributes to the broader goal of compact and connected growth on the West End. Based on the six required criteria, this annexation request is well-supported and should be favorably considered for inclusion in Zone 1 during the Spring 2026 map amendment cycle.



Appendix

Limits of Annexation 2023

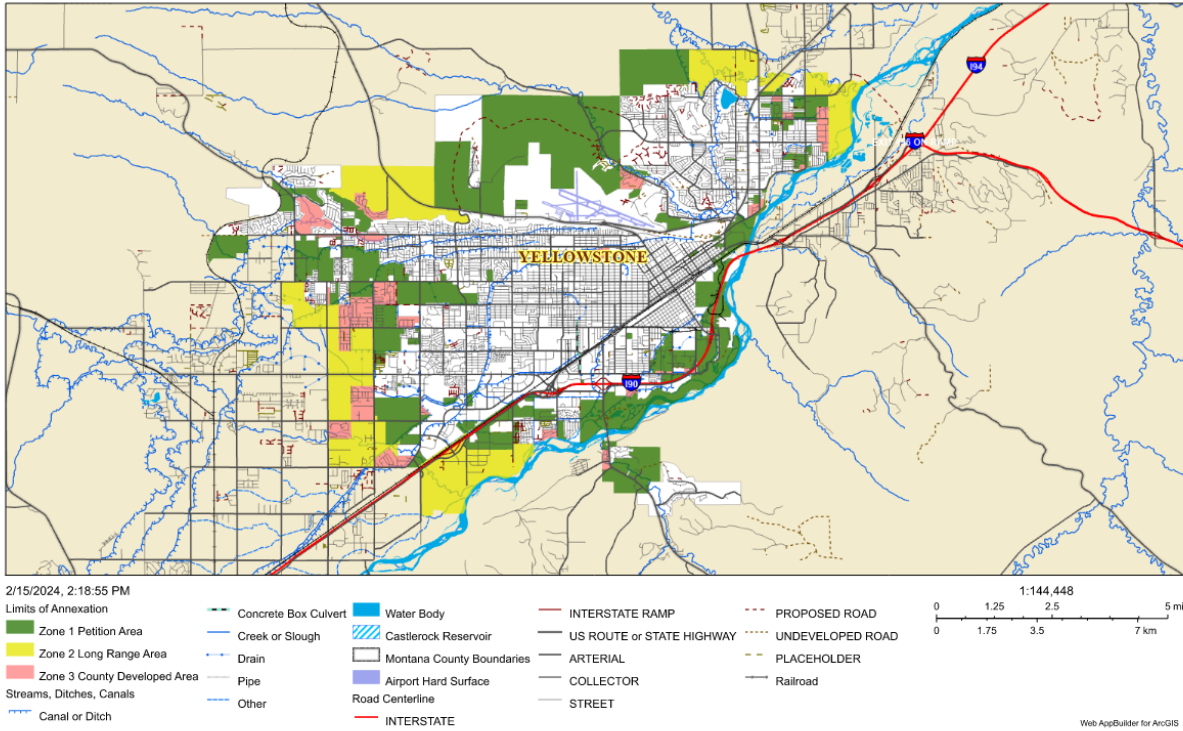


Figure 2: Limits of Annexation Map



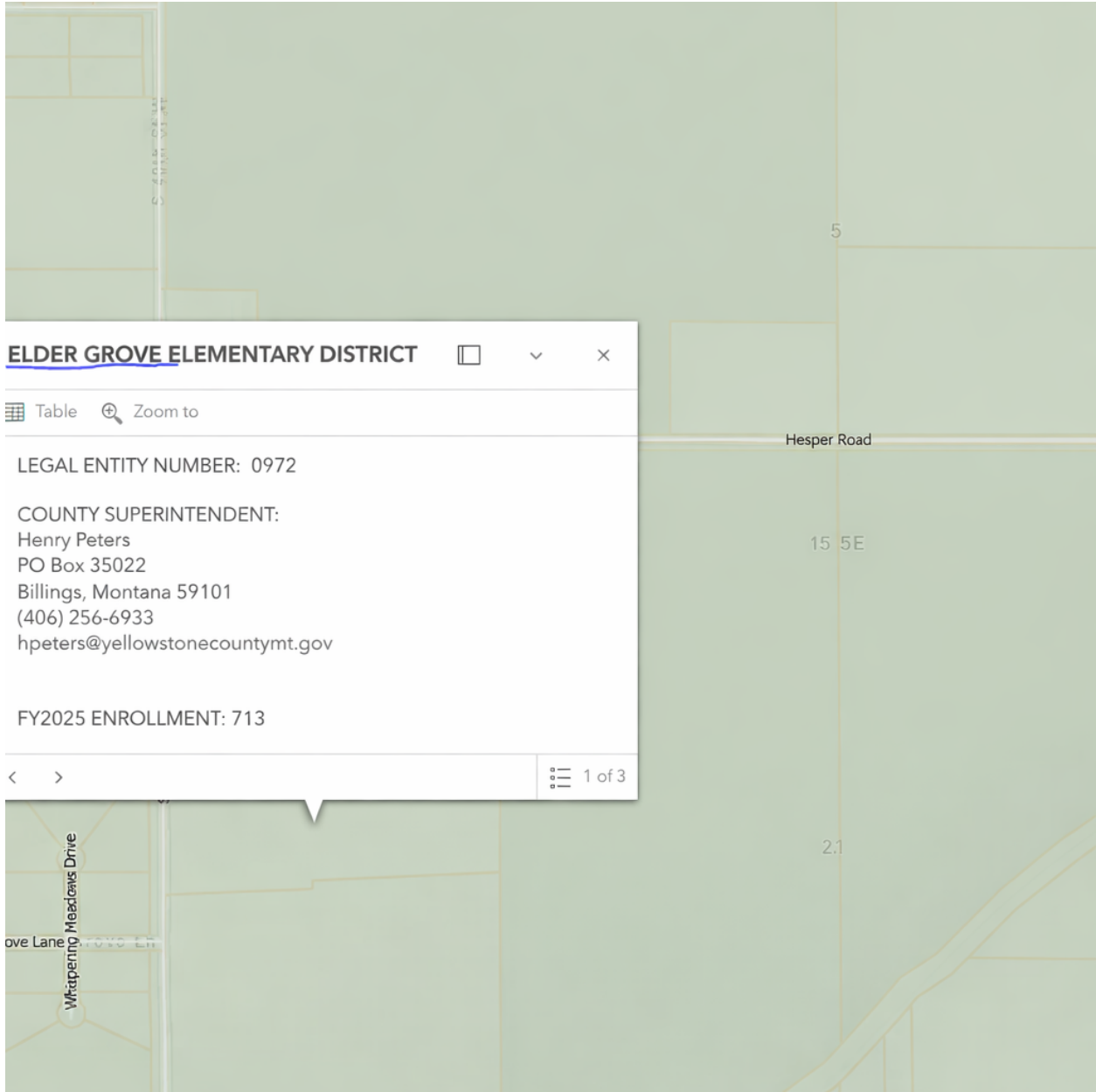
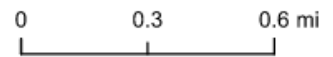
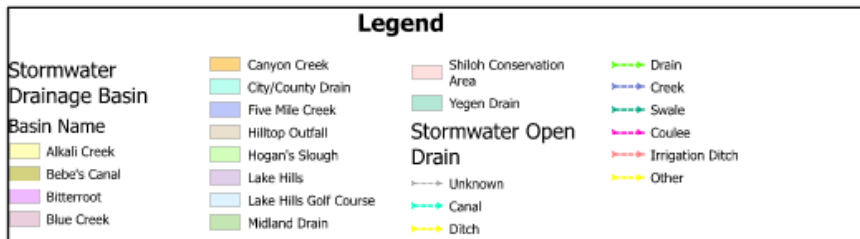
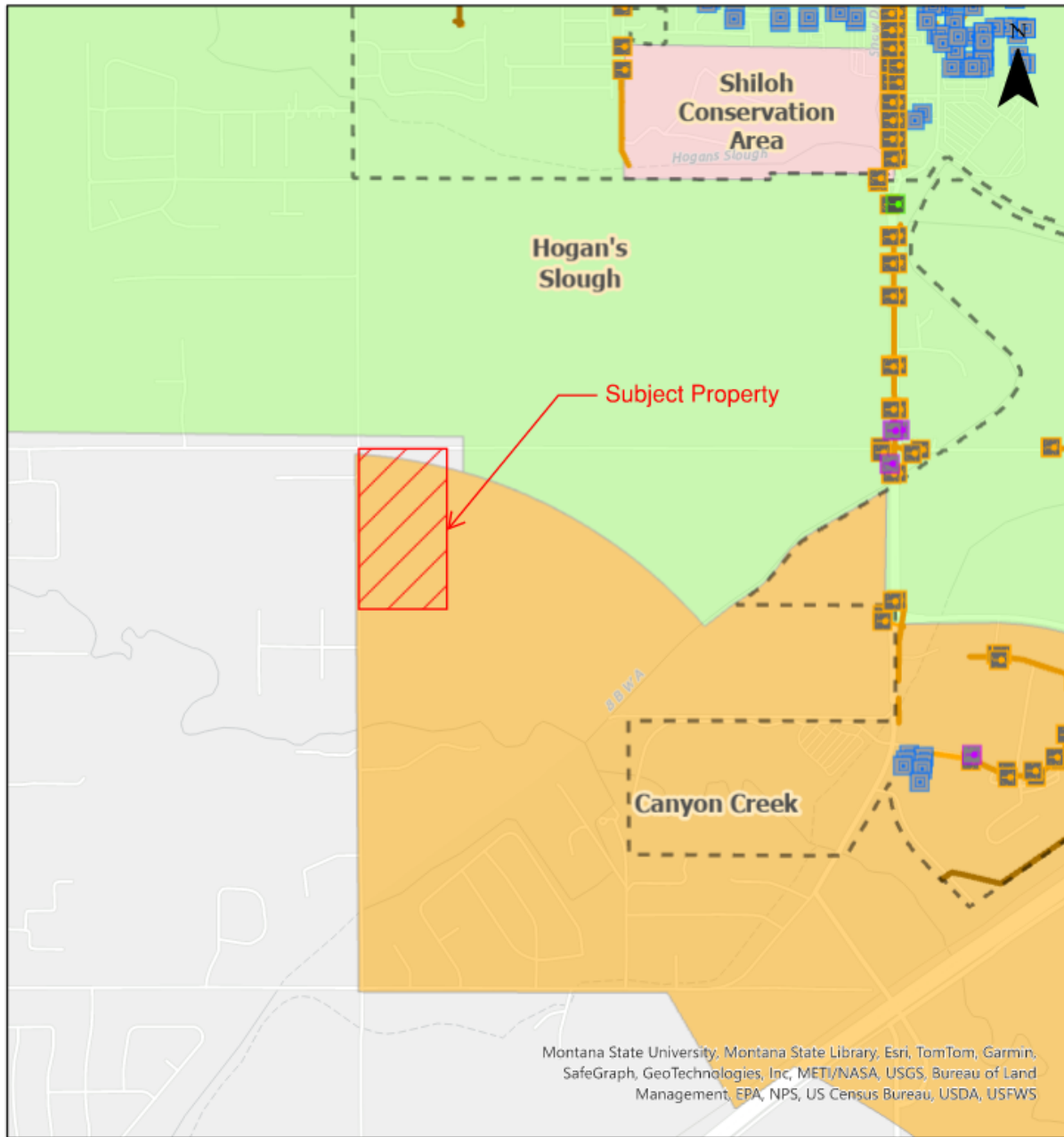


Figure 3: School District Map



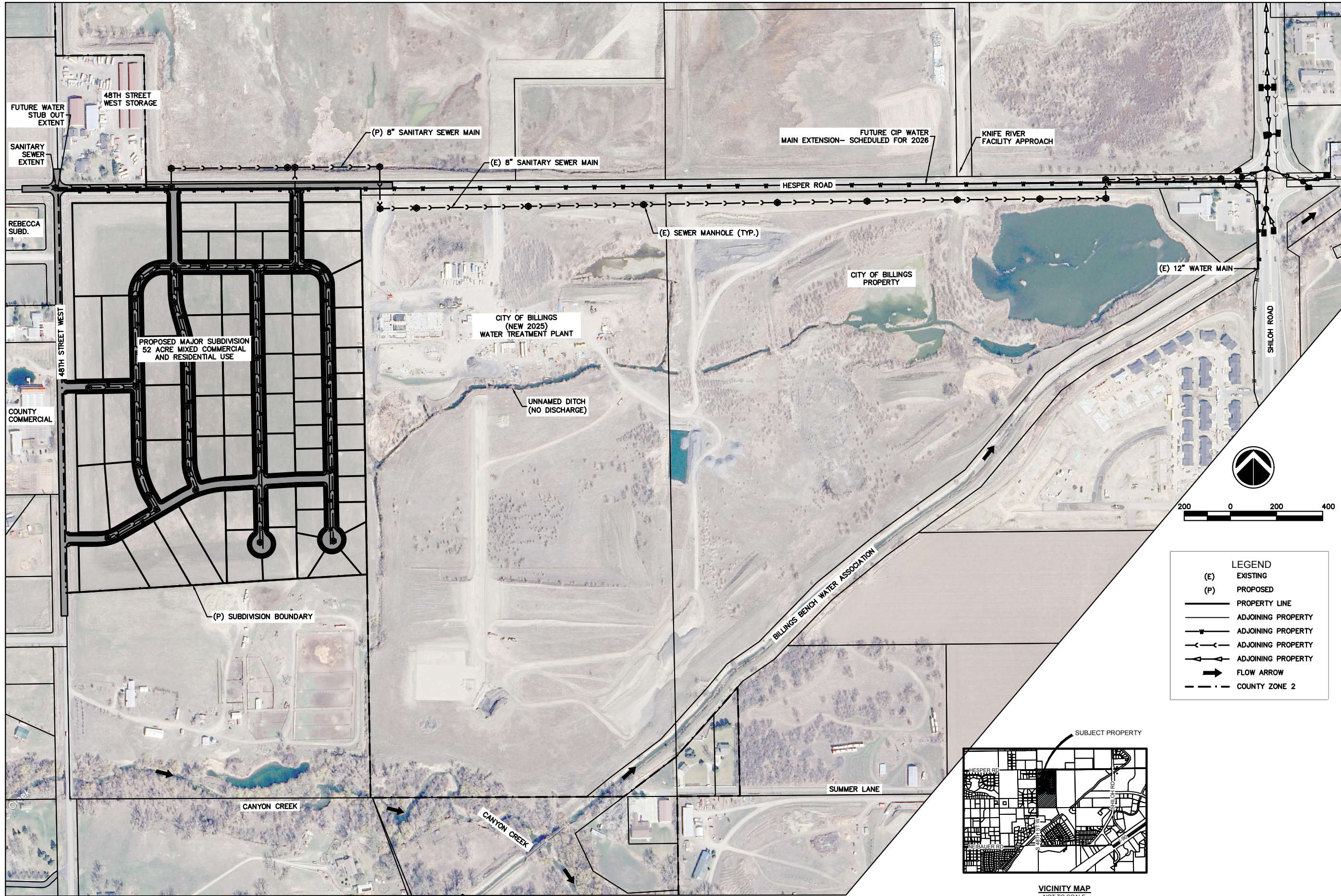


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Figure 4: Stormwater Basin Map

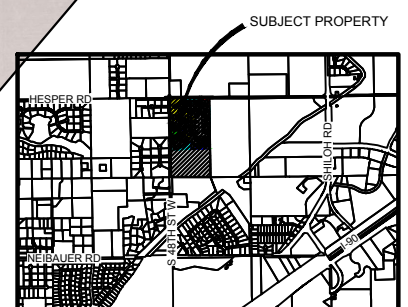


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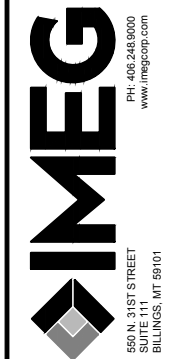


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(P)	PROPOSED
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—	ADJOINING PROPERTY
—	ADJOINING PROPERTY
—	ADJOINING PROPERTY
—	ADJOINING PROPERTY
→	FLOW ARROW
- - -	COUNTY ZONE 2



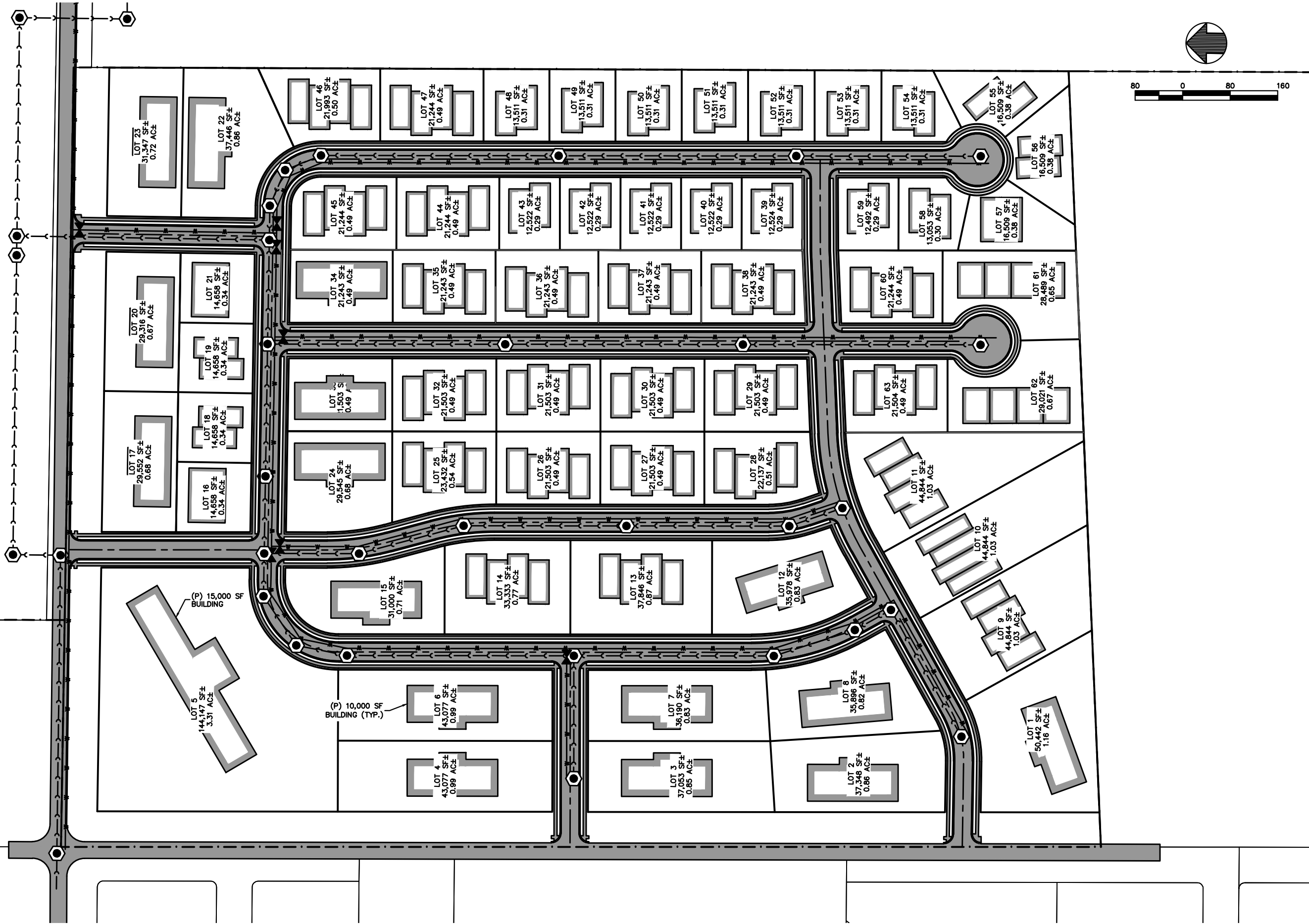
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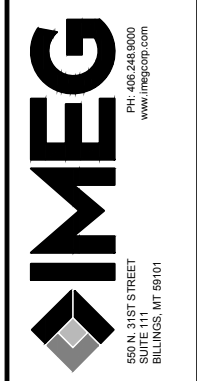
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 BILLINGS MONTANA
 OVERALL CONCEPT PLAN

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EXH1
 Sheet 1 of 3



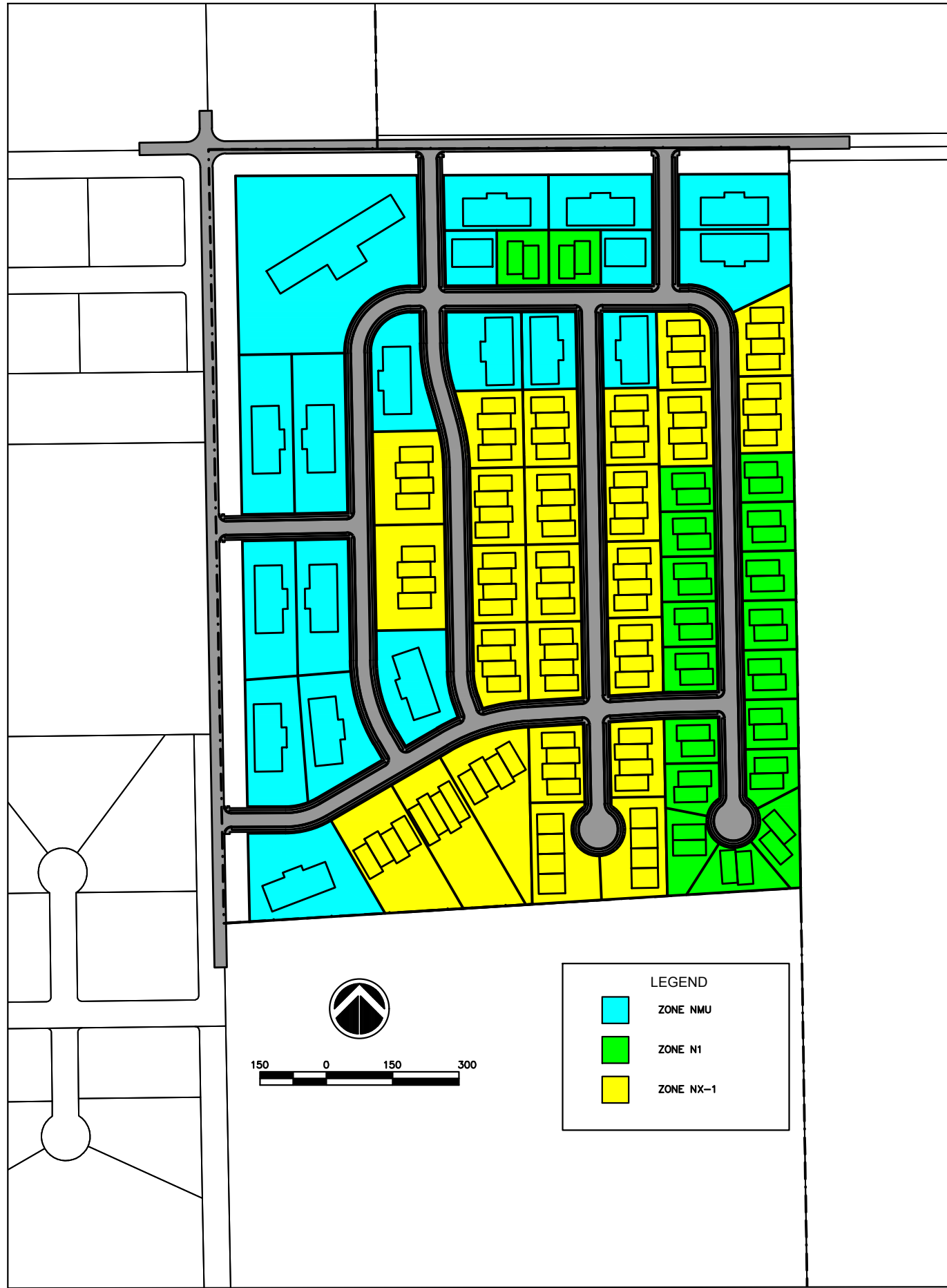
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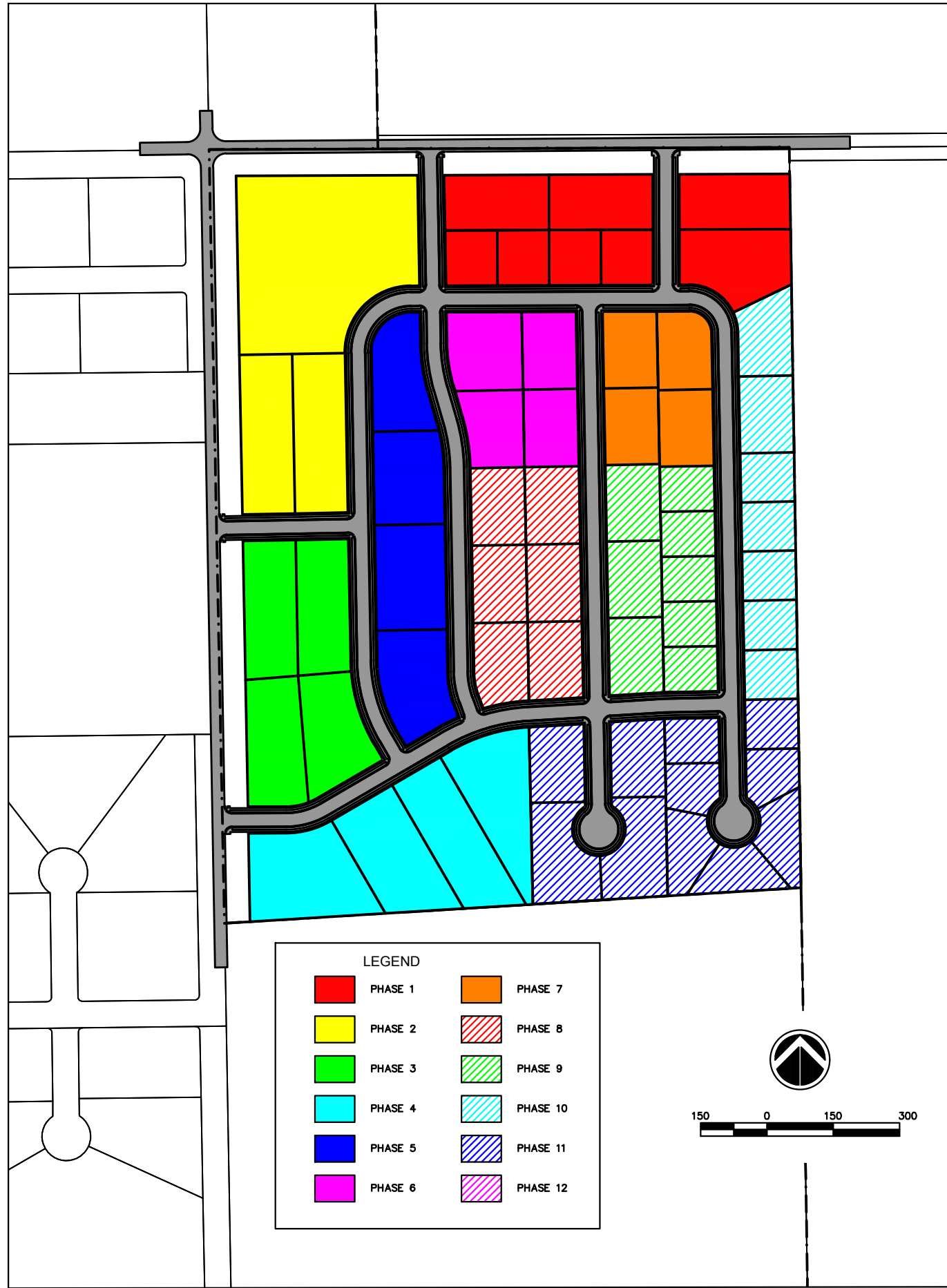
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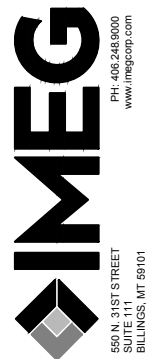


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■	ZONE N1
■	ZONE NX-1



LEGEND			
■	PHASE 1	■	PHASE 7
■	PHASE 2	▨	PHASE 8
■	PHASE 3	▨	PHASE 9
■	PHASE 4	▨	PHASE 10
■	PHASE 5	▨	PHASE 11
■	PHASE 6	▨	PHASE 12

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48TH/HESPER SUBDIVISION
BILLINGS MONTANA
ZONE/PHASE CONCEPT PLAN

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Date: 2/26/2026

City Council Work Session

1. a.

Meeting Date: 03/02/2026

TITLE: Meadowlark Mobile Home Park - Request for Water Service

PRESENTED BY: Mac Fogelsong, City Engineer

Department: Public Works

Presentation: Yes

Legal Review: No

Project Number: N/A

RECOMMENDATION

After a staff presentation, staff recommends the City Council discuss the merits of expanding the water service area to Meadowlark Mobile Home Park to provide the property with City water and provide staff and the applicant direction for subsequent applications that could include annexation.

EXECUTIVE SUMMARY

Meadowlark Mobile Home Park has formally requested connection to the City's water system to address ongoing water quality concerns. The proposed water main extension to Meadowlark Mobile Home Park would be fully funded through the Montana DEQ Emerging Contaminant Grant, including design, construction, staff time, and the City's water system development fee, resulting in no capital cost to the City.

The property is located outside the City's designated annexation areas, and annexation would require preparation of an urban planning study and submission of a petition for Council consideration. If annexed, the property is estimated to generate approximately \$126,000 annually in property tax revenue and \$115,064 in street maintenance district fees, while projected emergency service costs based on 2025 call volume are estimated at approximately \$63,000--\$73,000 per year. Council direction is requested on whether water service should be conditioned upon annexation, provided without annexation, or declined.

If the City desires to provide water service without annexation, the City would require a waiver of right to protest future annexation,

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

The Meadowlark manufactured home court is located on Jellison Road, generally north of the City landfill and west of Blue Creek Road. The court consists of about 220 manufactured homes, currently served by the City sewer system and a privately owned and operated public water supply system utilizing multiple groundwater wells. The City of Billings allowed a sewer connection for the manufactured home court to the City system without annexation in 2016. The Meadowlark water system has challenges with drinking water and has poor aesthetics, including odors and discolored water. Meadowlark water system personnel have been working with the Montana Department of Environmental Quality (DEQ) and the City of Billings to address water quality concerns.

The discoloration and odors in the drinking water indicate high levels of iron and manganese. The Meadowlark Mobile Home Park has a water treatment plant that was placed into service in either 2009 or 2010. The water treatment plant was designed specifically for iron and manganese removal. For several years, the treatment plant reduced the iron and manganese levels in the water system to tolerable and acceptable levels. However, the effectiveness of the plant has diminished. With it, the manganese in the water exceeds EPA's secondary maximum contaminant level (SMCL), and residents' complaints about the water quality have increased. Additionally, manganese is one of the substances on the Environmental Protection Agency's (EPA) list of emerging contaminants.

The owners of the Meadowlark Mobile Home Park have decided that the one long-term solution is to secure funding through the Montana Department of Environmental Quality (MTDEQ) Emerging Contaminant Grant that will fund the construction of a water main down Jellison Road from the Meadowlark Mobile Home Park to Blue Creek Road where it will connect to the City of Billings' water distribution system. From a financial standpoint, funding has been obtained through DEQ in order to construct the water main and pay the City water system development fee. The overall cost of the project is estimated at \$2,364,253.00. The City would act as the grant recipient in order to complete the project, as required by DEQ funding requirements. Through the agreement with DEQ, the City will be reimbursed by the DEQ grant for the cost of the project, including staff time. If constructed, the new water main will have the benefit of providing fire protection at the landfill entrance and, in the future, could be looped through the landfill to provide redundancy to the landfill water system.

Emergency services have indicated there were a high number of calls for service to this area in 2025 (370 calls). The Police Department and Fire Department have concerns with annexation based on call volume and lack of fire

hydrants within the court. Representatives of emergency services will be available to discuss these concerns in detail at the work session.

The property is located outside the zones for annexation identified on the City's Limits of Annexation Map and if annexation is required for service, the applicant would need to prepare an urban planning study and submit an annexation petition.

FISCAL EFFECTS

For the water main extension, the MTDEQ will reimburse the City for the design, construction, and staff time through the MTDEQ Emerging Contaminant Grant, such that there is no cost to the City. In addition, DEQ would pay the City water system development fee. Meadowlark will pay the monthly water fees at the rates established by Council, which include the metered volume charges and the fixed monthly water charges for customers outside the City.

There may be a financial impact to the City to provide water service to Meadowlark Mobile Home Park with water, primarily dependent on the potential cost and demand for emergency service, if annexed. If the property were to be annexed to the City, City staff estimates about \$126,000 will be generated in tax revenue and \$115,064 will be generated in street maintenance district fees annually. Based on known emergency service calls from the manufactured home park in 2025, fire department staff estimates this level of calls would cost approximately \$30,000 - \$40,000 if served by the City. Similarly, police services would cost about \$33,000 annually, assuming each call is one hour in duration.

STAKEHOLDERS

ALTERNATIVES

City Council may:

- Direct staff to move forward with providing water service to Meadowlark Mobile Home Park through annexation; or,
- Direct staff to move forward with providing water service to Meadowlark Mobile Home Park without annexation (waiving annexation requirements); or
- Provide direction not to provide water service to Meadowlark Mobile Home Park. If water is not provided, Meadowlark Mobile Home Park will continue to have water quality problems for its residents.

Attachments

Presentation
Application for Water Service

City Council Work Session

1. b.

Meeting Date: 03/02/2026
TITLE: Blain Property - Request for Sewer Service
PRESENTED BY: Mac Fogelsong, City Engineer
Department: Public Works
Presentation: Yes
Legal Review: No
Project Number: N/A

RECOMMENDATION

After a staff presentation, staff recommends the City Council discuss the merits of expanding the sewer service area to Amended Certificate of Survey 1788, Tract 1-A (Blain Property) to provide the property with City sewer and provide staff and the applicant direction for subsequent applications that could include annexation.

EXECUTIVE SUMMARY

The Blain property, a 2.018-acre site proposed to house the Yellowstone Valley Animal Shelter, has requested connection to the existing 6-inch sanitary sewer force main in Jellison Road through a modification to the sewer service area. The property lies outside the City's designated annexation zones; annexation would require an urban planning study and submission of a petition for Council consideration. If annexed, the annexation agreement would include a waiver of the right to protest future improvements to Jellison Road. If the City desires to provide sewer service without annexation, the City would require a waiver of the right to protest future annexation.

There is no significant fiscal impact to the City, as the property owner will fund design and construction, pay the sewer system development fee, and pay ongoing monthly sewer charges. If annexed, the property is estimated to generate approximately \$9,000 in annual tax revenue and \$2,800 in street maintenance district fees.

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

The Blain property is located on the south side of Jellison Road, approximately halfway between the City landfill and Blue Creek Road. The property is 2.018 acres and consists of one large metal building, approximately 11,400 square feet, and 2 smaller metal buildings. Staff understands the facility will be used to house the Yellowstone Valley Animal Shelter. Emergency services do not anticipate a large volume of calls for service from this property.

There is an existing 6-inch sanitary sewer force main that serves the Meadowlark Mobile Home Park in Jellison Road. The property owner has submitted an Application for Modification to Sanitary Sewer Service Area. This would allow the Blain property to connect to the existing sewer with a grinder pump and low pressure sewer service.

The property is located outside the zones for annexation identified on the City's Limits of Annexation Map and if annexation is required for service, the applicant would need to prepare an urban planning study and submit an annexation petition.

FISCAL EFFECTS

There is no significant financial impact to the City to provide sewer service to the Blain property. The property owner will be required to pay for the design and construction of the sewer service. If the property were to be annexed to the City, City staff estimates about \$9,000 will be generated in tax revenue and \$2,800 will be generated in street maintenance district fees annually.

The property owner will pay the City sewer system development fee and the monthly sewer fees at the rates established by Council, which include the metered volume and the fixed monthly water charges.

STAKEHOLDERS

ALTERNATIVES

City Council may:

- Direct staff to move forward with providing sewer service to the Blain property through annexation; or,
- Direct staff to move forward with providing sewer service to the Blain property without annexation (waiving annexation requirements); or,
- Provide direction not to provide sewer service to the Blain property. If sewer service is not provided, the existing septic system may not have the capacity to support the Yellowstone Valley Animal Shelter sewer needs.

Attachments

Presentation
Application for Sewer Service



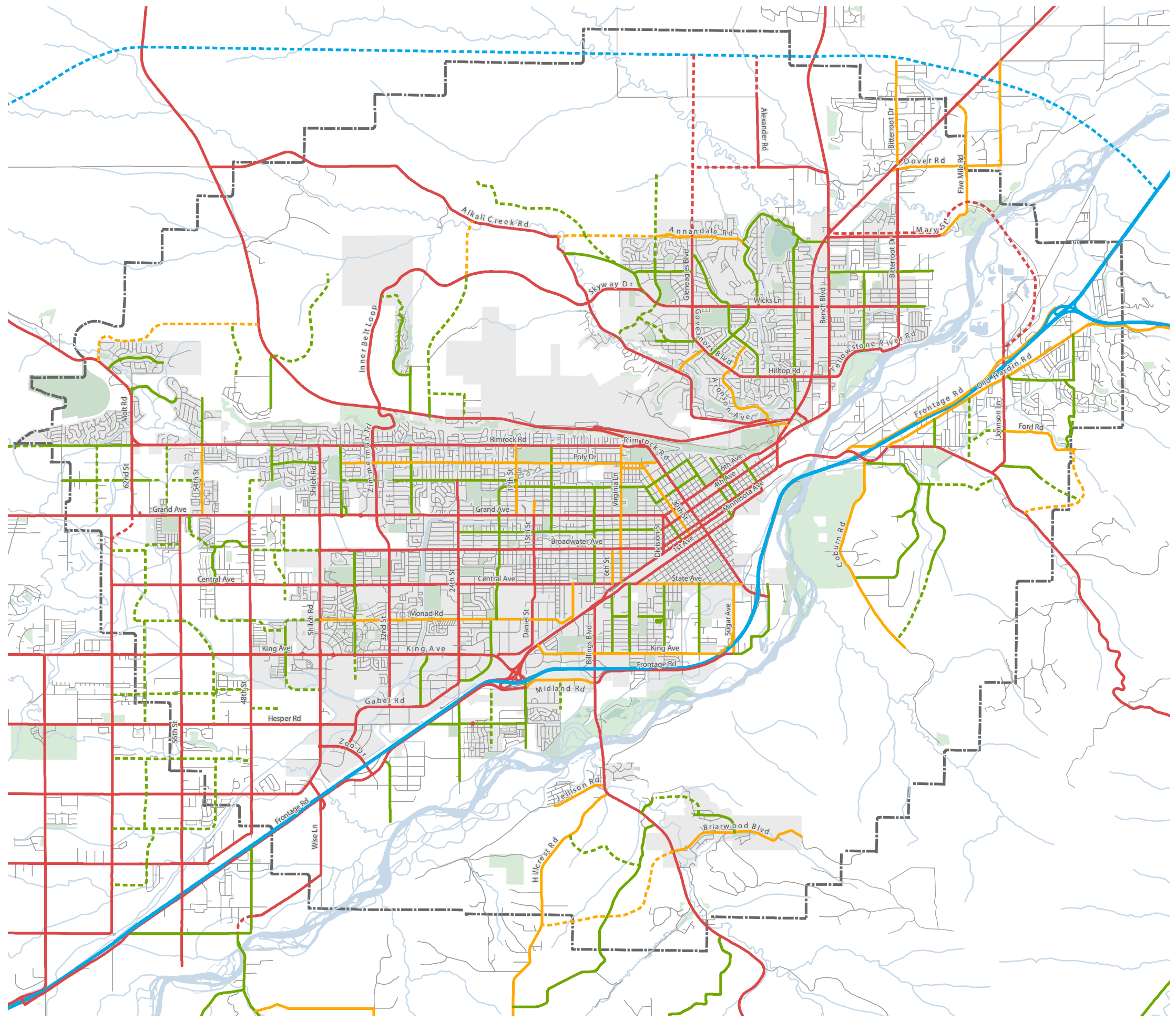
FUNCTIONAL CLASSIFICATION

MPO Planning Boundary

- Proposed Functional Classification**
- Proposed Freeway Controlled Access
 - Proposed Principal Arterial
 - Proposed Minor Arterial
 - Proposed Collector

- Functional Classification**
- Interstate
 - Principal Arterial
 - Minor Arterial
 - Collector
 - Local Streets

Note: This functional classification map does not represent the federally approved system.



City Council Work Session

3.

Meeting Date: 04/06/2026
TITLE: Billings 2045 Community Planning Week Preview
PRESENTED BY: Wyeth Friday
Department: Planning & Community Services
Presentation: Yes
Legal Review: No
Project Number: NA

RECOMMENDATION

Staff recommends the City Council receive this informational update on the implementation of the Montana Land Use Planning Act (MCA Title 76, Chapter 25) through Billings 2045. The Billings2045 consultant team will provide an overview of the Community Planning Week activities from April 6 through April 9. No formal action is requested at this time.

EXECUTIVE SUMMARY

In 2023, the Montana State Legislature passed Senate Bill 382, the Montana Land Use Planning Act (MLUPA), codified in Title 76, Chapter 25 of the Montana Code Annotated. The intent of the Act is to provide a comprehensive land use planning system that promotes the health, safety, and welfare of the people of Montana. The Act outlines that a municipality with a population at or exceeding 5,000 located within a county with a population at or exceeding 70,000 in the most recent decennial census shall comply with the provisions. The Montana Land Use Planning Act mandates that municipalities develop and implement a Land Use Plan and Future Land Use Map (Billings 2045) to guide future development. Billings 2045 will serve as a comprehensive plan that addresses land use, economic development, housing, public services, and natural resources.

At this meeting, the Billings2045 consultant team will provide an overview of the Community Planning Week activities from April 6 through April 9.

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

In 2023, the Montana State Legislature passed Senate Bill 382, the Montana Land Use Planning Act (MLUPA), codified in Title 76, Chapter 25 of the Montana Code Annotated. The intent of the Act is to provide a comprehensive land use planning system that promotes the health, safety, and welfare of the people of Montana. The Act outlines that a municipality with a population at or exceeding 5,000 located within a county with a population at or exceeding 70,000 in the most recent decennial census shall comply with the provisions. The Montana Land Use Planning Act mandates that municipalities develop and implement a Land Use Plan and Future Land Use Map (Billings 2045) to guide future development. Billings 2045 will serve as a comprehensive plan that addresses land use, economic development, housing, public services, and natural resources.

At this meeting, the Billings2045 consultant team will provide an overview of the Community Planning Week activities from April 6 through April 9. Activities include:

- Monday April 6th - City Council Meeting at 5:30 at City Hall in the Council Chambers on the 5th floor (316 N 26th St)
- Tuesday April 7th -
 - Oasis in the Heights from 12 PM to 1:30 PM (543 Aronson Ave)
 - MSUB City College from 5:30 PM to 7 PM (3803 Central Ave, Health Sciences Building)
- Wednesday April 8th -
 - City Council Chambers from 12 PM to 1:30 PM at City Hall on the 5th floor (316 N 26th St)â€¢
 - Newman Elementary School from 5:30 PM to 7 PM (605 S Billings Blvd)
- Thursday, April 9, Open House regarding the Heights Neighborhood Plan - Oasis in the Heights from 5pm -7pm. This meeting will be specific to the Heights Neighborhood Plan.

FISCAL EFFECTS

There are no fiscal impacts associated with this item at this time. This special session is informational only and does not involve budgetary commitments.

STAKEHOLDERS

ALTERNATIVES

No formal alternatives are presented, as no action is being requested of City Council. This item is intended to provide an update as implementation of the Montana Land Use Planning Act and Billings 2045 continues.

City Council Work Session

Meeting Date: 04/06/2026
TITLE: Cybersecurity Awareness
PRESENTED BY: Jeff Sprock, IT Director
Department: Information Technology
Presentation: Yes
Legal Review: No
Project Number: N/A

RECOMMENDATION

No formal action is requested. This item is for informational purposes only.

EXECUTIVE SUMMARY

City Council members are increasingly targeted by cybercriminals due to their public visibility, decision-making authority, and access to City systems and communications. Cyber incidents in municipal government are most often initiated through phishing, credential compromise, or social engineering rather than technical system failures.

This item provides a concise overview of the threat environment in which the Council operates, including how attacks occur, why elected officials are specifically targeted, and what simple actions can reduce risk.

The session will also introduce the City's cybersecurity awareness program, including what Council can expect from training and simulated phishing exercises through KnowBe4. The intent is to improve awareness and reinforce safe practices in a way that is practical and respectful of the Council's role.

This approach aligns with guidance from the City's cybersecurity insurance provider and recommendations from the City's recent cybersecurity assessment, both of which emphasize the importance of user awareness across all individuals with access to organizational systems.

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

Cyber threats against local governments continue to increase, with municipalities among the most frequently targeted organizations in the public sector. The most common attack methods include phishing emails, credential theft, and social engineering tactics that rely on trust and urgency rather than technical exploitation.

Elected officials are specifically targeted because:

- Their names, roles, and email addresses are publicly available.
- Their communications carry authority and are more likely to be trusted by staff.
- Their usage patterns often involve mobile and remote access, including personal devices.

If an elected official's account is compromised, it can be used to send legitimate-looking requests to staff, potentially resulting in financial loss, data exposure, or unauthorized access to City systems.

The City has implemented cybersecurity awareness practices for staff and is expanding those efforts to include elected officials. This work session is intended as an initial step to provide context, increase awareness, and introduce what ongoing training will look like. No policy changes are being proposed at this time.

FISCAL EFFECTS

There is no significant fiscal impact associated with this work session item.

The City has already procured a cybersecurity awareness training platform for staff.

STAKEHOLDERS**ALTERNATIVES**

N/A
