

INTERNAL MEMORANDUM

Date: April 27, 2023
To: SBURA Board
From: Jim Tevlin
Subject: Consultant's Report

The following is a brief update on noteworthy activities in the South Billings Boulevard Urban Renewal District ("the District") as of May 2, 2023 (the reader is urged to view prior reports posted on the website www.southbillings.org for context):

Unimproved Streets

Per Tyler Westrope, Public Works:

Phase II of the SBURA Street Improvement Project will improve portions of Morgan Avenue, Ryan Avenue and Stephens Lane. The project is scheduled to be bid on in May, with the City Council bid award occurring in July. Construction is planned to begin in the months following the bid award. Construction of Phase II improvements is currently estimated at \$3.1 million.

Morgan and Ryan Avenues will be improved from Hallowell Lane to Jackson Street starting in the Fall of 2023 with improvements being completed in the Spring of 2024. Improvements consist of construction of standard City residential streets with boulevard sidewalks. Water main and storm drainage improvements will also be completed on these streets.

Stephens Lane will be extended from Ryan Avenue to Mitchell Avenue starting in the Fall of 2023 with improvements being completed in the Spring of 2024. This project will also construct angled parking along the street corridor that serves the west side of Optimist Park.

Hallowell Lane is scheduled to be chip sealed from King Avenue East to State Avenue in the Summer of 2024. The chip seal project was bid earlier this year; however, submitted bids were significantly higher than the budget and past averages for comparable work. The Hallowell chip seal will be included in next year's City chip seal project, which will be significantly larger, so better bid prices are anticipated. The 2024 chip seal estimate is currently \$100,000.

South Billings Recreation Center

On April 14, 2023, SBURA hosted a meeting at the Billings Hotel & Convention Center with various parties to discuss the City Council's preliminary decision to defer a public vote for recreation center bonding until 2024. Present at the meeting were:

City of Billings:	Chris Kukulski, Tom Rupsis, Mike Pigg, Cory Thomson
SBURA:	Dick Zier, Jeff Muri, Jim Tevlin
Chamber of Commerce	John Brewer, Jack Jennaway,
Billings TBID	Alex Tyson, George Maragos

At the meeting, John Brewer stated that the survey was meant to provide some insight as to the voter's preferences with respect to the project proposed and the amount of tax impact the voters would consider. He related how the survey was meant to help guide their efforts and not necessarily be a definitive source on how to prioritize a bonding effort. Councilmember Rupsis recapped how the City's working group came to their conclusion regarding the timing of a bonding vote. He also indicated that private sector support for the recreation center was necessary prior to a public funding vote. At the meeting, I related to the group that the Montana Legislature was considering legislation that would effectively eliminate tax increment bonding as a potential source of funds. Chris Kukulski suggested the formation of a small group of individuals that would meet on a regular basis to discuss and hopefully resolve issues (e.g., amount of bonding, construction phasing, private sector support etc.) related to the recreation center. The consensus of the participants at the meeting was to meet again after the conclusion of the 2023 Montana Legislative session.

2023 Montana Legislative Session

Montana House and Senate legislators introduced bills that would have significantly diminished the use of tax increment financing to reduce blight and/or promote economic development.

Sen. Greg Hertz of Polson sponsored Senate Bill 523 that contained a host of revisions to the current Montana code that would have severely cut our annual increment. This bill cleared its Senate committee, but the House Taxation Committee tabled the bill by a vote of 58 No's and 39 Yes's. An attempt to "blast" the bill out of the Committee to a full House vote also failed.

Rep. Larry Brewster of Billings sponsored House Bill 925 that would have required tax increment districts to remit back to the various taxing authorities (i.e., city, schools, county, University etc.) the annual increment over and above that needed to meet TIF's bonding debt service, administration expense and bond reserves. This bill cleared its House committee, but the Senate defeated the bill by a vote of 31 No's and 19 Yes's.

On The Horizon

1. City Council approval – SBURA FY24 budget
2. FY25-29 Capital Improvement Plan

Unimproved Roads (request issued to Public Works for next steps)
Neighborhood lighting as recommended by Public Works & Police Dept
Possible conversion of alleys to pathways

3. Torgerson application
4. Billings Homefront application
5. Farm Equipment Inc application
6. Amend Park fencing and lighting.
7. Possible state legislator engagement
8. Possible TIF expansion eastward on South Frontage Rd.