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**SOUTH BILLINGS BOULEVARD TAX INCREMENT FINANCING ASSISTANCE
APPLICATION**

Project Name: Taco John's Date Submitted: _____

APPLICANT INFORMATION

1. Name: Ole Rentals, LLC / Brett Therman CEO
2. Address: PO Box 2003 Falgo MD 58107
3. Telephone Number: 701-235-2014 ext. 201

PROJECT INFORMATION

1. Building Address: _____
2. Legal Description: Miller Crossing Sub 2nd FL (09), S1/4, T1S, R20E
Block 1, Lot 1
3. Ownership: Ole Rentals, LLC
4. Address: PO Box 2003 Falgo MD 58107
5. If property is not owned by the Applicant, list leasehold interests (Attach evidentiary materials.)

Lessor's Name: _____

Lessor's Address: _____

6. Existing/Proposed Businesses: Taco John's
7. Business Description: Quick Serve Restaurant
8. Employment: Existing FTE jobs _____
9. New Permanent FTE jobs created by project _____ Construction FTE jobs _____
10. Architectural Firm: KOMA

Address: 2051 Killebrew Dr. Suite 1050 Bloomington MN
55425

Representative: Kevin Dummer

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8. Description of Project: (Attach narrative explanation.)
9. Rehabilitation/construction plans: (Attach schematics, site and landscaping plans.)
10. Project Schedule: (Attach time line or schedule through completion.)

CRITERIA FOR REVIEW

Materials contained in TIF Assistance applications are used to assess the merits of projects in relation to the goals and objectives of the South Billings Urban Renewal Master Plan and in relation to other District development and urban renewal projects. Projects will be evaluated based on the following criteria.

1. **Relevance to the South Billings Urban Renewal Master Plan** – This document is available on SBURA's website (www.southbillings.org).
2. **Economic Stimulus** – The amount of economic activity to be generated by the project.
3. **Tax Generation** – The increase in taxable value due to new construction/rehabilitation as estimated by the County Assessor's office.
4. **Employment Generation** – Total employment generated by the project assessed in terms of new permanent and part-time jobs, and construction jobs.
5. **Elimination of Blight** – The project's direct and indirect impact on the physical and fiscal condition within the District.
6. **Special or Unique Opportunities** – The extent to which the project represents a unique opportunity, meets a special need, or addresses community goals. The provision of public space or workforce housing are examples of special and unique opportunities.
7. **Impact Assessment** – The extent of both positive and negative environmental impacts, appropriateness of the project design, and impact on existing businesses or residents.
8. **Financial Assistance** – Other forms of financing available to the Applicant i.e. lender participation and state and federal grant monies,
9. **Project Feasibility** – Demonstration of market demand for the project
10. **Developer's Ability to Perform** – Applicant's capability to undertake the relative complexities of the project based on past performance on similar or comparable projects.

11. **Timely Completion** – The feasibility of completing the project according to the Applicant’s project schedule.

PROJECT COSTS

Land and Site Improvements (Itemized)

1. Equity in Land and Buildings	\$ <u>610,000</u>
2.	\$ _____
3.	\$ _____
4.	\$ _____
Subtotal	\$ _____

Construction/Rehabilitation Costs (or attach separate statement)

1.	\$ _____
2.	\$ _____
3.	\$ _____
4.	\$ _____
5.	\$ _____
6.	\$ _____
7.	\$ _____
8.	\$ _____
Subtotal	\$ <u>1,340,000</u>

Please see attached General Contractor Bids Document.

Fees

1. Architectural design/Supervision	\$ <u>19,000</u>
2. Permits _____	\$ _____

3. Other fees CIVIL FEES \$ 34,100
 Subtotal \$ _____
 Total Project Development Costs \$ 2,003,100

PROJECT FINANCING

Please complete Sources of Funds detail and summarize below.

Developer Equity

Cash Invested \$ 20,000
 Land & Buildings \$ _____
 Other (Specify) _____ \$ _____
 _____ \$ _____
 Subtotal \$ 20,000

Lender Commitments (Attach evidence i.e. Letters of Credit or other documentation.)

Lender Payment/Period	Loan Amount *	Interest	Term	
<u>Monthly</u>	\$ <u>1,400,000</u>	<u>3.5%</u>	<u>10</u> yrs	\$ <u>13,877</u> /Month
<u>Monthly</u>	\$ <u>590,110</u>	<u>3.5%</u>	<u>10</u> yrs	\$ <u>5,849</u> /Month
Total Loan Amount	\$ <u>1,990,110</u>			\$ <u>19,726</u>

DEVELOPER STATEMENT OF QUALIFICATIONS AND FINANCIAL RESPONSIBILITY

Applicant

1. Name: ~~Brett Herman~~ Ole Rentals, LLC

Address: PO BOX 2003 Fargo ND 58107

2. If the applicant is not an individual doing business under his/her own name, the applicant has the status indicated below and is organized or operating under the laws of South Dakota.

- 3. The applicant is:
 - A corporation.
 - A nonprofit or charitable institution or corporation
 - A partnership known as LLC
 - Other (explain): _____

Date of organization: _____

4. Names, address, title of position (if any), and nature and extent of the interest of the officers and principal members, principal shareholders, investors, or partners of the applicant.

<u>Name and Address</u>	<u>Nature and Extent of Interest</u>
<u>Brett Itterman</u> → <u>210 Broadway N. Ste 200</u> <u>Fargo, ND 58102</u>	<u>Chief Executive Officer</u>
<u>Damien Varda</u> → <u>210 Broadway N. Ste 200</u> <u>Fargo, ND 58102</u>	<u>Chief Financial Officer</u>

Financial Condition

1. Provide a current financial statement for each private entity involved in the project. Documentation of financial capacity may include net worth statements, balance sheets, or profit and loss statements.

2. Has the applicant or any individual or entity affiliated with the development of this project been adjudged bankrupt, either voluntary or involuntary, within the past ten years?
No Yes _____ If yes, give date, place, and under what name:

3. Has the applicant or any individual or entity affiliated with the development of this project been indicted for or convicted of any felony within the past ten years?
No Yes _____ If yes, give date, charge, place, court and action taken for each case.

CONSTRUCTION CONTRACTOR

1. Identify the construction contractor or builder who will undertake this project.

Name: HAEDY CONSTRUCTION Co.

Address: P.O. Box 1203 BILLINGS, MT 59103

2. Has such contractor or builder ever failed to qualify as a responsible bidder, refused to enter into a contract after an award has been made, or failed to complete a construction or development contract within the last ten years?

No Yes _____ If yes, explain.

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CERTIFICATION

I (we), 1 AMIEN VARELA (please print),
certify that the statements and estimates within this Application as well as any and all
documentation submitted as attachments to this Application or under separate cover are true
and correct to the best of my (our) knowledge and belief.

Signature [Handwritten Signature]

Signature _____

Title CHIEF FINANCIAL OFFICER

Title _____

Address 210 BROADWAY N. STE 200

Address _____

FARGO, ND 58102

Date 7/12/2021

Date _____

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Pentex Restaurant Group, Inc.
Pentex Management : Pentex Restaurant Group : Ole Rentals, LLC
Pentex Comparative Income Statement
From Jan 2020 to Dec 2020

	Ole Rentals Jan 2020 - Dec 2020	% of Income
Total - Income	629,219.04	100.00%
Gross Profit	629,219.04	100.00%
Total Non-Manageable Expenses	5,926.35	0.94%
Net Ordinary Income	623,292.69	99.06%
Other Income and Expenses	0.00	0.00%
EBITDA	623,292.69	99.06%
Depreciation	153,781.69	24.44%
Amortization	477.27	0.08%
Interest Expense	93,557.45	14.87%
Income Tax & Other Non-Deductible	210.00	0.03%
Net Income	375,266.28	59.64%

Pentex Restaurant Group
GC Bid Form
Project: Taco John's - Billings, MT (King Ave.)

SITE IMPROVEMENTS	Hardy Construction
Landscaping	\$76,610.00
Concrete Curbs	W/in Building/Footing Excavating
Concrete Drive-Thru Pads	W/in Building/Footing Excavating
Concrete Walks & Approach	W/in Building/Footing Excavating
Fences & Gates	\$4,000.00
Asphalt Stone Sub Base	W/in Building/Footing Excavating
Site Demolition	W/in Building/Footing Excavating
Asphalt Paving & Markings	W/in Building/Footing Excavating
Bollards & Covers	W/in Building/Footing Excavating
Site Lighting, Survey & Materials	W/in Electrician's Number
Benches & Bike Rack	\$1,449.00
TOTAL - SITE IMPROVEMENTS	\$82,059.00
BUILDING	Original Bid
Performance Bond Expense	\$9,701.00
Job Site Administration	\$37,051.00
Testing - Soils and Concrete	Excluded
Field Office & Sheds	\$4,200.00
Temp Utilities	W/in Electrical
Winterization	Excluded
Misc. Labor & Clean-up	\$13,776.00
Rentals	\$23,150.00
Install owner supplied Kitchen Equipment	\$5,950.00
Surveying	\$3,500.00
Building Permit	
General Liability Insurance	
Builders Risk Insurance	\$4,725.00
Final Cleaning	
TOTAL - GENERAL REQUIREMENTS	\$102,053.00
SITE WORK	Original Bid
Building Footing Excavating	\$270,760.00
Termite	Excluded
Hazardous Material Abatement	Excluded
Furnish and Place Topsoil	w/landscaping
Soil Erosion Control	
Storm Drainage Systems & Fees	By Owner
Sanitary Sewer System & Fees	By Owner
Water & Fire Line and Fees	No Fire Line Per Plan
Structural Earth Work & Fill	
TOTAL - SITE WORK	\$270,760.00
CONCRETE	Original Bid
Concrete - Footings	\$36,458.00
Concrete - Foundation Walls	w/above
Concrete - Slab on Grade	w/above
Concrete - Special Finish	w/above
Concrete - Other Hold Downs	w/above
TOTAL - CONCRETE	\$36,458.00
MASONRY	Original Bid
Concrete Unit Masonry	N/A
Exterior Face Brick	N/A
Interior Face Brick	N/A
Masonry	N/A
Simulated Stone	N/A
TOTAL - MASONRY	\$0.00
METALS	Original Bid
Structural Steel	\$18,157.00
Metal Fabrications - Roof Ladder	w/above
TOTAL - METALS	\$18,157.00
WOOD & PLASTIC	Original Bid
Rough Carpentry Materials	\$91,798.00
Finish Carpentry & Misc Materials	\$7,912.00

✓ Allowable TIF expenditure

Rough Carpentry Labor	\$47,234.00
Finish Carpentry Labor / Install FCC Supplied Items	\$11,950.00
Wood Trusses	\$18,300.00
Nichiha Material / James Hardie Material	\$15,000.00
Nichiha Labor	\$21,000.00
TOTAL - WOOD & PLASTICS	\$213,194.00
THERMAL & MOISTURE PROTECTION	Original Bid
EFIS-ST O/Dryvit System	N/A
Shingle Roofing	N/A
Single Ply-Roof	\$40,000.00
Flashing & Sheet Metal	\$70,175.00
Building Insulation	\$3,971.00
Exterior Insulation	\$15,931.00
Access Panel	\$1,191.00
Flashing	w/siding
TOTAL-THERMAL & MOISTURE PROTECTION	\$131,268.00
DOORS & WINDOWS	Original Bid
Metal Doors & Frames	\$8,901.00
Wood Doors	w/above
Wood Windows	N/A
Finish Hardware	w/above
Glass & Glazing	\$29,700.00
TOTAL - DOORS & WINDOWS	\$38,601.00
FINISHES	Original Bid
Drywall & Metal Studs	\$9,614.00
Resin Flooring	\$16,240.00
Quarry Tile	\$47,025.00
Acoustical Ceilings	\$11,750.00
Interior Painting	\$9,665.00
Exterior Painting	W/in interior painting
Stainless	\$4,890.00
Wallcovering	Excluded
FRP Wall Panel	\$5,439.00
Gypsum Wallboard	W/in drywall and studs
Acoustical Treatment	Excluded
TOTAL - FINISHES	\$104,623.00
SPECIALTIES	Original Bid
Toilet Partitions	Excluded
Toilet Accessories	\$11,174.00
Fire Extinguishers	
TOTAL - SPECIALITIES	\$11,174.00
SPECIAL CONSTRUCTION	Original Bid
Knox Box	\$999.00
TOTAL - SPECIAL CONSTRUCTION	\$999.00
MECHANICAL	Original Bid
Plumbing	\$67,910.00
Water Softener	None Shown
Water Heater	W/in plumbing
Refrigeration	W/in plumbing
Ansul/ Hood Fire Suppression System	W/in HVAC Equipment
HVAC Equipment	\$129,889.00
HVAC Labor	W/in HVAC Equipment
HVAC Controls & Wiring	W/in HVAC Equipment
HVAC Test & Balance	W/in HVAC Equipment
TOTAL- MECHANICAL	\$197,799.00
ELECTRICAL	Original Bid
Electrical	\$73,200.00
Electrical Service & Distribution	w/above
Dimmer Control	w/above
TOTAL - ELECTRICAL	\$73,200.00
SUB-TOTAL SITE WORK	\$352,819.00
Site Overhead & Profit	\$16,390.00
TOTAL SITE WORK	\$369,209.00

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SUB-TOTAL BUILDING	\$927,526.00
Building Overhead & Profit	\$43,265.00
TOTAL BUILDING	\$970,791.00
JOB COST SUMMARY	
TOTAL BUILDING	\$970,791.00
TOTAL SITE WORK	\$369,209.00
TOTAL COST	\$1,340,000.00

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King Building

Compounding Period: Exact Days

Nominal Annual Rate: 3.500%

Cash Flow Data - Loans and Payments

Event	Date	Amount	Number	Period	End Date
1 Loan	08/03/2021	1,400,000.00	1		
2 Payment	09/03/2021	13,877.48	120	Monthly	08/03/2031

TValue Amortization Schedule - Normal, 30E3/360

	Date	Payment	Interest	Principal	Balance
Loan	08/03/2021				1,400,000.00
1	09/03/2021	13,877.48	4,219.44	9,658.04	1,390,341.96
2	10/03/2021	13,877.48	4,055.16	9,822.32	1,380,519.64
3	11/03/2021	13,877.48	4,160.73	9,716.75	1,370,802.89
4	12/03/2021	13,877.48	3,998.18	9,879.30	1,360,923.59
2021 Totals		55,509.92	16,433.51	39,076.41	
5	01/03/2022	13,877.48	4,101.67	9,775.81	1,351,147.78
6	02/03/2022	13,877.48	4,072.21	9,805.27	1,341,342.51
7	03/03/2022	13,877.48	3,651.43	10,226.05	1,331,116.46
8	04/03/2022	13,877.48	4,011.84	9,865.64	1,321,250.82
9	05/03/2022	13,877.48	3,853.65	10,023.83	1,311,226.99
10	06/03/2022	13,877.48	3,951.89	9,925.59	1,301,301.40
11	07/03/2022	13,877.48	3,795.46	10,082.02	1,291,219.38
12	08/03/2022	13,877.48	3,891.59	9,985.89	1,281,233.49
13	09/03/2022	13,877.48	3,861.50	10,015.98	1,271,217.51
14	10/03/2022	13,877.48	3,707.72	10,169.76	1,261,047.75
15	11/03/2022	13,877.48	3,800.66	10,076.82	1,250,970.93
16	12/03/2022	13,877.48	3,648.67	10,228.81	1,240,742.12
2022 Totals		166,529.76	46,348.29	120,181.47	
17	01/03/2023	13,877.48	3,739.46	10,138.02	1,230,604.10
18	02/03/2023	13,877.48	3,708.90	10,168.58	1,220,435.52
19	03/03/2023	13,877.48	3,322.30	10,555.18	1,209,880.34
20	04/03/2023	13,877.48	3,646.44	10,231.04	1,199,649.30
21	05/03/2023	13,877.48	3,498.98	10,378.50	1,189,270.80
22	06/03/2023	13,877.48	3,584.33	10,293.15	1,178,977.65
23	07/03/2023	13,877.48	3,438.68	10,438.80	1,168,538.85
24	08/03/2023	13,877.48	3,521.85	10,355.63	1,158,183.22

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King Land

Compounding Period: Exact Days

Nominal Annual Rate: 3.500%

Cash Flow Data - Loans and Payments

Event	Date	Amount	Number	Period	End Date
1 Loan	08/03/2021	590,109.62	1		
2 Payment	09/03/2021	5,849.45	120	Monthly	08/03/2031

TValue Amortization Schedule - Normal, 30E3/360

	Date	Payment	Interest	Principal	Balance
Loan	08/03/2021				590,109.62
1	09/03/2021	5,849.45	1,778.52	4,070.93	586,038.69
2	10/03/2021	5,849.45	1,709.28	4,140.17	581,898.52
3	11/03/2021	5,849.45	1,753.78	4,095.67	577,802.85
4	12/03/2021	5,849.45	1,685.26	4,164.19	573,638.66
2021 Totals		23,397.80	6,926.84	16,470.96	
5	01/03/2022	5,849.45	1,728.88	4,120.57	569,518.09
6	02/03/2022	5,849.45	1,716.46	4,132.99	565,385.10
7	03/03/2022	5,849.45	1,539.10	4,310.35	561,074.75
8	04/03/2022	5,849.45	1,691.02	4,158.43	556,916.32
9	05/03/2022	5,849.45	1,624.34	4,225.11	552,691.21
10	06/03/2022	5,849.45	1,665.75	4,183.70	548,507.51
11	07/03/2022	5,849.45	1,599.81	4,249.64	544,257.87
12	08/03/2022	5,849.45	1,640.33	4,209.12	540,048.75
13	09/03/2022	5,849.45	1,627.65	4,221.80	535,826.95
14	10/03/2022	5,849.45	1,562.83	4,286.62	531,540.33
15	11/03/2022	5,849.45	1,602.00	4,247.45	527,292.88
16	12/03/2022	5,849.45	1,537.94	4,311.51	522,981.37
2022 Totals		70,193.40	19,536.11	50,657.29	
17	01/03/2023	5,849.45	1,576.21	4,273.24	518,708.13
18	02/03/2023	5,849.45	1,563.33	4,286.12	514,422.01
19	03/03/2023	5,849.45	1,400.37	4,449.08	509,972.93
20	04/03/2023	5,849.45	1,537.00	4,312.45	505,660.48
21	05/03/2023	5,849.45	1,474.84	4,374.61	501,285.87
22	06/03/2023	5,849.45	1,510.82	4,338.63	496,947.24
23	07/03/2023	5,849.45	1,449.43	4,400.02	492,547.22
24	08/03/2023	5,849.45	1,484.48	4,364.97	488,182.25

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Permit Statement

Permit BP-21-01885:COM NEW RESTAURANT/CASINO/BAR MLC2-001-001 4720 KING AVE E Taco Johns	Statement Printed Date: 08/02/2021
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Description	Item Amount	Total Due on Statement
BUILDING PERMIT FEE-COM	\$3,700.25	\$0.00
BUILDING PERMIT FEE-COM Payment	- \$3,700.25	\$0.00
ENG - 8 STORM DRAIN CONNECTION	\$140.00	\$0.00
ENG - 8 STORM DRAIN CONNECTION Payment	- \$140.00	\$0.00
ENG - PLAN REVIEW FEE - COMM/MULTI (>= 1 ACRE)	\$1,000.00	\$0.00
ENG - PLAN REVIEW FEE - COMM/MULTI (>= 1 ACRE) Payment	- \$1,000.00	\$0.00
ENG - TRAFFIC MITIGATION FEE	\$135.00	\$0.00
ENG - TRAFFIC MITIGATION FEE Payment	- \$135.00	\$0.00
PLAN CHECK-COM	\$2,496.16	\$0.00
PLAN CHECK-COM Payment	- \$2,405.16	\$0.00
PLAN CHECK-COM Payment	- \$91.00	\$0.00
PLN-ZONING COMPLIANCE FEE COM	\$115.00	\$0.00
PLN-ZONING COMPLIANCE FEE COM Payment	- \$115.00	\$0.00
Sub Total		\$0.00
SEWER SYSTEM DEVELOP FEE	\$21,852.15	\$0.00
SEWER SYSTEM DEVELOP FEE Payment	\$21,852.15	\$0.00
Water System Dev Fee-Domestic	\$28,945.00	\$0.00
Water System Dev Fee-Domestic Payment	\$28,945.00	\$0.00
		\$0.00

Owner: Pentex Restaurants Group

Address: ,

✓ Allowable TIF expenditure

I believe that you are correct in that the entire landscaping scope of work can be considered a public benefit.

For the curb, gutter and sidewalk, our site contractor has given us the following breakout:

Curb and gutter:	\$24,638.00	✓
Concrete sidewalks:	\$22,650	✓

Hopefully this gets you what you need. Let me know if you have any further questions or concerns.

Thanks!

Josh Adamson Project Manager

Hardy Construction Co.

PO Box 1203 | Billings, MT 59103

Phone: (406) 252-0510

Cell: (406) 861-1012

Fax: (406) 252-3590

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✓ Allowable TIF expenditure

Ole Rentals LLC (dba Taco John's)					
Tax Increment Application Analysis					
		Allowability		Total	Application Page
		MT Code 7-15-4233	MT Code 7-15-4288		
Allowable TIF Expenditures					
Site Improvements					
Landscaping	76,610.00		76,610.00	76,610.00	9
Building					
Engineering plan review	1,000.00	1,000.00		1,000.00	14
Traffic mitigation fee	135.00	135.00		135.00	14
Plan check	2,496.16	2,405.16		2,405.16	14
Zoning compliance fee	115.00	115.00		115.00	14
Building permit	3,700.00	3,700.25		3,700.25	14
Site Work					
Curb & gutter	24,638.00		24,638.00	24,638.00	15
Concrete sidewalks	22,650.00		22,650.00	22,650.00	15
Storm drainage systems & fees	140.00	140.00		140.00	14
Sanitary sewer system & fees	21,852.15	21,852.15		21,852.15	14
Water system development fees	28,945.00	28,945.00		28,945.00	14
	\$ 182,281.31	\$ 58,292.56	\$ 123,898.00	\$ 182,190.56	
Total Project Cost	\$ 1,988,383.31				
Maximum TIF Assistance (16.67% of Total Project Cost)	\$ 331,463.50				
Requested TIF Assistance	\$ 182,190.56				
Payback Period:					
Expected Increase in Taxable Value (80% of Project Cost)	\$ 1,516,383.00				
Commercial Tax Rate (1.89%)	\$ 28,660.00				
Annual Tax Increment (69 mills)	\$ 19,775.40				
Payback Period (years)	9.21				

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Oie Rentals LLC				
Tax Increment Application Analysis-Summary				
		Allowability		
		MT Code	MT Code	
		7-15-4233	7-15-4288	Total
Site Improvements	\$ 82,059.00	-	76,610.00	76,610.00
Building	109,499.16	7,446.16	-	7,446.16
Site Work	321,697.15	50,937.15	47,288.00	98,225.15
Concrete	36,458.00	-	-	-
Metals	18,157.00	-	-	-
Wood & Plastic	213,194.00	-	-	-
Thermal & Moisture Protection	131,268.00	-	-	-
Doors & Windows	38,601.00	-	-	-
Finishes	104,623.00	-	-	-
Specialties	11,174.00	-	-	-
Special Construction	999.00	-	-	-
Mechanical	197,799.00	-	-	-
Electrical	73,200.00	-	-	-
Site Overhead	16,390.00	-	-	-
Land	590,000.00	-	-	-
Building Overhead	43,265.00	-	-	-
Total Project Cost	\$ 1,988,383.31	\$ 58,383.31	\$ 123,898.00	\$ 182,281.31
Total Project Cost	\$ 1,988,383.31			
Maximum TIF Assistance (16.67% of Total Project Cost)	\$ 331,463.50			
Requested TIF Assistance	\$ 182,281.31			
Payback Period:				
Expected Increase in Taxable Value (80% of Project Cost)	\$ 1,516,383.00			
Commercial Tax Rate (1.89%)	\$ 28,660.00			
Annual Tax Increment (69 mills)	\$ 19,775.40			
Payback Period (years)	9.22			