



City of Billings South Billings Boulevard
Urban Renewal District

**Tax Increment Finance Assistance
Application**
For Public/Private Development Projects

Information & Application

Please return to:
South Billings Urban Renewal Association
PO Box 21271
Billings, MT 59104

Tax Increment Finance (TIF) assistance application process for public infrastructure assistance

IMPORTANT: The material below outlines the Tax Increment Finance Assistance application process and the responsibilities of the Applicant and the South Billings Urban Renewal Association, Inc. (SBURA). Please review this information carefully before submitting the application or finalizing your development plans.

Failure to receive approval of a completed application **BEFORE** construction begins may affect the Applicant's eligibility for Public Infrastructure Tax Increment Financing assistance from the City of Billings.

INTRODUCTION

In May 2019, City of Billings and the SBURA executed a Memorandum of Understanding pertaining to SBURA's management of the South Billings Boulevard District ("the District"), pursuant to Montana Urban Renewal Law Title 7 Chapter 15 Part 42 Montana Code Annotated, (MCA) "Urban Renewal.". This Memorandum of Understanding is incorporated by reference to this application. Tax Increment Financing (TIF) is an important element in facilitating public urban renewal activities that assist and enhance private development opportunities within the District. A TIF program operates by first establishing a base year taxable value for all properties within the urban renewal district. Property taxes continue to be paid to all taxing jurisdictions based on the base year valuation. All increases in property taxes above this base valuation due to new development or reappraisals are assigned to the TIF District. These funds are then used for district revitalization activities.

The SBURA offers tax increment financing assistance for public infrastructure components of projects developed within the boundaries of the South Billings Boulevard TIFD.

TAX INCREMENT FINANCING ASSISTANCE PARAMETERS

Each project is unique. TIF assistance shall be based upon criteria outlined in the Criteria for Review section. TIF assistance may be awarded for eligible costs as defined in 2019 Montana Code Annotated Title 7, Chapter 15, Part 42. Generally, awards are limited to 20% of eligible costs (see Memorandum of Understanding) which reflects a 5 to 1 private-to-public dollar matching ratio.

ELIGIBLE ACTIVITIES

As specified by 2019 Montana Code Annotated Title 7, Chapter 15, Part 42, TIF funds may be used to complete certain urban renewal activities. The SBURA will place special emphasis on those projects that implement the South Billings Boulevard Urban Renewal Plan, particularly mixed-use developments.

APPLICATION PROCESS AND TIMELINE

Anyone seeking TIF assistance from the SBURA must submit a written application for each TIF-assisted project. The following procedure has been developed to expedite the review of TIF funding requests.

1. Initial Contact. Contact the SBURA Representative, Jim Tevlin at 406-670-5883 or via email at jtev1960@gmail.com, to discuss the project and determine preliminary eligibility for TIF assistance.
2. Prepare a Written Application. The Applicant must prepare a written application for each project assistance request. For all TIF requests, the Applicant must complete a “Developer’s Statement of Qualification and Financial Responsibility” which includes submittal of personal financial statements.
3. SBURA Staff Review. Upon submittal of all necessary information, SBURA staff will review the project and the need for funding. At any point in the review process the staff may request more information of the Applicant or solicit comment on the project from other public agencies. Items included in personal financial statements will not be subject to public review or presentation to or comment by other public entities.
4. SBURA Board Review. The SBURA Board will review the application and staff recommendations. The Board reserves the right to seek additional project review from other public agencies. The Board will issue preliminary approval/disapproval of the assistance request or any part thereof and will make a recommendation to the City Council.

5. City Council Review. Projects receiving approval by the SBURA Board will be forwarded to the Billings City Council through the City of Billings Planning and Community Services Department for final approval and consideration of a Development Agreement that will clearly describe the public investment required to be applied towards public infrastructure and/or development improvements within the public right of way. City Council approval is required before the City will enter a Development Agreement with the Applicant.
6. Development Agreement. The City and the Applicant must execute a mutual agreeable legally binding Development Agreement which establishes the terms and conditions of TIF assistance. Sample Development Agreements are available at the City/County Planning Division office for reference. The Development Agreement may include, but is not limited to, the following:
 - Complete architectural design specifications and site plan
 - Time frame for project development, construction and completion
 - Specifications for release of funds related to public infrastructure
 - Cash flow and pro forma statements for a minimum of five years of the development
 - Terms and conditions of the various financings
 - Commitment letters and loan documents related to the various financings
 - Ownership of completed development
 - Events of default; remedies
 - Zoning approval
 - Tenant commitments
 - Non-liability of city officials
 - Cause for termination
7. Timing. SBURA staff will expedite processing of fully completed applications when received.

COMMITMENT OF FUNDS

Upon City Council approval of a project, the approved funds will be budgeted. Budgeted funds will be encumbered for a grace period of 180 days, by which time construction must have commenced. Commencement of construction means the date on which the first building permit is issued. Projects that have not commenced construction within 180 days are at risk for losing the committed funds.

Funds will be released as specified by the Development Agreement. Depending on the nature of each individual project, funds may be released as a lump sum payment or multiple payments made over subsequent fiscal years. The Development Agreement will specify the payment terms. Funds may be released according to one of the following methods.

1. Release of funds following project completion. Funds will be released upon the project's receipt of a Certificate of Occupancy from the City of Billings' Building

Division. If necessary, the City will encumber funds for additional fiscal years to accommodate construction schedules.

2. Release of funds over a multi-year repayment schedule. Prior to a project receiving a TIF assistance payment, a Certificate of Occupancy shall be provided to the project by the City of Billings Building Division. Subject to payment amounts and funding availability, multiple payments may be required. TIF assistance payments may be made according to an agreed upon payment schedule. This schedule will be contained within the Development Agreement.

Funds will be released only if the project is developed and constructed essentially as presented in the Development Agreement.

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

Project Name: _____ Date Submitted: _____

APPLICANT INFORMATION

1. Name: _____
2. Address: _____
3. Telephone Number: _____

PROJECT INFORMATION

1. Building Address: _____
2. Legal Description: _____
3. Ownership: _____
4. Address: _____
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: _____
 7. Business Description: _____
 8. Employment: Existing FTE jobs _____
 9. New Permanent FTE jobs created by project _____ Construction FTE jobs _____
 10. Architectural Firm: _____
- Address: _____

Representative: _____

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	\$ _____
2.	\$ _____
3.	\$ _____
4.	\$ _____
Subtotal	\$ _____

Construction/Rehabilitation Costs (or attach separate statement)

1.	\$ _____
2.	\$ _____
3.	\$ _____
4.	\$ _____
5.	\$ _____
6.	\$ _____
7.	\$ _____
8.	\$ _____
Subtotal	\$ _____

Fees

1. Architectural design/Supervision	\$ _____
2. Permits _____	\$ _____

3. Other fees _____	\$ _____
Subtotal	\$ _____
Total Project Development Costs	\$ _____

PROJECT FINANCING

Please complete Sources of Funds detail and summarize below.

Developer Equity

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

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

Lender Payment/Period	Loan Amount	Interest	Term	
_____	\$ _____	_____ %	____ yrs	\$ _____/Month
_____	\$ _____	_____ %	____ yrs	\$ _____/Month
Total Loan Amount				\$ _____

DEVELOPER STATEMENT OF QUALIFICATIONS AND FINANCIAL RESPONSIBILITY

Applicant

1. Name: _____

Address: _____

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 _____.

3. The applicant is:

_____ A corporation.

_____ A nonprofit or charitable institution or corporation

_____ A partnership known as _____

_____ 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.

Name and Address

Nature and Extent of Interest

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: _____

Address: _____

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.

CERTIFICATION

I (we), _____ (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 _____

Signature _____

Title _____

Title _____

Address _____

Address _____

Date _____

Date _____