

**South Billings Urban Renewal Association
Board Meeting
Wednesday, October 4, 2022
7:00pm
Conducted Via Zoom Technology**

Call to Order: Dick Zier, SBURA Board Chair

Directors present: Zier, Rukstad, Hanser, Mayott, Houlihan, Tokar

Guests present: Kevin Heaney (SBURA legal) Denise Joy, Kevin Nelson, Shaun Seedhouse
Mike Whitaker, Wyeth Friday

council

Courtesies: Welcome Visitors

Meeting Protocol: Visitors wishing to be recognized should raise their hand. Unrecognized remarks will not be acknowledged. Those wishing to offer public comment will be limited to three minutes.

Agenda Additions/Deletions – Dick Zier

Agenda Items:

1. Approval of Minutes for September 7, 2022 meeting – Dick (Action)

Hanser moved. Rukstad seconded. Approved unanimously.

2. Sportsplex Project – Jim (Information/Action)

Public Comment Board Discussion

Zier recused himself and left the room. VP Hanser took over as presiding officer.

Tevlin: Declared that Dick Zier has a conflict of interest related to a possible purchase of the Billings Sportsplex. Upon recommendation of City Council Gina Dahl, SBURA consulted with attorney Kevin Heaney as to how to resolve the conflict of interest. Attorney Heaney advised that SBURA could proceed with a transaction containing a board member's conflict of interest if two criteria were met:

1. The material facts of the conflict were known to the board.
2. Board members reasonably believe the transaction is fair to the corporation.

All SBURA members raised their hands in affirmation to the above criteria.

Tevlin then shared a slide presentation regarding the Sportsplex acquisition.

Public Comment:

Kevin Nelson:

1. SBURA did not post buy/sell agreement on website.
2. Jeff Muri should recuse himself.
3. Dick Zier leaving room does not cure the conflict of interest. Should have independent body resolve issue.
4. Parking is terrible. Egress would be through a storm sewer.
5. Building would need to be brought up to code.
6. All of SBURA has a conflict of interest. Says SBURA is a public benefit board not a 501(c)3
7. Says SBURA should visit statutes regarding conflict of interest.

Mike Whitaker: Urged SBURA to take the project to the Parks Board

Wyeth Friday:

1. Concerned over this effort when larger effort was Rec Center. Could confuse the public.
2. Typically, the City would be involved in the buy/sell process.
3. Purchase could negatively impact bonding capacity.
4. Expressed concerns over operational plans.
5. Recommended a contingency plan regarding the Sportsplex repurposing.

Board Comment:

Houlihan: Stated Sportsplex effort was an organic outgrowth of the Rec Center effort. Stated that either Parks & Rec or the ice community should operate the facility. He believed a \$5 million investment was more cost effective and probable than a \$100 million Rec Center effort. The Sportsplex would be a steppingstone toward additional recreation investment. The land purchase would cure the parking and ingress/egress issues. He did not believe there would be code issues.

Hanser: Stated that people on the SBURA board come with varying and important skill sets. Dick Zier understands real estate and banking. He believed the Sportsplex was a good investment at \$80/sqft.

Rukstad: Stated she originally wanted a single recreation location but understands the Sportsplex was a good opportunity. She was in favor of moving forward with our efforts.

Tevlin: Stated that SBURA had a meeting on October 17 with City staff about the project. Ultimately this project needs approval from the SBURA board and City Council.

Houlihan proposed a motion to continue with the buy/sell agreement. Rukstad seconded. Motion passed unanimously.

Following the vote Dick Zier reentered the room and presided over the rest of the meeting.

3. FY24-28 CIP – Jim

(Information/Action)

Public Comment Board Discussion

Tevin shared FY24-28 Capital Improvement Plan.

Public Comment

Kevin Nelson: The board should be proactive and post proposed CIP to their website so public can comment.

Board Comment

Mayott: Expressed interest in investing funds for lighting at Amend Park to prevent theft and vandalism.

Tevlin: We need estimates for work to be done. Could amend CIP and/or FY24 budget.

Houlihan: Wants CIP to reflect needs of the community.

Tevlin: CIP is for capital items. Community needs would likely come from FY24 budget.

Hanser moved to approve FY24-28 CIP. Houlihan seconded. Motion passed unanimously.

4. Reports – Jim

(Information)

Note: These reports will not be read aloud. Interested parties can view these reports at the Association's website: www.southbillings.org.

Public Works Report

Public Comment Board Discussion

Tevlin: Reports are available on website.

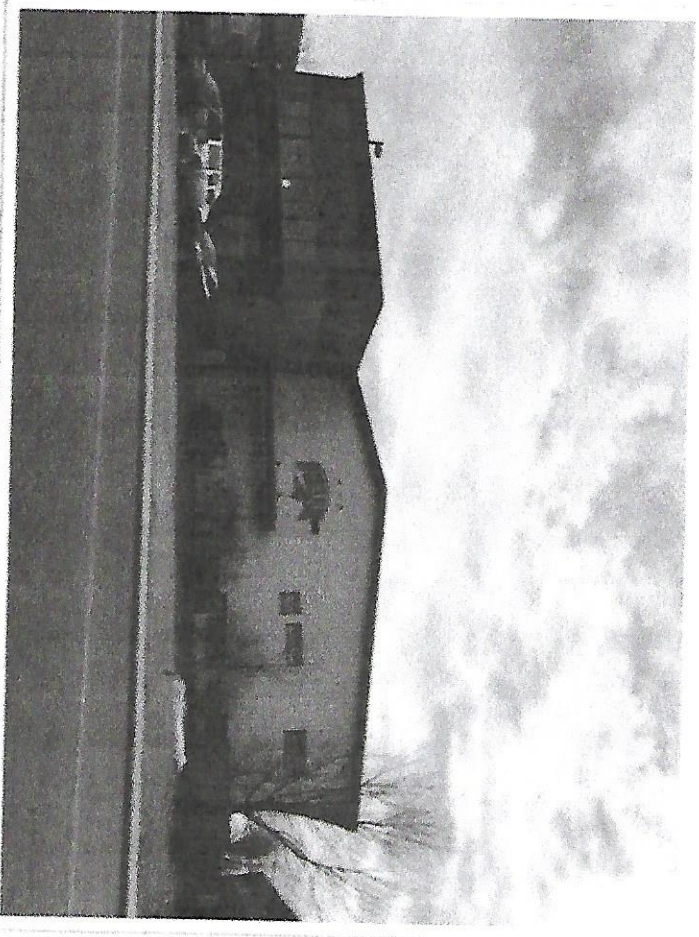
5. Public Comment on Non-Agenda Items

Denise Joy: Urged SBURA board to utilize police resources to address crime. She also urged to utilize CPTED as a resource.

Mike Mayott: tendered his resignation as of December 31, 2022. He will be taking over duties as president of the MetraPark Advisory board.

6. Adjourn

Rukstad moved to adjourn. Houlihan seconded. Motion passed unanimously.



**South Billings Boulevard Tax Increment District
Sportsplex Proposal**



Project Summary

- **Purchase Sportsplex Building (\$3,700,000)**
 - Includes hockey dasher boards and all other furniture & fixtures.
 - SBURA currently has a contingent Buy-Sell Agreement with the building owner.
 - Contingent on SBURA board and City Council approval.
- **Purchase adjacent land (\$100,000) to expand parking and facilitate parking lot ingress/egress.**
 - SBURA is currently negotiating a Buy-Sell Agreement with the adjacent landowner.
 - Contingent upon SBURA board and City Council approval.
- **Determine the "highest & best use" of the facility.**

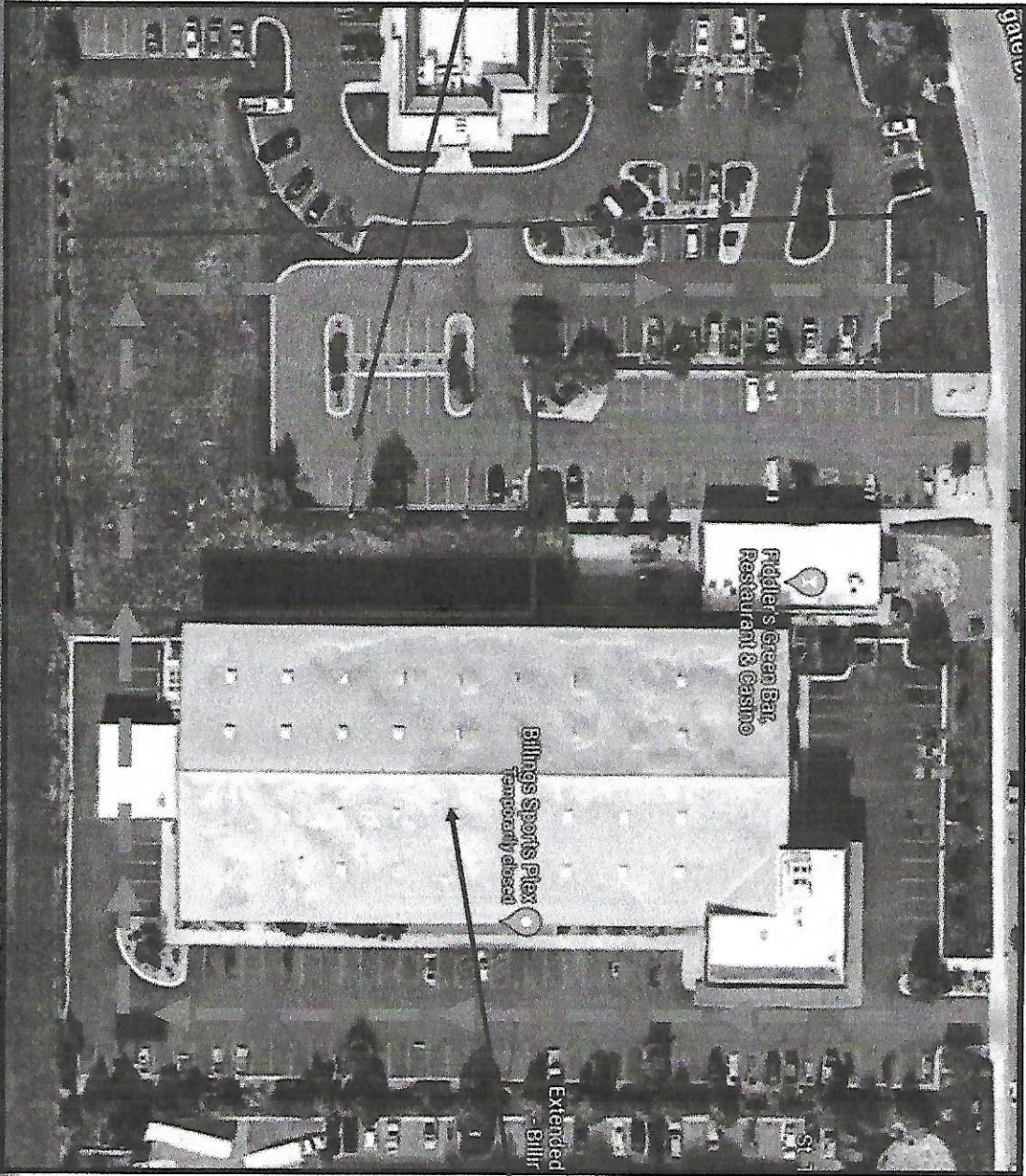
Actions

- Approve Sportsplex Buy-Sell agreement.
(Tonight)
- Approve adjacent land Buy-Sell agreement.
(TBD)



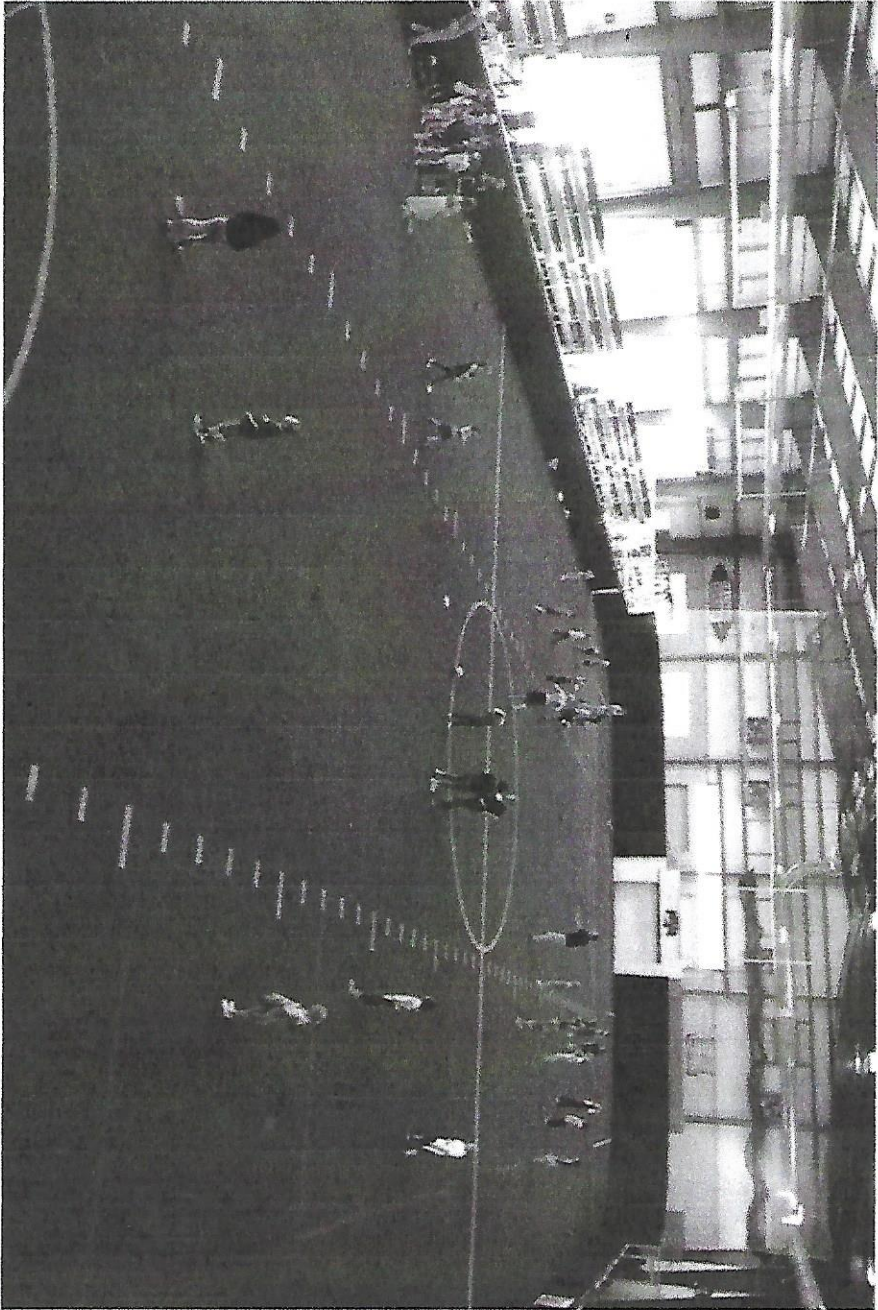
Traffic Flow →

Land - \$100,000

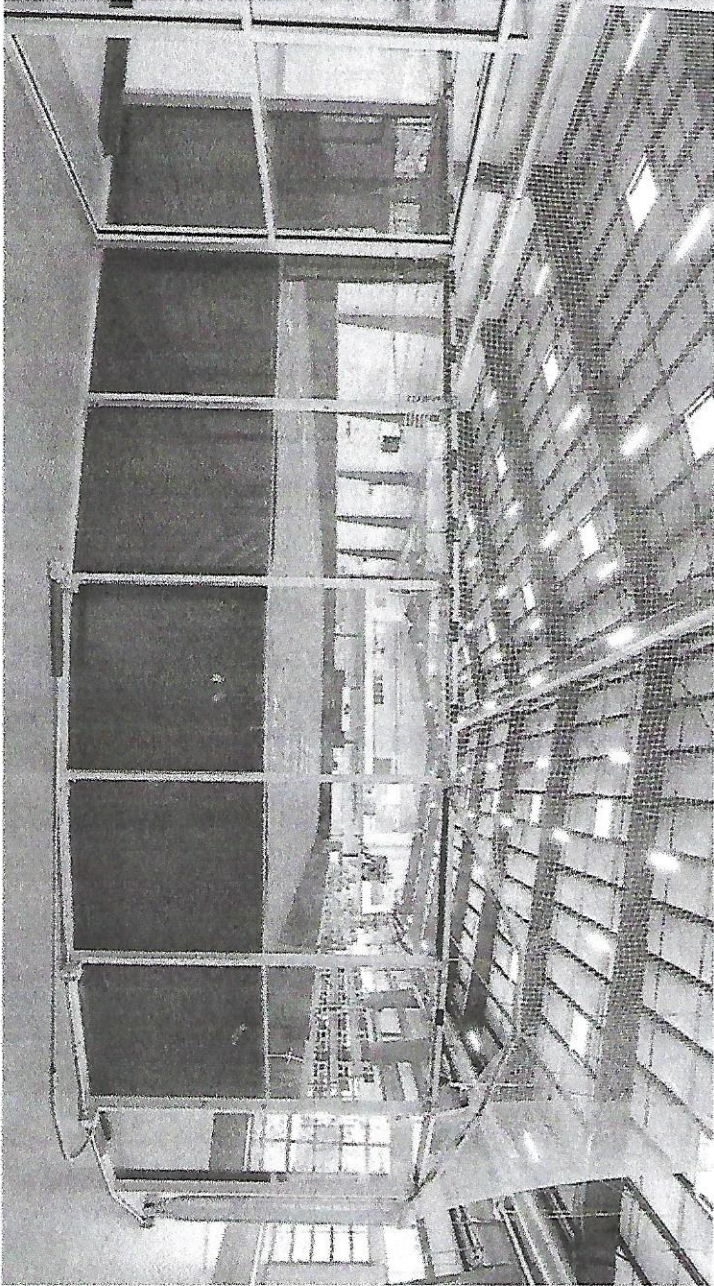


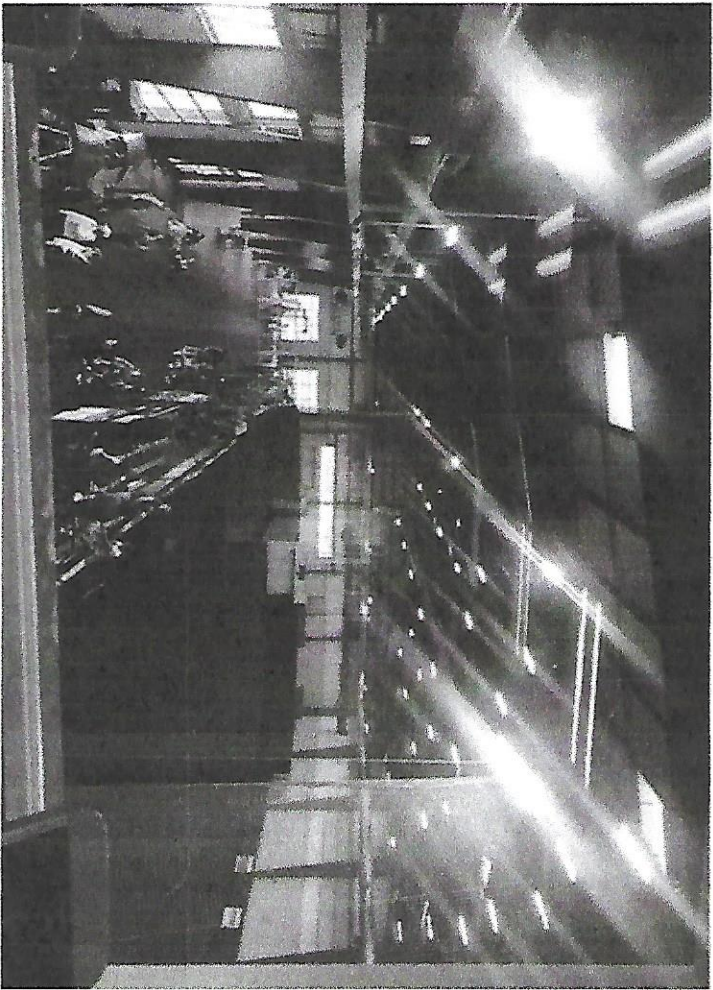
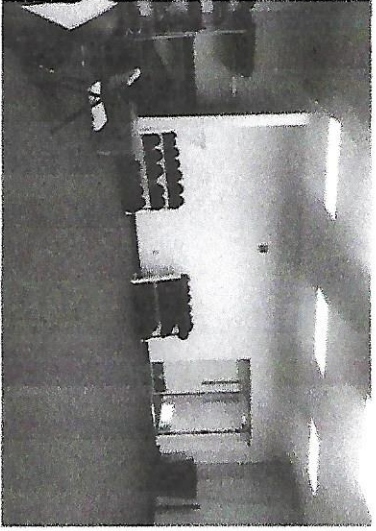
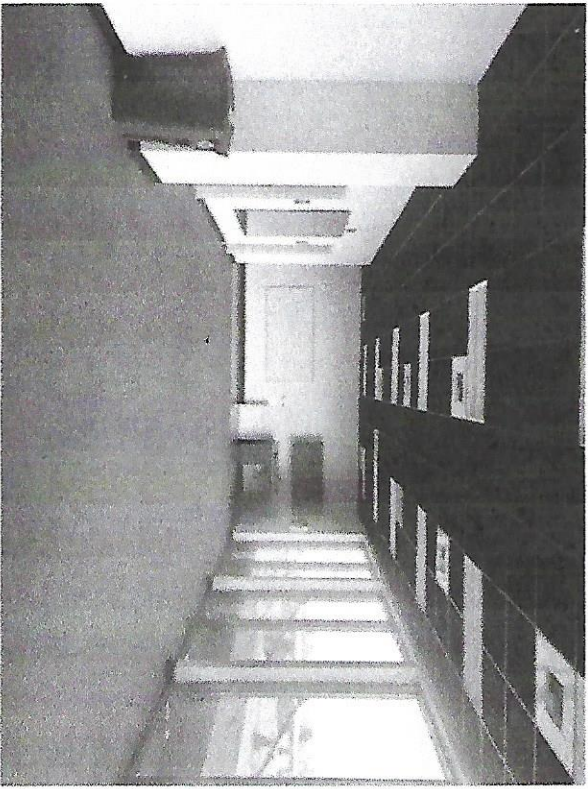
Building - \$3,700,000

Images



Images





Images



Background

- June 15, 2022 – The Recreation Center Core Committee recommended a “full build” facility consisting of four courts, two sheets of ice, a 50-meter competition pool and a leisure pool.
- The Recreation Center Executive Committee modified the Core Committee’s recommendation by downsizing to a single sheet of ice.

Rationale:

- Difficulty positioning the second sheet of ice on the proposed property footprint.
- Additional cost (\$16,000,000).
- SBURA representatives suggested the exploration of purchasing the Billings Sportsplex for purposes of reconfiguring it to an ice facility and/or a multi-purpose facility.
- The Executive Committee encouraged SBURA to investigate the purchase of the Sportsplex.

Key Considerations

1. The Sportsplex is a large indoor facility that could host a variety of recreational and/or community activities.
2. A City-wide referendum to seek taxpayer funding for a full-build recreational facility (plus other Parks & Recreation projects) is not scheduled to occur until mid-2023. **Risk:** Billings taxpayers may reject referendum, setting the project back years.
3. SBURA's bonding capacity is diminished over time. As each year passes, SBURA's ability to raise funds via bonds is reduced.

Conclusion: The Purchase of the Sportsplex is "a good deal."

1. A & E Design's estimate for the Recreation Center's initial sheet of ice is \$13 million. The second sheet of ice is \$16 million.

Purchase Price: Building & Land	\$3,800,000
Retrofit (estimate)	<u>1,500,000</u>
	\$5,300,000

2. This facility could be used for a multitude of activities: ice-related sports, soccer, gymnastics, cheerleading camps, etc.
3. Representatives from the Billings Amateur Hockey League (owners of Centennial Ice Arena) have inquired about operating Centennial Ice Arena and the Sportsplex in tandem until the recreation center facility is completed. Upon completion of the recreation center, CIA would shut down operations.
4. The Sportsplex could be reconfigured and operating in a year.

Continued

5. If voters do not approve the sale of bonds in 2023, we would still have a great recreational facility up and running. It will provide the District a much-needed recreational activity center.
6. This facility will be a tremendous economic driver by attracting local, state, and regional athletic events to Billings.
7. Funding would come from tax increment funds in a combination of cash and/or debt. Note that any debt funding would not require a city-wide vote or an increase in property taxes.

South Billings Boulevard Capital Improvement Plan
FY24-28

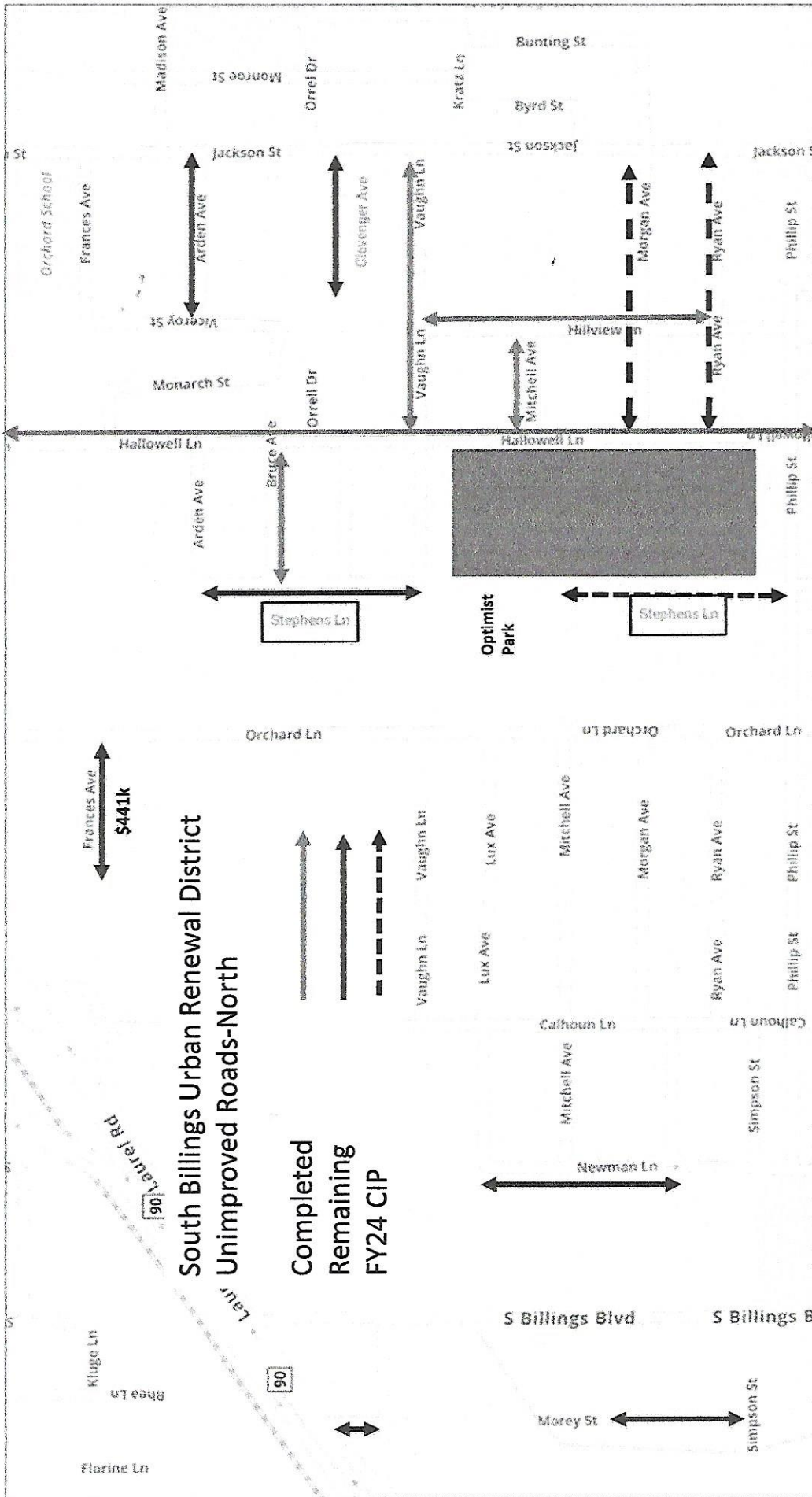


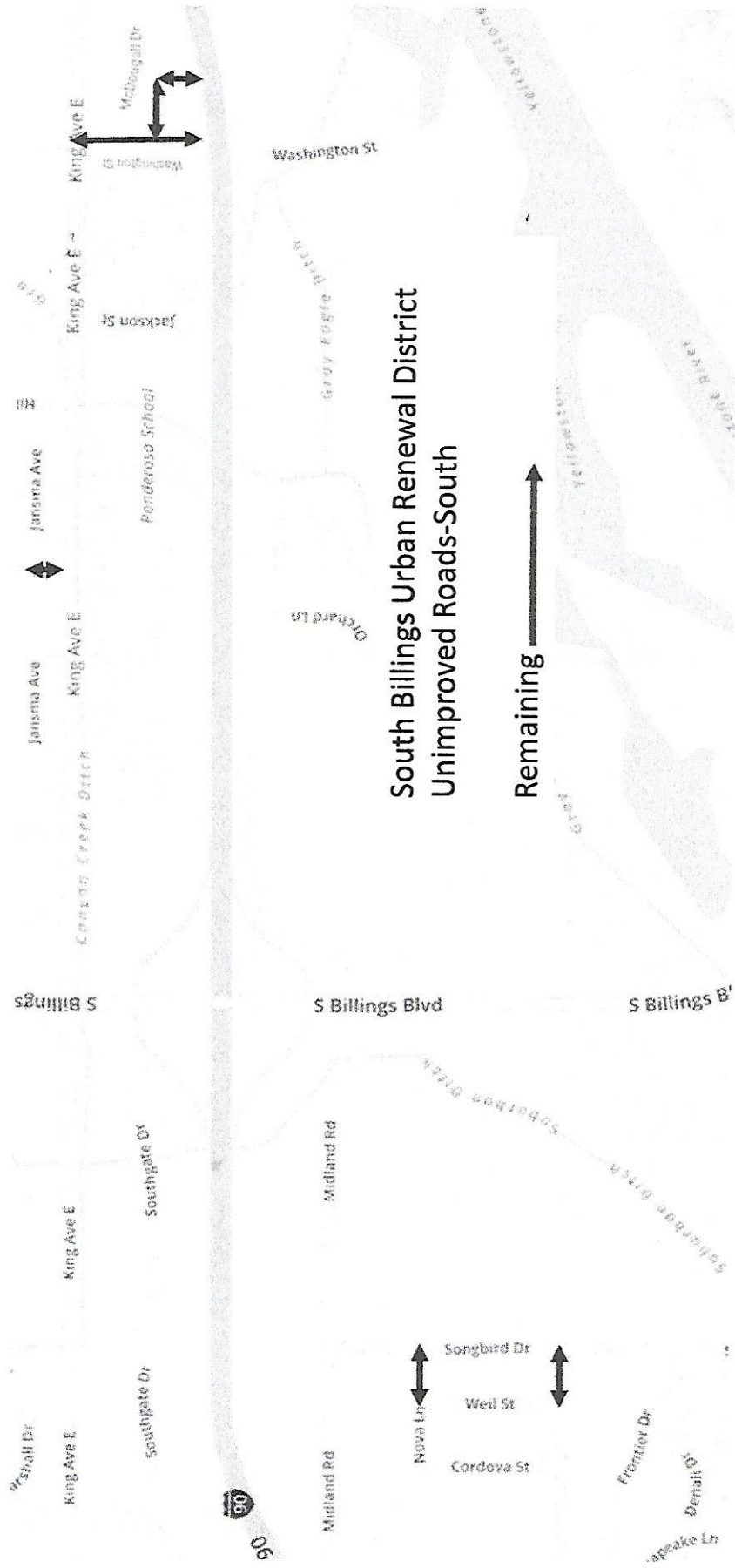
South Billings Boulevard Capital Improvement Plan FY24-28

FY23-27 Capital Improvement Plan							
SOUTH TAX INCREMENT FUND							
Project Name	FY2023	FY2024	FY2025	FY2026	FY2027	Total	
SBJRA Unimproved Street Improvements	-	550,000	550,000	550,000	-	1,650,000	
Riverfront Trail	750,000	-	-	-	-	-	
Multi-Generational Recreation Center	3,000,000	35,000,000	-	-	-	38,000,000	
Total South Tax Increment Fund	3,750,000	35,550,000	550,000	550,000	-	39,650,000	
FY24-28 Capital Improvement Plan							
SOUTH TAX INCREMENT FUND							
Project Name	FY2024	FY2025	FY2026	FY2027	FY2028	Total	
SBJRA Unimproved Street Improvements	2,620,000	-	-	-	-	2,620,000	
Multi-Generational Recreation Center	-	30,000,000	-	-	-	30,000,000	
Total South Tax Increment Fund	2,620,000	30,000,000	-	-	-	32,620,000	

Unimproved Roads







**South Billings Urban Renewal District
Unimproved Roads-South**

Remaining →

90
06

Discussion