



QUARTERLY REPORT TO CITY OF BILLINGS COUNCIL

End of First Quarter – FY 2012 - DOWNTOWN BILLINGS PARTNERSHIP, INC.

FUND 203 – Contract Services Agreement

July 1, 2011 to September 30, 2011

The Downtown Billings Partnership, Inc., working with the Downtown Billings Association and the Downtown Billings Business Improvement District (The Alliance), continues to assist the City of Billings with the management and project implementation of Fund 203, the North 27th Street (Expanded) TIFD.

Below, please find a list of FY 2012 Fund 203 (New CBD TIFD) Projects as well as project current status:

PROJECT

STATUS

Pedestrian Wayfinding

Seven kiosks are in place and updated with several new posters. The DBA continues to update the membership directory portion. We are working on placing weather resistant boxes on each kiosk to contain the DBA's downtown map.

Gateway Billboard branding

The billboard remains in place and continuing rental is funded via Fund 203.

Mixed Use Parking Facility

The land has been assembled and discussions with bond Counsel have been resumed. We hope to issue an RFP for a Design Team leading towards a Design/Construction Team and a CMAR (Construction Manager at Risk) process.

Revolving Loan Fund

All loans are current and there is about \$1,700,000 in available Interlocal agreement line of credit. The committee approved two loans that will be coming to City Council for action: Steve and Joni Harman, Commercial Development on Minnesota Ave. (\$100,000) and DB Squared, LLC (\$250,000) The inter-creditor loan rate to the City continues to be 4% and the City charges 5% to the borrowers.

Cooperative Security and Railroad QZ

This program will continue to be a budget line item for Fund 203. BID Property Owners will pay for almost 85% of the annual cost. In addition, the fund is responsible for emergency repair and annual maintenance of the Quiet Zone crossings. The QZ expense will eventually become part of the street maintenance district downtown.

MAJOR PROJECT FOR FY 2012

Empire Parking Garage



Now that we have settled our confusion with the Montana Department of Revenue and believe that we have sufficient annual revenue in Fund 203 to build a parking garage, the DBP has asked the City to resume dialogue with bond counsel. We have worked up a sources/uses chart for this project (See Chart 2) as it relates to a potential bond and we have calculated the stability and growth of the district through the next several years (See Chart 3).

It would be our plan to attempt to get the CMAR RFP on the street by the end of November, 2011. Then, following bond counsel approval we would:

- Select a Design Team
- Work on Condominium Documents
- Solicit for private developer for top of garage
- Solicit for private ownership of Montana Ave. retail
- RFQ for a General Contractor
- Develop a CMAR Contract
- Seek Council Approval of Contract by Mid. February, 2012
- Hold Public Meetings
- Council Approves Design and price – Gauranteed Maximum Price (GMP)
- Issue Bonds in Spring of 2012
- Tenant move out and demolition
- Underground utility work
- Plan Review and Building Permit
- Construction begins in May or June, 2012
- Completed 12 to 18 months later

Below, please find the Fund 203 FY 2012 as of September 30, 2011 (Chart 1)

Fund 203 Budget NORTH 27TH STREET TIFD		APPROVED BUDGET			
		FY2011	FY2012	FY2012	
		Actual	Budget	ACTUALS	
		\$558,674	\$177,166	\$177,166	
		\$1,772,973	\$1,600,000	\$0	
Sale of Empire Parking Properties			\$0	\$0	
		\$2,331,647	\$1,777,166	\$177,166	
Approved Projects Expenses		Approved By Council	FY2011 Actuals	Approved Budget	Approved ACTUALS
1	DBP Management Service	1-Feb-11	(\$172,000)	(\$225,000)	\$ -
2	City Cost Allocations	1-Feb-11	(\$16,884)	(\$30,000)	\$ -
3	Historic District	1-Jul-09	(\$3,000)	\$0	\$ -
4	Pedestrian Wayfinding	11-May-09	(\$1,477)	(\$2,000)	\$ (596.82)
5	ABT Branded Banners	13-Oct-09	\$0	\$0	\$ -
6	Gateway Signage/Billboard	13-Oct-09	(\$3,600)	(\$3,600)	\$ (900.00)
7	Urban Renewal Projects Pre-Devel.	2011	(\$49,417)	(\$10,000)	\$ -
8	Street Kit of Parts/Approved Proj.	2011	(\$40,500)	\$0	\$ -
9	Development Projects	2011	(\$1,839,201)	(\$1,000,000)	\$ (6,606.08)
10	TIFD Public Safety Projects	2010	(\$17,439)	(\$35,000)	\$ -
11	Other City Expenditures/Projects	2010	(\$10,963)	\$0	\$ -
Total Allocated			(\$2,154,481)	(\$1,305,600)	\$ (8,102.90)
Balance			\$177,166	\$471,566	\$169,063

Sources and Uses – Empire Parking Garage (Chart 2)

Mixed use parking structure on Montana Avenue

Amounts in YELLOW cells can be modified

Sources of Funds	
NEED TO BOND	\$10,400,000
Unencumbered Cash in Fund 203	\$800,000
16500 \$80	Sale of 1st Floor Commercial \$1,320,000
24000 \$80	Commercial On Top \$1,920,000
	Cash from Parking Fund \$0
	Sale of Park IV \$0
187 \$4,300	Sale of Parking to Zootist \$804,100
25 \$4,300	Sale of Parking to Alley Cat \$107,500
	Total Sources \$15,351,600
Number of Parking Spaces	
	522
	Confirmed Construction Cost Per Space (18,000.00)
Uses of Funds	
7%	Bonding Expenses (\$728,000)
522 (18,000)	Parking Construction (\$9,396,000)
40500 (\$58)	Commercial Construction (\$2,349,000)
	Demolition (\$1,200,000)
	Design and Architecture (\$1,000,000)
	Temporary Parking if needed (\$200,000)
2.0%	Various Fees (\$297,820)
6.0%	Contingency (\$866,569)
	Total Needed for Project (\$15,309,389)
	Balance 42,211

Term of Bonds	25
Coverage Rate	1.80
Interest Rate	6.00%
Available for Bond Payment	\$1,800,000
Max Bond Payment Allowed with coverage	\$1,000,000
TOTAL BOND CAPACITY	\$12,783,356

Term of Bonds	25
Coverage Rate	1.80
Interest Rate	6%
BOND	\$10,400,000
Required Coverage	\$1,464,404
Annual Bond Payment	\$813,558

Total Bond Amount	\$10,400,000
Total TIFD Cash	\$800,000
Total TIFD/Parking Land	\$2,435,000
Total Public Investment	\$13,635,000
Total Private Investment	\$4,151,600
Total Cost of Complete Project	\$17,786,600

