



Revolving Loan Fund

Information & Application

Valid for:

November 1, 2010 – October 31, 2011

**Downtown Billings Partnership and
The City of Billings**

DOWNTOWN BILLINGS REVOLVING LOAN FUND

November 1, 2010

Purpose:

To provide financial assistance in the form of loans to projects within the boundaries of the Downtown Urban Renewal Area (URA) last amended in 2004 (Exhibit A) that will:

- (1) Assist in the economic revitalization and stabilization of the URA;
- (2) Attract and retain a stable clientele population within the URA;
- (3) Stimulate private investment within the URA;
- (4) Generate additional property tax revenues within the URA; and
- (5) Encourage and facilitate in the remodeling and restoration of historically significant structures within the URA.

Fund Guidelines:

- Borrowers are creditworthy.
- Projects are economically viable.
- Projects are consistent with the above stated purpose.
- Funds requested are leveraged with other sources, i.e. borrower's equity, other senior debt, etc. (*RLF requires at least 20% equity investment per project*)
- **Requests are accepted up to 20% of project cost capped at \$250,000.**
- Loan terms address each project's needs with payments based on amortization of up to twenty (20) years. Early maturities of up to ten (10) years may be recommended for fund liquidity purposes. The interest rate is annually adjusted and based upon 1% over prime rate minus 300 basis points with a "floor" rate of 5.00% **(Rate to borrower, as of November 1, 2010 = 5.00%)** The rate is established in October each year. Additionally, loan payment calculations may be based upon a loan rate amount that is higher than the actual loan rate.
- Loan repayment is guaranteed by relevant beneficiaries and/or collateralized.
- Loans may be made for acquisition or construction of buildings, renovation and rehabilitation, interior and exterior tenant improvements, equipment and related improvements.
- Project location is within the boundaries of the Urban Renewal Area approved and last amended in 2004. (Exhibit A)
- Priority will be given to projects meeting above criteria, which have not been able to secure traditional financing (so as to not compete with conventional loans).

Application Requirements:

Contact: Mr. Greg Krueger, Development Director
Downtown Billings Partnership, Inc.
2815 2nd Avenue North, Billings, MT 59101
Phone: (406) 294-5060
Fax: (406) 294-5061

- Requests can be considered on a “Pro Forma” basis subject to final submittal, where appropriate.
- Basic application requirements:
 - Borrower’s financial history (2-3 years)
 - Business plan and/or project description
 - Project economics (costs, revenues, etc.)
 - Project drawings and or architectural plans
 - Project owner and guarantor’s information
 - Names and relevant background
 - Financial condition (balance sheet and tax returns for two years).
 - Other information supporting the “purpose”
 - Applicant will pay for appraisals; credit reports and other related (out of pocket) underwriting costs.

Approval Process:

- A minimum of four weeks should be allowed for underwriting once the DBP representative has confirmed that all documentation has been received.
- Following a positive recommendation for the loan, four to six weeks should be allowed for City Council scheduling and approval.
- Once Council approval has been obtained, loan funding arrangements are set up between the Borrower and the City of Billings, directly. The actual loan agreement does not include the Downtown Billings Partnership.

CITY OF BILLINGS
REQUIREMENTS FOR REVOLVING LOAN PROCEED DISBURSEMENTS

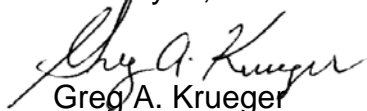
1. The City of Billings requires the following information to promptly prepare loan documents and disburse loan proceeds:
 - a. The legal name and address of the borrower(s).
 - b. The borrower entity type, (individual, corporation, partnership, LLC).
 - c. A copy of the articles of organization filed with the secretary of state for each legally created entity.
 - d. The name and address of each entity member, shareholder, or partner. If the member, shareholder, or partner is a legal entity, then the same information for that entity until all individuals are identified for personal guarantee purposes.
 - e. The legal description of real property according to the official plat on file in the office of the County Clerk and Recorder, including the document number.
2. Additionally, the City wants each borrower to understand the standard loan will have:
 - a. An interest rate adjustment each November 1st at 1% over prime rate minus 300 basis points with a floor rate of 5% (set on the last business day of October)
 - b. A monthly payment calculation, which is based on a 5% interest rate for a twenty year period.
 - c. A balloon payment at maturity, which is ten years from date of issue.
 - d. A personal guarantee from each individual borrower and individual member, shareholder, or partner of an entity
3. The City will require the following, if applicable:
 - a. A lien, which will be filed on such real property of the borrower which is acquired or remodeled with loan proceeds.
 - b. A Form UCC1, filed with State of Montana, for inventory, furnishing and equipment owned by the borrower.

**Letter Requesting Authorization
To Release Credit Information**

Date: _____

Thank you for your recent interest in our Revolving Loan Fund. Please sign the authorization to release credit information below so that we may obtain copies of your credit history. We will contact your credit and bank references and then contact you regarding the status of your application.

Thank you,


Greg A. Krueger
Development Director

The undersigned has recently applied for credit with the Downtown Revolving Loan Fund (RLF). I/we have been requested to provide information, concerning my/our credit history. Therefore, I/we authorize the investigation of my/our credit information.

The release by you of information is authorized whether such information is of record or not. I/we do hereby release you and all persons, agencies, agents, employees, firms, companies or parties affiliated with you from any damages resulting from providing such information.

This authorization is valid for thirty (30) days from the date of my/our signature(s) below. Please keep a copy of my/our release request for your files.

Thank you for your cooperation.

Name: _____

Name: _____

SSN: _____

SSN: _____

Signature: _____

Signature: _____

Date: _____

Date: _____

EXHIBIT B

A SYNOPSIS OF THE DOWNTOWN BILLINGS FRAMEWORK PLAN:

A comprehensive, community-oriented guide for the development of downtown Billings.

Framework Elements

The Framework has six elements. Combined, they provide the comprehensive logic for making wise decisions about the future of Downtown, and a planning base within which Downtown can thrive in all its complexities.

The Vision Map: A drawing that reflects community discussion about what people would like Downtown to be.

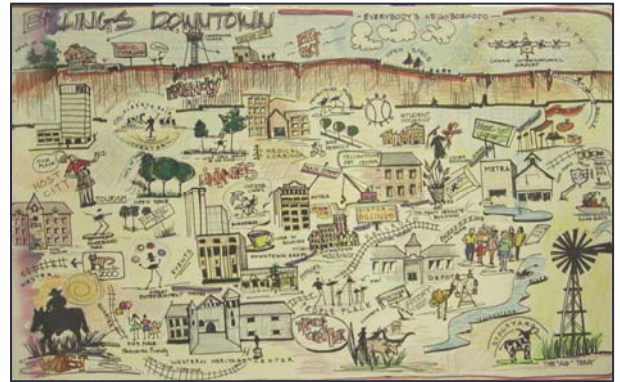
Values: A description of the important values against which all projects are measured.

- Downtown is everyone's neighborhood.
- Downtown Billings should be a safe and inviting place for everyone to live, work and play.
- Our sense of community is friendly, caring and independent.
- Downtown Billings is unique in its natural beauty and surroundings.
- Institutions and activities that are important to the community belong downtown:
 - Civic, educational and medical institutions
 - Arts, culture and recreation
 - Churches and gathering places
 - Civic activities, entertainment, and community celebrations
- Billings' citizens value the opportunity to experience the outdoors in Downtown: sidewalk cafés, events, bicycling, pedestrian environment, etc.
- Ease of access is critical to Downtown's livelihood.
- Downtown draws from its historic past as its leaders shape its future character.
- Downtown Billings believes strongly in its economic future.
- The future of Downtown will be shaped by forward-thinking leadership and public/private collaboration.
- Downtown is entrepreneurial and nurtures specialty retail and home-grown businesses offering personalized services.

Assets: The important elements of Downtown that should be preserved and enhanced.

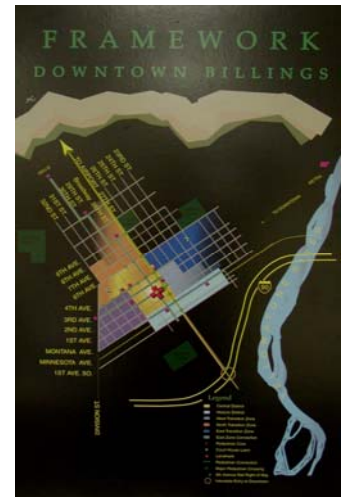
- Unique collection of buildings
- Cultural facilities
- Montana Ave. Historic District
- Specialty retail
- Medical corridor
- Educational campuses
- MetraPark
- 27th St. connection from Downtown to the airport and I-90
- Financial office market
- Government presence
- Nature of people: sense of community, open, friendly
- Proximity to scenic beauty
- Friendly, helpful local service providers
- Multiple generations
- Numerous churches of many faiths

Issues: Concerns to be addressed in order to reach the Vision and enhance the Assets while being to the Values of the community.



- Reduce gaps and the lack of connection between the core of Downtown and the surrounding neighborhoods caused by the discontinuity of land uses.
- Increase the downtown residential population to bring the area alive after office hours.
- The public places – parks, streets, sidewalks – should provide beauty and comfort.
- Work cooperatively with the private sector to encourage potential growth and development
- Organize downtown leadership to manage, promote, maintain, or advocate for the benefit of the greater community of those with a stake in Downtown’s future.
- Address existing regulations and requirements which discourage the very type of development that is desirable (housing, building renovations, food and beverage establishments, night spots, etc.)
- Focus on pedestrian as well as vehicular movement throughout Downtown.
- Address the psychological factors that make walking a few blocks seem inconvenient and unpleasant.
- Provide orientation and landmarks to prevent people from becoming disoriented Downtown..
- Develop programs to “level the playing field” and make the economics of Downtown more similar to undeveloped lots away from city center.
- Encourage business hours and activities beyond the eight-to-five office hours
- Highlight the Western themes of many of Downtown’s land uses, architecture and businesses for the enjoyment of residents and visitors alike.
- Develop in Downtown a sense of irresistible magnetism that could draw thousands of people to enjoy this unique asset.
- Draw on the images of beauty that surround Downtown: the Yellowstone River, the Rims, agricultural lands, and distant mountains.
- Encourage greater efforts toward historic preservation and renovation to create a sense of historic permanence.

Framework Diagram: A map of Downtown’s districts, connections, landmarks and other features. It is the underlying structure for the physical elements of the plan. It is a geographic representation of the important features of Downtown Billings and their relations to one another.



Districts: The sub-areas that combine to make Downtown, that differ in character and use, and that complement each other within the whole structure.

- Central District/City Center: The community’s center and the location of government, business, specialty retail, restaurants, and cultural facilities; the place where the parades are; the place where we gather to celebrate.
 - Goal: To identify the Central District as the community’s center, shape the District to reflect who we are, promote a strong economic climate to nurture our businesses, and provide a comfortable place for the community to live, to work, and to gather.



- Historic District/Old Town: The physical remainder of Billings’ birthplace’ the connection to the railroad heritage; the reason that Billings is where it is today.
 - Goal: To preserve and complement this heritage, create an active business, residential, and pedestrian environment, connect the Historic District with the other Downtown districts and the South Side neighborhood, and encourage property development in a manner appropriate to the district’s historic character.
- West Downtown/Cathedral District: Connects the Central District with the neighborhoods to the west and south. It is the area of greatest opportunity for

development and for becoming a real neighborhood – the location of housing that is denser and larger in scale that fits in the neighborhood and of businesses smaller than in the Central District.

- Goal: To promote infill development of housing and support businesses, connect the Central District to the neighborhood beyond, and make this zone a “place” rather than a barrier.
- North Downtown/Uptown/Lincoln District: connects the Central District with the medical corridor and North Park, and contains a combination of professional and medical businesses, services, and housing that supports these uses.
 - Goal: To reduce the barriers of 4th and 6th, establish the area as both a discrete district and a recognized extension of the Central District, and connect the medical corridor and the universities to the Central District.
- East Transition Zone/Civic District: Encompasses a large area that connects the Central District, the Historic District, and MetraPark, with transitional uses that over time will strengthen the connections.
 - Goal: To encourage the western edge of this district to develop so that it connects the Central District to the Depot area, and identify the ideas discussed to date so they can become a starting point for a future effort that concentrates on this zone. The long-term goal is to improve the connection from the pedestrian core to MetraPark.

Framework Plan Components

These Plan Components are a call to action and set the course for initial actions, mid- and long-term projects, and ongoing monitor-and-review activity. They prescribe the design character and style of public spaces, transportation initiatives, and an implementing organization. They are the agenda for action.

Organization: The private sector leadership group that represents the property owners, businesses, retailers, and those committed to Downtown. The Downtown Partnership is inclusive by design and works with public agencies on a common agenda for Downtown growth and development that benefits the community including such activities as business retention, historic preservation, etc.

Moving About: The street system, parking, and shuttle opportunities.

- Increase on-street parking
- Add pedestrian amenities at major intersections
- Consider conversion of some one-way streets to two-way streets
- Widen sidewalks
- Consider alternative traffic routes through downtown
- Consider alternatives to railroad traffic through downtown
- Address large-vehicle parking needs
- Accommodate alternative transportation modes (bicycling, shuttles)

Kit of Parts: The streetscape and public space elements (lights, benches, etc.) throughout Downtown

- Provide amenities and streetscape environments that are simple, consistent and comfortable
- Address lighting for improved evening activities
- Provide reference points at gateways, entryways and intersections
- Improve Downtown signage
- Develop a Kit of Parts for Downtown events

Gathering Spaces: The system of public spaces Downtown

- Encourage development and use of public parks and plazas
- Encourage development with planned open space

Housing: A strategy for providing a range of housing options for Downtown

- Encourage the development of multi-family and loft style housing units