

ORDINANCE NO. 06-5394

AN ORDINANCE MODIFYING THE URBAN RENEWAL PLAN OF 27TH STREET DISTRICT URBAN RENEWAL AREA TO INCLUDE CERTAIN PROPERTY FORMERLY PART OF THE DOWNTOWN REDEVELOPMENT DISTRICT IN ORDER TO ESTABLISH THE EXTENDED NORTH 27TH STREET DISTRICT URBAN RENEWAL AREA; ADOPTING A MODIFIED URBAN RENEWAL PLAN THEREFOR INCLUDING A TAX INCREMENT PROVISION; APPROVING AN URBAN RENEWAL PROJECT THEREIN AND AUTHORIZING THE ISSUANCE OF TAX INCREMENT URBAN RENEWAL REVENUE BONDS OF THE CITY TO FINANCE COSTS THEREOF

NOW, WHEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF BILLINGS, MONTANA:

WHEREAS, the City Council of the City (this "Council") created the Downtown Redevelopment District as an urban renewal area (the "Redevelopment Area") pursuant to, among other documents, Resolution No. 12303, adopted by this Council on December 20, 1975, as amended and supplemented, and the City has issued its tax increment urban renewal bonds payable from the tax increment generated from the Redevelopment Area, which were outstanding as of September, 2006 in the aggregate principal amount of \$2,645,000 (the "Outstanding Bonds"), pursuant to Resolution No. 12937, adopted February 26, 1979, as amended and supplemented from time to time (as amended and supplemented to date, the "Bond Resolution").

WHEREAS, on July 11, 2005 the City Council adopted Ordinance No. 05-5333, which created the 27th Street District Urban Renewal Area (hereafter "North 27th Street District") and adopted the Urban Renewal Plan of 27th Street District Urban Renewal Area ("27th Street Plan") that included a tax increment provision and endorsed a mixed-use urban renewal project known as "the Sandstone."

WHEREAS, it has been determined that the North 27th Street District and the 27th Street Plan should be modified to include additional property contiguous to the North 27th Street District that is currently included in the Redevelopment Area.

WHEREAS, this Council on October 10, 2006, conducted a public hearing on a proposal to modify the North 27th Street Plan by adopting the Urban Renewal Plan of the Extended North 27th Street District Urban Renewal Area, which calls for the removal of certain property from the Downtown Redevelopment District (the "Extension Property") and aggregating said Extension Property into the North 27th Street District, thereby establishing a modified urban renewal area to be formally designated as the Extended North 27th Street District Urban Renewal Area (the "Extended North 27th Street District" or "the Property"), and to undertake urban renewal projects therein, all as authorized by Montana Code Annotated, Title 7, Chapter 15, Parts 42 and 43, as amended (the "Act").

WHEREAS, the Extended North 27th Street District is depicted on Attachment 1 and Attachment 1a (depicting the relationship of the old urban renewal area to The Redevelopment

Area) hereto and Attachment 2 (each of which is hereby incorporated herein and made a part hereof). Pursuant to this Ordinance, the boundaries of the Redevelopment Area are being modified to reflect the removal of the Extension Property from the Redevelopment Area and addition of the Extension Property to the N. 27th Street District, as depicted on the map on Attachment 1. The Redevelopment Area, as modified, is depicted on Attachment 2 and legally described on Attachment 3 (the "Resulting Redevelopment Area") (each of which is hereby incorporated herein and made a part hereof). The Resulting Redevelopment Area is contiguous.

WHEREAS, the Extension Property, as part of the Downtown Redevelopment Area, was previously determined by this Council to be "blighted" within the meaning of the Act and an appropriate area for an urban renewal project in Resolution 12107 dated January 5, 1976; and

WHEREAS, opportunities have been presented to the City that makes it desirable for the City to consider urban renewal projects within the Extended North 27th Street District consisting of demolishing certain blighted structures within the district; improving such properties with new construction, landscaping, utilities, and other similar improvements; and making the properties so improved available for private redevelopment in accordance with the Act (the "Projects"). Development proposals to be considered for funding include mixed use occupancies. The Projects could also include building renovations and the construction or expansion of City owned parking structures within the District.

WHEREAS, the proposed modified urban renewal plan titled the Urban Renewal Plan of the Extended North 27th Street District Urban Renewal Area is attached hereto as Attachment 4 (which is hereby incorporated herein and made a part hereof) (the "Modified Plan"). The Modified Plan contains a tax increment provision and will govern the operation and administration of the Extended North 27th Street District.

NOW, THEREFORE, BE IT ORDAINED by the City Council of the City of Billings, Montana, as follows:

1. Findings. This Council hereby finds, determines and declares, based on the comments received at the public hearing and other studies and information available to this Council, that:

a. The Property presently contains structures and improvements that are in a state of substantial deterioration, are obsolete or defective, pose unsanitary or unsafe conditions, are vacant and unused, and have inappropriate uses. The present condition of the Property substantially impairs the sound functioning of the downtown area of the City and its environs, is conducive to juvenile delinquency and crime, poses the threat of vandalism or mischief and fire or loss, constitutes an economic and social liability, and is a menace to the public health, safety, and welfare of the residents of the City. Accordingly, the Council reaffirms its previous findings that the Property remains a blighted area within the meaning of Section 7-15-4210 of the Act. This Council finds that the rehabilitation, redevelopment or a combination thereof of the Property is necessary and in the interest of the health, safety, morals or welfare of the residents of the City. This Council finds that undertaking measures to eradicate or diminish the blight affecting the Property will help to foster a more dynamic, livable, and vibrant downtown.

b. If Projects require relocation of displaced persons, a detailed relocation plan is required.

c. The Plan must conform to the Growth Policy and Framework Plan or parts thereof of the City.

d. The Plan will afford maximum opportunity, consistent with the needs of the City as a whole, for the rehabilitation or redevelopment of the District by private enterprise.

e. A sound and adequate financial program is required for the financing of Projects.

f. Projects approved in accordance with the Plan and Act will constitute urban renewal projects within the meaning of the Act and are authorized to be undertaken by the City.

2. Plan Adoption. The Modified Plan is hereby adopted and approved in all respects, including without limitation, the segregation and application of tax increments as provided in Sections 7-15-4282 through 7-15-4293 of the Act as provided therein. For purposes of allocating taxes according to the Act, the "prior assessed value" of taxable property within the Extended North 27th Street District is that value shown on the assessment rolls as of January 1, 2006.

3. Bonds. The City may issue tax increment bonds for projects that are approved under the Plan and Act.

4. Conditional Commitment. The adoption of the Plan does not constitute a guarantee or a firm commitment that the City will issue the Bonds or undertake Projects. If, based on comments or information made available to or obtained by the City, it appears that the issuance of the Bonds or Projects is not in the public interest or consistent with the purposes of the Act, the City reserves the right not to issue the Bonds or undertake the Project.

5. Repealer. All resolutions, ordinances, and sections of the City Code inconsistent herewith are hereby repealed.

6. Severability. If any provision of this ordinance or the application thereof to any person or circumstances is held invalid, such invalidity shall not affect the other provisions of this ordinance which may be given effect without the invalid provisions or application, and, to this end, the provisions of this ordinance are declared to be severable.

7. Effective Date. This Ordinance shall be in full force and effect from and after the date that is 30 calendar days after the date set forth below.

APPROVED by the City Council of the City of Billings, Montana on first reading, the 23rd day of October, 2006.

APPROVED by the City Council of the City of Billings, Montana, on second reading this 13th day of November, 2006.

CITY OF BILLINGS:

Ron Tussing, Mayor

ATTEST:

Marita Herold, CMC/AAE City Clerk

ATTACHMENT 1

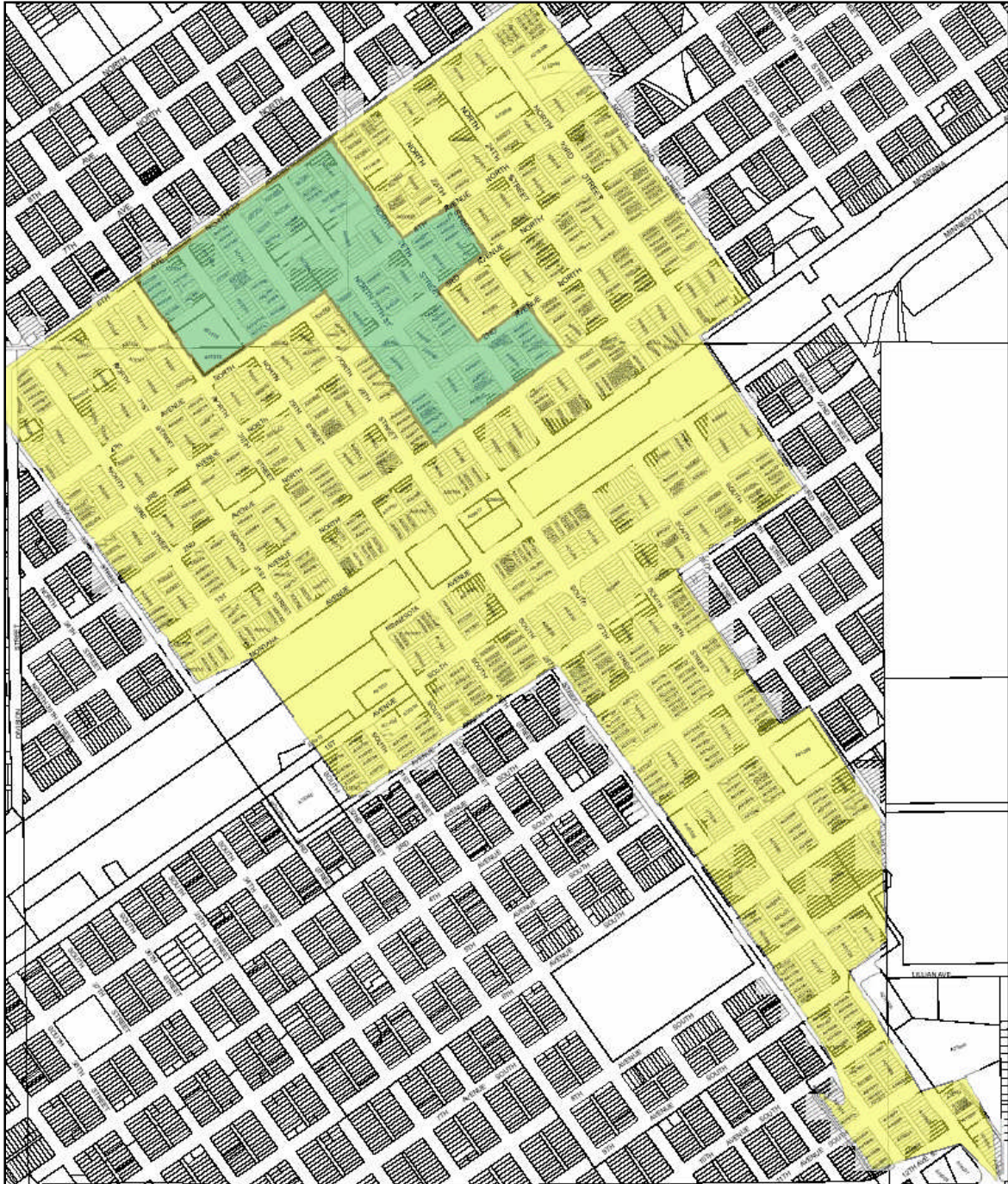
Map of the Proposed Extended District In Relation to Established District (2005)

(NORTH = ↑)



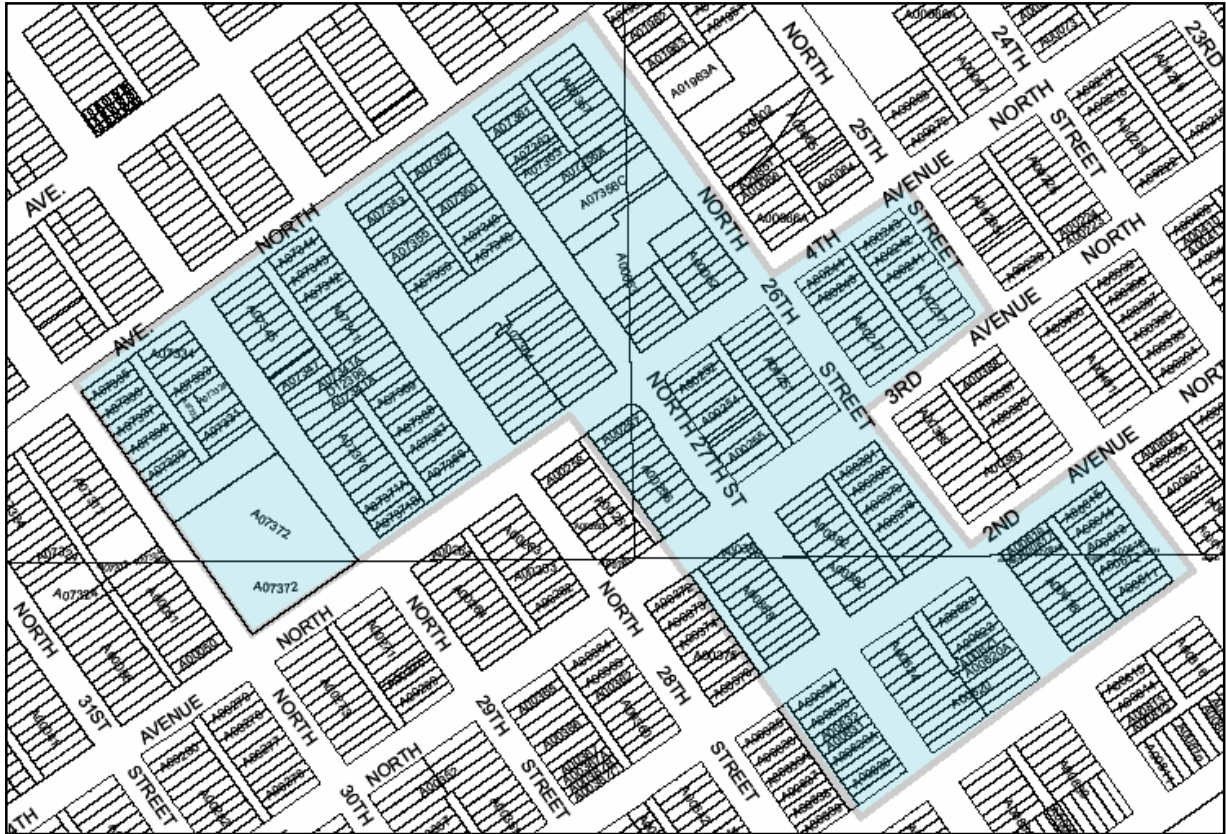
ATTACHMENT 1a

Map of the Proposed Extended District In Relation to Old Urban Renewal Area – TID
(NORTH = ↑)



ATTACHMENT 2

Map of Resulting Redevelopment Area (NORTH = ↑)



ATTACHMENT 3

Legal Description of the Resulting Redevelopment Area

Legal Description of Property

The area in the City of Billings which is inside the boundaries described as:

Beginning at a point at the centerline intersection of the 1st Avenue North right of way and the centerline of North 25th Street right of way and proceeding west along the centerline of 1st Avenue North until reaching the intersection with the centerline of the alley right of way between North 27th Street and North 28th Street then proceeding north down the centerline of the alley until the intersection of the alley and the centerline of the 4th Avenue North right of way then proceeding west along the centerline of 4th Ave. North until the intersection of 4th Ave. North and the North 30th Street centerline then proceeding north along the centerline of North 30th Street until the intersection of North 30th Street and the centerline of the 6th Avenue North right of way then proceeding east along the centerline of 6th Avenue North until the intersection of 6th Avenue North and the centerline of North 26th Street then proceeding south along the centerline of North 26th Street right of way until the intersection of the centerline of 4th Avenue North right of way then proceeding east along the centerline of 4th Avenue North until the intersection of the centerline of North 25th Street right of way then proceeding south along the centerline of North 25th Street until the intersection of the centerline of the 3rd Ave. North right of way then proceeding west along the centerline of 3rd Avenue North until the intersection of the centerline of North 26th Street right of way then proceeding south along the centerline of North 26th Street until the intersection of the centerline of the 2nd Avenue North right of way then proceeding east along the centerline of 2nd Avenue North until the intersection with the centerline of North 25th Street the proceeding south along the centerline of North 25th Street to the intersection of the centerline of 1st Avenue North thus arriving at the beginning, all inclusive.