



City of Missoula, Montana
Item to be Referred to City Council Committee

Committee: Administration and Finance

Item: Downtown Business Improvement District Renewal

Date: November 14, 2019

Sponsor(s): Marty Rehbein

Prepared by: same

Ward(s) Affected:

<input checked="" type="checkbox"/> Ward 1	<input type="checkbox"/> Ward 4
<input type="checkbox"/> Ward 2	<input type="checkbox"/> Ward 5
<input type="checkbox"/> Ward 3	<input type="checkbox"/> Ward 6
<input type="checkbox"/> All Wards	<input type="checkbox"/> N/A

Action Required:

Adopt resolution of intent, observe protest period, conduct a public hearing and consider renewing the district

Timeline and Recommended Motions:

Referral to committee: November 18, 2019

Committee discussion: November 20, 2019

Council sets public hearing: November 25, 2019

Recommended motion: Adopt a resolution of intention to extend the duration of the Missoula Downtown Business Improvement District for a period of 10 years and set a public hearing on the matter on December 16, 2019.

Public Hearing: December 16, 2019

Recommended motion: (Adopt/Deny) a resolution extending the duration of the Missoula Downtown Business Improvement District for a period of 10 years.

Deadline: 3/21/2020

Background and Alternatives Explored:

In accordance with Title 7, Chapter 12, Part 11 of Montana State law, the BID Board of Trustees has submitted a petition to extend the duration of the Downtown Business Improvement District for another ten year period that is signed by property owners of 69.67% (at the time this referral was drafted, see official tally sheet for updated numbers) of the area proposed to be included in the district. The City Council first established the Downtown Business Improvement District (BID) on April 4, 2005, for a period of five years. The district was renewed for a ten year period on March 22, 2010. In order to extend the district, the state law requires the city to follow the same process used to establish the district. A petition must be signed by property owners representing at least 60% of the area of the property proposed in the petition to be included in a district. It requires that the boundaries of the district comply with applicable zoning regulations and may not be primarily zoned for residential purposes. The BID informs me that they intend to continue gathering petitions as the process moves forward. The next steps in the legal process are:

- adopt a resolution of intention and set a public hearing

- publish and mail notice to property owners in the district concerning the renewal and their right to protest
- observe a 15 day protest period
- determine if there is an adequate statutory protest
- conduct a public hearing on the matter

My office will publish in accordance with state law on December 1 and 8 in the Missoulian, and we'll mail notices to property owners on November 29, 2019. The protest period will be from December 1, 2019 to December 16, 2019 at 5:00 p.m. State law requires that protests must be in writing and must be signed by the owner or authorized representative of the owner (the same as the requirements for the petition.) The Council will conduct a public hearing on December 16, 2019, to hear and pass upon all protests. If there isn't a sufficient legal protest from property owners in the proposed district, the Council may proceed to consider renewal of the BID. If any of the following protest thresholds are met, no further action can be taken on the proposed district for one year.

- owners of property within the proposed district or area of a proposed expansion having a taxable valuation, when aggregated, representing not less than 50% of the total taxable valuation of property within the district or within the area of a proposed expansion;
- not less than 50% of the owners of property within the district or area of a proposed expansion; or
- owners of property within the proposed district or area of a proposed expansion having projected assessments, when aggregated, representing not less than 50% of the total projected assessments for property within the district or within the area of a proposed expansion.

Assessments are determined annually based on the formulas in the table below, and the amount for the City, County and Parking Commission have increased:

Type of Property	Zone 1	Zone 2
All property not referred to below	\$200 flat fee plus 2.5% of the property's taxable value	\$150 flat fee plus 2.0% of the property's taxable value
Land owned by the United States Federal Government	Exempt	Exempt
City (except parkland) land Missoula County land Missoula Parking Commission land	\$200 plus \$.025 <u>\$.035</u> cents per square foot	\$150 plus \$.025 <u>\$.035</u> cents per square foot
City park land	\$200 plus \$.04 <u>\$.015</u> cent per square foot	\$150 plus \$.04 <u>\$.015</u> cent per square foot
Properties for which the property taxpayer has qualified for property tax assistance as provided by 15-6-134 and 15-6-193, MCA.	Exempt	Exempt
Residential storage units identified as separate taxable parcels	Exempt	Exempt
City and State public rights-of-way or parcels located in the river	Exempt	Exempt

Under the previous district, the City Council exempted a handful of parcels that were zoned R-3 under the City's old zoning ordinance. Since adoption of that ordinance, these parcels are now zoned similarly to other parcels in the district (RM1-35) which have been assessed since the district's inception. These parcels are included in the district renewal.

The following properties are exempt from the district:

- property owned by the federal government (not allowed by law)
- property owners who receive property tax assistance
- residential storage units in condominiums
- City and State public rights-of-way or parcels located in the river

Each year, in accordance with state law, the BID board of trustees must submit a budget and work plan for the City Council's approval. The Council considers this information as part of the City's overall budget process. The budget must include the annual budget and the work plan provide for liability insurance coverage insuring the district, the board, and the local government against legal liability for personal injury and property damage in an amount determined sufficient for that purpose by the governing body

Financial Implications:

Fiscal year 2020 Business Improvement District assessments totaled: \$381,738.

Links to external websites:

N/A