



# **Downtown Hotel Incentive Program**

## **Information & Grant Application Fiscal Year 2014**

(July 1, 2013 through June 30, 2014)

**PURPOSE:**

The purpose of the Downtown Hotel Incentive Program is to encourage the development of a new hotel within Bozeman’s Downtown Tax Increment Finance District (Downtown TIF District). To this end, the Downtown Hotel Incentive Program will provide a partial reimbursement towards hotel-related impact fees for the development of a new downtown hotel in accordance with the criteria discussed below.

The 2009 Downtown Improvement Plan emphasizes the need for the development of a high-quality hotel in Bozeman’s historic core.

“In some ways it is surprising that a community of Bozeman’s stature does not already have a small 50-80 room, “four star” hotel. The university, the hospital and other corporate entities report that such a hotel is needed for many types of visitors. It is recommended that the City or the TIF District fund a study of the feasibility and possible sites for such a hotel and explore financing and property assembly options.”  
[Downtown Improvement Plan page 37]

A Downtown Hotel Incentive project must support the goals of the Downtown Improvement Plan and the City of Bozeman Community Plan. The Downtown Improvement Plan is available at:

<http://www.downtownbozeman.org/downtown-improvement-plan.html>

The Bozeman Community Plan is available at:

[https://www.bozeman.net/Departments-\(1\)/Planning/Plans-and-Planning](https://www.bozeman.net/Departments-(1)/Planning/Plans-and-Planning)

**SCOPE:**

The Downtown TIF Board has allocated a total of \$200,000.00 for the potential to award two \$100,000.00 incentives during Fiscal Year 2014; to will be awarded to the first, and potentially second, applicant that meets all of the requirements and qualifications stipulated here within.

Applicants are reminded that this one-time incentive is discretionary in nature, subject to available funds and required approvals, and should not be considered an entitlement by the applicant. All grant criteria contained herein are guidelines for incentive awards and successful applicants may receive any amount up to the maximum award. Should an application meet all grant criteria, a grant may or may not be awarded at the Downtown TIF Board’s discretion due to funding limitations, competing applications, and/or competing priorities of the Downtown TIF District.

**AUTHORITY:**

**MCA Urban Renewal Law 7-15-4201 through 7-15-4293**

7-15-4233. Powers which may be exercised by urban renewal agency or authorized department.

(1) In the event the local governing body makes such determination, such body may authorize the urban renewal agency or department or other officers of the municipality to exercise any of the following urban renewal project powers:

(e) to make and execute contracts as specified in [7-15-4251](#), [7-15-4254](#), [7-15-4255](#), [7-15-4281](#)

(n) to conduct appraisals, title searches, surveys, studies, and other preliminary plans and work necessary to prepare for the undertaking of urban renewal projects;  
7-15-4255. Authority to provide or contract for services related to urban renewal.

(1) Every municipality shall have power to (a) provide or arrange or contract for the furnishing or repair by any person or agency, public or private, of services, privileges, works, streets, or roads in connection with an urban renewal project

**ADMINISTRATION:**

The Downtown Hotel Incentive Grant will be administered by the Executive Director of the Downtown Bozeman Partnership located at 222 East Main Street #302, Bozeman MT 59715.

**TIME FRAME:**

Hotel incentive applications will be accepted until a qualifying project (or projects) is selected and the funding has been awarded. The TIF Board will review applications on an as-needed basis. Applicants are advised that the application review process may take up to 60 days from the date of submission. This program is funded within the Downtown TIF budget for fiscal year 2014 which runs from July 1, 2013 until June 30, 2014.

**DEFINITIONS:**

The City of Bozeman Unified Development Code defines a "hotel" as follows:

**Sec. 38.42.1410. - Hotel or motel.**

A building or a group of buildings in which lodging is provided and offered to transient guests for compensation; the term "hotel or motel" shall not include a boardinghouse, extended stay lodgings, lodging house or rooming house.

(Ord. No. 1645, § 18.80.1380, 8-15-2005; Ord. No. 1693, § 29(18.80.1380), 2-20-2007; Ord. No. 1761, exh. R(18.80.1380), 7-6-2009)

For the purposes of the Downtown Hotel Incentive Program, the TIF Board will give preference to hotel projects with the following characteristics:

- Multiple floor building height
- Fifty or more rooms
- Conference, meeting and event space
- Portion of required parking incorporated as structured spaces
- Façade aesthetics complimentary to existing downtown architecture

**ELIGIBILITY:**

Projects seeking funding must meet the following criteria:

1. Projects must be located within the boundaries of the Downtown Bozeman Tax Increment District.  
[http://www.bozeman.net/Smarty/media/GIS\\_Media/maps/Downtown\\_Inventory\\_Map.pdf](http://www.bozeman.net/Smarty/media/GIS_Media/maps/Downtown_Inventory_Map.pdf)
2. A minimum investment of \$5,000,000.00 directly to the creation of a hotel development is required to receive incentive funds.
3. Incentive funds will provide partial reimbursement for the impact fees incurred due to the construction of the hotel development. The amount of funding will be calculated as a percentage of the hotel-related net impact fees paid (less impact fee credits relating to

existing uses and utilities). The funding amount will be for no more than 50% of the total hotel impact fees incurred not to exceed \$100,000.00.

4. The hotel development must comply with applicable building codes and ordinances as defined in the City of Bozeman Unified Development Code (UDC) in order to receive incentive funds.

**REVIEW PROCESS:**

Applications will be reviewed and approved or denied by the Downtown TIF Board and Downtown Bozeman Partnership Executive Director. Upon request, applicants will have an opportunity to present the project to the TIF Board and respond to any questions or concerns before a decision is made. Applications will be reviewed on a first come, first served basis for the duration of funding availability. In all cases, the decision of the Downtown TIF Board is final.

Incentive recipients will receive a Letter of Award and any conditions deemed necessary for receipt of the award.

**RELEASE OF FUNDS:**

Applicants will receive incentive funding as a reimbursement upon completion of all required work. In order to receive payment, the applicant must submit the provided Certificate of Completion, documentation of work completed, and a copy of the City of Bozeman Occupancy Permit. Specific documentation requirements are outlined in the Certificate of Completion.

Release of funds is subject to submission of this documentation to the Downtown Bozeman Partnership by the award recipient. The project must be completed as originally presented in order to receive payment. At the discretion of the Downtown TIF Board, projects may be subject to invoice payment verification, submittal of lien waivers, site inspection documentation and a copy of the City of Bozeman Occupancy Permit.

**DISCLAIMER:**

Neither the Downtown Bozeman Partnership LLC, nor the Downtown Tax Increment Finance Board, nor its affiliates shall be responsible for the planning, design, or construction of improvements to property that is owned by the applicant. No warranties or guarantees are expressed or implied by the description of, application for, award of or participation in the Downtown Hotel Incentive Program. The applicant is advised to consult with the City of Bozeman, licensed architects, engineers, or building contractors before proceeding with final plans or construction.

**DOWNTOWN HOTEL INCENTIVE PROGRAM  
APPLICATION 2013-2014**

**1. Project Location**

Address of Property: \_\_\_\_\_

Assessor Parcel Number(s): \_\_\_\_\_

Name of Existing Building(s): \_\_\_\_\_

**2. Applicant Information**

Name: \_\_\_\_\_

Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Phone: \_\_\_\_\_

Email: \_\_\_\_\_

Do you  Own,  Lease the subject Property?  
If neither, please explain the current ownership \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

**3. Project Information**

**Current status of site** (check all that apply)

- Existing building
- Parking lot
- Vacant lot

**Status of existing building on site** (if applicable)

- Occupied
- Partially or completely vacant

**Proposed number of hotel rooms**

\_\_\_\_\_ (qty)

**Proposed other uses for the development**

\_\_\_\_\_ (sqft) Conference, meeting, event space

\_\_\_\_\_ (sqft) Restaurant, coffee shop, eatery

\_\_\_\_\_ (sqft) Retail, spa, boutique

\_\_\_\_\_ (qty) Surface parking spaces on-site

\_\_\_\_\_ (qty) Structured parking spaces on-site

**4. Submittals**

Applications **must** include the following documents and information to support this application for Downtown Residential Incentive Grant.

- a. **Photographs of project site and/or building**
- b. **Description of the project (one written page maximum)**
- c. **Description of ownership group identifying the majority owner(s) and, if applicable, description of operating group**
- d. **Description of financing package assembled for land acquisition and project construction identifying fund sources such as banks, loans, equity, tax credits, etc.**
- e. **Proposed development plans (drawings to scale 1/8 inch = 1 foot) including site plans, floor plans indicating square footage and layout, elevations as appropriate)**
- f. **Description of parking accommodations for entire development**
- g. **Financial estimates for total project costs (to determine TIF's ROI)**
- h. **Estimated project timeline indicating construction start date, substantial completion date, and occupancy date at a minimum**

**5. Signatures**

**Property Owner(s):**

**Applicant(s):**

\_\_\_\_\_  
(Print Name)

\_\_\_\_\_  
(Print Name)

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Signature)

The Downtown Bozeman Partnership reserves the right to request additional information from the applicant to determine grant eligibility. **Applicants are required to submit a complete application and all supporting materials per the instructions in this packet. Incomplete applications will not be reviewed.**

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**For Official Use Only**

Date Approved:

Date Letter of Award Sent:

Date of Completion:

Date of Payment Request: