

Frequently-Asked Questions (FAQ)
ONE BIG SKY DISTRICT*
AS OF 12/17/18

***Embargoed until City Council meeting adjournment on 12/17/18.**

What is the One Big Sky Development Plan that was previewed at the City Council meeting Monday December 17th?

The Development Plan embodies the deliberate economic development strategy to overcome the challenges and capitalize on the opportunities of the city of Billings, the Region and the State for the next generation of workers, residents, students, and visitors.

The Development Plan lays out a comprehensive vision and plan of action to evolve the City of Billings into a more vibrant destination centered on the Montana lifestyle that drives robust growth in the local and statewide economies. This unique plan is fueled by private investment and builds iconic new public assets and civic institutions that will secure the State's position as a national leader in creative economic development, workforce development and infrastructure delivery and financing strategies.

Why is this type of strategy and corresponding Development Plan necessary?

Over the last decade, Billings' economy has been defined by slow and steady growth. However, "slow and steady" has NOT created enough momentum to attract and retain workers, drive visitation, and grow new and existing businesses. The absence of growth and an urban strategy for Billings has resulted in a market "gap" that limits Billings' ability to attract private capital investment needed to support growth and new development on par with competing cities in the Mountain States region and nationally. The One Big Sky plan means coordinated development to address the current market challenges and break the stagnant market cycle (i.e., it will close the "gap").

Why is the One Big Sky initiative so important? What is the alternative to the Development Plan?

The alternative "do-nothing" scenario is an option. But if the City or State decides that inaction is the best choice, then the massive future burden of meeting State and local needs will continue to fall on property taxpayers, who will simply pay more. Projections show that the City and State economies will see limited growth in economic output and tax base. Montana ranks among the lowest of any state in the country when it comes to Millennial population – the workforce of the future. Today, Montana lacks sufficient tools to drive economic development and grow the statewide economy. As Montana's largest city and home to some of its largest employers and with a number of civic "anchors," Billings is positioned to become a great modern American city – one that can generate new spending, create new jobs, and attract the future workforce that will strengthen the tax base. This urban strategy will also support more rural parts of the region and the State – to the tune of over \$2 billion in new revenues that can be used to support a variety of local and statewide priorities. Independent third-party consultants have confirmed: "Without a strong core, the whole region suffers as economic opportunities pass it by for more vibrant urban centers of activity."

What are the main components of this economic development strategy?

The vision is to attract private businesses and development interests to four anchoring districts that will become catalysts to the revitalization of Billings. The private development and civic infrastructure / assets will be grounded in (1) entertainment and events (including a first-of-its-kind convention center concept), (2) civic and health / wellness components, (3) an urban lifestyle residential district, and (4) educational and innovation uses and users.

Why is a convention center important as a catalytic project?

Billings can build America's most unique convention, event and multi-purpose venue. According to industry experts in convention and events venues, "The 'box with docks' model will not support the venue model of tomorrow. The model will be flipped. It may increasingly start to look like a part of the city instead of standing apart from its host city." This *Montana Station* venue will be a destination that is activated 365 days / year for both residents and visitors. It is equal parts a tourism draw and an asset for civic and community events. It will possess the amenities and character that will become the foundation of an authentic "Montana experience" – from the food served, to the artwork and culture on display, to the very design and materials of the facilities themselves.

Montana doesn't currently have a venue that can compete at the scale / level of experience that is envisioned for Montana Station. It will be larger than any venue in the State and attract conventions and events that are currently going to other cities in the Mountain States region, allowing Montana to "punch above its weight class" and bring new dollars into the State and local economies.

How is all of this new development financed?

Privately. The One Big Sky strategy leverages private investment for both the extraordinary civic infrastructure costs and the expected private development costs (i.e., new private commercial office space, downtown residential, hotels, and retail, dining and entertainment establishments that will complement existing businesses in the City). The plan requires the private sector to invest substantial capital (a minimum of \$300 million) to drive development of transformative anchors in the downtown core, which means the private sector will build, finance and operate the necessary civic infrastructure *and* the private development. Once this happens, there is a certain growth in jobs and net new taxes at all levels of government. Then, and only then, does the public sector contribute to reimburse a portion – but not all – of the civic infrastructure. The private sector will still shoulder a portion of that burden of paying for civic infrastructure. This means the financial risk lies with the private sector, not the City or the State.

Does this create a debt of the State or new taxes?

No, the One Big Sky legislative proposal does not create a debt of the State, now or in the future. It is not part of the State infrastructure bonding bill. It does not impose any new taxes at the State or local levels. The proposal does not put public funds at risk ... private funds must lead for public investment to follow via a State appropriation, only after the private sector has put a minimum level of capital in and there is a corresponding local "match," which result in massive net new tax revenues at the City, County and State levels.