Table 10 Tax Revenues and Costs of Service for SBBURD 2T5 - Analysis Assuming Costs of Services Grow Both Proportionally to the Value of TIF Investments and Annually at One-Half the Average Growth Rates.

	Mkt Value	Cost of Services	Unrestricted Tax Revenues	Restricted Tax Revenues
2010	$ 207,397,799	$ 686,352	$ 797,569	$ 209,887
2011	$ 215,278,915	$ 704,197.59	$ 756,164	$ 209,887
2012	$ 223,459,514	$ 722,506.73	$ 782,506	$ 209,887
2013	$ 231,950,976	$ 741,291.90	$ 809,848	$ 209,887
2014	$ 240,765,113	$ 760,565.49	$ 838,230	$ 209,887
2015	$ 249,914,187	$ 780,340.20	$ 867,690	$ 209,887
2016	$ 259,410,926	$ 800,629.04	$ 898,269	$ 209,887
2017	$ 269,268,541	$ 821,445.40	$ 930,011	$ 209,887
2018	$ 279,500,746	$ 842,802.98	$ 962,958	$ 209,887
2019	$ 290,121,774	$ 864,715.85	$ 997,158	$ 209,887
2020	$ 301,146,402	$ 887,198.47	$ 1,032,657	$ 209,887
2021	$ 312,589,965	$ 910,265.63	$ 1,069,506	$ 209,887
2022	$ 324,468,384	$ 933,932.53	$ 1,107,754	$ 209,887
2023	$ 336,798,182	$ 958,214.78	$ 1,147,456	$ 209,887
Difference			$ 1,583,317	
% Diff			14%	
PV Surplus			$1,190,604	

For the other districts, the results are as follows:

N. 27th Street 2T3N Service cost surplus is 53%. Present value of surplus is $2,877,269.

N. 27th Street 2T3A Service cost surplus is 22%. Present value of surplus is $1,817,699.

EBURD 2T4 Service cost surplus is 6%. Present value of deficit is $192,972.

SBBURD 2T5 Service cost surplus of 14%. Present value of surplus is $1,190,604.

SBBURD 23T5 Service cost deficit is 13%. Present value of deficit is $871,128.

Laurel 7TI Service cost surplus is 30%. Present value of surplus si $917,469.

The results of these different model runs are summarized in Table 11.

Table 11. Cost of Service Differences for Various Relaxed Assumptions

		Costs of Service Only Grow Due to Average Annual Growth Rates	Costs of Service Grow Due to Both Increase In TIF Investments and Average Annual Growth Rates	Costs of Service Grow Due to TIF Investments and at One-Half of the Average Annual Growth Rates
N. 27th 2T3	% Diff	33%	-29%	53%
	PV Deficit	$2,101,603	($3,371,931)	$2,877,269
N. 27th 2T3A	% Diff	2%	-31%	22%
	PV Deficit	$328,204	($4,531,443)	$1,817,699
EBURD 2T4	% Diff	-10%	-31%	6%
	PV Deficit	($360,899)	($1,552,212)	$192,972
SBBURD 2T5	% Diff	-5%	-30%	14%
	PV Deficit	($378,695)	($4,453,809)	$1,190,604
SBBURD 23T5	% Diff	-27%	-31%	-13%
	PV Deficit	($2,010,163)	($2,465,212)	($871,128)
Laurel 7TI	% Diff	5%	-32%	30%
	PV Deficit	$236,722	($1,758,141)	$917,469

The Opportunity Costs of the TIF Districts

In the previous three scenarios, the final values were an estimate of the present values of the stream of tax revenues or additional costs of services that the city will experience over the lifespan of the existing TIF districts. The size of these estimates does not tell how much the city would receive in tax revenues if these TIFs had never been created. To analyze this, we first modeled the path of tax revenues and costs of service assuming that the TIF had not formed, there was no additional TIF-funded or TIF-inspired capital investment in each district, and that property values and costs of service grew annually at their historic average rates. The results of this analysis for SSBURB 2T5 are presented in Table 12. Note that we are only looking forward in this analysis, thus the number of years remaining for each district varies.

Table 12. Tax Revenues and Costs of Services if SSBURB 2T5 Did Not Exist - Market Values Grow At Average Historical Rates

	Mkt Value	Cost of Services	Total Tax Revenues
2010	$ 45,627,516	$ 209,887	$ 209,887
2011	$ 47,361,361	$ 220,801	$ 217,862
2012	$ 49,161,093	$ 232,282	$ 226,141
2013	$ 51,029,215	$ 244,361	$ 234,734
2014	$ 52,968,325	$ 257,068	$ 243,654
2015	$ 54,981,121	$ 270,435	$ 252,913
2016	$ 57,070,404	$ 284,498	$ 262,524
2017	$ 59,239,079	$ 299,292	$ 272,500
2018	$ 61,490,164	$ 314,855	$ 282,855
2019	$ 63,826,790	$ 331,227	$ 293,603
2020	$ 66,252,208	$ 348,451	$ 304,760
2021	$ 68,769,792	$ 366,571	$ 316,341
2022	$ 71,383,044	$ 385,632	$ 328,362
2023	$ 74,095,600	$ 405,685	$ 340,840
Difference		$ (384,069)	
% Diff		-9%	-9%
PV Deficit		($270,303)	

For the other districts, the results are as follows:

N. 27th Street 2T3N	Service cost deficit is 7%. Present value of deficit is $168,613.
N. 27th Street 2T3A	Service cost deficit is 9%. Present value of deficit is $275,015.
EBURD 2T4	Service cost deficit is 8%. Present value of deficit is $88,898.
SBBURD 23T5	Service cost deficit is 9%. Present value of deficit is $149,614.
Laurel 7TI	Service cost deficit is 9%. Present value of deficit is $99,232.

As shown by these results, absent the TIF, each of these areas would likely see insufficient tax revenues to cover costs of service, with the present value of service cost deficits averaging 8.5% and totaling $1.1 million dollars.

In this "No TIF" model we assumed that property values in the areas where TIFs were located will grow at the same rate as for the rest of the city. This may be too strong of an assumption, especially given that the implicit goal of TIF legislation is to help an area recover from a lack of growth and preserve the taxing jurisdiction's tax base.

To explore the implications of slow future property value and tax revenue growth in these areas if TIF districts were not formed, we altered the model to assume that the market value for properties within the boundaries only grow at one-half the historic average rate. The results of this analysis for SSBURD 2T5 are presented in Table 13.

Table 13. Tax Revenues and Costs of Services if SSBURD 2T5 Did Not Exist - Market Values Grow At One-Half Average Historical Rates

		Mkt Value		Cost of Services		Total Tax Revenues
2010	$	45,627,516	$	209,887	$	209,887
2011	$	46,494,439	$	220,801	$	213,874
2012	$	47,377,833	$	232,282	$	217,938
2013	$	48,278,012	$	244,361	$	222,079
2014	$	49,195,294	$	257,068	$	226,298
2015	$	50,130,005	$	270,435	$	230,598
2016	$	51,082,475	$	284,498	$	234,979
2017	$	52,053,042	$	299,292	$	239,444
2018	$	53,042,049	$	314,855	$	243,993
2019	$	54,049,848	$	331,227	$	248,629
2020	$	55,076,796	$	348,451	$	253,353
2021	$	56,123,255	$	366,571	$	258,167
2022	$	57,189,596	$	385,632	$	263,072
2023	$	58,276,199	$	405,685	$	268,071
Difference			$	(840,662)		
% Diff				-20%		
PV Deficit				($593,523)		

For the other districts, the results are as follows:

N. 27th Street 2T3N — Service cost deficit is 15%. Present value of deficit is $368,383.

N. 27th Street 2T3A — Service cost deficit is 20%. Present value of deficit is $603,869.

EBURD 2T4 — Service cost deficit is 18%. Present value of deficit is $192,082.

SBBURD 23T5 — Service cost deficit is 20%. Present value of deficit is $328,519.

Laurel 7TI — Service cost deficit is 20%. Present value of deficit is $217,890.

As shown in this model, a lower growth rate in property values and economic activity within these areas, absent a TIF district, the present value of service costs for these areas could of 15% -20% less than total tax revenues generated and total $2.3 million dollars.

Note that these results can be expanded. For example, if zero growth in property values occurred for the remainder of the TIF districts lifespan, the present value of the expected service cost deficits would total $4.6 million dollars.

The final step in this analysis was to compare how much of a difference these TIF districts will make in generating city tax revenues compared to if these districts did not exist. Table 14 shows the present value of the difference between each TIFD assuming costs of services did or did not grow due to TIF investments and a future where the districts do not exist and property values grow at historic rates. Table 15 shows similar results where the assumption is that absent the TIF property values grow at one-half the historic rate.

Table 14. Present Value of the Future Net Revenues from TIF Districts Compared to Those if The District Did Not Exist, Assuming TIF Investment Did Not Increase Costs of Services

TIF Area Assumptions	TIF Investments Do Not Increase COS, Costs and Revenues Grow at Average Rates	TIF Investments Do Not Increase COS, Costs and Revenues Grow at Average Rates
No-TIF Comparison Assumptions	Property Values Do Not Contain TIF Increment and Grow at Average Rates	Property Values Do Not Contain TIF Increment and Grow at One-Half Average Rates
N. 27th 2T3	$2,270,216	$2,469,986
N. 27th 2T3A	$603,219	$932,073
EBURD 2T4	($272,001)	($168,817)
SBBURD 2T5	($108,392)	$214,828
SBBURD 23T5	($1,860,549)	($1,681,644)
Laurel 7TI	$335,954	$454,612
Total P.V.	$968,447	$2,221,039

As shown on Table 14, if we compare the stream of net revenues from TIF districts assuming that the costs of service did not rise due to TIF investments with the net revenues of these area absent TIF funding, we see that, overall, the city will have more revenue due to these TIFs than they would have if the districts did not exist. This total is even greater if, absent the TIF, property values (and tax revenues) only grow at one-half the historic rate. For example, without a TIF and at average growth rates, the N. 27th 2T3 area is forecast to cost the city a present value of $168,613 over its remaining lifespan. However, with a TIF and assuming costs of service did not grow due to the TIF investments, this area will be generate $2,270,216 more in tax revenues. If instead in the 'No TIF' alternative property values grew slow than in the rest of the city, the value of the TIF district to the city is a present value of $2,469,986 in revenues.

Table 15. Present Value of the Future Net Revenues from TIF Districts Compared to Those if the District Did Not Exist, Assuming Cost of Services Grew Proportionally with TIF Investments

TIF Area Assumptions	TIF Investments Increase COS, Costs and Revenues Grow at Average Rates	TIF Investments Increase COS, Costs and Revenues Grow at Average Rates
No-TIF Comparison Assumptions	Property Values Do Not Contain TIF Increment and Grow at Average Rates	Property Values Do Not Contain TIF Increment and Grow at One-Half Average Rates
N. 27th 2T3	($3,203,318)	($3,003,548)
N. 27th 2T3A	($4,256,428)	($3,927,574)
EBURD 2T4	($1,463,314)	($1,360,130)
SBBURD 2T5	($4,183,506)	($3,860,286)
SBBURD 23T5	($2,315,598)	($2,136,693)
Laurel 7TI	($1,658,909)	($1,540,251)
Total	($17,081,073)	($15,828,481)

The results shown in Table 15 present a less optimistic picture for the scenario where the TIF investments within a district increase the costs of providing services proportionally to the property value added. In these cases, service costs grow faster than total tax revenues and the present value of these deficits over the lifespan of all districts is $16 -$17 million dollars, depending upon the growth rate in property values in the "No TIF" alternative.

The following generalizations can be drawn from these scenarios.

1. The areas currently covered by TIF districts would cost the city $1 million over the remaining years of each TIF if these TIFs (and their investments) did not exist and the economic activity within these areas grew at the historic rate. If growth was only at one-half the average rate, total costs would be $2.3 million.

2. With these TIF districts, if the costs of providing city services do not increase with the new construction that took place following the establishment of each TIF district, three or four of the six districts modeled already show enough growth in unrestricted tax revenues to more than pay for the costs of providing city services, even under different assumptions concerning the growth of property values absent TIF investments. Also, the overall value of this portfolio of revenue-generating TIF districts is positive and estimated at $1 - $2 million dollars.

3. On the other hand, if the costs of city services increases proportionally to the increase in property values in a TIF district, none of the six districts show increases in unrestricted property taxes large enough to pay for the costs of city services over the lifespan of each district when compared to the service costs absent TIF districts.

4. If the costs of providing city services only grow by one-half the historic rate, five of the six TIF districts analyzed already show sufficient growth in unrestricted tax revenues to pay for the costs of city services over the lifespan of each district, and compared to a "No TIF" alternative, the value to the city would be even greater.

And What About After the TIF Sunsets?

This analysis only explores the time period during the expected period of performance for each TIF district. After the TIF districts sunsets, the diverted tax revenues again flow to the original taxing authority. So, if a district is generating more property taxes than its share of service costs, over the following years post-district this deficit will be covered. The length of time depends upon the size of the surplus returned and how far in the future this takes place (think inflation).

How Do These Effects Hold For Other Taxing Jurisdictions?

The processes applied to estimate the city-level impacts can be applied to other taxing jurisdictions. In the case of Yellowstone County, there are both county and school districts whose boundaries may overlap TIF districts.

The key feature in examining these other taxing jurisdictions is how large is property taxes as a percentage of total tax revenues. As we have already seen, in Billings property taxes represents around 30% of its total tax revenues, and while a TIF district may limit the additional unrestricted property tax revenues that flow to the city, the majority (70%) of new tax revenues from new economic activity within the TIF district still flows to the city.

Other taxing jurisdictions rely more heavily upon property taxes. In the case of Yellowstone County, we estimate that 66% percent of its total operating budget comes from property taxes, and in the case of the School District #2, this value is similarly large.

With this increased reliance upon property taxes, there are greater impacts when a TIF district is formed which freezes unrestricted property tax revenues coming from district. In the case of Yellowstone County, the growth rate in unrestricted tax revenues due to economic growth within the district is less than half that of Billings.

As was shown in the analysis of Billings TIF districts, if the growth in the costs of providing county services is greater than the growth rate in unrestricted county tax revenues coming from new economic activity in the district, Yellowstone County may need to use funds generated outside the district to cover county services for residents within the district. For the county, tax revenues have grown at an average of 3.7% per year between 1994 and 2009. With property taxes representing two-thirds of total county tax revenues, unrestricted county tax revenues from new economic activity within a TIF district would only grow by 1.2% (or one-third of the overall average). Concerning costs, the costs of providing county services have grown by an average of 2.9% per year for the same time period.

Using these past averages as estimates of future performance, Yellowstone County will see the costs of services for TIF residents grow by 1.7% more than the growth in county tax revenues from this district. In effect, with these parameters, TIF districts represent a built-in deficit of 1.7% of the cost of providing county services associated with the residents and businesses located in TIF districts. This deficit is considerable larger than that estimated for the City of Billings (1.3%) (but not as large as Laurel's) and it increases the benchmark level at which the district must grow in order to even match overall growth rates for the rest of the county, and the minimum size of the TIF district project necessary to overcome this deficit.

Another jurisdiction depending upon property tax revenues are Yellowstone County school districts. One-quarter of School District #2's 2010 funding ($35 million) come directly from property taxes and another 28% came from state aid, some of which may have been derived from property taxes returned to the state. This puts the school systems' direct reliance upon property taxes roughly the same as Billings'. However, unlike Billings' city government, the school system doesn't have the ability to collect additional taxes or service fees. Most of its other revenue sources are externally set. Given this, the impact of TIF-enabled freezes in property tax revenues upon the ability of the system to benefit from economic development within a TIF is larger than that of Billings.

Two Additional Complicating Factors

There are two additional factors which complicates analyzing TIF district performance. The first is the fact that all of these forecasts assume that the tax increment represents new economic activity for the community. If this assumption is wrong for a particular TIFD, total city and/or county revenues could be substantially smaller or even unchanged, and the TIFD project will produce a deficit instead of positive net revenues.

The simplest way to describe this is if a TIFD is formed and the majority of new business activity is either businesses relocating from another area in the same taxing jurisdiction or is a new competitor to existing local businesses. In either case the additional revenues generated within the TIFD will be matched with a decrease in tax revenues, either from the former location of the business or from the competing local businesses.

This represents a potential problem for the SSBURD TIFDs and to a lesser extent the Laurel TIFD. To date, the new businesses attracted are mostly retailers that are competing against existing retailers. Even with the large positive estimates of net revenues suggested by the model, if the 'new' businesses cannibalize existing economic activity, the overall impact to the city or county could turn negative.

A second potential complication concerns the estimated costs of providing public service. In the analysis model service costs are estimated to grow at different rates proportional to the size of TIFD investment. While the author feels that this is a reasonable assumption, it doesn't have to be the case. If by design or accident a TIFD includes geographic areas that absorb a disproportionate share of government funding, costs of service can expand at a much quicker pace than new TIFD revenues and again the project can create a deficit instead of positive cash flow.

While any of the existing TIFDs may in the future find itself in this situation, the SSBURD project seems relatively more likely to experience this problem. Unlike the other districts, the SSBURD TIFDs include a large number of residences, and while in this study we did not estimated the cost of providing services to residences compared to businesses, past research has shown that businesses cost relatively less than they pay in property taxes while residential homes demand more than $1 in services for each $1 they pay in property taxes.

This possibility represents another way in which a TIFD could shift costs (at least temporarily) from one taxing jurisdiction to another. A new city TIFD business could be in an industry which pays low salaries. The new residents moving into Billings to take these jobs are unlikely to contribute as much property tax revenues as they consume in city services (education is of course a prime example of this). Or these new residents, in search of more affordable housing, could choose to locate outside of Billings, which places the service cost burden upon Yellowstone County while Billings (or Laurel) reaps more of the benefits.

As was mentioned in the discussion of overall growth rates, the parameters used in the model embed the existing level of the urban-worker, rural-resident dynamic. But if for whatever reason a TIFD attracts a disproportionate share of businesses paying low wages, cost-shifting is possible if not likely.

What Does This Type of Analysis Miss?

The methodologies used in this analysis use the prices of properties and the costs of services as measuring gauges of economic growth and implicitly assume that economic growth is the only statistic worth keeping track of. With this approach, we assume that most if not all of the impacts of TIF operations can be seen as incremental changes in property values or service costs. For example, the North 27th TIF administered by the Business Improvement District (BID) funds additional police protection and other quasi-public services. Assuming that the City of Billings does not use BID involvement as an excuse to shift other police resources away from downtown, this would suggest that downtown Billings was relatively safer than it would have been without this additional protection. The methodologies used in this analysis assume that the efforts of the BID to increase the benefits of living, working, and visiting downtown relative to the rest of the community are shown in higher growth rates for property values within the district. If for various reasons the full value of these actions is not captured in property prices, then this methodology can undervalue these benefits.

There is also a long list of non-monetary benefits expressed by those individuals contacted in the course of this analysis which are also missed by this analysis. These include:

- Increased civic pride
- Increased cooperation and involvement in local development
- Decreased stress in dealing with day-to-day issues such as downtown parking, etc.

Issues and concepts such as these very likely contribute to the value residents and businesses place upon living and working in our communities and the TIF districts. In the course of this research project, many individuals and groups independently expressed these as important benefits of TIFDs. But these concepts are only valued by the chosen analysis methodology to the extent that they systematically change costs or prices.

Conclusions

This economic analysis of the performance of Yellowstone County TIF districts relative to the rest of the community shows that the economic growth rate within TIF districts will tend to be larger than that of the rest of the overall community. In this way, TIF districts have been successful at fostering economic growth. However, during their remaining lifespan, this amount of economic growth is not yet large enough to outweigh forecasted future increases in the costs local governments will face in providing city-, county-, or educational services. These districts must continue to attract and maintain business activity at above-average rates in order to reach this hurdle.

Appendix A. Survey Results

The Center for Applied Economic Research conducted a survey as part of the TIF district analysis being done for the City of Billings. The survey was open to residents of Yellowstone County from December 1st through December 17th. Respondents could access the survey by going to the City of Billings website and opening up the survey link. Maps of the TIF districts were available for respondents to look at while taking the survey. The four TIF districts in the survey included the North 27th District, the East Billings Urban Renewal District, the South Billings Boulevard District, and the Laurel District. A total of 36 people completed the survey. Below are the results of the survey.

The first section of the survey asked about commercial property in any of the TIF districts in Yellowstone County. If respondents answered that they do not own commercial property within a TIF district, the survey skipped them to the next section.

Do you own commercial property within a TIF district?

Yes	**5**
No	31
Total	36

In which TIF district do you own commercial property?

North 27th	
East Billings	5
South Billings	
Laurel	
Total	5

How long have you been a property owner there?

5 plus years	**2**
10 years	1
20 years	1
23 years	1
Total	5

The next section asked about residential property in any of the TIF districts in Yellowstone County. Respondents were skipped to the next section if they answered they did not own residential property within a TIF district.

Do you own residential property within a TIF district?

Yes	**2**
No	33
Total	35

In which TIF district do you own residential property?

North 27th	
East Billings	1
South Billings	1
Laurel	
Total	2

How long have you been a property owner there?

3 years	**1**
10 years	1
Total	2

The following section asked respondents if their place of work was within a TIF district. Again, if they answered no, the survey skipped them to the next section.

Is your place of work within a TIF district?

Yes	**10**
No	25
Total	35

In which TIF district is your place of work?

North 27th	**4**
East Billings	5
South Billings	1
Laurel	
Total	10

How long have you worked there?

3 years	**1**
5 plus years	1
6 years	1
10 years	2
13 years	1
15 years	1
18 years	1
20 years	1
20 plus years	1
Total	10

The last section asked respondents if they lived within a TIF district. Like previous questions, if they answered no, the survey skipped them to the next section.

Do you live within a TIF district?

Yes	**2**
No	32
Total	34

In which TIF district do you live?

North 27th	
East Billings	1
South Billings	1
Laurel	
Total	2

The next questions asked respondents if the TIF funding has improved the districts and if respondents thought the area would have improved without the TIF funding. Both of these questions were followed with an open-ended question asking the respondent to explain why or why not they answered the way they did. The reasons the respondents gave were categorized by similarities. There is a total number of respondents who answered each particular way after the reasons.

Do you believe that TIF funding has improved the district?

Yes	**30**
No	3
Total	33

An open-ended question was asked why or why not respondents believed that TIF funding has improved the district.

The following are reasons respondents listed as to why TIF funding has improved the district.

- Cleaned up area/Improved infrastructure: 6
- Creates new jobs/Aids in development & redevelopment: 9
- Increased property values: 3
- General upkeep benefits areas both short & long term: 2
- Funding is available for projects that normally wouldn't be: 2
- Enhanced overall value of downtown: 2

The following are reasons respondents listed as to why TIF funding has not improved the district.

- Have seen no visible changes: 1
- No money has been spent from the North 27th TIF yet: 1
- It's a new district: 1

Do you believe the area would have improved if TIF funding had not been received?

Yes	9
No	24
Total	33

An open ended question asked respondents why or why not they believe the area would or wouldn't have improved if TIF funding had not been received.

The following are reasons respondents listed as to why the area would have improved had TIF funding not been received.

- Growth would happen, it would just be slower without TIF funding: 2
- At some point, something would have been done: 1
- Things can be done with private dollars as opposed to public dollars: 1
- Investments had been made before TIF was created: 1
- If location is desirable, businesses will move to area: 1

The following are reasons respondents listed as to why the area would not have improved had TIF funding not been received.

- No motivation/incentive/funds to change: 6
- Values would have deteriorated too far to fix: 2
- Won't develop as fast on private money: 2
- Improvements take place without tapping all the residents: 2
- No money would be available: 1
- Nothing has been spent: 1
- Cost prohibitive to reclaim property in this part of town: 1
- More improvement means more opportunity for improvement: 1
- Projects have happened that could not have been done without TIF funding: 1
- Economic conditions: 1
- It was dying: 1

The next few questions covered the topic of if respondents felt the TIF benefited or harmed them in any way. Again, these numbers were placed in similar categories and totaled based on how many respondents answered each way.

Please give specific examples of how TIF funding has benefited your household or business.

- Revitalization of downtown: 3
- Business development/New business connections: 2
- Money available for infrastructure: 2
- N/A: 2
- Lower crime rate: 1
- Parking garages: 1
- Ability to sell real estate for development: 1
- Increase value of properties due to improvements: 1
- First Interstate building on 6th: 1
- Implementation of quiet zone: 1
- Community expansion: 1
- Improvement of Montana Avenue: 1
- Put people back to work: 1
- Awarded TIF money to provide exterior improvements for our building: 1
- Paint/construction products purchased has benefited job and income: 1
- Nothing has been spent: 1

Please give specific examples of how TIF funding has harmed your household or business.

- NA/None/Has not harmed: 20
- Increased taxes: 1

Please give specific examples of how TIF funding has benefited or harmed Billings or Yellowstone County.

- Revitalized downtown: 6
- Benefit to the whole community: 3
- Improved tax base in downtown Billings: 2
- Lower crime: 1
- Helped economy of Billings: 1
- New business: 1
- Provides alternative funding source rather than back of residents: 1
- Harmed: people personally profiting from TIF funds: 1
- Harmed: More tax burden on other residents of Yellowstone County: 1
- Harmed: too many TIF projects at same time it may present "cost" restrictions to some: 1
- Harmed: Billings reputation with legislators and state agencies: 1

The final question of the survey asked respondents if they had any other comments.

Any other comments:

None: 3

- TIF funding is vital and a useful tool for our community: 2
- Look at resetting timelines so taxing entities will receive benefits earlier: 2
- Without TIF funding, there would be a declining tax base: 1
- Get facts to the public: 1
- Look at how TIFs have been used in other cities in Montana and in other states: 1
- Important to properly "sell" any TIF project to the voters: 1
- Look at before and after picture: 1
- Analysis is necessary to quantify the benefits of the TIF districts as much as possible: 1

Appendix B. Maps of Yellowstone County TIF Districts

The following maps describe the boundaries of the existing TIF districts in Yellowstone County.

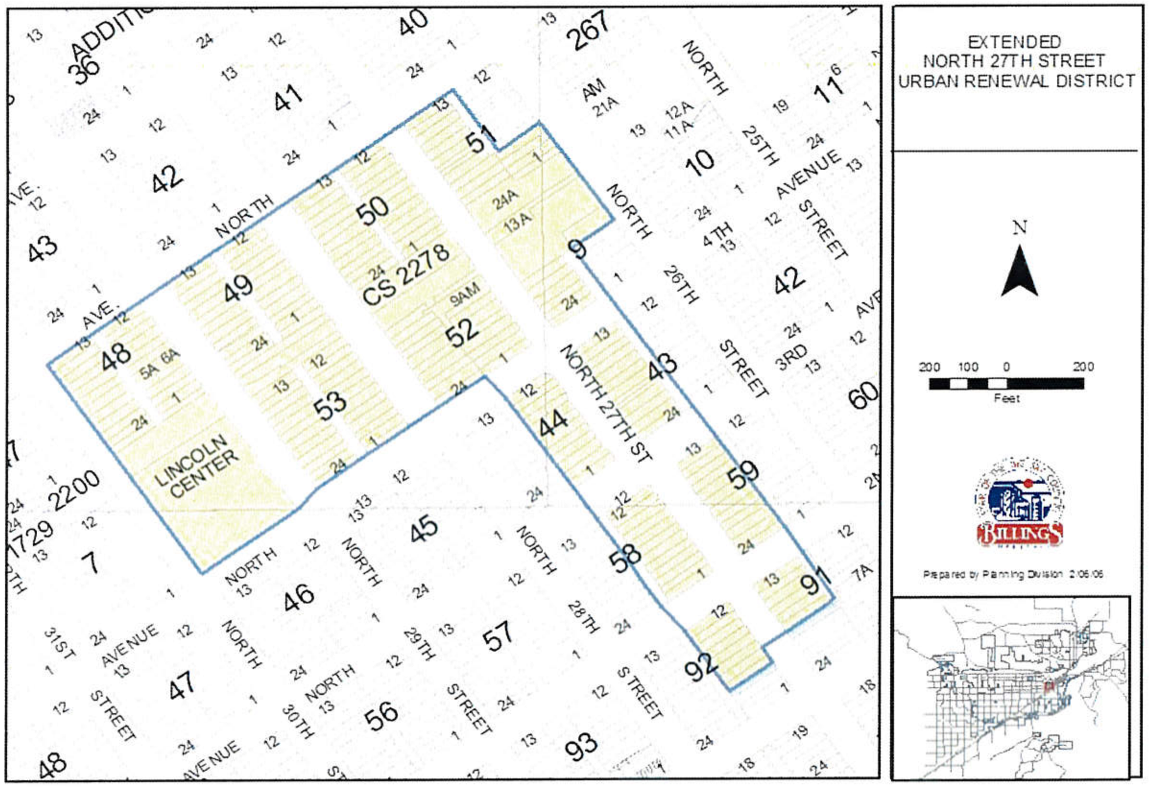

Figure 4 N. 27th Street Urban Renewal District

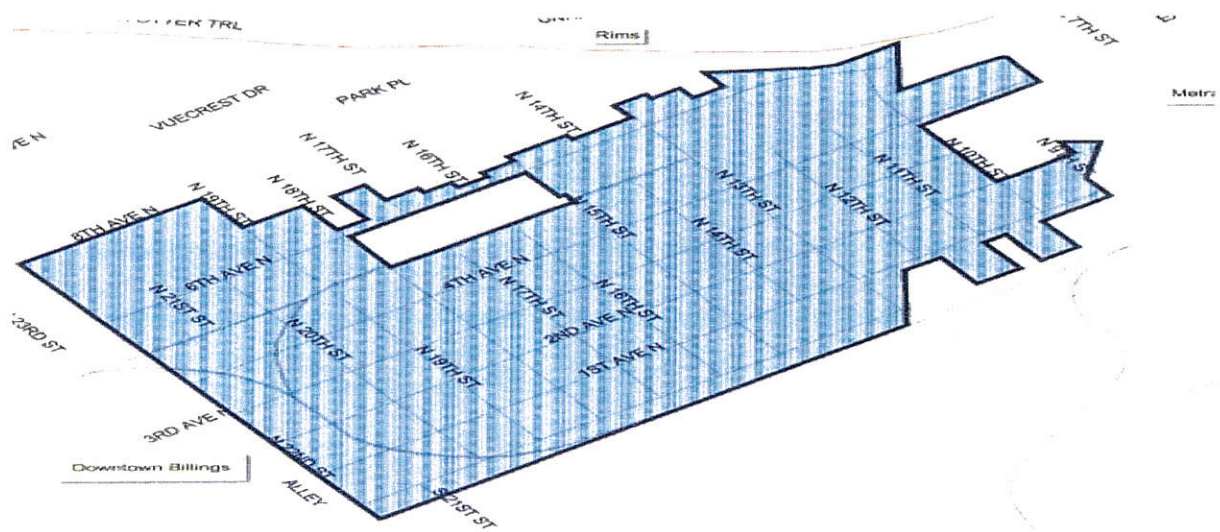

Figure 5 East Billings Urban Renewal District

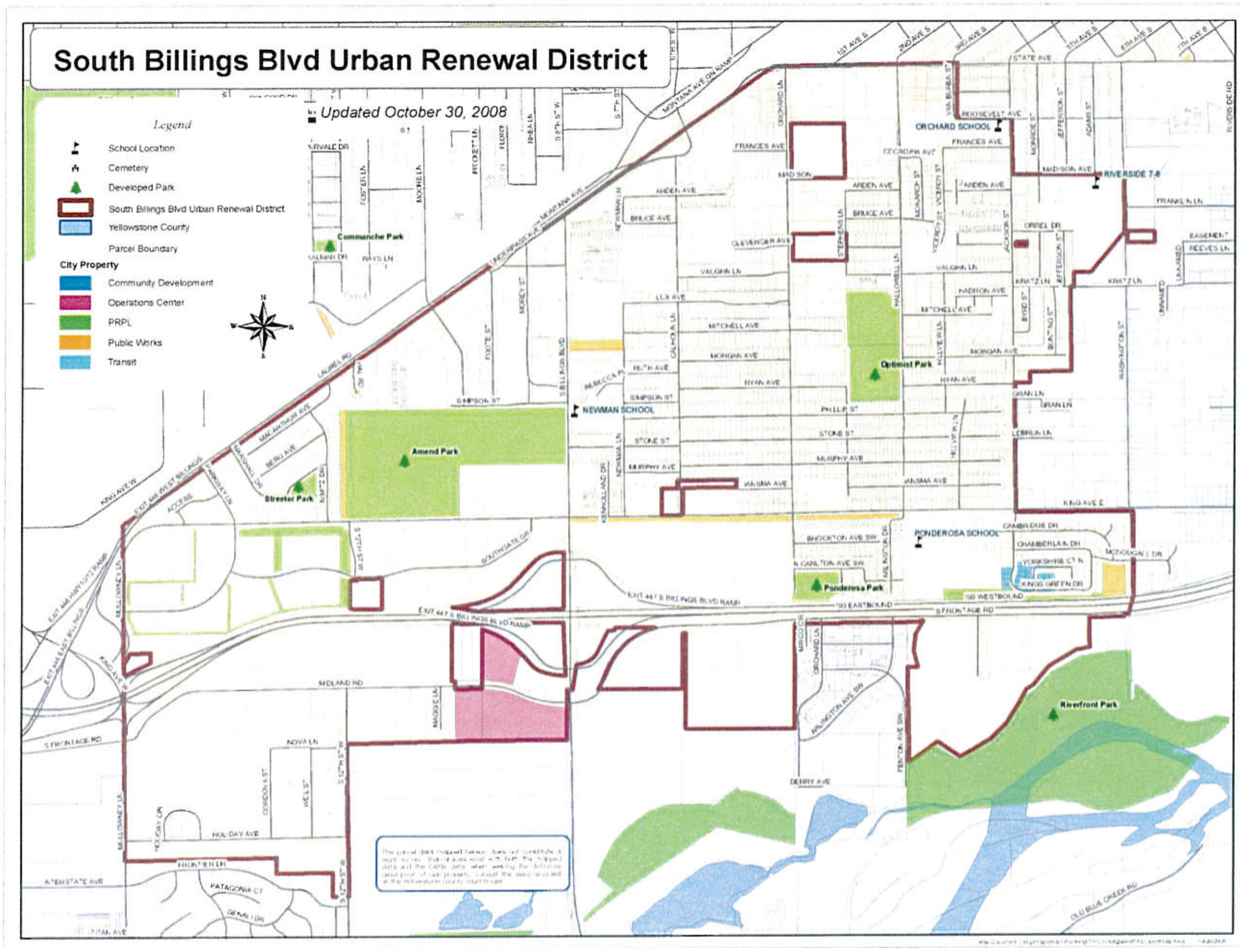

Figure 6 South Billings Blvd Urban Renewal District

Figure 7 Laurel TIF District

[i] Assuming that it is new economic activity generating higher property values does not come without risks, especially given that TIF programmatic funding favors helping private enterprises build things which become part of the tax base. However, in Montana many commercial properties are appraised based upon the value of the business housed on this property, and in this way increases in economic activity is transmitted into rising property values.