

Memorandum

REPORT TO: City Commission

FROM: David Fine, Economic Development Manager
Brit Fontenot, Economic Development Manager

SUBJECT: Authorize the City Manager to Sign an Addendum to Development Agreement and Consent for Bozeman Yards, Establishing Project Milestones and Allowing for Collateral Assignment

MEETING DATE: April 7, 2026

AGENDA ITEM TYPE: Agreement - Legal

RECOMMENDATION: Authorize the City Manager to sign the Addendum

STRATEGIC PLAN: 2.2 Infrastructure Investments: Strategically invest in infrastructure as a mechanism to encourage economic development.

BACKGROUND: The City Commission approved the Bozeman Yards Project and a related development agreement with Resolution 5663. The Commission amended that resolution by Resolution 2025-36. This addendum to the the development agreement establishes milestone dates where they were omitted in the previous agreement. The addendum also allows for collateral assignment of the development agreement to the project's construction lender. Collateral assignment is a common practice for development agreements as a condition of financing. Collateral assignment allows the lender to complete the developers obligations under the development agreement and be reimbursed for the project's eligible costs under the same terms as the developer. The eligible costs for this project primarily consist of new public infrastructure and demolition of existing structures on the site. Since the City's goal with the development agreement is the completion of new public infrastructure and the creation of new taxable value through the completion of the project, collateral assignment is aligned with the city's interest in the project.

UNRESOLVED ISSUES: None at this time.

ALTERNATIVES: As suggested by the City Commission.

FISCAL EFFECTS: Collateral assignment does not create new fiscal impacts with respect to the development agreement.

Attachments:

[TIF Development Agreement Addendum with](#)

Milestones(18606040.7).docx

Report compiled on: March 26, 2026