

CITY OF HELENA
REGULAR CITY COMMISSION MEETING
March 24, 2014
6:00 P.M.

Time & Place A regular City Commission meeting was held on Monday, March 24, 2014 at 6:00 p.m., in the Commission Chambers, 316 N. Park Avenue, Helena, Montana.

Members Present Mayor Smith indicated for the record that Commissioners Elsaesser, Ellison, Haque-Hausrath and Haladay were present. City Manager Ron Alles, City Attorney Jeff Hindoien and Deputy City Clerk Robyn Brown were present. Others present were Gary Spaeth representing the Helena Citizens Council.

Pledge of Allegiance Mayor Smith asked those persons present to please stand and join him in the pledge of allegiance.

Minutes The minutes of the regular City Commission meeting of February 10, 2014 were approved as submitted.

Proclamation PROCLAMATION:
A. National Service Recognition Day

Mayor Smith read the National Service Recognition Day proclamation designating April 1, 2014 as National Service Day. State Program Director Jackie Girard for the Corporation for National and Community Service accepted the proclamation; thanked the City for supporting the program; and listed some of the programs Helena participates in.

Commissioner Ellison and Commissioner Elsaesser spoke of their involvement with various programs. Commissioner Haladay noted he is an Americorp alum and thanked everyone that participates in the programs.

Board Appointment BOARD APPOINTMENT:
A. Board of Adjustment

Mayor Smith recommended the following appointment:

Board of Adjustment- Appointment of Klint Fisher to the Board of Adjustment; the unexpired term will begin upon appointment and expire October 1, 2016.

Motion **Commissioner Haladay moved approval of the appointment to the Board of Adjustment as listed above.** Commissioner Ellison seconded the motion. All voted aye, motion carried.

Consent Agenda CONSENT AGENDA:
A. Claims
B. Authorize staff to void stale dated checks
C. Resolution approving and adopting the Montana Municipal Interlocal Authority Revised and Restated Workers' Compensation Program Agreement

City Manager Ron Alles recommended approval of the claims and the consent agenda.

Public comment

Mayor Smith asked for public comment, none was received.

Motion

Commissioner Ellison moved approval of items A through C on the consent agenda. Commissioner Elsaesser seconded the motion. All voted aye, motion carried.

Communications

COMMUNICATIONS/PROPOSALS FROM COMMISSIONERS

Commissioner Haque-Hausrath referred to the Commission's ongoing discussions related to Rural Development Loans. She noted she contacted city staff who said they had contacted Mr. Tony Preety with the USDA and requested an official interpretation of the issue. She noted she feels the issue is of great importance and urged staff to keep following the issue. Manager Alles noted he too contacted Mr. Preety and is waiting to hear back. Once staff hears back they will update the Commission accordingly.

Commissioner Ellison congratulated the Capital High Boys Basketball team and their coach Guy Almquist on their state championship win; it was the first time they have won the championship in 30-some years.

Commissioner Elsaesser wished Manager Alles and Mayor Smith and Public Works Director Camp well on their trip to Washington D.C. Mayor Smith acknowledged he, Manager Alles and Director Camp are traveling to Washington D.C. tomorrow to speak to Montana's congressional delegation regarding the Tenmile watershed and the city's water distribution system.

Report of the City Attorney

REPORT OF THE CITY ATTORNEY

No report was given.

Report of the City Manager

REPORT OF THE CITY MANAGER

Manager Alles reported the Department of Transportation was disallowing the city's use of contingency funds for the East Valley bus route; they have now decided to allow the use of the contingency funds which will allow the continuation of the route.

Report from the Helena Citizens Council

REPORT FROM THE HELENA CITIZENS COUNCIL

HCC member Gary Spaeth reported the HCC is working on its priority list and the council's next meeting is March 26, 2014 and invited the Commission to attend.

Regular Items

REGULAR ITEMS:

- A. CONSIDER A RESOLUTION OF INTENTION FOR A PROPOSED FEE SCHEDULE CHANGE FOR THE HELENA CIVIC CENTER.

Staff Report

Civic Center Manager Diane Stavnes reported the current basic fee schedule was adopted in July 2010. The three fee documents were reviewed and discussed by Civic Center staff, a Civic Center Board Committee and the full Civic Center Board. The Board voted to approve the proposed fee documents at the February 4, 2014 meeting and recommended that they be submitted to the City Commission for approval.

Staff is recommending an update to the fee schedule for the Civic Center facility for the 2014-2015 event season. The proposed document includes basic room rental increases, a full facility rental increase, select equipment rental increases and a Box Office Service fee that includes both a minimum and maximum rate, minimal language clarification and a returned per ticket increase.

Manager Stavnes recommended approval of the resolution of intention and noted it has been four years since the last Civic Center fee increase was enacted. Doing another increase now allows us to keep at market value with other area facilities

Discussion

Commissioner Elsaesser for the rationale behind minimum and maximum charges behind box office service fees. Manager Stavnes explained the rationale is to remain competitive for large out of town shows to have a cap on that fee so they are not incurring a fee on the dollars they may generate; this procedure is fairly commonly done in the industry.

Public comment

Mayor Smith called for public comment; none was received.

Motion

Commissioner Haque-Hausrath moved approval of a resolution of intention to modify the fee schedules for the Helena Civic Center and set a public hearing date for Monday, April 7, 2014. Commissioner Haladay seconded the motion. All voted aye, motion carried. **Res #20073**

- B. CONSIDER THE FOLLOWING TWO ACTIONS FOR THE SAME PROPERTY: A REQUEST FOR A VARIANCE FROM THE REQUIREMENT OF 12-7-4, HELENA CITY CODE, TO EXTEND WATER AND WASTEWATER MAINS IN ADJACENT RIGHTS-OF-WAY ADJACENT TO LOTS 16 AND 17 OF BLOCK 530 OF THE EASTERLY ADDITION (ITEM A); AND A SIMULTANEOUS REQUEST TO ENLARGE THE WATER AND WASTEWATER SERVICE AREAS TO INCLUDE LOTS 16 AND 17 OF BLOCK 530 OF THE EASTERLY ADDITION (ITEM B).

Staff Report

City Attorney Jeff Hindoen reported The property owners of Lots 16 and 17 of Block 530 of the Easterly Addition (i.e., the 700 block of Highland Street) are presently requesting two distinct regulatory actions by the City of Helena that (1) require direct actions by the City Commission and (2) are being presented to the Commission for consideration of those actions in tandem. The first action, referenced as Item A above, relates to their request to file an amended plat that relocates the common boundary line between Lots 16 and 17. The second action, referenced as Item B above, relates to their request to enlarge and extend the boundaries of the City's water and wastewater service areas to include Lots 16 and 17.

ITEM A: Amended Plat -- Subdivision Variance Request

This involves the request by the parties to file an amended plat that would aggregate the west 20 feet of existing Lot 17 with existing Lot 16, thereby creating new Lots 16A and the remaining eastern 22 feet of Lot 17 as Lot 17A. (See proposed amended plat) Although they technically involve a "subdivision", such amended plats reflecting the relocation of common boundary lines are "exempt subdivisions" that do not require review under the Montana Subdivision and Platting Act.

However, exempt subdivisions are still subject to the provisions of §12-7-4 of the Helena City Code (2013), which provides in pertinent part as follows: 12-7-4: APPROVED AMENDED PLAT: Approved amended plats that are exempt from subdivision review must be certified by the director of community development or designated representative and city engineer. Amended plats may not be certified or approved for filing unless the lots or parcels created thereby have legal and physical access to public ways and are served by water and sewer mains located in adjacent public rights of way or city held easementsIn short, the subdivision regulations under the Helena City Code require that lots created by an amended plat must have legal and physical access to public ways and are served by water and wastewater mains located in adjacent public rights of way before the amended plat can be filed. This regulation is intended to ensure that any newly “created” lot have adequate infrastructure to serve it and that there are no “gaps” created in that infrastructure. At present, the water and wastewater mains located in the adjacent Highland Street ROW terminate at approximately the western boundary of Lot 16.

As discussed more fully below, the applicants are requesting a variance from that portion of the HCC § 12-7-4 requirement that the water and wastewater mains be extended across the full frontage of both lots.

ITEM B: Enlargement/Extension of Service Area Boundaries

This involves the separate request by the parties to secure the enlargement and extension of the City’s water and wastewater service areas in accordance with § 6-5-1 of the Helena City Code. As with the City’s subdivision regulations, this portion of the City Code also requires an applicant to be responsible for providing legal/physical access and for the extension of the mains across the property frontage. See HCC § 6-5-4(C)(5) and (10). In terms of present status, the City Commission took action on July 22, 2013 to approve the request of the owner of Lot 16 to extend the water service area boundary to include that particular lot. This July 2013 request should have included extension of the wastewater service area boundary, but an inadvertent error on the part of City staff at that time as to the exact location of that boundary resulted in a Commission action item that referenced only to the water service area boundary. As of that point in time, however, the applicant was ostensibly contemplating development only on Lot 16. The applicants’ revised plans for development on both Lot 16 and a portion of Lot 17 are what have triggered the need for additional regulatory action with respect to **both** the subdivision regulations and the water/wastewater service area regulations.

In any event, the applicant/owner’s July 2013 request for extension of the water service area boundary also included a request for a variance from the Title 6, Chapter 5 requirement that he be responsible for extending the mains across the front of Lot 16. (See attached letter dated July 18, 2013). The Commission denied that request, however, and took action to approve the application to enlarge the water service area boundary to include Lot 16 subject to the following conditions as recommended by staff:

- a) That City-standard water and sewer mains be installed through the frontage of Lot 16; and
- b) That the applicant install an acceptable 20’ wide fire truck turnaround with all-weather surface.

Thus, as things stand today, the City Commission has acted to conditionally extend the boundary of the water service area to include Lot 16. Neither Lot 16 nor Lot 17, however, are presently included within the boundaries of the wastewater service area. As outlined more fully below, the applicants are now requesting that the service area boundaries be enlarged and extended to include both Lot 16 and Lot 17, but are also requesting a variance from the Title 6, Chapter 5 requirement that the mains be extended across the frontage of both lots. (See attached letter dated February 26, 2013)

ITEM A: As outlined above, this situation involves two discrete regulatory “applications” and requests for “variance” under the Helena City Code. The first item relates to the application under the Title 12 subdivision regulations for the approval of an amended plat that would aggregate the west 20 feet of existing Lot 17 with existing Lot 16, thereby creating new Lots 16A and 17A.

The specific action item before the City Commission in this context is a **request for a variance** from the Title 12, Chapter 7 requirement that the water and wastewater mains be extended across the frontage of the lots that are the subject of the proposed amended plat. They are specifically seeking a variance from the water and wastewater main extension component of HCC§12-7-4 would otherwise require them to install water and sewer mains in the Highland Street ROW across the frontage of both Lot 16 and Lot 17. The separate legal/physical access component of HCC §12-7-4 is not an issue, as the extension of any water service to Lot 16 is presently conditioned upon the construction of an all-weather fire truck turnaround that will provide such access.

Although HCC § 12-7-4 would allow the applicants to potentially defer the installation of these improvements subject to a financial guarantee agreement, the practical effect of any such deferment is that the applicants would still be required to provide financial security in an amount equal to the costs of installing the water and wastewater mains. If the applicants did not then install the infrastructure by the date specified in the agreement, the City would then use the financial instrument to fund the infrastructure installation. As such, the applicants here are requesting a variance from any requirement that they **either** install **or** defer installing the subject mains.

The subdivision regulations in Title 12 contain specific criteria for the Commission to utilize in addressing variance requests:

B. Variances from these subdivision regulations may be granted upon appealing specific cases, when the subdivider meets the burden of proving:

- 1. The granting of the variance will not be detrimental to the public health, safety, or general welfare, or injurious to other adjacent properties;*
- 2. Literal enforcement of the provisions of these regulations will result in unnecessary hardship due to particular physical surroundings, shape, or topographical conditions that are unique to the specific property involved and that cannot be reasonably resolved by redesigning the subdivision proposal;*
- 3. The variance will not cause a substantial increase in public costs; and*
- 4. The variance conforms with the Helena comprehensive plan and the Helena zoning ordinance.*

C. Innovative designs that improve opportunities for affordable housing, accessibility for persons with disabilities, preservation of the natural

environment, energy conservation, transportation efficiency, and do not circumvent the purposes of these subdivision regulations, may be reasons for granting a variance.

See HCC §12-2-3(B) and (C). In support of the requested variance, the applicants submitted the following information in July of 2013:

“The lot immediately to the east is developable and is likely to be developed at some point in time. However this lot would be better served, particularly in the case of gravity sewer by tying into the water and sewer mains in Raleigh Street.”

“The vacant properties to the south and east of Lot 16 are on very steep slopes and as such are unlikely to be developed because of slope limits for fire access and the significant expense of excavation.”

“Because of the steep slope in the area it is probable that the sewer connection for my residential project will happen at or below the already installed sewer main. The water connection could happen at the end of the current main.” (See attached letter dated July 18, 2013)

The applicants submitted the following information more recently:

“The water pressure in the main to be extended is currently inadequate, and the Montana DEQ will currently not permit the extension of the main.”

“It is unfair and unreasonable to expect one or two property owners to shoulder the entire cost of bringing the water main up to DEQ standards.”

“There is a reasonable possibility that there will be no additional development for [the] remaining length of the 700 block of Highland Street.”

“The applicants would accept a condition requiring that they finance their proportionate share of an extension of the water and wastewater mains should the City decide to upgrade and expand these systems.” (See letter dated February 26, 2014)

In terms of the applicant’s reference to MDEQ requirements, City staff have been provided with communications from the applicants’ engineering consultant indicating that (1) any water main extension from the existing main will not meet minimum pressure requirements in DEQ Circular 1 and (2) that any deviation from those DEQ requirements would have “little chance” of being approved given the “very, very low” pressure existing in the main if it were to be extended. Further, the water main – as it stands – does not meet current Engineering Standards requirements for pressure and flow. In order to bring flow and pressure up to the levels required by DEQ across the frontage of Lots 16 and Lot 17, the entire main would need to be upsized to 8” and looped.

The information as set forth above, in addition to any further information that may be provided to the Commission by the applicant at the March 24th meeting and/or elicited from staff by the Commission will serve as the basis for the Commission’s consideration of and decision to grant, deny or conditionally grant this particular variance request. In accordance with standing policy and procedure, City staff does not make recommendations with respect to requests for variance from the requirements of the City Code.

ITEM B: As outlined above, the second regulatory “application” and requests for “variance” under the Helena City Code to be considered

by the Commission is the applicants' request that the Commission (1) act to enlarge and expand the boundaries of the water and wastewater service areas to include both Lot 16 and Lot 17 and (2) act to grant them a variance from the requirement otherwise imposed by Title 6, Chapter 5 (i.e., the water and wastewater service area ordinance) that they install main extensions across the frontage of both lots.

As noted above, the Commission has already acted to approve the inclusion of Lot 16 in the water service area, with that approval conditioned upon the extension of both water and wastewater mains across the frontage of both lots. The Applicant's current request, however, is essentially one for new action on both Lots 16 and 17, and a new request for variance, i.e., a request for no condition relating to the extension of mains across the two lots. As noted above, the extension of any water service to Lot 16 is presently conditioned upon the construction of the all-weather fire turnaround/access. The applicants have not objected to that condition and it should remain as a condition of any potential approval action taken by the Commission with respect to this ITEM B on March 24, 2014 in order to ensure compliance with the physical/legal access requirements of Title 6, Chapter 5, HCC.

The reasons and justifications advanced in support of the requested variance from the main extension requirement under the Title 6, Chapter 5 HCC provisions are the same as those identified and outlined above with respect to the subdivision variance request. Unlike the subdivision ordinance, however, the water and wastewater service area ordinance does not provide specific criteria for the Commission to utilize in requesting variances. Moreover, it is important to understand that while the ultimate requirements are similar, the variance from the subdivision regulations is a distinct and independent action from the action to enlarge the service area. The requirement to install water and wastewater mains as a condition of the service area enlargements cannot ultimately be "waived" by the City Commission. What can occur, however, is a decision by the Commission to approve the extension of the service area boundaries with a deferral of the requirement to install the main frontage conditioned (pursuant to HCC § 6-5-4(C)(5)) upon the agreement of the applicants to waive the right to protest the creation of a special improvement district for the installation or reconstruction of water and wastewater infrastructure in that area of the City.

The proposed dwelling would permit "infill" development on a vacant and undeveloped lot within the corporate limits of the city. However, Attorney Hindoien stated the city is not providing a recommendation on this item.

Discussion

Commissioner Haque-Hausrath asked if there is an actual practical difference between the results of these actions. Attorney Hindoien stated probably not. Commissioner Haladay asked for more information on a letter received by the applicant from the State of Montana Department of Environmental Quality (DEQ) that indicated DEQ would not let the applicant use the existing main. City Engineer Ryan Leland explained DEQ's requirements for fire flows; their requirements supersede the city's. Engineer Leland used a map and explained the different options for the applicant to meet fire flow requirements. Thorough discussion was held on what could be done in the area, including looping, to increase the p.s.i. Engineer Leland confirmed backflow prevention would be in place per city ordinance.

Commissioner Haque-Hausrath asked for the least expensive option to meet requirements. Engineer Leland stated 220 of pipe at \$40 per foot versus over 300 feet of pipe. Commissioner Haque-Hausrath asked if the city has a plan to replace or upgrade the piping in this area. Mr. Leland stated this area is on the CCIP but has not risen to the top priority. She asked if the upgrades were performed through the CCIP, then then enterprise fund would pay for it versus one homeowner. Engineer Leland concurred.

Mayor Smith stated he was unaware that DEQ regulated our water pressure. Engineer Leland explained they regulate the pressure only for fire flows; it is a state law for health and safety.

Commissioner Ellison asked if the applicant has waved his right to protest the creation of an SID or agreed to locate the line per staff's condition. Manager Alles noted a service line can be installed and discussion was held on that possibility.

Public comment

Mayor Smith called for public comment

Mike Kadas, 319 North Rodney, applicant; gave the background of the proposal and urged the Commission to approve the proposal. He stated he does not believe he should have to pay for the extension of the main all the way to Beattie. He noted he would gladly sign a waiver of protest.

Motion

Commissioner Hauque-Hausrath moved to approve a request for a variance from § 12-7-4, of the Helena City Code requiring that the property owners of Lots 16 and 17 install water and wastewater mains across the full frontage of their property in the adjacent Highland Street right-of-way to city standards. Commissioner Haladay seconded the motion.

Comment

Commissioners Elsaesser, Ellison, Haladay and Mayor Smith indicated they would support the motion.

Vote

All voted aye, motion carried.

Motion

Commissioner Haque-Hausrath moved to approve an enlargement of the water and wastewater service areas to include Lots 16 and 17 in Block 530 of the Easterly Addition subject to the following conditions: 1. Extend water and wastewater mains across the frontage of Lots 16 and 17 in the adjacent Highland Street right-of-way to city standards and make improvements in any infrastructure necessary so that said mains provide adequate fire flows; OR waive the right to protest the creation of a special improvement district to install water and wastewater mains and any necessary upgrades to existing water mains to bring said mains to current City standards; 2. Install a 20' wide all-weather surface road with acceptable fire truck turnaround for access to lots.

Commissioner Ellison seconded the motion. All voted aye, motion carried.

Public Hearings

PUBLIC HEARINGS:

- A. CONSIDER A RESOLUTION TO INCREASE BUILDING FEES AND ADOPT AN ALTERNATIVE ENERGY INCENTIVE.

Staff Report

Chief Building Official John Pallister reported On February 24, 2014 the City Commission passed a Resolution of Intention No. 20070 to increase the fees charged by the Building and Safety Division and set a hearing date for March 24, 2014 for public comment. Resolution No. 20070 is to increase fees charged for Residential and Commercial building construction permits, as well as other associated fees. The other purpose of the resolution was to consider the adoption of an alternative energy incentive to promote the use of solar electric, solar water, wind turbine and geothermal and ground source heat pump systems in the City of Helena. Currently the Building Division is operating under fee schedules adopted in July of 2005. The fee schedules used were first published in the 1994 Uniform Building Code and companion codes and the City Commission at the time chose to use a percentage of those fees (96%), and the most current ICC Building Valuation Data table.

Communications are ongoing with the contracting community regarding the fee increase proposal and a letter received by the Helena Building Industry Association (HBIA) on March 11, 2014 reflects that discussions with city staff have been held with them and that there is a desire to have further discussions with staff moving forward.

The adoption of proposed fee schedules are intended to generally raise permit generated revenues across the board to more accurately reflect the division's cost of doing business. The anticipation that the fee increases coupled with community growth and strength of the building economy will bring the division's revenues into line with program expenditures and also begin to rebuild the division's allowable reserve account to bolster the level of service provided to the contracting community and the public into the future.

The adoption of an alternative energy incentive is intended to promote the use of solar electric, solar water, wind turbine, geothermal and ground heat source systems within the City of Helena.

This proposal recognizes the need for the Building Division, as a public safety entity, to maintain its self-sufficiency and independence from the general fund; assuring that those parties making use of the various services that the division offers are also paying for them and not placing an undo burden upon the general taxpayer; while continuing to provide quality services to clientele.

Public comment

Mayor Smith called for public comment.

Bryan Beason; HBIA president; spoke in opposition to the increase and urged the Commission to form a working group to work together to come up with a solution and/or new charges.

Jack Walsh, 2024 8th Avenue; Government Affairs Director; stated while the HBIA would like to work with the city to form incentives and work on the fees, they would support the fee increase. He requested if they are approved the HBIA would support a delay in the implementation to form a working group to create a more acceptable product.

Ron Bartsch, Developer, 184 Saddle Drive; spoke in opposition to any fees being increased. He applauded the relationship the builders have with city staff. He believes more funding can come in via building fees if there were an incentive to building the city.

Motion

Commissioner Haladay moved approval of a resolution to increase fees for residential, commercial and industrial building

permits, mechanical and plumbing permits, and electrical permits, and to adopt an incentive policy to promote the use of solar electric, solar water, wind turbine, geothermal and ground source heat pump systems. Commissioner Ellison seconded the motion.

Amendment

Commissioner Ellison moved approval of Amendment “DE1”. Commissioner Haladay seconded the motion.

Amendment “DE1” read as follows:

New “WHEREAS” clause inserted fourth as follows:

WHEREAS, the City of Helena also wishes to promote the use of solar electric, solar water, wind turbine, and geothermal and ground source heat pump systems by creating an incentive for their installation;

New Section 2 of Resolution inserted as follows:

Section 2. The City of Helena hereby promotes the use of solar electric, solar water, wind turbine, and geothermal and ground source heat pump systems through the adoption of the incentive for their installation as reflected on Exhibit “A”.

New Section 3 of Resolution inserted as follows:

Section 3. The fees for permits and services as reflected on Exhibit “A” shall become effective July 1, 2015. Provided, however, the Building and Safety Division shall immediately implement and allow for the Alternative Energy Incentive structure reflected on Exhibit “A”.

Comment

Commissioner Ellison gave the rationale behind his motion. He noted the amendment would delay implementation of fee increases for commercial, residential, and industrial building for 14 months; it complies with staff’s recommendation for an increase in fees; is compatible with the HBIA’s request for a delay in implementation; and it is also supportive of the position taken by the Helena Association of Realtors. Commissioner Haque-Hausrath indicated she would support the motion and requested a working group be formed to find out and reach out to increase development in the city instead of the county.

Commissioner Haladay stated everyone that gave public testimony asked for a delay of 90 days; the amendment being proposed would give 14 months and he does not oppose that length of time. He asked if the developers would agree with that delay of implementation.

Ron Bartsch; agreed with the timeframe, however, he stated he does not believe any increase will be necessary if the city works with the builders increase building in Helena.

Vote on “DE1”

All voted aye, motion carried.

Amendment

Commissioner Elsaesser moved approval of Elsaesser Amendment "ME1". Commissioner Ellison seconded the motion.

Amendment "ME1" read as follows:

Elsaesser, Amendment 1, Additional Incentive in Building Fees Update

Rational: Single-family homes/dwellings located in City limits more than pay for an upfront incentives immediately and in the long-term.

- All City of Helena residents pay higher general assessments to School District #1 and Lewis and Clark County than they do to the City of Helena. The City of Helena has a strong interest in reducing the high costs of services and infrastructure the school district and county face by low-density development located outside the city.
- More than 70% of Helena's budget is based on special assessments and utility fees. Houses outside of City limits do not bare these costs. Houses outside of City limits drive demand for competing community infrastructure that will increase cost to our tax base.
- Approximately six single-family units dwelling are built outside of city limits for every similar structure build within the City of Helena.
- While building and planning fees are not the only factor driving growth outside of the City, it has not been empirically shown that increased fees will have no impact.

**RESOLUTIONS OF THE CITY OF HELENA, MONTANA Page 1
RESOLUTION NO. _____**

A RESOLUTION INCREASING THE FEES CHARGED BY THE BUILDING AND SAFETY DIVISION FOR RESIDENTIAL AND COMMERCIAL BUILDING CONSTRUCTION PERMITS...

WHEREAS, the permit fees charged by the Building and Safety Division of the Community Development Department have been in effect since 2005; and

WHEREAS, the City of Helena, in the prudent management of its financial affairs, must charge fees for the services provided by the Building and Safety Division that accurately reflect the division's cost of doing business, and allow the division to maintain its independence from the general fund; and

WHEREAS, said fee increases appear to be reasonable and in the public interest;

WHEREAS, the City of Helena also wishes to promote the installation and use of solar electric, solar water, wind turbine, and geothermal and ground source heat pump systems by creating an incentive for their installation; and

WHEREAS, the City of Helena wishes to promote more growth within city limits; and

WHEREAS, a public hearing was held on this resolution at

**RESOLUTIONS OF THE CITY OF HELENA, MONTANA Page 2
Res. No. _____**

6:00 P.M. on the 24th day of March, 2014, in the City Commission Chambers at 316 North Park Avenue, Helena, Montana.

NOW, THEREFORE, BE IT RESOLVED BY THE COMMISSION OF THE CITY OF HELENA, MONTANA:

Section 1. The City of Helena hereby adopts the following fees for the services provided by the Building and Safety Division as shown on Exhibit "A" attached hereto and made a part hereof.

Section 2. The City of Helena hereby promotes the use of solar electric, solar water, wind turbine, and geothermal and ground source heat pump systems by adopting an incentive for their installation as shown on Exhibit "A".

Section 3. The City of Helena hereby promotes infill development by adopting an incentive for affordable single-family dwellings to be located within city limits.

Section 34. The fees for permits and services as reflected on Exhibit "A" shall become effective July 1, 2015. Provided, however, the Building and Safety Division shall immediately implement and allow for the Alternative Energy Incentive structure reflected on Exhibit "A".

PASSED AND EFFECTIVE BY THE COMMISSION OF THE CITY OF HELENA, MONTANA, THIS 24th DAY OF MARCH, 2014.

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[Addition to "Exhibit A"]

Incentive Calculation for Single-Family Dwellings or Cabins Located in City Limits

An incentive for single-family dwellings or cabins located in Helena City Limits will be provided. The incentive will consist of a reduction in the otherwise applicable building permit and plan review fees for such a structure and will be calculated as follows: (1) The valuation of the structure will be based upon the Figure 1 Tabulation and (2) These fees will be reduced by [25%]. The trade specific fees relating to the permitting and installation of such systems (e.g., plumbing, mechanical, electrical) will remain as set in the fee schedules listed below in Exhibit A.

Discussion

Commissioner Ellison noted he has discussed this option with Commissioner Elsaesser many times, and he applauds his idea. However, the building department is experiencing a decline in revenue and is currently dipping into its reserves, so he does not feel it is appropriate to reduce the revenue with this incentive.

Commissioner Elsaesser spoke in support of his motion and stated the cost to all other enterprise funds and assessments exceeds the impact to the general fund. Revenue to the general fund from the new houses in the city limits could be used to reimburse costs to the building department.

Commissioner Haladay stated he would be interested in implementing this motion after working with the developers over the next fourteen months.

Mayor Smith stated the city needs to continue to work with the Lewis & Clark County to include more rational planning around the city's borders.

Vote on "ME1"

Motion failed 2-3, with Mayor Smith, Commissioner Haladay and Commissioner Haque-Hausrath voting no.

Motion Commissioner Haladay moved approval of a resolution to increase fees for residential, commercial and industrial building permits, mechanical and plumbing permits, and electrical permits, and to adopt an incentive policy to promote the use of solar electric, solar water, wind turbine, geothermal and ground source heat pump systems, as amended. Commissioner Ellison seconded the motion.

Comment Commissioner Elsaesser stated he would not support the motion because it raises costs for developers and doesn't help create lots. He noted he cannot support increasing fees/costs for housing when so much growth is already going outside of the city.

Vote Motion carried 4-1 with Commissioner Elsaesser voting no.
Res #20074

Public Communications PUBLIC COMMUNICATIONS
No public communications were given.

Meetings of Interest MEETINGS OF INTEREST
The next Administrative Meeting is April 2, 2014 and the next Commission Meeting is April 7, 2014.

Adjournment There being no further business to come before the Commission, the meeting was adjourned at 7:42 p.m.

Mayor James E. Smith

ATTEST:

Clerk of the Commission