

**CITY OF HELENA
REGULAR CITY COMMISSION MEETING
December 14, 2015
6:00 P.M.**

- Time & Place*** A regular City Commission meeting was held on Monday, December 14, 2015 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 and Haque-Hausrath were present. Commissioner Haladay was excused. City Manager Ron Alles, City Attorney Thomas Jodoin and Deputy City Clerk Robyn Brown were present.
- 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 December 7, 2015 and Executive Session of November 25, 2015 were approved with one minor revision as listed below.
Commissioner Elsaesser requested an update be made to the comments he gave at the December 7th Commission Meeting regarding the anticipated date for the expenditure of funds by the Transportation Coordinating Committee.
- Presentations*** PRESENTATION:
A. Confirmation of Probationary Police Officers

Helena Police Department (HPD) Chief Troy McGee introduced probationary officers McLean Peterson, Spencer Snelling and Meggin Stewart, providing brief biographies on each. He reported they had successfully completed their one-year probationary period and recommended their confirmation as Police Officers with the HPD.
- Public comment Mayor Smith asked for public comment, none was received.
- Comment Commissioner Ellison welcomed the officers to the HPD and congratulated them on their successful probation and training. He expressed gratitude to them for choosing their profession in law enforcement.
Commissioner Haque-Hausrath expressed delight in the opportunity to confirm Ms. Stewart, as she is the only female HPD officer to be confirmed during her tenure on the Commission.
- Motion** Commissioner Ellison moved approval of the confirmation of McLean Peterson, Spencer Snelling and Meggin Stewart as Officers with the Helena Police Department. Commissioner Haque-Hausrath seconded the motion. All voted aye, motion carried.

Following the affirmative vote for confirmation, Police Chief McGee presented each officer with the HPD's Challenge Coin, denoting the honor, innovation, devotion and professionalism that represent the mission of the Department.

Assistant Chief Steve Hagen and his wife, Barb Hagen, presented each officer and their respective significant others with the book, *I Love a Cop*, which offers insight and support into the challenges the loved ones of those in law enforcement professions face.

Helena Police Department Officers Peterson, Snelling and Stewart introduced their family members and friends in attendance. They each commented on their desire to serve the citizens of Helena and expressed gratitude for the opportunity to work for the HPD.

Consent Agenda

CONSENT AGENDA:

- A. Claims
- B. Acceptance of the 2015 Comprehensive Annual Financial Report (CAFR)

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

Commissioner Elsaesser asked item B be removed for discussion.

Public comment

Mayor Smith asked for public comment, none was received.

Motion

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

Item B

- B. Acceptance of the 2015 Comprehensive Annual Financial Report (CAFR)

Commissioner Elsaesser congratulated City staff for receiving another unqualified/unmodified audit.

However, he expressed concern for the concept of what is called "ring-fencing", which means provisions are put in place to make sure operations that operate in tandem don't subsidize one another. Such areas of concern are: approximately 10% of the commercial solid waste budget comes from recycling fund; secondly, the Solid Waste Efficiency Study clearly advised the City and County should be actively seeking out-of-County waste to aid in using and filling the landfill to utilize it as a resource, which goes against the diversion and recycling goals repeatedly sought by the City Commission. Finally, in regard to composting, the report showed that while on the books composting appears to operate in the red, it is in fact a revenue source for the Transfer Station. He strongly encouraged future Commissions to thoroughly review these items when reviewing the City's annual audit.

Commissioner Ellison noted he and Commissioner Haque-Hausrath served on the audit committee and met with City finance staff and the auditors. He explained the term "unmodified" is now being used instead of "unqualified" and means the same thing- that the audit was excellent with no areas or issues of financial concern and no corrective actions are being required. He noted the City has received this designation for the past six years that he has sat on the Commission and it is the highest achievement that can be received.

He commended Administrative Services staff for their continued excellent work in the City's financial reporting and assurance to the citizens of Helena that their tax dollars are being handled in the best way possible.

Mayor Smith congratulated Administrative Services staff on the audit and noted this is the 27th consecutive year the City will receive the GFOA award for excellence in financial reporting

Motion

Commissioner Elsaesser moved approval of item B on the consent agenda. Commissioner Ellison seconded the motion. All voted aye, motion carried.

Bid Award

BID AWARD:

- A. Landfill Gas Extraction System- Phase III Southern Boundary, City Project No. 15-23.

Staff Report

City Engineer Ryan Leland reported methane gas generated from the historic Helena landfill is migrating south, toward and outside the southern property boundary of Centennial Park. Methane gas is monitored in several wells along the southern boundary of the park and in West Lyndale Avenue. Methane gas levels in several of these wells exceed Montana's regulatory limit and have increased on the south end of the park since the Centennial Park improvements. The Department of Environmental Quality is requiring the City to install a gas extraction system for mitigation to capture and disperse the methane gas before it leaves the landfill.

The mitigation plan was prepared by Hydrometrics Inc. which involves installation of a passive gas extraction system along the southern boundary of Centennial Park. The mitigation plan was advertised for bid and the City received six (6) bids on October 13, 2015. The two lowest bidders: Montana Underground at \$124,136.50, and Helena Sand & Gravel at \$138,300.00. The City's consultant Hydrometrics, Inc. and City staff had concerns about the necessary certifications and construction safety approach for construction of the trench and repair of the storm drain in a methane rich environment. Based on the recommendation of Hydrometrics, Inc., staff decided to conduct interviews with the two lowest bidders. As a result of the interviews, Hydrometrics, Inc. recommended the second lowest bidder, Helena Sand & Gravel, as the lowest responsive and responsible bidder with regard to their experience, current training, health and safety approach, and material handling plan.

Engineer Leland recommended approval of the bid award as it will provide a mitigation plan which, if successful, will comply with Montana's regulatory limit for methane gas by preventing migration of methane gas beyond the southern boundary of Centennial Park.

Discussion

Commissioner Ellison asked when the work will be performed. Engineer Leland explained the work is scheduled for the winter months as to not disrupt the use of the park.

Commissioner Elsaesser asked which funds are being used to pay for the project. Engineer Leland stated the storm sewer budget is providing \$75,000 towards the project to fix the issues with the storm drain system. The rest of the funding is from the Landfill Monitoring District.

Commissioner Elsaesser spoke to the importance of identifying future serious environmental problems that can result from construction on this old landfill.

Public comment

Mayor Smith called for public comment; none was received.

Motion

Commissioner Haque-Hausrath moved to award the bid for the Helena Landfill Gas Extraction System, Phase III Southern Boundary, City Project No. 15-23 to the lowest responsive and responsible bidder: Helena Sand & Gravel, in the amount of \$138,300.00. Commissioner Ellison seconded the motion. All voted aye, motion carried.

Communications

COMMUNICATIONS/PROPOSALS FROM COMMISSIONERS

Commissioner Elsaesser urged the Commission to un-couple several aspects of the solid waste utility fund in order to provide more accurate funding. He also spoke to favorable bids received for Centennial Trail West and stated he believes it will be strongly supported and successful moving forward.

Commissioner Elsaesser commented it has been a pleasure to serve on the Commission.

Commissioner Haque-Hausrath thanked City staff and her fellow Commissioners for helping make her term on the Commission a success, and commented on how honored she feels to have served the citizens of Helena.

Mayor Smith thanked both Commissioners Elsaesser and Haque-Hausrath for serving on the Commission and wished them well.

Commissioner Ellison addressed Commissioners Haque-Hausrath and Elsaesser and commended them both for their service on the Commission for the betterment of the City of Helena. He spoke to the great deal of time, energy and passion they both brought to the Commission and thanked them for their service. He wished them both "fair winds and following seas" as they move onto a new direction of their very successful lives.

Commissioner Ellison congratulated Carroll College's women's soccer team on their successful season. He noted Keller Balsam, Jacob O'Malley from Helena High School, Grace Berner and Robert McCarvel from Capital High School, and Scott Swanpoles and Christian Parmer from Saint Andrew's School have been nominated by Montana's Congressional Delegation for acceptance into the United States Military Academies. He congratulated all of the students for being nominated and wished them well in whatever their successful future ultimately holds.

Report of the City Attorney

REPORT OF THE CITY ATTORNEY

No report was given.

Report of the City Manager

REPORT OF THE CITY MANAGER

A. Recognition of Fire Chief Sean Logan

City Manager Alles announced the retirement of Helena Fire Department (HFD) Chief Sean Logan, effective this December. He, Assistant Chief Kelly Tuck, East Helena Fire Department Chief Dave Sammons, and former Fire Chief Steve Larson representing the Montana Firefighters Testing Consortium presented Chief Logan with commemorative gifts and thanked Chief Logan for his service to the City of Helena and its citizens.

Commissioner Ellison thanked Chief Logan for the excellent leadership he has provided and caliber of work throughout his career.

Commissioner Haque-Hausrath thanked Chief Logan for the innovation he brought to his position and his service. She strongly urged the Commission to implement a fire assessment in order to better fund the department.

Commissioner Elsaesser noted Chief Logan is also a talented musician and commented he hopes to see him perform more often in his retirement. He referred to a solution to a problem with solar panels identified by Chief Logan, which should serve as a model for resolving conflict.

Mayor Smith referred to an essay he received from Chief Logan titled, *The Servant Leader*, noting he thoroughly enjoyed the essay and re-reads it from time to time. He thanked Chief Logan for everything he has done for the City.

Fire Chief Logan addressed the Commission and those in attendance regarding his career with the HFD. He discussed the experiences he has been involved in, the highs and lows of his career and commented with great detail that it has been a great honor to serve the citizens of Helena.

***Report from the
Helena Citizens
Council***

REPORT FROM THE HELENA CITIZENS COUNCIL

No report was given.

Regular Items

REGULAR ITEMS:

A. CONSIDER ACCEPTING AN ASSIGNMENT OF RIGHTS AND OBLIGATIONS OF AN EXISTING AGREEMENT TO SELL AND PURCHASE REAL ESTATE BETWEEN WILAMAC, INC. AND PRICKLY PEAR LAND TRUST (PPLT).

Staff Report

City Attorney Jodoin reported Lot 20-A-1 ("Property 1") and Lot 21A ("Property 2") are located adjacent and immediately south of existing City open space property along the Mount Ascension ridge. A portion of the existing "Entertainment Trail" is located on these properties. Property 1 is currently owned by Wilamac, Inc. and Property 2 is currently owned by PPLT.

PPLT entered into a buy/sell agreement with Wilamac, Inc. for the purchase of Property 1. A contingency of that buy-sell is that PPLT assign the agreement to the City and the City accepts such an assignment. The total purchase price that PPLT has agreed to pay for the property is \$206,000.

Section 1-4-15 of Helena City Code requires an appraisal of the property since the proposed purchase price is more than \$100,000 and less than \$500,000. An appraisal of the property obtained by PPLT estimated the market value of Property 1 at \$206,000 as of December 8, 2014.

In order to obtain funding to purchase Property 1, the City applied for Lewis and Clark County Open Lands Funding. PPLT was the sponsor of that application. The citizen advisory committee recommended to the Lewis and Clark Board of County Commissioners that grant funds be awarded to the City/PPLT to purchase Property 1. The BOCC opened up a 30-day public comment window on November 10, 2015. The BOCC held public hearing and awarded funding on

December 10, 2015. A copy of the proposed warranty deed that contains required deed restriction language was included in the Commission packet.

Pursuant to addendums to the buy/sell between Wilamac, Inc. and PPLT, closing on the property will take place on December 18, 2015.

Attorney Jodoin recommended approval for acceptance of the assignment from PPLT of its rights and obligations under the "Agreement to Sell and Purchase Real Estate" by and between Wilamac, Inc. and PPLT for Property 1, and authorize the City Manager to accept assignment of the rights and obligations of the buy/sell agreement between Wilamac, Inc. and PPLT dated May 6, 2015, and Addendums 1, 2, and 4.

He noted by "stepping into" the buy/sell agreement between Wilamac, Inc. and PPLT, the City would take a direct role in the acquisition of the property. Acquiring Property 1 would ensure that the property would remain undeveloped as open space - a "natural park" and provide continued access of the popular Entertainment Trail.

Public comment

Mayor Smith called for public comment.
Ms. Miller, Helena; spoke in support of the proposal.

Motion

Commissioner Elsaesser moved approval for the acceptance of an assignment of rights and obligations of the existing Agreement to sell and purchase real estate between Wilamac, Inc. and Prickly Pear Land Trust ("PPLT"). Commissioner Haque-Hausrath seconded the motion. All voted aye, motion carried.

B. CONSIDER ACCEPTANCE OF THE DONATION OF TWO PARCELS OF REAL PROPERTY FROM PRICKLY PEAR LAND TRUST, INC.

Staff Report

Natural Resources Coordinator Brad Langsather reported Prickly Pear Land Trust, Inc. owns Lots 11 & 17 in the Alpine Meadows Subdivision located on Mt. Ascension in Lewis & Clark and Jefferson Counties, Montana; and desires to donate Lots 11 & 17 in the Alpine Meadows Subdivision to the City of Helena for use as an open space park.

Coordinator Langsather recommended approval of the donation as the City would have full ownership of Lots 11 & 17 and full, legal use of the property as a natural open space park that is contiguous to existing Mount Ascension parkland.

Public comment

Mayor Smith called for public comment.
Jim Phillips, HOLMAC representative; spoke in support of the proposed donation.
Mary Hollow, PPLT Executive Director; urged the Commission to accept the land donation, noting these lots will protect the open space backdrop of the Capitol building.

Motion

Commissioner Ellison moved approval of the donation of Lots 11 & 17, Certificate of Survey No. 160590, Folio 277B, records of Jefferson County, Montana and as shown on Certificate of Survey filed under Doc. No. 488656-E, records of Lewis and Clark County, Montana in the Alpine Meadows Subdivision in Lewis & Clark and Jefferson Counties, Montana. Commissioner Haque-Hausrath seconded the motion. All voted aye, motion carried.

C. CONSIDER A RESOLUTION AMENDING RESOLUTION NO. 5258 THAT CREATED CITY OF HELENA LIGHTING DISTRICT NO. 192 BY REMOVING ONE LIGHT IN THE ALLEY BEHIND THE PROPERTY AT 110 SOUTH BENTON AVENUE IN THE CITY OF HELENA, MONTANA.

Staff Report

Administrative Services Director Glenn Jorgenson reported all property owners within the block containing 110 South Benton Avenue have submitted a petition to remove a light from their alley. They would prefer to not have the light shining in their windows. Furthermore, the alley is semi-abandoned even though it is still platted right-of-way. It appears to provide access to the backyards of homeowners properties, but is not used by the general public and has no outlet at one end.

NorthWestern Energy has confirmed this light is part of Lighting District No. 192. State law §7-12-4354 MCA – Minor Modification allows the City to remove lights in a lighting district by resolution if the minor modification: (1) Reduces the assessments within the maintenance district; or (2) Increases the average assessments within the maintenance district by 3% or less in a fiscal year. There are 56 lights in this district and it is estimated that removing one light will save the entire district approximately \$126 in annual electrical costs.

Director Jorgenson recommended approval of the proposal to approve a resolution in accordance with 7-12-4354 approving the removal of one light from SILD 192. The light serves no purpose for traffic and is unwanted by the property owners it is meant to serve. Also, its removal will result in less energy being used.

Public comment

Mayor Smith called for public comment; none was received.

Motion

Commissioner Haque-Hausrath moved approval of a resolution amending Resolution No. 5258 that created City of Helena Lighting District No. 192 by removing one light in the alley behind the property at 110 South Benton Avenue in the City of Helena, Montana. Commissioner Ellison seconded the motion. All voted aye, motion carried. **Res #20227**

D. CONSIDER FIRST PASSAGE OF AN ORDINANCE CREATING THE RAILROAD URBAN RENEWAL DISTRICT AND ESTABLISHING THE BOUNDARIES THEREOF, AND ADOPTING THE RAILROAD RENEWAL DISTRICT PLAN, INCLUDING TAX INCREMENT PROVISION PURSUANT TO TITLE 7, CHAPTER 15, PARTS 42 AND 43, MCA.

Staff Report

Community Development Director Sharon Haugen reported on September 14, 2015, the Helena City Commission adopted a Resolution of Necessity that included a Statement of Blight for the proposed Railroad Urban Renewal District. The resolution, in part, declared the area a blighted area and directed that its rehabilitation and/or redevelopment was necessary in the interest of the residents of the City of Helena. The Commission further directed that an Urban Renewal Plan be created for the area. The city hired WGM, Inc. to assist in the development of the Plan. The Plan that is under consideration is the result of several stakeholder meetings, public meetings, and review of previous documents relating to the railroad area. The goals stated in the Plan are the result of these meetings and this review and a review of the

2011 Helena Growth Policy. Section 7-15-4213 requires, as part of the requirements under 7-15-4213, that the Consolidated Planning Board review the Urban Renewal Plan and provide a written recommendation to the City Commission as to whether the Urban Renewal Plan conforms to the 2011 Growth Policy. On November 17, 2015 the Planning Board heard a presentation regarding the Urban Renewal Plan and the goals identified in the Plan. The presentation also reviewed how these goals were in conformance with the city's current Growth Policy. On December 8, 2015 the Planning Board made a final determination and formal recommendation for the City Commission's consideration. Prior to the adoption of the ordinance, a public hearing must be held. That hearing is proposed for January 24, 2016. As part of the public hearing process, there will be notice of the hearing sent to all property owners' whose names appear on the county treasurer's tax rolls as the owners or purchasers under contracts within the district.

Director Haugen recommended approval of first passage of the ordinance as the creation of the district and the resulting opportunities associated with tax increment financing and other mechanism as identified in the Plan would help fund projects that would improve the area's infrastructure, encourage the revitalization and redevelopment of the area, and help preserve the historic nature of the district. This area has been identified in the 2011 Helena Growth Policy as an area with potential for redevelopment and infill. It is also designated as a "mixed use area" on the Future Land Use Map in that document. The creation of an Urban Renewal District and potential use of tax increment financing will provide opportunities for the city to meet those goals. The development of the Urban Renewal Plan is a combination of the results of several studies, stakeholder meetings and other public outreach, and represents the results of these efforts. The goals relating to the preserving the historic nature of the district, enhancing the motorized and non-motorized infrastructure and encouraging greater diversity in the area are goals that were identified by many of these groups' efforts. The creation of an Urban Renewal District is one of the few tools that cities have to encourage redevelopment in an area and this use of this tool is appropriate at this time. It is also one of the tools that also encourages public private partnerships.

Anne Cossitt, the City's consultant for the proposal; gave an overview of how the boundary of the district was determined.

Discussion

Commissioner Haque-Hausrath asked for clarification of the amended boundary; Director Haugen pointed to the changes being proposed by the Helena School District on a map via PowerPoint.

Public comment

Mayor Smith called for public comment; none was received.

Motion

Commissioner Elsaesser moved approval for first passage of an ordinance creating the Railroad Urban Renewal District and establishing the boundaries thereof; adopting the Railroad Urban Renewal District Plan, including a tax increment provision pursuant to Title, Chapter 15, parts 42 and 43, Montana Code Annotated; and set a public hearing date for January 25, 2016. Commissioner Ellison seconded the motion.

Comment

Commissioner Elsaesser expressed concern for the boundary changes being requested by the School District. Staff requested the

Commission set the boundary tonight, even if it will not be supported for inclusion during the public hearing so the affected property owners receive legal notice.

Haque-Hausrath expressed concern over the area proposed to be added around Lincoln school.

Amendment

Commissioner Elsaesser moved to amend the boundary to include the areas being requested by the Helena School District.

Commissioner Haque-Hausrath seconded the motion. All voted aye, motion carried.

Motion

Commissioner Elsaesser moved approval for first passage of an ordinance creating the Railroad Urban Renewal District and establishing the boundaries thereof, as amended; adopting the Railroad Urban Renewal District Plan, including a tax increment provision pursuant to Title, Chapter 15, parts 42 and 43, Montana Code Annotated; and set a public hearing date for January 25, 2016.

Commissioner Ellison seconded the motion. All voted aye, motion carried. **Ord #3214**

Public Hearings

PUBLIC HEARINGS:

- A. CONSIDER A RESOLUTION GRANTING A TAX ABATEMENT TO PIONEER AEROSTRUCTURES, LLC FOR A NEW AND EXPANDING BUSINESS.

Staff Report

Community Development Director Haugen reported on October 18, 2015 Pioneer Aerostructures, LLC submitted an application for tax abatement as provided in MCA 15-24-1401. This section of the law allows local governments to grant tax abatements for qualifying improvements or modernized processes for a new or expanding business. Pioneer Aerostructures is requesting that Lewis and Clark County and the City of Helena consider granting an abatement for the real property taxes associated with the purchase of new equipment for the manufacture of large titanium and aluminum aircraft parts and assemblies. The total value of the equipment that is under consideration is \$3,324,260. The applicant stated that with the purchase of this equipment, in addition to the last equipment purchase, 50 jobs will be added to the company. According to the applicant, the new machining being added does the same work as the other machines previously purchased; however, it adds more capacity to their current manufacturing base. The applicant further stated that they are actively pursuing new contracts and currently are bidding on a project that, if awarded to Pioneer, would result in a doubling of their workforce. That would result in a shortening of their targeted employee total head count of 50 from 10 years to approximately 3-4 years. As for the value of the previous tax abatement to this organization, the applicant also stated that "the company had quoted numerous work statements in the past 12 months; however, the one that we were awarded is the only one that we submitted at a 1.5% equipment tax rate. All others we submitted we included the full 3% tax rate and lost. This shows how important the reduced tax rate is when you're competing for the work." According to the MT Dept. of Labor and Industry, statics are not available for the City and/or Lewis and Clark County regarding the average wage rate for this industry versus the average wage rate for all private non-farm industries. However, statewide the average wage rate in the aerospace and other

related manufacturing industry is \$62,972 while the average non-farm private industries wage rate is \$36,496. In Lewis and Clark County the average wage for manufacturing is \$34,548. The average starting wage for this company is \$18 to \$20 per hour. The Lewis and Clark County Commission will hold a public hearing to consider the abatement application on December 15, 2015. If either the City or the County grant the abatement, the taxes for the school district will also be abated for this period of time.

Although the construction of the building and the purchase of the equipment will result in an overall net increase for the City of Helena and the other taxing jurisdictions, there will be a decrease in the total revenue realized until the abatement period is completed. The total tax difference over the 10 years, if approved by both the city and the county, is approximately \$125,631; \$30,000 of which would be abated by the city of Helena.

Director Haugen recommended approval of the proposed abatement, as it would help facilitate the following objectives from the 2011 Helena Growth Policy: a) foster diversification of the economic base, b) promote positive partnerships between public and private sectors within the Helena area to encourage a healthy business community, c) direct community incentive programs and other financial resources to job development, both to retain and expand existing industries and attract new ones, d) encourage development of jobs that pay salaries and benefits sufficient to support families and contribute to the economy of the community, including providing active assistance to businesses and individuals where appropriate, and e) work closely with the Helena Regional Airport Authority to facilitate growth in aviation, aeronautical, and light manufacturing businesses related to aviation within the area encompassed by the Airport Master Plan.

Public Testimony

Mayor Smith declared the public portion of the hearing open and called for any persons wishing to address the Commission.

Peter Donovan, representing the Helena Regional Airport Authority (HRAA); introduced members of HRAA in attendance and urged the Commission to approve the tax abatement.

Jeff Wadepammer, Executive Director of the Helena Regional Airport; expressed support for the proposal.

Cathy Burwell, President of the Helena Area Chamber of Commerce; spoke in support of the abatement.

Brian Obert, Montana Business Assistance Connection (MBAC) Executive Director; commented in support of the proposal.

Rick Hays, 707 Dearborn; encouraged the Commission to support Pioneer Aerostructure's application for tax abatement.

Jack Walsh, Helena Building Industry Association (HBIA); spoke in favor of the abatement request.

Tom Hoffman, CEO of Pioneer Aerostructures, applicant; stated he is confident their business will create five new jobs over the next couple of months, let alone 10-year abatement period and timeframe identified for the creation of new positions.

Bob Filipovich, Helena; spoke in opposition to the tax abatement.

Dean Daniel Bingham, Helena College of Technology; spoke in support of Pioneer Aerostructures tax abatement application and discussed the positive impact the business has on Helena College and within the community.

There being no further persons wishing to address the Commission, Mayor Smith closed the public hearing.

Motion

Commissioner Ellison moved approval of a resolution approving the tax benefits application of Pioneer Aerostructures, LLC for qualifying improvements. Commissioner Elsaesser seconded the motion.

Amendment

Commissioner Elsaesser moved approval to incorporate the “claw back” provision language included in the *Elsaesser Amendment* into the resolution granting the proposed tax abatement. Commissioner Haque-Hausrath seconded the motion.

Comment

Commissioner Elsaesser provided the background and rationale for his proposed amendment.

Commissioner Ellison stated for the record that he and the applicants, Mr. and Mrs. Hoffman, are acquaintances but have not discussed this abatement application privately.

Vote on amendment

Motion failed 2-2 with Mayor Smith and Commissioner Ellison voting no.

Discussion

Commissioner Haque-Hausrath commented while she supports local business and believes Mr. Hoffman is a very good businessman, tax abatements are granted at the discretion of the Commission and she does not feel enough information has been provided to justify approving the proposal which would take from the City's General Fund, and diverts money from the Police, Fire and numerous other City departments and priorities the Commission has identified. When the City spends its funding on other items, there is usually a quantifiable benefit associated with the expenditure; with this abatement there is not. Also, while city taxes are being abated there is no requirement that the jobs to be created actually go to people living within the City limits.

Commissioner Haque-Hausrath expressed particular aggravation over the School District's portion of the abatement, which has to be made up by city taxpayers. Taxes on residential property owners should not be increased to cover what is essentially a corporate subsidy. For all of these reasons, she stated she would vote in opposition to the abatement, just as she had in Pioneer Aerostructure's previous applications.

Commissioner Elsaesser indicated he would support the abatement as originally proposed, without the much discussed “claw back” provision. He noted this is a successful business, stable employer and benefit to the Helena community and he would vote in support of the proposal.

Commissioner Ellison pointed out Commissioner Haque-Hausrath had voted for approval of the most recent abatement granted by the City for a new, small, business located in an existing warehouse without adding any conditions or provisions. He indicated he strongly supported that abatement just as he has for larger abatements for larger businesses. He commented the employees of Pioneer Aerostructures do not need to live within the City limits for the City proper to receive a benefit from this business being located in our community, and spoke very favorably about the proposal.

Vote Motion carried 3-1, with Commissioner Haque-Hausrath voting
no. **Res #20228**

Public Communications PUBLIC COMMUNICATIONS
No public communications were given.

Meetings of Interest MEETINGS OF INTEREST
The next Administrative Meeting is January 6, 2016 and the next
Commission Meeting is January 11, 2016.
The Oath of Office Ceremony for Commissioners-Elect Ed
Noonan and Rob Farris-Olsen will be held on January 4, 2016.

Adjournment There being no further business to come before the Commission,
the meeting was adjourned at 9:03 p.m.

/S/ JAMES E. SMITH
Mayor

ATTEST:

/S/ DEBBIE HAVENS
Clerk of the Commission