

SUMMARY OF ADMINISTRATIVE MEETING
December 2, 2015 – 4:00 p.m.
Room 326, City-County Building

1. Call to order, introductions, opening comments – Mayor Pro Tem Elsaesser called the meeting to order. Commissioners Ellison, Haladay and Haque-Hausrath were present. Mayor Smith and Manager Alles were excused. Staff present was: Acting City Manager Sharon Haugen; City Attorney Thomas Jodoin; Police Chief Troy McGee; Assistant Public Works Director Phil Hauck; Community Facilities Director Gery Carpenter; Fire Chief Sean Logan and City Clerk Debbie Havens.

Others in attendance included: IR Report Al Knauber; HCC Representative Dick Sloan; WGM Engineer Jeremy Keene; and Commissioner Elect Ed Noonan.

2. November 18, 2015 Meeting Summary – The November 18, 2015 administrative meeting summary was approved as submitted.

3. Commission comments, questions – Board Appointments - There are no board appointments on the December 7, 2015 city commission meeting agenda.

Commissioner Ellison wished Mayor Pro Tem Elsaesser and Commissioner Haque-Hausrath the best; this is their last official administrative meeting.

Commissioner Haque-Hausrath brought up the proposal from Bike/Walk Montana to create a contract position for a non-motorized coordinator and asked staff to follow-up on the request. Mayor Pro Tem Elsaesser stated there is a transportation engineer on staff and noted it is important to have all modes of transportation addressed.

Mayor Pro Tem Elsaesser stated he has been pleased to see the reports on how city staff is handling the most recent snow storm.

Mayor Pro Tem Elsaesser referenced the “island” on the mal-function junction and asked if the snow removal ordinance requires the adjacent property owners to clear ADA ramps adjacent to the island. City Attorney Jodoin will look into it and report back.

4. City Manager’s Report – No items to report on.

5. Department Discussions:
Community Development

Railroad Tax Increment District Plan and Process – Acting City Manager Haugen introduced Jeremy Keene with WGM Engineers. She then referred the commission to the draft ordinance adopting the Railroad Urban Renewal District Plan that will create the Railroad Urban Renewal District and will allow the use of tax increment financing, as well as other sources of funding to complete the goals identified in the Plan.

The Plan outlines the conditions of “blight” that were recognized in the Resolution of Necessity that was adopted by the Helena City Commission on September 14, 2015. This Resolution, in part, directed the development of an Urban Renewal Plan for this area. The City has hired WGM, Inc. to complete the plan. The Plan and its goals and objectives are the commutation of the review of previous planning efforts involving the Sixth Ward, several stakeholder interviews, a public meeting, and the results of a couple of visioning sessions conducted in partnership with the EPA, Lewis and Clark County and the City. From these processes, a series of goals were developed for the Plan. Also as a result of public comment, changes were made to the proposed District boundaries to exclude certain properties that are currently in the Helena BID District (as a result of a request of the Helena BID) and the exclusion of some property owned by Northwestern Energy which contained a large amount of personal property that is used to repair and build infrastructure for that company. This inventory is in a constant flux and its inclusion may create too much fluctuation in the tax increment being created in the District. Other boundary changes were a result of a desire to include complete blocks and portions of roads that were previously dissected by the earlier boundary.

City staff and the consultants also met with the Lewis and Clark County/City of Helena Planning Board in two informational meetings. One meeting outlined the TIF planning process and the second, held November 17, 2015, outlined the goals and objectives of the Plan and reviewed how the goals of the proposed Plan were consistent with the City's adopted Growth Policy. The role of the Planning Board in this process is to determine if the proposed Plan is consistent with the current Growth Policy. The Goals and the objectives of the Plan were available for the Planning Board's review at that meeting; however since the complete draft was not available, the Planning Board will meet on December 8th to make the final determination of consistency for the Plan. The draft motion for the Planning Board outlines the Goals of the City's Growth Policy and how the proposed Plan is consistent with that document.

The adoption of the ordinance is one of the last steps in the process for the creation of the Railroad Urban Renewal District. This step involves both first passage of the proposed ordinance, at which time a public hearing date is set. The date for the formal hearing on the adoption of the Plan is January 24, 2016. In between the first and second passage, certified letters will be sent to all 200+ property owners within the District in addition to proper legal notice in the newspaper. A list of interested persons who have expressed interest in the project will also be used to further notice the public. Once the ordinance is passed, the Plan, in addition to all supporting documentation will be sent to the Montana Department of Revenue for their certification. Once that is completed, then the District is formally approved.

Acting City Manager Haugen noted the Helena School District has submitted a request to expand the proposed boundaries. She also spoke on some of the public comments that have been received on the creation of the TIF District.

Engineer Keene gave a presentation on the creation of TIF Districts and how the property taxes are allocated after the creation of the district. These districts create funds to help revitalize certain areas.

Commissioner Haque-Hausrath asked how projects will be identified and funded after the creation of the TIF District. Acting City Manager Haugen explained an Advisory Committee could be set up to review and make recommendations for projects. One of the requirements is having an Annual Plan. The Advisory Committee would make recommendations; however, the City Commission will have the ultimate decision on how those funds will be allocated.

Acting City Manager Haugen suggested for the first five years, an Annual Plan could be developed and once funds are available, an Advisory Board could be appointed to review and make recommendations on projects.

Commissioner Haque-Hausrath asked if the goal is to focus on the restoration of the area or the Brownfields properties, such as Caird Engineering. Acting City Manager Haugen commented the Railroad Urban Renewal District Plan includes the vision, goals and objectives for the district. Engineer Keene stated the plan is fairly general; no specific projects have been identified.

Mayor Pro Tem Elsaesser noted many of the properties within the proposed district qualify as Brownfields properties.

Engineer Keene noted the TIF funds can also be used with other funding for a broader range of projects. Acting City Manager Haugen noted the last TIF funds were used toward the construction of two parking garages, public infrastructure improvements and private businesses for façade easement work.

Mayor Pro Tem Elsaesser asked when a decision point will happen and when will the final boundary map be adopted. Acting City Manager Haugen gave an overview of what properties are being proposed for the district. The south side of Euclid Avenue and the Northwestern Energy (NWE) properties are being recommended to be removed from the district.

Acting City Manager Haugen noted the proposed district had a 7.5 million taxable value; however, approximately 5 million is contributed to NorthWestern Energy and a large portion of that value is contributed to inventory, which is assessed personal property taxes and fluctuates throughout the year. On the advice of legal counsel, it is the recommendation to remove the NWE property from the district.

Commissioner Ellison referred to the email from the School District asking for the expansion of the TIF boundaries and noted it may be prudent to discuss the request prior to setting the boundary of the district. Acting City Manager Haugen reviewed the request from the School District to expand the boundary going north to Poplar Avenue and south to Boulder Avenue. Most of the improvements being discussed are non-motorized transportation projects, which are already discussed in the Plan.

The commission has the authority to change the boundaries at the December 14th city commission meeting.

Commissioner Ellison asked if there is any downside of the request from the School District. Acting City Manager Haugen explained staff originally did not recommend including a lot of residential properties, due to the fact residential properties do not create a lot of tax increment funding. Staff focused on historical and commercial development. One of staff's concerns was the boundary would have to be amended; however, that can be done prior to the approval of the final boundary.

Engineer Keene noted there are no hard and fast rules on setting the boundary of the TIF District. Residential and public owned properties do not create a lot of additional tax revenue. The real focus of the district is the revitalization of the businesses in the railroad district. When staff and the consultant looked at the boundaries, it appeared there is already infrastructure installed adjacent to the schools.

Engineer Keene noted connectivity improvements are allowable even if certain properties are not included in the district. Acting City Manager Haugen stated she will schedule a time to meet with School Superintendent Kultgen to better define their request.

Commissioner Haladay noted originally the proposed taxable value for the TIF district was 7.5 million; with the removal of NWE property, it is now 2.5 million which seems like an incredibly small district. Engineer Keene noted it is not necessarily the existing taxable value but the land area and he believes this proposed district will create tax revenue. There are districts in Missoula that are much smaller than this one; if there is redevelopment in the district, it will create funding.

Commissioner Haladay referred to the TIF districts in Missoula that have existed for 15-years and asked when the first long term debt was issued. Engineer Keene stated no long term debt was issued until recently. There are other TIF districts in Missoula that have bonded up front.

Commissioner Haladay asked how the year over year increment is determined, is it based on DOR appraisals. Acting City Manager Haugen noted the DOR certifies the values; the increase in the increment is not only based on appraised value, anything that applies to ad valorem taxes, is eligible for the increment. It is the overall value of the district and it is reappraised each year. Commissioner Haladay asked how that works with DOR doing an annual appraisal. Acting City Manager Haugen noted the annual appraisal is on the taxable value.

Commissioner Haladay asked if no development occurs, is there a way to estimate what the increment would be over the next six years. Ms. Haugen stated there may be a way; however, she would have to refer the question to Administrative Services Director Jorgenson. Additional discussion was held on how difficult it is to estimate increment funding.

Commissioner Ellison referred to the Caird property and asked how will this property be impacted or how will it impact the district. Engineer Keene stated the Caird property is currently the ideal piece of property, as it is a bare piece of property and any development will create TIF increment funding.

Commissioner Haque-Hausrath asked how the TIF funding could be combined with Brownfields grants/loans, allowing property owners to repay a loan for private improvements. Engineer Keene noted there are ways to leverage the TIF funding with private investments.

Mayor Pro Tem Elsaesser asked if there are any concerns with the railroad yard being in the district. Engineer Keene noted the Railroad is centrally assessed; they do not have the personal property that influx throughout the year. He noted the property also has potential contamination.

Commissioner Haladay noted how Caird property is blank land, which is good. However, there are other properties that have buildings that are much deteriorated. The city could use funds to demolish these buildings, but would have to live with the dip in increment when this would occur. He then asked is there a benefit to taking those buildings and turning them into raw land. Engineer Keene encouraged the commission not to focus on individual properties; you can be strategic in helping with re-development and TIF funding could help with some of this.

Additional discussion was held on the creation of the district and the emphasis on rehabilitation of historical properties, the issuance of long term-debt and bonds.

Commissioner Ellison asked if staff has a recommendation to create an advisory committee. Acting City Manager Haugen noted the recommendation is in the proposed plan.

Mayor Pro Tem Elsaesser stated he is comfortable with proposal and would be interested in the two boundary adjustments. He asked if there is commission concurrence to ask staff to prepare the two boundary adjustments as requested by the school district.

Commissioners Ellison, Haque-Hausrath and Haladay concurred to consider the boundary adjustments. Engineer Keene noted expanding the boundary map gives the city flexibility; however, it also sets the expectation that improvements will be done to the school district properties. Commissioner

Haque-Hausrath expressed support to extend the boundary to the south; however, expressed concerns with extending it to the north.

Consensus Director to Manager – Staff will prepare two separate amendments, extending the boundaries of the TIF District, per the School District request.

6. Committee discussions

- a) Audit Committee, City-County Board of Health, Civic Center Board, L&C County Mental Health Advisory Committee, Montana League of Cities & Towns – No report given.
- b) Audit Committee, Board of Adjustment, Helena Chamber of Commerce Liaison, Information Technology Committee, Transportation Coordinating Committee — Commissioner Ellison reported the Audit Committee met and received notice the city has an excellent unmodified audit. Mayor Pro Tem Elsaesser stated in the future, he would encourage the commission to explore the concept of ring fencing, which is when separate operations is acting as one entity there is a clear separation of funding.
Commissioner Ellison noted at the TCC meeting it was determined to wait until January 2016 to recommend projects for funding.
- c) Non-Motorized Travel Advisory Board, Transportation Coordinating Committee – Mayor Pro Tem Elsaesser stated the City may want to remove the Cruse Avenue project from consideration for urban funding. The boundary has changed substantially since the 2010 census. NMTAC is working on recommendations on how the city can incorporate sidewalks with overlay projects.
- d) ADA Compliance Committee, Business Improvement District/Helena Parking Commission, City-County Parks Board, Montana Business Assistance Connection – Commissioner Haladay reported there is no Parks Board meeting in December. The BID/HPC continues to work on the Downtown Master Plan.
- e) Audit Committee, City-County Administration Building (CCAB), Public Art Committee – Commissioner Haque-Hausrath reported at the Public Art Committee meeting in November there was a presentation given on having public art on the signal boxes within the city. There is interest in doing one signal box as a demonstration project.
- f) Helena Citizens Council – HCC Representative Dick Sloan had no specific comments at this time.

7. Review of agenda for December 7, 2015 City Commission meeting – Commissioner Haladay referenced a letter the commission received from Phil Sebastian regarding the proposal to vacate a portion of Dodge Avenue. He asked staff to prepare a response to the non-compliance allegation. Acting City Manager Haugen noted staff is working on a memo for the commission.

Commissioner Ellison asked when the commission is asked to vacate a street/alley, what happens if more than one party is interested in purchasing the vacated property. Attorney Jodoin stated the right-of-way goes to the adjacent property owner, other property owners in the vicinity would not qualify to purchase the property.

Mayor Pro Tem Elsaesser referred to the three conditions recommended by the Fire Department and asked if they can be tied to the resolution vacating the alley. City Attorney Jodoin stated yes.

8. Public Comment – Terry Ray, 1915 Boulder Avenue, addressed the commission on the creation of the TIF District and moving forward with the implementation of the quiet zone. He also spoke on the following items: community decay ordinance, sidewalk snow removal ordinance and speeding vehicles in the residential neighborhoods.

Mr. Ray noted he is working with the HCC and the Queen City group to identify issues and bring them forward to the city manager.

Additional discussion was held on the community decay ordinance, what staff enforces it and how complaints are received and handled.

9. Commission discussion and direction to the City Manager – No discussion held.

10. Adjourn – Meeting adjourned at 5:25 p.m.