

CITY OF HELENA
REGULAR CITY COMMISSION MEETING
September 24, 2018 - 6:00 P.M.
City Commission Chambers, Room 330

- Time & Place** A regular City Commission meeting was held on Monday, September 24, 2018 at 6:00 p.m., in the City Commission Chambers, 316 N. Park Avenue, Helena, Montana.
- Members Present** Mayor Collins indicated for the record that City Commissioners Haladay and O'Loughlin were present. Commissioners Farris-Olsen and Noonan were excused. City Attorney Thomas Jodoin, City Manager Dennis Taylor and City Clerk Debbie Havens were present.
- Pledge of Allegiance** Mayor Collins 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 September 10, 2018 were approved as submitted.
- Presentations** PRESENTATIONS:
A. Confirmation of Police Officers
Police Chief McGee introduced Police Officers Kaitlin Jones; William Lewis, Mandi Peterson and Jacob Scavone and recommended their confirmation as City of Helena Police Officers.
- Public Comment Mayor Collins called for public comment, none was received.
- Motion** **Commissioner O'Loughlin moved the confirmation of Police Officers Jones, Lewis, Peterson and Scavone.** Commissioner Haladay seconded the motion. All voted aye, motion carried.

Officers Jones, Lewis, Peterson and Scavone each addressed the commission and thanked them for the confirmation and the opportunity to work for the Helena Police Department.
Chief McGee presented each officer a City of Helena Police Department coin and Assistant Police Chief Hagen presented each officer a copy of "I Love a Cop" book.
Mayor Collins welcomed the new officers to the Helena Police Department.
- Proclamation** PROCLAMATION:
A. Fire Prevention Week
Mayor Collins read the Fire Prevention Week Proclamation and presented it to Fire Chief Emert. Chief Emert introduced Fire Marshall Antonick and Deputy Fire Marshall Brad Taylor.
Chief Emert spoke on the importance of Fire Prevention Week and the activities that happen at the Fire Station during the week of October 7-13, 2018.
- Board Appointments** BOARD APPOINTMENTS:
A. Business Improvement District/Helena Parking Commission, Bill Roberts Golf Course Advisory Board, Helena Police Commission, Tourism Business Improvement District.

Mayor Collins recommended the following appointments:
- Business Improvement District/Helena Parking Commission (BID/HPC)** Appointment of John Grant to the BID/HPC. First term will begin November 1, 2018 and expire October 31, 2022.

- Bill Roberts Golf Course Advisory Board** Appointment of Art Pembroke to the Golf Advisory Board. First term will begin November 1, 2018 and expire October 30, 2021.
- Helena Police Commission** Appointment of Derek VanLuchene to the Helena Police Commission. First term will begin upon appointment and expire May 1, 2021.
- Tourism Business Improvement District (TBID)** Appointment of Tiffanie Zavarelli to the TBID. The unexpired term will begin upon appointment and expire April 20, 2021.
- Public Comment Mayor Collins asked for public comment, none was received.
- Motion** **Commissioner Haladay moved approval of the board appointments as outlined above.** Commissioner O'Loughlin seconded the motion. All voted aye, motion carried.
- Consent Agenda** CONSENT AGENDA:
A. Claims
B. Extension of Interim City Manager contract between the City and Dennis Taylor
- Mayor Collins on behalf of the city commission, thanked Mr. Taylor for the work he has done and his willingness to extend his contract.
- Commissioner O'Loughlin also thanked Mr. Taylor for agreeing to extend his contract and for accomplishing the projects that has been completed during his tenure. Commissioner Haladay echoed Mayor Collins and Commissioner O'Loughlin's comments.
- City Manager Taylor recommended approval of the claims and the consent agenda.
- Public Comment Mayor Collins asked for public comment, none was received.
- Motion** **Commissioner Haladay moved approval of Items A and B on the consent agenda.** Commissioner O'Loughlin seconded the motion. All voted aye, motion carried.
- Bid Award** BID AWARD:
A. Birch Street Water Main Replacement #18-21
- Staff Report City Engineer Leland reported presently there are 4 and 6 inch cast iron water mains in Birch Street east of Villard Avenue to National Avenue. This project is replacing old water mains dating from 1966 and 1969 that have been subject to multiple breaks due to the ages and sizes of the main. The project is replacing and upsizing the existing 4 and 6 inch water mains to new 8 inch ductile iron water main. The project is also adding two new fire hydrants, 6 new gate valves and 14 water services from the new main to the existing curb box. This project will increase overall reliability of the system and fire flows in the neighborhood.
- The City received 2 bids for the Birch Street Water Main Replacement18-21 on September 11, 2018. The lowest responsible bidder for the project was Hard Rock Road Building & Utilities, Inc. of Helena MT with a bid price of \$218,857.50.

The cost for this project is planned to be paid for by the City of Helena out of the Water Utility fund and is a planned upgrade to the City's water system to increase reliability and capacity.

Engineer Leland recommended awarding the Birch Street Water Main Replacement #18-21, to the lowest responsible bidder Hard Rock Road Building & Utilities, Inc. in the amount of \$218,857.50.

Public Comment Mayor Collins asked for public comment, none was received.

Motion Commissioner Haladay moved to award the Birch Street Water Main Replacement #18-21, to the lowest responsible bidder Hard Rock Road Building & Utilities, Inc. in the amount of \$218,857.50. Commissioner O'Loughlin seconded the motion. All voted aye, motion carried.

Communications From City Commissioners COMMUNICATIONS/PROPOSALS FROM CITY COMMISSIONERS
Commissioner Haladay referred to a letter from Sleeping Giant Citizens Council asking for a \$1,000 donation to support the Helena Sun Run and asked for commission concurrence for the donation. He noted Commissioners Farris-Olsen and Noonan has submitted an email in support.

Public Comment Mayor Collins asked for public comment, none was received.

Motion Commissioner Haladay moved approval of a \$1,000 donation to the Sleeping Giant Citizens Council for the Helena Sun Run. Commissioner O'Loughlin seconded the motion. All voted aye, motion carried.

Report of the City Attorney REPORT OF THE CITY ATTORNEY
City Attorney Jodoin had not items to report on.

Report of the City Manager REPORT OF THE CITY MANAGER
City Manager Taylor reported the commission will consider the ordinance prohibiting smoking within 30-feet of an indoor public place at the November 19th city commission meeting.

Report from the Helena Citizens REPORT FROM THE HELENA CITIZENS COUNCIL
HCC Chair Sumner Sharpe had not items to report on.

Regular Items A. CONSIDER A SIDEWALK VARIANCE ON DAVIS STREET FOR 507 1ST STREET.

Staff Report
Engineer Leland reported Robert and Norane Freistadt, the owners of the property located at 507 1st Street, have requested a sidewalk variance for the frontage of the property adjacent to Davis Street. The property is currently being developed and has an approved building plan and permit for a single family home. The approved plans reflect City standard boulevard sidewalk to be installed along the adjacent Davis Street right of way. The sidewalk and drive approach along the 1st Street frontage are existing. Davis Street is City Standard. The east side has steep grades and may require fill along a section of approximately 150 feet in order to install sidewalk to City Standards. There are currently no sidewalks along the east side of Davis south of 1st. There is existing sidewalk on the west side of Davis.
City Code 7-4-2 requires sidewalk to be constructed along Davis Street. There are no advantages or disadvantages to this proposal.

Engineer Leland noted staff does not make a recommendation on variances; the commission can Move to approve, table, or deny deferring the installation of sidewalk along Davis Street, for the property at 507 1st Street.

Discussion

Commissioner Haladay asked if the houses to the south have sidewalks. Engineer Leland stated the DeFord Path is adjacent to the houses to the south and is used as the sidewalk. Commissioner Haladay asked what hardship is being demonstrated by the homeowner. Engineer Leland stated the applicants have indicated there are no adjacent sidewalks and drainage issues as two hardships.

Public Comment

Mayor Collins called for public comment.

Robert Freistadt, applicant, spoke in support of the variance. He read a prepared statement on their request that outlined the specific issues.

Commissioner O'Loughlin asked if access to the property is on 1st Street. Mr. Freistadt concurred and explained how the current access was established and how they continue to use it.

Commissioner O'Loughlin asked Mr. Freistadt if he plans on an entryway on Davis Street. Mr. Freistadt stated they plan on maintaining the current access on Davis Street.

Commissioner O'Loughlin asked if approval could be conditioned on the waiver of a future SID. Attorney Jodoin noted a waiver could be prepared for the property owner to sign.

Commissioner Haladay stated he believes boulevard sidewalks calm traffic and this area is heavily used and he is not inclined to approve the variance. However, if the property owner is willing to sign a waiver, he will support the variance.

Commissioner O'Loughlin stated she is comfortable moving approval conditioned on the property owner signing a waiver of protest on the creation of a SID.

Motion

Commissioner O'Loughlin moved approval of the variance deferring the installation of sidewalk along Davis Street, for property at 507 1st Street, conditioned on the property owner signing a waiver of protest for a future SID. Commissioner Haladay seconded the motion. All voted aye, motion carried.

Public Hearings

PUBLIC HEARINGS:

- A. CONSIDER A RESOLUTION TO ANNEX AND INCORPORATE WITHIN THE BOUNDARIES OF THE CITY OF HELENA THE WHOLLY SURROUNDED AREA EAST OF GRANITE STREET, SOUTH OF HIGHWAY 12 WEST AND GENERALLY WEST OF THE EXISTING CITY LIMITS AND APPROVE THE ANNEXATION PLAN FOR THE AREA.

Staff Report

Community Development Director Haugen reported on December 19, 2016, the Helena City Commission passed Resolution No. 20324 annexing contiguous government property, that being portions of Granite Avenue, Cannon Street, and Hiawatha Street into the City of Helena, Montana. The main purpose of the annexation was to accommodate the installation of city water and/or wastewater into those streets to better serve and develop the area. This installation was done as part of the implementation of the Westside Infrastructure Plan.

At the July 11, 2018 Administrative meeting, city staff reviewed the Annexation Plan for Extension of Services proposed for this area

being annexed. On July 16, 2018, the Helena City Commission approved final passage of an ordinance rezoning this property to R-2 (Residential); R-O (Residential Office); and B-2 (Commercial) zoning districts, a requirement prior to annexation.

On August 27, 2018, the Helena City Commission passed a Resolution of Intent to Annex all properties east of Granite and north of Euclid that are currently within this surrounded area. At that time they set a public hearing date of September 24, 2018. The proposed effective date of the annexation is December 1, 2018. For the city of Helena to consider annexation of this property under Montana Code Annotated § 7-2-4501, Annexation of Wholly Surrounded Land, the land to be annexed must be surrounded by the municipality. In this instance the entire area is wholly surrounded on all sides by the city of Helena. Also, according to §7-2-4502, there is not a protest provision available to the property owners. However, once intention to annex is established, the City must give notice to the registered voters in the affected area as well as publish a notice. Over 300 notices were sent out to the registered voters in this area notifying them of this hearing and where to submit comments. In addition to all of the registered voters in the proposed area, the affected property owners were also notified at this time.

The City accepted written comments for a period of 20 days after first publication of the notice to the voters and the property owners within the affected area. As of September 12, only one written comment was received. That comment was a question as to whether the property owner would be required to connect to the city wastewater system upon annexation if they already had a newly installed septic system. According to the proposed annexation plan, they would not be required to do so at this time. The City Commission will hold the public hearing and consider the adoption of a resolution approving the annexation. City staff is recommending an effective date for the annexation of December 1, 2018.

The subject properties for this annexation are designated as "Mixed Use" an "Urban" on the Future Land Use Map in the 2011 Growth Policy. The Growth Policy also identifies the Westside as an area that should be a focus of the City's annexation efforts. This property is located within the Urban Services boundary and those areas have been given a priority for consideration of annexation and the extension of city services. A portion of the land being considered under this annexation is the area to be benefitted from the infrastructure project funded in part by the TSEP grant awarded to the City.

An annexation plan has been prepared to describe how the City will provide city services. In addition to the current water and/or sewer services, municipal police protection, fire protection, street maintenance, and other municipal services to the property to be annexed on substantially the same basis and in the same manner as such services are provided within the rest of the municipality. That service plan is being considered for adoption as part of the resolution of annexation.

This action allows for a more efficient manner of providing water and wastewater services to areas not currently served by the City. It facilitates more infill development opportunities on the Westside. It would help to eliminate some septic systems in the area and would limit the need for others in the Helena area as a whole and allow currently vacant facilities and other properties to be served in a more effective manner.

The annexation of this property would provide land for development in a more efficient urban pattern and provide an opportunity to more effectively manage the infrastructure, water and wastewater systems, and the transportation network in the area. It would also

provide the opportunity and space for the development of housing in a higher density pattern than would be developed when relying on septic tanks and wells. In addition, all new structures and major modifications of building will be completed to the most current energy efficiency codes adopted by the City.

The current property owners will see changes in their taxing structure and the assessment that they will be required to pay.

Director Haugen recommended approval of a resolution annexing the wholly surrounded area east of Granite Street as legally described in the attached resolution, approving the Annexation Plan for Extension of Services for the area, and setting an effective date of December 1, 2018.

Public Testimony

Mayor Collins declared the public portion of the hearing open and called for any public testimony.

Commissioner Good-Geise asked Director Haugen if she mentioned the city and county has been working on this. Director Haugen clarified she stated the county has been part of the conversation regarding the annexation. Commissioner Good-Geise stated the county has not been a part of the conversation for the annexation being considered tonight.

Jo Fohn, 2126 Knight Street, stated she is disappointed on how this project has moved forward. She asked about the TSEP funding and what portion of the project will it be used for. Director Haugen stated the TSEP grant is for Phase I and II. Ms. Fohn asked if the residents still have 20-years to hook into city services or do they only have seven years. Director Haugen clarified the infrastructure will be installed within seven years and the payback is up to 20 years. Ms. Fohn stated this will be a massive financial burden.

Colleen Nichols, 913 Granite, stated her home sits on four lots and she believes the residents have been misled regarding the installation of infrastructure being for fire protection only, which is not the truth. Ms. Nichols suggested there be a onetime hookup fee for property owners instead of per square footage assessment.

Catherine Ries; 2105 Knight Street, spoke in opposition of the annexation of the Westside properties. This process has been ongoing for a very long time and the financial burden to the property owners will be a hardship.

Ms. Ries spoke of the wholly surrounded area and asked who petitioned the annexation of Granite Street and Highway 12.

Director Haugen explained the process for annexation of right-of-way; at the request of the city, the county commission petitioned to have Granite Street annexed. The city also received a petition to have Highway 12 annexed; the city cannot annex right-of-way unless there is a petition. Attorney Jodoin stated Highway 12 is not a city street; however, it is in the city limits. The city is required to annex adjacent right of way when a property owner requests their property be annexed. Ms. Reis asked the commission to vote no on the annexation until more information and clarification before moving forward.

Dan McClean, 913 Hiawatha, spoke in support of the annexation. He noted his property already has city water and stated there are benefits to having city services and it costs to install it.

Val Wilson, 850 Silverrette, expressed concerns about the transparency of costs and referenced the information that was in the brochure the city provided; what is the methodology and what is the costs to the property owners. Ms. Wilson spoke on what the annexation plan is and noted based on the information provided to the property

owners, it does not comply with the MCA. More clarity would take care of those concerns. Ms. Wilson stated the annexation of the area will improve the neighborhood and services, the concern is the costs to the property owners.

Jeff Kuhn, 2016 Choteau Street, stated this discussion has been ongoing for many years; his concerns are what the costs will be for individual property owners. In addition, the property owners have no right to protest annexation. He asked that a plan with detailed costs be developed.

John Hardy, 2216 Cannon Street, stated he bought his property knowing of the pending annexation; he asked if the low or no interest loan would still be available to the property owners.

Engineer Leland stated the TSEP grant will not be used for this Phase III; the grant is for Phase I and II. The city has hired a consultant who is doing the design and preliminary plan. There are no associated costs to the project until the project is completed. It is hard to estimate the costs due to the costs of material and the type of soil. The best estimate is what has been done in the area. It is an estimate until additional information can be developed.

Attorney Jodoin reiterated there is nothing in this resolution of annexation that requires the property to hook up to water and sewer. The plan is to when the property owner needs it, they can hook up. The commission has expressed the desire, per the plan, to recoup the costs. Per past practice, the most equitable way to spread the costs is per square footage. No requirement to connect or develop all of the property; vacant lots will not be accessed. It will be up to the property owner to connect.

Attorney Jodoin reviewed the requirements of MCA when a property owner is within 200' of city services, state law requires property owners to visit with city for potential hook-up. It is not a function of the annexation being considered tonight.

There being no further public testimony, Mayor Collins closed the public portion of the hearing.

Motion

Commissioner Haladay moved approval of a resolution to annex and incorporate within the boundaries of the City of Helena the wholly surrounded area east of Granite Street, south of Highway 12 West and generally west of the existing city limits and approve the annexation plan for the area, and setting an effective date of December 1, 2018. Commissioner O'Loughlin seconded the motion.

Discussion

Commissioner Haladay stated this discussion has been ongoing; he has heard the same questions throughout the process and Attorney Jodoin has clarified and answered the questions, specifically giving an unknown cost for infrastructure that is not installed. When Granite Street was annexed a couple of years ago, there was discussion on fire protection, emergency services and snow plowing and it was made very clear when we annexed Granite, it would create a wholly surrounded area and would be slated for annexation. This has been an open discussion and a subjective fact.

Commissioner Haladay also clarified for County Commissioner Good-Geise the Westside annexation was discussed at the July joint work session.

Commissioner Haladay stated he does not see any way to slow this down; the city commission did delay the Joslyn Street annexation for one-year to allow the residents to pursue special districts and that did not happen. At this time, it makes sense to move forward and the

commission can determine the rebate program once the project is completed. .

Mayor Collins thanked Attorney Jodoin for the clarifying comments and he too supports moving forward.

Commissioner O'Loughlin stated she supports moving forward and appreciates the public comments, including the concerns with costs. She asked staff to continue to work with the public and answer their questions and be clear on what steps the city will be taking.

Mayor Collins noted all questions will be addressed by the City Manager.

Vote

All voted aye, motion carried. Resolution 20490

- B. CONSIDER FINAL PASSAGE OF ORDINANCE 3242 CREATING THE DOWNTOWN URBAN RENEWAL DISTRICT AND ESTABLISHING THE BOUNDARIES THEREOF AND ADOPTING THE DOWNTOWN URBAN RENEWAL DISTRICT PLAN, INCLUDING TAX INCREMENT PROVISION PURSUANT TO TITLE 7, CHAPTER 15, PARTS 42 AND 43, MCA.

Staff Report

Director Haugen gave the background of the previous Downtown Urban Renewal District and the TIF District, which funded updates to the Civic Center, the creation of the pedestrian mall, improvements to several city owned buildings including Grand Street and the City-County Building and several infrastructure projects.

On May 21, 2018 the City Commission approved a Resolution of Necessity for the proposed Downtown Urban Renewal District area. The resolution states "Blight exists in the area and that rehabilitation and/or redevelopment are necessary, and that an urban renewal plan will be developed to address the blight.

On September 10, 2018 the Helena City Commission approved first passage of an ordinance creating the Downtown Urban Renewal District (URD) and establishing the boundaries thereof, and adopting the Downtown Urban Renewal District Plan (Plan), including tax increment provision pursuant to Title 7, Chapter 15, Parts 42 and 43 MCA. They established September 24, 2018 as the date of a public hearing to consider final passage of the ordinance.

MCA Section 7-15-4213 requires 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 August 21, 2018 the Planning Board heard a presentation regarding the Urban Renewal Plan and the goals identified in the Plan. The presentation also evaluated how these goals were in conformance with the city's current Growth Policy as amended by the Downtown Neighborhood Plan. They also heard some recommendations regarding possible changes to the Plan intended to address the comments that had been received on the Plan. At that meeting, the Planning Board made a formal recommendation for the City Commission's consideration that the Downtown Urban Renewal Plan and its goals were in conformance with the 2011 Growth Policy and the Downtown Neighborhood Plan. The Planning Board also recommended that the City Commission consider the recommended changes to the Plan. The Planning Board's recommendation and the proposed changes were presented to the City Commission for their consideration on September 10, 2018.

The Commission instructed staff to draft language to consider the incorporation of these changes. A copy of the recommended

changes from the Planning Board is attached to this memo. The draft ordinance attached to this memo has incorporated language to reflect the changes to the Goals. In addition, the motion directs staff to incorporate the other recommended changes to the Plan.

Notices of the hearing were sent to all property owners whose names appear on the county treasurer's tax rolls as the owners or purchasers under contract. In addition, Lewis and Clark County and the Helena School District were also notified about the hearing and provided an opportunity to comment on the plan and the creation of the District.

A copy of the draft plan can be found on this link <http://www.helenamt.gov/cd/planning/current-projects/downtownurban.html>. A hard copy of the plan can be obtained by contacting the Community Development Department located at 316 N. Park, Helena, MT.

Once approved by the City Commission, staff will finalize the Plan. Once that is completed, the Plan and other required documents will be sent to the Montana Department of Revenue so that they can certify the base year for the district and the subsequent tax increment.

The purpose of the action is to take public comments with regard to the formation of the Downtown Urban Renewal District and the proposed Downtown Urban Renewal District Plan.

The creation of the District and resulting opportunities associated with the various mechanisms identified in the Plan would help to encourage revitalization and redevelopment of the Downtown. The city of Helena Growth Policy identifies this area as an area with potential for infill and redevelopment and as a designated "Mixed Use" area. The approval of the Downtown Neighborhood Plan further identified the creation of the URD as one of the tools for implementing the goals in the Plan. The creation of the District will help accomplish some of these goals and is one of the few tools that cities have to encourage redevelopment in an area. It encourages public/private partnerships.

It is anticipated that the actions resulting from the implementation of the Plan will increase the overall taxable value of the proposed District. The increased tax revenue that is associated with that increase in taxable value will be redirected back into the district and will not be available to be used elsewhere in the city, the county or the School District.

The Planning Board and staff's recommended amendments are included in the ordinance presented to the commission tonight. She also reviewed the map of the proposed district and noted there has been discussions on extending the boundaries of the district.

Director Haugen noted she has received questions regarding the creation of the Downtown Urban Renewal District, to include how this will affect my taxes; what is the difference between the Downtown Urban Renewal District and the Business Improvement District and the comment they didn't want the use of TIF funds for required projects, i.e. ADA requirements.

Director Haugen reviewed how the District will be assessed; the difference between the Downtown Urban Renewal District and the Business Improvement District and the criteria to use TIF funds will be set by the Tax Increment Advisory Board

Director Haugen recommended approval for final passage of Ordinance 3242 creating the Downtown Urban Renewal District and establishing the boundaries thereof; adopting the Downtown Urban Renewal District Plan, with the amendments recommended by the Helena/Lewis and Clark County Consolidated Planning Board, including

a tax increment provision pursuant to Title 7, Chapter 15, parts 42 and 43 of the MCA.

Discussion

Commissioner O'Loughlin referred to Exhibit A which was included in the packet; however, Exhibit B was not. Director Haugen noted due to the size of the Downtown Urban Renewal District Plan, staff did not print it out separately; however, the commission previously received the plan. The ordinance reflects the Planning Board's recommended changes.

Manager Taylor stated based on the last discussion, the Planning Board's recommended changes would be proposed tonight and are reflected in the ordinance included in the packet.

Public Testimony

Mayor Collins declared the public portion of the hearing open and called for any public testimony.

Rex Seeley, property owner, spoke in support of the ordinance creating the Downtown Urban Renewal District, establishing the boundaries and adopting the Downtown Urban Renewal District Plan, including a Tax Increment Provision.

Sid Godolphin, asked what the base tax year will be if approved. He also spoke in favor of the Downtown Urban Renewal District and TIF Provision.

Vicki Holmer, 300 S. Park Avenue, stated it looks like she is part of the District and she is concerned as she hasn't looked at the plan. Many historic building were torn down during the previous urban renewal. Ms. Holmer stated she would like to know what the real plan is before the commission moves forward. If it is not tearing down historic buildings, she supports it.

There being no further public testimony, Mayor Collins closed the public portion of the hearing

Discussion

Manager Taylor stated the Downtown Urban Renewal District is outline in the Downtown Master Plan that was adopted by the commission and many of the features for eligible projects are described generally in the ordinance. The problem always is until the district boundary is defined, the tax year is established and then if you have additional property investment and property taxes, you can then create the increment. Manager Taylor reviewed the process in identifying the eligible projects and funding them within a TIF District. If the commission takes action on this by the end of the year, this tax year will be the base year, if you decide not to act the base year will be the next tax year. The TIF District will sunset after 15-years. Anytime there is a larger project, the city could issue bonds to help fund and the district would be extended until the bonds are paid off.

Director Haugen commented the urban renewal activities in the 1970's were the result of the model city program; the main facet in carrying out the model city program was the concept of demolishing the old and building new. There is nothing in the current plan that recommends demolition; there is language that encourages historic assets. Director Haugen assured the commission and public the plan does not contemplate the demolition of historic buildings.

Commissioner O'Loughlin referred to Page 4 of the ordinance and noted the Planning Board added the following language "and avoidance of demolition of historic buildings, where feasible, encouraging ground floor use with transparency."

Commissioner Haladay stated the plan is available on the city's web page or contact the Community Development office.

Commissioner O'Loughlin asked how the Planning Board determines the proposed boundaries are within the intent of the Growth Policy. Director Haugen stated under state law, there is no guidance for the Planning Board when considering if the proposed boundaries are consistent with the Growth Policy. The Planning Board reviewed the document and reviewed the Downtown Urban Renewal Plan, it was based on the boundary the commission had set forth in the resolution of necessity and in the Urban Renewal Plan. They didn't just focus on the map, they looked at the goals of the Urban Renewal Plan, the Downtown Master Plan and the 2011 Growth Policy.

Commissioner O'Loughlin noted the commission has had the discussion of the necessity of this district and the study conducted by the consultant as far as moving forward with this is very clear. There was also discussion of the inclusion of Centennial Park and the exclusion of the residential properties adjacent to the downtown area. Given the conversation the commission has had over the course of the last month or so about the development and preservation of housing, she would like to think about rather the commission should ask the Planning Board to reconsider the boundaries of the district, specifically the neighborhoods adjacent to downtown.

Commissioner O'Loughlin stated she is very supportive of moving forward in creating the Downtown Urban Renewal District; but she would like to consider tabling final passage and ask the Planning Board to consider the boundary.

Commissioner Haladay asked if we agree to table this with the intent it is passed before the end of 2018 so we can get the base tax year, what are the next Planning Board meetings and what does the turnaround look like in regards to any boundary discussions. Director Haugen stated without calling a special meeting of the Planning Board, they meet the third Tuesday of the month which will be October 16th. Staff would have to prepare a map that shows the change; she does not see any changes to the goals and foundation of the plan. Once the Planning Board reconsiders and makes a recommendation, the hearing before the city commission would have to be re-advertised. Staff would also have to contact the Department of Revenue (DOR) for a list of property owners. Staff could get all the work done by the end of the year, the process has to be completed by January and submitted to DOR by February and they have to act once they receive the required documents. Commissioner Haladay asked what the timeline is for submitting the documentation to DOR and them taking action. Director Haugen noted DOR has a list of items that has to be submitted for certification of the district.

Manager Taylor stated if the commission wants to readjust the boundary, it is his recommendation the commission consider the Planning Board's proposed recommendations and adopt final passage of the ordinance. With the approval the plan would be established and the only question would be district boundary. Staff would then take that back to the Planning Board and get some guidance from them.

Manager Taylor noted it is not prohibited to use TIF funds outside the district. He asked if the commission has a proposed boundary, give staff direction to take back to the Planning Board. The last meeting in 2018 is December 17th and staff will work backward from there to assure the process is completed by the end of the year.

Commissioner O'Loughlin stated she understands the interest in moving this forward in an expeditious way, however, we need to get it right the first time and not have to revisit after approval. It is not necessarily just about using the TIF funds but looking more broadly at

what the downtown area will look like. An important piece of the conversation has been around multi-use and housing within the urban area. There was a brief discussion on why some properties were included and some were not. Given the conversations the commission has had over the last couple of months, she asked that we move quickly but take another look at the boundary line. Commissioner O'Loughlin stated she strongly supports the district, but wants to make sure the boundary is correct.

Mayor Collins stated he would like to move this forward.

Commissioner Haladay asked if the commission tables this tonight and looks at the boundary, and find our back up against the wall, is there any reason why the commission couldn't hold the hearing and adopt what is currently being considered. Attorney Jodoin stated that could be done if the motion tonight is to table the final passage of the ordinance to the call of the City Manager. He noted there may be other questions that need answered if the boundary is changed and stated staff will visit with DOR.

Commissioner Haladay asked if there is any other practical harm if we table this. Director Haugen stated the whole key to getting this done is to have 2018 as the base year; if that does not happen, then we do not capture any improvements made in any buildings or structures this coming year. Commissioner Haladay stated if the commission tables this tonight, staff can look at the questions and bring it back at the next administrative meeting for further discussion. He is comfortable with tabling this to the call of the City Manager with the understanding that if we hit a roadblock the same proposal could be considered.

Manager Taylor reviewed the process and issues staff will review and bring back before the commission. Commissioner Haladay asked if the boundary can be amended once the TIF District is created. Attorney Jodoin concurred.

Lee Shubert encouraged the commission to adopt the plan and then amend if necessary. Do not derail the implementation of the plan as presented tonight.

Commissioner O'Loughlin asked Attorney Jodoin if he is suggesting the commission adopt what is in front of them and then come back and amend the boundary or table it to the call of the City Manager. Attorney Jodoin stated both options are doable.

Commissioner Haladay stated he is comfortable either way, as long as we hit the same base year.

Motion

Commissioner O'Loughlin moved approval of the amendments to Ordinance 3242, as proposed by the Planning Board. Haladay seconded the motion. Motion carried 2-1 with Mayor Collins voting no.

Motion

Commissioner O'Loughlin moved to table, to the call of the City Manager, final passage of Ordinance 3242 creating the Downtown Urban Renewal District and establishing the boundaries thereof; adopting the Downtown Urban Renewal District Plan, with the amendments recommended by the Helena/Lewis and Clark County Consolidated Planning Board, including a tax increment provision pursuant to Title 7, Chapter 15, parts 42 and 43. City Commissioner Haladay seconded the motion. Motion carried 2-1 with Mayor Collins voting no.

**Public
Communications**

PUBLIC COMMUNICATIONS

Brian Copeland asked for an update on the Community Conversation on homelessness that was held in July. City Clerk Havens reported there is a scheduled follow-up meeting scheduled for September 25th at 2:30 p.m. in Room 326.

Meetings of Interest

MEETINGS OF INTEREST

The Joint City-County Work Session is scheduled for October 4, 2018; the Administrative Meeting is scheduled for October 10, 2018, and the next City Commission Meeting is October 15, 2018.

Adjournment

There being no further business to come before the City Commission, the meeting was adjourned at 8:25 p.m.

/S/ WILMOT J. COLLINS

MAYOR

ATTEST:

/S/ DEBBIE HAVENS

CLERK OF THE CITY COMMISSION