

City Council Work Session

5:30 PM
Council Chambers
June 19, 2017

ATTENDANCE:

Mayor/Council (please check) Hanel, Cromley, Yakawich, Cimmino, Brewster, McFadden, Friedel, Swanson, Sullivan, Clark, Brown.

CM excused: Cimmino

ADJOURN TIME: 9:20 pm

Agenda

TOPIC #1	One Big Sky Center
PRESENTER	Skip Ahern, MontDevco
NOTES/OUTCOME	

- Skip Ahern: here to request an extension. Initially thought that it should be through 2017. No risk for the City. New development partner, should have agreement within 2 weeks. Springsted has vetted the partner. List of projects that partner has been involved in. Noted Allentown PA work and Rochester MN and Duluth MN. Partner will bring the money and development expertise. Start with economic study, clearly ID the amount of public money needed.
- Cromley: information sent to us? Request only.
- Cromley: asking City to extend the agreement with MontDevco. What stops developer from continuing with work without an agreement? City is key to the project and if City isn't working toward a development agreement.
- Sullivan: new study will call for different participation, so why City agree with you? Will Montdevco role change? Could new partner take over the project and cut Montdevco out? Concerned about last minute decision making.
- Yakawich: footprint? Can complete One Big Sky Center with current footprint. Do you still control the art dealer property? No. Want more frequent reporting. Would like a Dec. deadline if we proceed so we are working with sitting Council.
- Tina Volek, City Administrator: Council could defer a decision to renew the agreement until after the new developer on board and can present to the Council. Suggest a 3-month renewal.
- Mr. Ahern: prefer a 6-month term with 90-day review, or even to Oct. 31.
- Hanel: pleased that Montdevco is looking at Billings. Concerned about promises and changes to the project and who participates. TIF funding of about \$35M? TIF is under scrutiny at the state. Who are some of the people are who have signed the agreements? Company that moved headquarters to Denver, foreign bank, life insurance company, and large local bank.
- Sullivan: what percentage are you at with the new joint venture (JV)? 50%.
- Swanson: comfortable with extension because we're not risking anything at this time.
- McFadden: Agree with Swanson. Have questions for Greg Krueger.

- Mr. Ahern: cannot disclose names. Asking for MOU extension with Montdevco, not with a new JV. Will be paying 35-45% out of property tax.
- Cromley: how much has the City spent to date on the project? Volek: Will get that for you. Need to hire outside counsel for MOU? Brent Brooks, City Attorney: bond component would be external, but MOU could be handled by staff.
- McFadden: to Greg Krueger – who would be at risk if project falls apart? TIF- owns piece of land, taxes, may have to sell building if project doesn't go forward. To walk away at this point is not a good idea.
- Brown: MOU says, if project goes through, we'll work with company to get to a development agreement. Krueger: correct, if things change, City can walk away.
- Clark: options on other property? Krueger: have until end of 2018.
- Cromley: Vaughn-Ragsdale Building cost? \$830,000. Tenant Yesteryears rent cost? \$7000 per month in Billings Partnership's name. We pay utilities and taxes.
- Volek: \$39,000 payments to Springsted. Want to clarify that it is a reimbursement, no money upfront.
- Yakawich: opinion on finance partner? Krueger: Very reputable, feel confident.
- Yakawich: would like to see more reports. Krueger: Can provide monthly reports.
- **Public Comment:**
- Connie Wardell, P.O. Box 21432, Billings, MT: \$39k invested so far, will spend that much in next 6 months = year salary of a police officer. Right to know is superior, right belongs to the individual citizen of the state. Should not extend the MOU until we know more about the new JV. Need to hire commercial attorney, not use City attorney.
- Brown: agree about right to know once there are documents.
- Greg Krueger, Downtown Billings Alliance: taxpayers are the property owners within tax increment district and have invested dollars. Downtown and suburban developments are different.
- Marty Connell, BIRD: need to continue project. Don't kill project just because the developer has to keep some info secret. McFadden: downtown businesses support project? Yes.
- Janine Mix, 217 Avenue D, Billings, MT: involved in downtown retention and recruitment for retail. Favor the project. Difficulty for retail downtown is that there isn't enough usable and leasable space. Missoula working on Triangle project and lots of cranes, work happening. Big cities are realizing that downtown needs to be developed.
- Sullivan: is City a partner in Shiloh Crossing and West Park Plaza? Ms. Mix: Tax dollars go towards those projects, but different. Would like to see more positivity. Would like to see Council be more proactive, need to read information and be informed.
- Cromley: do you know who is the new JV partner? Ms. Mix: People who have met partners are very excited.
- Friedel: we need to know the partners. Need to be cautious
- Lisa Harmon, Downtown Billings Alliance Executive Director: boards support MOU extension. Downtown infrastructure needs to expand. Partnership pays cost allocations for staff time. Budget was \$98,000 over in legal during Empire parking project. DBA pays bond debt (\$890,000 per year) in 16 million TIF Project. JV partner was wanting to come make a presentation, but could not work out travel arrangements.
- Volek: will accept responsibility for not having an ex parte meeting, which would have been totally inappropriate. Attended one meeting at architect's office and met partner in

question. They were not certain they were interested. Did not have substantial interaction. Development agreement is with MontDevco only at this point.

- Mayor Hanel: everyone knows who the partner is, but Council does not.
- Sullivan: move ahead in small, short steps. 4-6 week agreement and then extend it more as they progress.
- Brown: frustrated that Council won't agree to move this forward with a 6-month extension.
- McFadden: support extension.
- Cromley: tend to agree with CM Sullivan. Offended by being told on Thursday that an extension will be requested. Also offended by everyone knowing who entity is, but Council does not. Agree with Sullivan's proposal for a short extension.
- Brewster: there are reasons to be careful. Previous plans didn't materialize. Put it on the agenda and let's see where it goes.
- Brooks: can't beat information out of a private party. When agreements are signed, then City will know who partner is.
- Mayor Hanel: consensus to amend the June 26 agenda to add this topic and decide on time-frame on extension.

Mayor Hanel called a recess at 7:20 pm. Council was back in session at 7:35 pm.

TOPIC #2	Parks and Recreation Comprehensive Plan
PRESENTER	Michael Svetz, Pros Consulting
NOTES/OUTCOME	

- Mike Whitaker, Parks Director: background, more than 50% through the planning process.
- Michael Svetz: progress report but will answer questions that CMs have. Schedule for presentation. Park typology. Lack and don't meet needs for indoor recreation. CIP should include maintenance cost and replacement. Unproductive time is above 40%, consider maintenance yard to cut down productive time.
- Brewster: big numbers, can't fund it only with PMD funds.
- Sullivan: good presentation. Maintenance facility – what's the payoff in personnel time savings? Haven't calculated yet.
- Yakawich: history and vision in the final plan? Yes. Private facilities considered? No, only publicly accessible.
- Clark: what % of operating costs can be covered by fees? 100% if aggressively price, but controversial. More accessible facility would = 70%-80%.
- Brewster: do you use revenue potential to help design facilities? Yes, it can be done.
- Mayor Hanel: special use parks? Property committed to a singular use.
- **Public Comment:**
- Jeff Essmann, 3130 Masters Road, Billings, MT: disconnect between public valuing trails and paths, CIP visionary projects shows trails and paths near the bottom of priorities. could issue bonds supported by PMD to connect Marathon trail. Ask the public for their opinions.

- Connie Wardell, P.O. Box 21432, Billings, MT: pleased the plan considers maintenance and replacement in life cycle cost. Need to vote on whether to spend \$93M on parks.

TOPIC #3	Evidence building
PRESENTER	Marty Connell
NOTES/OUTCOME	

- Volek: 3 items in Friday packet. Marty Connell's proposal, other commercial facilities, Chief's comments.
- Marty Connell: City doesn't need to spend \$4M, can get better and cheaper from me.
- Yakawich: worthy to take a tour. Probably next week.
- Friedel: what else could the city do with the building? Volek: don't know but can have internal discussion. What does Mr. Connell pay in property tax? \$70k+/-
- Sullivan: does City already store in the building? PW plans.
- Cromley: finished price means? Usable to standards in report.
- Hanel: don't think that other commercial buildings are comparable.
- Sullivan: representing EBURD, what will rest of property owners think? Support from neighbors, don't think it's eligible for TIF.
- Friedel: what is taxable value of the property? Would like to see PD vehicle inventory and shooting range.
- Volek: return to the July 17 work session and set up tour.
- Beth Gardner, Evidence Building Supervisor, Saree Couture, Facilities Manager introduced themselves.
- **Public Comment:**

None

TOPIC #4	Council Discussion
PRESENTER	
NOTES/OUTCOME	

- Brewster: schedule from Mercer (City Admin. Consulting Group), take a look and comment if needed.
- Clark: looks like an aggressive schedule.
- Volek: Report arrives September 15 and Council primary is Sept 14, so do you want to move schedule back to give them a chance to participate?
- Brewster: Probably won't wait that long and probably would not include primary candidates anyway.
- Volek: available on July 6 & 7? Let me know if you won't be available.
- Brown: viable schedule? Leave as is for now.
- Brewster: consultant is doing most of the work in the compressed schedule.
- Volek: 7 candidates for Mayor and 18 for CM. At least 2 competitors in each ward.

TOPIC #5	Public Comment on Items not on the Agenda
PRESENTER	
NOTES/OUTCOME	

None