

REGULAR MEETING OF THE BILLINGS CITY COUNCIL

April 11, 2011

The Billings City Council met in regular session in the Council Chambers located on the second floor of the Police Facility, 220 North 27th Street, Billings, Montana. Mayor Thomas Hanel called the meeting to order at 6:30 p.m. and served as the meeting's presiding officer. Councilmember Gaghen gave the invocation.

ROLL CALL: Councilmembers present on roll call were Ronquillo, Gaghen, Cimmino, McFadden, Ruegamer, Ulledalen, Astle, and Clark. Councilmembers Pitman and McCall were excused.

MINUTES:

- March 28, 2011 - Regular Business Meeting
- April 4, 2011 - Special Business Session

Councilmember Cimmino moved for approval of both sets of minutes, as submitted, seconded by Councilmember Ronquillo. On a voice vote, the motion was unanimously approved.

COURTESIES:

- Councilmember Gaghen recognized Billings native, Korine Fujiwara, who had recently performed at the Alberta Bair Theater.
- Mayor Hanel recognized the successful transport of the megaloads to the Conoco Refinery.
- Councilmember Cimmino commended the County Commissioners for the successful re-opening of the Metra the past weekend and the fact that the facility had been restored in less than 10 months.
- Boy Scout Leader, Ben Tyner, and his son, George Tyner, of Troop 375 introduced themselves and said their troop was sponsored by the LDS Church.

PROCLAMATIONS:

- Fair Housing Month, April 2011 – Don Smith, on behalf of the Community Housing Resource Board, thanked the City for proclaiming April 2011 as Fair Housing Month. He said it was the 43rd anniversary of the Fair Housing Act that was signed into law one week after the death of Martin Luther King not only to help bring an end to racial segregation but to honor Dr. King and the open housing marches he led in Chicago in 1966.
- Parkinson's Disease Awareness Month, April 2011
- National Crime Victims' Rights Week, April 10 - 16, 2011 – Attorney Brooks advised there would be an observance at noon on Friday on the County Courthouse Lawn.
- National Library Week, April 11 - April 17, 2011

ADMINISTRATOR REPORTS - TINA VOLEK

- Ms. Volek advised Mr. Bartlett's weekly legislative report was sent in the 4/8/2011 Friday Packets and was filed in the ex parte notebook.
- Ms. Volek referenced additional information sent to her from Bruce McCandless regarding Item 2. She said a copy was on Council's desk and in the ex parte notebook.

- Ms. Volek referenced a letter, dated 4/6/2011, from Doctors Kevin and Erica Bruen of 3020 Rimview Drive asking that the City contribute \$25,000 towards the removal of the rock above Shady Lane/Rimview Drive. She said a copy was on Council's desk and in the ex-partite notebook.
- Ms. Volek referenced a letter from Governor Schweitzer to Attorney General Steve Bullock, dated 4/11/2011, regarding a possible shutdown of state government on July 1, 2011, due to a budget that would not adequately fund government services for FY2012 and FY2013. She said a copy of the letter was on the Council's desk and in the ex-partite notebook.
- Ms. Volek advised a resolution was not required to form a City Council Community Conversations Ad-Hoc Committee and said Council could create the committee and appoint members with a simple majority or Mayor Hanel could appoint the members.

PUBLIC COMMENT on “NON-PUBLIC HEARING” Agenda Items: 1 and 2 ONLY.

Speaker sign-in required. (Comments offered here are limited to one (1) minute.

Please sign up on the clipboard located at the podium. Comment on items listed as public hearing items will be heard ONLY during the designated public hearing time for each respective item. For Items not on this agenda, public comment will be taken at the end of the agenda.)

The public comment period was opened.

- **Kevin Nelson, 4235 Bruce Avenue, Billings, MT**, spoke on Item 2. He asked if a public hearing had been held at a regular business session. He stated there was a conflict of interest with Alley Cat Investments, LLC because Bill Honaker served on the Downtown Partnership Board of Directors. Mr. Nelson also said the City should leave private enterprise alone. He said maybe the Northern Hotel should have come down and suggested starting with a new project.

Ms. Volek advised that Mr. Honaker had termed out a year ago and was no longer a member of the Downtown Partnership Board of Directors.

- **Joe White, Billings, MT**, spoke on Item 2. He said the City needed to do thorough testing on electrical, air quality, and air pollution to make sure the new garage was safe and stable. He said the current building was a disaster.
- **Matt Robertson, Downtown Billings Partnership; Lisa Harmon, Downtown Billings Association; Jeff Kanning, 1943 Mariposa, and Don Olsen, 2112 Fairview Place, Billings, MT**, each spoke in favor of the Park V Garage project.
- **Greg Ando, 2751 Gregory Drive South, Billings, MT**, referenced Item 1E, and said he was available to answer questions.

Legislative Review Conference Call with Lobbyist Ed Bartlett

Mr. Bartlett provided a brief update on the following legislative items.

- HB230: Transfer of Board of Crime Control from Department of Justice to Department of Corrections passed on 2nd Reading on April 6, but failed on 3rd Reading 21 to 29.

- HB2: General Budget bill. Being prepared to deliver to the Governor for his consideration. Hard to safely predict what will happen.
- Bills Related to K-12 School Funding and State Employees: Two of the most important bills that were still outstanding.
- HB439: General Obligation Bond bill for a number of state government buildings across the State of Montana, including a new building at MSU-B. Passed 35 to 15 on 3rd Reading. Bill has to go back to the House due to a slight amendment.
- HB560, HB561, and HB562: TIFD bills approved on 2nd Reading in the Senate that day.
- SB372: Phased reduction of business equipment tax. House Appropriations approved 14 to 7.
- HB122: Retirement bill in PERS System for State employees. House looking at Senate amendments. Bill would increase employee and employer contribution to PERS retirement system from 7.17% to 8.17% on July 1, 2011, and to 9.17% on July 1, 2012.
- SB423: Medical Marijuana - House adopted, as amended, by a vote of 77 to 23. Will go back to Senate to consider House amendments.
- HB161: Medical Marijuana Repeal – Governor will have until Friday, April 15, to act on the bill.

Councilmember Clark asked if the Smith amendments were the amendments that stayed with HB423. Mr. Bartlett said that was correct.

There were no further comments or questions, and the legislative review with Mr. Bartlett was concluded.

1. CONSENT AGENDA

A. Bid Awards:

- 1. 2011 Aerial Truck for Street/Traffic Division.** (Opened 3/22/11) (Delayed from 3/28/11) Recommend Motor Power; \$114,722.
- 2. W.O. 10-17, Billings Waste Water Treatment Plant - Natural Gas Line Replacement.** (Opened 3/29/11) Recommend Montana Dakota Utilities; \$102,932.
- 3. W.O. 11-04, 2011 ADA Accessibility Ramps.** (Opened 3/29/11) Recommend CMG Construction; \$317,407.
- 4. Taxiway G Relocation and Runway Overlay Project.** (Opened 3/29/11) Recommend postponement of bid award until April 25, 2011.
- 5. Structural Repairs to Park II Parking Garage.** (Opened 4/5/2011) Recommend delay of award until April 25, 2011.

B. Approval of new Commercial Terminal Building Lease with Frontier Airlines, Inc.; 3/1/2011 - 2/29/2012 with automatic annual renewals; Revenue first year - \$7,482.72.

C. Approval of 10-year lease renewal with State of Montana DNRC for Airport Buffer Zone. (3/1/2011-2/28/2021); annual rent first five years - \$20,000.

D. Approval of new lease agreement with Tami Kelling dba Downtown Subs to include additional storage space (3-year lease with two, one-year renewal options). Revenue first year - \$13,692; Revenue second and third years - \$13,855.

- E. Acceptance** of YMCA proposal to pay off combined principal balance on two delinquent Revolving Fund loans totaling \$269,109; and write-off accrued interest totaling \$138,941.
- F. Revolving Fund Loan** to Billings Depot, Inc. to purchase lease of parking lot on Montana Avenue west of Depot property from Computers Unlimited; not to exceed \$45,500.
- G. Street Closures:**
 - 1. Cinco de Mayo Celebration.** May 7, 2011; 10 a.m. to 8:00 p.m.; North 26th Street between Montana Avenue and 1st Avenue North.
- H. Approval and acceptance** of 2011 ConocoPhillips Company grant; \$6,000 to the Police Department; \$6,000 to the Fire Department.
- I. Acceptance of Sponsorships** for Infill Policy Workshop, April 26 & 27, 2011. Billings Home Builders Association - \$1,500; Billings Association of Realtors - \$2,500; Sanderson Stewart - \$800; Cole Law Firm - \$500; Montana Association of Planners - \$500; Healthy By Design - \$1,000.
- J. Second/Final Reading Ordinance #11-5532 for Zone Change #873:** A zone change from Planned Development – Neighborhood Commercial with Restrictions to Planned Development – Neighborhood Commercial without the restrictions on a 25,600 square foot parcel of land described as Lot 4, Block 2, Rocky Village Subdivision located at 1648 Poly Drive. Rocky Mountain College, owner; Thomas Smith of Moulton Bellingham, representative.
- K. Amended Plat of Midland Subdivision, 3rd Filing, Block 3, Amended Lot 5-A,** generally located west of South 24th Street West, south of King Avenue West.

L. Bills and Payroll:

- 1. March 11, 2011**
- 2. March 18, 2011**

Councilmember Cimmino separated Consent Agenda Item C, Councilmember Ruegamer separated Consent Agenda Item E, and Councilmember Clark separated Consent Agenda Item F.

Councilmember Astle moved for approval of the Consent Agenda with the exception of Items C, E, and F, seconded by Councilmember Ruegamer. On a voice vote, the motion was unanimously approved.

Councilmember Ruegamer referenced Item E and said the YMCA was very important to the City of Billings. He said there were adult and child obesity problems and people with other health problems, and the YMCA provided solutions if people let it. He said closing it would not help. He said the YMCA was a great asset and he would support their proposal.

Councilmember Astle said he agreed with Councilmember Ruegamer and would support the proposal.

Councilmember Clark asked when the City would receive the \$269,109. Financial Services Manager Pat Weber said it had not been discussed; but if the YMCA's proposal was accepted, he would expect to receive payment within the next week to two weeks. Mr. Ando, who was present, said payment would be closer to 30 to 45 days.

Councilmember McFadden asked Mr. Weber why he was recommending approval. Mr. Weber said the loans had been delinquent for over 8 years and through the 8 years, he had met with different directors. He said at his last meeting with Mr. Ando, they discussed coming to Council to work it out. Mr. Weber said when the loans were originally given, there was not very good collateral. He said collateral was based on pledges and a small portion of their parking lot. Mr. Weber said he and all members of the Revolving Loan Fund Committee were recommending approval of the proposal.

Councilmember Gaghen said it had been hanging over the YMCA's head for a long time and they had gone through several directors who left before problems were solved. She said she supported the proposal.

Mayor Hanel stated he was notified by Executive Director Tina Postel who said she would be out of town and could not attend the meeting. He said he would like to recognize Ms. Postel and the staff for making huge strides to prove what they could do for the community. He said he spoke with Mr. Ando, who said the YMCA was sustaining and able to keep the programs going. Mayor Hanel said it would be very troublesome for the community to lose the facility, and he would support the proposal.

Councilmember Cimmino said she received an e-mail and a phone call from Tina Postel, who indicated Wayne Moller, the Associate Executive Director, would be in attendance. Councilmember Cimmino asked Mr. Moller if the YMCA would be interested in offering the interest amount owed of \$138,941 for free admissions to community members who could not afford to pay the membership fees. Mr. Moller said it was certainly a possibility and one of the things they did every day. He said they had not considered it but they could.

Councilmember Cimmino moved that they accept the YMCA's offer to pay the \$269,209 in principal and work with the community to offer \$138,941 in free memberships, seconded by Councilmember Ronquillo.

Councilmember Astle asked Mr. Moller how much was offered in scholarships annually. Mr. Moller said they gave away just under \$250,000 in scholarships every year. Councilmember Ruegamer said putting the restriction on the YMCA would cost them money and not help them, so he would not support the motion. He said they needed to forgive the \$138,941 and let the YMCA continue with what they were doing. Councilmember Cimmino told Mr. Moller she thought it would be an added benefit to consider the alternative because it would remove their default status when they applied for grant monies. Mr. Moller agreed. He said they had spent a lot of time trying to come up with a plan and they did not take it lightly.

Councilmember Clark made a substitute motion to accept the \$269,109 and write-off the \$138,941 because the YMCA was already giving away \$250,000 a year in scholarships, seconded by Councilmember Gaghen. On a voice vote, the motion was approved 7 to 2. Councilmembers Cimmino and Ronquillo voted 'no'.

Councilmember Cimmino referenced Item C and asked Kevin Ploehn, Assistant Director of Aviation, if the 10-year lease agreement would interfere with property by the airport runway if Plan B of the Inner Belt Loop was ever implemented. Mr. Ploehn said the property was about 200 acres and just north of the airport. He said the Inner Belt Loop being proposed would come through the airport property and through that piece. He said if they were the lessee on the property it would

actually benefit the Inner Belt Loop taking place because no other lessor or lessee would have the piece of property and there would be no need for any special accommodations. He said, in any aspect, the property would still have to be worked through the State for a right-of-way easement. He said in the long run, it would be a better deal if the City had the property control for the whole process.

Councilmember Astle moved for approval of Item C, seconded by Councilmember Clark. On a voice vote, the motion was unanimously approved.

Councilmember Clark referenced Item F and asked staff how much money was available in the Revolving Loan Fund. Pat Weber, Financial Services Manager, advised there was approximately \$2 million. Councilmember Ruegamer asked if the \$269,109 from the YMCA would go into the Revolving Loan Fund. Mr. Weber said that was correct.

Councilmember Clark moved for approval of Item F, seconded by Councilmember Ruegamer. On a voice vote, the motion was unanimously approved.

REGULAR AGENDA:

2. Park V Garage

A. Purchase Agreement with Alley Cat Investments, LLC for Lots 1-7, Block 109, Original Town of Billings. Downtown Billings Partnership Board of Directors recommends approval. (Action: approval or disapproval of Downtown Billings Partnership Board of Directors' recommendation). Greg Krueger, Executive Director of the Downtown Billings Partnership, advised all of the parties involved had a chance to benefit and a huge opportunity existed if all of the parties could come to the terms that Council was being asked to agree to that evening. Mr. Krueger advised the parking study indicated the area would have a 500-car deficit if a conference center was built. He said the parking study also indicated a 200 to 300-car parking garage was currently needed for the entire downtown area without any additional development. Mr. Krueger said they were asking the Council to approve a parking garage that evening. He said in that parking garage, there would be 187 spaces that would be privately owned and paying taxes and another 25 spaces that would be privately owned and paying taxes. Mr. Krueger said the Partnership had always had the dream and a desire to promote a mixed-use parking structure, and downtown was ready for it. Mr. Krueger showed PowerPoint slides of the locations of Target Sites 1A, 2A, and 2B. He said Target Sites 2A and 2B discussed by the parking study as the best place to put a parking garage showed a 10-year deficit of 270 to 300 spaces; and based upon that and a number of other items, the Parking Advisory Board disagreed. Mr. Krueger said Target Site 1A did not depend on a conference center or the Northern Hotel; however, it did depend on acquiring the land from the Northern Hotel and Alley Cat Investments. He said Target Site 1A was the #1 site of the Parking Advisory Board, Downtown Billings Association, Business Improvement District, and Downtown Billings Partnership and the best overall option.

Mr. Krueger talked about the land acquisition. He said two independent appraisals were done, and one review appraisal was done that placed the Northern Hotel garage at \$800,000; Windsor Court at \$1,225,000; and the Empire parking lot at \$400,000. He said by resolution in 1993, Council approved paying review appraisal prices of up to a 5% increase or \$10,000. Mr. Krueger advised the closing date on the properties must be before April 30, 2011. He said if the closing extended beyond April 30, Alley Cat Investments would no longer be interested in selling the property. Mr. Krueger said the construction must begin within 2 years from the closing date. He

said the current property owners would operate and lease the existing facilities from the City free of charge until construction began but would still be responsible for all current leases, maintenance, taxes, and utilities. Mr. Krueger advised the Council would have many more times to vote on the project as it progressed. He said there was no intention to tear down the garage or any buildings until everything was in place and voted on. Mr. Krueger advised Alley Cat Investments and Zootist both agreed in their buy-sell to buy back the properties if, after the process had run its course, the garage project did not move forward. He also said it had been agreed that the Northern Hotel construction workers would be provided free parking during hotel construction and proposed using the parking lot space behind the Subway on South 27th Street. He said if the hotel was finished before the completion of the parking structure, valet parking had been offered at the expense of the tax increment district.

Mr. Krueger said they were also talking about a Tax Increment Assistance Grant for the Northern Hotel project. He pointed out it was not the Northern who came to the Partnership but the Partnership who went to the Northern and asked how it could help the project move forward. He said the project and building were cited in the Urban Renewal Plan as blight and a legacy project of the old Tax Increment District. Mr. Krueger advised it would help stabilize and grow the tax base; it would create 100+ jobs after construction and 100+ jobs during construction; it was a multi-million dollar increase to the annual economy of Billings; and the City would get a new parking garage. He said Zootist would benefit with TIFD assistance on qualified expenditures (\$2.1 million); a new parking structure with unit ownership; increased retail/restaurant opportunities for guests; capital investment in the project; and potential for adjacent redevelopment.

Councilmember Ronquillo asked how much was dependent on the sale of Park IV. Mr. Krueger advised calculations showed they could build a 500-car facility with a retail component without selling Park IV. He said if they would move to a 700-car garage, it would require the sale of Park IV.

Councilmember Astle asked why the closing deadline was April 30, 2011. Mr. Krueger explained that the deadline had been in place for over a year. He said the reason was that Alley Cat currently was a minor partner in the two properties and they needed to exercise their option to be the only owner in the two properties. He said they wanted to buy it and re-sale it quickly so they would not have to seek financing. Councilmember Astle asked if there had been a prior public hearing on the item. Mr. Krueger advised there had been a public hearing on the funding of the studies. City Attorney Brent Brooks advised the Urban Renewal Plan that identified the blighted area of the Northern was in 2008 and a public hearing had been held.

Councilmember Ruegamer said they needed financial statements on Zootist and a letter of credit showing they could borrow the money to finish the project. Mr. Krueger said he believed they would be able to find a creditor even if the project did not move forward. He said the key was the parking garage and in order to get the parking garage, they needed to have a little bit of trust in the Nelson family. Councilmember Ruegamer said trust was not a part of it. He said it was a business deal, and they needed to protect the taxpayers.

Mayor Hanel asked Mr. Krueger to identify where the funds would come from for the transaction. Mr. Krueger said the initial funds for the land acquisition would come from tax increment funds that were currently in Fund 203; approximately \$1.5 million. He said another \$1 million would come from the Parking Fund. He said the public portion of the garage construction would be 100% from tax increment financing bonds. Mayor Hanel asked if the funds mentioned could be used for another project if they were not used for the garage project. Mr. Krueger said they currently had no other projects being planned.

Councilmember Cimmino asked Bruce McCandless, Assistant City Administrator, if the tax increment finance district did not generate growth after the parking garage was built, would it have to be paid by the General Fund in order for the City to maintain its credit rating. Mr. McCandless said there would not be a legal obligation for the City to make the debt service payments on the bonds if they were issued as tax increment bonds. He said if the City wanted to retain its ability to sell future bonds, the bonds would have to be repaid. He said the likely first source would be any net income available or reserves available within the Parking Fund and then secondly, the General Fund. Mr. McCandless pointed out the financing they had worked on with their financial advisor would set aside one year's worth of debt service into a reserve account in the event that there were not sufficient taxes collected.

Councilmember McFadden asked if the City would still have property to sell or rent if everything went wrong that could go wrong with the project so the taxpayers would not be on the hook. Mr. Krueger said he could not predict the future but believed they would have the property, as well as all of the other parking garages.

Councilmember Clark voiced concern over the amount of parking spaces that would be sold, and said there would not be many left for the general public. Mr. Krueger advised of the 500 spaces, the garage would have roughly 300 public parking spaces.

Bruce McCandless, Assistant City Administrator, gave a brief PowerPoint review of the key features of the Alley Cat property purchase, the Zootist Garage property purchase, and the Zootist Hotel Development Agreement. He said Mr. Krueger had covered all of the information in his presentation very well. He said one thing that was not mentioned was that both property owners would have the option to re-purchase the property in the event the City did not build the garage within two years. Councilmember Astle asked at what price the property owners would be able to re-purchase the property. Mr. McCandless said the property would be re-purchased for the acquisition value.

Councilmember Clark asked how long the construction would take. Mr. Krueger said from the first bulldozer to the ribbon cutting, it would take approximately 18 months.

Councilmember Ruegamer said he felt it was a big, complicated, expensive, and important deal and he was not qualified to make the decision. He said he was planning to make a motion to delay for two weeks and form an ad-hoc committee to look at it. He said he thought it was a good deal, but he was not qualified and would not make the decision to spend the money until he knew the risks involved.

City Administrator Tina Volek advised there must be a resolution to form an ad-hoc committee because it was not a membership of the Council, and there were very specific requirements that must be met.

Mayor Hanel noted Mr. Honaker and Mr. Nelson were in attendance if the Council felt they wanted to ask them specific questions.

Councilmember McFadden asked Mr. Mike Nelson if the Northern Hotel would still become a reality even if the parking garage did not happen. Mr. Nelson said that was correct and assured that he and his brother already had \$7.5 million into the improvements of the Northern Hotel. He said they had paid their property taxes and of the previous owner. Mr. Nelson said they had spent a little over \$1 million on designers and blueprints. He said they had done \$1 million of asbestos abatement. He said they had installed new water service and started framing new walls on the 10th floor and were three offices into the first floor. He said the floors were prepped and ready for surfacing, the ceilings were prepped and ready for surfacing, and they held their first banquet that past Sunday. Mr. Nelson said approximately \$1 million was into the existing parking garage that

was for sale. He said a hotel without parking was a dark building, and he was trusting his family's future on the City coming through in a timely manner and providing them with parking. Councilmember Gaghen asked for a projected date of completion for the hotel. Mr. Nelson said they had 12 to 14 more months of build to go. He said they have had construction financing offers from local banks but they had hired a national mortgage broker and were closer than ever to having an offer for financing. Councilmember Cimmino asked if the request by Councilmember Ruegamer to provide a letter of credit would be a big deal. Mr. Nelson said he did not have a letter of credit but he would be happy to provide a bank term sheet for review when the financing came through.

Mayor Hanel called for a short recess at 8:44 p.m. Mayor Hanel called the meeting back to order at 8:54 p.m.

Councilmember Clark moved for approval of Item 2A, seconded by Councilmember Astle. Councilmember Ruegamer said he would support it because they would ultimately have a parking garage there no matter what happened. He said the City needed a parking garage, but he still had a lot of questions he would get answered the next couple of weeks. Mayor Hanel said he would support the motion because he toured the Northern and had seen the money and effort that had gone into it. He said it was a huge risk for everyone and just recently he had the opportunity to attend the gathering put together by the Chamber of Commerce with a group of event planners from Kentucky, Texas, and the east and west coasts. He said the discussions were very enthusiastic about coming to Billings for future events. Councilmembers Ronquillo and McFadden said they would support the motion.

Councilmember Clark called for the question, seconded by Councilmember Ruegamer. On a voice vote, the call for the question was approved 8 to 1. Councilmember Cimmino voted 'no'.

On a voice vote, the motion to approve 2A was approved 7 to 2. Councilmembers Cimmino and Ulledalen voted 'no'.

B. Purchase Agreement with Zootist Garage, LLC for Lots 8-12, Block 109, Original Town of Billings. Downtown Billings Partnership Board of Directors recommends approval. (Action: approval or disapproval of Downtown Billings Partnership Board of Directors' recommendation.) Councilmember Clark moved for approval, seconded by Councilmember McFadden. On a voice vote, the motion was approved 7 to 2. Councilmembers Cimmino and Ulledalen voted 'no'.

C. Development Agreement with Zootist Hotel. Downtown Billings Partnership Board of Directors recommends approval. (Action: approval or disapproval of Downtown Billings Partnership Board of Directors' recommendation.) Councilmember Clark moved for approval, seconded by Councilmember McFadden. On a voice vote, the motion was approved 7 to 2. Councilmembers Cimmino and Ulledalen voted 'no'.

PUBLIC COMMENT on Non-Agenda Items -- Speaker Sign-in required. (Comments offered here are limited to three (3) minutes and are restricted to ONLY items not on this printed agenda. Please sign up on the clipboard located at the podium.)

- **Lisa Harmon, Downtown Billings Association**, reported the Yellowstone Valley Animal Shelter's Spay/Neuter Clinic held at the Metra was a success. She invited everyone to the

Downtown Billings Alliance Social to be held at the Yellowstone Art Museum on Wednesday starting at 5:30 p.m.

City Administrator Volek advised negotiations with the Yellowstone Valley Animal Shelter had been started for renewal of their contract.

- **Kevin Nelson, 4235 Bruce, Billings, MT**, suggested Council instruct BSEDA to go to the Moore Lane business owners and give them the same deal Cabela's received. He said Cabela's received a public improvement use fee agreement that allowed them to deduct the use fee agreement payment of approximately \$5,000 every month off their corporate tax. Mr. Nelson said Cabela's received a public use fee of their private parking lot that they get to buy back in 30 years for a dollar. Mr. Nelson asked why we did not treat our local people as well as we treated a major corporation such as Cabela's and Wal-Mart.

There were no other speakers, and the public comment period was closed.

COUNCIL INITIATIVES

- **Clark**: Moved to appoint a council committee to work on Community Conversations to include himself, Councilmembers McCall and Ronquillo, and Mayor Hanel, seconded by Councilmember Astle. On a voice vote, the motion was unanimously approved.
- **Gaghen**: Moved to consider the offer from the two property owners to pay \$25,000 and asking the City to pay \$25,000 toward rock removal above Shady Lane and place it on the April 18, 2011, work session agenda, seconded by Mayor Hanel. After further discussion, on a voice vote, the motion failed 6 to 3. Councilmembers Ronquillo, Cimmino, Ruegamer, Ulledalen, Astle and Clark voted in opposition. Councilmembers Gaghen and McFadden, and Mayor Hanel voted in favor.

There were no other initiatives.

- **Ruegamer**: Said he would be giving Councilmember Ronquillo a donation of \$10 to be used towards the basket for the Montana League of Cities and Towns raffle.
- **Ulleddalen**: Asked if the planning regulations could be changed to say that use of generators within a set distance from residential property would be subject to special review. City Administrator Volek advised staff would investigate the option.
- **Ulleddalen**: Said he felt there needed to be significant Council discussion relative to a recommendation he would take back to the PCC on the issue of the bridge over or tunnel under Exposition Drive. It was decided discussion would be scheduled at a work session after the budget.
- **Clark**: Asked for the status on the scoreboard at Centennial Park. Ms. Volek advised it would go to the Park Board first and then to Council on April 25.

There was no further business, and the meeting adjourned at 9:25 p.m.

CITY OF BILLINGS



BY: Thomas W. Hanel
Thomas W. Hanel, Mayor

ATTEST:

BY: Cari Martin
Cari Martin, City Clerk