

City Council Work Session

5:30 PM
Council Chambers
August 15, 2011

ATTENDANCE:

Mayor/Council (please check) X Hanel, X Ronquillo, X Gaghen, X Cimmino, X Pitman, X McFadden, X Ruegamer, X Ulledalen, X McCall, X Astle, X Clark.

ADJOURN TIME: 8:05 PM

Agenda

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| TOPIC #1 | River Rock Estates Subdivision Park Master Plan |
| PRESENTER | Mark Jarvis |
| NOTES/OUTCOME | |

- Mark Jarvis had a presentation on the park, which is to be incorporated into an adjoining Rimrock West Park to develop parkland which both subdivisions can use.
- The developer, Boyer Land LLC retained Peaks to Plains Design to work with Parks and Recreation to develop the Park Master Plan.
- Master plan includes parkland in the Heritage Trail Extension, which is an important part of the trail as the current trail will be linked at High Ditch through this development. There is also a retention basin that will collect rainwater, typically retained for less than 24 hours.
- Public comments, from the various meetings, included necessity of connecting to the trail system, as well as a picnic shelter and "tot lot" to serve children six (6) months to five (5) years. There is also a need for green open space for field play and ways to reduce long-term maintenance costs, including reduced irrigation and the use of native plant materials that do not require irrigation.
- Parks, Recreation and Cemetery Board recommended approval of the plan on August 13th, recommended stating in the Subdivision Improvement Agreement (SIA) documents for Silver Creek Estates Subdivision (above River Rock Estates) to include review of River Rock and Rimrock West Parks Master Plans when building permits are issued for 60% of the lots. The developer provided extra land on River Rock and will receive credit for Silver Creek with cash-in-lieu also being provided for any remaining parkland dedication requirements.
- An SID to fund design and basic construction for the park will be created when 60% of building permits are issued for the lots in River Rock Estates. If River Rock Estates property owners want additional amenities beyond the Master Plan minimal development they could be included at that time.
- Ronquillo: do we have any irrigation rights to the Big Ditch? Mark: not at this time, but will decide what is more cost-efficient in the future.

- Ulledalen: why are we adopting the plan now? Mark: the developer wanted to develop detention basin on the parkland, but the master plan had to be done first.
 - Pitman: the developer is emptying stormwater into this area like Howard Heights? Mark: yes, it will have a dual use, minimizing the detention base and maximize the parkland use.
 - Clark: will basin be ready to plant or will it be a mud hole? Mark: the developer will develop the detention basin completely, anything beyond the detention basin is the city's responsibility. Clark: like the park on Rimrock? Mark: he will be required to revegetate it to hold the soil in place, we will develop and plant the rest of the park.
 - Ruegamer: how much is it going to cost? Will it be shown to the public or source of another controversy? Mark: the opinion of probable cost is \$573,800. Small SID, few lots (67), is why we suggesting later improvements, putting in only the minimum now.
 - Mayor: Will there be a trail from the playground to the ditch? Mark: there will be a pedestrian access past the tot lot and parking lot to the High Ditch on the west side of the street. Mayor: There is a sidewalk on the east side? Ulledalen: yes. Mark: there are provisions for a sidewalk on the west side but will not be developed as part of the park improvements.
 - Ulledalen: assessment per lot once 60 percent build out triggered, and PMD? Mark: not sure of exact assessment. PMD will be created after final plat approval to cover minimal maintenance cost of the park. As the park develops, PMD costs will increase. Jolene Reick said the SID is about \$3,800 per lot.
 - Gaghen: when will the build out occur? Mark: not sure, depends on the market and economy.
 - Cimmino: when will the platting be done? Mark: final plat approval is planned in September.
 - Ulledalen: estimated cost of project? Mark: \$573,800 with 67 lots at full development. Basic development of \$3,800 is basic landscaping. Ulledalen: There would be two separate assessments that would kick in. Mark: we would meet with the people at 60 percent build out and ask about additional developments and try to incorporate that into the first SID.
 - Ruegamer: takes explanation because of costs.
 - Astle: \$3,800 plus maintenance. Mark: we would create a PMD before hand to take care of the parkland prior to development.
 - Cimmino: Please have bullet points for development at the August 22nd council meeting.
- Public Comment: None.

- Ulledalen: attended all the meetings and one frustration is the small number of homes paying in, which could result in as much as \$9,000 being assessed later. Residents have no option in the first phase as it is completed, but the Park Board and staff tried to get options. Future council will have to answer questions as to why objections were only considered. There are concerns about the two (2) parks not talking to each other; they are separated by the berm. There are a number of things in Rimrock West there were thrown out because of costs, and it was asked that the changes be included in the future. We will be hearing from the folks about the Rush Subdivision Park so it will give people an idea how we deal with building parks.

- Gaghen: what is the estimated cost of homes in that area? Ulledalen: costs are unknown, but will have some say at the next level depending on build out.

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| TOPIC #2 | Empire Parking Garage |
| PRESENTER | Greg Krueger, Steve Wahrlich, Matt Robertson |
| NOTES/OUTCOME | |

- Greg Krueger presented the required annual report for the FY2011 Expanded N. 27th Street Tax Increment Financing District – Fund 203. Sufficient funding to bond a garage at the present time.
- Steve Wahrlich, immediate past president, quagmire in the past few weeks. If you look at development that has occurred west of 27th Street, there is only the Babcock Theater and Stockman Bank. We are here to night to present what can and can't be done east of 27th Street, and are seeking guidance of what the council would like to pursue.
- Option 1: plan as originally presented to build a 500 car garage with retail on the street level and office/housing on the top floor. Pros: ties into the latest plans for the Northern Hotel; continues the development of Montana Avenue, Minnesota Avenue and surrounding areas; ensures bonding before 2013 legislative session. Con: certified value issue with DOR raises question, lost several months of process due to DOR error; momentum is slowed.
- Option 2: explained by Matt Robinson, current DBP President, would terminate Windsor Court leases in 90 days, demolish, pave and reconfigure Empire and Windsor lots for street-level parking. Over year, TIFD gets income and once September 2012 values out could (a) move forward with 500 space garage or (b) develop 300 space lot. Pros: all of option 1 pros; verifies legitimacy of next year's certified values from DOR, city would be out of the tenant/landlord issues; expedites demolition of Windsor Court building' allows private development. Cons: temporary paving adds \$35,000 to \$45,000 additional cost to project; renegotiate contracts with Zoot and Alley Cat for one (1) year extension; slows development of downtown; 300 space garage would limit private development with no commercial on top and small amount of retail.
- Option 3: (Wahrlich) pull the plug, city could cancel project, offering the properties at current value back to the respective parties or to the open market. Pros: no risk to the City TIFD Funds. Cons: parking needs are not met, development slowed; land purchased with TIFD most likely would be sold for less than purchase price; city would have to completely start over with future parking plans and much of the current urban renewal plan.
- Astle: the 500 space garage would take up the entire block from 27th and 28th to the alley. What does a 300 space garage cover? Wahrlich: The existing Empire parking lot and the Windsor Court, not including the Northern garage.
- Ronquillo: the City would make no money if we tear down Windsor Court and pave the lot. Wahrlich: the only way to get around is no parking. The risk/reward on Windsor Court is if the tenants move out it needs work; including HVAC. The quickest way to make money is a 500 space garage.
- Ulledalen: concern for bond payments if build too much in 500 space garage.

- Clark: if we build a 500 space garage would the city own it? Wahrlich: yes.
- Gaghen: concerned about the impact of 300 space garage and the impact on the development of the Northern. Wahrlich: Nelson should say.
- Mike Nelson, 19 North Broadway: Not certain of the impact. Would have a pretty new garage next to an ugly old one. What is the cost of redeploying in the future? Like option 1 in the spirit of adventure and spirit of belief in downtown. Wahrlich: poor impression of new hotel next to 1960 garage, so it would impact the Northern operation.
- Ruegamer: whole thing would be more palatable if out of the \$810,000 they would buy back spaces at our cost. Unhappy having to pay for parking for people working at the Northern. Volek: there is a contract with the purchase terms on the parking spaces, requiring renegotiation. Ruegamer: Understand that but would like to see reinvestment by the Northern. Krueger: TIFD subsidizes parking, always has downtown. Have been buying space for \$20,000 and sold for \$4,000 for the last 20 years. Will ultimately build 500 space garage; build a 300 space garage with horizontal expansion with some of it vertical with nominal cost, no General Fund dollars. Can afford \$1.5 million payment; won't recommend it if can't pay out of TIFD.
- Ruegamer: when you negotiate, don't start out at the lowest. Why doesn't the Northern pay us \$4,000 for the spaces they want now? Then they will have a stake in it, not just the city. Thing timed with not a lot of time. Krueger: I started at \$20,000 a space.
- McCall: When we first started talking about all of this, part of the pitch which made it sweeter was Crowne Plaza looking at a future convention center. Have heard now that is not the case? Krueger: That is exactly the case; a conference center is needed, but must be a private development. Crowne Plaza is not interested. Could expand garage in either direction. Western Security would sell 29th Street lot if it could get garage spaces. If the conference center was attached it would have to go in the Crowne Plaza or to the Western Security side; unattached it would have to be close.
- Astle: We have done a lot of work downtown. How many current parking spaces in the Northern garage? Krueger: 187. Mayor: confirmation on behalf of DOR? Brooks: Bruce McCandless is handling that. Volek: that information was provided to the council in a packet a week ago last Friday, we can reticulate it again if you would like. DOR made not one (1) but two (2) errors and the second error rebounded in our favor. Krueger: that number is in the annual report I just gave you, it is roughly 1.7 million we were anticipating 1.8 million. Mayor: reliable numbers? Krueger: That is why we are recommended moving slower. Mayor: Option 3 is not an option we should explore. Concerned about what the legislature will do.
- Wahrlich: Would go back to Option 1, not so fast-paced. Would have some design costs.
- McCall: agree with the Mayor, option 3 is not appropriate. Would like to see Option 1 and 2 fleshed out in more detail.
- Ronquillo: do we know what the maintenance cost and age of the building internals of the Windsor Court building is. Krueger: lost two (2) tenants, if full, rent would cover regular maintenance. Empty building to be preserved needs to be heated, or torn down. The boiler is old and the building does have some asbestos in it. It has more value as a vacant lot.

- McFadden: Tenants are coming, let's hurry up and build it. Robertson: Landlord of building across the street lost 6,000 sf tenant because of no parking. There are three (3) other buildings that have just closed in that area that are going to need parking. Having a hard time leasing buildings because of the lack of parking.
- Gaghen: Wells Fargo has plenty of vacancies due to the lack of parking in the Park II garage. Krueger: Opus Corporation, who owns the Wells Fargo building, asked for Park II to be expanded, because it was too slow to expand Opus gave the building to the Mayo Clinic. Current owner bought the building and with the expansion of Park II the building is completely full.
- Ruegamer: How much money do we need to build a 500 space garage? Krueger: \$10 million with less than a million annual on a 25 year bond. At the mercy of DOR, but have 2-3 year increment and if we wait until next fall, should have four (4) years of history.
- Clark: if we are going to vote, what is the next meeting? Volek: Heard you would like to flesh out options 1 and 2, bring it back to a future work session for discussion.
- Mayor: Thanks group for hard work on project.
- Cimmino: when Crowne Plaza pulled out why is there a \$12,000 study for a conference study? Krueger: This study was paid for out of Tax Increment, it is a valid study, a conference study is needed, if we find another builder we will benefit from the study. Wahrlich: City and TBID split the costs of the study and where to locate a convention center. Cimmino: City would like a copy of the study. Volek: we have it will provide it to council.

Public Comment:

- Kevin Nelson, 4235 Bruce Avenue: 20% loss of revenue from these districts. Didn't recall when we bought this property we had this junker old building. All the sudden we have a building that is falling down, two months ago it was okay. Overpaid because the building was bought in good faith of substantial construction. Who has the \$800,000 from the Federal Courthouse? Mayor: We did buy the building in good faith and there was an appraisal.
- Greg Krueger, Downtown Billings Development Director, 2815 2nd Avenue North: the \$800,000 from the Federal Courthouse is in those intersection lights that are now being installed, every single dime of it. We bought the building with the idea of tearing it down. Ronquillo: You are correct.
- Brian Kenat, 345 Miles Avenue: What is the current waiting list for Park II, the City Hall parking lot, and the Market Place parking lot for monthly parking? If we build they will come that would give us an idea of how many people are out there waiting for us to create more parking for them.
- Joe White, N. 30th Street: Money for garage would be better spent being distributed among other businesses in the district. Get building and railroad controls to address pollution.
- Ulledalen: Know Windsor Court was bought as a tear down. Had issue with staffing, future resource needs, would it make sense to move City Hall into the Windsor Court building?

- Volek: Short-term plan to privately manage. Library and Planning are not moving out of the Library building while the new Library is being built if the voters approve the bonds. Suggest space and site master plan, but are unable to fund.

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| TOPIC #3 | Yellowstone County Pre-Disaster Mitigation Plan Update |
| PRESENTER | Wyeth Friday |
| NOTES/OUTCOME | |

- Wyeth Friday discussed the county Pre-Disaster Mitigation Plan which is in place and covers Yellowstone County, the City of Billings, the City of Laurel and the Town of Broadview. The document was put into place over five (5) years ago. The plan must be updated every five (5) years. Almost two (2) years ago the county was awarded a FEMA Grant in conjunction with a DNRC Grant to update this plan to following the federal guidelines. A draft of the plan has been completed including the West Billings Flooding Mitigation and Groundwater Recharge Study. There have been five (5) public meetings; the consultant team has submitted the plan to the state mitigation officer for review. The plan will need to be approved by the four (4) entities before it goes to FEMA for comment.
- The plan identifies where local communities are at risk to natural disasters; helps communities focus on actual risks by profiling potential threat then comparing it to relative risks between hazards; planning tools assesses and prioritizes projects for mitigating damage from natural disaster; there are pre requisite for Future Hazard Mitigation Grants after disasters such as the recent Yellowstone River Flooding in the county.
- Project participants include the Yellowstone County Disaster and Emergency Services, County Public Works staff, City Public Works and Planning staff, Local Emergency Planning Committee (LEPC), the Planning Board, the Public, consultant team which consists of Atkins, HDR, JGA Architects-Engineers-Planners and the State Hazard Mitigation Officer, FEMA, and DNRC.
- Since this was an update, it was easier to revise the document and easier when profiling the hazards, assessing risks, defining the goals, and indentifying the projects in the community to pursue in the years to come.
- The hazard priorities have not changed a lot: flooding, wildfire, wind and hail storms, tornado, are the top ones for Yellowstone County. There are also manmade disasters included in plan for those priorities as well: transportation/mobile incident; hazardous materials incidents, terrorism, etc.
- The Hazard Mitigation Plan has developed goals including: increase hazard awareness, reduce impacts of flooding, wildfire and structure fires impact, improve emergency communications, mapping and zoning, and the partnerships involved in this such as LEPC and the different cooperating agencies for hazards occurring in the area.
- The West Billings Flood Mitigation and Groundwater Recharge Study includes upstream storage; eliminating undersized culverts and increasing downstream retention capacity. Laurel's Riverside Park action plan includes reducing bank erosion, protecting above

ground park structures and underground utilities that cross under the river, and protecting the Laurel Water Plant.

- The PDM Plan Update will come back to council for approval in late September or early October.
- In response to the West Billings proposal for upstream storage, Mayor Hanel stated that if Mayor Frazier had been heeded (and the Calamity Jane Reservoir built), there would be fewer problems to solve.

Public Comment: None.

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| TOPIC #4 | Green Barrels/Solid Waste |
| PRESENTER | Dave Mumford/Vester Wilson |
| NOTES/OUTCOME | |

- Dave Mumford introduced Vester Wilson, who came to the city from a private landfill company to replace Ken Behling.
- Green barrels or yard waste recycling program is two-thirds of way through the City. Front of home pickup has been completed, but the alleys present an area where we struggle. A 300 pound barrel for recycling would take up a lot of room and may be used for trash. There will be 90 gallon barrels on request put in front of homes.
- Gaghen: What are the usual black dumpsters? Dave:: the normal ones in the front are 90 gallon. Invitations have been sent to over 700 citizens. Our goal is to be done by next summer with recycling for everyone. Residents with alleys will have to put to put the can out front, may be picked up on a different day then the alley dumpster.
- Ronquillo: keep during the winter? Dave: year round. Pick up into the fall and early in the spring. Ronquillo: Emphasize use for leaves. Dave: Send educational program to advertise we will not pick up leaves unless they are in bags or green barrels. Looking at the first of September, run for several months. Once out, should get media coverage. Ulledalen: Will there be a water bill insert? Dave: Yes.
- Clark: Neighbors don't object.
- Dave: Questions like to address. Why weighing our trucks? Ulledalen: Should have statistical data? Dave: Under Montana State Statute the landfill is assessed 40 cents per ton, otherwise estimated by the State, more cost efficient to weigh all tonnage. Investigating second scale house to be used by municipals in light of significant landfill use this year.
- Dave: questions regarding washing machines and furniture. Do pick up all alleys in three (3) week rotation. Just before the end of last fiscal year, we did a concerted pickup effort. Ruegamer: If someone calls about pickup, would it get picked up? Dave: Would be picked up if it was blocking the alley. Will pick up and recycle metal. Non-profits, if left out, get a lot of junk, they can take it out to the alleys for free. If they go to the landfill, the charge is \$5.00. What would happen if they do nothing, few loads to the landfill wouldn't change fees. If becoming a hazard, will work with folks to help them out. There are three (3) trucks: regular, recycling and rear load and pickup trucks to take larger items.
- Gaghen: answers reaffirm what amazing sanitation system we have and how comprehensive it is. Few other communities have sofa pick up. Dave: Groups work hard.

- Dave: Questions about costs – discussing \$5 fee. Posted new sign for tonnage change for out-of-towners. If residents bring in normal truck or trailer load, 700 pounds, we charge nothing. Truck and trailer we charge \$5 for second load. Fee for construction materials, i.e. shingles, assess 3-6% of loads, but watching new scale house attendant. Has observed on weekdays and weekends – few loads assessed. County Commissioner and Solid Waste Commission Chair met to discuss County costs. There is an assessment fee on County taxes for tipping fees; private haulers charge residents so not included. Left feeling comfortable, we think. Reminded that State legislation requires immediate determination whether annexed areas would come into city or not. Doesn't require the homeowner to use city solid waste services, have to choose someone or haul own. Concerned about storage at homes and how accept County waste; new system could require tipping fees outside of city, so county residents might have to pay. Tipping fees pay for landfill operations. Make each section – landfill and collection – support self.
- Clark: Could get someone who is having garbage pickup see a neighbor throw trash in his barrel. Dave: Abuse cans. Couple of alley collection complaints. If can is too heavy to pick up with arm – sod or cement – come in with chain and haul over barrel and reload by hand. Have to talk to residents. Clark: remodeling business? Dave: Home work or sod removal. Ronquillo: Thanks for explanation due to calls. Volek: On web site? Dave: yes, and Vester working with MDU cells, laying pipes in layers to enhance methane construction. McCall: Constituent remodeled and staff helped clean up, may not understand what good job did.
- Clark: Reschedule grand opening tour of methane site? Dave: Will check with MDU. Will showcase at League meeting.
- Mayor: What time do crews start? Vester: Three (3) shifts, not supposed to leave the barn until 5 AM.

Public Comment: None.

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| TOPIC #5 | Final Results of Energy Audit |
| PRESENTER | Mark Evangeline |
| NOTES/OUTCOME | |

- Tina Volek introduced Mark Evangeline. Evangeline: The Energy Commission recommended audit 2009 to get a plan for reducing energy consumption, save money and be a greener community. RFQ resulted McKinstry was selected to provide energy services to the City. An ARRA Grant of \$288,000 was used to fund the investment grade audit. Ready to accept audit so can move onto next phase. The emphasis was to find self-funding energy conservation measures with little to no capital needed, and infrastructure improvements that needed to be addressed. City joined Energy Star project, and as projects developed, improvements will be entered into database for tracking in the future.
- Tim Tollman: McKinstry project leader, along with Jeff Davis. Pat Weber, Kevin Ploehn, Dave Mumford, Tina Volek, etc. Audited nearly every building, which included counting every light, two million square feet and know where all the energy was used. Final audit of 1.3 million sq ft which is actually in facilities, 700,000 square feet is in parking garages. Energy Conservation Measures (ECMs) savings in things like HVAC, lights, pneumatic to digital controls, boilers, building envelopes, insulation, windows. The City Hall building is one of the worst we have seen in a long time. City spends \$3.2

million in energy in the city annually. \$1.9 million is at Public Works. Public Works needs a few measures done. Whole staff does a good job, but haven't had money to upgrade things. Identified \$470,000 a year in potential savings, not all cost effective. Went from more than 100 ECMs to 62 ECMs and then 34 ECMs that amount to about \$4 million, saving \$260,000 a year. State statute allows 20 year pay-out, which McKinstry believes should be at 15 years. Pay 4.61%. Ask council to one – look at the book, two – look at projects to see how successful and three – acceptance of the audit document.

- Evangeline: main point is accepting audit. If nothing else, road map for what condition the equipment is in now, what to do down the road. Then start building out projects. Airport, for example, is looking at 6-8 projects that we can afford to do that pay for selves but save even more as energy costs go up. There are issues with other departments, they will have to go through the projects and look at the funding for those. McKinstry does guarantee the maximum cost of projects; tell maximum price, whatever comes in under that we retain. Will use local contractors unless requires high specialization.
- Ulledalen: Will you present list of projects that make sense. Evangeline: yes, at the airport level.
- McCall: will other department participate? Volek: as time and funds permit, i.e. garage lighting. The HVAC at City Hall is not in good shape, so that will need to be replaced. The audit shows us what we can save by replacing equipment. McCall: Thank you to the company for the audit competition. The presentation was in understandable terms.
- Pitman: available digitally? Evangeline: on city server and we can get you the link. Audit is not quite in laymen's terms but still easy to understand. Tells condition, age, replacement options, process, and energy savings costs. Will e-mail to council.
- Mayor: City Hall is more inefficient than Library? Evangeline: since considering new building, did not go forward with the current Library. If no new Library, has basis for renovation.
- McCall: helpful to have summary statement about the fact that the condition of the Library is so bad they didn't move forward with statement. Tim: will provide statement to Bill Cochran believe current building from the walls in is not useful. As look forward, all city facilities needs retrofitting and energy won't pay for more than 50-60%. True cost is what it will take to build and operate. If you have any question, we will be glad to help.
- Gaghen: like to see ARRA funds have benefitted us so we can go forward. Evangeline: might not have been able to do the project if we had to pay for it.

Public Comment: None

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| TOPIC #6 | Sustainability Planning Grant for East End (Add-on item) |
| PRESENTER | Candi Beaudry |
| NOTES/OUTCOME | |

- Candi Beaudry: For a year, HUD-DOT & EPA have been working to encourage cities to apply for catalyst project funding. BSEDA will be writing and administrating the Sustainable Communities Challenge Planning Grant. Partners will have to provide \$200, 000 of in-kind contributions. There may be a requirement that only the city can apply. Marty Connell thought EBURD TIF Funds would contribute \$100,000 annually for three (3) years, brining the city's match up to \$500,000, which would match \$2.5 million would leverage \$5 million of grants. Deadline of September 9th, would like to add TIFD contribution and to approve commitment for in-kind or cash contribution.
- Volek: Consider adding by 3/4 vote to August 22nd agenda. There will be more information in the Friday Packet.
- Gaghen: how much is available? Candi: \$27 million and Billings is a showcase community so poised for grant.
- Ulledalen: children's center is a critical part. Location identified yet for the children's center? Candi: three (3) location have been identified, two (2) of which are in the EBURD. HOMEword with North Park Children's Center for mixed using housing/child care center.

Public Comment: None.

- Brooks: petition for a temporary restraining order (TRO) on Better Billings Foundation project at Sierra Park has been withdrawn and granted, no hearing Tuesday. Appeal to the Board of Adjustment to clarify the Zoning classification.

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| Additional Information: |
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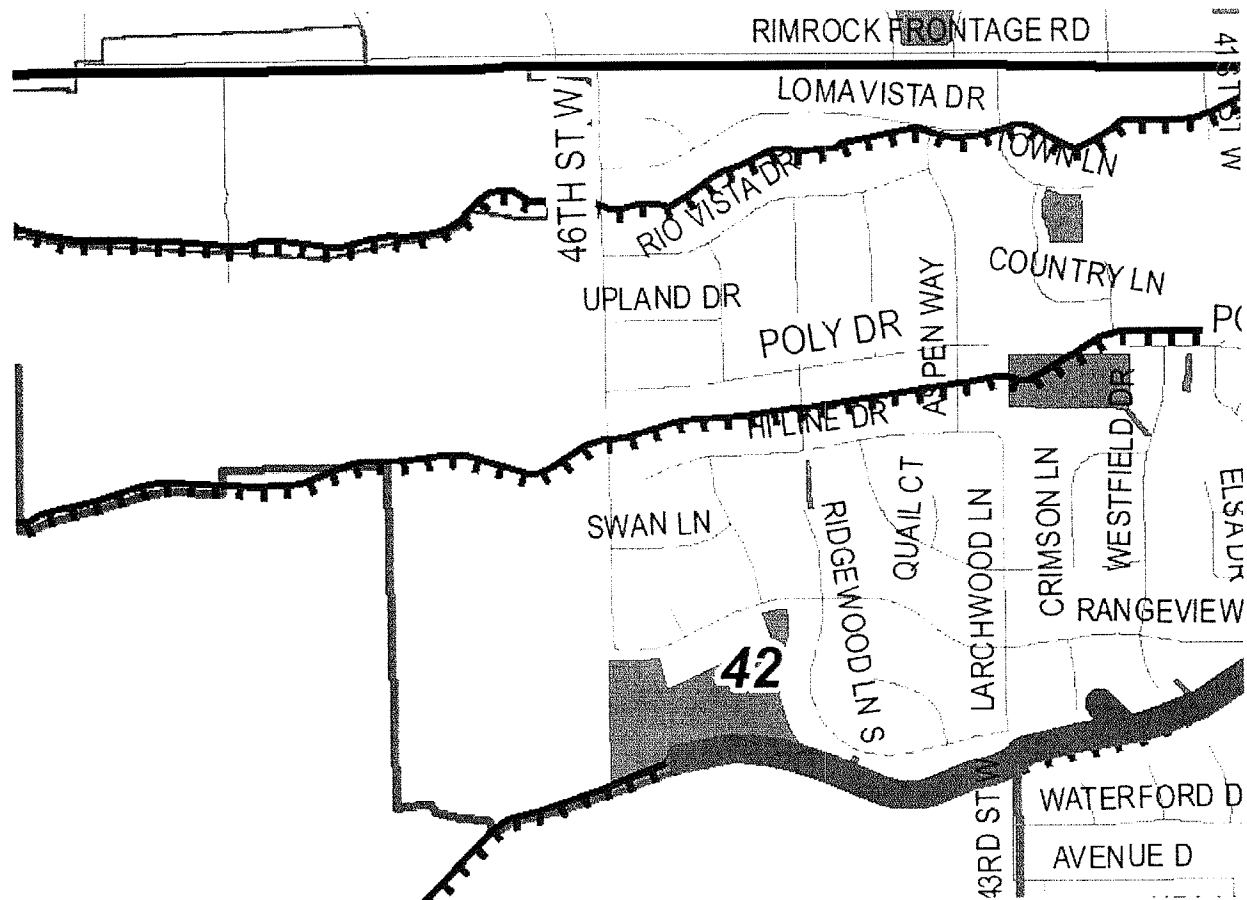
Public Comment on Items not on the Agenda

- Brian Kenat, 345 Miles Avenue: wants a variance for neighbor who lost legs and wants a small engine shop in residential area. Mayor: contract Planning Department to proceed. Candy gave Mr. Kenat a business card with contact information for further instruction.
- Gaghen: acknowledged Big Sky All Stars, wishing them luck at the Little League World Series. Invite for a future meeting.

River Rock Park Master Plan Presentation August 15, 2011



River Rock Park is located South of Rimrock Road and West of 46th Street West adjacent to Rimrock West Park.



Preliminary Plat

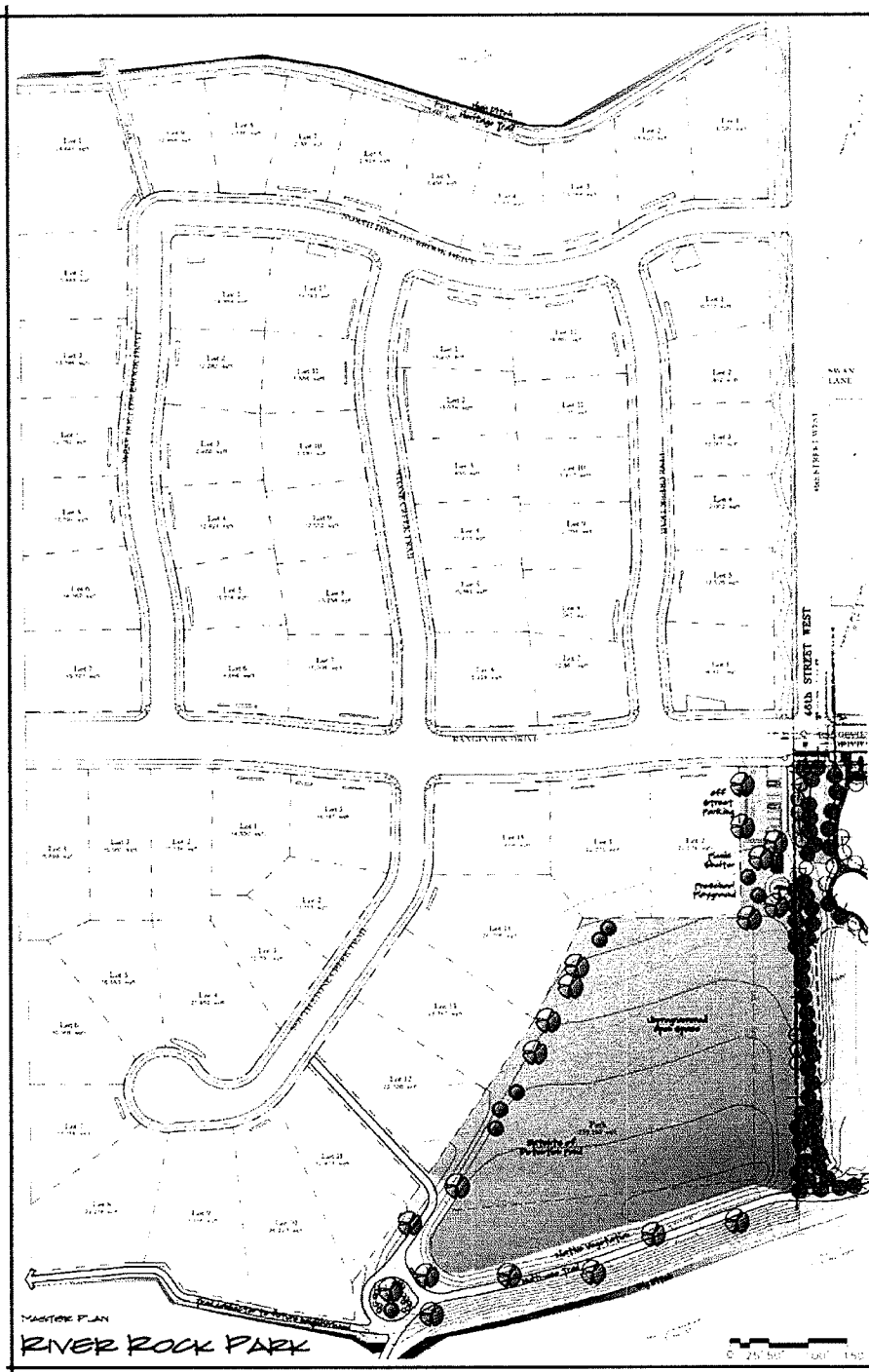
- In September 2007 the River Rock Estates Subdivision Preliminary Plat was conditionally approved.
- “...a detailed Park Master Plan shall be prepared by the developer and reviewed and approved by the Parks, Recreation and Public Lands and City Council prior to final plat approval.”
- The developer, Boyer Land LLC retained Peaks to Plains Design to work with Parks and Recreation to develop the Park Master Plan.

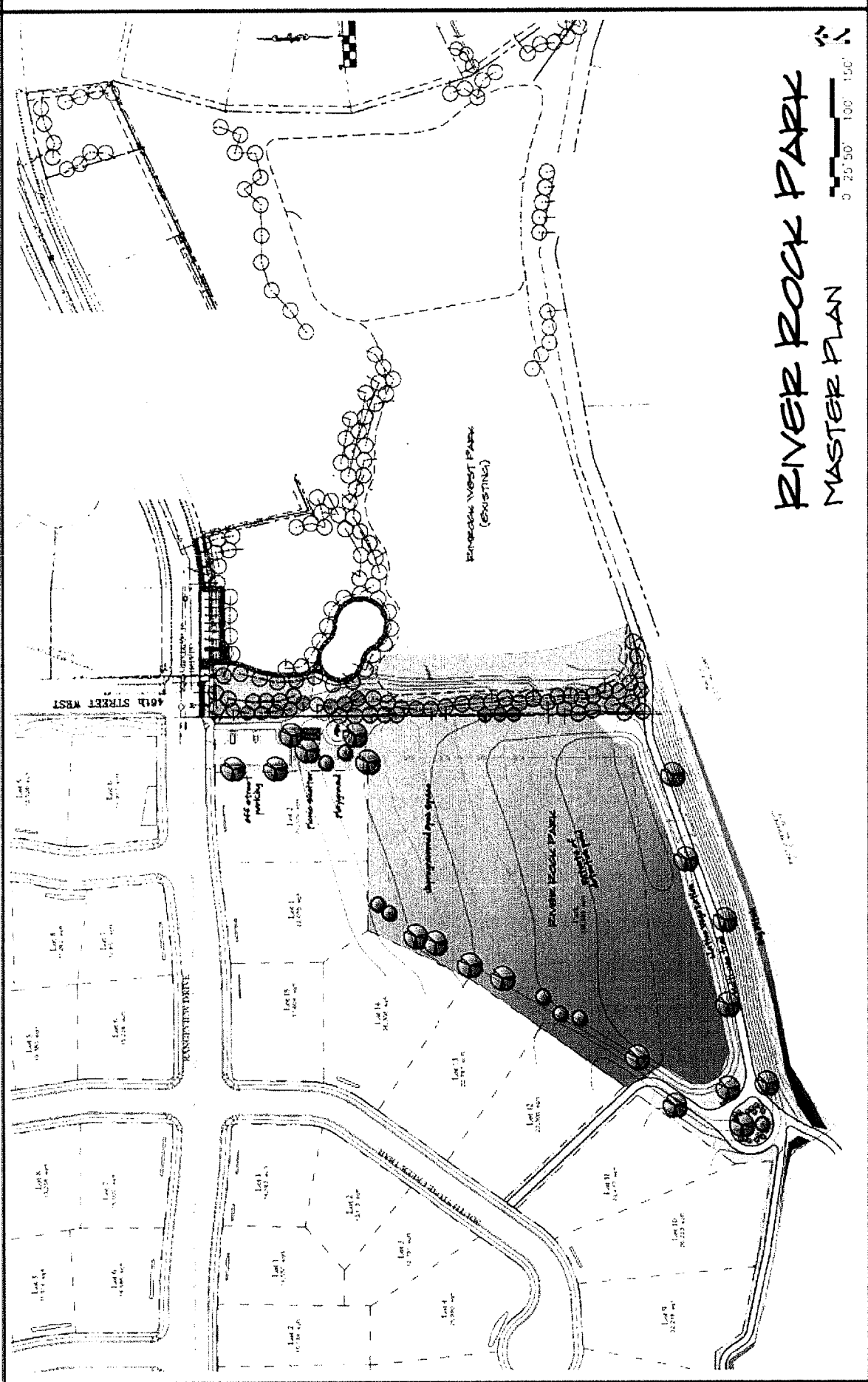
River Rock Park Master Plan Timeline

- May 26th Public Meeting #1 held at Arrowhead Elementary School
- June 21st Public Meeting #2 held at Arrowhead Elementary School
- July 13th Parks Recreation and Cemetery Board Meeting
- August 15th Council Work Session
- August 22nd Council Meeting

Goal of River Rock Park Master Plan

- To combine River Rock Park with the Existing Rimrock West Park in a seamless way so that both subdivisions can utilize the parkland in a mutually beneficial way.





RIVER ROCK PARK

MASTER PLAN



Parks, Recreation and Cemetery Board

- At the July 13th Board Meeting the Board recommended to Council approval of the River Rock Park Master Plan.
- Also the Board made an additional recommendation ***“...that it be stated in the Subdivision Improvement Agreement documents (SIA) for the Certificate of Survey 3295 (currently known as Silver Creek Subdivision), that upon 60% of the building permits pulled, a re-evaluation of the River Rock and Rimrock West Parks Master Plans will be triggered.”***

How This Park Will be Developed

- Improvements to River Rock Park will be made through the creation of a Special Improvement District (SID) assessed to the property owners in River Rock Estates. The SID will be created when building permits are issued for 60% of all the lots in River Rock Estates.
- A Park Maintenance District (PMD) will be created after final plat approval to cover maintenance costs.

Questions?



Annual Report – FY2011 – Expanded N. 27th St.
Tax Increment Financing District - Fund 203

Available Online at:

<http://www.downtownbillings.com/download.html>

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Don Olsen – Urban Design •
dono@o2architects.net • 259-7123

Steve Tostenrud – at Large Member
BANKING Steve.Tostenrud@fib.com

Vince Ruegamer – Appointed by
Council • vr@bresnan.net • 259-1109

Jim Reno – Yellowstone County
Commission •
jreno@co.yellowstone.mt.us • 256-2701

CITY OF BILLINGS
NORTH 27TH STREET TAX INCREMENT FUND
Statement of Net Assets-Unaudited
June 30, 2011

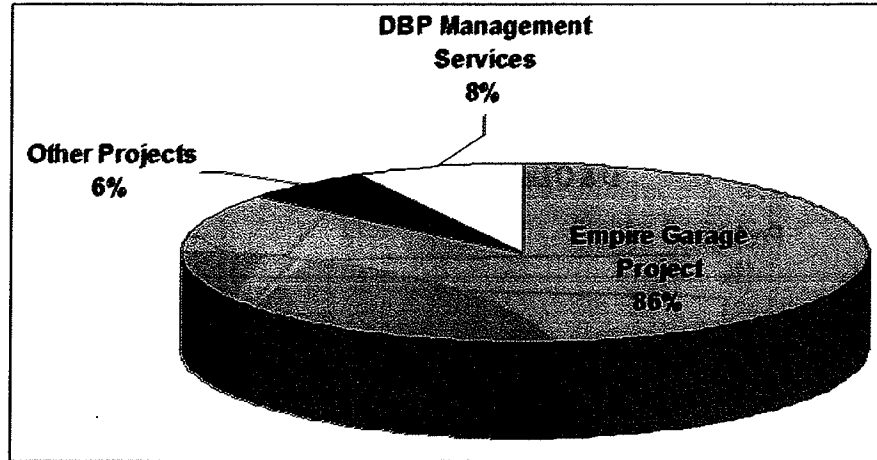
| | |
|---|-----------------------------|
| Assets: | |
| Cash | \$ 177,165.12 |
| Investments - increase (decrease) in market value | (348.01) |
| Taxes Receivable | <u>660,234.71</u> |
| Total Assets | <u>837,051.82</u> |
| Liabilities: | |
| Vouchers payable | <u>6,680.62</u> |
| Total Liabilities | <u>6,680.62</u> |
| Net Assets | <u>\$ 830,371.20</u> |

CITY OF BILLINGS
NORTH 27TH STREET TAX INCREMENT FUND
Cash Flow-Unaudited
For the twelve months July 1, 2010 to June 30, 2011

| | <u>Year to Date</u> |
|---------------------------------------|-----------------------------|
| Cash July 1, 2010 | \$ 558,674.35 |
| Cash received from: | |
| Interest on investments | 10,017.85 |
| Taxes | 1,762,954.68 |
| | 1,772,972.53 |
| Cash disbursed to: | |
| DBP Management Services | 172,000.00 |
| City of Billings Cost Allocations | 16,884.00 |
| Expansion of Historic District | 3,000.00 |
| Pedestrian Wayfinding | 1,476.50 |
| ABT Branded Banners | - |
| Gateway Signage/Billboard | 3,600.00 |
| Appraisals and Pre Development | 49,416.71 |
| Façade Program | 13,500.00 |
| Kit of Parts Tent | 15,000.00 |
| Conference Center Study | 12,000.00 |
| Empire Garage Project (land purchase) | 1,839,201.45 |
| TIFD Public Safety Projects | 17,440.00 |
| Other Expenses | 10,963.10 |
| | <u>2,154,481.76</u> |
| Cash June 30, 2011 | <u>\$ 177,165.12</u> |

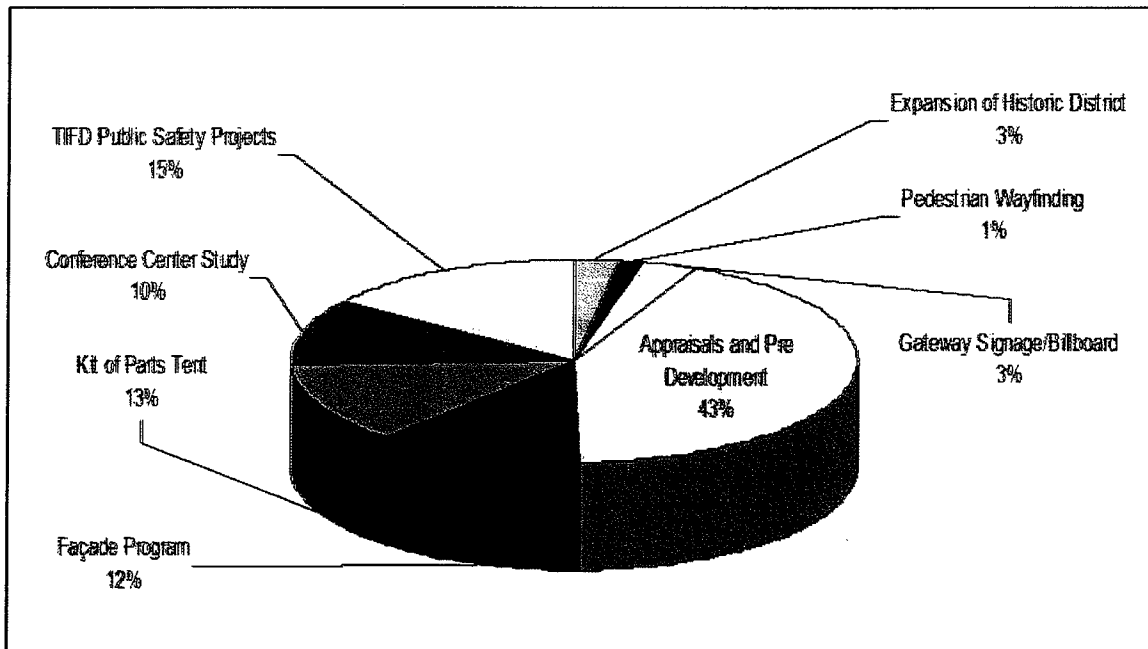
*This report may not match audited financial statements.

In the fiscal year beginning on July 1, 2010 and ending on June 30, 2011 the City Council authorized \$2,154,482.76 in Fund 203 (North 27th St. Expanded TIFD) expenditures. The management services contract with the Downtown Billings Partnership

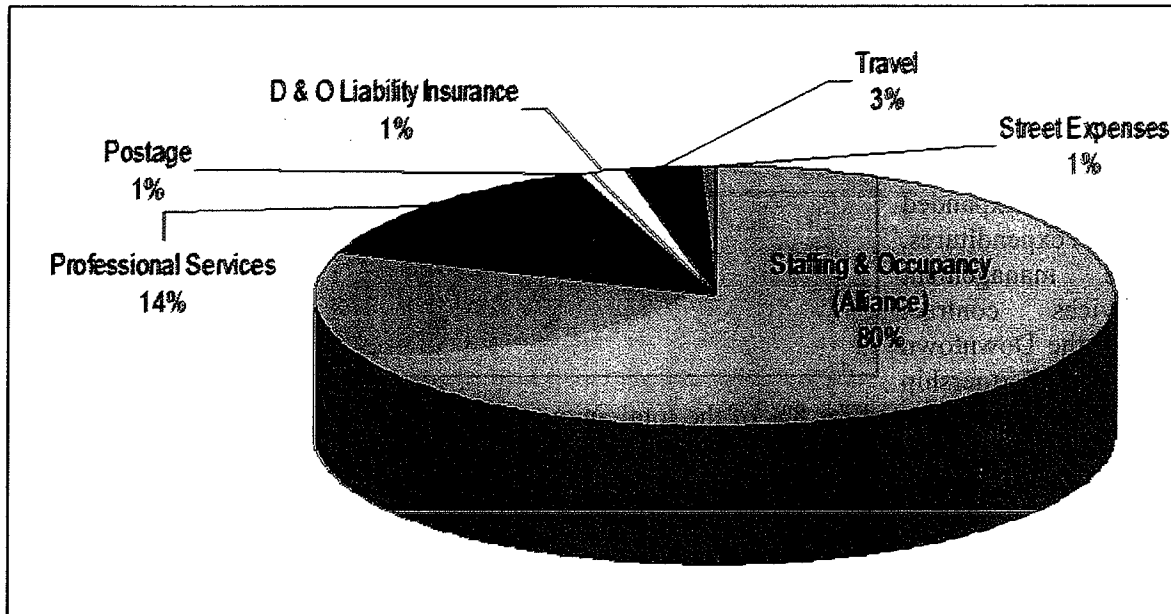


(Operations) accounted for 8% of the total amount expended. All other projects, except for the Empire Garage Project, accounted for about 6% of the total expenditures. The Empire Garage project, via land acquisition, accounted for 86% of the total expenditures.

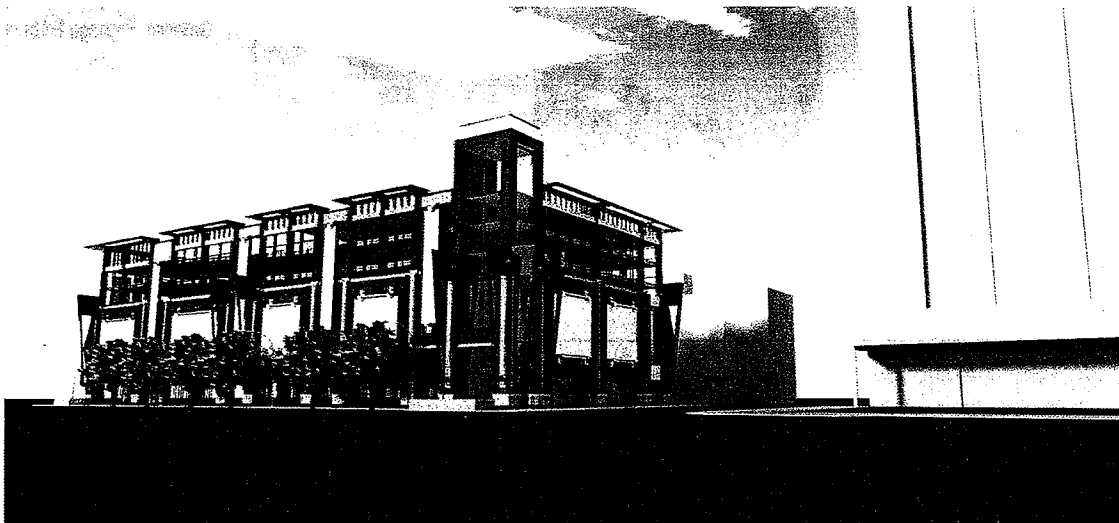
The total amount expended for "Other Projects" was roughly \$132,317.00 with the majority expended for appraisals and other predevelopment.



The \$172,000 expended for Downtown Billings Partnership Operations was divided as shown below.



The major emphasis of the FY 2011 work plan for the Downtown Billings Partnership, Inc. (DBP) was PARKING. Growth projects in downtown Billings have always and continue to hinge on readily available parking. The support for the Empire Parking Garage on Montana Avenue was born of a parking study that indicated an immediate need in that area of downtown. The DBP facilitated the development and purchase agreements between the City of Billings and the property owners of the Empire Garage footprint.

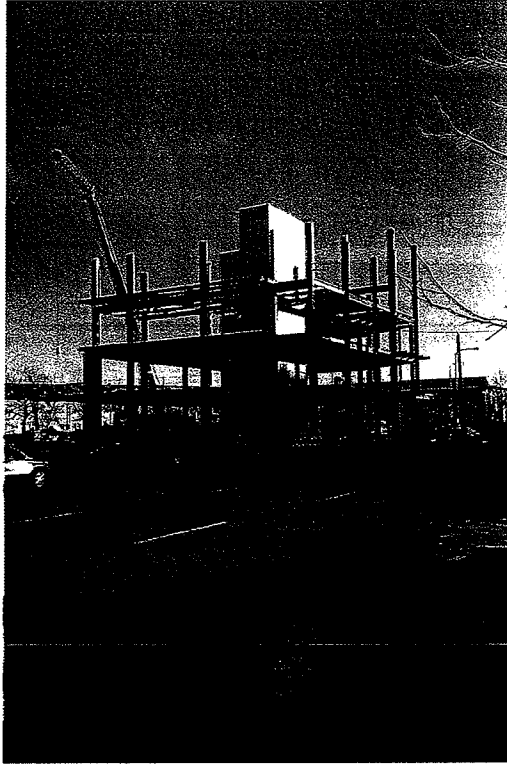


Via the DBP and its participation in the Downtown Alliance (DBP, Downtown Billings Association, Inc., Downtown Billings Business Improvement District, Inc.) downtown Billings continues to grow and establish itself as a destination. TIFD funded projects have always been the ongoing catalyst for improvement and that is evident in the FY 2011 expenditures.

Two new
pedestrian
wayfinding
kiosks

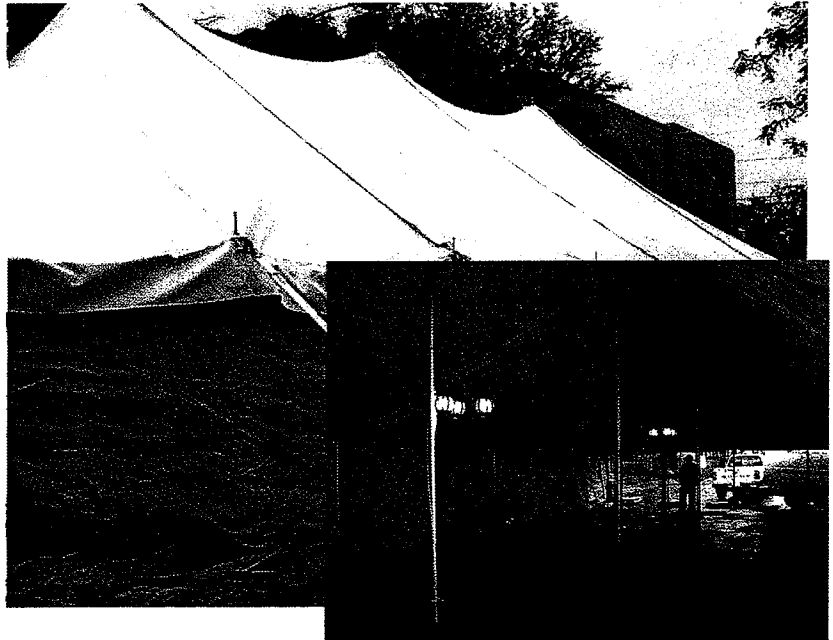


Continued
participation in
the BID
Cooperative
Security
Program



The DBP continues to work with developers and potential developers to increase the value of the tax base in downtown.

The “Event Kit of Parts,” managed by the DBA and the BID now includes a large event tent. This expenditure takes our downtown events into a whole new level. Events drive traffic – traffic drives business – business stabilizes and grows the tax base.



Plans for FY 2012 include the bonding of the Empire Parking Garage. The DBP is working with the Northern Hotel development as well as other developers who will lower the public investment in this project by including private ownership, operations and investment along side the continued City ownership and management of parking. In addition, the DBP will bring forward new projects and programs that may include street level retail expansion, public transportation and other neighborhood programs.

| Fund 203 Budget NORTH 27TH STREET TIFD | | APPROVED BUDGET | | |
|---|------------------------|--------------------|--------------------|---------------------|
| | | FY2011 | FY2012 | FY2012 |
| | | Actual | Budget | ACTUALS |
| | | \$558,674 | \$177,166 | \$177,166 |
| | | \$1,772,973 | \$1,600,000 | \$0 |
| Sale of Empire Parking Properties | | | \$0 | \$0 |
| | | \$2,331,647 | \$1,777,166 | \$177,166 |
| Approved Projects Expenses | Approved By Council | FY2011 Actuals | Approved Budget | Approved ACTUALS |
| 1 DBP Management Service | 1-Feb-11 | (\$172,000) | (\$225,000) | \$ - |
| 2 City Cost Allocations | 1-Feb-11 | (\$16,884) | (\$30,000) | \$ - |
| 3 Historic District | 1-Jul-09 | (\$3,000) | \$0 | \$ - |
| 4 Pedestrian Wayfinding | 11-May-09 | (\$1,477) | (\$2,000) | \$ (520.00) |
| 5 ABT Branded Banners | 13-Oct-09 | \$0 | \$0 | \$ - |
| 6 Gateway Signage/Billboard | 13-Oct-09 | (\$3,600) | (\$3,600) | \$ - |
| 7 Urban Renewal Projects Pre-Devel. | 2011 | (\$49,417) | (\$10,000) | \$ (6,512.28) |
| 8 Street Kit of Parts/Approved Proj. | 2011 | (\$40,500) | \$0 | \$ - |
| 9 Development Projects | 2011 | (\$1,839,201) | (\$1,000,000) | \$ - |
| 10 TIFD Public Safety Projects | 2010 | (\$17,439) | (\$35,000) | \$ - |
| 11 Other City Expenditures/Projects | 2010 | (\$10,963) | \$0 | \$ - |
| Total Allocated | | (\$2,154,481) | (\$1,305,600) | \$ (7,032.28) |
| Balance | | \$177,166 | \$471,566 | \$170,134 |

Empire Garage Project – DBP Development Committee’s Analysis

OPTION I: City moves forward with the current plans to build a 500 car garage with retail on the street level and office/housing on the top floor. Anticipated completion of garage in late 2012 or early 2013

- ☐ Pro:
 - Ties into the latest plans for the Northern Hotel
 - Continues the development of Montana Ave, Minnesota Ave and surrounding area
 - Ensures the TIFD is bonded well in advance of the next legislature session
- ☐ Con:
 - Due to the issues of verifying the “Certified Value” from DOR are we rushing
 - Lost several months of process due to DOR errors
 - Momentum is slowed

OPTION II: The City moves forward with a 90 day notice to tenants of the Windsor Court and contracts for the demolition and temporary paving of Windsor Court. Configures and stripes Windsor Court and Empire Lot to maximum number of surface parking stalls. Then, either:

Stage 2 A: In September of 2012, based on the “Certified Values” from DOR we design and build the 500 car garage as defined in Option I, **OR**

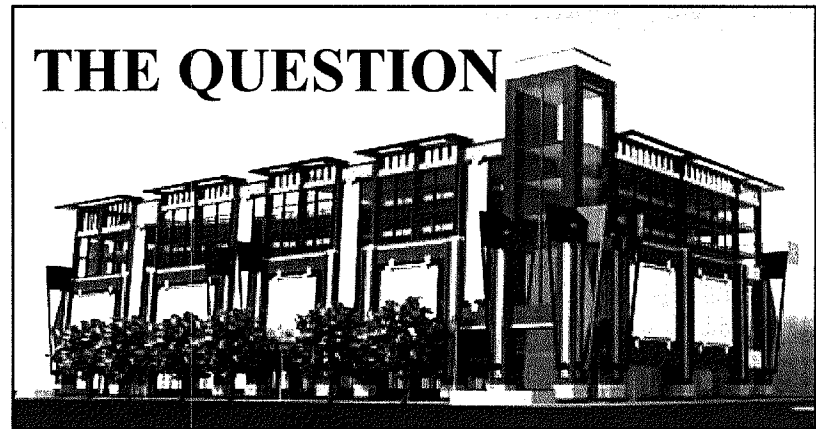
Stage 2-B: If the “Certified Values” are less than anticipated we move forward with a 300 car garage on the in the current space occupied by the Windsor Court and Empire parking lot.

- ☐ Pro:
 - All of the Option I Pros and,
 - Verifies the legitimacy of next year’s “Certified Values” from DOR
 - Allows city to be out of the Tennant/Landlord issues
 - Expedites demolition of the Windsor Court building for much needed parking
 - Allows for us Finalize Retail/Commercial partners
- ☐ Con:
 - Paving the existing Windsor Court lot adds 35,000 - \$40,000 of additional costs
 - Need to renegotiate contracts with Zoot and Alley Cat to extend 1 year
 - Slows/delays development of that portion of downtown
 - 300 car garage would not allow for concurrent commercial development

Option III: “Pull the plug.” The City exercises their option to cancel the project, offering the properties (Northern Garage, Empire Parking Lot and the Windsor Court Building) at current value back to the respective parties or to the open market

- ☐ Pro:
 - No Risk to City TIFD Funds
- ☐ Con:
 - Parking needs not met – momentum lost – development/growth slowed
 - Land purchased with TIFD most likely to sell back for less than purchase price
 - City will need to completely start over with future parking plans and much of the current urban renewal plan.

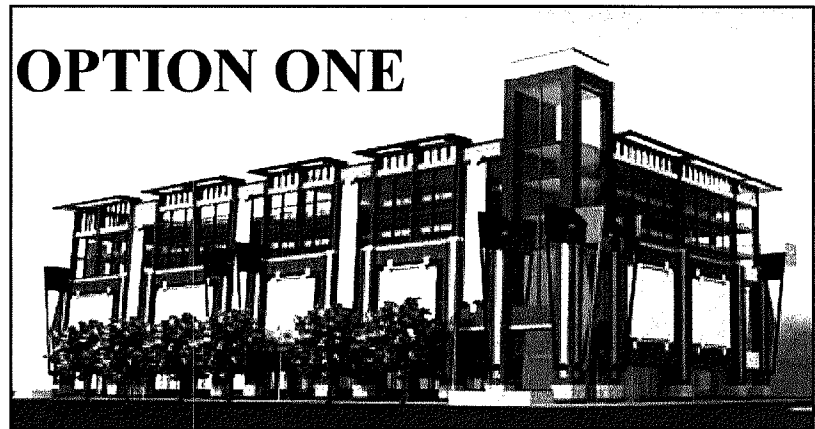
Billings Downtown
Starts here.



**Does Downtown Need a New
Parking Garage?**

Billings Downtown
Starts here.

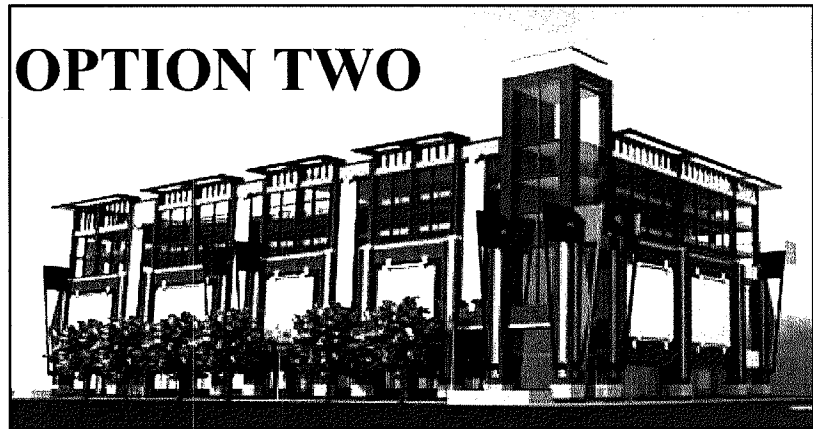
OPTION ONE



- **Continue with plan as presented previously planned – 500 cars – Commercial on street and on top.**
 - PRO
 - *Ties into the current plans for the Northern Hotel*
 - *Continues development and momentum*
 - *Ensures TIFD is bonded well in advance of 2013 Legislature*
 - CON
 - *Due to DOR Certified issues – are we moving to quickly?*
 - *We have already lost several months due to DOR*

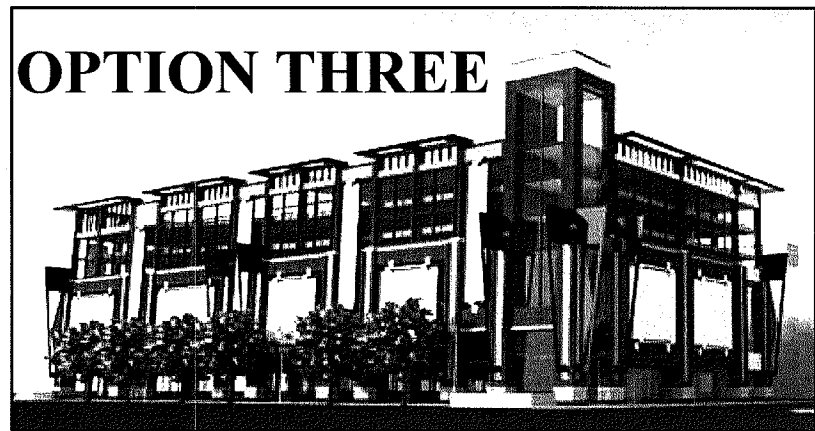
Billings Downtown
Starts here.

OPTION TWO



- **City of Billings moves forward with project by**
 - *Issuing 90 day notice to tenants of Winsor Court, THEN...*
 - *Contracts to demolish, pave and stripe – THEN EITHER...*
 - *Stage 2-A after Sept. 2012 Certified Values – resumes process to bond and build entire project – 500 cars with retail and commercial space, OR*
 - *Stage 2-B after Sept. 2012 and due to declining values – starts process to bond and build a smaller 300 car garage on only Windsor/Empire footprint*
 - **PRO**
 - *All of the Pros of Option 1*
 - *Verifies “certified” values*
 - *Removes City from “landlord” position*
 - *Expedites projects towards parking needs*
 - *Allows time to develop private involvement*
 - **CON**
 - *Temporary paving adds \$35 to \$45K to project*
 - *Need to renegotiate contracts*
 - *Slows/delays some development*
 - *300 car structure would not allow for private investment in project.*

Billing Downtown
Starts here.



- **“Pull the Plug”**
 - PRO
 - *No Risk to City TIFD Funds*
 - CON
 - *Parking/Development needs not met*
 - *Land already purchased may sell back at a lower price*
 - *Downtown/City will need to completely start over in the very near future to stabilize and grow TIFD*

PRE DISASTER MITIGATION PLAN UPDATE

YELLOWSTONE COUNTY AND THE
COMMUNITIES OF BROADVIEW, BILLINGS
AND LAUREL



City Council – August 15, 2011

What are PDM Plans?

- Identify Where Local Communities are at Risk to Natural Disasters
- Helps communities focus on the actual risks from hazards by profiling each potential threat and comparing the relative risks between hazards.
- Planning tool that assesses and prioritizes projects for mitigating damage and casualties from natural disasters.
- Pre Requisite for Future Hazard Mitigation Grants – *includes funding needs after specific disasters like recent Yellowstone River Flooding*

Project Participants

- ▣ YC DES
- ▣ County Public Works Staff
- ▣ City Public Works and Planning Staff
- ▣ Local Emergency Planning Committee (LEPC)
- ▣ Planning Board
- ▣ Public – 5 community meetings
- ▣ Consultant Team: Atkins, HDR, JGA Architects-Engineers-Planners
- ▣ MT SHMO, FEMA, DNRC

Steps PDM Plan & Updates



- ☐ Profile County
- ☐ Profile Hazards & Assess Risks
- ☐ Prioritize Hazards
- ☐ Define Goals
- ☐ Develop Projects & Implement the Plan

Hazard Priorities

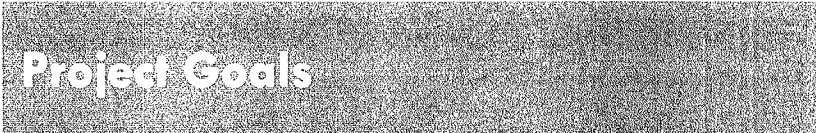
| Natural Hazard Priority Ranking for Yellowstone County (2004 PDM) | | | |
|---|--|--|---------------|
| Hazard | Probability of Disastrous Event (chance in any given year) | Magnitude (severity/impact to community) | Priority Rank |
| Flooding | Moderate | High | 1 |
| Wildfire | Moderate-High | Moderate | 2 |
| Wind and Hail Storms | Moderate | Moderate-High | 3 |
| Tornado | Moderate-High | Moderate | 4 |
| Winter Storms | High | Moderate-High | 5 |
| Drought | Moderate-High | Moderate-High | 6 |
| Insect Infestations | Moderate | Moderate-High | 7 |
| Urban Fire | Moderate | Moderate | 8 |
| Dam Failure | Low-Moderate | Low-Moderate | 9 |
| Expansive Soil | Moderate | Moderate | 10 |
| Landslides | Low-Moderate | Moderate-High | 11 |
| Earthquake | Low | Low | 12 |
| Volcanic Ash | Low | Low | 13 |
| Manmade Hazard Priority Ranking for Yellowstone County | | | |
| Transportation/Mobile Incident | Moderate | High | 1 |
| Hazardous Materials Incident/Accident-Fixed | Moderate-High | Moderate | 2 |
| Terrorism/Bio-Terrorism | Low-Moderate | Moderate-High | 3 |
| Civil Disturbance/Riot/Labor Unrest | Moderate | Moderate | 4 |
| Enemy Attack | Low | Low-Moderate | 5 |

Hazard Mitigation Plan



- Goal 1: Increase Hazard Awareness
- Goal 2: Reduce Impacts of Flooding
- Goal 3: Reduce the impact of wildfires and structure fires on the community
- Goal 4: Improve Emergency Communications
- Goal 5: Countywide Mapping and Zoning
- Goal 6: Protection of public health and property from disasters
- Goal 7: Grow and Develop Partnerships
- Goal 8: Enhance Emergency Services

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- Provide for Upstream Storage
- Increase Conveyance/
Eliminate Pinch Points
(undersized culverts)
- Downstream Retention
Capacity

Action Plan Example: Riverside Park, Laurel



Project Goals

- ☐ Reduce Bank Erosion
- ☐ Protect Above Ground Park Structures
- ☐ Protect Underground Utilities
- ☐ Protect River and Billings Drinking Water Quality

Council Action and Information



- City, County, Broadview and Laurel must take action to adopt the PDM Plan Update – Expected in late September and early October

- Draft PDM Update Available on County Website
<http://www.co.yellowstone.mt.gov/des/PDM/index.asp>

- West Billings Flood Mitigation and Groundwater Recharge Study
www.ci.billings.mt.us/westendfloodstudy



City of Billings

Investment Grade Audit Report

08.15.11

History – How Did We Get Here?

- City of Billings selected McKinstry as their Energy Services Company in September, 2009
 - Selected from competitive RFQ
- City of Billings used \$288,000 from a ARRA grant to fund the investment grade audit
 - No cost to the city budget
- Emphasis was to find self-funding energy conservation measures with little to no capital needed, and infrastructure improvements that need to be addressed.
- Part of meeting the Energy Star challenge

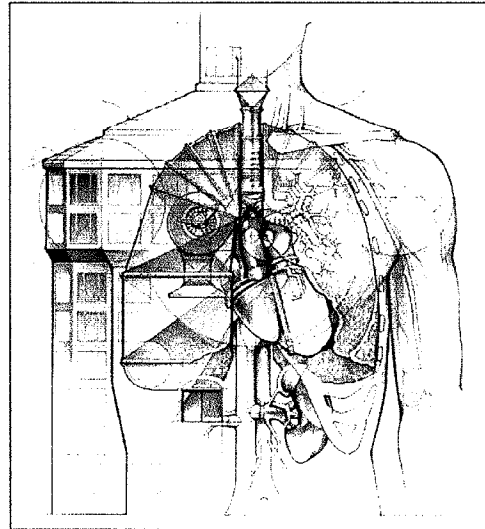
Results of Investment Grade Audit

- We audited nearly all the city owned property
- The City has older building systems and infrastructure that are energy intensive
- McKinstry has identified in excess of \$7.6M in energy conservation/deferred maintenance improvements identified
 - 62 number of ECM's
- McKinstry has identified a nearly self-funding \$4.0M energy project funded by energy savings
 - 34 number of ECM's

Where do we go from here?

- Approval of Investment Grade Audit
- Move ahead with \$1.5M Energy Services Performance Contract at the Airport
 - City Council approval
 - Guaranteed maximum construction costs
 - Utilize local contractors and consultants
 - Guaranteed minimum energy savings
- In future, move ahead with more ESPC projects as funding becomes available

Thank you for your time.



FOR THE LIFE OF YOUR BUILDING.

ABSTRACT

COMMUNITY CHALLENGE PLANNING GRANT Sustainable Communities Fund East Billings Urban Renewal District, Billings, Montana

Big Sky Economic Development Authority (Big Sky EDA), on behalf of the East Billings Urban Renewal District (EBURD) HUD-DOT-EPA Sustainable Communities Partnership (local Partnership), respectfully requests a \$3 million Community Challenge Planning Grant award to develop and implement a Sustainable Communities Fund that will be used to direct, ensure and align investments in projects that embrace the livability principles and promote long-term sustainable development in the East Billings Urban Renewal District (EBURD).

The Sustainable Communities Fund is the local Partnership's strategy to create and preserve affordable housing close to job clusters in the EBURD's revitalized mixed-income, mixed-use neighborhoods (based on data and market analysis). Projects funded through the Sustainable Communities Fund will mirror all of the Community Challenge Grant's criteria. Applicants must also align their projects with the aims and goals of the East Billings Urban Renewal Plan, EBURD Master Plan, Parking Overlay Zone, Exposition Gateway Plan, Form-Based (EBURD) Code, International Energy Conservation Code, and the proposed City Infill Policy. Having these crucial planning activities already in play has provided an environment conducive to sustainable development. By virtue of a Sustainable Communities Fund, the local Partnership will consider projects that plan, establish and acquire land for development, redevelopment and revitalization that reserves property for the development of affordable housing within the context of sustainable development.

Match requirements and internal controls to restrict the Fund's use will ensure that the Sustainable Communities Fund is institutionalized as a long-term strategy for sustainable development in the East Billings Urban Renewal District. This innovative strategy anchors firmly the Federal Sustainable Communities Initiative in local ground.

In its effect, the Sustainable Communities Fund will provide a vehicle to overcome a number of artificial and bureaucratic barriers to sustainable development in the EBURD. It will further collapse local silos among housing, transportation, land use, economic development and workforce development agencies; ensure that equitable, affordable housing opportunities are provided in the EBURD; increase participation and decision-making by populations traditionally marginalized in public planning processes, including underserved populations; and will dramatically increase economic development in the EBURD.

The local Partnership's catalyzing project is the homeWORD-North Park Children's Center (NPCC) mixed-used, affordable housing complex. The project has been vetted through the local Partnership. homeWORD and NPCC will apply to the Sustainable Communities Funds to defray the costs of land acquisition. The location of the homeWORD-North Park Children's Center is contingent upon the General Services Administration's site selection for its new federal office building. Other projects likely to access the Fund have been identified and will be vetted through the local Partnership.

The magnitude of support for the local Partnership's application is substantial, as demonstrated in its surpassing the 20% threshold for cash and in-kind match. the City of Billing will contribute \$300,000 cash match from EBURD tax increment funds. In-kind match from a variety of sources exceeds \$_____.

The project is strongly related to other Federal sustainability investments, particularly, the U.S. EPA Brownfields Program and the U.S. HUD HOME Program.