

# City Council Work Session

5:30 PM  
Council Chambers  
July 15, 2013

## ATTENDANCE:

Mayor/Council (please check)  Hanel,  Ronquillo,  Cromley,  Cimmino,  Pitman,  McFadden,  Bird,  Ulledalen,  McCall,  Astle,  Crouch.

## ADJOURN TIME: 6:12 p.m.

## Agenda

<b>TOPIC #1</b>	<b>Kiwanis Special License Plates</b>
<b>PRESENTER</b>	Bill Clagg, Billings Kiwanis Club
<b>NOTES/OUTCOME</b>	

- Bill Clagg: Represented Billings Kiwanis Clubs have served 80 years in the Billings area; 3 active clubs now. Have held many fundraising events to raise monies for distribution to a variety of needy organizations and individuals in the community. License plate program started several years ago. Took about 3 years to see a return on the investment. Proud of the program. One and a half years ago, hit a sales plateau. There are over 100 different license plate designs, all competing for the revenues. (*Provided sales statistics.*) Sales are diminishing. Two to four years from now, sales could be very low. Asked to change the share formula from 50-50 to 80-20, so clubs can continue with their projects. Trying different fundraising ideas now, but funds are down. Proud of City and what clubs do for it. Kiwanis requested that the portion of funds the City received from the license plate sales be used for trees for the parks.
- Bird: Could City grant its share to Kiwanis?
- Tina: The revenue is budgeted; new budget year just started. Uncertain the impact from a 30% loss of revenue.
- Cimmino: Letter is dated November, why?
- Tina: Letter was lost in the mail.
- McFadden: Supportive of all funds going to Kiwanis rather than the City – they do more good with it.
- Bill Clagg: Preferred City kept 20%, but won't turn down money.
- Astle: Abstained from comment. Is a member of Kiwanis and was an initial investor in the license plate startup program.
- Mike Whitaker: Utilized funds to buy trees for parks, was about \$8,000/yr., but may be very low this year.
- Pitman: Other groups donating money or trees?
- Mike: Yes, other groups and memorial trees from individuals.
- Public comments: None.

TOPIC #2	<b>Downtown Parking</b>
PRESENTER	Bruce McCandless, Assistant City Administrator
NOTES/OUTCOME	

- Bruce: In October of 2012, Council adopted a parking meter zone. Parking Advisory Board had misconceptions about meter placement. City Administrator sets time limits, but is required to install meters. Council sets the parking fees. Parking Advisory Board wants to remove some areas from the meter zone. Two ways to accomplish this: 1) Amend City Code allowing the City Administrator to designate the meter zones; or 2) Council could establish meter zones, but give the City Administrator authority to install or not install meters. Can also leave it as is and the Council will have to approve any future changes to the meter zone. If a Parking Commission is created, the Council will continue to deal with changes to the meter zone. Areas the Advisory Board wishes to remove meters: Minnesota Avenue, East of downtown core, north of 4<sup>th</sup> and south of 6<sup>th</sup>, anything east of 27<sup>th</sup> Street, and the Billings Clinic area. Would add meters on one block of 1<sup>st</sup> Ave. N. between 31<sup>st</sup> and 32<sup>nd</sup>. City Code requires Council establish limited time parking areas. Parking Advisory Board recommended where to locate limited time parking area; staff makes the changes. There may be areas in the perimeter of downtown where signed, limited time parking wasn't necessarily approved by the Council, even though the Code mandates it. Options to address: 1) continue with City Code instructions; or 2) amend the Code to allow City Administrator to establish limited time parking areas, require permits and fees involved with permits. Council would set fees and permit charges.

Gave update on the Empire Parking Garage. Vertical construction is underway. The first ramp will be formed by the first week in August. A large tower crane was installed on Montana Avenue to lift all materials. Continued interest in leasing City parking spaces. There will be a total of 540 possible parking spaces. However, due to condos in the area, there will be approximately 330 parking spaces remaining for lease. Interest exceeds 400 spaces. Received an unsolicited purchase offer for the corner restaurant space. Placed on the 7/22 Council Agenda.

- Cimmino: How was the purchase price determined? Is that the market value?
- Bruce: City received valuations in 2 different ways. Project management consultant, OAC Services, did a break out of costs at \$50/sq. ft. The parking garage is less than that. A market analysis was done by a Billings commercial realtor. He valued at about \$45/sq. ft. Offer received was \$50/sq. ft.
- Ronquillo: Will this be a lease or a sale?
- Bruce: City planned to sell it. Council can change that if desired, but historically, the City is not a good land manager of commercial properties. Want out of that business, so selling is probably best.
- Bird: Is there a difference in revenue between selling and leasing?
- Bruce: The main difference is Council passed a resolution allowing the City to loan money from the General Fund at the beginning of the project and again at the end of the project with the intention that when the bonds sold, would repay the first loan (which has been done); the second loan is to cover a time lag between when the construction is

completed and the contractor has to be paid and all retail units are sold and closed on the parking units. General Fund will be placed at less risk if the retail units sell sooner. A leased situation would extend repayment of the loan over a longer period of time vs. selling and getting the funds upfront and paying off the loan.

- Tina: Currently, there are vacancies in some of the lease spaces elsewhere in the City. By selling these units it immediately brings in property taxes.
- Bruce: Two former property owners were Alley Cat, (Bill Honaker) and the Northern Hotel. Both gave up their options to purchase the 2 corner pieces of the property. Not able to agree on purchase prices, so they gave up their options. Mr. Honaker retained a first right of refusal on several units on Montana Avenue. So if those units are sold, Mr. Honaker has the first right of refusal. Can purchase the property, in lieu of the person offering to purchase, at the same purchase price.
- Mayor Hanel: Did the offer to purchase come in before it was advertised?
- Bruce: Yes. Downtown Billings Partnership advertised it speculatively (probably 2 years ago) before the City had broken ground to begin construction. When the offer was received, was obligated to place on the Council agenda for consideration. That triggered the requirement for advertisement, per City Code; and called for a public hearing. May receive other offers due to the advertisement and Council may have choices.
- Ronquillo: If a unit is purchased, do they get any parking spaces with that?
- Bruce: No free parking in the parking garage. Mr. Honaker will own 25 spaces on the alley side of the parking garage for the retail spaces.
- Cimmino: If the restaurant business goes in, it does not include parking spaces, so their employees would need to find parking elsewhere?
- Bruce: Correct.

The Charter amendment is not specific to the Parking Commission. It simply allows the Council to establish administrative boards and commissions, if allowed by State law. Council adopted, need to get ballot language to the election administrator by August 12<sup>th</sup>. Election occurs in November. Council could create a commission, if it chooses, as early as November 25<sup>th</sup>. Wouldn't take effect until around January 1<sup>st</sup>. Need a transition plan sooner, rather than later. Advisory Board asked that topics for resolution be identified. Also need at least one Councilmember to work with Advisory Board through the transition. (*Provided a handout containing 12 Advisory Board recommendations and State statute references.*) Need guidance from Council concerning whether to make changes to City Code; revise the limited time parking areas, charges and fees; and fill a Councilmember volunteer opportunity.

- McCall: Does this make sense to change now, given the fact that a Parking Commission may be developed and then there will be other changes? Will it create more confusion?
- Bruce: Parking Advisory Board would like to make changes now, because areas in the meter zone do not have meters today. Need to install meters unless it is changed. Need to be able to enforce what we have now.
- Ronquillo: Have there been any more complaints?
- Bruce: There are isolated complaints, but not a lot. Just day-to-day complaints, not specific to a certain area, etc.

- Ronquillo: Do we know how much revenue is being lost by not having the meters in place?
- Bruce: No cost estimate on it. Wished to keep 400-500 parking meters in the downtown core area and remove about that many from the perimeter. Some have been removed, some haven't and others have not been installed. Advisory Board would like to see if the Council is willing to change this. The big changes have been made subsequent to the meter trial and adoption of the meter zone. Can get the information to Council about meter revenues.
- Ulledalen: Isn't it a wash? We lost one enforcement person and those costs; gave up \$30,000 in revenues and \$45,000 in costs. Suggested moving to a Parking Commission to be more responsive. Reasonable to give the City Administrator authority to make decisions whether meters are in or not. By the time the Parking Advisory Board meets, and then another month before it is brought to Council and then there are hearings, etc., looks totally inefficient and ineffective. Cannot respond quickly enough with the changes occurring downtown with businesses opening and closing.
- Cimmino: Did not receive this information in a timely manner to review it. Difficult to give direction when not able to amply review materials.
- Bruce: Apologized for not getting the information to Council sooner.
- Astle: Are we ahead of ourselves? Don't we have to go through an election to have permission to do this?
- Bruce: Yes. On November 5<sup>th</sup> the voters decide whether to approve or not. Believed major changes will occur even without a Parking Commission.
- Ulledalen: Parking Advisory Board is smart to get their ducks in a row in anticipation that a Parking Commission is created. Then they are ready to run. Council is just giving them our blessing to move forward.
- Ronquillo: Volunteered to be on the committee.
- Cimmino: Agreed City Administrator should have authority for the parking zones and the duration. Council would continue to set fees and charges.
- Public comments: None.

TOPIC #3	Public Comment on Items not on the Agenda
PRESENTER	
NOTES/OUTCOME	

- None.

Additional Information: