

# City Council Work Session

June 19, 2006

5:30 PM

Community Center

## ATTENDANCE:

Mayor/Council (please check)  Tussing,  Ronquillo,  Gaghen,  Stevens,  Brewster,  Veis,  Ruegamer,  Boyer,  Ulledalen,  Jones,  Clark.

CONVENE TIME: 5:30 P.M.

ADJOURN TIME: 8:45 P.M.

## Agenda

TOPIC #1	PUBLIC COMMENT
PRESENTER	

## NOTES/OUTCOME

- GREG KRUEGER, DIRECTOR OF DOWNTOWN BILLINGS PARTNERSHIP, 3408 ST. JOHNS, said he supports finishing Shiloh Road. Mr. Krueger also spoke on the resort tax, and stating he has talked with other cities interested in expanding the population cap. Mr. Krueger would like to see Park II finished and asked if the Council had considered making Park II a mixed-use facility. He recommended Aaron Sparbo as the developer. Mayor Tussing asked Mr. Krueger if he had discussed this idea with the Staff. Mr. Krueger said he had not spoken with the Staff on this idea.
- BRUCE SIMON, 217 CLARK, spoke on the parking rates. He said he hopes that the public would be involved with the planning and asked the Council to “cast a broader net” for a comprehensive plan.
- BRENDA BURKHARTSMEIR, 439 GRANDVIEW BLVD., Chairperson of the Parking Advisory Board (PAB), stated that the PAB has given its best advice; held twelve public meetings and had lots of public involvement. The PAB is open to input from the public and has worked very hard putting the parking plan together.
- AARON SPARBO, 602 POLY, said he is very interested in seeing Park II completed. He said the biggest problem is time and the City needs to get it done soon. He said he is willing to help in any way that he can.
- Interim City Administrator, Tina Volek noted for the record, the aggressive panhandling item had been delayed to a July meeting. Councilmember Gaghen said she's concerned about delaying the panhandling issue because it will continue to worsen in the meantime. Ms. Volek said that Staff had discussed the delay with Ms. Harmon of the Downtown Business Improvement District (BID)

and Ms. Harmon understood. Since the season has already begun, Ms. Harmon requested a delay in order to better prepare a proposal for the discussion with Council.

<b>TOPIC #2</b>	<b>Board &amp; Commission Reports</b>
<b>PRESENTER</b>	
<b>NOTES/OUTCOME</b>	
<ul style="list-style-type: none"> <li>• There were no Board &amp; Commission reports at this time.</li> </ul>	
<b>TOPIC #3</b>	<b>Sound System</b>
<b>PRESENTER</b>	Tina Volek & Dan Nichols (Professional Audio & Lighting)
<b>NOTES/OUTCOME</b>	
<ul style="list-style-type: none"> <li>• Interim City Administrator, Tina Volek said that after considering several sound companies, Staff has decided upon Mr. Nichols' system. The cost of the new sound system is \$25,800. Ms. Volek said she has the authority to sign for the system but wants the Council to have a voice in the decision.</li> <li>• Mr. Nichols said the best option would be to use the "smart box" mixer system. With this system not all of the microphones are open at the same time, just the ones in use. The microphone decision could be a wireless headset or a wireless handheld on a stand. The new microphones would only be for the Councilmembers. The microphones have an on/off switch, a mute option, are customized to fit each individual and are adjustable as needed. The microphones have a transmitter pack that is wired to the boom and they wouldn't have to cut into the house system. The microphones use AA batteries, last longer than one meeting, would be on all the time and controlled individually but can be muted at any time.</li> <li>• Ms. Volek asked the Council to decide on what microphone option they'd prefer. A one-time purchase would be made rather than year-to-year for different councilmembers. The system would work better than the current system because it would be used by the Council only and would be less likely to develop problems. The new system has buttons for each user and can be locked.</li> <li>• Councilmember Boyer asked if the Council could "test" the system at a meeting. Mr. Nichols said, "No." It needs to be installed to be fully functional.</li> <li>• Councilmember Brewster asked if this sound system would integrate with the TV recording system. Mr. Nichols said that the TV recording system picks up <u>any</u> sound in the room and his system will be integrated into the TV's system. Individual mics can be adjusted individually. Councilmember Brewster asked if the system would work without mixing. Mr. Nichols said the system has a broad range of frequencies and all can use a separate frequency. Lots of frequencies are available from 500 to 700 MHz.</li> <li>• Mayor Tussing asked if there was any guarantee. Mr. Nichols said the system carries a one-year guarantee on equipment and he would make sure that it works or would re-install the old system.</li> <li>• Councilmember Jones asked if there would be new mics for the Staff and podium. Mr. Nichols said not at this time, due to budget constraints. Those mics are working OK, would plug into a new smart box and aren't experiencing the "pinch" problem. Additional mics could be added at a later date.</li> <li>• Councilmember Gaghen asked what the cost would be to add mics at a later date. Mr. Nichols said each additional mic would be approximately a \$1,000.</li> <li>• Ms. Volek said she is ready to sign the contract and will proceed with the purchase process once</li> </ul>	

the council has selected an option.	
<b>TOPIC #4</b>	<b>Resort Tax</b>
<b>PRESENTER</b>	<b>Tina Volek and Joe McClure – Big Sky Economic Development Assoc. (BSEDA)</b>
<b>NOTES/OUTCOME</b>	
<ul style="list-style-type: none"> <li>• Mr. McClure, Executive Director of BSEDA said he works with private businesses to increase their profits. New businesses are concerned with the City infrastructure in the City. Billings currently has income tax and property tax but is missing a sales tax. BSEDA is looking for options to increase funds for the community in order to attract more businesses to relocate to Billings. BSEDA asked Gary Branae to sponsor a local option tax in the 2005 Legislature, which would have allowed any community the option to vote for a local option tax within its limits. The option didn't get far with the legislature because small towns objected to revenue sharing. Hopefully the next effort will work better. The State allows cities of less than 5500 to tax tourist commodities. Currently, the cities with tourist tax return at least 5% to the citizens in property tax relief and some cities return larger amounts. Mr. McClure gave a handout to the Council on the proposed law for the legislature to consider at the next session.</li> <li>• Councilmember Stevens asked why hardware and tools were removed from the luxury category. Linda Beck of BSEDA, said that each community should choose what best fits each one, rather than the legislature making those decisions. Ms. Stevens said in this proposal, "either you are trying to capture financing through out-of-towners coming to town to shop at discount lumber stores or you would be taxing the homeowner who has already been taxed via property tax."</li> <li>• Councilmember Veis asked why the definition of "resort area" needs to be changed. Ms. Beck said the Council has an old version of the document; only 4.b. has been changed.</li> <li>• Ms. Volek noted that Councilmember Veis is going to Montana League of Cities and Towns (MLCT) meeting on Thursday and some indication of the Council's intent on this subject would be helpful to Mr. Veis in representing the City. Councilmember Boyer said that Billings needs to join with other cities in order to influence the 2007 Legislature. Mr. McClure stated that the next step for the organization would be to meet with any "holdover" legislators.</li> <li>• Councilmember Jones said that the only way he'll support the local option tax is if there is <u>no</u> revenue sharing. Councilmember Brewster said that he likes this option the best and agreed with keeping the options flexible for each city's needs.</li> <li>• Councilmember Stevens said that if the population cap is removed, then the taxable area could be more than just the City; it could be a county or the state. Mr. McClure confirmed that was true. Councilmember Stevens asked who defines the taxable area. Councilmember Brewster said it was whoever jumps first. He said that we'd need to work cooperatively with other entities.</li> <li>• Councilmember Boyer said that in October the MLTC will be meeting and this issue will be top priority. Mr. McClure said that whenever anything is sent to the legislature, there are changes made. This document states what they want; it does not mean that the document will remain unchanged. There will have to be give and take. Mayor Tussing asked Mr. McClure if his team was able to come up with any numbers for comparison. Mr. McClure said they are working on it. Mr. Clark asked if Red Lodge has changed its tax. Mr. McClure said he didn't know, but subsequent votes were overwhelmingly in favor of it. Councilmember Ruegamer said that the City would have to be prepared to compromise.</li> <li>• Councilmember Boyer reminded the Council that the City is starting to spend reserves and the</li> </ul>	

City needs more money for City projects. More people would be attracted to the City by having a better infrastructure. Councilmember Brewster said that the capital could be designated for infrastructure improvement. Mr. McClure agreed with that idea and said that a sunset could be added and the City could review the issue after implementation.

- Councilmember Veis asked if the Council should vote to support the resort tax without the revenue sharing. Councilmember Gaghen said that it is imperative to include all the large cities in this effort. Councilmember Boyer said Red Lodge's first vote on this issue was close, but now the voters see how it has benefited the city and endorse it.

<b>TOPIC #5</b>	<b>Park II</b>
<b>PRESENTER</b>	<b>Bruce McCandless and Bruce Putnam</b>

#### **NOTES/OUTCOME**

- Deputy City Administrator, Bruce McCandless introduced Bruce Putnam and Tom Binford from the Aviation and Transit Dept. and Will Robbins, Staff Engineer, from the Public Works Dept., the project manager for the Park II Project. There are three components: Park II expansion; Wells Fargo property sale to the City and their move to a new location; and the MET Transit Center.
- Park II currently provides 550 parking spaces and was built in 1980 to support the Sheraton Hotel. The expansion has plans for a horizontal expansion that would contain 270 parking spaces and a vertical expansion, to the 7<sup>th</sup> floor providing 100 spaces. In the 1995 Carl Walker study, the Park II expansion was identified. There was adequate downtown parking, but it was not located in the areas of need. The two areas of need were Park II and 4<sup>th</sup> and Broadway.
- In 2003 the City hired JGA Architects to design the structures and to prepare a preliminary design for the expansion. Public meetings were held and the outcomes were: (1) build as big as you can; and (2) beautify the structure if possible. The initial estimates were \$7.5 Million for expansion and upgrades to other parking structures. In 2005 the City talked with Wells Fargo about the purchase of the land to house a new Transit Center. The City also executed a lease with Wells Fargo stating that when the Park II horizontal expansion was completed, Wells Fargo would be able to occupy the ground floor of the garage. The City is to provide that space to Wells Fargo by April 2007. Wells Fargo would have the concrete roof for parking and the floor and equipment for a drive-through bank.
- The current garage has two primary entrances. The existing garage occupies one-half of a square block. The horizontal expansion is to be on the site of the former Smith Funeral Home and Darrell Apartments. Mr. McCandless said that the plan would only be adding one ramp rather than an "in" and "out" ramp. Efforts are being made to make the garage consistent with existing facilities; aesthetic improvements are not part of the current contract.
- Bruce Putnam, Director of Aviation & Transit, showed the 1978 HDR study which speaks to accommodating transit system needs and the importance to the downtown transit center. The plan was delayed by funding issues. Active planning began 10 years ago with City administrators. In the mean time Butte, Missoula, Spokane and many cities in Utah have built downtown transit centers. \$4.5 Million has been funded in three cycles with local matches accumulated in MET funding. Three sites were considered:
  - First site was an empty lot where Rocky Mountain Medical Building is today
  - Second site was the Federal Credit Union, but the City asked that these proceedings be halted because of possible condemnation issues.

- The third site was the Fourth and Broadway site
- The second site selection committee selected the Wells Fargo property. The City is currently at a critical point for several reasons: (1) the site is owned by the City, (2) the funds are in hand, (3) it is important to use the funds expeditiously, (4) the parking is needed, and (5) Wells Fargo is involved.
- Mr. McCandless said in 2005 the City hired Collaborative Design because they had a greater sensitivity to aesthetics. In January bids were requested and two bids were received, one for \$9.3 Million and one for \$10.2 Million. The City refused both bids. In March, the City made revisions to the project and re-opened the bid process. It became clear at that point that the City wouldn't be getting bids it could award. In May, a second revision was put out for bid and one bid from Fischer Construction was received. It was higher than the estimate by about \$1 Million. There are other funding sources to cover the increase, such as parking reserves and revenue bonds. The four parking garages all need restoration work as well.
- The City considered using pre-stressed concrete but would have to wait for the product because it takes longer to prepare even though it would build quicker. Councilmember Veis asked if the City had considered using steel rather than concrete. Will Robbins said that the recommendation had been for a concrete structure. Councilmember Boyer said she remembered a different number from the reserve list. Mr. McCandless said the numbers he had given the Council in the past were rounded off and all the numbers are now listed.
- Councilmember Brewster asked if the City had considered using an additional Tax Increment District (TID) to work around other projects as a source of revenue. Mr. McCandless said Staff has been exploring a TID but thought of it for other projects like 4<sup>th</sup> and Broadway.
- Mr. Putnam spoke in reference to Mr. Veis' question about a steel parking structure, noting he had never heard of a steel parking structure. Councilmember Veis said he talked with an individual in the steel business and that individual said that those in the steel industry would build to suit the needs. Mr. McCandless said Staff will check on the price of a steel structure.
- Mr. McCandless reminded the Council that the June 26<sup>th</sup> Council meeting is the last day to take action on the current bid. If the Council takes no action at that time, the contractor has the right to withdraw his bid. He also wanted the Council to remember that even though the parking rates are not being discussed at this meeting, there is still a direct relationship between the parking rates and the parking structure. Mayor Tussing asked if the Council were to refuse the parking fees, would the project be canceled. Mr. McCandless said that if the Council was unable to make any changes in the parking fees, it could jeopardize the entire new parking project. The Staff will do everything it can to economize in the parking operations in order to make the debt service payments, but may have to come back to the Council for more allocations. Mayor Tussing asked if the estimates and figures aren't what expected, what happens. Mr. McCandless said if the parking fees are not generating enough revenue, then the Staff will have to come back to the Council. Councilmember Brewster asked if the parking revenues included the 4<sup>th</sup> and Broadway sale. Mr. McCandless said the 4<sup>th</sup> & Broadway sale was not included.
- Councilmember Boyer said that the City is in a tenuous position with Wells Fargo because the City is not moving along on the project. She also asked if the City can overlay a TIFD and for how long. Mr. McCandless said the City could act in 60 days.
- Councilmember Boyer said if a private entity owned the building it would "loosen up" money or tweak fees so the City does not have to increase parking or meter fees too much. She added the City should be booting illegally parked cars to open up more spaces. Mr. McCandless said the parking bid recommendation should be in the Friday packets. He said that access has to come

through the existing garage or space will be wasted on already owner-controlled space.

- Mr. McCandless said the third element against the deal is time. Mayor Tussing said the City needs to get on with this and asked for something on paper next week.
- Mr. Sparbo said “we’re too far down the road to switch gears and go private. We need to do that next time.” He asked if there are ways for Mr. Krueger to facilitate a TIFD and revenue bond within a week. He said he would be happy to put his building into a TIFD.
- Councilmember Stevens said the purpose of tonight’s meeting is not to discuss parking rates. The Council needs to give the parking board some direction tonight.
- Mr. Putnam referred back to the cost issue, stating that he and Staff believe the bids reflect the local market. “We are way into the summer construction season. Labor availability and material costs are big issues. The bids reflect facts of market conditions. Several other bids showed the same problems,” he added.
- Councilmember Ruegamer said to summarize: (1) time is of the essence; (2) Council is looking at \$15 Million construction downtown; (3) Wells Fargo is nervous; (4) Mr. Sparbo and others downtown are feeling pressure; and (5) \$5.5 Million might go away. He said the City needs to get this done – “work out details as we go and problems as they arise.” Mayor Tussing asked if Staff had enough direction. Mr. McCandless said the Staff got direction last Monday and is working toward it.
- Councilmember Veis said time is of the essence. He asked last August for different types of structures and never got a response. Now the City is placed over a barrel. Councilmember Gaghen said she has been involved in the process and sat in half of the meetings. The rates proposed by the parking board can’t be tweaked more. Now entities are looking at the parking fee structure. There shouldn’t be discrepancies among lots, she emphasized.
- Councilmember Stevens asked about wayfinding – does it include parking? Mr. Krueger said it did. Ms. Stevens didn’t know about 10-hour and 10-minute parking. Mr. Krueger said the BID is working on helping with enforcement long term.

<b>TOPIC #6</b>	<b>Cobb Field Bond Issue</b>
<b>PRESENTER</b>	Gene Blackwell

#### **NOTES/OUTCOME**

- Interim Parks Director, Gene Blackwell said the Cobb Field bond issue will be decided at the next Council meeting. The committee has worked very hard to reduce cost and unanimously supported the proposed plan.
- Jim Wertman of CTA Architects and Engineers distributed a handout summarizing the budget costs. Mr. Wertman explained the two columns. April 2006 was when Zohn left Billings and the June 2006 column was revised by CTA for the steering committee. Councilmember Stevens asked if it is expensive to excavate. Mr. Wertman said it is less expensive than steel superstructure for seating, but if the bond issue passes, they will look at it again. Councilmember Stevens asked about the water table. Mr. Wertman said its 12+ feet in five wells. Councilmember Clark added that elevators to comply with ADA do not have to be built. Councilmember Jones asked if it is less expensive to excavate rather than use seating structure for a locker room area. Mr. Wertman said it was. Councilmember Gaghen asked how many seats were in the stadium. Mr. Wertman said there would be 3500 seats.
- Mayor Tussing asked if individuals could pay for skyboxes. Mr. Wertman said skyboxes were

feasible because the foundations and infrastructure would support them. Skyboxes can be added later or at the time of construction.

- Councilmember Veis asked about the site costs escalation – wouldn't the general escalator cover that. Mr. Wertman replied, "Probably," but 5% and 8% annual escalator are minimal. Councilmember Clark asked if the City has to sell all approved bonds. Ms. Volek replied "no." Councilmember Brewster said he was previously told the City has to issue all bonds sold. Assistant City Attorney Bonnie Sutherland said she does not know, but will look for an opinion. Councilmember Veis asked if the bonds will really sell in January 2007 when the design won't be done. Mr. Wertman said they would firm up escalators and the City might sell the bonds that early.
- Councilmember Gaghen said she needs a visual of the ballpark and asked if the committee is going to put out something. Mr. Wertman said yes - a visual from HNTB would be distributed. Scheme 3 is the closest to the present proposal. Councilmember Stevens asked if the design process will consider maintenance costs. Mr. Wertman said it would consider them.
- Councilmember Boyer asked where the ticket sale proceeds would go. Mr. Blackwell said 15% which equals \$24,000 +/- goes to the City. Councilmember Boyer asked what the ball club pays for. Gary Roller said salaries are paid by the Reds Club; operations and maintenance comes from gate sales. Councilmember Boyer wanted to share any future concessions revenue, and asked if the field orientation is at the present site.
- Councilmember Veis asked if it is possible to raise revenue bonds and increase ticket prices to pay them. Ms. Volek said maybe but the ball club would have to agree and the bond buyers too. Councilmember Boyer said there are trade offs for building a new field. Councilmember Stevens asked when the City would renegotiate the ticket and concession contracts. Ms. Volek replied these would be renegotiated next year.
- Mayor Tussing asked about partial private financing. Greenville built a stadium with a private developer. Other Billings bond issues utilized donations for other features like the skate park, trails, etc. Why not work on public/private partnerships? Councilmember Ronquillo said people are willing to start working on it the day after Council approves the bond issue. Mayor Tussing said he will vote to put it on ballot but may not vote for the bond issue unless there are private and donated monies too. Councilmember Ruegamer said single use facilities draw donations. Councilmember Boyer said pledges caused the YMCA problems when they added space. It was noted that Amend Park hired a full-time fund raiser, and the trails used lots of Federal funds. This is a quality of life issue, and the City needs to step up and support it. Councilmember Clark said Missoula is still working on a field that started four years ago with private donations.
- Councilmember Gaghen said the trails are different than Cobb Field. It is hard to quantify the benefits from a ball field. There is great potential for fundraising, but the Council needs to look beyond personal interest. Councilmember Stevens said the Council needs to vote to put the bond issue on the ballot; then fundraising needs to begin. Councilmember Veis said he wants a new ball field, but is worried that it is 50-50. The Council needs to do anything to make it succeed, like obtain private donations. Councilmember Jones said the bond issue needs to pass or "we do fundraising just to keep it operating." He said, "a \$12.5 Million issue is still too high. A private business (i.e. the Mustangs) benefits and is driving a lot of the cost."
- Councilmember Clark said he's hearing that people will vote for it. Councilmember Ruegamer said the City is at the point to rebuild the stadium or lose the team and demolish the structure. Councilmember Veis said the proposal is not building a bare-bones structure; it exceeds minor league stadiums. Councilmember Clark agreed but it's not luxurious. 52% of survey respondents

support the bonds without advertising. Councilmember Ruegamer said we could build cheaper but 80 people were interviewed, 20 outreach forums held, and a survey conducted, which directed the stadium preliminary design; this is what people want, he added.

- Councilmember Boyer was surprised at neighborhood meeting attendance. Cobb Field may be a turning point for moving the City forward. Councilmember Gaghen said Billings is rated in the top 50 places to raise families. She also emphasized that downtown is rebuilding. There are City-wide benefits. Ball games are good for families. Councilmember Boyer said the City considers the field a historic structure. Councilmember Veis said a ball field is not economically driven; it's a community amenity. Councilmember Boyer said cultural attractions do attract visitors and money. Councilmember Veis asked the Council to consider whether to delay the Cobb Field bond decision until the City knows whether the public safety levy will be on the ballot. The consensus was not to delay.

#### **Additional Information:**

Respectfully submitted,  
Tami Greeley, Deputy City Clerk