

RESOLUTION 15-_____

**A RESOLUTION OF THE CITY OF BILLINGS, MONTANA, CITY COUNCIL
AUTHORIZING AN EXPERIMENTAL PROGRAM GAUGING THE EFFECTS OF
PAYING LANDFILL DISPOSAL FEES FROM THE GENERAL FUND
FOR EAST BILLINGS URBAN RENEWAL DISTRICT DEMOLITION PROJECTS INVOLVING
BLIGHTED BUILDINGS FOR A PERIOD FROM NOVEMBER 1, 2015, THROUGH OCTOBER 31, 2017**

WHEREAS, the East Billings Urban Renewal District (EBURD) Board of Directors requested on September 8, 2015, that the City Council consider promoting the demolition of dilapidated buildings in the EBURD by waiving City Landfill fees for the disposal of non-asbestos demolition materials from blighted building sites; and

WHEREAS, the EBURD Board of Directors reported to the City Council that the cost of landfill disposal fees can be 20 to 25% of the demolition costs for blighted buildings in the EBURD tax increment financing district; and

WHEREAS, the EBURD board has proposed that the loss of revenue from landfill fees to the Landfill Fund could be offset by the revenue from methane gas extracted by Montana-Dakota Utilities (MDU) from the landfill, the proceeds of which go to the General Fund; and

WHEREAS, City Council members have suggested that a pilot program be operated for a 2-year period to determine the effectiveness of the proposed demolitions in encouraging redevelopment in the EBURD and to determine the effect of such a program on the General Fund budget; and

WHEREAS, the determination of whether a building proposed for the demolition program is blighted will need to be made by the Planning Department upon a petition for such a determination by the EBURD; and

WHEREAS, Planning staff is funded either from fees for service or from a Yellowstone County mill levy, neither of which was intended to benefit a tax increment financing district or the property owners within it;

NOW, THEREFORE, the City Council of the City of Billings, MT, does hereby direct the City Administrator to:

- 1) Determine a baseline rate of demolition in the EBURD from the period of its creation through Oct. 31, 2015, and the subsequent impact of the resulting new construction on the EBURD district income;
- 2) Ensure non-asbestos demolition materials from sites in the EBURD designated by the Planning Department as blighted are weighed and recorded, but not charged for the disposal of those materials in the City Landfill for a period from November 1, 2015, through October 31, 2107;
- 3) Transfer quarterly from the General Fund to the Landfill Fund an amount equal to the value of the landfill disposal fees and to the Planning Fund for an amount equal to the staff costs of determining if buildings are blighted when requested to do so by the EBURD Board;
- 4) Determine the financial impact to EBURD of buildings that are erected on sites that previously have been declared blighted; and
- 5) Report to the City Council no later than January 31, 2018, with a cost-benefit analysis of the expenses to the City General Fund and the benefits to EBURD finances of the experimental program.

APPROVED BY THE CITY COUNCIL OF BILLINGS, MONTANA, THIS 26TH DAY OF OCTOBER, 2015.

Thomas W. Hanel, Mayor

ATTEST:

Billie Guenther, City Clerk