

****ATTENTION****

Due to the COVID-19 health concerns, the format of the City Council meeting will be held in a virtual videoconferencing environment. In order to honor the Right of Participation and the Right to Know in Article II, sections 8 and 9, of the Montana Constitution, the City of Billings and City Council are making every effort to meet the requirements of the open meeting laws:

- The Agenda Packet is available for viewing on the City's website at: <https://ci.billings.mt.us/117/Agendas-Minutes>
- Councilmembers will attend the meeting via a remote location, using a virtual meeting method. City Hall and the Council Chambers will be closed during the meeting.
- The Public may view the meeting on the Community 7 TV - Channel 7 or Channel 507 – Spectrum Cable. On evenings when there is a conflict with School District No. 2 Board meetings, the City Council meeting will be broadcast on Channel 8 - Spectrum Cable. The Public may also view online at www.comm7tv.com and click on the “Watch Live” icon. Community 7 also has links to their Facebook page and YouTube channel in which to view the meeting.
- Public comment will be taken only during the Public Comment periods as indicated on the agenda. Comments may be sent to Council via email before 3:00 PM, on Monday, August 17th, at: <https://ci.billings.mt.us/1538/City-Council-E-mail-Messages>
- Emails received after 3:00 PM and prior to 5:00 PM, may be read during the meeting.
- The Public may call in during specific Public Comment periods at **406.237.6196**. All callers will be in a queued system and are asked to remain on hold and be patient. Calls will be taken in the order in which they are received. Callers will be restricted to 3 minutes of testimony as is customary.

Future delivery methods may be explored as best practice is learned.

Please contact City Clerk, Denise Bohlman, at bohlmand@billingsmt.gov, or 657-8210 with any questions.

CITY OF BILLINGS

CITY OF BILLINGS VISION STATEMENT:

“THE MAGIC CITY: A DIVERSE, WELCOMING COMMUNITY WHERE PEOPLE PROSPER AND BUSINESS SUCCEEDS.”

WORK SESSION AGENDA

September 8, 2020

5:30 P.M.

Council Chambers are CLOSED.
The meeting will be held remotely
via virtual meeting room. Please see
coversheet for details and
instructions for viewing and participation.

CALL TO ORDER: Mayor Cole

- 1. COVID-19 Update by Unified Incident Command (UIC)**
- Public Comment
- 2. Jackson Court Apartments** - Proposed Affordable Housing Project - Southwest Corridor
(Presented by Beki Brandborg, GL Development and William Haynes, Collaborative Design Architects)
- Public Comment
- 3. NorthWestern Energy Lease on Airport Property**
(Presented by Kevin Ploehn, Aviation and Transit Director)
- Public Comment
- 4. Water and Wastewater Rates**
(Presented by Jennifer Duray, Deputy Public Works Director)
- Public Comment
- 5. Annual Encroachment Assessments**
(Presented by Jennifer Duray, Deputy Public Works Director)
- Public Comment

COUNCIL DISCUSSION:

PUBLIC COMMENT on “NON-AGENDA ITEMS”. **Speaker Sign-in required.** *(Restricted to ONLY items not on this printed agenda. Comments are limited to 3 minutes or as set by the Mayor. Please call 237-6196 during the public comment period.)*

ADJOURN:

- This meeting is an "informal" meeting of the City Council. The content of the Agenda is subject to change at the meeting.
- *In the event there is a Closed Executive Session at the end of a Work Session, the sole purpose is to discuss litigation strategy. The other parties to the case(s) discussed are not public bodies or associations as described in Section 2-3-203(1) and (2), MCA. The meeting is closed, as allowed by Section 2-3-203(4)(a), MCA, "to discuss a strategy to be followed with respect to litigation when an open meeting would have a detrimental effect on the litigating position" of the City of Billings.
- Council meetings may be viewed at any time by accessing Community 7 Television online at www.comm7tv.com and clicking on archived programs.

Council Work Session

2.

Meeting Date: 09/08/2020

TITLE: Jackson Court Apartments - Proposed Affordable Housing Project - Southwest Corridor

Department: City Hall Administration

Division: Administration

RECOMMENDATION

The developer is asking for Council support for the project as it will provide much needed rental housing targeted to low income families, those with disabilities, and those with fixed incomes, including retired citizens and single-parent families.

BACKGROUND (Consistency with Adopted Plans and Policies, if applicable)

The proposed Jackson Court Housing project would add 38 units of affordable housing in the southwest corridor on an undeveloped 3.63 acre property located at 510 Jackson Street, between State Avenue and King Avenue East. The property is currently used for agricultural purposes and storage of vehicles, soil, and gravel. The property and is adjoined on the west, north and east by single-family residential uses and on the south by an industrial/commercial including a shop and storage buildings. An irrigation ditch and the undeveloped Mitchell Street right-of-way separate the property from the parcels to the south. A pedestrian/bike path following the ditch and linking Jackson Street with Optimist Park is illustrated on area master plans.

The site was selected as an ideal candidate for mid-density multi-family residential in the southwest corridor as it is unencumbered, is available for purchase, is surrounded by residential uses, and has utilities and that city storm, sanitary, and water services in the adjoining rights-of-way. The site is close to employers in the growing commercial district on King Avenue East and South Billings Boulevard.

The project would be developed as a Low-Income Housing Tax Credit (LIHTC) project by limited partnership between GL Development and Anderson Consulting services—groups dedicated to developing affordable housing projects helping Montana communities provide a wider range of housing opportunities to Montanans. The project will be funded through a combination of the sale of tax credits, grants, loans and private investments.

Jackson Court is one of seven Montana projects identified by the Montana Board of Housing (MBOH) as an ideal candidate to be awarded tax credits as it will meet state-wide and City of Billings goals for providing clean, safe, modern, energy-efficient and accessible housing. Tenants will undergo a rigorous application and review process to determine eligibility.

The Montana Board Of Housing (MBOH) will be awarding tax credits at their October 19, 2020 meeting. The application for Jackson Court was submitted to the MBOH on August 3, 2020. The project is currently in the preliminary conceptual development phase. Work to date on the project has included investigation into how the units would be best designed to fit onto the site; outreach to neighbors and community organizations, city departments, and the South Billings Boulevard Urban Renewal District (SBBURD); and investigations into establishing design criteria and requirements.

The intent of the development and design team in the coming months is to inform Council and these groups with details about the project as they are developed and envisioned. A Preliminary Architectural Report (PAR) is being prepared. A copy will be provided to the Council and all interested parties after September 15, 2020.

STAKEHOLDERS

As outlined.

ALTERNATIVES

If the project is not supported and does not come to fruition, Billings southwest corridor will continue to lack affordable housing for its residents and its tax base will remain untouched.

FISCAL EFFECTS

The sum total of investment in the southwest corridor as a result of the project is estimated to be \$6,000,000. The project will add to the southwest corridor tax base. The design team consists of Billings-based architectural and engineering firms. It is intended that the project be bid to Billings-based general contractors and trades. If awarded credits in October the construction would start in Spring 2021.

Attachments

PowerPoint Presentation

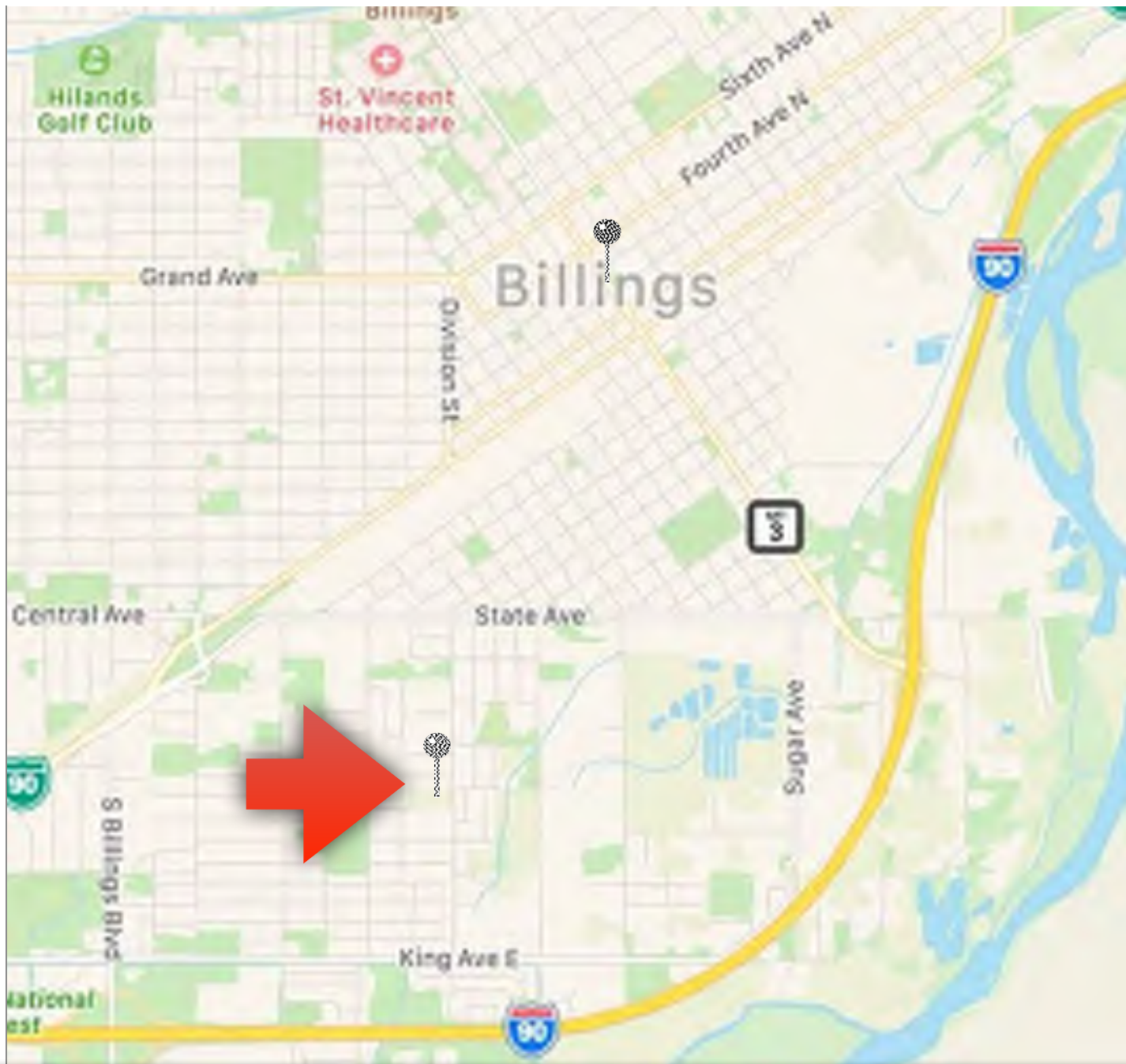
JACKSON COURT HOUSING

City Update

September 8, 2020



GL Development
Anderson Consulting Services



LOCATION



3.63 Acres

ZONING Residential 6000



Gravel Alley

Gravel Alley

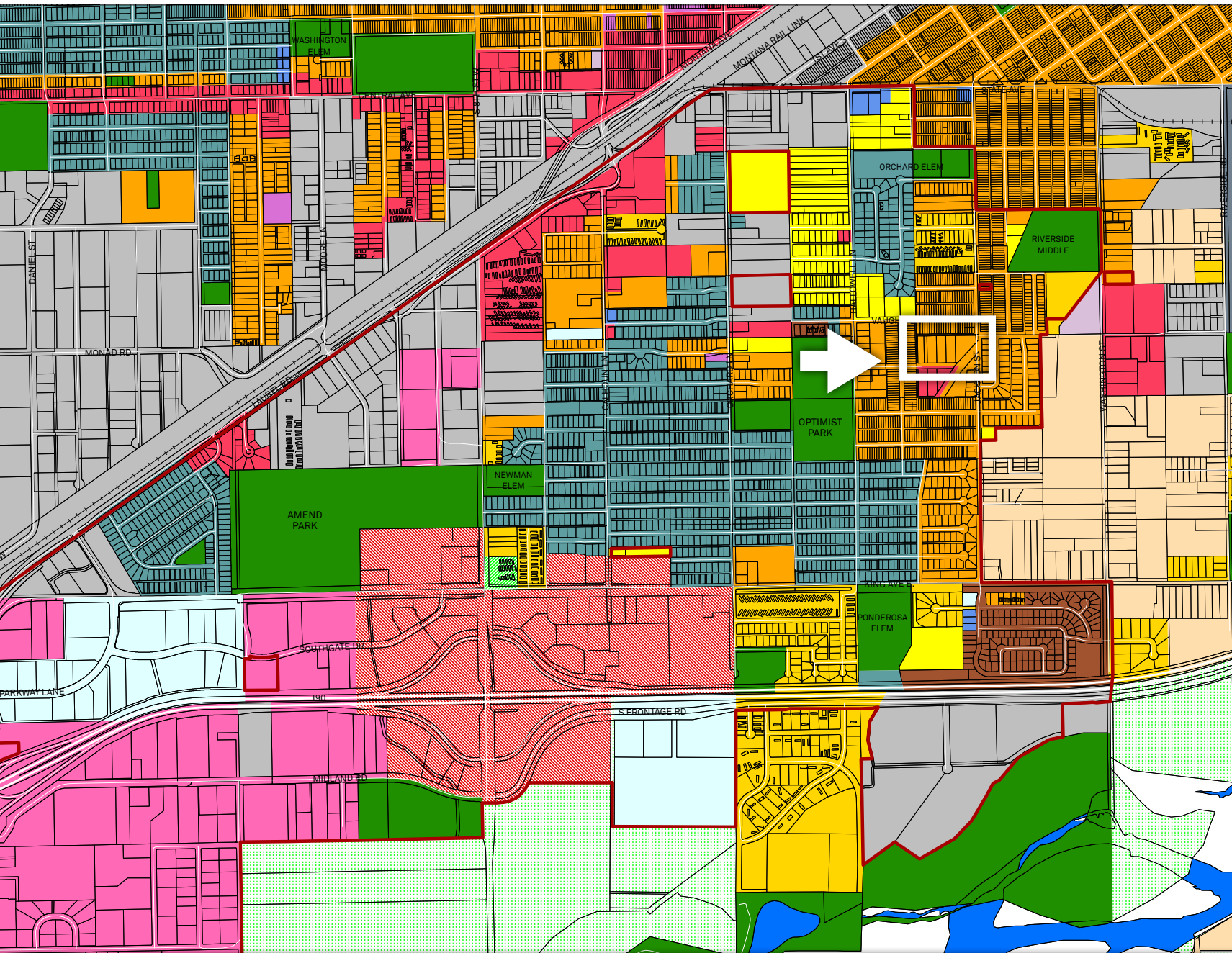
JACKSON STREET

Mitchell Street ROW

Existing Site

SITE AREA	3.63 Acres
ZONING	Residential - R6000
No. UNITS	38 TOTAL UNITS 20 1-Bedroom 12 2-Bedroom 6 3-Bedroom
Density	10.4 Units Per Acre
Developer Investment in Southside Billings	\$5.76M to \$6M

PROJECT KEY FACTS



- Legend**
- District Boundary
 - Parcels
 - Agricultural Open
 - Community Commercial
 - Controlled Industrial
 - Entryway General Commercial
 - Entryway Light Commercial
 - Highway Commercial
 - Heavy Industrial
 - Neighborhood Commercial
 - Public
 - Planned Unit Development
 - Residential 15000
 - Residential 20000
 - Residential 5000
 - Residential 6000
 - Residential 7000
 - Residential 7000 Restricted
 - Residential 9600
 - Residential Multi-Family Restricted
 - Residential Multi-Family
 - Residential Manufactured Home
 - RS

ZONING Residential 6000

South Billings Boulevard Urban Renewal District (SBBURD)

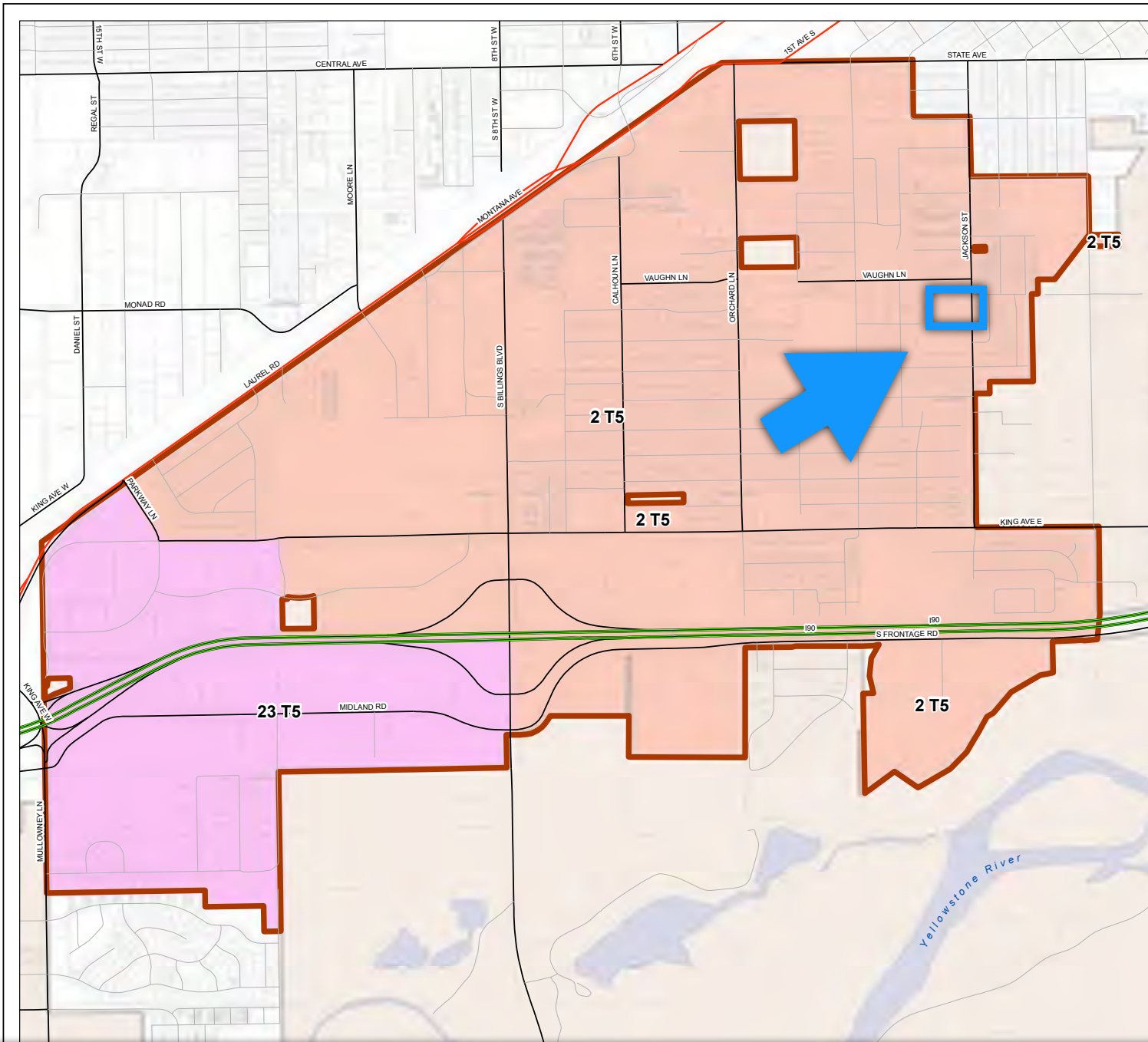
SBBURD comprised of Levy Districts 2T5 and 23T5

The parcel data mapped hereon does not constitute a legal survey. Inaccuracies exist with both the mapped data and the Montana Department of Revenue CAMA data; when seeking the definitive description of real property, consult the deed recorded at the Yellowstone County court house.

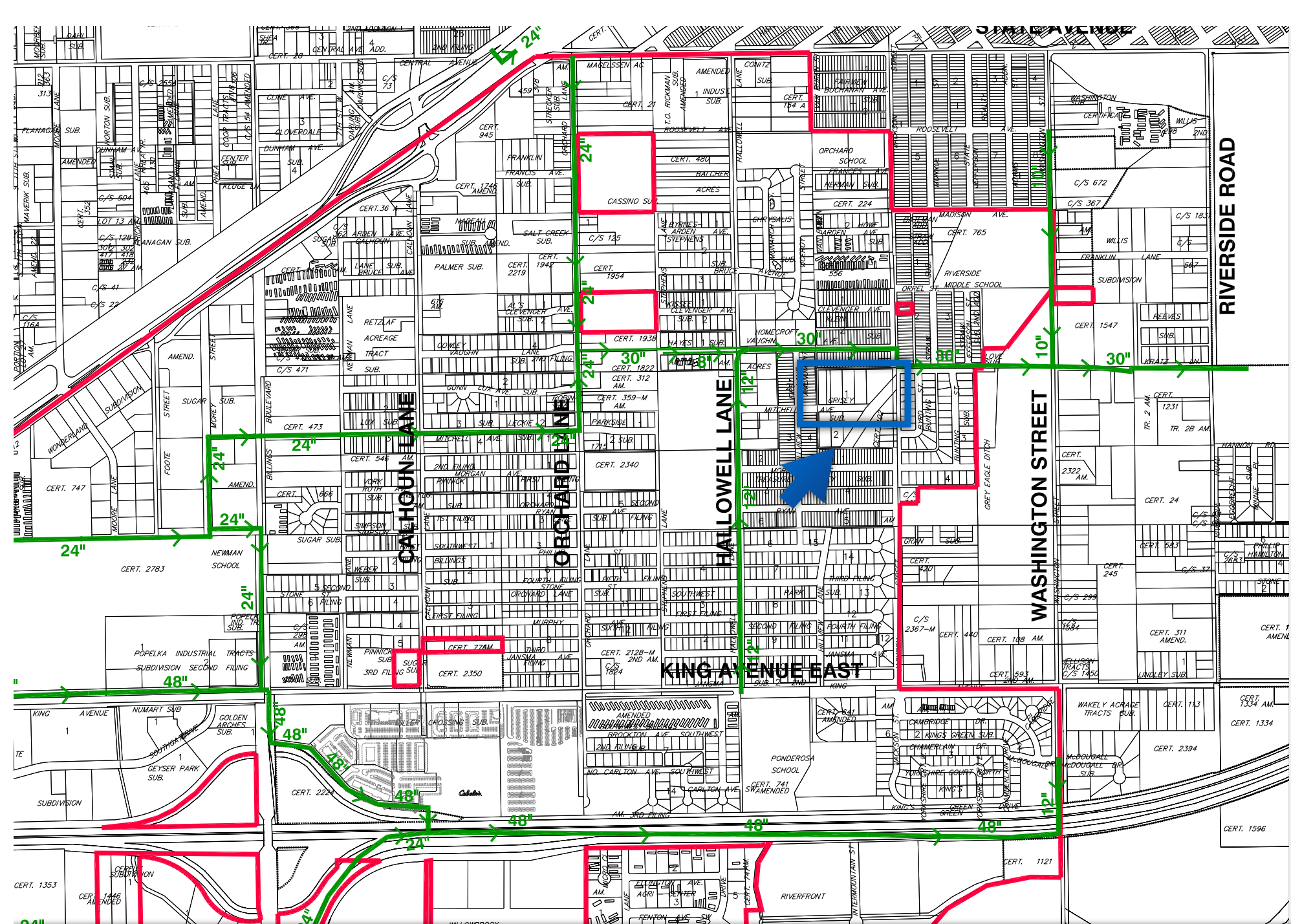
Legend

SBBURD Levy Districts

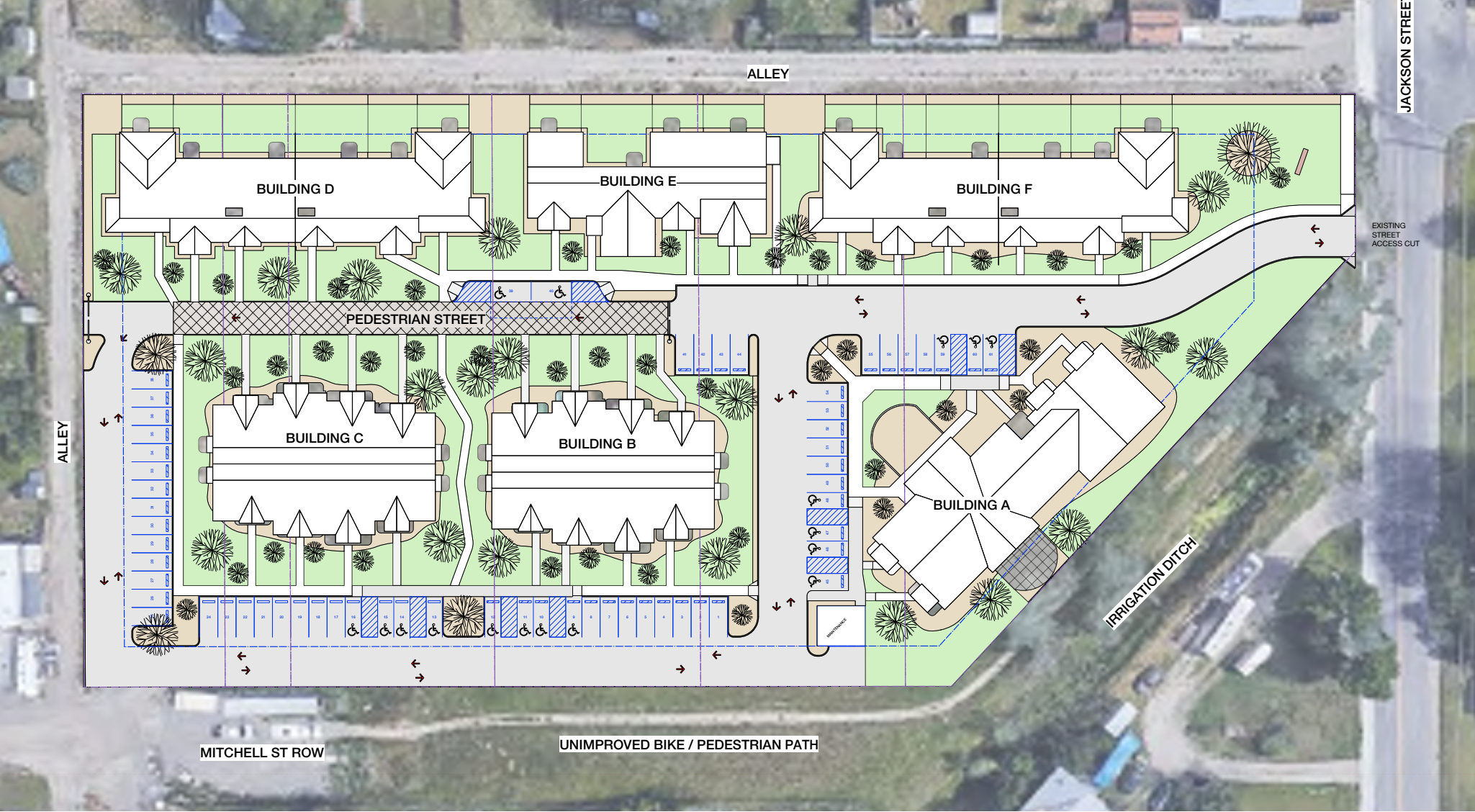
- 2 T5
- 23 T5
- SBBURD Boundary
- Property Boundary
- Yellowstone County



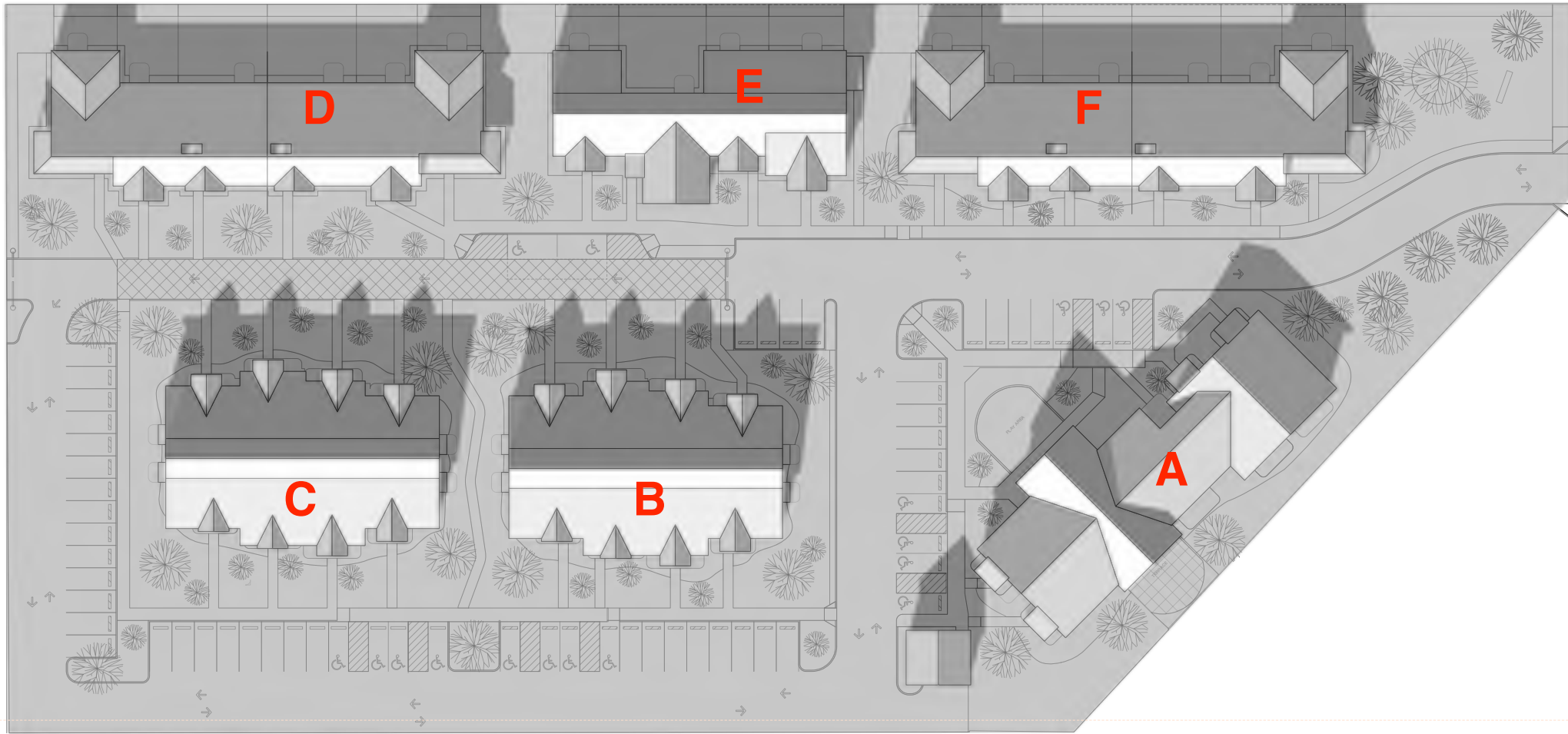
SBURD LOCATION



EXISTING SEWER



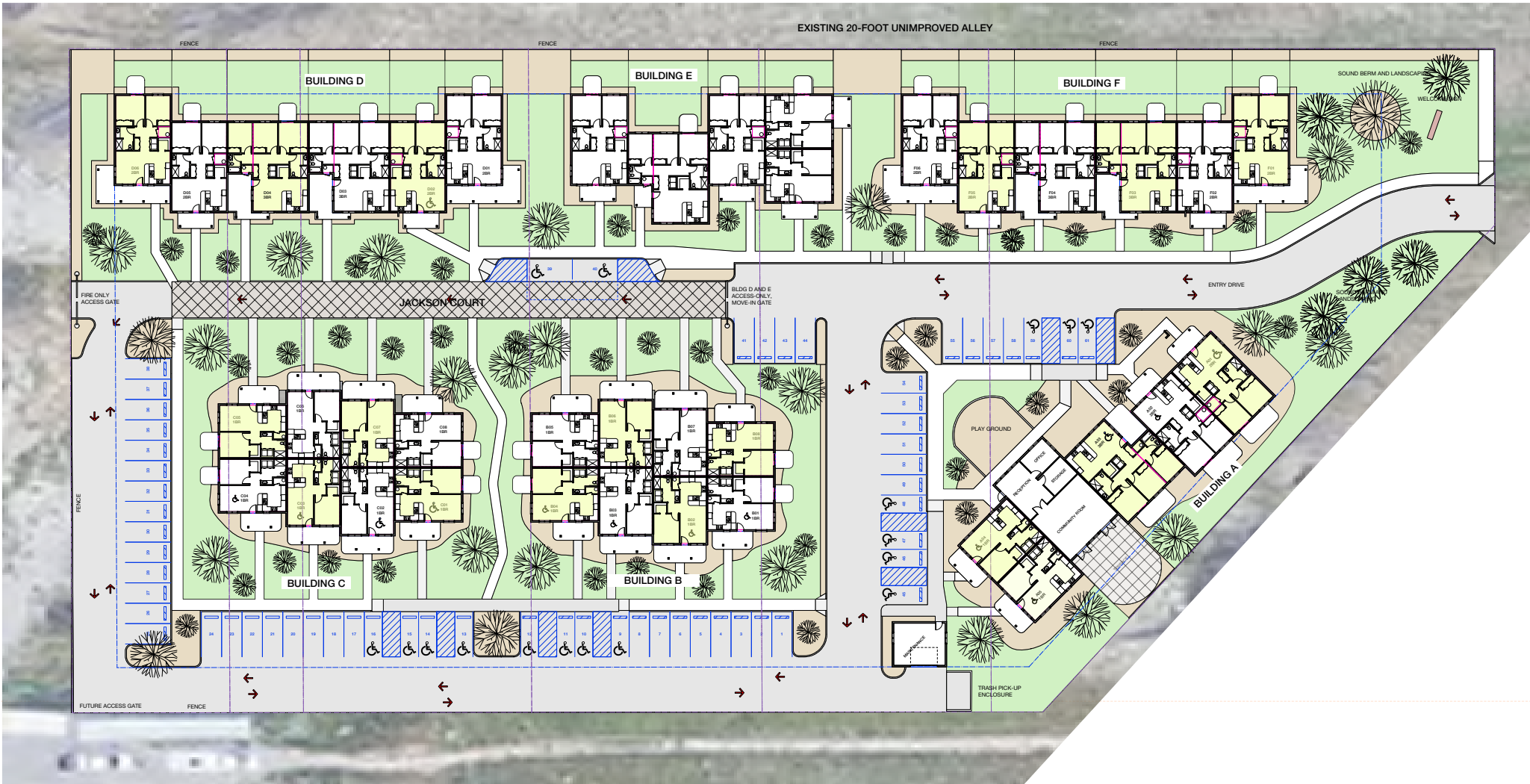
Preliminary Site Layout



1 SITE SHADOWS - DECEMBER 21st, 1:00 PM
S103 1" = 20'-0"



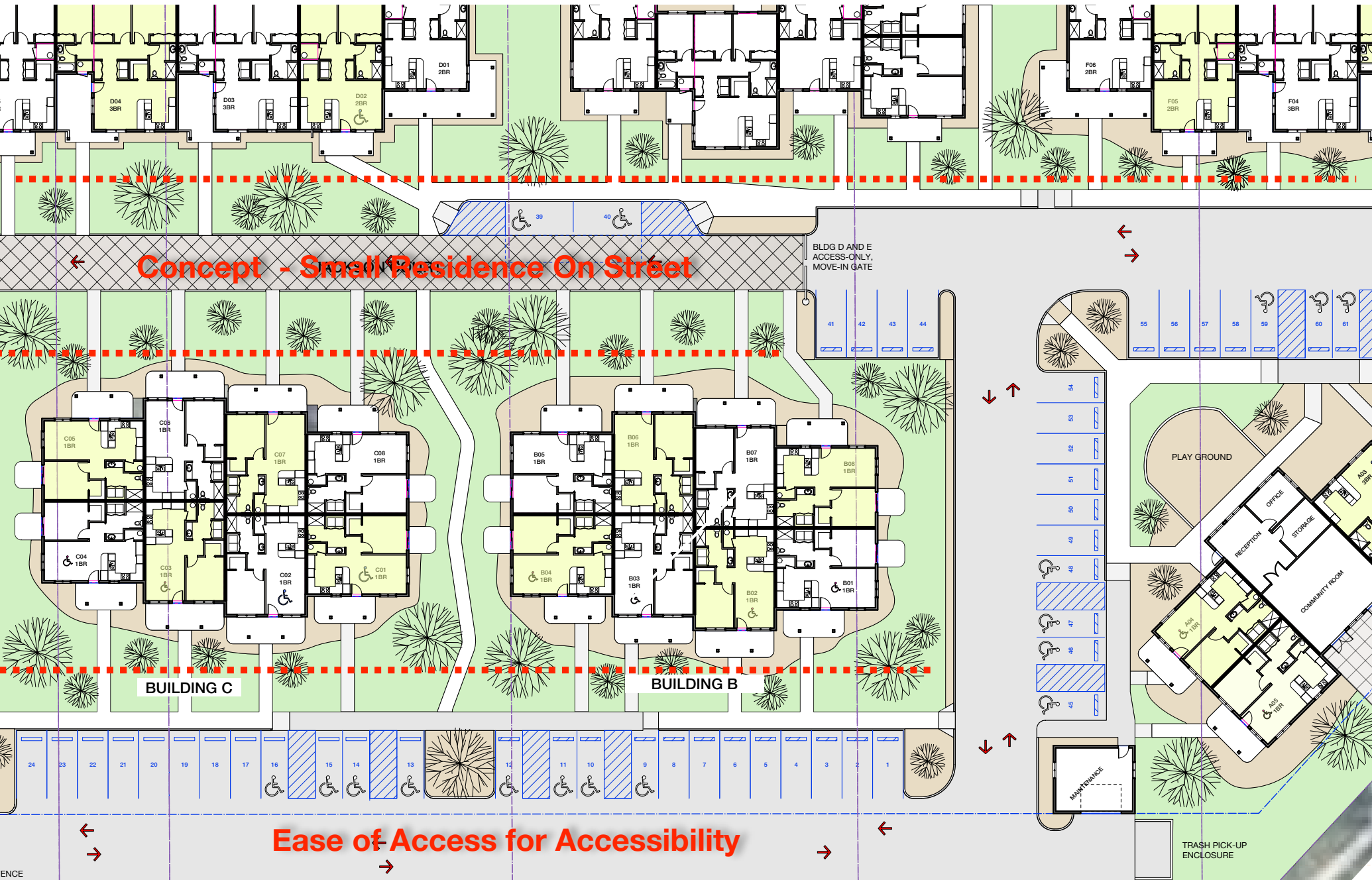
Preliminary Site Layout



1 SITE MAP
 S102 1" = 20'-0"



Preliminary Site Layout



Site Layout



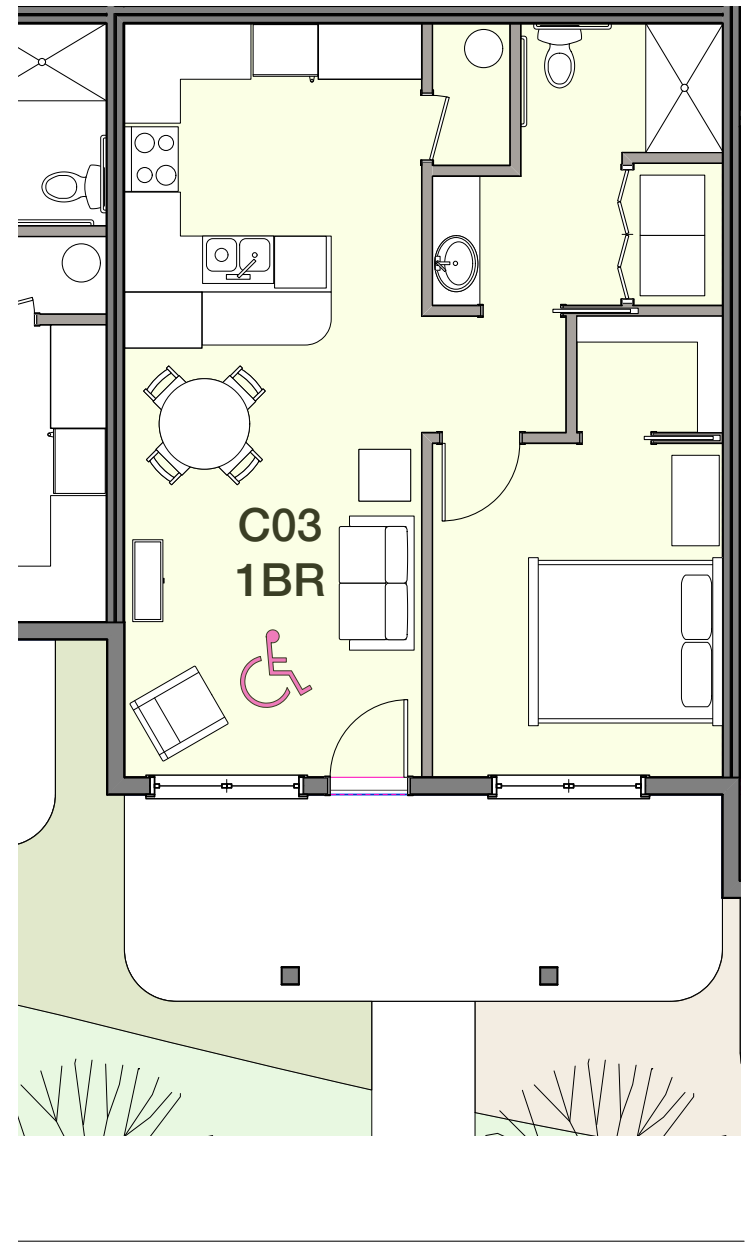
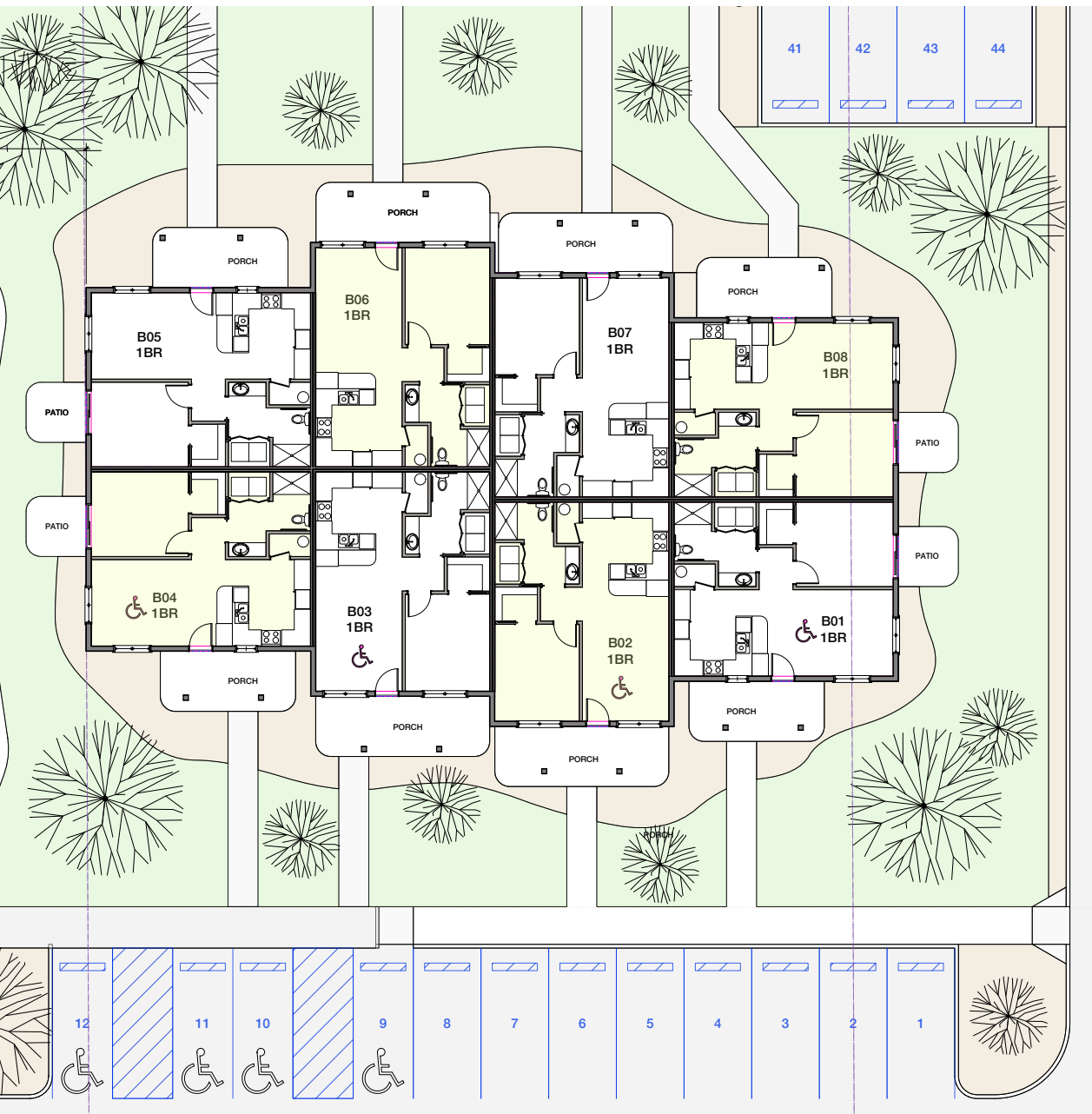
Concept - Small Residence On Street



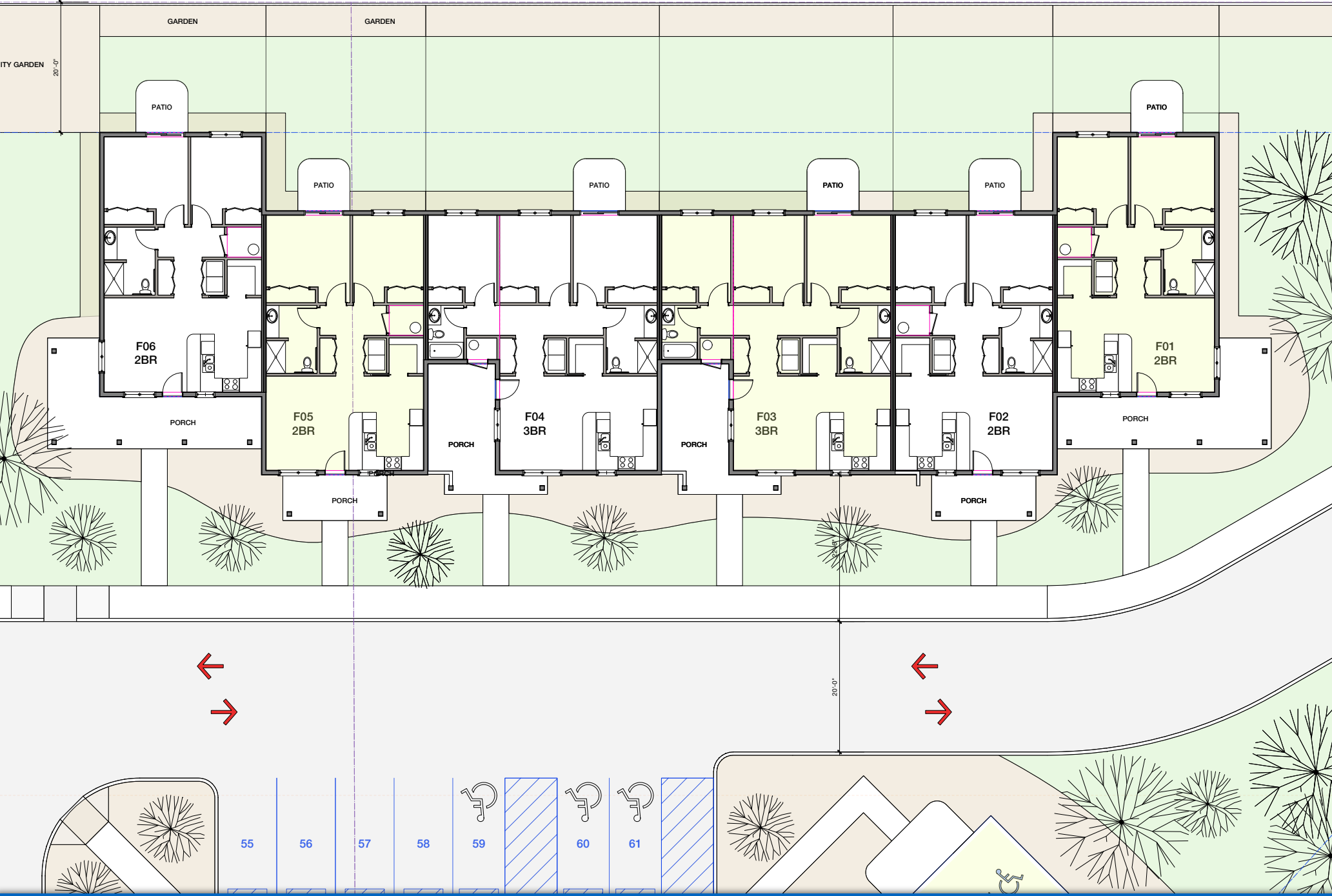
Concept - Small Residence On Street



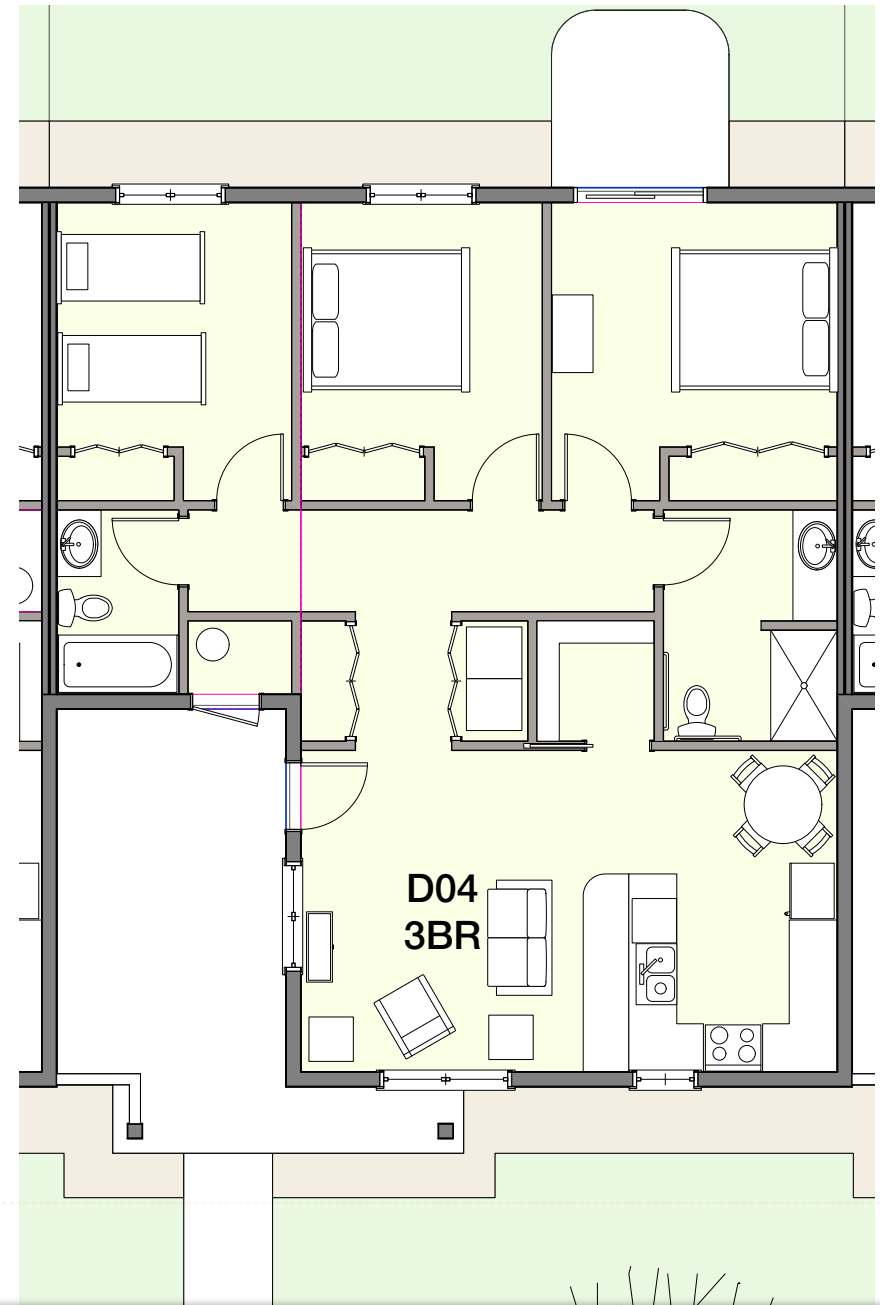
Concept - Small Residence On Street



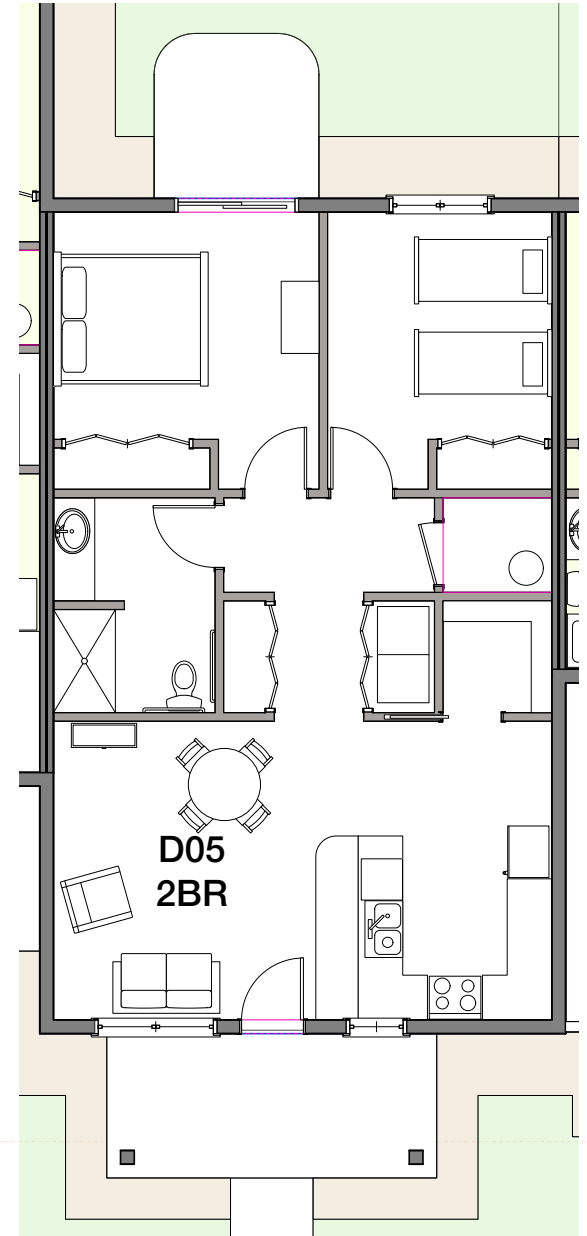
Unit Mix - 1-Bedroom 20 Units



Unit Mix | 2 and 3-Bedroom Units

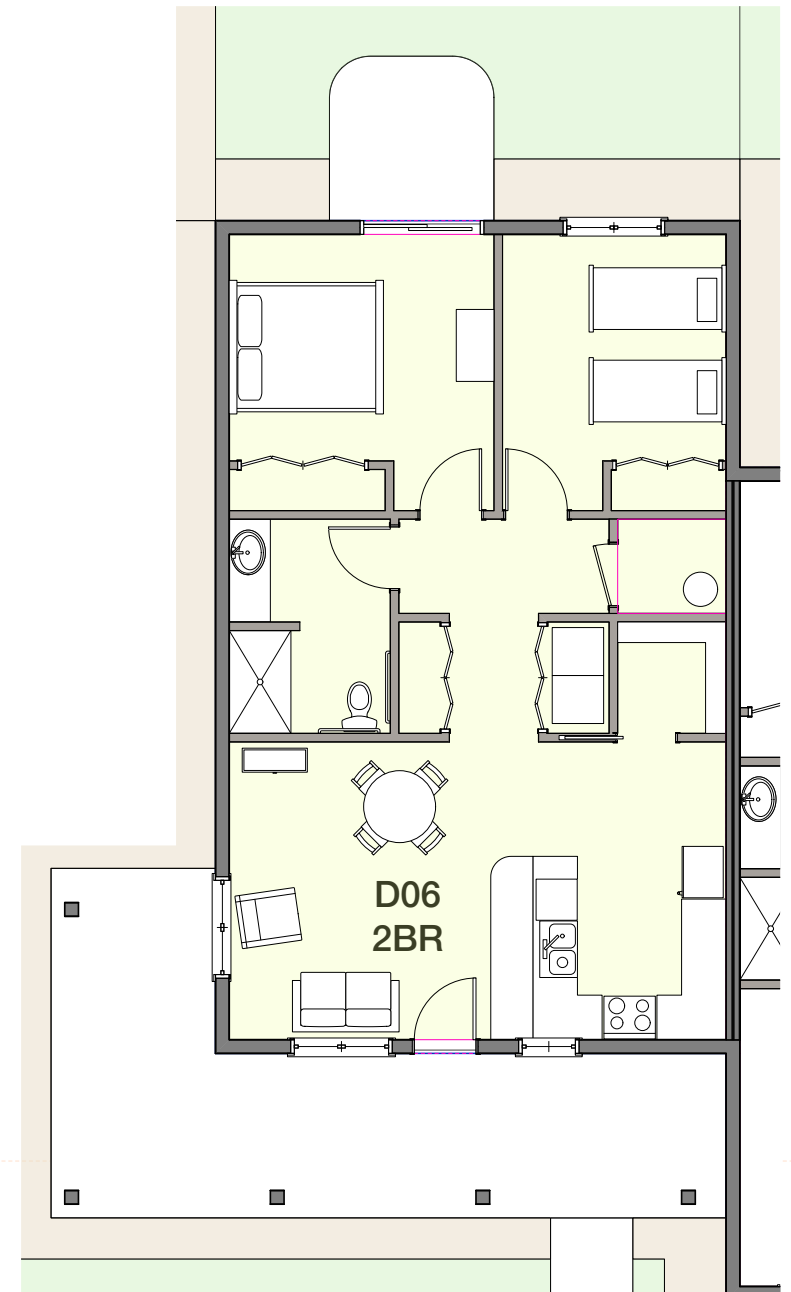


3-Bedroom | 6 Units



2 2-BEDROOM TYPICAL UNIT
A110 1/4" = 1'-0"

2-Bedroom | 12 Units



1 2-BEDROOM CORNER UNIT
A110 1/4" = 1'-0"

2-Bedroom | 12 Units

JACKSON COURT HOUSING - TIMELINE

- **Application for Housing Credit - August 3, 2020** 
- **Application for HOME funds - September 15, 2020**
 - ★ Preliminary Architectural & Engineering Report
 - ★ Public Meetings & Community Outreach
 - ★ Site & Environmental Surveys
- **Montana Board of Housing - October 19, 2020**
- **If LIHTC's are awarded Construction Spring 2021**
 - ★ Bid - Winter 2021
 - ★ Construction Spring-Spring 2021-2022

PROJECT BACKGROUND

**THANKS FOR YOUR
SUPPORT!**



**GL Development
Anderson Consulting Services**

Council Work Session

3.

Meeting Date: 09/08/2020

TITLE: NorthWestern Energy Lease with Airport

PRESENTED BY: Kevin Ploehn, Director of Aviation and Transit

Department: Airport

RECOMMENDATION

Staff recommends a presentation on this topic to provide background information needed regarding future action on a lease of Airport property to NorthWestern Energy.

BACKGROUND (Consistency with Adopted Plans and Policies, if applicable)

The Airport's property extends about a third of the way down Airport Road toward the Billings Heights. On the south side of the road, the Airport's most easterly property boundary abuts the existing NorthWestern Energy power substation located between the Airport and the Heights. NorthWestern Energy is interested in expanding this substation location and would like to lease land from the Airport to do the expansion. The Work Session presentation will explain in further detail why this is an important project for NorthWestern Energy and the Billings area. Representatives from NorthWestern Energy will be available to provide information and to answer questions after the presentation.

ALTERNATIVES

Not applicable at this time.

FISCAL EFFECTS

Airport will generate annual lease revenues during the term of the lease.

Council Work Session

4.

Meeting Date: 09/08/2020

TITLE: Water and Wastewater Rates

PRESENTED BY: Jennifer Duray

Department: Public Works

Division: Administration

RECOMMENDATION

No formal action is expected at this work session, but staff is seeking direction from City Council on changes to the existing water and/or wastewater rate structures that Council desires be included as part of the upcoming water and wastewater rate study that will recommend rates for fiscal years 22 and 23.

BACKGROUND (Consistency with Adopted Plans and Policies, if applicable)

The Public Works Department regularly undertakes cost of service water and wastewater rate studies to review and recommend appropriate rates for system development fees, water and wastewater user rates, resale rates for the County Water District of Billings Heights, and wholesale rates for the Lockwood Water and Sewer District, Phillips 66 Refinery, and Exxon Mobil Refinery. The rates must comply with state law and are set to meet projected operation and maintenance costs, as well as fund major capital project needs.

Public Works has mailed a Request for Proposals (RFP) to firms from a list of prequalified firms, and after a firm is selected, will commence on a water and wastewater rate study to recommend rates for fiscal years 22 and 23. In addition to the basic rate study scope of work, staff is planning to include several items in the consulting agreement scope of work for the rate consultants to research and provide information on. These items are:

- Conduct an analysis to establish rates for bulk water resellers
- Conduct an analysis to establish rates for bulk waste water customers
- Analyze high strength wastewater rates and recommend alternatives to high strength rates
- Analyze the tier structure for residential water rates and develop alternatives. Currently, the City has 4 tiers as follows:

Tiers (1 Ccf = 748 Gallons)	\$ per Ccf
0 - 14 Ccfs	\$2.66
15 - 43 Ccfs	\$3.19
44 - 100 Ccfs	\$4.15
>100 Ccfs	\$6.23

The purpose of the discussion at the work session is to provide information on the current rates and methodology, including the basis for the current structure, and solicit feedback from Council regarding additional items that Council would like incorporated in the study, as well as direction on alternatives that Council would like to see studied for the residential water rate tier structures, if any.

ALTERNATIVES

This is a work session, so no formal action may be taken at this time. However, staff is asking for the City Council to provide direction on rate structure changes that it would like staff to analyze in the upcoming water and wastewater rate study.

FISCAL EFFECTS

Revenues from water and wastewater rates are estimated to be \$47 million for the current fiscal year. It is unknown what the impact will be on revenues for the next two fiscal years until the rate study is complete.

Council Work Session

5.

Meeting Date: 09/08/2020

TITLE: Annual Encroachment Assessments

PRESENTED BY: Jennifer Duray

Department: Public Works

Division: Administration

RECOMMENDATION

No formal action is expected at this work session, but staff is seeking direction from City Council on the methodology used to assess fees for encroachments. A public hearing and the resolution assessing the fees is scheduled for the September 28, 2020 Council business meeting.

BACKGROUND (Consistency with Adopted Plans and Policies, if applicable)

An encroachment is when any physical object projects into the City's right-of-way, such as streets and sidewalks. Examples of encroachments include awnings, fences, landscaping, restaurant patios, signs, and conduit. The City needs to assure safety and accessibility on all right-of-way, and for that reason, it requires an encroachment permit any time a property owner requests to use part of that public right-of-way. Encroachment permit applications are processed and approved by the Public Works Engineering Division. A fee is collected with the permit application to cover the administrative costs of processing the application. If the encroachment is approved, annual assessments of the encroachment fee for the rental of the right-of-way will begin. The assessments will continue until the permit is revoked.

City Council passed Resolution 86-15316 on May 19th, 1986. This resolution waived annual rental fees for awnings and canopies in the Central Business District so as not to discourage the use of these structures. Council may choose to amend this resolution or revoke the resolution at a future Council business meeting or continue with the resolution in place.

The current encroachment fee is set at \$1.00 per square foot of the surface area of the encroachment per year. This rate has been in effect since 1985 and staff is recommending the fee be increased. However, because we are still in the middle of a pandemic and many of the property owners that are assessed for encroachments have been impacted financially by COVID-19, one option presented will be to continue the encroachment fee at the current rate for one more year. The presentation will primarily focus on common methodologies that other municipalities use to assess the annual encroachment fees and the effects of the different methodologies on property owners for various types of encroachments.

ALTERNATIVES

This is a work session, so no formal action may be taken at this time. However, staff is asking for the City Council to provide direction on changes to the annual encroachment assessment.

Options presented will include:

- Tier structure - Each type of encroachment will be categorized into tiers, depending on the overall impact to the right-of way. As the impact of the encroachment increases, so does the assessment amount.
- Assessments are based on assessed value of the land. The land value is then divided by the square footage of the lot to arrive at the encroachment fee per square foot.

- Continue with the same methodology of assessing at a specified amount per square foot for all types of encroachments, but increase the amount.
 - The average amount per square foot by municipalities surveyed using this methodology is \$1.44.
 - The 1985 amount per square foot of \$1.00 has the same buying power as \$2.40 according to the Consumer Price Index
- Continue at the current rate of assessing annual encroachment fees at \$1.00 per square foot for one additional year.

FISCAL EFFECTS

The amount currently received for annual encroachment fees is approximately \$27,000.
