MINUTES
OF THE BILLINGS CITY COUNCIL
REGULAR BUSINESS MEETING
June 22, 2026

The Billings City Council met in regular session in the City Council Chambers, located at 316 N. 26th Street, 5th Floor, Billings, Montana, at 5:30 P.M.

CALL TO ORDER: Mayor Nelson

PLEDGE OF ALLEGIANCE: Mayor Nelson

INVOCATION: Mayor Nelson

ROLL CALL:

Present:	Councilmember Mark Nicholson, Ward 1 Councilmember Roy Neese, Ward 2 Councilmember Denis Pitman, Ward 2 Councilmember Amy Aguirre, Ward 3 Councilmember Bill Kennedy, Ward 3 Councilmember Scott Aspenlieder, Ward 4 Councilmember Andrew Lindley, Ward 4 Councilmember Mike Boyett, Ward 5 Councilmember Tony O'Donnell, Ward 5 Mayor Mike Nelson
Absent/ Excused:	Councilmember Kendra Shaw, Ward 1
Staff Present:	Kevin Iffland, Interim City Administrator Jessica Fust, Building Official Gina Dahl, City Attorney Denise Bohlman, City Clerk Gavin Woltjer, Parks, Recreation and Public Lands Director Sarah Lane, Finance Controller Jessica McKee, Deputy Staff Attorney Paul Khera, Assistant Aviation Director Wyeth Friday, Planning and Community Services Director Anna Vickers, Planning Manager Karen Husman, Zoning Coordinator Hunter Kelly, Planner Lora Mattox, Transportation Planner Mac Fogelson, City Engineer Tyler Westrope, Development Services Engineer Louis Engels, Utility Engineer Jennifer Duray, Deputy Public Works Director

MINUTES:

- June 8, 2026

Moved by Councilmember Boyett
Seconded by Councilmember Neese
APPROVED 10-0, Councilmember Shaw absent/excused

COURTESIES:

Councilmember Lindley recognized Billings Pride during Pride Month and thanked the organization, its volunteers, and staff for hosting community events that brought residents together in downtown Billings.

He noted that Billings Pride has served the community for more than a decade and has operated its Resource Center since 2019, providing education, outreach, and opportunities to build unity, acceptance, and fellowship. Councilmember Lindley stated that a strong city is one where every resident feels they belong and thanked the organization for fostering a welcoming community.

Councilmember Nicholson recognized Linda Hines and Sue Baker, owners of The Yarn Bar, for celebrating five years of business in downtown Billings.

Ms. Hines and Ms. Baker described the growth of their business, explaining that they opened in Midtown in 2017 before relocating downtown during the COVID-19 pandemic. They stated that the move exceeded their expectations and emphasized the importance of walkability, downtown investment, and community support. They encouraged continued investment in downtown and thanked Council for the recognition.

Councilmember Kennedy recognized Paul Clark and Karen Sinclair for their volunteer efforts with the South Side Task Force to improve the 6th Street Underpass.

He explained that volunteers recently removed debris and litter from the underpass, collecting multiple bags of trash, and noted that the Task Force intends to continue periodic clean-up efforts to improve the appearance of the area. Councilmember Kennedy thanked the volunteers for their continued commitment to neighborhood improvement.

PROCLAMATIONS:

Mayor Nelson proclaimed the week of July 6th through July 11th, 2026, as Drug Abuse and Violence Prevention Week.

The proclamation recognized the importance of preventing substance abuse and violence through education, community partnerships, and public awareness while encouraging all residents to participate in the 27th Annual March Against Drugs and Violence. Following the proclamation, Senator Yakawich and event organizers addressed Council and thanked the City for its continued support. Representatives described the annual event's 27-year history, noting that it has grown from a small neighborhood gathering into a community-wide event involving numerous nonprofit organizations, civic groups, health care providers, churches, businesses, and volunteers. Speakers announced that the March Against Drugs and Violence would be held on Saturday, July 11, beginning at the Yellowstone County Courthouse lawn. Activities would include educational outreach, community speakers, free food, youth activities, and opportunities to connect residents with organizations providing prevention, treatment, and recovery resources.

COUNCIL REPORTS:

Councilmember Kennedy reported that the Legislative Committee recently reviewed seventeen legislative proposals submitted by staff and councilmembers. He announced that the committee would meet again on June 24 and continue meeting monthly to prepare legislative priorities for both the Montana Legislature and federal delegation.

Councilmember Kennedy also reported that the committee had completed its review of the City Administrator job description and distributed a revised draft to Council for review. He indicated that additional revisions would likely return to Council on a future Consent Agenda.

Councilmember Pitman reported attending a recent Big Sky Economic Development meeting and announced that the organization's newly appointed Executive Director had been invited to introduce herself to the Council at an upcoming meeting.

ADMINISTRATOR REPORTS – KEVIN IFFLAND

Mr. Iffland advised Council that:

- No Regular Business Meeting would be held the following week because of the Council's scheduled break.
- City Hall and other City offices would be closed on Friday, July 3, in observance of the Independence Day holiday.
- There were no exparte communications received after 3 pm to the Mayor and Council concerning items on the Agenda.

PUBLIC COMMENT on "NON-PUBLIC HEARING" Agenda Items: 1, 7b, and 9c ONLY. Speaker sign-in required. (Comments are limited to three (3) minutes or as set by the Mayor. Please sign the roster at the cart located at the back of the Council chambers or at the podium. Comments on items listed as public hearing items will be heard ONLY during the designated public hearing time for each respective item. For items not on this agenda, public comment will be taken at the end of the agenda.)

The following individuals gave public comment:

- **Jeff Ketelsen,** in reference to Consent Agenda Item 1D voiced his concerns about the continued use of tax increment financing revenues, arguing that public resources diverted to urban renewal districts could otherwise benefit local schools and other community priorities. He questioned the long-term return on investment associated with the Downtown and East Billings Urban Renewal Districts, stating that despite significant public investment, portions of those districts continue to experience economic challenges. He encouraged Council to reconsider the existing funding model and evaluate whether tax increment revenues are producing sufficient public benefit.

There was no further public comment.

Councilmember Kennedy separated Consent Agenda Item 1A1 for discussion.

Councilmember Neese separated Consent Agenda Item 1D for discussion.

Councilmember Aspenlieder separated Item 1H – Approval of the 21st Street Underpass Study to vote in opposition.

Motion: I move to approve the Consent Agenda, with the exception of Items 1A1, 1D, and 1H moved for separation.

Moved by Councilmember Boyett
Seconded by Councilmember Neese
APPROVED 10-0, Councilmember Shaw absent/excused

1. <u>**CONSENT AGENDA**</u>

A. **Mayor Nelson recommends that Council confirm the following appointments:**

1.

	Name	Board/Commission	Applicant	Term Begins	Term Ends
1		Information Technology Advisory Commission (ITAC)	Ken Lutton	7/1/2026	12/31/2028
2		Information Technology Advisory Commission (ITAC)	David Redmon	7/1/2026	12/31/2028
3		Amend Recreation Center (ARC) Advisory Board	Tom Rupsis	7/1/2026	12/31/2030
4		Amend Recreation Center (ARC) Advisory Board	~~Cody Reitz~~	7/1/2026	12/31/2029
5		Amend Recreation Center (ARC) Advisory Board	Robert Neihart	7/1/2026	12/31/2028
6		Yellowstone County Soil Conservation District*	Brad Kraft	7/1/2026	6/30/2029

*Reappointment - The term end dates for the new commission and advisory board may be adjusted according to the recommendations of Mayor Nelson.

Councilmember Kennedy expressed concern that one of the at-large appointments to the Parks and Recreation Advisory Board did not provide representation from Ward 3.

Motion: I move to approve all recommended appointments except No. 4, Amend Recreation Center Advisory Board (Cody Reitz) and the remaining vacancy be reserved for a Ward 3 resident/applicant.

Moved by Councilmember Kennedy
Seconded by Councilmember O'Donnell
APPROVED 10-0, Councilmember Shaw absent/excused

B. **Bid Awards:**

1. **SID 1430, Annafeld Subdivision, 6th and 7th Filing, Park Improvements.** (Opened 4/21/26) Recommend Knife River.
2. **W.O. 25-10: Olympic Park Drainage Improvements.** (Opened 6/02/26) Recommend Askin Construction.
3. **W.O. 25-40: Traffic Calming.** (Opened 6/02/26) Recommend Askin Construction.
4. **W.O. 26-01, Contract 2: 2026 Sewer Main Replacement.** (Opened 6/02/26) Recommend Western Municipal Construction, Inc.
5. **W.O. 26-04: 3rd Ave. North ADA and Storm Rehab.** (Opened 6/02/26) Recommend Askin Construction.
6. **W.O. 26-41: Storm Drain Inlet Cleaning.** (Opened 6/02/26) Recommend Tru Pipe, Inc.

C. **Purchase** one (1) 2026 Elgin Broom Bear Sweeper; Joe Johnson Equipment.

D. **Urban Renewal District Agreements** between the City and with DBP, BIRDworks, and SBURA to provide services for the three urban renewal districts.

Councilmember Neese proposed deleting the automatic renewal language contained in Section 3(B) of the agreements, thereby limiting each agreement to a one-year term ending June 30, 2027.

Councilmember Kennedy supported annual review of the agreements, stating that Council should periodically evaluate organizational performance and ensure the Urban Renewal Districts continue meeting their contractual obligations.

Councilmember Lindley agreed that annual contracts provide greater accountability and allow Council to address concerns more effectively than multi-year agreements.

Councilmember O'Donnell sought clarification regarding the practical effect of removing the renewal language. Staff indicated that the agreements would expire after one year and would require future Council approval for continuation.

Motion: I move to approve 1D with the modification to each district agreement to Section 3(B) from two-year terms to establishing one-year terms without automatic renewal provisions.

Moved by Councilmember Neese
Seconded by Councilmember Kennedy
APPROVED 10-0, Councilmember Shaw absent/excused

E. **One-Year Agreement** with Yellowstone County for Fiscal Year 2027 Landfill Use.

F. **Five-Year Agreement** with SP Plus, LLC for Airport Automobile Public Parking Concession.

G. **Amendment No. 37,** with Morrison-Maierle, Inc. for Terminal Ticket and Baggage Remodel Project.

H. **Recommendation of Approval** to the Policy Coordinating Committee for the adoption of the 21st St. Underpass Study.

Councilmember Aspenlieder requested separation of the item because he did not support approving the study. While recognizing that the study itself was informational, he expressed concern that approval could eventually lead to inclusion of the project in the City's Capital Improvement Program (CIP) despite previous Council reservations.

Motion: I move to approve the recommendation of approval to the Policy Coordinating Committee for the adoption of the 21st Street Underpass Study.

Councilmember Boyett acknowledged Aspenlieder's concern that studies sometimes become justification for future capital projects. He stated that the study includes several alternatives, including a "no-build" option, and indicated that any future project should receive separate Council consideration.

Councilmember Kennedy opposed the study, observing that the 21st Street Underpass has been studied numerous times over many years without advancing toward implementation.

Councilmember Neese supported approval, explaining that adoption of the study would preserve future options if grant funding became available for safety improvements. He emphasized that any future capital project should return to Council through the normal Capital Improvement Program process.

Councilmember O'Donnell questioned whether approving the study would obligate staff to continue pursuing the project. Staff clarified that the study had already been placed in the long-range section of the Capital Improvement Program by prior Council action. Staff further explained that adoption of the study would simply preserve future opportunities to seek grant funding or implement smaller improvements if Council later chose to proceed. Conversely, denial of the study would effectively remove the project from future consideration.

Moved by Councilmember Neese
Seconded by Councilmember Lindley
APPROVED 7-3, Councilmembers Kennedy, Aspenlieder and O'Donnell opposed; Councilmember Shaw absent/excused

I. **Bills for the Weeks of:**

1. May 26, 2026

2. June 1, 2026

REGULAR AGENDA:

2. PUBLIC HEARING for land use contrary to zoning to install signs larger than allowed, located at 715 Commerce Way, Building 1. No Council action is allowed per Section 76-2-402, MCA.

Karen Husman, Zoning Coordinator, presented a request for Land Use Contrary to Zoning for approval to permit larger-than-allowed building signage for the new indoor sports complex located at 715 Commerce Way. She explained that because the building is set back a significant distance from King Avenue West, larger signage would improve visibility for motorists while remaining compatible with surrounding development. The request involved signs located on the east and south elevations of the building.

Councilmember Lindley observed that Signal Peak Energy Arena had previously required similar approval for oversized signage. He suggested that repeated requests of this nature indicate the City's sign regulations may warrant review to better accommodate large public facilities and commercial buildings.

Councilmember Neese asked whether the proposal would interfere with future naming-rights opportunities for the facility. Staff responded that it would not, explaining that the proposed signage identifies the facility itself and would not preclude separate naming-rights signage.
Councilmember Aspenlieder agreed that the City's sign code should be reviewed by the Planning Board and Inspection Program Committee to determine whether revisions are appropriate.
Councilmember O'Donnell also questioned whether the current sign ordinance had become unnecessarily complex. Staff acknowledged that recent applications have identified several provisions that could benefit from review and indicated that Planning staff anticipates bringing potential code amendments to the Planning Board during a future work program.

No public testimony was given during the public hearing.

No Council action was required or taken under the Billings Zoning Code.

3. **PUBLIC HEARING AND RESOLUTION 26-11349** Setting Annual Tourism Business Improvement District (TBID) Assessment for Fiscal Year 2027. Staff recommends approval.

Sarah Lane, Finance Controller, presented the proposed FY2027 Tourism Business Improvement District (TBID) assessment. She explained that the assessment reflected the budget previously approved by the City Council during the June 8, 2026, budget meeting and that representatives from the TBID were available to answer questions.

No public testimony was given during the public hearing.

Motion: Having conducted a public hearing, considered written and spoken public testimony, I move to approve a resolution setting the annual Tourism Business Improvement District (TBID) assessment for Fiscal Year 2027, as recommended by staff.

Moved by Councilmember Aspenlieder
Seconded by Councilmember Aguirre
APPROVED 10-0, Councilmember Shaw absent/excused

4. **PUBLIC HEARING AND RESOLUTION 26-11350** Setting Annual Downtown Business Improvement District 1 (BID1) Assessment for Fiscal Year 2027. Staff recommends approval.

Sarah Lane, Finance Controller, presented the proposed FY2027 Downtown Business Improvement District assessment, noting that the assessment implemented the budget previously approved by Council on June 8, 2026.

Mayor Nelson disclosed that he owned property within the district and would abstain from participating or voting in the matter and directed Deputy Mayor Mike Boyett to lead the meeting for this item.

Councilmember Kennedy asked for clarification regarding the boundaries of the Downtown BID and voiced his opposition, stating services south of the railroad tracks were an issue.

Councilmember Neese referenced information previously provided identifying City-owned properties located within the district and questioned whether the City's annual assessment—approximately $50,000—provided sufficient value to taxpayers. He suggested that participation by City-owned properties should be reconsidered during the next renewal period.

Councilmember Aspenlieder agreed, expressing concern regarding the level of taxpayer funding supporting the district and indicating he would oppose the assessment while encouraging future evaluation of the City's participation.

Councilmember O'Donnell asked staff to explain how services are currently provided through the Downtown Billings Association—including sidewalk sweeping, snow removal, litter control, graffiti abatement, security, and outreach—would be affected if the City did not participate financially.

Ms. Lane explained that these services are funded through the BID assessment and that, absent the City's participation, the City would either assume responsibility for providing those services or the remaining property owners within the district would bear additional assessment costs.

The following individual provided testimony during the public hearing:

- Jeff Ketelsen, spoke in opposition to the City's financial participation in the Downtown BID. He argued that taxpayer funds should instead support core municipal services such as public safety and questioned whether the City received adequate value for its investment.

No further testimony was given.

Motion: Having conducted a public hearing, considered written and spoken public testimony, I move to approve a resolution setting the annual Downtown Business Improvement District 1 (BID1) assessment for Fiscal Year 2027, as recommended by staff.

Moved by Councilmember Lindley
Seconded by Councilmember Nicholson

Councilmember Lindley acknowledged concerns regarding future evaluation of the BID but stated that the services provided benefited downtown businesses, visitors, and City-owned facilities.

Councilmembers Neese, Aspenlieder, and Kennedy stated they would oppose the assessment based upon concerns regarding the City's financial participation and overall value received.

APPROVED 6-3, Councilmembers Kennedy, Neese and Aspenlieder opposed; Mayor Nelson abstained; Councilmember Shaw absent/excused

Councilmember O'Donnell departed momentarily at 6:34 P.M. and returned at 6:38 P.M.

5. **PUBLIC HEARING AND RESOLUTION 26-11351** Adopting Wholesale Wastewater Rates for Fiscal Year 2027. Staff recommends approval.

Jennifer Duray, Public Works Deputy Director, presented the proposed wholesale wastewater rates for FY2027, explaining that the rates recover costs associated with providing wholesale wastewater treatment services to Lockwood Water and Sewer District, Phillips 66, and Par Montana. She explained that the revised methodology, developed in cooperation with the wholesale customers, allocated costs based upon actual wastewater flow volumes, treatment strength, and infrastructure utilization. The methodology was intended to provide greater stability and predictability for future rates while ensuring full cost recovery.

Councilmember Pitman asked whether Lockwood's increased costs reflected continued growth within the district. Ms. Duray confirmed that Lockwood's wastewater flows had remained steady while the refinery customers experienced reductions in flow, resulting in a proportionally larger share of overall costs being assigned to Lockwood.

The following individual provided testimony during the public hearing:

- Paul Clark, expressed concern regarding continued increases in utility costs and encouraged the City to seek alternative funding strategies rather than relying upon rate increases.

No further testimony was given.

Councilmember O'Donnell left the meeting at 6:34 P.M. and returned at 6:38 P.M.

Motion: Having conducted a public hearing, considered written and spoken public testimony, I move to approve a resolution adopting wholesale wastewater rates for fiscal year 2027, as recommended by staff.

Moved by Councilmember Aspenlieder
Seconded by Councilmember Boyett

Councilmember Neese asked that the vote be split into separate votes - one vote for Lockwood and the separate refineries and one vote for all others.

Councilmember Aspenlieder objected and expressed that a motion to amend his motion may be needed. He responded that the revised methodology represented the product of nearly a year of collaboration among City staff, engineering consultants, and the wholesale customers. He cautioned against modifying the adopted methodology, noting that it was data-driven and legally defensible.

Councilmember Boyett reminded the Council that staff and the wholesale customers had been directed the previous year to work collaboratively toward a mutually acceptable methodology and that the proposed rates reflected that effort.

Councilmember Neese questioned the long-term policy of providing wastewater treatment services to Lockwood, expressing concern that the arrangement encouraged development outside City limits while relying upon City infrastructure. He objected to providing city services to business that were developing business outside of the city.

Councilmember Aspenlieder acknowledged that Lockwood had built a collection system based on the City agreeing to treat their wastewater.

Councilmember Nicholson indicated it may be worth looking into the contracts but now was not the time.

Councilmembers Pitman and Kennedy provided historical context regarding the original agreement with Lockwood, explaining that the arrangement resulted from lengthy negotiations addressing environmental concerns, wastewater treatment requirements, and long-term regional planning, noting the exorbitant costs to Lockwood to build their own wastewater treatment plant and to the City to annex Lockwood. The agreement was the compromise.

City Attorney, Gina Dahl, advised a clearly stated motion to divide the votes was appropriate if Councilmember Neese wished to do so and it must be passed by a majority vote.

Councilmember Neese indicated that after hearing Council discussion, he would not amend the motion.

APPROVED 9-1, Councilmember Neese opposed, Councilmember Shaw absent/excused

6. **PUBLIC HEARING AND RESOLUTION 26-11352** Adopting Revised Right-of-Way Fees for Fiscal Year 2027. Staff recommends approval.

Jennifer Duray, Public Works Deputy Director, presented proposed revisions to the City's right-of-way fee schedule for FY2027. She explained the fees recover the actual costs associated with permitting, inspection, and administration of construction activities occurring within City rights-of-way. Engineering operations are funded entirely through user fees rather than the City's General Fund. She noted that increased activity from fiber-optic installation projects had required the addition of inspection staff and that the proposed fees were sufficient to recover those costs.

Council discussed sufficient cost recovery for inspection staff and various categories of right-of-way fees and how they applied to different types of construction activities.

The following individual provided testimony during the public hearing:

- Paul Clark, encouraged the City to ensure that private utility companies installing fiber infrastructure paid the full cost of using and restoring public rights-of-way rather than shifting those costs to taxpayers.

No further testimony was given.

Motion: Having conducted a public hearing, considered written and spoken public testimony, I move to approve a resolution adopting revised right-of-way fees for fiscal year 2027, as recommended by staff.

Moved by Councilmember Boyett
Seconded by Councilmember Aguirre
APPROVED 10-0, Councilmember Shaw absent/excused

7. **SID 1429, CLEARWATER ESTATES SUBDIVISION, 2nd FILING AND 44 WEST SUBDIVISION STREETLIGHTS.**

Councilmember Aspenlieder recused himself from Items 7A and 7B due to his business's involvement with the project.

a. **PUBLIC HEARING AND RESOLUTION 26-11353** Creating SID 1429, Clearwater Estates Subdivision, 2nd Filing and 44 West Subdivision Streetlights. Staff recommends approval.

Mac Fogelsong, City Engineer, presented the proposed creation of Special Improvement District No. 1429 for installation of street lighting serving Clearwater Estates, 2nd Filing and the 44 West Subdivision. He explained that the district would finance approximately 71 streetlights serving 128 parcels. Assessments would be spread over fifteen years, with construction anticipated to be completed during the 2026 construction season.

Councilmember Kennedy questioned the overall cost to homeowners and asked why the developer had chosen SID financing rather than utilizing Northwestern Energy's street lighting program. Mr. Fogelsong explained there were other options that City subdivision regulations permit for financing streetlights and the developer elected to utilize the SID process.

Councilmember Neese expressed concern regarding the cost of mandatory street lighting requirements and suggested that additional alternatives should be explored in future subdivision regulations.

Councilmember O'Donnell asked whether the developer would ultimately recover the cost of the improvements regardless of the financing mechanism utilized. Mr. Fogelsong confirmed that development costs are generally reflected in overall project economics and ongoing maintenance of the streetlights would be done through a Special Improvement Light Maintenance District (SILMD).

No public testimony was received during the public hearing.

Motion: Having conducted a public hearing, considered written and spoken public testimony, I move to approve a resolution creating SID 1429, Clearwater Estates Subdivision, 2nd Filing and 44 West Subdivision Streetlights, as recommended by staff.

Moved by Councilmember Boyett
Seconded by Councilmember Pitman
APPROVED 7-2, Councilmembers Kennedy and Neese opposed; Councilmember Aspenlieder abstained; Councilmember Shaw absent/excused

b. **BID AWARD: SID 1429, Clearwater Estates Subdivision, 2nd Filing and 44 West Subdivision Streetlights.** (Opened 5/26/26) Staff recommends award to Millennium Electric, LLC.

There was no presentation, but staff was available to answer questions.

Motion: I move to approve the bid award for SID 1429, Clearwater Estates Subdivision, 2nd Filing and 44 West Subdivision Streetlights to Millennium Electric, LLC, as recommended by staff.

Moved by Councilmember Boyett
Seconded by Councilmember Pitman
APPROVED 7-2, Councilmembers Kennedy and Neese opposed; Councilmember Aspenlieder abstained; Councilmember Shaw absent/excused

8. **PUBLIC HEARING AND RESOLUTION 26-11354 FOR ZONE CHANGE 1084:** a parcel of land generally located at Lot 2, Block 1, Hunter's Pointe Subdivision. Zoning Commission recommends approval and adoption of the 10 review criteria. *Quasi-Judicial

Karen Husman, Zoning Coordinator, presented and identified the existing and proposed zone changes. She provided photos of the area and compared NX3 and CMU1 zones. She indicated the

Zoning Commission recommended approval of the zone change and adoption of the proposed review criteria as outlined.

Councilmember Pitman noted the application was submitted before the changes to the land use ordinance and future lots would fall under the new policy and would not be brought before Council.

Councilmember O'Donnell inquired of the agent for the developer, Cedar Jordan, Bach Homes, about the timing for the installation of a sidewalk.

Councilmember Neese confirmed with Wyeth Friday, Planning Director, the processes for future zone changes to neighboring land and potentially contentious issues.

No public testimony was received during the public hearing.

Motion: Having conducted a public hearing, considered written and spoken public testimony, I move to approve a resolution for Zone Change 1084, and adopt the findings of the 10 review criteria, as recommended by the Zoning Commission.

Moved by Councilmember Boyett
Seconded by Councilmember O'Donnell
APPROVED 10-0, Councilmember Shaw absent/excused

Mayor Nelson called for recess at 7:24 P.M. and reconvened at 7:35 P.M.

9. JOINT PUBLIC HEARING FOR ANNEXATION 26-02 AND ZONE CHANGE 1079 - LONG SUBDIVISION

Hunter Kelly, Planner, presented a comprehensive request submitted by Knife River Corporation and JTL Group involving annexation of property into the City of Billings for future industrial development. He explained that the application consisted of four related actions:

- Annexation 26-06;
- Zone Change 1083;
- Approval of an Annexation Agreement; and
- First reading of an ordinance expanding City boundaries.

The property was located adjacent to existing City limits and was proposed for future industrial and commercial development requiring municipal utilities. Mr. Kelly reviewed the property's location with aerial mapping. Mr. Kelly explained that the proposed zoning designation was consistent with surrounding industrial uses and compatible with the City's adopted Growth Policy. He explained that annexation would allow extension of municipal infrastructure while ensuring future development occurs under City development standards.

Mac Fogleson, City Engineer, and Louis Engels, discussed planned utility extensions and infrastructure improvements associated with future development.

Malcolm Long of Knife River and JTL Group described the project, anticipated investment, employment opportunities, and long-term development plans. The applicants emphasized that annexation would allow coordinated infrastructure planning and provide certainty for future industrial expansion.

Councilmember Kennedy asked about anticipated traffic impacts and future roadway improvements. Mac Fogelson, City Engineer, explained that transportation improvements would occur in phases as development proceeds and that future site development would require additional engineering review.

Councilmember Aspenlieder questioned future utility capacity and whether existing infrastructure could accommodate anticipated growth. Mr. Engels responded that planned improvements had been evaluated and sufficient capacity existed to serve the development.

Councilmember O'Donnell requested clarification regarding the annexation agreement and future responsibilities of the developer versus the City.

Gina Dahl, City Attorney, and Mac Fogelsong, City Engineer, reviewed the agreement, explaining that the document established responsibilities regarding utilities, infrastructure construction, easements, and future development obligations.

Councilmember Neese asked whether annexation would result in additional City maintenance responsibilities before development occurred. Mr. Fogelsong explained that maintenance obligations would generally begin as infrastructure was accepted by the City following construction.

During the joint public hearing, Malcolm Long, of Knife River and JTL Group, expressed support for the application and described the project's anticipated economic benefits.

No further public testimony was given during the joint public hearing.

Council discussed the importance of maintaining an adequate inventory of industrial land available for future economic development. Observations were made that the request represented orderly growth adjacent to existing City boundaries and would allow coordinated extension of municipal infrastructure.

Councilmember Boyett emphasized that annexation allows the City to establish development standards before urban growth occurs.

Councilmember Kennedy discussed the importance of supporting industrial employers while ensuring transportation infrastructure keeps pace with development.

Councilmember Lindley noted that annexation supports long-term economic growth while protecting surrounding property owners through application of City development standards.

Councilmember Neese expressed support for the proposal while emphasizing the importance of carefully managing infrastructure costs associated with continued community growth.

Councilmembers generally agreed that the proposal represented sound long-range planning and was consistent with previous annexation policy.

a. **RESOLUTION 26-11355 APPROVING ANNEXATION 26-02:** a parcel of land generally located west of Shiloh Road and north of Hesper Road. Staff recommends conditional approval. *Quasi-Judicial

Motion: Having conducted a public hearing, considered written and spoken public testimony, I move to approve a resolution approving Annexation 26-02, as recommended by staff.

Moved by Councilmember Aspenlieder
Seconded by Councilmember Neese
APPROVED 10-0, Councilmember Shaw absent/excused

b. **RESOLUTION 26-11356 FOR ZONE CHANGE 1079:** a parcel of land generally located west of Shiloh Road and north of Hesper Road. Zoning Commission recommends approval and adoption of the 10 review criteria. *Quasi- Judicial

Motion: Having conducted a public hearing, considered written and spoken public testimony, I move to approve a resolution for Zone Change 1079, and adopt the findings of the 10 review criteria, as recommended by the Zoning Commission.

Moved by Councilmember Boyett
Seconded by Councilmember Neese
APPROVED 10-0, Councilmember Shaw absent/excused

c. **ANNEXATION AGREEMENT** with JTL Group, Inc. Staff recommends approval.

Mac Fogelsong, City Engineer, offered that the JTL property with its office building on it may be for sale within the next 7 years and it could be phase 4 of the annexation. That might meet the Council's approval for conditions concerning timing of improvements. The proposed zoning and annexation map indicating the current 3-phased annexation was reviewed.

Councilmember Aspenlieder noted that the offer for a 4th phase had not been noticed to the public, nor was it contained in any of the agenda packet information. He questioned whether substantial changes could be made spontaneously without more public notice, but he agreed that the offer could be a good solution.

Mr. Fogelsong offered placing timelines on the phasing.

Council discussed timing of road construction and the City's responsibilities during phase 2. Malcolm Long explained that Knife River was scheduled to sell the annexed properties in early fall of 2026 and it was difficult to determine when the build out phases of 1 through 3 would occur. There were many variables involved but he estimated a minimum of 7 years, perhaps longer. He agreed that it would be advantageous to do the road construction at the same time as the City was doing theirs.

Mac Fogelsong estimated it would be 2 to 3 years before the City would build their portion of the road.

Council discussions continued concerning wordsmithing the details of the agreement.

Interim City Administrator, Kevin Iffland, suggested the agreement be postponed work on the details of the agreement.

Motion: I move to postpone approval of the annexation agreement to the July 13th, 2026, regular business meeting, to include that the South portion of the road owned by Knife River developed concurrent with Phase 2 or 2029, whichever comes sooner.

Moved by Councilmember Neese
Seconded by Councilmember Lindley
APPROVED 10-0, Councilmember Shaw absent/excused

d. **PUBLIC HEARING AND FIRST READING ORDINANCE** expanding the boundaries of Ward 5 to include recently annexed property in Annexation 26-02: a parcel of land generally located west of Shiloh Road and north of Hesper Road. Staff recommends approval.

There was no presentation, but staff were available for questions.

No public testimony was given during the public hearing.

Motion: Having conducted a public hearing, considered written and spoken public testimony, I move to approve the First Reading Ordinance expanding the boundaries of Ward 5, as recommended by staff.

Moved by Councilmember O'Donnell
Seconded by Councilmember Boyett
APPROVED 10-0, Councilmember Shaw absent/excused

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 sign the roster at the cart located at the back of the Council chambers or at the podium.)*

No public comment was given.

COUNCIL INITIATIVES:

There were no Council initiatives. Councilmember Boyett gave notice that he would bring an initiative soon to consider consolidating the three TIF boards into one.

ADJOURN: 8:33 P.M.

CITY OF BILLINGS SEAL YELLOWSTONE COUNTY, MONTANA

CITY OF BILLINGS

BY:______________________________
Mike Nelson, Mayor

ATTEST:

BY: Denise R. Bohlman
Denise R. Bohlman, City Clerk