

**MINUTES
COUNCIL WORKSHOP
MAY 26, 2015 6:30 P.M.
COUNCIL CHAMBERS**

A Council Workshop was held in the Council Chambers and called to order by Mayor Mark Mace at 6:30 p.m. on May 26, 2015.

COUNCIL MEMBERS PRESENT:

<input checked="" type="checkbox"/> Emelie Eaton	<input checked="" type="checkbox"/> Doug Poehls
<input type="checkbox"/> Bruce McGee	<input checked="" type="checkbox"/> Richard Herr
<input checked="" type="checkbox"/> Chuck Dickerson	<input checked="" type="checkbox"/> Scot Stokes
<input checked="" type="checkbox"/> Tom Nelson	<input checked="" type="checkbox"/> Bill Mountsier

OTHERS PRESENT:

Heidi Jensen, CAO
Monica Plecker, Planning Director
Jean Kerr, City Judge

Public Input (three-minute limit)

Irv Wilke, 1017 Seventh Avenue, stated that the Laurel Rod and Gun Club received a verbal request to put on a trap shoot for the Locomotive Engineers Union on August 18th. He will send a letter to the city council soon to request that they be allowed to do that.

General items

There were none.

Executive Review

- Resolution – Approving a Bond Purchase Agreement related to SID No. 117

Monica Plecker explained that additional information will be coming for the draft resolution between now and next Tuesday. The resolution spells out the terms of how the city is going to finance Special Improvement District No. 117, which the council approved at the last council meeting. The city is going through Intercap for a 15-year loan. When the District was created, the estimated cost for the improvements was \$196,000. The bid opening was held last week and there is a recommendation on tonight's agenda to award a bid of \$169,000 for the District. All of the assessments that were previously shown will be adjusted and lowered, which is great news for the District. The clerk/treasurer will send the property owners a letter that describes the payment and the payment options.

The agreement is related to the sale of the bond itself. Intercap has a variable 1.25 percent interest rate right now. Even with the 2 percentage points that the city has to add on, it will be a really low interest rate. The closing date on the loan is June 12th. Assessments will appear on the property owners' tax statements twice a year for the SID.

- Resolution – Zone change request for 804 8th Avenue (Public hearing)

Monica stated that the city received an application for a zone change at 804 8th Avenue. The Planning Board already held a public hearing on the matter in April and then continued the public hearing to April 30th so staff could do additional research and provide more information.

Monica reviewed her staff report. Laurie Riemann has submitted an application requesting a zone change on a parcel located at 804 8th Avenue. It is 1.14 acres and the existing legal access to the property comes from 8th Avenue. The existing land use is Residential Tracts, Single Family Dwelling. The proposed land use would be Multi Family with the proposed zoning being Residential Multi Family (RMF). Residential Multi Family is the city's most dense zoning that is allowed. This could be apartments, townhouses, duplexes or even single family. The applicant does not have any plans at this time. Zone changes do not require construction plans or site plans. It would be unfair to expect that of an applicant when what they are asking for is not currently allowable on their property.

The current zoning to the north is R-7500, which is single family dwellings with the land use being residential single family homes. To the south, there is Residential – Multi Family zoning, with the land use being multi family housing. To the east, the zoning is R-7500, with the land use being residential single family. To the west, the zoning is Residential Tracts, with the land use being a church. There were no concurrent applications or variances submitted.

Monica held a pre-application conference with the applicant. The application submittal, aerial map and zoning map were attached to the staff report. The property is adjacent to land that is currently zoned Residential Multi Family, so spot zoning is not a concern for this application. The lot has existing legal and physical access from 8th Avenue, which is a designated urban route. This zone change request would help to meet the goals identified in the Growth Management Plan that the council adopted in 2013. The application is in compliance with the goals identified in the plan. The application was routed to all city departments and any comments have been attached to the application.

The Planning Board held a public hearing on April 2nd, at which time testimony was heard from individuals in support and in opposition of the zone change. There were several concerns regarding potential traffic impact if too many units were placed. The Planning Board delayed action to April 30th to have staff provide more information on potential impacts of units per acre, parking requirements and storm water management. At the Planning Board's special meeting on April 30th, the board recommended approval of the zone change at 804 8th Avenue from Residential Tracts to Residential Multi Family. The council will hold a public hearing on June 2nd.

Monica explained a memo that she wrote to the Planning Board on April 28th, which included the additional staff research that came out of continuing the first meeting. The Planning Board wanted more information on units per acre and the potential impact that Residential Multi Family could have. Residential Multi Family could have a lot of impact, depending on the developer's proposal. Monica encouraged the council to review the scenarios in the memo, which were based on the square footage and what is allowable. As stated in the memo, there are far too many scenarios to determine a hard number. With a duplex, a triplex, a four-plex, or an apartment house, the way it has to sit on the property is very different.

There were questions from the Planning Board about parking. For multiple dwellings, retirement homes, lodging, boarding homes, etc., off street parking is required to be within 100 feet of a structure. If there were to be multiple units, they have the obligation to provide parking relatively

close onsite, if not onsite, and it has to be within 100 feet. Multiple family dwellings have to provide 1½ spaces for each dwelling. Single family dwellings must provide two spaces.

As far as traffic concerns, the city cannot condition a zone change and cannot require a traffic impact study, but there are other means to mitigate traffic. Traffic studies are required for residential development when trip generation is greater than 500 trips per day. If a developer wanted to do condos or townhomes, they would have to do a one-lot subdivision that contemplates unit ownership, which would hold them accountable to the requirements in the subdivision regulations. Monica stated that there is further accountability in the process other than just at the zone change level.

Storm water is a major concern of the city, as the city does not have a lot of storm water infrastructure in residential areas. Storm water can be properly mitigated through a variety of methods, including lot coverage limitations. Going from Residential Tracts to Residential Multi Family would change from 30 percent lot coverage to 55 percent lot coverage, so there is the potential that more storm water could be generated. Onsite mitigation of storm water can be done with swales, French drains, storm water collection facilities and any sort of parking that could potentially need to be onsite. That will be regulated at the time of the building permit. Storm water cannot be directed or diverted onto adjacent properties. Since the city cannot condition zone changes, there are other means to evaluate potential proposed development.

Bill asked regarding Monica's recommendation and why.

Monica stated that the Planning Board recommended approval after considering what the impacts could be. Housing needs are important for the city. When talking about a suitable location for Multi Family zoning, an urban route would be good. There is already a lot of development on 8th Avenue, so it would fit in nicely with the other Multi Family housing there. She stated that it was a well thought out recommendation.

There was further discussion regarding the public hearing on June 2nd, the possible increase in tax revenue for the city after development of the area, if there is an alley on the north end of the property line, the need for fire accessibility, setback requirements for structures, potential scenarios for the property, the possibility that a six story apartment building could be built, the fact that there are no maximum height requirements in Residential Multi Family zoning, the Planning Board's scheduled public hearing on changes to LMC, and the definition of Multi Family as the highest density housing in the city.

- Resolution – Task Order No. 35 with Great West Engineering

Heidi explained the task order for a striping and crosswalk project on Southeast 4th Street. For the past four years, LURA has been working to get some direction for the TIF District. This was one of the projects identified in the Laurel Gateway Plan, which was adopted last year. The project includes striping with a center turn lane, as suggested in the Gateway Plan, and creates safe pedestrian crosswalks. It will provide the curb bumpouts on the sidewalks, an island in the turn lane and solar flashing crosswalk signs for safe pedestrian crossings in two separate places that connect to sidewalks on Southeast 4th Street. Great West Engineering has reviewed the conceptual plan in the Gateway Plan and now a professional engineer needs to stamp that. The task order is needed for Great West Engineering to finish the design and complete the construction this summer.

There was discussion regarding raised pedestrian crossings and solar flashers. In Billings, there are raised pedestrian crossings on Monad, Central and Broadwater.

- Resolution – Accept bid for Small Caps Project

Heidi explained that the bid for the sidewalks for SID No. 117 came in \$32,490 under the engineer's estimate. This means that the city can do another project. After the bid has been awarded, staff anticipates a change order to fix 6th Street in front of Graff School where the buses park. The small caps project is on 8th Street, starting at First Avenue and going to Pennsylvania Avenue. It completes the street behind the stadium and waterline replacement in 8th Street and some in Pennsylvania.

Emelie asked why the extra money would not be used closer to the first project.

Heidi explained that it was mostly a staff call, as the street in front of Graff School desperately needs to be fixed and staff was trying to find the money to do so. Mobilization costs would be saved if the contractor is able to add this to the project.

Chuck asked regarding a property owner's request at last week's council meeting. The property owner wanted to replace their sidewalk on their own.

Monica recently talked with bond counsel and with the property owner in the district that wanted to do the work themselves. Bond counsel advised that, at this point in the district, the property owners are unable to do the work on their own. There is some statutory language about if bids come in and there is some disagreement that it is an unreasonable bid, there are some options if 75 percent of the district comes forward. As far as actually doing the work, that window of opportunity has passed. Once Monica explained to the property owner that the SID came in nearly \$30,000 less than anticipated, it seemed to be more reasonable for them. Monica has not hear from them since.

There was discussion regarding the sidewalks in the project, which include the sidewalks in the SID and in the CTEP Grant. Further discussion included why the city only received one bid and the engineer's estimate,

- Resolutions – Fire District Contracts

Heidi stated that the fire chief informed her today that nothing of substance had been changed in the contracts other than the 4 percent increase per year for the next three years. The fire districts did not protest the increases.

- Resolution – Increase Judge's Salary

Heidi stated that the City of Laurel's elected judge has the opportunity to request an increase in salary from the city council every year. She mentioned that it has become a personal situation with everyone involved in the last few years. Heidi worked with the civil attorney and the clerk/treasurer to figure out a way to provide annual increases along with an additional pay for re-election. The judge does not receive longevity, as she is not an employee. The judge is currently in year 18, which is \$41,352.00 on the matrix and would be a \$352 increase from last year, along with the \$500 for re-election. Heidi stated that the matrix is a fair way to determine the salary for the position. The matrix starts year 1 at \$35,000, so anyone interested in running for the judge would know that, if they won the election, they would start at a base wage of \$35,000. The salary would increase by approximately ¾ of a percent every year for the first four years, and then upon re-election the \$500 would be included and it would continue to increase ¾ of a percent. The matrix will remove the situation of

having an elected official approach the legislative body and the executive branch to negotiate a wage, which crosses all forms and branches of government and creates an uncomfortable position. The matrix sets a raise and an incentive to continue running, but it makes it clear to all members of the public where they would start if they were interested in the position.

Emelie asked whether the ordinance needed to be changed.

Heidi has not received any notice from the attorney that the ordinance needed to be changed. [LMC 2.68.100 City Judge-Salary. "The annual salary of the city judge shall be set by city council by resolution, paid on the regularly established paydays of the city, and include the fringe benefit of regular group health coverage supplied to other city employees."]

Scot asked what percentage the employees get every year.

Heidi explained that the city tries not to give percentage raises because they are determined on the base and it ends up with a larger spread between the top paid employees and the administrative staff. The Management Budget will include a \$.50/hour increase for all non-union employees in the Management Budget.

Scot asked why years 14 and 15 were the same amount in the matrix.

Heidi stated that it was a mistake and would be rectified in the final draft.

- Council Issues:

- Update on Sheriff Department's Work Program (Scot Stokes)

Scot asked for an update on whether the city was going to participate in the Sheriff Department's Work Program.

Heidi stated that the city is not participating in the program, as no staff members were interested in pursuing it further. Someone has to monitor the detainees or criminals, and no staff member was comfortable doing that.

- Update on 2011 Yellowstone River flooding event

Heidi stated that it is the end of May and the 60 percent plans are completed for the new intake. Staff will meet with Great West Engineering on Thursday to go over the plans. Easement requests have been sent to all the property owners on the land for which the city will be requesting to cross through. Commissioner Kennedy and Heidi continue to work with the Governor's Office to get the funding for the additional 25 percent, the \$2.7 million. She strongly encouraged the council to contact Governor Bullock's Office to express the city's need for the funding and that it is the State's requirement and responsibility to do that.

- Lease Agreements

Heidi stated that she works on the lease agreements as time allows.

Emelie mentioned that the Park Board minutes include the Park Board's discussion about lease agreements with the organizations that meet at Riverside Park in the various buildings. She asked if the Park Board has any authority to enter into lease agreements.

Mayor Mace stated that the council would have to vote on the agreements.

Emelie asked if the Park Board is deciding how the lease agreements will be worded or if that all ends up back at the CAO.

Mayor Mace stated that anything that the Park Board or any committee has should come to the council for discussion before it was put in a resolution or ordinance.

Other items

- Resolutions – LURA Large Grant Request Program

Monica explained four resolutions for the Large Grant Request Program. She stated that LURA is so much further along than they were when she first started with the city. LURA is starting to get some traction and she is really proud of them. She thinks a lot of good things are coming from the group right now. One of those was the creation of the Large Grant Request Program, which the council adopted in February. When the city council adopted the program, it earmarked \$75,000 towards this particular fund to allocate to private property improvements in the district. This goes above what the Technical Assistance and Façade Improvement Grants offer. An extensive advertising campaign was done through the *Laurel Outlook*. Jennifer Ries wrote several front page articles about the grant program and the \$75,000 that the city was allocating towards improvements for business properties in the district. Four applications were received. The recommendations come from a subcommittee of LURA that reviewed the applications first and recommended funding amounts to LURA. LURA then reviewed the recommendations and has recommended that these grants be approved, based on the numbers provided.

Monica explained the first recommendation for Cornerstone Plumbing, which submitted an application requesting a total cost of \$19,352 for improvements. The improvements include a façade improvement, which was actually awarded through the Technical Assistance Grant Program. High Plains Architects designed their façade, which would take a building that currently has no window frontage and put storefront windows and entry door in a totally bricked up building on West Main Street. The subcommittee and LURA felt this was a worthwhile project to provide an additional grant for property they had already given a grant for façade improvement and technical assistance. The applicant wants to do some curb, gutter and sidewalk repairs. The subcommittee and LURA recommended funding this project at \$11,000.

The next recommendation is for High Plains Brewing, which is located at 601 East Main Street and is known as the old Modern Auto. There is currently lots of construction activity happening at the property. It is a remodel of a blighted and vacant building, as well as a façade improvement. The applicant submitted a project total of \$200,000. After reviewing the itemized costs, it was determined that eligible costs were at \$180,000. The applicant had requested the maximum amount of \$75,000. The subcommittee and LURA recommended funding the project at \$30,000. In the applications, applicants were required to talk about how their project went hand in hand with the goals that LURA has identified in the Urban Renewal Plan. There is a lot of talk about blight, wanting to improve blighted buildings, and wanting to make sure that vacant buildings are no longer vacant. This application addressed a lot of goals from the Urban Renewal Plan.

The next resolution is for Taco Bell. Monica stated that this is a really strong application and the city is really lucky that Taco Bell has been so willing to work with staff on ideas to get their property ready to build. The old Pizza Hut has been demolished and Taco Bell has their building permit. The

old Pizza Hut had two accesses off Southeast 4th Street. Taco Bell is going to construct Montana Avenue, which is directly to the east of their property. It is only a half street (30 feet), but Taco Bell is going to have their access off Montana Avenue, as opposed to Southeast 4th Street. In working through the demolition and building permitting process, Taco Bell has been willing to listen to the staff's concerns. The striping project on Southeast 4th will help with the way that traffic starts to flow right there where Pizza Hut was located. Traffic starts to naturally split there and the intersection quickly approaches. Without the stripes, it is a little bit of unorganized chaos. Adding two accesses and approaches to that property, a lot of people are trying to go different directions when people are trying to split for the intersection, which creates safety hazards, especially at peak hours. Since there is so much traffic data on Southeast 4th now, staff felt it would be a huge improvement to that area to have Taco Bell access off of Montana Avenue. The street will be constructed to Montana Public Works Standards and there will be pedestrian access and two access points off of Montana. There will still be an approach on Southeast 4th where the drive-thru comes out and people will be able to exit that way, but it will not be incoming and outgoing. It is currently a mud hole right there where Montana Avenue is platted. There is the potential to encourage growth in the vacant lots behind there once there is good and proper access. Monica stated that this is a strong application that will benefit the city. The subcommittee and LURA recommended that the project receive \$30,000.

There was discussion regarding the location of Montana Avenue. It is a 30-foot stretch between the old Pizza Hut and Master Lube. It crosses Southeast 4th Street to the south and serves as right-of-way into the parking lot that Subway uses in the rear of its building. It is not platted all the way through to the north because it eventually runs into Reese and Ray's. It will still help with access control on Southeast 4th.

There was further discussion regarding signage to discourage people from turning left out of Taco Bell's drive-thru directly onto Southeast 4th Street. Monica explained that the staff and Great West have discussed the design for the striping for Southeast 4th Street, and signage is included in the design. Left turns are proposed to be prohibited at the Taco Bell and coming out of the front entrance of Subway and Cellular Plus. Based on where one of the crosswalks will be provided, it will cause a no left turn for the pedestrian near the CVS. That is not viewed as a loss of access to the area because all of the parking lots on the north side are interconnected.

There was further discussion regarding no parking on Montana Avenue, signage, and safety issues on Grand Avenue in Billings near the Hardee's, Wendy's, Taco Bell and McDonald's.

Monica spoke regarding the fourth application. The application is for a structure located at 613½ East Main Street, which is currently a vacant building. This would be a remodel of a blighted and vacant building as well as a façade improvement. The total project cost is \$21,566. After reviewing the costs, \$20,466 was eligible, which made the requested amount \$10,233. LURA recommended that this grant be awarded \$4,000. The property at 613 ½ East Main Street is past Modern Auto and is set back behind a building. The Lambrechts brought in their estimates for the work and want to fix up the building so that it can be a commercial space for a business. They have a business prospect that would enter into a lease for the property. The subcommittee and LURA's recommendation is \$4,000 for the project.

There was discussion regarding the location of the property, the use of the grant funds only for business endeavors, and the way the grant program works. Monica explained that the city will not cut a check to these businesses for the amounts. The business owners have to submit the actual invoices

with their proof of payment and then staff will make sure that every invoice has eligible costs. The program works on a reimbursement basis. Owners have to show proof of payment and to clearly itemize what costs are being done and everything will be checked to make sure it is an eligible expense. These numbers are estimates, so the projects might not cost as much as estimated. If they cost more, the amount of funding would not change. No money is given upfront for these property owners. If an individual who was awarded funding decided not to do the project in the fiscal year, the city would not be out any money since the money was not given to them upfront.

There was further discussion regarding a waiting list for other projects, the possibility that all applicants might not be approved for funding, the \$75,000 that will be available annually for projects, the need for applicants to describe how their project relates to the goals outlined in the Urban Renewal Plan, and the requirement for LURA to report to the council shortly after the fiscal year 2016 starts.

Regarding his previous statement to Emelie, Mayor Mace stated that it sounded like he missed staff. When she asked if staff takes care of the leases and those kinds of things, he assumes that the committees would work out the details and involve staff before they bring the decision to the council. He wanted to clarify that staff is involved, but it does not stop with staff.

Emelie stated that the Park Board is discussing all sorts of things with the groups and they are recorded in the minutes. She asked if there is a formal process that comes from the committee to the council and then the council says no.

Heidi explained that LMC gives the Park Board the authority to negotiate leases [LMC 12.28.050(4)]. It was not going very well and the Park Board had not completed them. In September/October 2014, Council Member McGee asked for some sort of legal opinion on how to move this forward. The city attorney then wrote an email that said the leases could be negotiated with the CAO and the city attorney, which is also difficult as only two leases have been done in six months.

Doug mentioned that the Emergency Services Committee reviewed the safety mill levy. After the committee approved a recommendation to the council, he wrote a formal letter to the mayor and council to state the proposed recommendation from the committee.

Review of draft council agenda for June 2, 2015

- Public hearing: Zone change request for 804 8th Avenue

Attendance at the June 2, 2015 council meeting

Richard Herr will not attend the council meeting.

Announcements

Doug prepared a speaking points brochure for the safety mill levy and presented it at the fire hall last Wednesday night during their meeting. He approached the *Outlook* and it sounds like they will be willing to print 1,000 brochures for the firemen to distribute when they collect donations for fireworks. The brochure will be emailed to the council for review.

Bill will be gone from June 6th to 24th.

Tom mentioned that he has some information to present for consideration by the mayor and/or the Emergency Services Committee.

The council workshop adjourned at 7:42 p.m.

Respectfully submitted,

A handwritten signature in cursive script that reads "Cindy Allen".

Cindy Allen
Council Secretary

NOTE: This meeting is open to the public. This meeting is for information and discussion of the Council for the listed workshop agenda items.