



316 North Park Avenue, Helena, Montana 59623

ZONING ADVISORY PANEL

Approved Meeting Minutes

Meeting Date and Time: February 24, 2021 9:30 a.m. to 11:35 a.m.

Location: Meeting Held Electronically Via Zoom

Board Members Present:

Mark Runkle
Pat Keim
Jacob Kuntz
Tyler Emmert
David Brown
Lois Steinbeck
Joyce Evans
Archie Harper
Dustin Ramoie
Kim Smith

Board Members Absent:

One Vacant Position
John Rausch

County Staff Present:

Peter Italiano, Director
Greg McNally, Planner III
James Swierc, Hydrogeologist

Moderators Present:

Dr. Eric Austin
Lucia Stewart

City Of Helena Staff Present:

Sharon Haugen, Community Development
Director
Ryan Leland, Public Works Director
David Knoepke, Transportation Systems
Director
Mike McConnell, Planner

Members of the Public Present (as noted by the Zoom screen name or phone number listed):

Pat J, 406-457-4008, HCTV, Kim D'Arcy, Steve Utick

1. Call to Order

Chair Jacob Kuntz brought the session to order at 9:32 a.m.

2. Roll Call

A quorum was established with 10 members present.

3. Zoom Meeting Protocols

Greg McNally provided an opening statement regarding the ZOOM Meeting Protocols, the process of the meeting, Covid approved safety protocols and Zoom participation instruction

4. Approval of February 10, 2021 Meeting Minutes

Secretary Lois Steinbeck made a motion to table the approval until the subsequent meeting to review the meeting minutes with the county secretary, due to the importance that all materials published are consistent and accurate.

Secretary Lois Steinbeck: Motion to table minutes until the next scheduled meeting

Chair Jacob Kuntz: 2nd the motion

David Brown: 2nd the motion

Motion passed unanimously: 10-0.

5. Business Items

Greg McNally provided a recap from last meeting's overview of the Lewis & Clark County Growth Policy, Montana's Land Use Codes and Regulations, and the Helena Valley Area Plan. He also reminded panelists of the websites where all links to these previously mentioned resources are available: Montana Department of Commerce, Community Technical Assistance Program and the ZAP Panel website.

Moderator Eric Austin provided a brief status update in the ZAP process. Today's meeting is the second in a series of informational items that are intended to provide context.

Peter Italiano welcomed the City of Helena staff to present the City of Helena's Growth Policy. He stated the importance of the City of Helena's Growth Policy tied to the Lewis & Clark County's Growth Policy, particularly the Urban District Zoning, in regard to urban standards and infrastructure connectivity.

Presentation:

Mike McConnell provided an overview of the Helena Growth Policy and the 2011 policy changes that included the addition of an implementation matrix, Neighborhood Centers development concept, and Urban Standards Boundary. Urban Standards Boundary or the Joint Infrastructure Standards sets the tone for work plans for the municipal departments, creates

funding mechanisms, and addresses realities of growth happening adjacent to city limits, indicating properties or areas that are more beneficial for annexation into the city.

Sharon Haugen presented the City of Helena master planning efforts outlined in the implementation framework of its Growth Policy. There are currently 48 actions listed in the City of Helena's Growth Policy that focus on housing, economic development, maintaining a safe and secure community, and how to protect the existing infrastructure and the natural environment.

Sharon Haugen highlighted the following areas:

Infill development: The City of Helena is looking at current regulations that may be creating barriers for development. This is in effort to help promote infill development, including water and wastewater project extension on the west side of Helena. They have also revised zoning codes to accommodate more flexibility to height, setbacks, lot coverage to encourage density of infill development in the city.

Affordable Housing: The City of Helena is encouraging affordable housing by allowing for a waiver of partial or complete fees for affordable housing, which is defined as housing for those with 60% of the medium income or less.

Neighborhood Plans: The City of Helena is creating Neighborhood Plans through tentatively identified areas with neighborhood centers.

Joint Infrastructure Standards: The City and County are engaged in a discussion, agreed upon in a MOU, on creating joint infrastructure standards. The City of Helena previously had an Infrastructure Committee, to assess extensions of water, wastewater and transportation, that included the priorities and costs. With the adoption of the County's ZAP, the City of Helena is working to reestablish the infrastructure group in the next two to three weeks.

Board Discussion:

Affordable Housing:

Sharon Haugen stated the median housing income in Lewis & Clark County is \$72,000. Affordable housing is 60% of the median, \$45,000 - \$50,000.

Infrastructure Committee:

Sharon Haugen stated that the Infrastructure Committee is a joint committee with the City of Helena, East Helena and Lewis & Clark County staff in public works, planning departments, and emergency services. The committee focuses on shared standards and funding needed to extend water, sewers services, and transportation. Building codes can only be enforced in the county if Lewis & Clark County certifies and administers building codes countywide.

Sewer and Water Engineering:

Pat Keim asked what are standards for water and sewer mains based on and is there some kind of guideline or engineering data that is used?

Ryan Leland replied to the question about engineering standards for water and sewer mains. It's federal standards that require how to assess the size of a water pipe based on fire hose velocity and capacity that is anticipated, but the minimum is 8". Stormwater is an MS4 permit that is a federal requirement, but regulated by Montana Department of Environmental Quality (DEQ), listed in the city codes, and reviewed in the subdivision review process which includes public input.

Roadway Standards:

David Knoepke stated in regard to roadway standards, the federal standards are defined in the American Society for Testing and Materials *Green Book*, which has geometric designs standards. When assessing if the street is the appropriate size, the City looks at the current volume and at the traffic projections based on the next 20 years of growth.

Urban Standards Boundary:

Sharon Haugen responded to the question inquiring if County's zoning implementation will change the City's approach to its growth policy in relation to the urban standards boundary. She stated that it doesn't change because both the 2011 and current Growth Policies always called for having joint standards in the urban standards boundary. The City views it as providing encouragement for infill development. The City also recognizes that working with the County and with East Helena in planning and creating the joint standards is going to make it easier to extend the City's water and sewer from a public-service, public-cost perspective.

Sharon Haugen responded to an inquiry if the City or the County has incentivizing mechanisms for new development to hook to or extend infrastructure in the urban boundary. She stated an individual property can petition for annexation, which is required to hook into city water and sewer. This establishes an agreement on when and how the property is tied in. If it's a subdivision, the City has the authority to require the subdivision to pay for all the major

improvements. If there are some improvements in which the City can benefit, such as a water main expansion, there will be a cost share assessment and provision of rebates. On Helena's Westside, the City took out the loans and is asking property owners to participate in paying back those loans.

Infrastructure Costs:

Sharon Haugen added that an infrastructure committee agenda is to assess incentives, and what can both the City and the County Commissions want for budgeting purposes. Grant opportunities are getting more limited in Montana, so it has left the local communities to look at different uses of their own resources in terms of how to pay for the extension of those services.

Presentation:

Ryan Leland presented the City of Helena's master plans for the major utility infrastructure, such as stormwater, wastewater, water, and transportation master plans. This plan assesses how the City's projected growth is going to require extending services out into the County.

Water Master Plan: The City is finalizing the water master plan regarding distribution, by assessing major collector pipes that need to extend into the County to provide service to those areas. The City is looking at pipe sizing, overall storage tank size, and possible installation of additional storage tanks. A 12" or 14" inch main that continues out Montana Ave is or would be necessary to continue to serve the County.

Wastewater Master Plan: The City is budgeting for a wastewater master plan, which will look at the capacity of the system, both in distribution and in treatment. It will assess pipe sizes, areas that can be serviced, and what is needed to extend service to the north. Currently, the City can only provide gravity feed from Custer into the plant. Everything north of there, would have to have lift stations to lift it back up to Custer. The City is assessing different options, such as removing lift stations and installing another plant out in the valley with a bigger lift station. These are all public master plans where the City takes public comment, has stakeholder meetings to incorporate their input.

Stormwater Master Plan: The City is not assessing stormwater in the County as it is focused on handling storm water inside the City limits.

Solid Waste Master Plan: The City is assessing a budget for a transfer station, which will be a joint study between the City and the County. This will include solid waste collection, recycling, diversions, landfill, how to get better efficiencies, and be cost effective.

Board Discussion:

County Planning Board:

Ryan Leland responded to a question regarding how the City will interface with the joint City/County Planning Board. He stated that the City only presents master plans to the joint session if it requests an update. The City is only involved in County planning in assessing future extensions of the mains.

Stormwater Master Plan:

Ryan Leland stated that the City is not assessing the County in regard to the Stormwater Master Plan. The City only assesses an area if it's going to be annexed. There are multiple other items that need to be assessed, such as water and sewer and how the service extension is going to be paid for.

Presentation:

David Knoepke stated the City of Helena is in the final stages of a five point intersection study, and how to create better traffic flow. He mentioned the Greater Helena Long Range Transportation Plan that looks at the whole transportation system in the Helena Valley, which affects the County and typically does a good job at projecting growth. The Department is conducting a transit study, looking at the road system in Helena and outward in the valley to assess what services can be provided. The transit does not currently go out past City limits, except an East Valley route. The City of Helena is also working on a road inventory of Helena to assess the state of the roadways for maintenance plans and reconstruction projects. This road inventory can be a combined effort with East Helena and the County, if they conceded in doing so.

Sharon Haugen suggested that the Greater Helena Area Transportation Plan may be helpful informational documents to ZAP.

Board Discussion:

Wastewater:

Ryan Leland responded to questions regarding what is the science of lagoon systems as opposed to water & sewer infrastructure, and relicensing of failed lagoons. He stated that the Montana DEQ requirements guide the relicensing of a lagoon, if it fails or if it cannot meet permit levels. A well-functioning lagoon can meet standards of the state and the EPA, but a treatment plant is much more effective and efficient at removing pollutants. The question remains how can we put in infrastructure to get lagoons and septic systems to connect to an overall treatment center. We need to look at if it's City-owned, City/County-owned, or a

district. It's better and with density that we are starting to see to get all of the lagoons and septic systems collection into an overall treatment center that can be regulated, watched, manipulated and changed easier.

Ryan Leland responded to a question regarding the obstacles of the City's requirements for annexation and meeting City standards. He stated that he cannot speculate on how the Commission is going to look at the policy decision on how to provide services outside the city limits. The City has not brought that forward or engaged in conversation to assess the requirement of annexation or city standards.

Sharon Haugen stated that the ZAP master planning efforts can inform those decisions.

Sharon Haugen stated that bigger challenges the City of Helena has, which is stated in the City's Growth Policy, is to look at incentives. One of the challenges of the City, the County and private citizens has is: How do you pay for all of this? How do we cost share? What is an equitable way of looking at this? Maybe it's a compromise but everything has a price tag. This is the work the infrastructure committee will be doing, and hopefully the County and City will have money to assess infrastructure - to make a more informed decision as a City and a County as to what incentives we want to provide, what standards we want to provide, and how to best share those costs?

Work of this group is important because any recommendation that ZAP has with the County Commission may have some consequences with associated costs when we look at standards. That has to be part of the discussion. The Infrastructure Committee is the perfect group to meet that can inform as ZAP moves forward looking at density standards in the rural, the rural areas, and the transitional areas.

Tax Increment Financing (TIF):

Sharon Haugen responded to a question regarding the City of Helena use of Tax Increment Financing (TIF) districts that are primarily residential. She stated that there are no jurisdictions in Montana that use TIF strictly for residential purposes, because there is not enough tax increment created through that process. The TIF is designed for redevelopment purposes in blighted areas and is under the standards of an Urban Renewal District can only be done in the City.

The other process that is used is called Targeted Economic Development (TED) district. By statutory requirements of TED, by having a commercial and/or industrial component, then some TIF money could be used to help make some of those infrastructure improvements that

could benefit a residential district. Last time this question was asked, the City of Helena did check with all the jurisdictions in the state of Montana and it's difficult. She added that some indicated that they wouldn't even consider it just a strictly residential TIF district.

Peter Italiano responded to an inquiry of his experience utilizing TIF districts in primarily residential type projects. He stated he came from a suburban area south of Denver, and 99% of what they did was large mixed-use master plans projects. They used TIFs but they were not purely residential. He has not had the opportunity since being in Montana, to explore from the statutory standpoint the positive or negative of TIF, especially relative to residential. He agrees to what Sharon Haugen said with regard to the increment tax funding not being there for pure residential projects. It's a tool that ZAP can assess, and the County is not opposed to it, but cautious about its use.

Sharon Haugen stated that the property would need to be in the City to do an urban renewal district under the current statues. She responded to a question regarding the purple areas in the ZAP document that are identified in both the City and the County's planning documents. Sharon Haugen stated this area would be a great spot to assess infrastructure incentives, but it would take the landowner stepping forward to look at that combination.

City/County Incentives Document:

Sharon Haugen responded to a question regarding how to create clearly-stated incentives for areas that are identified for development before entering into the buy/sell agreement. She stated that it would be beneficial for the City to identify the incentives that might be available and compile them. She stated that not all incentives work in every location, given the type of infrastructure that may be required, the eligibility, or the overall type of development. The Infrastructure Committee will be valuable to assess what the City and County are willing to do together in their joint effort.

Sharon Haugen responded to an inquiry if creating this published document could be part of ZAP work. She stated that she doesn't know the scope of the ZAP work as defined by the City and County Commissions, but is willing to work with Peter to help the ZAP find out.

Infrastructure Funding & Cost Sharing:

Sharon Haugen responded to a question regarding impact fees and other funding mechanisms as opposed to municipal-provided infrastructure development. She stated that the new City Manager and the leadership team have been talking about different incentives, but impact fees are not ruled out. There was a study about 15-10 years ago, but in order to create new impact

fees there needs to be a new study done by both the City, the County and East Helena if they are interested in pursuing that study and helping to fund it. It cost about \$150,000.

Ryan Leland added the City Manager has asked the City staff to conduct a rate study on impact fees for development of water and sewer services. The conversation is starting but there needs to be a will to move forward.

Kim Smith stated that in reality, doing a high density growth close to the City is going to boil down to dollars and cents and understands that each project has variances. List possible sources of finances with general guidelines, it would be helpful for those projects that would hook into the City since it will boil down to money. If the City can come up with a package and general guidelines, it would be useful.

Sharon Haugen agreed, and added that a list would need to include partnerships that the County would also be willing to consider, as part of providing any financial incentives.

Sharon Haugen responded to a question regarding why developers should develop in the City and go through the associated infrastructure costs. She stated that is not the City arguing why you should build in the City. The Growth Policies speaks to a smarter way to develop through hooking into municipal water and sewer services, being close proximity to fire protection, and police protection. It's a matter of certain developments such as industrial and commercial businesses, recognizing the value of those services provided in the City. Both the City and the County's Growth Policies recognize that moving towards urban standards and urban services is a preferred growth.

Pat Keim asked about the state funding on extension of infrastructure and if the Treasure State Endowment Program (TSEP) applicable?

Sharon Haugen responded to an inquiry about utilizing the Treasure State Endowment Program (TSEP). She stated that TSEP was utilized on the west side of Helena for the extension of those services. State Revolving Fund (SRF) is a loan program, TSEP is a grant program.

Ryan Leland added that the total project cost was about \$4 million, of which they received \$400,000. And even the increase to \$750,000 was not enough. He added that there are very few TSEP that go towards new development, and require a certain number.

Infrastructure Costs:

Tyler Emmert stated that Great West Engineering's analysis of 46 Degrees North revealed that the actual costs per lot was way lower in the City than in the County. He added that the developer tried to use vehicles in the Growth Policies such as Tax Increment Districts (TID), Rural Improvement Districts (RID), TIFs, and sent memos to the City that they wanted to follow policies. Primary reason that they didn't is there wasn't the infrastructure in place at the planning level in how to utilize these. He encouraged creating these concepts into being more black and white will be a huge benefit to encourage development in the City and will make a difference.

Mike McConnell stated that the Growth Policy defines action items we need to address, such as developers not being aware of the different funding mechanisms. He added an action item to address the need to put those into black and white and combine all the funding mechanisms together so that is on their radar.

David Knoepke and Ryan Leland left the meeting.

Secretary Lois Steinbeck added to the importance of this discussion, and directed her comment to County planning staff and the ZAP moderator. If the ZAP work is going to center on the urban-rural interface, these kinds of financing structures are critical and to get a linked County/City understanding. She added that despite creating the best ideas, it does come to money and public money. She requested that part of the ZAP scope of work is to flesh this out, get it on paper, and the City and County develop concrete guidelines.

Sharon Haugen agreed and stated that is why the City is asking for the Infrastructure Committee, as the ZAP has other important work to do but the committee can inform some of the ZAP discussion.

Secretary Lois Steinbeck requested the ZAP get regular reports and brief summary so they can keep up on it.

Sharon Haugen stated she will leave that up to County staff, but they will have discussion of scope of work of the Infrastructure Committee and the ZAP.

City Involvement in ZAP:

Chair Jacob Kuntz referred to the ZAP contact sheet, and asked why the City is not represented as being a regular part of the meetings. He asked if the City is able to commit a staff person to attend the ZAP meetings as a resource point.

Sharon Haugen stated that the City has not been asked but the City is committed to attend to the best of its ability. She added that it's the City's intention to sit in, but it may not be as active, such as in the rural areas. And if there's questions for City staff, if they are sent prior to the meeting, they can be prepared to answer them.

Sharon Haugen responded to an inquiry if it would be helpful if ZAP approached the City Council. She stated that the City staff and the Leadership Team have proposed several things that they need to accomplish to prepare our City Commission for this discussion. The ZAP is in the informational stage and it's a little premature to come to the City Commission since the staff is engaged in this conversation. The County and the City Commissions both have adopted growth policies that encourage the update of the MOU, to assess joint standards, and establish a Joint Infrastructure Group. The ZAP has to work on the urban standard, rural standards, and the transitional standards. She added that she will keep the City Manager informed on how she wants to move forward. She also requested that the ZAP work plan be shared with the City so they can keep in sync with some of the ZAP efforts.

TIF Financing:

Sharon Haugen responded to questions regarding TIFs in relation to agricultural land and residential developments. She stated that a TIF district or urban renewal districts allow for tax increment finances only within city boundaries, are only paid for by residents within the boundary of that district, and are not used for residential development. No one else in the state looks at this mechanism. She encouraged ZAP to look broader at the whole realm of infrastructure development, not just TIF. She suggested the Technology Economic Development District that requires technology components to be involved that can generate TIF. Increment is created by difference of taxable value and the increase in taxable increment.

Peter Italiano stated that a TIF is a good mechanism but has limitations. He stated impact fees need to be assessed, such as valley-wide taxing districts. The value of ZAP is to flush those numbers out.

Moderator Eric Austin acknowledged in the discussion today the importance of how to guide or considerations to guide financing.

Chair Jacob Kuntz requested a presentation from East Helena.

Sharon Haugen requested to be part of those discussions.

Secretary Lois Steinbeck requested a work plan for the ZAP.

David Brown requested public involvement as part of that work plan.

6. Public Comment

Chair Jacob Kuntz called for public comment.

John Herrin asked what is the best way for the public to submit comments and information to the panel?

Greg McNalley stated that the ZAP webpage contains an email and mailing address to send comments, which will be distributed to panel members. This will be completed by the end of the week.

Eric Austin stated that the chat feature on Zoom is not being utilized, in support of formal public comment via audio as stated in the agenda. And there is a mechanism to support written comments if the public chooses to do so.

Vice Chair Dustin Ramoie called public comment items not on the agenda.

No public comment.

Public comment closed.

7. Announcements

Secretary Lois Steinbeck requested a review of what to expect at the next meeting.

Pat Keim: Motion to end the meeting

Mark Runkle: 2nd the motion

Motion passed unanimously: 10-0.

8. Next Scheduled Meeting

March 10, 2021 at 9:30 a.m.

Adjourned at 12:11 p.m.