



PUBLIC MEETING

June 23, 2020
MINUTES

The Lewis and Clark County Commissioners Public Meeting was held on Tuesday, June 23, 2020, at 9:00 AM in Commission Chambers Room 330.

Roll Call

Chair Susan Good Geise called the meeting to order at 9 a.m.

Commissioner Andy Hunthausen and Commissioner Jim McCormick were present. Others attending all or a portion of the meeting included Roger Baltz, Marni Bentley, Nancy Everson, Nicho Hash, Jacqueline Isaly, Peter Italiano, Dan Karlin, Michael Stephenson, Brian Obert, Brent Colbert, Kevin Wright, Nicole Henriksen, Donna Amare, Ray Kuntz, Dan Karlin, Travis Brazil, Dustin Noel, Bob Heberly and Nadine McCarty, Recording Secretary.

Pledge of Allegiance

Everyone recited the pledge.

Consent Action Items

- a. FY21 Memorandum of Understanding Between Lewis and Clark County and Montana Stockgrowers Association. (Nancy Everson)
- b. FY21 Memorandum of Understanding Between Lewis and Clark County and Montana Wool Growers Association. (Nancy Everson)

Roger Baltz reported on the consent action items 2 a-b and recommended approval.

No public comment was received.

A motion to Approve was made by Commissioner McCormick and seconded by Commissioner Hunthausen. The motion Passed on a 3-0 vote.

Bid Opening. 2020 Dump Bodies and Assembly. (Audra Zacherl)

Dan Karlin, County Engineer, presented the bid opening for the purchase of four dump bodies and assembly. Two bids were received. The first bid is from 3J Distributing, Inc. of Conrad, Montana for a total amount of \$123,586, additive alternate bid of \$24,060. The second bid is from Kois Brothers of Great Falls, Montana for a base bid amount of \$111,340 with an additive alternate bid of \$21,240.

Mr. Karlin gave an overview of the dump truck project.

A motion was made by Commissioner Hunthausen to take the bids under advisement and present to the Commission June 30, 2020 and seconded by Commissioner McCormick. The motion Passed 3-0.

Bid Award. Two (2) New Dump Truck Cabs and Chassis. (Audra Zacherl)

Dan Karlin, County Engineer, presented the bid award for two new dump truck cabs and chassis and gave a brief overview of the project. On June 16, 2020 four bids were opened for two new dump truck cabs and chassis for the road department. According to the bid specifications, the committee was tasked with considering bids based on purchase price, delivery date and analysis and comparison with similar or related equipment. Budget authority for two new, complete dump trucks from the FY20 road CIP is \$450,000. The award for the cab and chassis is one component of the total purchase. Bids ranged from \$238,300 to \$251,946, less than \$14,000 difference in the four bids. Bids also included two additive alternates for mechanic training and extended warranty options. Additive alternates will be considered after awarding the dump body and assembly component of the purchase to evaluate available budget authority.

Staff recommends awarding the bid to the low bidder, Motor Power Equipment Co., of Billings, Montana for the purchase of two new International HX620 cabs and chassis at \$119,150 each for a total purchase price of \$238,300.

A motion was made by Commissioner McCormick to award the bid to Motor Power Equipment Co. and seconded by Commissioner Hunthausen. The motion Passed 3-0.

Public Hearing to Consider Resolution 2020-39 Approving the Tax Benefits Application of Farmers State Bank for Construction of a Commercial Structure Located at 2125 N. Last Chance Gulch in the City of Helena, Montana. (Nancy Everson)

Nancy Everson, Chief Financial Officer, presented the resolution to consider a tax abatement under provisions of state law for remodeling, reconstruction, or expansion of existing commercial buildings or structures (MCA 15-24-1502 et seq.). Under these provisions applicants who add an existing building or structure so as to increase its taxable value by at least 5 percent may qualify for this abatement. If approved, the property taxes abated are phased in over five years at 20 percent each year. Upon local approval of tax abatements, the Department of Revenue determines eligible improvements and applies the abatement to the property.

The estimated value of the demolition and reconstruction of the building is \$5,100,000 according to the property owner's building permit applicant. The current taxable market value of the property is \$0 because it was owned by Helena Industries, a not for profit corporation and exempt from ad valorem property taxes. The Department of Revenue has not determined the new increase in taxable value after the reconstruction, but given that the property will be new to the tax rolls, it is a given that the 5% criteria will be met by the applicant. Staff recommends approval of the resolution.

Travis Brazil, Farmers State Bank, gave history of Farmers State Bank and noted the relationship with the community. Having the opportunity to purchase the property in Helena was an outstanding opportunity. The property was purchased for \$1.6 million. A non-taxable value at time of purchase. Would assume the property had a taxable value of \$1.6 million. The anticipated opening is by mid September. Approximately \$9 million invested when finished. Will have tenants renting space. The requested tax abatement, due to the fact they will have tenants. Would be passing 100% tax abatement to those tenants. It would take about 8.5 years to have a breaking point with \$1.6 million dollar value approximately \$23,000 revenue would have received annually. Compared to the \$9 million dollar value when finished it would be \$132,000 per year tax assessment.

Mr. Brazil added that they would be passing 100% of the tax abatement relief to the tenants; from an economic development point of view this is a capital investment into the community.

Commissioner Hunthausen asked about the commitment to the community and the number of jobs created by the bank and the tenants. Mr. Brazil stated Farmers State Bank provides a \$10,000

scholarship to a Helena area student to further their education. They created a mentor relationship at the Project for Alternative Learning High School and meet every Friday. The anticipated jobs could be up to 70 people, but traditionally 25-30 people. Future employees combined with the two tenants would be approximately 30 employees. Mr. Brazil added that Farmers State Bank made a concerted effort to use local contractors.

Commissioner McCormick asked about the outside revenues and Mr. Brazil gave examples such as the funding of motels, ranch purchases, utilized collateral in Wyoming for large multi-million dollar lines of credit. Farmers State Bank has the opportunity to enhance the opportunities as they come to the bank.

Commissioner Good Geise asked about the businesses that have been success stories. Mr. Brazil discussed the successes in the Libby area including hospitality. He added that this week the bank is booked with loan appointments. Banks are not in crisis mode because as they are able to lend money out. Farmers State Bank are 10% of the PPP loans in the state of Montana.

PUBLIC COMMENT -

Brian Obert, Montana Business Association Connections (MBAC) Executive Director, stated the property is now going from a zero number for a long term perspective to a net positive into the general fund into the sherrff's office and the school districts. Abatement by itself to a business has benefit, but abatement to a business that has a great scheme in the community is when we start to leverage the investment. This facility is not in the Railroad TIF District but it influences the projects going into the area. Other businesses are discussing expansions. Another previous client is contemplating purchasing property as they see food trucks are coming to the area. MBAC will work with Farmers State Bank whether there is an abatement or not.

Discussion was had regarding the tax abatement being on future taxes and future value. Tax abatements are one tool. Though the county and schools lose out on taxes for a number of years they are not losing on existing taxes. After 5 years tax revenue begins to be received from these businesses and by 10 years taxes are paid at 100 percent.

Discussion was had on the baseline of taxable value on the property and there will not be a definite number until heard from Department of Revenue.

A motion to Approve was made by Commissioner Hunthausen and seconded by Commissioner McCormick. The motion Passed on a 3-0 vote.

Public Hearing To Consider Resolution 2020-40 Approving the Tax Benefits Application of Seeley Building, LLC for Construction of a Commercial Structure Located at 630 N. Last Chance Gulch in the City of Helena, Montana. (Nancy Everson)

Nancy Everson Chief Financial Officer, presented the resolution to consider a tax abatement request for the Seeley Building. Under these provisions of MCA 15-24-1502, applicants must remodel, reconstruct or expand commercial property so as to increase its taxable value by 5% to qualify for this abatement. The estimated value of the demolition and reconstruction of the building is \$12-\$13 million. Of this amount 67% is estimated to be the commercial portion of the project. The current taxable market value of the property is \$0 because it was owned by the City of Helena and was exempt from ad valorem property taxes. The Department of Revenue has not determined the new increase in taxable value after the reconstruction, but given that the property will be new to the tax rolls, it is a given that the 5% criteria will be met by the applicant.

To be eligible for the property tax exemption and the property tax reduction, the commercial building may not have been used in a business for at least 6 months immediately preceding the date of application to the governing body for approval. The building that was demolished was vacant for several months prior to Seeley Building LLC purchasing the property. The project must be commercial,

nonresidential in nature. The project meets this criteria. The applicant has paid all current taxes and special assessments in full. Staff recommends approval of the resolution.

Seeley Building LLC purchased the property at 630 N Last Chance Gulch. The planned \$12-\$13 million reconstruction of this site will culminate in a beautiful three story tall mixed-use building with an underground parking garage. The first 2 floors will provide commercial space. The top floor will offer residential condominiums to help fulfill demand for downtown living. Including 25% of the condos meeting workforce housing pricing. All commercial lease agreements on this site will be triple net ("nnn") with the tenants responsible for property tax expenses. The condominiums will be sold outright. The abatement applies to only the commercial space in the building.

The intent of the tax abatement is to allow local communities to encourage new and/or expanding businesses by making available tax benefits for future expansion and development. The tax abatement helps the company to better afford improvements and expansion of their existing operation and to enable the expansion to better cash flow.

Ray Kuntz, Seeley Building, LLC, gave an overview of previous projects and organizations that are in some of the projects. His commitment to the community speaks from their ownership of a building in the 6th ward area which they rent to non-profit businesses in Helena.

He added new life has been put in the 6th ward. The vision for this building came from PureView wanting to lease property for a downtown medical clinic and would be about half of the first floor with about 20% of the second floor the dental clinic. Helena Vision Center will also be moving into the building. He added there are other negotiations occurring with other healthcare providers. He noted downtown has been hit hard by COVID-19 and this building will bring 300 clients a day to downtown Helena. In the proposal 30% of the top floor will be taxed immediately and by year 5 there will be a 50% of taxes paid.

Commissioner Hunthausen asked about the estimation of the number of jobs to be created and Mr. Kuntz thought the construction dollar amount is about \$12-\$13 million with about 70 estimated jobs. The condominiums are for a mix of people to include about 30% of affordable housing.

Dr. Nicole Hendrickson with the Helena Vision Center stated the community needs better access to eye care. They plan on doubling their space and will hire more doctors and 6 full time employees. They are both invested in the community and serve on multiple volunteer boards in the community.

Bob Heberly, Vice President of Dick Anderson Construction, stated it is important to look at the project as a whole. They have had the opportunity to be involved in many projects in downtown Helena. Over the last couple of years you can feel the gateway to downtown development. The anticipation is 30 to 40 people employed throughout construction, materials are purchased in Helena, and the subcontractor is in Helena. The estimate of the labor is about \$3.5 to \$4 million. Dick Anderson supports the tax abatement.

Toby DeWolf, Owner of Bert & Ernies, stated new development downtown is vital to others downtown. With new development an array of traffic comes to the area. When new businesses are brought downtown spending habits change and their time is planned around businesses and agendas. There is a level of tax that will be postponed, but if you look at the long-term effects on downtown that is good economic sense. He is in favor of the tax abatement.

Brian Obert, MBAC Executive Director, stated growth in downtown has been discussed and worked on for years. He added the future is families coming to the community.

A motion to Approve was made by Commissioner McCormick and seconded by Commissioner Hunthausen. The motion Passed on a 3-0 vote.

Memorandum of Understanding Between Lewis and Clark Public Health and Healthy Mothers Healthy Babies. (Jacqueline Isaly)

Jacqueline Isaly, Community Health Promotion Division Administrator, presented the memorandum of understanding (MOU) with Healthy Mothers Healthy Babies. Healthy Mothers, Healthy Babies is contracting with early childhood coalitions across the state to collect this data from each community as a whole contribute to the state wide strategic plan. The contract is not to exceed \$5,000 and is effective June 1, 2020 through September 18, 2020. Staff recommends approval of the memorandum of understanding with Healthy Mothers Healthy Babies.

The Early Childhood Coalition will review the state strategic plan will complete a community asset mapping that connects collaborative efforts around early childhood activities in our community and assess treatment and substance use support networks in our community and contribute that to the states strategic plan.

No public comment was received.

A motion to Approve was made by Commissioner Hunthausen and seconded by Commissioner McCormick. The motion Passed on a 3-0 vote.

Task Order 21-07-3-01-009-0 Between Lewis and Clark Public Health and Department of Public Health and Human Services. (Jacqueline Isaly)

Jacqueline Isaly, Community Health Promotion Division Administrator, presented the renewal task order to implement breast and cervical screening services and patient guidance, and continue accelerating implementation of the Montana Comprehensive Cancer Control (CCC) Plan by strengthening community capacity and facilitating policy and systems change in the counties of Broadwater, Jefferson and Lewis & Clark Counties; Meagher County (for non-tobacco use prevention services) (hereinafter referred to as the "multi-county area"). The primary programmatic focus is the prevention and early detection of cancer in the general population. The task order is in the amount of \$291,009 and runs from July 1, 2020 through June 30, 2021. Staff recommends the approval of the task order with the Department of Public Health and Human Services.

The purpose of the Montana Tobacco Use Prevention Program (MTUPP) community-based program funding is to address the public health crisis caused by the use of all forms of commercial tobacco products in Montana (including devices that are not related to nicotine replacement therapy), thereby reducing the disease, disability, and death related to tobacco use. Through their affiliation with MTUPP, community-based programs join with peers throughout Montana in a comprehensive statewide effort utilizing the best practice methodologies to prevent tobacco use among youth and promote quitting among adult users.

Ms. Isaly gave an overview of the Connect referral system services that allows client contact information to be sent between service providers. The secure web-based system is available at no cost to approved organizations that make client referrals. The goal of Connect is to reduce common barriers for external referrals and increase client uptake in services. Through the regional approach, contractors are expected to: conduct referral mapping, identify onboard community partners and service providers to engage and actively use the Connect referral system, provide technical assistance to those partner organizations, and continue to promote and market the system.

No public comment was received.

A motion to Approve was made by Commissioner Hunthausen and seconded by Commissioner McCormick. The motion Passed on a 3-0 vote.

Repeal of the Indigent Burial Policy. (Marni Bentley)

Marni Bentley, Finance Budget Coordinator, presented the repeal of the indigent burial policy. It has been determined that the Indigent Burial Policy adopted by Lewis and Clark County in 2017 is no longer necessary. The program has been incorporated under the Lewis and Clark Sheriff/Coroner's office and applies to all unclaimed or abandoned bodies whose residency at time of death is Lewis and Clark County. It is the responsibility of the Sheriff/Coroner's office to properly dispose of unclaimed and abandoned bodies. The county will work with the three funeral homes in Lewis and Clark County to work out terms of the cost and rotation of the bodies with the goal to enter into contracts with each funeral home by July 1, 2020. Staff recommends that the Commission repeal the Indigent Burial Policy and authorize the Sheriff/Coroner's office to assume responsibility of all unclaimed and abandoned bodies and to work with the funeral homes under the contracts to be established.

PUBLIC COMMENT -

Michael Stephenson, Anderson Stephenson Funeral Home Manager, stated they have no issue with the transfer to the Sheriff's office. The original policy was a two-part process of where the coroner's office would take care of the abandoned, or families unable or unwilling to take care of arrangements. He would still like to continue the policy if there is no one available or anyone to make decisions.

Nancy Everson, Chief Financial Officer, stated action is not necessary today. She added it would be much simpler if the Coroner's responsibility would be only abandoned/unclaimed bodies.

A motion was made by Commissioner McCormick to table the item to July 2, 2020 and seconded by Commissioner Hunthausen. The motion Passed on a 3-0 vote.


Public comment on any public matter within the jurisdiction of the Commission that is not on the agenda above.

Adjourn

There being no further business, the meeting adjourned at 10:55 am.

LEWIS AND CLARK COUNTY
BOARD OF COMMISSIONERS


Susan Good Geise, Chair


Andy Hunthausen, Vice Chair


Jim McCormick, Member

ATTEST:


Paulette DeHart, Clerk of the Board