

**Minutes**  
**Downtown TIF Advisory Board Meeting**  
**January 12, 2023, 10:00 a.m.**  
**Via Zoom Meeting Platform**

**Board Members Present:**

Brian Obert, Chair  
Charlie Carson  
Lori Ladas  
Krys Holmes  
Lee Shubert  
Riley Tubbs  
Nathan Bilyeu

**Staff Present:**

April Sparks, Administrative Assistant III  
Ellie Ray, Planner II  
Craig Marr, Parks and Recreation  
Kathy Macefield  
Aimee Hawkaluk, City Attorney's Office

**Non-Board Members:**

John Dendy, BID Director  
Andy Gordon  
Mike Dowling  
John Huffman  
HCTV

**Member of the Board Absent:**

Andrew Chanania

**Call to Order:**

The meeting started shortly after 10:00 AM. While waiting for enough Board members and the applicants to join the meeting Chair Obert asked to proceed with an informal budget report. Ms. Ray noted that the applications sitting before the board total about \$225,000 in requests, and the balance of funds available is close to about \$211,000, so similar to past years deliberations, there will need to be decisions as to granting some or all the funds available and how much to each.

Chair Obert asked if it was known what the Downtown TIF will be getting for 2023. Ms. Ray stated that she does not think there have ever been hard and fast numbers, but that finance has projections of the funds that will be available, and it is not known how much will come in in May. Less existing project commitments and the 10% set aside for the Affordable Housing Trust Fund there is \$211,258 available. Chair Obert asked for confirmation that amount does not include what may be added in May. Ms. Ray confirmed.

While continuing to wait for additional Board members to join, introductions were made. There were discussions about things happening in the community and with the different attendees' organizations while waiting for a quorum.

**Minutes:**

A quorum was established, and it was noted that minutes from previous meetings were still being prepared and should be available at the next meeting.

**Update on Budget:**

Ms. Ray again stated that there is a total of \$211, 258 in the budget.

## **Application 1 – Livery Square:**

Andy Gordon, owner Livery Square, presented his application requesting \$150,000 in TIF funding to help with façade improvements on the Livery Square building, which serves as a focal point for the northern side of Last Chance Gulch. Mike Dowling provided an overview of the plans and the research that was involved in the design process. Chair Obert asked if the applicant could provide a lay out of what the building was at one point. Schematics on page 76 of the application were pulled up in the zoom meeting. Mr. Bilyeu asked to hear more detail about what is proposed in changing the looks of the building. Mr. Dowling showed some historic information about the building noting that on the 1920 Sanborn map it appeared as if it were two separate buildings, and noted the various additions to the building over the years along with the conjecture that the original building did not start as a [automobile] dealership as cars did not exist in the late 1800s, but was likely a truce livery building, which is where horses would have been boarded while people were in the downtown area to conduct business, but became a Dodge dealership right around 1920 and remained the use for most of its existence. The ramps in the back were likely used to move vehicles to the basement level or up to the showroom area. Mr. Dowling also noted the location of a Texaco gas station, and a 1984 expansion that added the octagon shape on either side of the building. Mr. Dowling brought attention to the fact that they are not planning on changing the footprint of the building, but “reaching in” and redoing the façade of the 1984 renovation. Mr. Dowling presented the plans for the façade improvement, noting that it is a modern interpretation of the original livery building, and being far enough away from the historic district it made sense to do it that way. Mr. Dowling also stated that these are the first draft of the plans, and will likely be refined more. Chair Obert noted the appearance of the intent to put an Old West fake façade on the front vertical with canopies coming out to look similar to the original livery. Mr. Dowling stated that it is delicate as one does not want to copy, but they want to have that historic feel to the building. Mr. Gordon also noted that they are actively attempting to match the aesthetic to the tenant base they are attracting, which is generally professional offices, however not medical, so some of the details will change a bit, but generally speaking the intent is to carry that height around and accentuate the historic nature of the property with no significant changes.

Chair Obert asked if there will be parking off of Neil Ave like they already have on the two octagonal sides and in the alleyway behind. Mr. Gordon stated that they intend to secure the back south parking lot with gated access, which they plan to make 6 foot high and wrought iron instead of chain link, and have electronic access and security controls within the building. Mr. Gordon stated plans for 2 gates, one on the left hand entry and one on the alley and the parking lot will be one way so traffic will have to pull in off of Last Chance and exit via the alley out to Neil. Mr. Schubert asked for clarification if the extension above the first level was purely ornamental and that there was not additional office space above. The applicant confirmed. Mr. Carson asked if there was an issue with a dispensary being a tenant in the building. Mr. Gordon stated that the tenant in question had given notice and vacated the premises as of December 2022 along with the fact that the business was not a licensed dispensary, but a glassware shop and that they owners had no plans to rent to a legal cannabis operation at this time. Ms. Ray offered to read comments received from Pam Attardo into the record. Chair Obert asked Ms. Ray if there were any zoning issues with the proposal. Ms. Ray stated that both she and Director Brink had met with the applicant and explained some of the limitations of the code for example in reconstruction of the

parking lot, but generally speaking the downtown zoning district only has parking maximums so the proposal should be okay on that front. Ms. Ray noted that how any of the facade improvements comply with the design standards in the downtown zoning code would be determined once there is a final plan, however Mr. Dowling has worked within the confines of that zoning code, and he knows what the requirements are in the district so they should have a design that meets all the requirements.

Ms. Ray then read Pam Attardo's comments into the record. Ms. Ray also stated that in email correspondence between Ms. Attardo and Kathy Macefield, they were both of the opinion that when it comes to granting TIF funds to historic buildings that there be a facade easement. Ms. Ray stated that she knows that a number of buildings in the downtown have a facade easement in place, has not personally been involved in the establishment of any of those easements, and that there is nothing in state law that requires the Board to set that as a requirement of the use of TIF funds. Ms. Ray stated that it would be best to wait for Ms. Macefield if anyone had questions about Ms. Attardo's comments. Chair Obert asked Aimee Hawkaluk, City Attorney's Office about the facade easement issue. Ms. Hawkaluk stated that she was not familiar with the area, but what Ms. Ray stated sounds correct, and she would look into it further. Chair Obert stated that he felt in this downtown TIF it seems as though facade improvement, and health and safety are going to be big issues that come up often so having additional knowledge is helpful. Mr. Bilyeu asked the applicant if in the process of securing financing for the project if they had hired counsel and possibly had a discussion about the need for facade easements with them. Mr. Gordon stated that there has not been a conversation yet, and that they wanted to meet with Ms. Attardo to get her feedback before initiating conversations around issues like that, and that Ms. Attardo had not mentioned facade easements in their meeting. Mr. Gordon also stated that they would be willing to meet any requirements that the Board feels necessary. Mr. Dowling added that from his professional perspective that it is important to carefully think of requirements versus recommendations versus guidelines, as if something is made a requirement it could negatively affect future redevelopment. Mr. Dowling also noted that he is aware that Ms. Attardo's comments are recommendations at this point as the Livery Building is not in the [historic] district nor is it on the [national] register. Mr. Gordon also pointed out specific to Ms. Attardo's comments that they plan on reusing existing anchor points for awnings.

Mr. Bilyeu stated he was not enthusiastic about adding additional requirements that the Board has not done before, are not on the applications, and that it could be an issue if the Board is adding additional requirements on an ad hoc basis. Mr. Bilyeu noted that he asked the legal questions because he thinks that it is important to complete due diligence to ensure that projects are legally viable before awarding funds. Before moving on to the second application Mr. Schubert asked if Ms. Ray would forward Ms. Attardo's comments to the Board. Ms. Ray stated that they are part of the public record but would sent them to the Board.

### **Application 2 – Fire Tower:**

Ms. Macefield presented the application for the stabilization of the fire tower with a total amount of \$74,650 being requested for labor, materials, supplies, equipment rental, and some trailhead signs. Ms. Macefield detailed some of the fire damage sustained to the tower a few years prior along with overall weatherization and incorrect repairs made over the years, leading to structural issues. Ms. Macefield showed the Board photographs of arson damage and other structural issues, noting that the

stabilization of the structure would be completed with the assistance of professional structural engineers who are experienced in historic preservation. Ms. Macefield also made note of the fact that the fire tower is iconic of the city of Helena and the imagery used by both local government and businesses to the point that it has become the symbol of the city making it important to maintain the fire tower to ensure it can last, as well as the fact that Historic Preservation has been unable to find another timber framed urban fire tower anywhere else in the country. Other funding sources for the project have been secured, including a \$10,000 grant from the Montana History Foundation (MHF) and private donations, in addition to the \$150,000 the city has allocated to the project, which leaves the requested TIF funding as the balance.

Ms. Holmes stated that \$10,000 from MHF sounds like one of their smaller grants and asked if more was requested in the application. Ms. Macefield stated that was the limit that could be asked for in that particular application. Mr. Bilyeu asked if the project would be able to be completed without receiving the full amount requested from the TIF. Ms. Macefield stated that typically there is a contingency amount requested on city projects, and deferred to Craig Marr, Parks, Recreation, and Open Lands, to give more specifics. Mr. Marr stated that if the funding is short, then the city will have to put out the bid to get an accurate number, and that there are some items in the budget that may or may not be needed depending on who gets awarded the contract, so it depends on how much short the funding is what would determine if the project goes forward. Mr. Bilyeu stated he asked this question as the Board needs to think about the different factors as they consider about how they will be allocating the available funds. Ms. Ray wanted to add to Mr. Bilyeu's comment that the Board should also consider if there is a need to reserve a portion of the approximately \$211,000 available for the summer funding cycle as we currently don't know how much may or may not come in. Chair Obert stated that there is a fair amount of funding available currently and he is assuming there will be additional funds because everything was pretty much pulled down to zero at the end of last year. Ms. Ray stated that going back to the budget report provided by the Finance department the beginning cash available as of July 1<sup>st</sup> was \$200,000 and there about about \$100,000 in project commitments, and less the Affordable Housing set aside there was approximately \$50,000 available not already committed to other projects. Chair Obert noted the Board could see any additional 50 to 100 thousand in funding for summer, but he would prioritize the fire tower first.

### **Board Discussion:**

Mr. Schubert asked regarding the fire tower project, what kind of tax income would it yield for the city, as that is what gives additional TIF funds, and it seems to him that the fire tower isn't necessarily going to generate any revenue on it's own, but as it is so iconic it is a tourist stimulus which causes funds to flow into the city. On the other hand, Mr. Schubert noted the Livery Square project is going to have revenue as it houses businesses. With those comments Mr. Schubert stated his opinion that the fire tower project should be funded as it is used for tourism, and that will benefit the city in the short term more than the Livery Square project, not that it should not receive funding.

Mr. Tubbs stated that he really likes both projects. With one it increases the taxable value for the TIF, with the other project is would increase tourism. Mr. Tubbs expressed his appreciation for the Livery Square's team care and research into the history of the property, calling it the gateway to the downtown and the fire tower the logo for the downtown, so he would like to see both projects funded.

Ms. Holmes agreed with Mr. Tubbs that these are two important projects, and that it is a struggle to balance out with the limited funds how much is awarded to each. The fire tower is owned by the city and not generating revenue directly but is a beneficial asset to the community of Helena, and for that reason Ms. Holmes feels a personal allegiance to the fire tower, but recognizes that the job of the TIF is to generate revenue to support the revenue generating projects, so would like to see how much can be awarded to both projects.

Ms. Ladas stated that she was torn as she agreed with everything that has been said about the fire tower, it is an icon and needs to stay there, but if it is owned by the city, what is the city not able to preserve it. Ms. Ladas pointed out unlike the other proposal, the fire tower does not increase the tax base, however it's the fire tower and it has to stay so she would like to help. The Livery Square building would serve as a gateway to the state of the one way to the Walking Mall, and would generate funding, so it would be nice to be able to award both funds.

Mr. Carson stated he liked the Livery Square project and that it would increase the TIF funds. With the fire tower, Mr. Carson noted that it is city owned and that he was certain the city is putting funds into the project but that it should be funded as well. Mr. Carson said that the fire tower is the city's icon and in horrible disrepair at the moment and needs to be dealt with and this is an opportunity to do it. Funding both projects with the limited funds there needs to be a compromise between the amounts.

Mr. Bilyeu stated that there is one question that has to be answered first, and it is what Ms. Ray noted, is the Board comfortable awarding all the available funds now. Mr. Bilyeu would like to answer that first to make sure everyone is on board before making decisions on how it is allocated. Mr. Bilyeu stated that he thinks both are fantastic projects and has no problem allocating the entirety of the available funds between the two projects. While the fire tower is iconic, the Livery Square building seems to be the missing link in continuing the revitalization of the downtown but wanted to know what others thought about awarding the full balance.

Mr. Carson asked if the affordable housing reserve would still be there with awarding the full amount available. Ms. Ray asked if she could clarify a question brought up by Ms. Ladas as to why the city cannot fund the entire fire tower project showing the amount the city is investing in the project from the application and it is her understanding that since the arson incident this has been a belabored process and a labor of love.

Mr. Schubert asked if it would be possible to award half of the request to Livery Square now and wait to see what happens in April and then if there is funding award the second half, but fund out the fire tower project at the full request, because his impression is no one is opposed to awarding the full balance, and wanted to know if it could be awarded in two separate instances. Ms. Ray stated that would be possible and has happened in the past. Additionally, Ms. Ray reminded the Board of some projects they have approved within the last year in which they split the available funding between multiple projects, expending all available funds, and those that did not receive their full requested amount could resubmit for other aspects of their projects that were eligible but not funded. The Memorial Park Apartments project in the Railroad TIF URD was also cited as an example of a project that would likely be making additional requests after being awarded TIF funds.

Chair Obert asked both Mr. Tubbs and Ms. Ladas their feelings on spending down the entire balance. Both stated they were comfortable spending the entire balance.

Mr. Schubert motioned that the fire tower project be funded at their full request of \$74,650.00 and that the Livery Square project be funded at \$100,000. Chair Obert asked for a second. Ms. Holmes seconded the motion.

Mr. Bilyeu stated that while he was not opposed to the idea, but he would prefer to vote to give the remaining amount to Livery Square as it is only about 3% of their project cost that they had asked for, and while another project may come in later, this is such a moderate ask and it is a difficult plan and as they are trying to put their capital together to do this project it's difficult to ask them to come back in 6 months for additional funds. Mr. Bilyeu stated that he would not be opposed to allocating the full amount left after awarding the full amount requested for the fire tower project. Ms. Ladas agreed with Mr. Bilyeu.

Mr. Schubert accepted the amendment to his motion and Ms. Holmes modified her second to include the amendment. Chair Obert clarified the motion stating that it would recommend full funding for the fire tower at \$74,650 and the remainder of the available funds [\$136,608] to be then allocated to the Livery Square project. A vote was called, and the motion passed unanimously.

#### **Other Business:**

Officers were elected with Brian Obert officially elected Chair and Lee Schubert elected Vice-Chair.

#### **Public Comment:**

There was no public comment.

#### **Next Meeting:**

The next Downtown TIF Advisory Board meeting is scheduled for February 9, 2023. Ms. Ray noted that our former Housing Coordinator was planning on presenting information on the Affordable Housing Trust Fund to this board prior to her departure, so that is the only item that is still out there for this board, and unless something actionable comes up before the next meeting we can opt to hold off on meetings until a replacement is found or there is something actionable. Ms. Ray stated that there would be an application for the summer round of funding. It was decided to decide on the date of the next meeting at a later time.

#### **Adjournment:**

With no further business before the Board, the meeting adjourned around.