

MANAGER REPORT

November 2, 2016



RESORT TAX COLLECTIONS

Resort Tax collections were up by 27.7% in August which equaled an increase of \$118,794. August is our second largest Resort Tax collection month of the year, so a 27.7% increase is incredible. As you can see from the report attached to this memo in the packet, lodging increases with the two new hotels and other vacation rentals were \$78,068 of the \$118,794 increase. All three categories saw increases indicating increases in the derivative spending from people staying in the lodging. The 100 year anniversary of the National Park Service and Glacier National Park setting visitation records would also have a big effect on our increased collections.

For the year-to-date after two months of collections, we are 17.66% or \$157,021 ahead of last year's collections.

QUARTERLY UPDATE ON CITY COUNCIL GOALS

I try to provide a quarterly update on the status of each of the City Council Goals. The goals were adopted on May 2, 2016 via Resolution No. 16-20.

Implement Downtown Master Plan (including viaduct enhancements) – The bicycle promenade by the Firebrand Hotel is completed. It won't be striped as a promenade until other sections of the promenade are completed. We are working on a Transportation Alternatives grant application to the Montana Department of Transportation (MDT) in order to an engineering estimate for Baker Street pedestrian underpass near the O'Shaughnessy Center. There is a \$50,000 budget in the FY17 Tax Increment Fund to continue implementation of the Downtown Master Plan, especially for the zoning overlay and other possible zoning issues.

Downtown Parking (including this summer) – The parking structure is under construction. Given the Resort Tax figures from this summer, it appears that people and visitors were able to

find places to park. The City Council is deliberating the various options on lease parking in the Parking Structure.

Depot Park Phase II Redevelopment – The issue of demolishing the building was resolved by the City Council on October 3rd and removal or demolition will proceed. I will first seek bids to see if there is any interest in someone buying and moving the portion of the building that can be moved. Otherwise, we will contract for demolition next spring.

Hire New City Manager – the Mayor and City Council have decided to go back out again for advertisements with the hope that a new manager could start in January or February.

New Cemetery Development – As noted in my transmittal letter to the FY17 budget, with a drawdown of the year-end cash reserves budgeted, I did not feel that I could budget \$20,000 for the beginning of the layout of a new Cemetery south of the Wastewater Treatment Plant.

PUD Process Re-write – The committee to rewrite the Planned Unit Development (PUD) section of the City Code is meeting 2-4 times per month. The moratorium on blended PUD's was extended until August 15, 2017.

Update Extension of Services Plan for Utilities and Annexation – This topic was on the agenda for the July 5th work session. The City Council wants to hold another work session to review possible changes to the urban growth boundary map. After that work session is held, further updates to the Extension of Services Plan will be done. We hope to hold that work session in the November to January time frame.

Wisconsin Avenue Corridor Study – The steering committee is meeting regularly. They are planning an open, public meeting at the Lodge at Whitefish Lake on November 9th.

Riverside Park protection and improvement for erosion – There was no budget approved for this work. There is talk that there may be some in-kind work or private donation to start this work.

Evaluate possibilities of new TIF Districts – Right now, this item would just be some conceptual brainstorming. In the future, if the general fund budget allows (can't use the current TIF funds for a new district outside the boundaries of the current TIF District), the City could hire a consultant (example given – Janet Cornish) to help set up one or two new districts. I tend to think the next district(s) will be smaller and in different areas of the City rather than one big district encompassing many areas. We would have to identify areas with blighted conditions.

Open Space Funding – no work is being done on this topic currently.

Climate Action Plan – There is a citizen committee, with two City Council members, meeting and working on this plan.

Birch Point Quiet Zone – The City Attorney, Public Works Director, and I recently met to go over the status of this project. After checking out options a little more, we may bring forward a

proposal to abandon doing an expensive quiet zone and propose a Wayside horn instead, but we are still investigating a couple of funding ideas for the quiet zone.

Begin review of zoning code – district by district – This project is a very big project and the Planning and Building Department has not begun any work yet.

Economic Development – Public Private Partnerships and targeted business assistance – It has been a busy, commercial construction season, but that is all private activity that we weren't involved in other than helping with site improvements (sidewalks, street trees, and promenade) at the Firebrand Hotel.

BNSF – cleanup of CECRA site, maintain good relationship on all issues, work on disaster preparedness – no recent news on these areas.

Water Quality Improvements and projects (AIS, Septic Leachate, Stormwater pond improvements) – Whitefish Lake Institute is building an addition on to the hovercraft garage at City Beach for the AIS inspectors – this project was funded with a donation. The City Council approved a limited, delayed annexation policy to encourage areas of Septic Leachate into Whitefish Lake to connect on to the wastewater treatment system.

Affordable Housing – The Chamber of Commerce has hired a consultant for a housing needs assessment using part of our \$60,000 contribution and the draft report should be available in October. A CDGB grant application to provide funding for the second phase of the project – implementation tools, options, and plans was submitted earlier this summer and recently approved (see the letter from the Governor in this packet).

Growth Policy Implementation Items – The Hwy 93 West Corridor Plan was adopted and the Wisconsin Avenue Corridor study is underway. There are occasional text amendments to the zoning code which the planning staff works on when there is time, but development is booming right now, so there is not much time for other projects.

Code Enforcement – The new Code Enforcement Officer/Building Inspector is Dave Perry and he began work in September. As he gets trained, he will devote more time to Code Enforcement.

City Beach Parking – in the last quarter, TD&H Engineering was hired to prepare a design for a parking lot on the property we bought last year at 55 Woodland Place. The Skye Park Bridge opened completely earlier this summer and that can help avoid the need for more parking at City Beach.

Ped-Bike Master Plan Update – the committee has been working on this and WGM was hired to prepare the update. The draft update is almost done and will start its review with the various committees.

Explore extent of waivers for utility contracts (aka annexation) – The West Lakeshore area was annexed earlier this summer and there will be a public hearing on the annexation of the Ramsey

area and other isolated properties on November 21st. That will end our wholly surrounded annexations for now, but there are still some annexations of properties that are on our water or sewer system that can be pursued.

Long Term Financial Planning and Sustainability – an ongoing project that will become more important as the Tax Increment District sunset in July, 2020 gets closer.

Consider a General Obligation Bond for Fire Equipment and precinct station – We may schedule a work session in the coming months on this topic.

Ambulance Fee evaluation – a draft report is currently being reviewed by staff, so a proposal to increase ambulance fees for the first time since 2012 should be coming forward soon.

Maintenance Programs for City Facilities – Jeff Brown is the Parks and Recreation Department facilities director. We have budgeted for another facilities technician position for City Hall and the Parking Structure when those buildings open. If that position has extra time, he or she could assume some of the ESC maintenance issues in the future.

Planning in-house priorities and text amendments – these are done as time allows.

City Hall – finish and move in – construction continues. The first week of April, 2017 is the targeted completion date, so move-in could occur after that date.

Water and Wastewater Rate increases – The water and wastewater rate increases were approved on September 6th.

Hwy 93 South Access Study – Public Works has contacted the Montana Department of Transportation about this project.

MEETINGS

Leadership Flathead (10/7) – I was on a panel speaking to the Leadership Flathead class of the Kalispell Chamber of Commerce. Other panelists were Doug Russell, Kalispell City Manager and the Honorable State Senator Mark Blasdel. We spoke to the class about various aspects of the upcoming State Legislature.

WAVE Board Meeting 10/13) – I attended the bi-monthly WAVE Board meeting as a board member. We reviewed the financial statements, discussed future projects and some capital projects, and approved a change to our by-laws.

Affordable Workforce Housing Task Force (10/18) – I attended a meeting of the task force at First Interstate Bank. Most of the meeting was to review and ask questions about the first draft of the Housing Needs Assessment with the consultants who prepared the

assessment. The next phase of the project, an Affordable Workforce Housing Plan was also discussed.

City Hall Building Steering Committee (10/19) – The committee met to go over some interior finish items. A presentation on the artistic tiles for behind the bench on 2nd Street were also reviewed and direction was given on the renderings. Other items that were either unfinished or updated were also discussed.

Impact Fee Advisory Committee (10/20) – The committee met for the first time in a while now that a quorum of members was possible. Dana has minutes of this meeting in this week's packet, so I won't repeat the discussion here.

UPCOMING SPECIAL EVENTS

December 9th – Christmas Stroll – Central Avenue 5:30 p.m. to 9:00 p.m.

REMINDERS

December 5th – Noon luncheon (location TBD) for presentation of Affordable Workforce Housing Needs Assessment (followed by a shorter presentation that night at the City Council work session).

December 15-16 – Reception and interviews for City Manager candidates

December 19th – City Council meeting cancelled. Happy Holidays.



Respectfully submitted,
Chuck Stearns, City Manager