



**CITY COUNCIL WORK SESSION
CITY COUNCIL CHAMBER CONFERENCE ROOM
1005 BAKER AVENUE
MONDAY, OCTOBER 3, 2016
5:30 TO 7:00 PM**

1. Call to Order
2. **5:30 p.m. – CLOSED EXECUTIVE SESSION –**
 - a) Pursuant to Section 2-3-203 (4) M.C.A. - Quarterly litigation update and strategy with City Attorney

3. **6:15 p.m. -** Review and give direction on monthly parking lease rates in parking structure
4. Public Comment
5. Give direction to City Manager on above topic
6. Adjournment

MEMORANDUM

#2016-027



To: Mayor John Muhlfeld
City Councilors

From: Chuck Stearns, City Manager

Chuck

Re: Leased Parking in future parking structure

Date: September 21, 2016

Introduction/History

The City Council held a work session on October 19, 2015 regarding options for the number and monthly cost of leased parking spaces in the future Parking Structure.

Also present at that work session were members of Heart of Whitefish who advocated for a larger number of leased parking spaces and a lower monthly rental rate so as to still arrive at around \$50,000 of annual revenue. That amount as was determined during the Parking Structure Feasibility Study to be in the range of annual revenue for Operations and Maintenance costs including accumulation of an equipment and facility replacement reserve that would add at least \$10,000 per year to a reserve account.

The Parking options were also discussed during the meeting of April 4, 2016. A copy of the minutes from the April 4th meeting are attached to this staff report.

We are still planning to deploy a “free-flow” license plate recognition (LPR) system for the leased parking spaces on the 2nd and 3rd levels of the parking structure. We cannot have control gates at the entrance to the parking structure because any small queue of cars waiting to enter the structure will back up onto 1st Street. Also, parking control gates are very high maintenance, inflexible, and not very convenient and easy for customers.

FYI – the current plan is that the leased parking spaces would be for 12 hour days, say 6:00 a.m. to 6:00 p.m. or 7:00 a.m. to 7:00 p.m. Monday through Friday. At night time and on weekends, the entire parking structure would be free and unlimited parking. Cars left overnight at least in the leased parking spaces would be towed.

Current Report

We are ready to order the LPR cameras, but some final decisions need to be made prior to placing the order. We also are also nearly ready to advertise and solicit for businesses, other organizations, and citizens to sign up for parking leases. However, we need to finalize the monthly rate of the leases and whether there are two tiers of rates for covered versus uncovered spaces and how many spaces to lease so that we can position the LPR cameras in the parking structure.

A spreadsheet attached to this report provides a breakdown of retail, lease, short-term, and handicapped parking spaces in the parking structure. The spreadsheet also shows the lease revenues that might be realized from each option on an annual basis, if the spaces are fully leased, which is no certainty. The spreadsheet can easily adjust for different monthly lease rate scenarios if the Mayor and City Council want to analyze different rates.

Several questions or issues to decide are:

1. A single rate for monthly leases versus two tiers of rates for uncovered spaces on the roof and covered spaces. Also, at what level of cost? At the April 4th City Council meeting, the most support was voiced for two tiers of rates. I remain an advocate for a single rate in order to keep it simple for the City and users. The main impact of two tiers of rates is buying two more LPR cameras for about \$21,000 more cost.

The spreadsheet shows two tiers of rates with \$30 per month for uncovered spaces and \$40 per month for covered spaces. Our old lease rate for surface parking spaces at 3rd and Central and 2nd and Spokane lots (before we raised the rates and moved the spaces to Block 46) was \$20 per month for 12 hour leases and \$25 per month for 24 hour leases.

2. For either one or two tiers, there are two different options for the number of leased parking spots available and therefore the corresponding, free three hour retail spots. The number of leased spots depends upon where we place the LPR cameras, so we need to decide on the desired number of leased spots to start out with so we can place the cameras. The two options shown are for either 125 or 107 leased spaces and therefore a corresponding number of free, three hour retail parking spots at either 71 or 87 respectively.

It is possible to change the camera locations in the future to about 8 different fixed locations that have power and a network cable to them, so it is somewhat flexible to change it in the future. We typically would want to start leased parking after turning a corner in the parking structure and starting up a new ramp for ease of driver understanding.

3. Hours of lease – from 6:00 a.m. to 6:00 p.m. or 7:00 a.m. to 7:00 p.m. I would recommend 6:00 a.m. to 6:00 p.m. because it will be difficult for us to enforce after 5:00 p.m. I doubt many people would leave at 5:00 and be coming back before 6:00 p.m. or if so, I doubt they would have trouble getting a spot back between 5:00 and 6:00 p.m.

Financial Requirements and Revenues

See the attached spreadsheet for revenues generated from each option and the capital cost of 2 versus 4 LPR cameras (four cameras needed for two tiers of rates).

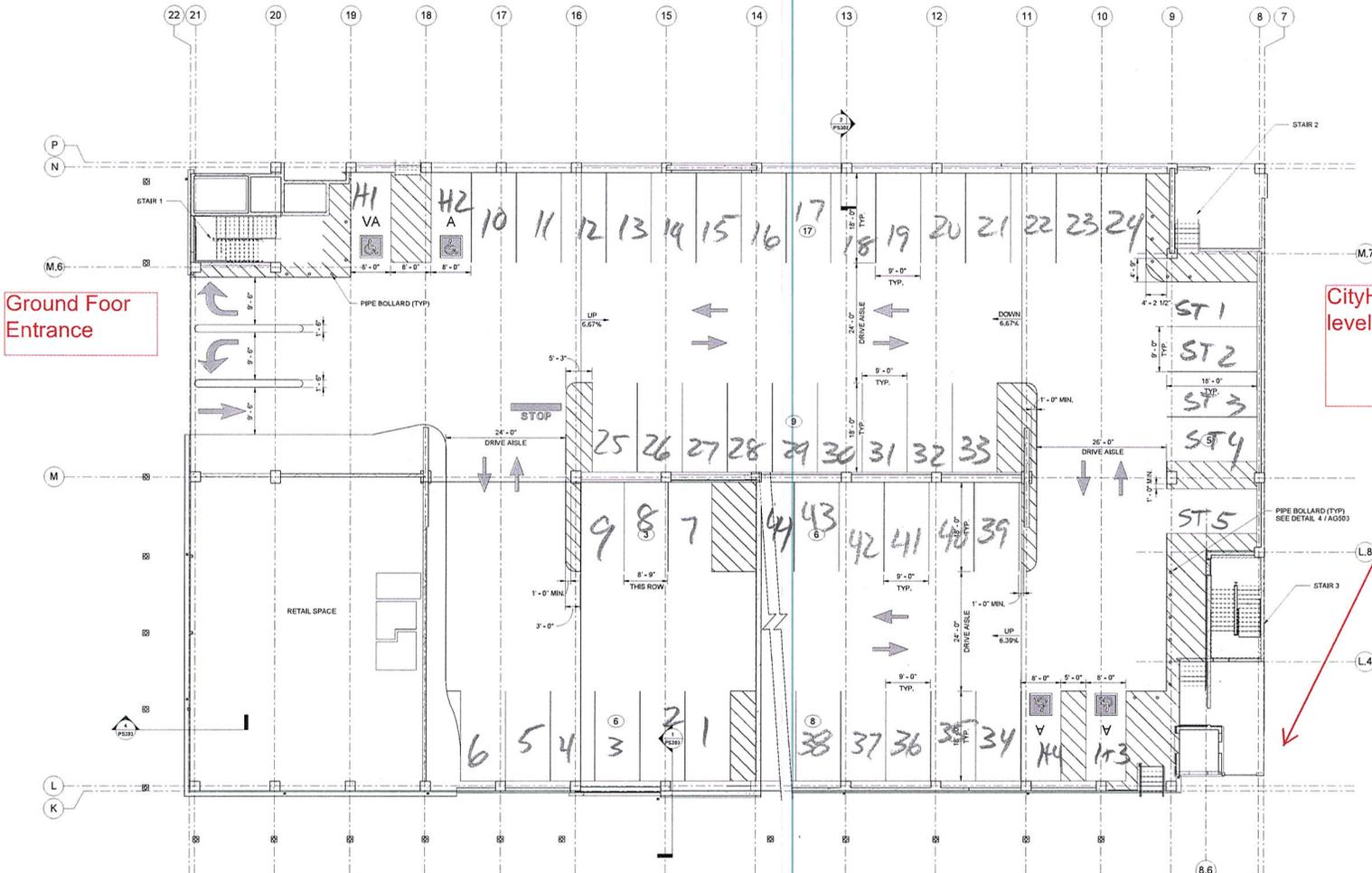
Recommendation

Staff respectfully recommends the City Council continue to provide direction on the number of leased parking spaces that we should plan for in the parking structure and their monthly lease rate or rates.

attachments

	A	B	C	D	E	F	G	H	I	J	K	L
1				Parking Structure								
2				Lease/Retail parking spot mix - Alternatives								
3				Prepared:	#####							
4												
5												
6												
7												
8												
9												
10				Option A		Option B		Option C		Option D		
11				Maximizes Leases		Maximizes Free Retail		Maximizes Leases		Maximizes Free Retail		Notes
12				Two Tiers of Rates		Two Tiers of Rates		One Rate Tier - \$40/mo		One Rate Tier - \$40/mo		
13	PARKING SPACE ALLOCATIONS											
14	Number of Free Retail Spaces			71		87		71		87		Entire Structure is free on weekends
15	Number of Free Retail Spaces - Handicapped			5		7		5		7		
16	Short Term Spots for quick City Hall in and out			10		10		10		10		5 spots on level 1 and 5 spots on level
17	Leased Parking - covered			20		20		20		20		
18	Leased Parking - uncovered			103		87		103		87		
19	Leased Parking - handicapped - covered			2		0		2		0		
20												
21	Total spaces			211		211		211		211		
22												
23												
24	LEASE REVENUES											
25	Lease parking - covered - annual revenue @	\$40	per month	\$10,560		\$9,600						
26	Lease parking - uncovered - annual revenue @	\$30	per month	\$37,080		\$31,320						
27												
28	Total Lease Revenue			\$47,640		\$40,920		\$60,000		\$51,360		
29												
30												
31	less One Half Cost of Facility Maintenance Tech position - annualized (\$16.21/hour pay)		less	(\$31,050)		(\$31,050)		(\$31,050)		(\$31,050)		
32	(other half paid by TIF)											
33												
34	Amount available for supplies or to go into a facility reserve fund - annually			\$16,590		\$9,870		\$28,950		\$20,310		
35												
36												
37	Capital Cost of License Plate Recognition Cameras			\$52,075 to \$57,075		\$52,075 to \$57,075		\$30,125 to \$35,125		\$30,125 to \$35,125		
38												

First Floor of Parking Structure



Ground Floor Entrance

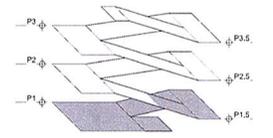
CityHall entrance - level 1

1 STRIPING PLAN - LEVEL P1
AG101 SCALE: 1/8" = 1'-0"

- NOTES:**
- ALL SPACES ARE TO BE 9'-0" WIDE UNLESS NOTED OTHERWISE, MEASURED FROM CENTER OF 4" WIDE WHITE STRIPE.
 - FOR FINISHED FLOOR ELEVATIONS, REFER TO SHEET PS100.
 - FOR DETAILS NOT SHOWN, REFER TO ARCHITECTURAL PLANS.
 - FOR ENLARGED STAIR PLANS, REFER TO PS401-404 AND ARCHITECTURAL PLANS.
 - ALL STRIPING TO BE RETRO-REFLECTIVE PAINT IN ACCORDANCE WITH SPECIFICATIONS. STRIPING PAINT AND SYMBOLS SHALL BE WHITE. CROSS-HATCH SHALL BE WHITE. FOR STRIPING DETAILS SEE AG104.
 - ALL CURBED CORNERS TO HAVE A MINIMUM 4' RADIUS UNDO.
 - COORDINATE FINAL SIGN LOCATIONS WITH LIGHT FIXTURES, RISERS, DRAINS, AND CONDUIT.

- LEGEND:**
- 23 DENOTES NUMBER OF PARKING SPACES SPACED BETWEEN CURBS, CURB ISLANDS, PAINTED ISLANDS, ETC.
 - DENOTES CROSS-HATCHED PAINTED AREA
 - DENOTES "STOP" MARKING TO BE PAINTED ON FLOOR.
 - DENOTES PAVEMENT ARROW MARKING TO BE PAINTED ON FLOOR.
 - DENOTES ACCESSIBLE PARKING SPACE.

LEVEL	STANDARD SPACES	NON-STANDARD SPACES (K 9'-0")	ACCESSIBLE SPACES	VAN ACCESSIBLE SPACES	TOTAL SPACES	AREA (SF)	EFFICIENCY
P1	70	3	0	0	83	28866	348
P2	69	3	2	1	75	26598	355
P1	47	3	3	1	54	23382	433
TOTAL	186	9	5	2	212	78846	372



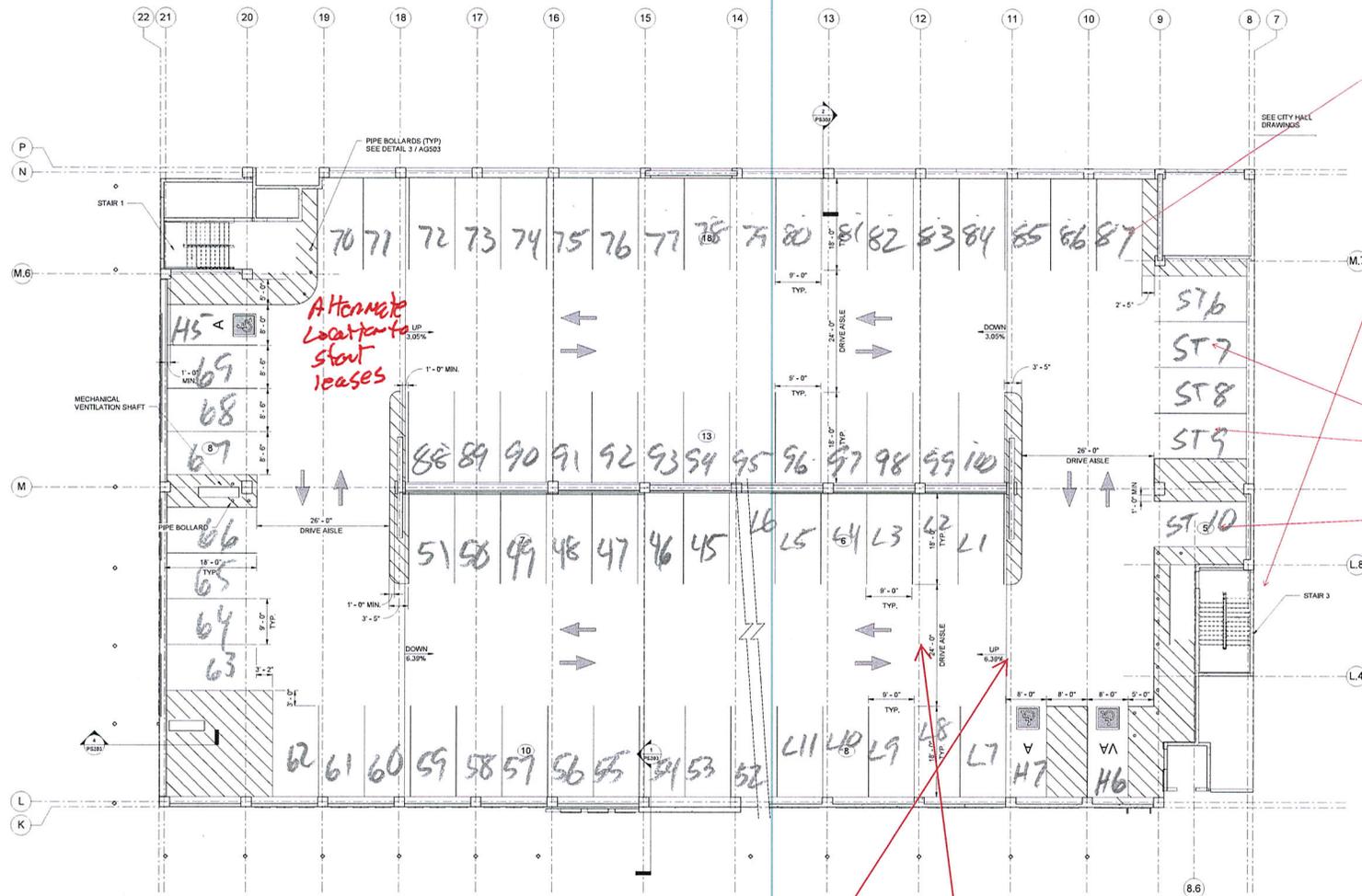
Kimley-Horn
CONSULTANTS

mosaic
architecture+planning+design
428 N. Last Chance Gulch
Helena, Montana 59601

Whitefish City Hall Parking Structure
Structure, Whitefish, Montana 59937
STRIPING PLAN - LEVEL P1
DATE: 09-21-15
AG101

DATE STAMP: 9/22/2015 10:01:10 AM

Second Floor of Parking Structure



Free, 3 hour retail parking below this point - controlled by chalking

City Hall - 2nd Floor Entrance

Free, short term City Hall drop in parking 1/2 hour to 1 hour

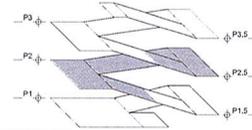
Leased parking begins at this point

Location of Genetec cameras - one pointing downhill and one pointing uphill

STRIPING PLAN - LEVEL P2
AG102 SCALE: 1/8" = 1'-0"

NOTES:
1. FOR NOTES SEE SHEET AG101.

- LEGEND:**
- 23 DENOTES NUMBER OF PARKING SPACES SPACED BETWEEN CURBS, CURB ISLANDS, PAINTED ISLANDS, ETC.
 - DENOTES CROSS-HATCHED PAINTED AREA
 - DENOTES "STOP" MARKING TO BE PAINTED ON FLOOR.
 - DENOTES PAVEMENT ARROW MARKING TO BE PAINTED ON FLOOR.
 - DENOTES ACCESSIBLE PARKING SPACE.



Kimley-Horn
3471 1st Avenue
Butte, MT 59701

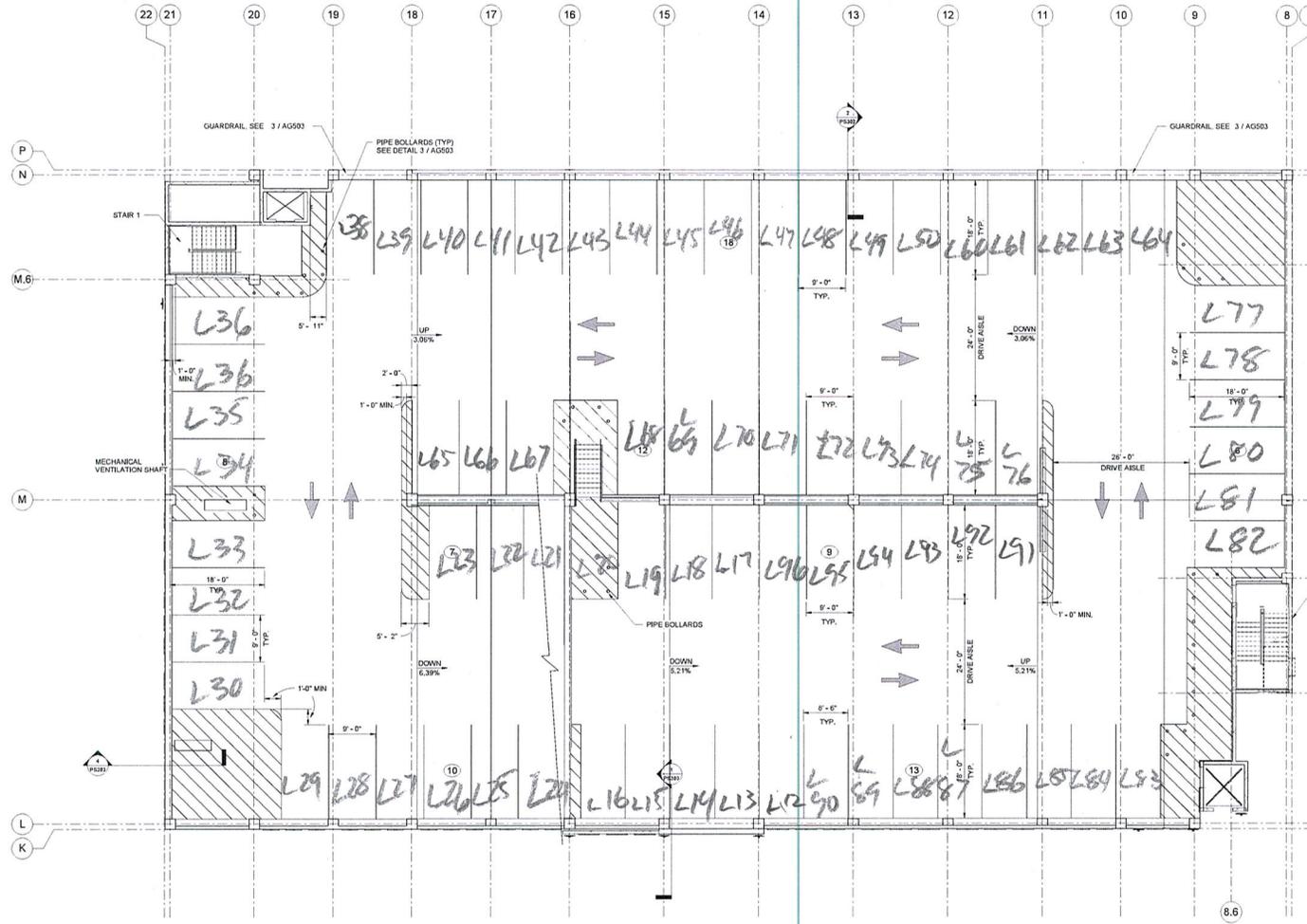
mosaic
architecture-landscape-design
428 N. Last Chance Gulch
Helena, Montana
59601
406.461.2020
406.461.2026
www.mosaicinc.com

Whitefish City Hall Parking Structure
Whitefish, Montana 59937
STRIPING PLAN - LEVEL P2

DATE: 09-21-15
SHEET: AG102

DATE PLOTTED: 9/22/2015 10:00:20 AM

Top Floor - 3rd floor - open to sky



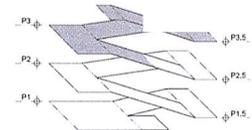
1 AG103 STRIPING PLAN - LEVEL P3
SCALE: 1/8" = 1'-0"

NOTES:

- FOR NOTES SEE SHEET AG101.

LEGEND:

- DENOTES NUMBER OF PARKING SPACES SPACED BETWEEN CURBS, CURB ISLANDS, PAINTED ISLANDS, ETC.
- DENOTES CROSS-HATCHED PAINTED AREA
- DENOTES "STOP" MARKING TO BE PAINTED ON FLOOR.
- DENOTES PAVEMENT ARROW MARKING TO BE PAINTED ON FLOOR.
- DENOTES ACCESSIBLE PARKING SPACE.



DATE STAMP: 9/22/2015 10:01:29 AM

BUILDING SHELL
 Whitefish City
 Hall Parking
 Structure
 Whitefish, Montana 59937
 STRIPING PLAN - LEVEL P3
 DATE: 09-21-15
 SHEET: AG103

Councilor Hildner made a motion, second by Councilor Williams to approve the FY17 marketing plan and public lodging tax budget not to exceed \$90,000. The motion passed unanimously with a 5-0 vote, Councilor Frandsen abstaining.

- 4) **COMMUNICATIONS FROM THE PUBLIC** – (This time is set aside for the public to comment on items that are either on the agenda, but not a public hearing or on items not on the agenda. City officials do not respond during these comments, but may respond or follow-up later on the agenda or at another time. The Mayor has the option of limiting such communications to three minutes depending on the number of citizens who want to comment and the length of the meeting agenda) (CD: 23:00)

Allen Secher, 955 Northwoods Drive, thanked the Council for passing the Non-Discrimination Ordinance. He stated he is proud to live in Whitefish.

Rhonda Fitzgerald, 412 Luper Avenue, spoke towards the lease parking rates that are on the agenda. She urges the Council to structure the rates system in such a way that as many employees and business owners park in the garage as possible to provide off street parking to the customers. She is hoping that there be different rates for covered and un-covered parking.

Denny Gignoux, 659 West 9th Street, presented a petition to the Council from the residents that live in the county from 18th Street to 7th Street, who are wanting to live in R2 zoning rather than R3 zoning that the County is proposing. He is asking the Council to not reconstruct West 7th Street and keep it as a rural street.

- 5) **COMMUNICATIONS FROM VOLUNTEER BOARDS (CD 28:00)**

Councilor Hildner reported on behalf of the Bicycle Pedestrian Committee. Skye Park Bridge grading and paving should be completed by the end of April. The committee recognizes the problem with transients along the river. The committee is looking for a contract amendment to the Bike/Ped Master Plan update to include information in regards to construction or creation of the trail in front of Riverbend Condos. The committee would like this done prior to Riverbend Condos HOA meeting in July. There is going to be a special Bicycle Pedestrian meeting on April 18, at 8:30 a.m. in the Council Conference Room to go over the Master Plan updates.

- 6) **CONSENT AGENDA (CD 29:29)**
- a) **Minutes from the March 21, 2016 Council executive session (p.119)**
 - b) **Minutes from the March 21, 2016 Council regular meeting (p.120)**
 - c) **Ordinance No. 16-07; An Ordinance adding a new chapter to Title 1, Administration, of the Whitefish City Code, to establish a civil rights policy prohibiting discrimination on the basis of actual or perceived sexual orientation or gender identity or expression, creating a cause of action in the Whitefish Municipal Court, authorizing the Municipal Court to fashion civil remedies, creating a time limit under which a claim may be filed, and establishing an effective date (Second Reading) (p.129)**

Councilor Hildner had corrections to the minutes on page 124 of the packet, next to the last paragraph. Change “in partial” to “in part of”, then change “bit” to “bid” in the motion on the same page.

Councilor Sweeney had a correction on page 123 of the packet, in the first paragraph, second line, change “..... rock solid and demonstrated in other communities that had strived as a result” to “..... rock solid and in other communities that have enacted it have thrived as a result.”

Councilor Sweeney made a motion, second by Councilor Frandsen to approve the Consent Agenda as corrected. The motion passed unanimously.

- 7) **PUBLIC HEARINGS** (Items will be considered for action after public hearings) (Resolution No. 07-33 establishes a 30-minute time limit for applicant’s land use presentations. Ordinances require 4 votes for passage – Section 1-6-2 (E)(3) WCC)

(NONE)

- 8) **COMMUNICATIONS FROM CITY MANAGER (CD 31:14)**

- a) **Written report enclosed with the packet. Questions from Mayor or Council? (p.137)-None**
- b) **Other items arising between March 30th and April 4th -None**
- c) **Discussion and possible direction on options for leased parking in the future parking structure – number of spaces, lease rates, and other items (p.144)**

City Manager Stearns gave his staff report that is included in the packet on the website. In order to put in cameras for License Plate Recognition (LPR), he is looking for a decision on the number of conduit and the location of the cameras in the parking structure.

City Manager Stearns reviewed the options for additional lease spaces on page 145 of the packet. City Manager Stearns agreed with Heart of Whitefish that it is desirable to get as many cars off of Central Avenue from employees and get them relocated, so we want the lease rate to be attractive. He met with Chris Schustrom and he pressed City Manager Stearns with a difference with covered and un-covered parking rates.

City Manager Stearns reported he is starting to anticipate in the budget a position to both maintain City Hall Parking Structure and do the enforcement of the lease parking. That position on an annual basis will cost \$61,772, without any other supplies or cost. There could be an argument that not all of that should go towards parking lease, but if it is not paid for by parking leases then we will have to pay it out of property taxes.

The LPR system is nice to use since we can’t have a gate at the entrance on 1st Street, due to too many vehicles would be backed up. A gate could be placed at the start of the lease section of the structure, but gates require maintenance, and are customer unfriendly. The LPR is customer friendly, and can be effective with a 90% recognition. Obviously with the dirty license plates and those covered in snow it won’t recognize the plate. That is when the Parking Structure Maintenance would go and verify the license plate and enforce if need be.

City Manager Stearns walked the Council through the map on page 159 of the packet, of his thoughts on location for the conduit for the camera system. Two cameras are needed in each location, one for each direction of traffic. City Manager Stearns is looking for direction from the Council on how many locations are wanted or needed for the conduit for the camera system.

Discussion followed between Councilor Williams and City Manager Stearns regarding the number of vehicles per leased space. City Manager Stearns thought two vehicles per space, the LPR system could have options of three to four plates per space, which could be more difficult. The LPR system will send an alarm if anything is out of the ordinary. Councilor Williams felt businesses might be more incentivized if purchasing two or three lease spots and rotate through employees on shift. City Manager Stearns stated the lease will be 12-hours, and evenings and weekends the whole structure will be free and available.

Councilor Sweeney asked and City Manager Stearns stated it is going to be more of a first come first serve rather than assigned parking. With this there could be some concern with covered and un-covered parking control. The system should be able to pick up if a vehicle who is not authorized to park in covered and should be parking in un-covered parking. Councilor Sweeney also asked if 127 spaces will be leased, City Manager Stearns stated there is not a good feeling for the demand, but we could incentivize the merchants with lower rates, or discounted rates for long lease period, or quantity leasing.

Councilor Frandsen agreed to differentiate between covered and un-covered parking rates and incentivize that a little more and provide as many conduit locations as possible.

Councilor Hildner favors the three camera conduit locations that City Manager Stearns suggested. He would support the differentiation of the rate prices.

Discussion followed between Mayor Muhlfeld and City Manager Stearns regarding evening leased parking. City Manager Stearns stated the peak parking is during the day and at night parking is usually available in the 200 block of Central. The peak event parking is Farmers Market; he believes the whole parking structure should be available at night. City Manager Stearns said the system would be flexible enough to lease in the evenings. He can go back and research if other Utility Parking Structures lease in the evening. Finance Director Smith stated that with the evening leasing we need to think about the cost of enforcement for overnight parking. We have staff on hand Monday through Friday, enforcement overnight would require somebody to be on call, which would be an increased cost.

Mayor Muhlfeld stated when the revenue goal was set, it was anticipated that revenue would be used for operation and maintenance of the garage. There was never talk of creating an additional position of a lease manager. City Manager Stearns stated there was always some anticipation that some salary would need to go to operations and maintenance. We need City Hall maintenance, Parking Structure maintenance and somebody to handle the lease violations. Mayor Muhlfeld asked and City Manager Stearns stated he anticipates putting the position in the Parks and Recreation budget, which would include maintenance at the ESC to help with the HVAC system, and boiler system. Mayor Muhlfeld felt this is a more detailed discussion for the budget session.

Councilor Sweeney agrees with Mayor Muhlfeld, that the cost of operations and maintenance didn't include time a person was going to take to do that work. Since this position will have other duties outside the Parking Structure, it should not be charged to the operations and maintenance. Mayor Muhlfeld is opposed to using property tax revenue to pay for the operation and maintenance of the Parking Structure. Finance Director Smith clarified that each position is allocated across funds.

City Manager Stearns will create as much flexibility for camera positions and continue to think about lease.

9) COMMUNICATIONS FROM MAYOR AND CITY COUNCILORS (CD 1:10:50)

- a) Consideration of approving the Request for Qualifications (RFQ) for a Housing Needs Assessment in conjunction with the Whitefish Chamber of Commerce (p.153)**

City Manager Stearns gave the staff report that is included in the packet on the website. Kevin Gartland with the Whitefish Chamber of Commerce, stating they were trying to link two parts of the process together and bring the assessment and the planned development under one RFQ, to be eligible for WCVB grants for phase II, unfortunately, was not able to get there. This is moving forward with the RFQ for the housing assessment.

Councilor Sweeney asked and Kevin stated the decision that is taken to the Board will come out of the selection committee. The council and the City will be represented in the selection committee.

Councilor Sweeney made a motion, second by Councilor Barberis to approve the Request for Qualifications (RFQ) for a Housing Needs Assessment. The motion passed unanimously.

- b) Letter from Toby Scott regarding the South Whitefish Transportation Plan issues (p.159)-None**
- c) Consideration of appointing City representative to the Haskill Basin Conservation Easement Liaison Team (p.160)**

Councilor Hildner made a motion, second by Councilor Sweeney to appoint Mayor Muhlfeld as a representative to the Haskill Basin Conservation Easement Liaison Team. The motion passed unanimously.

Councilor Frandsen stated that the property on Edgewood next to the O'Shaughnessy property has been slowly clearing the trailers from the property, but there is trash that needs to be cleaned up and would like Code Enforcement to look into it.

Councilor Sweeney stated that the Consent Agenda was the most pleasurable to approve in some time.

Mayor Muhlfeld suggested holding another work session in July regarding the Lion Mountain septic and sewer alternatives. Councilor Frandsen asked if this is delayed until July

Project Name: Parking Garage opt cameras

Quote Number **SSGQ17932**

Presented To:

Date 08/10/2016

City of Whitefish
 Chuck Stearns, City Manager
 PO Box 158
 1005 Baker Ave
 Whitefish, MT 59937-0158

Expiration Date **02/06/2017**

Your Sales Rep
 Mike O'Brien
 Enterprise Sales Manager
 Phone (708) 465-0812
 Fax
 mobrien@fedsig.com

Phone 406-863-2406
 Email cstearns@cityofwhitefish.org

Terms		Ship Via		FOB	
NET 30 With Account Approval		Ex-Works, University Park, IL		Origin	
Line	Qty	Part Number	Description	Unit Price	Extended Price
1			SERVER SOFTWARE		
2	1	V-GSC-BASE-5.4	Genetec Security Center (GSC) Base Package - Version 5.4 which includes: 1 Directory, 5 Security Desk client connections (incl. Web Client), Plan Manager Basic, Alarm Management, Advanced Reporting, System Partitioning, Zone Monitoring, IO Modules Support, Email Support, Macros Support (actual macros sold separately), Support for server virtualization, all supported languages. Must purchase a Synergis, Omnicast, or AutoVu base package to enable access control, video, or LPR content respectively.	\$0.00	\$0.00
3	1	S-GSC-Av-S	GSC AutoVu Standard Base Package. Works with Genetec Security Center (sold separately) SQL 2008 Express Edition included. Full Microsoft SQL Server 2008 package not included. Camera connection NOT included	\$1,495.00	\$1,495.00
4			SubTotal		\$1,495.00
5			GARAGE EQUIPMENT		
6	2	S-AU-K-XGA-W2585 0-U	WHITE AUTOVU SHARP XGA CAMERA KIT WHICH INCLUDES: SHARP XGA 25MM LENS AND 850NM ILLUMINATOR, UNIVERSAL MOUNTING AND 10M FIXED EXTERIOR CABLE (POWER SUPPLY NOT INCLUDED)	\$7,350.00	\$14,700.00
7	2	V-GSC-Av-S-1SHP	ONE (1) FIXED SHARP CAMERA CONNECTION (ONE (1) CONNECTION IS REQUIRED FOR EACH ANALYZED STREAM)	\$450.00	\$900.00
8	2	S-MM22	LPR CAMERA MOUNT FOR CEILING	\$65.00	\$130.00
9	2	V-IPCAM	IPCAM - NEMA4 EQUIPMENT CABINET WITH POWER SUPPLY, NETWORK SWITCH AND SURGE PROTECTION	\$850.00	\$1,700.00
<i>NETWORK CABLE RAN TO BOX AND PLUGGED INTO EXISTING NETWORK THAT CONNECTS TO SERVER. IT IS ASSUMED THERE IS AN AVAILABLE SWITCH AND PORT TO PLUG IN CABLE</i>					
10			SubTotal		\$17,430.00
11			FSC SERVICES		
12	1	TK-IO-CUSTINS	CUSTOM INSTALLATION SERVICES	\$4,500.00	\$4,500.00
<i>ALL CONDUIT FOR NETWORK AND 24/7 ELECTRIC B/O. FSC TO INSTALL HARDWARE COMMISSION & TRAIN</i>					

Line	Qty	Part Number	Description	Unit Price	Extended Price
13	1	TK-S-PROJMGT	PROJECT MANAGEMENT SERVICES (TRAVELING & LIVING EXPENSES NOT INCLUDED)	\$600.00	\$600.00
14	1	TK-S-SYSENG	SYSTEMS ENGINEERING: BUILD BOXES, CONFIGURE CAMERAS, 3-DAYS FSC ENG ON GROUND TO SUPPORT HARDWARE INSTALL, INSTALL SOFTWARE ON SERVER, COMMISSION CAMERAS/SYSTEM & TRAINING.	\$6,100.00	\$6,100.00
15			Running SubTotal		\$30,125.00
16			OPTIONAL ADDITIONAL (2) CAMERAS		
17	2	S-AU-K-XGA-W2585 0-U	WHITE AUTOVU SHARP XGA CAMERA KIT WHICH INCLUDES: SHARP XGA 25MM LENS AND 850NM ILLUMINATOR, UNIVERSAL MOUNTING AND 10M FIXED EXTERIOR CABLE (POWER SUPPLY NOT INCLUDED)	\$7,350.00	\$14,700.00
18	2	V-GSC-Av-S-1SHP	ONE (1) FIXED SHARP CAMERA CONNECTION (ONE (1) CONNECTION IS REQUIRED FOR EACH ANALYZED STREAM)	\$450.00	\$900.00
19	2	S-MM22	LPR CAMERA MOUNT FOR CEILING	\$65.00	\$130.00
20	2	V-IPCAM	IPCAM - NEMA4 EQUIPMENT CABINET WITH POWER SUPPLY, NETWORK SWITCH AND SURGE PROTECTION	\$850.00	\$1,700.00
			<i>NETWORK CABLE RAN TO BOX AND PLUGGED INTO EXISTING NETWORK THAT CONNECTS TO SERVER. IT IS ASSUMED THERE IS AN AVAILABLE SWITCH AND PORT TO PLUG IN CABLE</i>		
21	1	TK-IO-CUSTINS	CUSTOM INSTALLATION SERVICES	\$3,000.00	\$3,000.00
22	1	TK-S-PROJMGT	PROJECT MANAGEMENT SERVICES (TRAVELING & LIVING EXPENSES NOT INCLUDED)	\$400.00	\$400.00
23	1	TK-S-SYSENG	SYSTEMS ENGINEERING PER HOUR (TRAVEL & LIVING EXPENSES NOT INCLUDED)	\$1,120.00	\$1,120.00
24			SubTotal		\$21,950.00
25			OPTIONAL THIRD PARTY PLUGINS		
26	1	S-GSC-PBPSYNC-SIN GLE	Interface to one Pay by Plate system. (Optional)	\$1,000.00	\$1,000.00
			<i>ABILITY TO COMMUNICATE WITH A SINGLE THIRD PARTY PAYMENT, SUCH AS PARKMOBILE</i>		
27	1	S-GSC-PBPSYNC-M ULTI	Interface to multiple Pay by Plate systems. (Optional)	\$5,000.00	\$5,000.00
			<i>ALLOWS FOR MULTI CONNECTIONS, SUCH AS PAY BY CELL, PAY BY PLATE/PAY STATIONS, PARKMOBILE</i>		

SubTotal	\$52,075.00
Tax	
Total	\$52,075.00
Recurring Totals	\$0.00

Quote Approved by:

These two costs are optional additions for automated payment processing via phone or computer - not in \$30,125 or \$52,075 totals

Line	Qty	Part Number	Description	Unit Price	Extended Price
------	-----	-------------	-------------	------------	----------------

Prices are firm until expiration date above unless shown otherwise. Upon acceptance, prices are firm for 6 months. This quotation is expressly subject to acceptance by Buyer of all Terms stated in the attached Terms document, and any exception to or modification of such Terms shall not be binding on Seller unless expressly accepted in writing by an authorized agent or Officer of Seller. Any order submitted to Seller on the basis set forth above, in whole or in part, shall constitute an acceptance by Buyer of the Terms. Any such order shall be subject to acceptance by Seller in its discretion. If the total price for the items set forth above exceeds \$50,000 then this quotation IS ONLY VALID if countersigned below by a Regional Manager of the Safety & Security Systems Group, Federal Signal Corporation. Installation is not included unless specifically quoted as a line item above. Adverse Site Conditions, including rock, caving soil conditions, contaminated soil, and poor site access availability, and other circumstances which result in more than 2 hours to install a pole, will result in a \$385.00 per hour fee, plus equipment. Trenching is additional. Power Clause, bringing power to the equipment is the responsibility of the purchaser. Permit Clause, any special permits, licenses or fees will be additional. See attached Terms sheet.

Please make all payments payable to:

FEDERAL SIGNAL CORPORATION - ALERTING & NOTIFICATION SYSTEMS

Quote Number [SSGQ17932](#)

Approved by: _____

Date: _____

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CITY COUNCIL REGULAR MEETING AGENDA

The following is a summary of the items to come before the City Council at its regular session to be held on Monday, October 3, 2016, at **7:10 p.m.** at Interim City Hall, 1005 Baker Avenue.

Ordinance numbers start with 16-19. Resolution numbers start with 16-53.

- 1) CALL TO ORDER
- 2) PLEDGE OF ALLEGIANCE
- 3) PRESENTATION - Update on City Hall/Parking Structure Construction progress – Mike Cronquist, Owner’s Representative (p. 35)
- 4) COMMUNICATIONS FROM THE PUBLIC – (This time is set aside for the public to comment on items that are either on the agenda, but not a public hearing or on items not on the agenda. City officials do not respond during these comments, but may respond or follow-up later on the agenda or at another time. The Mayor has the option of limiting such communications to three minutes depending on the number of citizens who want to comment and the length of the meeting agenda)
- 5) COMMUNICATIONS FROM VOLUNTEER BOARDS
- 6) CONSENT AGENDA
 - a) Minutes from September 19, 2016 Regular Meeting (p. 45)
 - b) Ordinance No. 16-18; An Ordinance rezoning certain tracts of recently annexed land on West Lakeshore Drive from County R-3 (One Family Residential) to City WR-1 (One-Family Residential District), and adopting findings with respect to such rezone (Second Reading) (p. 50)
 - c) Resolution No. 16-___; A Resolution extending the corporate limits of the City of Whitefish, Montana, to annex within the boundaries of the City approximately 1.31 acres of land known as 2045 Lion Mountain Loop Road, for which the owners have petitioned for and consented to annexation (p. 56)
- 7) PUBLIC HEARINGS (Items will be considered for action after public hearings) (Resolution No. 07-33 establishes a 30 minute time limit for applicant’s land use presentations. Ordinances require 4 votes for passage – Section 1-6-2 (E)(3) WCC)

None
- 8) COMMUNICATIONS FROM PARKS AND RECREATION DIRECTOR
 - a) Consideration of awarding a construction contract award for the Riverside Tennis Courts reconstruction project (p. 68)

9) COMMUNICATIONS FROM PUBLIC WORKS DIRECTOR

- a) Consideration of accepting Preliminary Engineering Report for the Wastewater Treatment Plant improvements design and authorizing its submittal to the Montana Department of Environmental Quality (p. 76)

10) COMMUNICATIONS FROM CITY MANAGER

- a) Written report enclosed with the packet. Questions from Mayor or Council? (p. 92)
- b) Other items arising between September 28th and October 3rd
- c) Resolution No. 16-___; A Resolution indicating its intent to consider annexing approximately 82.7 acres of wholly surrounded land into the City of Whitefish, Montana, describing the land to be so considered, providing for notice and publication as provided by law, providing for a date of hearing such proposed annexation, and approving the Report on Extension of Services (p. 97)
- d) Resolution No. 16-___; A Resolution of the City Council of the City of Whitefish, Montana, establishing "No Parking" Zones along portions of East 1st Street (p. 126)
- e) Consideration of authorizing staff to proceed with a negotiated sale of SID #167 Bonds (Parking Structure SID) up to \$880,000.00 with First Interstate Bank and Glacier Bank (p. 135)

11) COMMUNICATIONS FROM MAYOR AND CITY COUNCILORS

- a) Letter from Montana Municipal Interlocal Authority (MMIA) regarding receiving the Liability Loss Control Award for lowest incurred liability claims among 2nd Class cities in Montana during the past five years (p. 141)
- b) Discussion and possible consideration of a proposal from the Whitefish Chamber of Commerce to lease the Depot Park building after it is vacated (p. 142)
- c) Any actions related to hiring of new City Manager

12) ADJOURNMENT (Resolution 08-10 establishes 11:00 p.m. as end of meeting unless extended to 11:30 by majority)



The following Principles for Civil Dialogue are adopted on 2/20/2007 for use by the City Council and by all boards, committees and personnel of the City of Whitefish:

- We provide a safe environment where individual perspectives are respected, heard, and acknowledged.
- We are responsible for respectful and courteous dialogue and participation.
- We respect diverse opinions as a means to find solutions based on common ground.
- We encourage and value broad community participation.
- We encourage creative approaches to engage public participation.
- We value informed decision-making and take personal responsibility to educate and be educated.
- We believe that respectful public dialogue fosters healthy community relationships, understanding, and problem-solving.
- We acknowledge, consider and respect the natural tensions created by collaboration, change and transition.
- We follow the rules and guidelines established for each meeting.

Adopted by Resolution 07-09
February 20, 2007

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September 28, 2016

The Honorable Mayor Muhlfeld and City Councilors
City of Whitefish
Whitefish, Montana

Mayor Muhlfeld and City Councilors:

Monday, October 3, 2016 City Council Agenda Report

There will be a work session at 5:30 p.m., for an executive session on the quarterly litigation update followed by an open session to discuss and provide direction on parking lease rates and number of lease parking spaces in the parking structure. Food will be provided.

The regular Council meeting will begin at 7:10 p.m.

CONSENT AGENDA

- a) Minutes from September 19, 2016 Regular Meeting (p. 45)
- b) Ordinance No. 16-18; An Ordinance rezoning certain tracts of recently annexed land on West Lakeshore Drive from County R-3 (One Family Residential) to City WR-1 (One-Family Residential District), and adopting findings with respect to such rezone (Second Reading) (p. 50)
- c) A Resolution extending the corporate limits of the City of Whitefish, Montana, to annex within the boundaries of the City approximately 1.31 acres of land known as 2045 Lion Mountain Loop Road, for which the owners have petitioned for and consented to annexation (p. 56)

RECOMMENDATION: Staff respectfully recommends the City Council approve the Consent Agenda.

Item a is an administrative matter. Item b is a quasi-judicial matter. Item c is a legislative matter.

PUBLIC HEARINGS (Items will be considered for action after public hearings) (Resolution No. 07-33 establishes a 30 minute time limit for applicant's land use presentations. Ordinances require 4 votes for passage – Section 1-6-2 (E)(3) WCC)

None

COMMUNICATIONS FROM PARKS AND RECREATION DIRECTOR

- a) Consideration of awarding a construction contract award for the Riverside Tennis Courts reconstruction project (p. 68)

From Parks and Recreation Director Maria Butts staff report:

The Riverside Tennis Courts have been in a state of disrepair for many years. As the courts continued to deteriorate, the Parks and Recreation Department began to receive increasing numbers of phone calls and emails regarding concern for the condition of the courts, as the courts receive a significant amount of use from the community. In particular, Whitefish School District utilizes the courts for their tennis team practices and matches with other districts. My predecessor, Karl Cozad, had set aside Resort Tax Funds for several years with the goal of building six new courts in Memorial Park. However, he was not able to complete the project before his retirement. As I worked with the Park Board on both addressing the idea of building new courts and repairing the existing courts, it became apparent that we would not have the funding to both build six new courts and repair all existing courts. Therefore, the Park Board determined that instead of building new courts at Memorial Park, the department should investigate rebuilding the existing courts at Riverside Park and converting the Memorial Park tennis courts into pickleball courts. The pickleball courts were completed in the fall of 2015, but the Riverside Tennis Courts proved to be a bit more complex of a project. Due to the fact that the Riverside Tennis Courts were built on an old landfill site, next to a river, over a sewer line, and in a park where we were experiencing several “sink holes,” I determined that we would need to employ the services of an engineering firm to properly address all of the concerns with this project. TD&H was awarded that engineering contract in April of 2016.

Since then, TD&H Engineering and Bruce Boody have worked with the Parks and Recreation Department and the Park Board of Commissioners on the Riverside Tennis Court Project. TD&H performed core sample testing and provided a recommendation for a 12” crushed subbase, a 6” base, and a 3” asphalt surface with an estimated cost of \$146,695.

Resort Tax Funds were committed to the Riverside Tennis Court Project in the amount of \$120,000. This dollar amount was not an actual projection of cost but is only reflective of the amount of funds left over after the pickleball courts were constructed from the funds that were originally set aside to build six new courts at Memorial Park and did not reflect staff’s later decision to hire engineering services for the project.

A contract with TD&H for Phase I of the engineering, for topographical surveying, was approved for \$2,970 on May 2, 2016. A contract for Phases II & III, for professional engineering, landscape final design services, bidding and construction management services, and final inspection services, was approved July 18, 2016 for an amount to not exceed \$26,230.

The Parks and Recreation Department, through the contracted services of TD&H, advertised for sealed bids in the Whitefish Pilot on September 7th and September 14th for the Riverside Tennis Court Project; as well TD&H reached out to several area contractors. All bids were to be received by 11:30 AM, Thursday, September 22, 2016. Two sealed bids were received and were publicly opened and read aloud at City Hall on the same date.

The City of Whitefish has received two bids for the Riverside Tennis Court Project. The first bid from Watson Excavating totaled \$175,058 for the base bid and \$168,058 for Additive Alternate #1 Bid Schedule (Construction in the Spring). The second bid from LHC, Inc. totaled \$241,149 for the base bid and \$241,149 for Additive Alternate #1 Bid Schedule (Construction in the Spring). Also included were bid alternates for an added bike path and landscaping, which the department is not recommending the City move forward on at this time.

Watson Excavating was the lowest responsible bidder on this project. TD&H discussed cost saving measures with Watson Excavating and determined that the majority of the landscaping line item can be eliminated, as it was an added beautification that did not previously exist and could be done in-house at a later date for less of a cost to the City. The only remaining landscaping cost is the root barrier, which will total \$7,000. This brings the lowest bid to \$154,058 if constructed in the fall or the spring.

The Parks and Recreation Department will have a remaining cash balance of \$138,743 in the Resort Tax Fund at year-end. \$120,000 of Resort Tax funds were allocated to the Riverside Tennis Court Project. Of that \$120,000, there is \$90,800 still available. To award this bid, the Parks and Recreation Department will need an additional \$63,258 of Resort Tax funds to complete the project, leaving an estimated \$75,485 in the Resort Tax Fund at year end. An amendment to the FY17 Adopted Budget will only be completed if total expenditures in the Resort Tax Fund exceed the approved budget authority at year-end. With the additional approved funds, the total Resort Tax allocation for this project would be \$183,258.

RECOMMENDATION - Staff respectfully recommends the City Council award the Riverside Tennis Court Project construction contract to Watson Excavating and plan to allocate \$63,258 additional Resort Tax Funds via a future budget amendment, if necessary, to complete the Riverside Tennis Court construction this fall.

This item is a legislative matter.

COMMUNICATIONS FROM PUBLIC WORKS DIRECTOR

- a) Consideration of accepting Preliminary Engineering Report for the Wastewater Treatment Plant improvements design and authorizing its submittal to the Montana Department of Environmental Quality (p. 76)

From Public Works Director Craig Workman's staff report:

The City was issued an Administrative Order of Consent (AOC) by the Montana Department of Environmental Quality (DEQ) on October 5, 2012. Late last year the AOC was updated to incorporate a Compliance Plan detailing the completion dates that must be met in order to bring the WWTP into compliance. The first milestone requires that a Preliminary Engineering Report (PER) be approved by Council and submitted to DEQ.

The primary impetus behind the project pertains to new wastewater treatment standards implemented by DEQ through the latest discharge permit issued to the City in 2015. New requirements for removal of ammonia, nitrogen and phosphorous were included in the new permit. The lagoon system, originally constructed in 1979, has served the City well but is approaching the end of its useful design life. The existing treatment facility cannot be made to meet the new standards without major reconstruction.

The PER considered alternatives to address the existing permit, and will position the City to meet new limits in future permits. In development of treatment alternatives, the incorporation of existing plant components that were constructed more recently than the lagoons was stressed to optimize the value of the earlier investment. In addition, sustainable treatment technologies were considered for incorporation into the design and construction of new unit treatment processes. Although treatment processes employing proven technologies capable of meeting existing and anticipated regulatory standards should be utilized, energy efficiency will be prime consideration in the selection of specific pumping, mixing and aeration equipment.

The following is a brief summary of the three treatment alternatives that were analyzed in the report.

BioLac Lagoon Treatment System – This alternative consists of a lagoon-based, quasi-activated sludge treatment system. The system would include new grit removal, solids handling, and effluent disinfection equipment. The entire proposed BioLac system could be fit within the footprint of existing treatment cell #3, excluding disinfection.

Oxidation Ditch – The oxidation ditch is a variation of the activated sludge process. The system consists of a closed-loop aeration channel through which mixed wastewater is continuously recirculated. The heart of the oxidation ditch technology is the aeration system. The aerator provides for oxygen transfer, mixing, and recirculation of the wastewater. Through the proper design of the aeration system, it is possible to achieve organic removal, ammonia removal (nitrification), and nitrate removal (denitrification)

in a single sludge system. The oxidation ditch concept also has the potential for phosphorus removal.

Sequencing Batch Reactor – This alternative consists of a multi basin system sized to treat the City’s projected 2035 design flow. The Sequencing Batch Reactor (SBR) is an activated sludge process designed to operate under variable conditions. An SBR operates in a true batch mode with aeration and sludge settlement both occurring in the same tank. The major differences between SBR and conventional continuous-flow, activated sludge system is that the SBR tank carries out the functions of equalization aeration and sedimentation in a time sequence rather than in the conventional space sequence of continuous-flow systems. In addition, the SBR system can be designed with the ability to treat a wide range of influent volumes whereas the continuous system is based upon a fixed influent flowrate. Thus, there is a degree of flexibility associated with working in a time rather than in a space sequence.

The following table provides a comparison of the capital and operating costs for the three final options considered:

Alternative	Capital Cost	Annual O&M	20-Year NPW Annual O&M	Salvage Value	20-Year NPW Salvage Value	Overall 20-Year Net Present Worth
Biolac w/ Existing Clarifier	\$15,914,648	\$642,369	\$8,729,790	\$2,481,218	\$1,132,428	\$23,512,010
Sequencing Batch Reactor	\$15,984,739	\$780,485	\$10,606,791	\$4,601,475	\$2,100,113	\$24,491,416
Oxidation Ditch	\$21,356,133	\$927,996	\$12,611,472	\$6,451,438	\$2,944,436	\$31,023,169

The treatment alternatives were ranked as follows, with 1 being the most desirable, and 3 being the least:

	Option 1 Biolac	Option 2 SBR	Option 3 O-Ditch
Capital Costs	1	1	3
Operating Costs	1	2	3
Mechanical and Operational Complexity	1	1	1
Use of Proven Technology	2	1	1
Future Expansion Capability	3	1	2
Capacity to Remove Pollutants to Lower Levels	3	1	1
Cold Weather Operation	2	1	1
Odor Potential and Aesthetics	2	1	2
Environmental Impacts	1	1	1
Ease of Implementation	1	1	2
Public Acceptance	1	1	1
Total	18	12	18
Rank	3	1	2

The recommended project includes replacement of the existing secondary treatment plant with a Sequencing Batch Reactor (SBR) capable of removing ammonia, nitrogen and phosphorous to fully comply with the requirements of the current MPDES discharge permit. Furthermore, the plant will be capable of meeting anticipated more restrictive nutrient standards proposed by the DEQ in the next two discharge permit cycles (5 and 10 years hence). Pretreatment of the wastewater will be provided by the existing perforated screen plus grit removal capability added by a new unit process. A four cell sequencing batch reactor is proposed within the third lagoon cell whereas the existing lagoon cells will be retained for treatment during construction. Use of 4 cells allows continuous discharge from the system, eliminating the need for a post treatment flow equalization basin. BioSolids from the SBR plant will be discharged to an aerobic digester for further stabilization. The existing flocculating clarifier will be converted to a covered aerobic digester. After stabilization, BioSolids will be sent to the existing drying beds for further dewatering and long-term storage. Periodically the solids can be removed for disposal at the landfill or land application. While not an immediate plan (or need), a small composting operation could be constructed on site within one of the old treatment cells utilizing BioSolids and wood waste to generate compost. Disinfection of the treated effluent would be provided by ultraviolet disinfection.

The estimated costs for the project are \$17,500,000. This includes construction, engineering, administration and a 15% contingency. Annual costs for operating the entire facility are estimated to be \$780,480, which roughly equates to a \$440,000 cost increase over the current operational cost. Detailed cost estimates for this option are included in PER.

A project budget strategy has been prepared which anticipates grant funding from the TSEP and DRNC programs matched by a SRF loan, including forgiving principal of the loan in the amount of \$500,000. An alternative or supplement to the SRF loan is being investigated utilizing a Rural Development Loan and Grant combination. Whitefish, primarily due to its population, is eligible for RD funding but is not a good candidate for the limited funds. Initial project planning is proceeding without an assumption of obtaining an RD grant.

RECOMMENDATION: Staff respectfully requests the City Council accept the Preliminary Engineering Report for the Wastewater Treatment Plant improvements design and authoriz its submittal to the Montana Department of Environmental Quality

This item is a legislative matter.

COMMUNICATIONS FROM CITY MANAGER

- a) Written report enclosed with the packet. Questions from Mayor or Council? (p. 92)
- b) Other items arising between September 28th and October 3rd

- c) Resolution No. 16-___; A Resolution indicating its intent to consider annexing approximately 82.7 acres of wholly surrounded land into the City of Whitefish, Montana, describing the land to be so considered, providing for notice and publication as provided by law, providing for a date of hearing such proposed annexation, and approving the Report on Extension of Services (p. 97)

A copy of a detailed Extension of Services Report memo is in the packet and won't be repeated here.

When the Whitefish City Council met in a work session on March 3, 2014 and again on July 5, 2016 to discuss the extent of utility connections and services provided outside of city limits and possible areas for annexation, the City Council's first priority expressed at that meeting was to annex the Houston Drive area on East Lakeshore Drive. However, that annexation has been held up by preventive litigation. We then annexed the West Lakeshore area properties on July 18, 2016. The next priority area discussed to be annexed is the area around Ramsey Avenue and other various, wholly surrounded parcels of land throughout the City.

This annexation of 44 parcels of land is being pursued using the "Wholly Surrounded Land" method of annexation found in Title 7, Chapter 2, Part 45 of Montana Code Annotated. This separate method of annexation allows the City to annex certain property without the property owners having the right to protest and prevent the annexation. Section 7-2-4502 MCA provides as follows:

7-2-4502. Protest not available. Wholly surrounded land is annexed, if so resolved by the city or town council, whether or not a majority of the real property owners of the area to be annexed object. The question of annexing the wholly surrounded land is not subject to being voted on by the registered voters of the area to be annexed.

A Montana Attorney General Opinion provides additional legal interpretation of when property is "wholly surrounded". From Montana Attorney General Opinion No. 41; 1987 Mont. AG LEXIS 9; 42 Op. Atty Gen. Mont. No. 41; November 18, 1987:

While not statutorily defined, the term "wholly surrounded" was construed in *Calvert v. City of Great Falls*, 154 Mont. 213, 217, 462 P.2d 182, 184 (1969), to include land which, while not completely contiguous with the municipality, was nonetheless surrounded by it: "The term 'wholly surrounded' means that . . . where all lands on the side of the tract are within the city and where it is impossible to reach the tract without crossing such territory, the tract is 'wholly surrounded'."

THEREFORE, IT IS MY OPINION:

A parcel of land is "wholly surrounded" under section 7-2-4501, MCA, when access may be gained only by crossing through the municipality.

Given that all of these properties proposed for annexation can only gain access to their property by crossing through the municipality on various streets and highways which are already in City limits, these properties are "wholly surrounded".

This Resolution of Intention only begins the formal process of the annexation. If the City Council approves the Resolution of Intention, the legal advertisements are published and also sent to each property owner and occupant. The public hearing would be on November 21st.

RECOMMENDATION: Staff respectfully recommends the City Council begin the annexation process by approving a Resolution indicating its intent to consider annexing approximately 82.7 acres of wholly surrounded land into the City of Whitefish, Montana, describing the land to be so considered, providing for notice and publication as provided by law, providing for a date of hearing such proposed annexation, and approving the Report on Extension of Services.

This item is a legislative matter.

- d) Resolution No. 16-___; A Resolution of the City Council of the City of Whitefish, Montana, establishing "No Parking" Zones along portions of East 1st Street (p. 126)

During the Parking Structure Feasibility Study done in 2012 and 2013, WGM Group performed a traffic impact analysis for the effects of the Parking Structure. A copy of a section of that report dealing with East 1st Street is attached to this report.

As indicated in the report, traffic flow will improve in the area if there are two, turn lanes from East 1st Street westbound onto Baker Avenue (or if one is continuing straight through the intersection and continuing on East 1st Street in the Railway District).

Section 6-2-4(A) of the Whitefish City Code provides that only the City Council can determine No Parking areas in the City. Thus, to implement the recommendations of the traffic impact analysis, it is necessary for the City Council to act.

I have prepared the standard Resolution to enact these parking restrictions and the Resolution has a map exhibit to it which shows the planned turning lanes. Implementing no parking on both sides of East 1st Street, on the half block west of the alley, will improve traffic flow in and out of the parking structure and on East 1st Street where it intersects with Baker Avenue. There is 34 feet of right-of-way from curb to curb according to the City Hall plans, so each lane will be a little wider than 11 feet. Having the City Council enact this Resolution now will ensure that we order the correct turning arrows for when that section of East 1st Street opens back up next winter (probably by March).

There is minimal cost associated with the painting of curbs, signage, and turning arrows in the driving lanes, but it may cost \$1,000 to \$2,000, including in-kind labor, hopefully under \$1,000.

RECOMMENDATION: Staff respectfully recommends the City Council adopt a Resolution establishing "No Parking" Zones along portions of East 1st Street.

This item is a legislative matter.

- e) Consideration of authorizing staff to proceed with a negotiated sale of SID #167 Bonds (Parking Structure SID) up to \$880,000.00 with First Interstate Bank and Glacier Bank (p. 135)

The City Council created Special Improvement District #167 in 2015 to provide partial funding of \$750,000.00 for the construction of the Parking Structure. A prior City Council initially wanted downtown businesses to “have some skin in the game” or have some financial obligation for the Parking Structure beyond the Tax Increment property taxes that they might pay.

We are allowing property owners until September 30, 2016 to pay their assessment in full without incurring any interest costs. After September 30th, we can proceed with issuing the bonds.

During our 2015 negotiations with First Interstate Bank and Glacier Bank for their purchase of the two Tax Increment bond issues, both banks expressed an interest in possibly buying the parking structure SID bonds. One of the banks had bought a 20 year RSID bond in 2015 from Flathead County for a road construction project on Big Mountain. In the past, banks were not very interested in 20 year, fixed interest rate bonds, but I think their investment portfolios are so diversified now, tax-exempt interest is also a good investment, and they get Community Reinvestment Act points for investing in local bonds, so banks are more interested now in municipal bonds.

The preliminary sizing of the bond issue when it was adopted last year was as follows:

Construction SID alternative

SID \$ to Structure	\$750,000
Issuance Costs	\$45,000
Revolving Fund Contribution (5% of principal)	\$44,000
Underwriter's Discount (1.4% of principal)	\$12,320
Admin Fees (3% of principal)	\$26,400
Contingency	\$2,280
Total of SID Bond	\$880,000

Issuance costs will come down to \$35,000 for the bond counsel costs and if we do a private, negotiated sale to the banks, we will not have any underwriters discount cost and we won't have to do disclosure documents as we would have to do in a public market bond issue.

Doing these bond issues with local banks make sense for the following reasons:

1. State law allows us to do negotiated sales on SID bonds because, as a Revenue Bond, they are often called “story bonds” wherein the “story” of the local economy, local conditions, and growth are part of the selling points and critical to the sale of the bonds. Local banks know the local “story” better than distant public markets.
2. The bonds can be deemed as “bank qualified” under federal IRS rules for bonds. That means banks can quote or bid even more competitively for such bonds than “non-bank qualified”.
3. We don’t have to do disclosure documents, bidding processes, and a possible bond rating if we do a private sale as compared to those procedures for a public offering, so we save those costs as well.

As you can see from the banks’ proposed Term Sheet attached to this report, they are proposing an interest rate of 3.77% at current interest rates. The interest rate is pegged to a published index interest rate. In addition to this rate, state law (Section 7- 12-4189 (1)(a)) requires the City add at least 0.50% to the interest rate when we bill out the assessments as additional security in the event of payment delinquencies. So we would bill the assessments at a 4.27% interest rate which is below the 4.5% interest rate we estimated when we created the SID.

Recent SID bond issues in Montana have been 3.15% and 3.18%, but those were larger bond issues, in major cities, and could attract more interest. Also, one of them was a 15 year, not a 20 year bond. The banks also reduced their proposed interest rate by 5 basis points, 0.05%, during our negotiations. With a private placement with the banks, we can eliminate the underwriter’s discount shown above and can lower the issuance costs to \$35,000 total. The present value of the cost differential of a 3.77% interest rate versus 3.18% over the 20 years equals \$46,033, but I still think this is a fair proposal from the banks – it also save us a fair amount of staff time in doing the issuance.

Most of the financial information is shown above and in the banks’ attached Term Sheet.

RECOMMENDATION: Staff respectfully recommends the City Council authorize staff to work with First Interstate Bank and Glacier Bank and Bond Counsel, Dorsey and Whitney to proceed with a private sale SID #167 Bonds up to \$880,000.00 for the Parking Structure Special Improvement District based on the banks’ term sheet proposal.

This item is a legislative matter.

COMMUNICATIONS FROM MAYOR AND CITY COUNCILORS

- a) Letter from Montana Municipal Interlocal Authority (MMIA) regarding receiving the Liability Loss Control Award for lowest incurred liability claims among 2nd Class cities in Montana during the past five years (p. 141)
- b) Discussion and possible consideration of a proposal from the Whitefish Chamber of Commerce to lease the Depot Park building after it is vacated (p. 142)
- c) Any actions related to hiring of new City Manager

ADJOURNMENT



Sincerely,
Chuck Stearns, City Manager

Table 1: Common Motions Used in a Meeting.¹

	Wording	Interrupt another speaker	Requires a second	Debatable	Amendable	Vote Required	Reconsider
Privileged Motions							
Fix time for next meeting (12)	"I move that we meet next at..."	No	Yes	No	Yes	Majority	Yes
Adjourn	"I move that we adjourn"	No	Yes	No	No	Majority	No
Take a recess (12)	"I move that we recess. . ."	No	Yes	No	Yes	Majority	No
Raise a question of privilege	"I rise to a question of privilege affecting the assembly"	Yes	No	No	No	(1)	No
Call for the orders of the day	"I call for the orders of the day"	Yes	No	No	No	(1) (15)*	No
Subsidiary Motions							
Lay on the table	"I move to lay the question on the table" or "I move that the motion be laid on the table"	No	Yes	No	No	Majority	(3)*
Previous question (to close debate)	"I move the previous question" or "I move we vote immediately on the motion"	No	Yes	No	No	2/3 of assembly	Yes
Limit-extend debate (12)	"I move the debate be limited to. . ." or "I move that the speaker's time be extended by. . ."	No	Yes	No	Yes	2/3 of assembly	Yes
Postpone to a definite time (12)	"I move that the question be postponed until. . ."	No	Yes	Yes	Yes	Majority	Yes
Refer to a committee (12)	"I move to refer the matter to the . . . committee"	No	Yes	Yes	Yes	Majority	Yes
Amendment to the main motion (12)	"I move to amend by adding/striking the words. . ."	No	Yes	(5)	Yes	Majority	Yes
Postpone indefinitely (12)	"I move that the motion be postponed"	No	Yes	Yes (16)	No	Majority	(4)
Main Motions							
Main Motion	"I move that we..."	No	Yes	Yes	Yes	Majority	Yes
Incidental Motions (11)							
Suspension of rules	"I move to suspend the rules so that. . ."	No	Yes	No	No	(9)*	No
Request to withdraw a motion (13)	"I move that I be allowed to withdraw the motion"	*	*	No	No	Majority*	(3)
Objection to the consideration of a question (10)	"I object to the consideration of the question"	Yes	No	No	No	2/3 of assembly (17)	(3)
Point of order	"I rise to a point of order" or "Point of order!"	Yes	No	No	No	(1)*	No
Parliamentary inquiry	"I rise to a parliamentary inquiry" or "A parliamentary inquiry, please"	Yes	No	No	No	(1)	No
Appeal to the chairperson	"I appeal from the decision of the chair"	Yes	Yes	Yes*	No	(7)	Yes

	Wording	Interrupt another speaker	Requires a second	Debatable	Amendable	Vote Required	Reconsider
Point of information	"I rise to a point of information" or "A point of information, please"	Yes	No	No	No	(1)	No
Division of assembly	"Division!" or "I call for a division"	Yes	No	No	No	(14)	No
Division of a question	"I move to divide the motion so that the question of purchasing ... can be considered separately."	No	Yes	No	Yes	Majority	No
Renewal Motions (8)							
Reconsider* (2)	"I move to reconsider the vote on the motion relating to. . ."	No*	Yes	(5) (16)	No	Majority	No
Take from table	"I move to take from the table the motion relating to. . ."	No	Yes	No	No	Majority	No
Rescind	"I move to rescind the motion passed at the last meeting relating to. . ."	No	Yes	Yes (16)	Yes	(6)	(3)
Discharge a committee	"I move that the committee considering . . . be discharged."	No	Yes	Yes (16)*	Yes	(6)	(3)

¹ Source: Robert, H. 2000. *Robert's Rules of Order* (Newly Revised, 10th Edition) New York: Perseus Books Group; Sturgis, A. 2000. *The Standard Code of Parliamentary Procedure* (4th Edition). New York: McGraw-Hill.

*** Refer to Robert's Rules of Order Newly Revised**

- (1) The chair decides. Normally no vote is taken.
- (2) Only made by a member who voted on the prevailing side and is subject to times limits.
- (3) Only the negative vote may be reconsidered.
- (4) Only the affirmative vote may be reconsidered.
- (5) Debatable when applied to a debatable motion.
- (6) Majority with notice, or 2/3 without notice or majority of entire membership.
- (7) Majority or tie vote sustains the chair.
- (8) None of these motions (except Reconsider) are in order when business is pending.
- (9) Rules of order, 2/3 vote—Standing rules, majority vote.
- (10) Must be proposed before debate has begun or a subsidiary motion is stated by the chair (applied to original main motions).
- (11) The Incidental Motions have no precedence (rank). They are in order when the need arises.
- (12) A Main Motion if made when no business is pending.
- (13) The maker of a motion may withdraw it without permission of the assembly before the motion is stated by the chair.
- (14) The chair can complete a Division of the Assembly (standing vote) without permission of the assembly and any member can demand it.
- (15) Upon a call by a single member, the Orders of the Day must be enforced.
- (16) Has full debate. May go into the merits of the question which is the subject of the proposed action.
- (17) A 2/3 vote in negative needed to prevent consideration of main motion.

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PROJECT REVIEW

DATE: 27 September 2016

CITY OF WHITEFISH

NEW CITY HALL and PARKING STRUCTURE

REPORT TO CITY COUNCIL and STAFF for 03 October, 2016 COUNCIL MEETING

ACTIVITIES COMPLETED – THIS PERIOD

- Completed stressing of post tensioning cables in the first element of the Parking Structure elevated ramps.
- Stripped formwork and began assembling form work for the second ramp pour.
- Began installing shoring under the newly placed concrete beams in the first PS ramp section.
- Received and began placing reinforcing steel for the second section of the PS ramps
- Note: About 1825 CY of PS concrete have been placed, or about 50%.
- Received and began installing roofing insulation and membrane.
- Completed installation of oversized brick on the east face of the City Hall (Adjacent to alley)
- Completed 75-80% of the metal stud framing in the City Hall.
- The Elevator supplier completed field measurements for the CH elevator and is starting production.

ACTIVITIES IN PROGRESS

- Installing formwork for the second PS ramp section.
- Installing rebar and post tensioning cables in second ramp section.
- Concrete for the second ramp is scheduled for the evening of October 3rd.
- Completion of the City Hall roofing system and dry-in.
- Completion of metal stud framing.
- Preparing for drywall work in the City Hall / installing temporary heaters and closing-in the building.
- Continue mechanical and electrical work in CH.
- Continue HVAC installation work in the CH.
- Continue concrete work on the Parking Structure.

ACTIVITIES PLANNED (3 WEEK LOOK AHEAD)

- Place PT concrete – third ramp section, PS
- Begin work on the fourth PS ramp concrete construction efforts.
- Continue mechanical and electrical work – CH.
- Boiler and AHU tie-in work.
- Begin receiving brick for the CH south elevation (mid-October)
- Start brick installation – City Hall, south face (2nd Street).
- Complete all metal framing
- Install drywall – City Hall
- Begin taping and texturing drywall – City Hall.

FUTURE SCHEDULED ACTIVITIES

- Form and pour fourth ramp section – Parking Structure
- Complete brickwork – Second Street, City Hall.
- Begin exterior brick installation -west face, City Hall.
- Begin exterior brick work – PS, west face.
- Continue mechanical and electrical connections for Heating and Cooling systems.
- Continue ductwork connections to AHU's.
- Begin CMU for elevator shafts – Parking Structure
- Begin receiving components for the CH elevator and possibly start installation.

CONTRACT ACTIVITIES

- None, this period.

COMMUNICATIONS TO THE PUBLIC

- A press release was issued for the September 28th Pilot, addressing the concrete pour for the second PS ramp, and Baker Ave restrictions scheduled for October 3rd.

AREAS OF CONCERN

- There are no immediate concerns at this time.

Mike Cronquist
Owners Representative

SITE PHOTOS

Fig. 1 & 2 - Newly Installed Brick – City Hall



Fig. 2



Fig. 3 – Reshored Concrete Beams, First Ramp Section



Fig. 4 – Retail Space



Fig. 5 – Formwork for Second Section of PS Ramps.



Fig. 6 – City Hall Entry / Reception Area. The Counter curvature is shown by the lines scribed on the floor in front



Fig. 7 – Hallway from the Parking Structure into the City Hall first floor. Future wall curvature is indicated on the floor.



Fig. 8 – Council Chamber



Fig. 9 – Council Seating Area



Fig. 10 – Council Conference Areas



Fig. 11 - New Roofing.



Fig. 12 – Future Skylight Detail



Fig. 13 & 14 – Decking and Rebar for the next Ramp Section



Fig. 14



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WHITEFISH CITY COUNCIL CLOSED EXECUTIVE SESSION

September 19, 2016

5:30-7:00 P.M.

Closed Executive Session: Deliberation and possible decision on hiring of new City Manager Pursuant to §2-3-203(2) MCA. Mayor Muhlfeld, Councilors Barberis, Hildner, Feury, Williams, and Sweeney were in attendance. Councilor Frandsen was absent. Also in attendance were City Manager Stearns, Human Resource Director Baccaro, and City Clerk Howke.

WHITEFISH CITY COUNCIL

September 19, 2016

7:10 P.M.

1) CALL TO ORDER

Mayor Muhlfeld called the meeting to order. Councilors present were Hildner, Feury, Barberis, Sweeney, and Williams. Councilor Frandsen was absent. City Staff present were City Manager Stearns, City Clerk Howke, City Attorney Jacobs, Finance Director Smith, Planning and Building Director Taylor, Public Works Director Workman, Police Lieutenant Kelch, Fire Chief Page and Planner II Minnich. Approximately 4 people were in the audience.

2) PLEDGE OF ALLEGIANCE

Mayor Muhlfeld asked John Ellis to lead the audience in the Pledge of Allegiance.

3) PRESENTATIONS-Whitefish Convention and Visitor's Bureau – quarterly presentation of tourism dashboard statistics (p. 15)

Dylan Boyle, Executive Director for Explore Whitefish – Whitefish Convention and Visitors Bureau gave his report that is provided in the packet on the website. Councilor Hildner stated we were at 46% occupancy in May and 68% in June for lodging, are these current statistic plus or minus or same as? Dylan said he just began to receive the lodging occupancy data in May from Smith Travel Research. He has never received the information before because they will not provide information unless there is a certain threshold of lodging properties who provide information to them. He will have more information when reporting for the first quarter of FY17. Economically the US Travel Association is forecasting that domestic leisure travel will increase 1.6%. Statistics Canada and Alberta Treasury Board and Finance are forecasting a very modest economic recovery for Alberta to 2.4% growth in GDP, and a decrease in unemployment. Whitefish Mountain Resort could receive 120% of average snow fall this winter. Glacier Arrow has secured the Chicago Saturday flight which will run December 17th to April 1st in addition to Sundays December 18th to January 1st, and a new direct service on United to San Francisco starting December 17 to March 25th.

Councilor Hildner likes the way Dylan presents the numbers, it makes it a lot easier to understand and thanked Dylan. Councilor Sweeney asked when looking at the numbers for lodging, do we also have to consider the new hotels in Kalispell and Columbia Falls that might be drawing folks? Dylan said it gives us potentially more rooms, and more options. It could increase visitation; it also spreads out what the visitation base is currently around those properties. Which could potentially hurt our collections. He will know more in a year.

4) COMMUNICATIONS FROM THE PUBLIC – (This time is set aside for the public to comment on items that are either on the agenda, but not a public hearing or on items not on the agenda. City officials do not respond during these comments, but may respond or follow-up later on the agenda or at another time. The Mayor has the option of limiting such communications to three minutes depending on the number of citizens who want to comment and the length of the meeting agenda)

John Ellis, 630 Somers Avenue, refers to agenda item 11a, the owners of the Firebrand Hotel requesting the City to increase the previously approved City's Tax Increment contribution. He has no problem with them receiving this money if they are due this money under the law. He asks the Council to continue it for 30 days due to they are failing to comply with the conditions of the Conditional Use Permit (CUP). Condition number 19 states a fence to be built along the east side of the property, this has not been done, a fence has been built along 1/3 of the property. One of the three homes on Kalispell Avenue has been torn down, those three properties are WR-4 properties. They are violating the city code 11-21-2 and 11-21-3, which state a parking lot is not allowed in a WR-4 neighborhood. He had pictures for the Council but requested those photos back. He also reminded the Council late this spring early summer, the Planning Board and the City Council considered and passed the amended version of the Downtown Master Plan, these three lots were shown as a city parking lot. In the final plan, lots were listed as WR-4 lots. Parking was going to be an issue with this hotel, they assured us that they had a solution for it. He asks the Council to consider put this off for 30 to correct the deficiency.

5) COMMUNICATIONS FROM VOLUNTEER BOARDS

6) CONSENT AGENDA

- a) **Minutes from September 6, 2016 Regular Meeting (p. 19)**
- b) **Ordinance No. 16-17; An Ordinance rezoning approximately 4.14 acres of land legally described as Parcels A, B and C of Certificate of Survey No. 20226, and Parcels A, B and D of Certificate of Survey No. 20213, in the Southwest Quarter of the Northwest Quarter of Section 35, Township 31 North, Range 22 West, P.M.M., Flathead County, Montana, from County R-1 (Suburban Residential) to Whitefish WSR (Suburban Residential District), and adopting findings with respect to such rezone (Second Reading) (p. 29)**

Councilor Williams had a correction to the minutes on packet page 28 under Council Comments, change the word "pension" mentioned twice to "pinch". **Councilor Sweeney made a motion, seconded by Councilor Hildner to approve the consent agenda as amended. The motion passed unanimously.**

7) PUBLIC HEARINGS (Items will be considered for action after public hearings) (Resolution No. 07-33 establishes a 30-minute time limit for applicant's land use presentations. Ordinances require 4 votes for passage – Section 1-6-2 (E)(3) WCC)

- a) **Ordinance No. 16-18; An Ordinance rezoning certain tracts of recently annexed land on West Lakeshore Drive from County R-3 (One Family Residential) to City WR-1 (One-Family Residential District), and adopting findings with respect to such rezone (First Reading) (p. 33) (WZC 16-06)**

Planner II Minnich gave her staff report that is provided in the packet on the website. Discussion followed between Council and Staff regarding properties numbered 33 and 34 on the map provided in the packet that are encroaching the right-of-way. The properties that are encroaching are grandfathered as far as zoning, until the structure is removed. City could

compel the removal of the encroachment. It would depend on the type of encroachment, and then what is our proposed use and how does that encroachment inhibit our proposed use? If we wanted to take a hard stand, we could write letters and make demands to move any encroachment. Councilor Hildner's concern is this is one access, the only access to a County park and he feels we have lost it. He would like to see more investigation. Director Workman said the first thing to do is to have a survey done to see what the encroachment is. Mayor Muhlfeld feels this would be opening a whole can of worms, unless there is any compelling reason to target these two individual lots. Councilor Sweeney agrees with Mayor Muhlfeld, and at any time we can ask to remove the house. This does not have any impact on the change in zoning. He does not have any interest in pursuing a change without some reason.

Mayor Muhlfeld opened the Public Hearing. There being no public comment, Mayor Muhlfeld closed the Public Hearing and turned the matter over to the Council for their consideration.

Councilor Sweeney made a motion, second by Councilor Feury to approve Ordinance No. 16-18; An Ordinance rezoning certain tracts of recently annexed land on West Lakeshore Drive from County R-3 (One Family Residential) to City WR-1 (One-Family Residential District), and adopting findings with respect to such rezone as stated in staff report WZC 16-06. The motion passed unanimously.

8) COMMUNICATIONS FROM PLANNING AND BUILDING DIRECTOR

- a) Resolution No. 16-15; A Resolution adjusting the cash-in-lieu payment in connection with affordable housing to \$12,000.00 per unit (p. 70)**

Planning and Building Director Taylor gave his staff report that is provided in the packet on the website. Lori Collins the Whitefish Housing Authority Executive Director was available for questions.

Councilor Feury made a motion, second by Councilor Williams to approve Resolution No. 16-15; A Resolution adjusting the cash-in-lieu payment in connection with affordable housing to \$12,000.00 per unit. The motion passed unanimously.

9) COMMUNICATIONS FROM PUBLIC WORKS DIRECTOR

- a) Resolution No. 16-52; A Resolution establishing "No Parking" Zones along portions of West 7th Street (p. 77)**

Public Works Director Workman gave his staff report that is provided in the packet on the website.

Councilor Barberis made a motion, second by Councilor Sweeney to approve Resolution No. 16-52; A Resolution establishing "No Parking" Zones along portions of West 7th Street. The motion passed unanimously.

10) COMMUNICATIONS FROM CITY MANAGER

- a) Written report enclosed with the packet. Questions from Mayor or Council? (p. 82)**
None
- b) Other items arising between September 14th and September 19th**
None

11) COMMUNICATIONS FROM MAYOR AND CITY COUNCILORS

a) Consideration of a request from the Whitefish Hotel Group to increase the previously approved City's Tax Increment contribution to the site improvements in the public right-of-way at the Firebrand Hotel site on Block 46 from \$147,000 to \$170,817.16 (p. 96)

City Manager Stearns stated Jeff Badelt, representing Whitefish Hotel Group is in the audience if the Council has questions for him. Information regarding this request is provided in the packet on the website. Manager Stearns cautioned the Council the Assessor's Office does not always use cost information as the basis for their evaluation. They might use cost information as the basis or a consideration for the initial valuation. Commercial property often goes to the income basis valuation. He doesn't have strong guidance on what will happen. The initial County Assessor valuation. The first year was \$4.71 million, then when it went to the income basis evaluation it has been assessed at \$3.64 million. Those figures might overstate the Tax Increment revenue received, but we can't be sure until we see the valuation of the hotel from the Assessor.

Mayor Muhlfeld addressed Jeff Badelt. Jeff stated Bruce Boody prepared the estimate more than a year ago. Included in the \$147,000 is a \$19,000 contingency. Which the figure of \$107,000 is money actually spent on public improvements. Bruce omitted his own fees of over \$5,000, architectural design of \$3,800, Sands Surveying \$4,800, and shipping for all lamp post and fixtures was \$5,000. Councilor Sweeney asked and Manager Stearns said he doesn't think there is any legal obligation. Mayor Muhlfeld said the minute's state the developer will install the improvements according to city standards, which they did, then upon submittal of the detailed invoice will be reimbursed by the City as provided for in state law. Jeff has provided this evening the detailed project accounting. The motion made by Councilor Sweeney agreed to reimburse up to \$147,000 for those improvements. Manager Stearns said the motion is controlling, we wouldn't pay until we verified they spent at least \$147,000, and has paid them the \$147,000 with original invoices submitted. Mayor Muhlfeld said if the City was a partner in the promenade and the street scape improvements, it is only equitable we cover those costs. Councilor Hildner does not disagree that we cover some costs, but what we have covered so far is \$128,000 for improvements plus \$19,000 in contingency that is already spent, so we authorized up to \$147,000 and somewhere along the way it seems to him that somebody didn't do some due diligence in accounting. He doesn't know if the City should bare those costs or the owner. Councilor Sweeney said part of their request for approval in addition to placing conditions on the project in things they have asked from us we also agreed to give them significant TIF funds to reimburse them for actual infrastructure cost that would make the project consistent with our Downtown Master Plan. They knew that going in. He is trying to figure out where the equity is in terms of the citizens of Whitefish.

Councilor Barberis made a motion, second by Councilor Sweeney to consider a request from the Whitefish Hotel Group to increase the previously approved City's Tax Increment contribution \$10,000 for a total not to exceed \$157,000. Councilor Barberis said she likes the way the promenade looks and she thinks we are a partner in that. She thinks other developers will be encouraged to continue improvements. She also feels like we should have been informed before the fact for the entire increase. Based on the fact she thinks the hotel will contribute to the TIF, she is willing to go up to the \$157,000. Councilor Hildner said his concern is of the accounting or at least the scrutiny of charges that might otherwise take place. They charge a mileage rate of \$.95/mile, the federal rate is \$.54/mile and the volunteer rate is

\$.11/mile. He uses that as an example of perhaps there may be some other areas of comparisons. **The motion failed 4-1, Councilor Barberis voting in the affirmative.**

Councilor Williams made a motion, second Councilor Sweeney to table October 17, 2016 to consider the Whitefish Hotel Group to increase the previously approved City's Tax Increment contribution to the site improvements in the public right-of-way at the Firebrand Hotel site on Block 46 from \$147,000 to \$170,817.16 and have staff look into the violations of code and conditions written within the CUP. The motion failed on a 3-2 vote, Councilor Barberis, Hildner and Feury voting in opposition.

b) Consideration of cancelling the second meeting in December – December 19, 2016

Councilor Feury made a motion, second by Councilor Sweeney to approved cancelling the second meeting in December-December 19, 2016. The motion passed unanimously.

c) Possible action – Ratification of job offer to City Manager candidate

Mayor Muhlfeld said it was discussed in the Executive Session to make an offer for the City Manager position. A press release will be issued in the coming days once reached out to this individual and receive a positive response.

Council Comments:

Councilor Hildner asked and Chief Page said Fire Marshal is still on vacation, he will visit with him on his return regarding the sprinkler question for rentals. He mentioned the maternity room has been moved to the second floor of the new City Hall, but there was no sink or outlets, and there should be. He would like the Building Department to address John Ellis's concerns with regards to the fence and the parking lot at the site of the Firebrand Hotel and bring that back in two weeks.

Councilor Williams would like to add to that the code violation for the parking lot.

Councilor Feury wanted to thank Sherri Baccaro, Human Resource Director for a great interview process and taking care of everybody on Thursday and Friday for the City Manager interviews and also thanked the Candidates for coming. It is a great process and they all complimented us, without exception of what a great City Staff we have.

12) ADJOURNMENT (Resolution 08-10 establishes 11:00 p.m. as end of meeting unless extended to 11:30 by majority)

Mayor Muhlfeld adjourned the meeting at 8:11 p.m.

Mayor Muhlfeld

Attest:

Michelle Howke, Whitefish City Clerk

ORDINANCE NO. 16-18

An Ordinance of the City Council of the City of Whitefish, Montana, rezoning certain tracts of recently annexed land on West Lakeshore Drive from County R-3 (One Family Residential) to City WR-1 (One-Family Residential District), and adopting findings with respect to such rezone.

WHEREAS, the City of Whitefish initiated a rezone with respect to various tracts and parcels of land that were recently annexed within the boundaries of the City, as described on the attached Exhibit "A," in Section 26, Township 31 North, Range 22 West, P.M.M., Flathead County, Montana; and

WHEREAS, in response to the City-initiated rezone, the Whitefish Planning & Building staff prepared Staff Report WZC 16-06, dated August 11, 2016, which analyzed the proposed rezone and recommended in favor of its approval; and

WHEREAS, at a lawfully noticed public hearing on August 18, 2016, the Whitefish Planning Board reviewed Staff Report WZC 16-06, received an oral report from Planning staff, invited public comment, and thereafter voted to recommend in favor of the proposed zone change; and

WHEREAS, at a lawfully noticed public hearing on September 19, 2016, the Whitefish City Council reviewed Staff Report WZC 16-06 and letter of transmittal, received an oral report from Planning staff, and invited public comment; and

WHEREAS, it will be in the best interests of the City of Whitefish, and its inhabitants, to approve the proposed rezone; and

WHEREAS, the proposed rezone meets zoning procedure and the criteria and guidelines for the proposed rezone required by MCA §§ 76-2-303 through 76-2-305 and WCC § 11-7-12.

NOW, THEREFORE, BE IT ORDAINED by the City Council of the City of Whitefish, Montana, as follows:

Section 1: All of the recitals set forth above are hereby adopted as Findings of Fact.

Section 2: Staff Report WZC 16-06 dated August 11, 2016, together with the September 12, 2016 letter of transmittal from the Whitefish Planning & Building Department, are hereby adopted as Findings of Fact.

Section 3: The property described and shown on Exhibits "A" and "B," attached hereto and incorporated herein by reference, previously zoned County R-3 (One Family Residential) is hereby rezoned to City WR-1 (One-Family Residential District).

Section 4: The official Zoning Map of the City of Whitefish, Montana, shall be amended, altered and changed to provide that the rezone and zoning map amendment of the real property identified on the map attached hereto as Exhibit "B", and incorporated herein by reference, shall

be designated City WR-1 (One-Family Residential District). The Zoning Administrator is instructed to change the City's official Zoning Map to conform to the terms of this Ordinance.

Section 5: In the event any word, phrase, clause, sentence, paragraph, section or other part of the Ordinance set forth herein is held invalid by a court of competent jurisdiction, such judgment shall affect only that part held invalid, and the remaining provisions thereof shall continue in full force and effect.

Section 6: This Ordinance shall take effect thirty (30) days after its adoption by the City Council of the City of Whitefish, Montana, and signing by the Mayor thereof.

PASSED AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF WHITEFISH, MONTANA, ON THIS _____ DAY OF _____, 2016.

John M. Muhlfeld, Mayor

ATTEST:

Michelle Howke, City Clerk

EXHIBIT "A"

1436 West Lakeshore Drive - Assessor No. 0242250

LAKE PARK ADD, BLOCK 007, LOT 009 & ABD ROAD #19

Section 26, Township 31 North, Range 22 West, P.M.M., Flathead County, Montana

1500 West Lakeshore Drive - Assessor No. 0222250

LAKE PARK ADD, BLOCK 005, Lot 001, EX RW, LAKE PARK ADD 1 S2 BLK 6,

Section 26, Township 31 North, Range 22 West, P.M.M., Flathead County, Montana

1518 West Lakeshore Drive - Assessor No. 0515465

LAKE PARK ADD, BLOCK 006, Lot 004, LAKE PARK ADD LOT 4 BLK 6,

Section 26, Township 31 North, Range 22 West, P.M.M., Flathead County, Montana

1550 West Lakeshore Drive - Assessor No. 0393850

LAKE PARK ADD, LOT 12 BLK 6 LAKE PARK ADD LOT 13 S2 BLK 6

LAKE PARK ADD LOT 13 NE 130' BLK 5,

Section 26, Township 31 North, Range 22 West, P.M.M., Flathead County, Montana

1558 West Lakeshore Drive - Assessor No. 0393951

LAKE PARK ADD, BLOCK 005, LOT 014,

Section 26, Township 31 North, Range 22 West, P.M.M., Flathead County, Montana

1558 West Lakeshore Drive - Assessor No. 0672060

LAKE PARK ADD, BLOCK 005, LAKE PARK ADD LOTS 15-16,

Section 26, Township 31 North, Range 22 West, P.M.M., Flathead County, Montana

1616 West Lakeshore Drive - Assessor No. 0321600

LK PK AD L1,B2,L1,B3,L17,B6AMD, LOT 001, LAKE PARK ADD LOT 2 BLK 3,

Section 26, Township 31 North, Range 22 West, P.M.M., Flathead County, Montana

1618 West Lakeshore Drive - Assessor No. 0008976

LAKE PKADDL3-5B3L1AMDLPKADDL1-3B2AM AM LOT 4,

Section 26, Township 31 North, Range 22 West, P.M.M., Flathead County, Montana

1620 West Lakeshore Drive - Assessor No. 0008977

LAKE PKADDL3-5B3L1AMDLPKADDL1-3B2AM AM LOT 5,

Section 26, Township 31 North, Range 22 West, P.M.M., Flathead County, Montana

1622 West Lakeshore Drive - Assessor No. 0321200

LAKE PKADDL3-5B3L1AMDLPKADDL1-3B2 AM AM LOT 3,

Section 26, Township 31 North, Range 22 West, P.M.M., Flathead County, Montana

1624 West Lakeshore Drive - Assessor No. 0857800
LAKE PK ADD L3-5B3&L1AMD LKPKADDL1-3B2AM LOT 1,
Section 26, Township 31 North, Range 22 West, P.M.M., Flathead County, Montana

1644 West Lakeshore Drive - Assessor No. 0005065
LAKE PARK ADD, BLOCK 002, LOT 004,
Section 26, Township 31 North, Range 22 West, P.M.M., Flathead County, Montana

1648 West Lakeshore Drive - Assessor No. 0005060
LAKE PARK ADD, BLOCK 2, LOTS 5-6, COS 19903,
Section 26, Township 31 North, Range 22 West, P.M.M., Flathead County, Montana

1656 West Lakeshore Drive - Assessor No. 0865850
LAKE PARK ADD, BLOCK 002, LOT 007,
Section 26, Township 31 North, Range 22 West, P.M.M., Flathead County, Montana

1660 West Lakeshore Drive - Assessor No. 0982475
LAKE PARK ADD, BLOCK 002, LOT 008, COS 11881 R,
Section 26, Township 31 North, Range 22 West, P.M.M., Flathead County, Montana

1664 West Lakeshore Drive - Assessor No. 0093800
LAKE PARK ADD L9-10 BLK 2,
Section 26, Township 31 North, Range 22 West, P.M.M., Flathead County, Montana

1672 - 1676 West Lakeshore Drive - Assessor No. 0777520
LAKE PARK ADD, BLOCK 002, LOT 011,
Section 26, Township 31 North, Range 22 West, P.M.M., Flathead County, Montana

1684 West Lakeshore Drive - Assessor No. 0534951
LAKE PARK ADD, BLOCK 002, LOT 012, LAKE PARK ADD L12 BLK 2,
Section 26, Township 31 North, Range 22 West, P.M.M., Flathead County, Montana

1700 West Lakeshore Drive - Assessor No. 0353530
LAKE PARK ADD, L15-16 BLK 2,
Section 26, Township 31 North, Range 22 West, P.M.M., Flathead County, Montana

1800 West Lakeshore Drive - Assessor No. 0854100
LAKE PARK ADD, BLOCK 001, LAKE PARK ADD E 75' OF SW 275' BLK 1,
Section 26, Township 31 North, Range 22 West, P.M.M., Flathead County, Montana

1800 West Lakeshore Drive - Assessor No. 0190000
LAKE PARK ADD, PT TR 4 IN BLK 1,
Section 26, Township 31 North, Range 22 West, P.M.M., Flathead County, Montana

1825 West Lakeshore Drive - Assessor No. 0720850

LAKE PARK ADD, BLOCK 001, LAKE PARK ADD TR 2 IN BLOCK 1,
Section 26, Township 31 North, Range 22 West, P.M.M., Flathead County, Montana

1835 West Lakeshore Drive - Assessor No. 0468650

LAKE PARK ADD, BLOCK 001, TR 1 & TR 6 & ROAD ABD,
Section 26, Township 31 North, Range 22 West, P.M.M., Flathead County, Montana

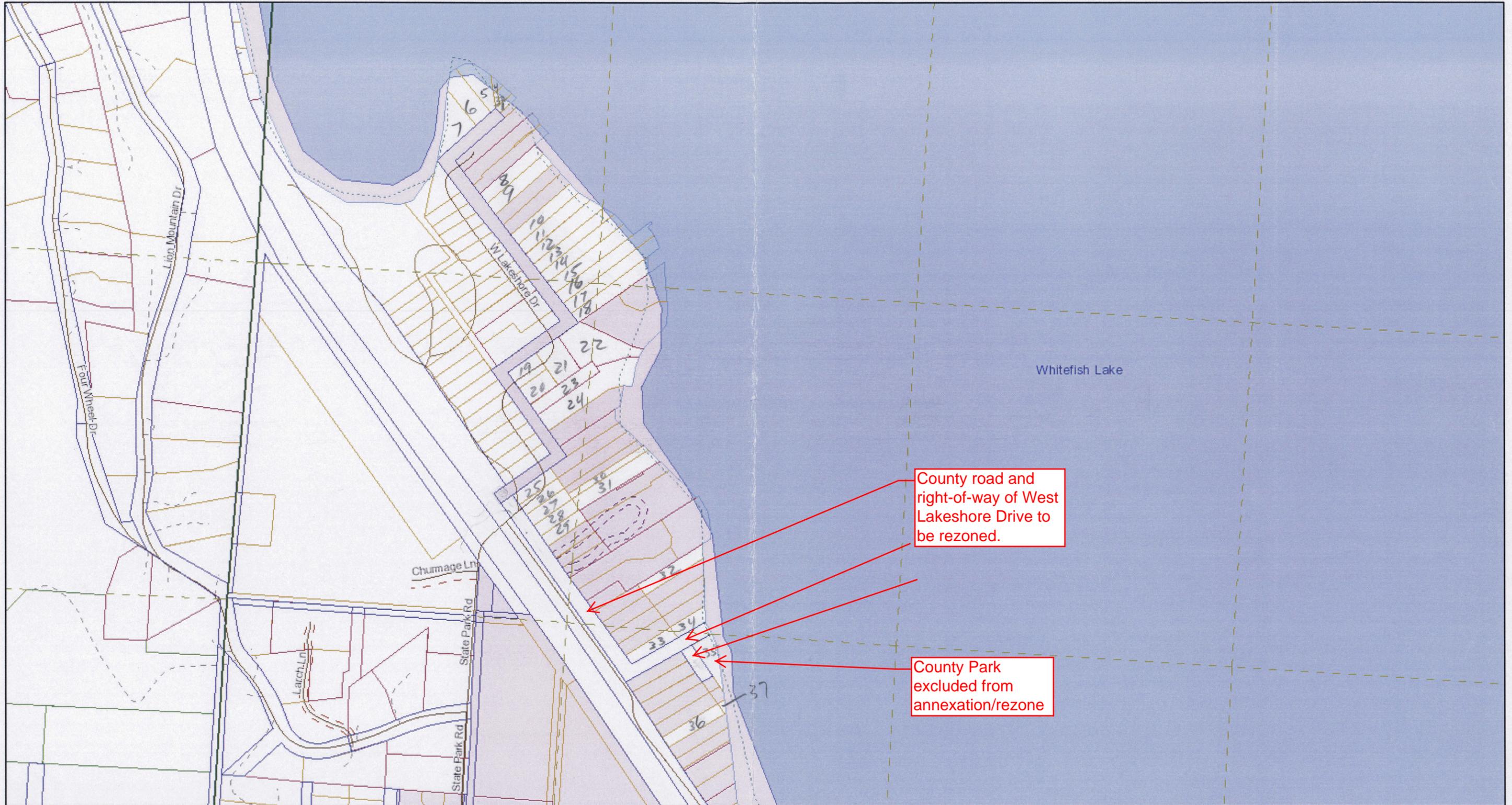
No Address – Vacant - Assessor No. 0721200

LAKE PARK ADD, BLOCK 001, 150 FT X 100 FT TR 5 IN BLK 1,
Section 26, Township 31 North, Range 22 West, P.M.M., Flathead County, Montana

No Address – Vacant - Assessor No. 0308502

LAKE PARK ADD, BLOCK 005, LOT 012,
Section 26, Township 31 North, Range 22 West, P.M.M., Flathead County, Montana

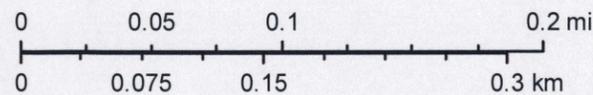
Full width of any public streets or roads, including the rights-of-way, that are adjacent to the wholly surrounded area being annexed.



February 22, 2016

White, numbered properties 1-37, excluding #35, are the properties to be rezoned. Property #35 is a county-owned park which is excluded from annexation/rezone.

1:4,431



No warranty is made by Flathead County for the use of GIS data for purposes not intended by Flathead County.

Flathead County GIS
800 South Main Street
Kalispell, MT 59901
(406) 758-5540

When Recorded Return to:
Michelle Howke, City Clerk
City of Whitefish
PO Box 158
Whitefish, MT 59937-0158

RESOLUTION NO. 16-___

A Resolution extending the corporate limits of the City of Whitefish, Montana, to annex within the boundaries of the City approximately 1.31 acres of land known as 2045 Lion Mountain Loop Road, for which the owners have petitioned for and consented to annexation.

WHEREAS, Alan Myers-Davis and Frances Montanye, have filed a Petition for Annexation with the City Clerk requesting annexation and waiving any right of protest to annexation as the sole owners of real property representing 50% or more of the total area to be annexed. Therefore, the City Council will consider this petition for annexation pursuant to the statutory Annexation by Petition method set forth in Title 7, Chapter 2, Part 46, Montana Code Annotated; and

WHEREAS, services to the annexed area will be provided according to the City of Whitefish Extension of Services Plan, adopted by the City Council by Resolution No. 09-04 on March 2, 2009, as required by and in conformity with §§ 7-2-4610 and 7-2-4732, MCA, available at the Office of the City Clerk; and

WHEREAS, it is the considered and reasoned judgment of the City Council of the City of Whitefish that the City is able to provide municipal services to the area proposed for annexation. Further, it is hereby determined by the Whitefish City Council to be in the best interest of the City of Whitefish, and the inhabitants thereof, as well as the current and future inhabitants of the area to be annexed described herein, that the area be annexed into the City of Whitefish and it is hereby declared to be the intent of the City of Whitefish that the corporate boundaries of the City of Whitefish be extended to include the boundaries of the area described in the Petition for Annexation within the limits of the City of Whitefish.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Whitefish, Montana, as follows:

Section 1: The corporate boundaries of the City of Whitefish are hereby extended to annex the boundaries of the area herein described in the Petition for Annexation, according to the

map or plat thereof, on file and of record in the Office of the Clerk and Recorder of Flathead County, Montana, legally described as:

TRACT 1 OF CERTIFICATE OF SURVEY NO. 17698, LOCATED IN THE SOUTHWEST QUARTER OF THE NORTHWEST QUARTER OF SECTION 35, TOWNSHIP 31 NORTH, RANGE 22 WEST, P.M.M., FLATHEAD COUNTY, MONTANA.

EXCEPTING THEREFROM THAT PORTION CONVEYED TO THE STATE OF MONTANA BY DEED RECORDED JUNE 23, 2014 AS INSTRUMENT NO. 2014-000-11007.

Section 2: The minutes of the City Council of the City of Whitefish, Montana, incorporate this Resolution.

Section 3: The City Clerk is hereby instructed to certify a copy of this Resolution so entered upon the October 3, 2016 Minutes of the City Council. Further that this document shall be filed with the office of the Clerk and Recorder of Flathead County. Pursuant to § 7-2-4607, MCA, this annexation shall be deemed complete effective from and after the date of the filing of said document with the Flathead County Clerk and Recorder.

PASSED AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF WHITEFISH, MONTANA, ON THIS 3RD DAY OF OCTOBER, 2016.

John M. Muhlfeld, Mayor

ATTEST:

Michelle Howke, City Clerk

**CERTIFICATE AS TO RESOLUTION
AND ADOPTING VOTE**

I, the undersigned, being the duly qualified and acting recording officer of the City of Whitefish, Montana (the "City"), hereby certify that the attached resolution is a true copy of a resolution entitled: " A Resolution extending the corporate limits of the City of Whitefish, Montana, to annex within the boundaries of the City approximately 1.31 acres of land known as 2045 Lion Mountain Loop Road, for which the owners have petitioned for and consented to annexation" (the "Resolution"), on file in the original records of the City in my legal custody; that the Resolution was duly adopted by the City Council of the City at a meeting on October 3, 2016, and that the meeting was duly held by the City Council and was attended throughout by a quorum, pursuant to call and notice of such meeting given as required by law; and that the Resolution has not as of the date hereof been amended or repealed.

I further certify that, upon vote being taken on the Resolution at said meeting, Councilors voted unanimously in favor thereof.

WITNESS my hand and seal officially this 3rd day of October 2016.

Michelle Howke, City Clerk

After Recording Return to:
Michelle Howke, City Clerk
City of Whitefish
PO Box 158
Whitefish, MT 59937-0158

PETITION
BEFORE THE CITY COUNCIL
OF THE
CITY OF WHITEFISH

PETITION FOR ANNEXATION TO CITY

Dated this 31st day of May, 2016.

The undersigned Property Owner hereby petitions the City Council of the City of Whitefish, pursuant to Section 7-2-4601(3)(a), MCA, requesting annexation of the following real property into the City of Whitefish and to remove the following real property from the Whitefish Fire Service Area.

This petition is pursuant to the Contract Agreement for Annexation and City Water and/or Sanitary Sewer Service dated the 31 day of May, 2016.

Petitioner agrees that this annexation petition is irrevocable, and that the City may act on this petition, and actually accomplish the annexation of such real property, at any time in the future, without limitation. Petitioner has had an opportunity to review the City of Whitefish Plan for Extension of Services applicable to such real property, and Petitioner is satisfied with such Plan.

LEGAL DESCRIPTION OF PROPERTY TO BE ANNEXED:

Tract 1 of certificate of survey No. 17698, located in the southwest quarter of the northwest quarter of section 35, township 31 north, range 22 west, P.M.M., Flathead County, Montana. Excepting therefrom that portion conveyed to the state of Montana by deed recorded June 23rd 2014 as instrument No. 2014-000-11007.
PROPERTY ADDRESS: 2045 Lion Mountain Loop Rd.

ZONED AS:

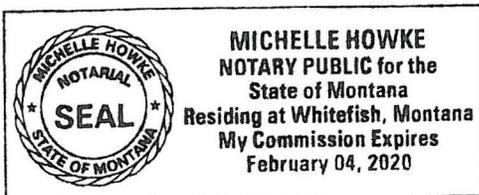
Alan M-D
Alan Myers-Davis
[Printed Name]

Frances Montanye
FRANCES MONTANYE
[Printed Name]

STATE OF Montana)
County of Flathead) :ss

On this 31 day of May, 2016, before me, the undersigned, a Notary Public in and for the state aforesaid, personally appeared Alan Myers-Davis and Frances Montanye, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he/she/they executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Notarial Seal the day and year last above written.



Michelle Howke

After Recording Return to:
Michelle Howke, City Clerk
City of Whitefish
PO Box 158
Whitefish, MT 59937-0158

**CONTRACT AGREEMENT FOR ANNEXATION AND
CITY WATER AND/OR SANITARY SEWER SERVICE**

THIS AGREEMENT is entered into as of 31st day of May, 2016, by and between the City of Whitefish, a municipal corporation ("CITY") as grantor of City water and/or sanitary sewer services, and Alan Myers-Davis ("OWNER"), as grantee recipient(s) of City water and/or sanitary sewer services, whose mailing address is 2045 Lion Mountain Loop Rd. with respect to the following facts:

A. CITY owns and operates a municipal water and sanitary sewer system.

B. OWNER is the sole owner of the real property that is legally described below, or as fully disclosed and shown on Exhibit "A" attached and made a part of this Agreement ("OWNER'S REAL PROPERTY"):

LEGAL DESCRIPTION
Tract 1 of certificate of Survey No. 17698, located in the southwest quarter of the northwest quarter of section 35, township 31 north, range 22 west, P.M.M., Flathead County, Montana.
Excepting therefrom that portion conveyed to the State of Montana by deed recorded June 23, 2014 as instrument No. 2014-000-11007.

C. OWNER'S REAL PROPERTY is located outside of the current corporate limits of the CITY.

D. OWNER desires to obtain municipal water/~~sewer service~~ from the CITY to serve OWNER'S REAL PROPERTY.

E. The parties desire to enter into an Agreement pursuant to MCA §§7-13-4312 and 7-13-4314, for the CITY to furnish municipal water and/or sanitary sewer service at rates adopted in accordance with Montana State Law in return for OWNER'S agreement that OWNER'S REAL PROPERTY may be annexed to the corporate limits of the CITY at any time.

In consideration of the performance of the terms and conditions of this Agreement on the part of each party, and pursuant to MCA §§7-13-4312 and 7-13-4314, it is hereby agreed as follows:

(1) **Furnishing of Sewer Services:** The CITY hereby agrees to furnish municipal water and/or sanitary sewer service to OWNER'S REAL PROPERTY. Unless otherwise agreed in writing between the parties, OWNER shall be solely responsible for all costs involved in extending municipal water and/or sanitary sewer service to OWNER'S REAL PROPERTY and connecting OWNER'S REAL PROPERTY to the municipal water and/or sewer system. Nothing in this Agreement shall obligate CITY to pay the costs of right-of-way acquisition, engineering, construction and other related costs involved in extending or connecting municipal water and/or sewer service to OWNER'S REAL PROPERTY.

(2) **Municipal Water and/or Sanitary Sewer Connections:** Upon approval by the CITY Public Works Department of the design and construction of all the municipal water and/or sanitary sewer lines and other facilities necessary to serve OWNER'S REAL PROPERTY, and acceptance of all of such water and/or sewer facilities by the CITY, OWNER will be given permission to connect no more than 1 connection to the CITY'S municipal water and/or sanitary sewer system. Any additional water and/or sewer connections shall require a new application for service and approval obtained from the CITY Public Works Department.

Upon approval by the CITY Public Works Department, OWNER will be given permission to extend 1 water and sanitary sewer stubs from the municipal sanitary main to the property line of the property described herein. Any additional water and/or sanitary sewer stubs shall require a new application for CITY water and/or sanitary sewer service. Prior to connecting any residential or commercial building or any other structure to the water and/or sanitary sewer service stub-out(s), a request must be submitted to CITY for municipal water and/or sanitary sewer service describing the use of the building proposed to be connected. Any connections must comply with the Rules and Regulations for the City of Whitefish Water, Wastewater and Garbage Utility. The request is to be reviewed and approved by CITY prior to any connection of a residential or commercial building, or other structure. No residential or commercial building or any other structure shall be allowed to connect to the municipal water and/or sanitary sewer service extension unless approval has first been obtained from the CITY Public Works Department.

(3) **Transfer of Title:** Within thirty (30) days of the completion of the construction and CITY acceptance of the said water and/or sanitary sewer extension, OWNER hereby agrees to transfer, or cause to be transferred to CITY by appropriate documents any right, title and interest that OWNER may have in the municipal water and/or sanitary sewer lateral and main extensions to be built by OWNER to provide service to the herein described property.

OWNER agrees that the municipal water and/or sanitary sewer line extension to the property shall be constructed in a public right-of-way or on land either owned by OWNER or subject to an appropriate easement approved by CITY, granting OWNER, CITY, and their successors and assigns the right to construct, repair, and maintain the sanitary sewer extension lines. If any portion of the lateral extension is constructed on land owned by OWNER at the time OWNER transfers their interest in the sanitary sewer extension line to the CITY, they shall also grant the CITY an

appropriate easement for construction, repair, and maintenance of the municipal water and/or sanitary sewer extension lines. The CITY shall not be required to accept any previously constructed water or sewer lines unless they are properly located in the right-of-way or a valid easement.

(4) **Maintenance**: Upon completion and acceptance of construction and the approval of access to the municipal water and/or sanitary sewer lines constructed in easements, maintenance, and repair of the mains servicing OWNER'S REAL PROPERTY shall become and remain the responsibility of CITY. Maintenance and repair of the lateral service lines serving the OWNER'S REAL PROPERTY shall become and remain the responsibility of the OWNER.

(5) **Rates, Rules and Policies**: OWNER agrees to pay to the CITY such charges, rates, and fees, including but not limited to connection fees and impact fees, as are established by the CITY in accordance with Montana Law. In addition, OWNER agrees to comply with and be subject to all of the CITY'S rules, regulations and policies, as amended from time to time, with respect to the operation of the CITY'S municipal water and/or sanitary sewer system.

(6) **Consent to Annexation**: OWNER acknowledges and agrees that the CITY is willing to provide municipal water and/or sanitary sewer services only if OWNER provides all of the promises and representations contained in this Agreement. Pursuant to MCA §7-13-4314, the CITY requires that any person, firm, or corporation outside of the incorporated CITY limits is required, as a condition to initiate such service(s), to consent to and petition for annexation of the tract served by the CITY, and in consideration for the CITY'S agreement to provide municipal water and/or sanitary sewer service, OWNER agrees to consent to annexation under the following conditions and in the following manner:

- a) OWNER hereby irrevocably consents to the annexation of OWNER'S REAL PROPERTY, and OWNER irrevocably waives any right of protest to any annexation proceedings initiated by the CITY. OWNER agrees that the CITY may initiate annexation of OWNER'S REAL PROPERTY, relying upon this consent and waiver of protest, at any time in the future, without limitation. OWNER acknowledges that, but for this waiver, OWNER would have a right to protest the annexation of OWNER'S REAL PROPERTY.
- b) OWNER hereby petitions to have OWNER'S REAL PROPERTY annexed to the CITY, pursuant to MCA §7-2-4601, *et seq.* OWNER agrees that the CITY may act on this petition at any time in the future, without limitation. OWNER furthermore expressly waives the provisions of MCA §7-2-4608, which provides, in effect, that no property used for agricultural, mining, smelting, refining, transportation, or any industrial or manufacturing purposes or for any purpose incident thereto shall be annexed pursuant to the provisions of MCA §7-2-4601, *et seq.*
- c) OWNER hereby signs the petition requesting annexation attached to and made a part hereof under this Agreement for municipal water and/or sanitary sewer services at the time of signing this Agreement. Such Petition shall be filed with the City Clerk.

- d) OWNER acknowledges and agrees that OWNER has had an opportunity to inspect the contents of the CITY'S Plan for Extension of Services, as adopted by the CITY, and which describes the manner in which CITY services may be extended to properties annexed by the CITY. OWNER acknowledges and agrees that OWNER is satisfied with the CITY'S Plan for Extension of Services, and that the CITY'S Plan for Extension of Services adequately provides for the extension of CITY services to OWNER'S REAL PROPERTY. OWNER hereby waives the right to object or otherwise challenge the CITY'S Plan for Extension of Services.
- e) OWNER hereby irrevocably waives for all time the right to file an action in court to challenge, for any reason, the CITY'S annexation of OWNER'S REAL PROPERTY, whether such annexation occurs now or in the future.
- f) OWNER acknowledges and agrees that all of OWNER'S REAL PROPERTY, as described above, will clearly and immediately, and not merely potentially, be serviced by the municipal water and/or sanitary sewer service to be provided by the CITY pursuant to this Agreement.
- g) OWNER agrees that if ever OWNER, their heirs, assigns, successors, purchasers, administrators, personal representatives or subsequent holders of title to OWNER'S REAL PROPERTY, breach, challenge, disregard, or otherwise violate any of the terms of this Agreement, the CITY may, after providing twenty (20) days written notice, terminate water and/or sanitary sewer services to OWNER'S REAL PROPERTY, in addition to any other remedies that the CITY may have.
- h) OWNER agrees that if OWNER, in violation of this Agreement, submits a protest to the annexation of OWNER'S REAL PROPERTY, the CITY may disregard such protest, in addition to any other remedies that the CITY may have.
- i) The promises, covenants, representations, and waivers provided pursuant to this Agreement are voluntarily and knowingly given, with full knowledge of the OWNER'S legal rights. OWNER acknowledges and agrees that it is has had an opportunity to consult with legal counsel of its choice regarding the provisions of this Agreement.

(7) **Recording; Binding Effect:** OWNER agrees that this entire Agreement shall be recorded in the office of the Clerk and Recorder of Flathead County, and OWNER agrees that this Agreement shall run to, with, and be binding upon OWNER'S REAL PROPERTY and OWNER'S title to such real property, and shall be binding upon the OWNER'S heirs, assigns, successors, administrators, personal representatives and any and all subsequent holders or owners of OWNER'S REAL PROPERTY.

(8) **Future Deeds:** Subsequent to this Agreement all deeds to parcels of land within the property subject to this Agreement granted by OWNER shall contain the following consent to annexation and waiver:

The Owner hereby covenants and agrees that acceptance of this deed does constitute a waiver of the statutory right of protest against any annexation procedure initiated by the City of Whitefish with respect to the property described herein. Owner also agrees that acceptance of a deed constitutes an obligation on the part of Owner to initiate annexation procedures per the Petition to Annex on file at the City Clerk's Office.

This consent to annexation and waiver shall run with the land and shall forever be binding upon the Owner, transferees, successors and assigns.

OWNER agrees that this Agreement shall be binding even if OWNER fails to include the language set forth above in future deeds. After annexation of OWNER'S REAL PROPERTY, future deeds need not contain the language set forth above.

(9) **Term:** This Agreement shall be in perpetuity.

(10) **Entire Agreement:** This Agreement contains the entire agreement between the parties and any additional agreement hereafter made shall be ineffective to alter, change, modify or discharge it in whole or in part, unless such additional agreement is in writing and signed by the parties hereto.

(11) **Partial Invalidity:** Each term, covenant, condition or provision of this Agreement shall be viewed as separate and distinct, and in the event that any such term, covenant, condition or provision shall be held by a court of competent jurisdiction to be invalid, the remaining provisions shall continue in full force and effect.

(12) **Necessary Acts:** Each party to this Agreement agrees to perform any further acts and execute and deliver any further documents that may be reasonably necessary to carry out the provisions of this Agreement.

OWNER(S)

OWNER(S)

Alan M-D

Frances Montanye

Alan Myers-Davis

FRANCES MONTANYE

[Printed Name]

[Printed Name]

CITY OF WHITEFISH

ATTEST:

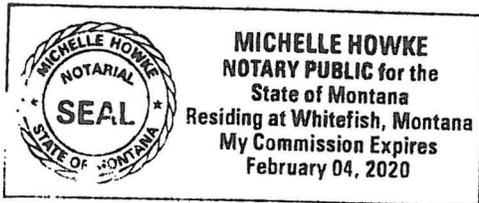
By: Charles C. Stearns
Charles C. Stearns, City Manager

Michelle Howke
Michelle Howke, City Clerk

STATE OF Montana)
) ss.
County of Flathead)

On this 31 day of May, 2016, before me, the undersigned, a Notary Public in and for the state aforesaid, personally appeared Frances Montanye and Alan Myers-Davis, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he/she/they executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Notarial Seal the day and year last above written.

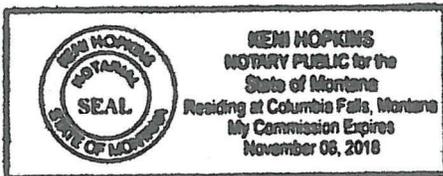


Michelle Howke

STATE OF MONTANA)
) ss.
County of Flathead)

On this 31st day of May, 2016, before me, the undersigned, a Notary Public in and for the state aforesaid, personally appeared CHARLES C. STEARNS, and MICHELLE HOWKE, to me known to be the City Manager and City Clerk respectively of the City of Whitefish, that executed the within and foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of the City of Whitefish for the uses and purposes therein mentioned, and on oath stated that they were authorized to execute said instrument on behalf of the City of Whitefish.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Notarial Seal the day and year last above written.



Keri Hopkins

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Staff Report

To: Mayor John Muhlfeld and City Councilors

From: Maria Butts, Director of Parks, Recreation and Community Services MB

Date: September 27, 2016

Recommendation to Award the Bid to Watson Excavating for the Riverside Tennis Court Project

Introduction/History

The Riverside Tennis Courts have been in a state of disrepair for many years. As the courts continued to deteriorate, the Parks and Recreation Department began to receive increasing numbers of phone calls and emails regarding concern for the condition of the courts, as the courts receive a significant amount of use from the community. In particular, Whitefish School District utilizes the courts for their tennis team practices and matches with other districts. My predecessor, Karl Cozad, had set aside Resort Tax Funds for several years with the goal of building six new courts in Memorial Park. However, he was not able to complete the project before his retirement. As I worked with the Park Board on both addressing the idea of building new courts and repairing the existing courts, it became apparent that we would not have the funding to both build six new courts and repair all existing courts. Therefore, the Park Board determined that instead of building new courts at Memorial Park, the department should investigate rebuilding the existing courts at Riverside Park and converting the Memorial Park tennis courts into pickleball courts. The pickleball courts were completed in the fall of 2015, but the Riverside Tennis Courts proved to be a bit more complex of a project. Due to the fact that the Riverside Tennis Courts were built on an old landfill site, next to a river, over a sewer line, and in a park where we were experiencing several "sink holes," I determined that we would need to employ the services of an engineering firm to properly address all of the concerns with this project. TD&H was awarded that engineering contract in April of 2016.

Since then, TD&H Engineering and Bruce Boody have worked with the Parks and Recreation Department and the Park Board of Commissioners on the Riverside Tennis Court Project. TD&H performed core sample testing and provided a recommendation for a 12" crushed subbase, a 6" base, and a 3" asphalt surface with an estimated cost of \$146,695.

Resort Tax Funds were committed to the Riverside Tennis Court Project in the amount of \$120,000. This dollar amount was not an actual projection of cost but is only reflective of the amount of funds left over after the pickleball courts were

constructed from the funds that were originally set aside to build six new courts at Memorial Park and did not reflect staff's later decision to hire engineering services for the project.

A contract with TD&H for Phase I of the engineering, for topographical surveying, was approved for \$2,970 on May 2, 2016. A contract for Phases II & III, for professional engineering, landscape final design services, bidding and construction management services, and final inspection services, was approved July 18, 2016 for an amount to not exceed \$26,230.

The Parks and Recreation Department, through the contracted services of TD&H, advertised for sealed bids in the Whitefish Pilot on September 7th and September 14th for the Riverside Tennis Court Project; as well TD&H reached out to several area contractors. All bids were to be received by 11:30 AM, Thursday, September 22, 2016. Two sealed bids were received and were publicly opened and read aloud at City Hall on the same date.

Current Report

The City of Whitefish has received two bids for the Riverside Tennis Court Project. The first bid from Watson Excavating totaled \$175,058 for the base bid and \$168,058 for Additive Alternate #1 Bid Schedule (Construction in the Spring). The second bid from LHC, Inc. totaled \$241,149 for the base bid and \$241,149 for Additive Alternate #1 Bid Schedule (Construction in the Spring). Also included were bid alternates for an added bike path and landscaping, which the department is not recommending the City move forward on at this time.

Watson Excavating was the lowest responsible bidder on this project. TD&H discussed cost saving measures with Watson Excavating and determined that the majority of the landscaping line item can be eliminated, as it was an added beautification that did not previously exist and could be done in-house at a later date for less of a cost to the City. The only remaining landscaping cost is the root barrier, which will total \$7,000. This brings the lowest bid to \$154,058 if constructed in the fall or the spring.

Financial Requirement

The Parks and Recreation Department will have a remaining cash balance of \$138,743 in the Resort Tax Fund at year-end. \$120,000 of Resort Tax funds were allocated to the Riverside Tennis Court Project. Of that \$120,000, there is \$90,800 still available. To award this bid, the Parks and Recreation Department will need an additional \$63,258 of Resort Tax funds to complete the project, leaving an estimated \$75,485 in the Resort Tax Fund at year end. An amendment to the FY17 Adopted Budget will only be completed if total expenditures in the Resort Tax Fund exceed the approved budget authority at

year-end. With the additional approved funds, the total Resort Tax allocation for this project would be \$183,258.

Recommendation

Staff respectfully recommends the City Council award the Riverside Tennis Court Project bid to Watson Excavating and allocate \$63,258 additional Resort Tax Funds to complete the Riverside Tennis Court construction this fall.

Sincerely,
Maria Butts
Director of Parks, Recreation and Community Services



**RIVERSIDE PARK TENNIS COURTS
WHITEFISH, MONTANA
BID TABS
September 22, 2016**

BASE BID SCHEDULE (CONSTRUCTION IN FALL)

PAY ITEM	DESCRIPTION	ESTIMATED QUANTITY	UNIT	ENGINEER'S ESTIMATE		LHC, INC.		WATSON EXCAVATING	
				UNIT PRICE	AMOUNT	UNIT PRICE	AMOUNT	UNIT PRICE	AMOUNT
1	Mobilization, Insurance, Permitting, & Bonding	1	L.S.	\$ 8,305.00	\$ 8,305.00	\$ 14,000.00	\$ 14,000.00	\$ 9,000.00	\$ 9,000.00
2	Construction Surveying	1	L.S.	\$ 1,700.00	\$ 1,700.00	\$ 6,600.00	\$ 6,600.00	\$ 2,200.00	\$ 2,200.00
3	Erosion and Sediment Control	1	L.S.	\$ 1,000.00	\$ 1,000.00	\$ 13,000.00	\$ 13,000.00	\$ 800.00	\$ 800.00
4	Excavation	715	C.Y.	\$ 14.00	\$ 10,010.00	\$ 41.00	\$ 29,315.00	\$ 12.00	\$ 8,580.00
5	Embankment	100	C.Y.	\$ 10.00	\$ 1,000.00	\$ 30.00	\$ 3,000.00	\$ 8.00	\$ 800.00
6	3" Minus Sub-Base Course	715	C.Y.	\$ 25.00	\$ 17,875.00	\$ 31.00	\$ 22,165.00	\$ 24.00	\$ 17,160.00
7	1-1/2" Minus Crushed Base Course for Court (12" Thick)	360	C.Y.	\$ 30.00	\$ 10,800.00	\$ 34.00	\$ 12,240.00	\$ 33.00	\$ 11,880.00
8	Geotextile Separation Fabric	2,140	S.Y.	\$ 1.50	\$ 3,210.00	\$ 1.90	\$ 4,066.00	\$ 2.00	\$ 4,280.00
9	3" Asphalt Concrete Pavement	2,080	S.Y.	\$ 15.00	\$ 31,200.00	\$ 16.35	\$ 34,008.00	\$ 17.50	\$ 36,400.00
10	Plexipave Court Surfacing	2,080	S.Y.	\$ 10.50	\$ 21,840.00	\$ 14.10	\$ 29,328.00	\$ 12.50	\$ 26,000.00
11	Chain Link Fencing	554	L.F.	\$ 45.00	\$ 24,930.00	\$ 38.00	\$ 21,052.00	\$ 34.50	\$ 19,113.00
12	Interceptor Drain	155	L.F.	\$ 15.00	\$ 2,325.00	\$ 35.00	\$ 5,425.00	\$ 19.00	\$ 2,945.00
13	Riprap Outfall Pad	1	EA.	\$ 500.00	\$ 500.00	\$ 650.00	\$ 650.00	\$ 1,000.00	\$ 1,000.00
14	Net Support Assembly	3	EA.	\$ 1,500.00	\$ 4,500.00	\$ 2,100.00	\$ 6,300.00	\$ 2,300.00	\$ 6,900.00
15	Topsoil, Landscaping, Irrigation	1	L.S.	\$ 7,500.00	\$ 7,500.00	\$ 40,000.00	\$ 40,000.00	\$ 28,000.00	\$ 28,000.00
TOTAL =				\$ 146,695.00		\$ 241,149.00		\$ 175,058.00	
<i>(ENGINEER)</i>						<i>(LHC)</i>		<i>(WATSON)</i>	

ADDITIVE ALTERNATE #1 BID SCHEDULE (CONSTRUCTION IN SPRING)

	DESCRIPTION	ESTIMATED QUANTITY	UNIT	ENGINEER'S ESTIMATE		LHC, INC.		WATSON EXCAVATING	
				UNIT PRICE	AMOUNT	UNIT PRICE	AMOUNT	UNIT PRICE	AMOUNT
101	Mobilization, Insurance, Permitting, & Bonding	1	L.S.	\$ 8,305.00	\$ 8,305.00	\$ 14,000.00	\$ 14,000.00	\$ 9,000.00	\$ 9,000.00
102	Construction Surveying	1	L.S.	\$ 1,700.00	\$ 1,700.00	\$ 6,600.00	\$ 6,600.00	\$ 2,200.00	\$ 2,200.00
103	Erosion and Sediment Control	1	L.S.	\$ 1,000.00	\$ 1,000.00	\$ 13,000.00	\$ 13,000.00	\$ 800.00	\$ 800.00
104	Excavation	715	C.Y.	\$ 14.00	\$ 10,010.00	\$ 41.00	\$ 29,315.00	\$ 12.00	\$ 8,580.00
105	Embankment	100	C.Y.	\$ 10.00	\$ 1,000.00	\$ 30.00	\$ 3,000.00	\$ 8.00	\$ 800.00
106	3" Minus Sub-Base Course	715	C.Y.	\$ 25.00	\$ 17,875.00	\$ 31.00	\$ 22,165.00	\$ 24.00	\$ 17,160.00
107	1-1/2" Minus Crushed Base Course for Court (12" Thick)	360	C.Y.	\$ 30.00	\$ 10,800.00	\$ 34.00	\$ 12,240.00	\$ 33.00	\$ 11,880.00
108	Geotextile Separation Fabric	2,140	S.Y.	\$ 1.50	\$ 3,210.00	\$ 1.90	\$ 4,066.00	\$ 2.00	\$ 4,280.00
109	3" Asphalt Concrete Pavement	2,080	S.Y.	\$ 15.00	\$ 31,200.00	\$ 16.35	\$ 34,008.00	\$ 17.50	\$ 36,400.00
110	Plexipave Court Surfacing	2,080	S.Y.	\$ 10.50	\$ 21,840.00	\$ 14.10	\$ 29,328.00	\$ 12.50	\$ 26,000.00
111	Chain Link Fencing	554	L.F.	\$ 45.00	\$ 24,930.00	\$ 38.00	\$ 21,052.00	\$ 34.50	\$ 19,113.00
112	Interceptor Drain	155	L.F.	\$ 15.00	\$ 2,325.00	\$ 35.00	\$ 5,425.00	\$ 19.00	\$ 2,945.00
113	Riprap Outfall Pad	1	EA.	\$ 500.00	\$ 500.00	\$ 650.00	\$ 650.00	\$ 1,000.00	\$ 1,000.00
114	Net Support Assembly	3	EA.	\$ 1,500.00	\$ 4,500.00	\$ 2,100.00	\$ 6,300.00	\$ 2,300.00	\$ 6,900.00
115	Topsoil, Landscaping, Irrigation	1	L.S.	\$ 7,500.00	\$ 7,500.00	\$ 40,000.00	\$ 40,000.00	\$ 21,000.00	\$ 21,000.00
TOTAL =				\$ 146,695.00		\$ 241,149.00		\$ 168,058.00	
<i>(ENGINEER)</i>						<i>(LHC)</i>		<i>(WATSON)</i>	

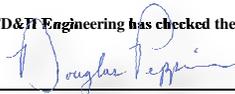
ADDITIVE ALTERNATE #2 BID SCHEDULE (ACCESS PATH CONSTRUCTION IN FALL)

				ENGINEER'S ESTIMATE		LHC, INC.		WATSON EXCAVATING	
202	Construction Surveying	1	L.S.	\$ 1,900.00	\$ 1,900.00	\$ 3,800.00	\$ 3,800.00	\$ 1,700.00	\$ 1,700.00
204	Excavation	250	C.Y.	\$ 15.00	\$ 3,750.00	\$ 45.00	\$ 11,250.00	\$ 16.00	\$ 4,000.00
207	1-1/2" Minus Crushed Base Course for Path (9" Thick)	200	C.Y.	\$ 35.00	\$ 7,000.00	\$ 38.00	\$ 7,600.00	\$ 33.00	\$ 6,600.00
208	Geotextile Separation Fabric	800	S.Y.	\$ 1.50	\$ 1,200.00	\$ 2.00	\$ 1,600.00	\$ 2.00	\$ 1,600.00
209	2.5" Asphalt Concrete Pavement	600	S.Y.	\$ 18.00	\$ 10,800.00	\$ 18.00	\$ 10,800.00	\$ 19.00	\$ 11,400.00
215	Topsoil, Landscaping, Irrigation	1	L.S.	\$ 12,000.00	\$ 12,000.00	\$ 10,000.00	\$ 10,000.00	\$ 16,000.00	\$ 16,000.00
TOTAL =				\$ 36,650.00		\$ 45,050.00		\$ 41,300.00	
<i>(ENGINEER)</i>						<i>(LHC)</i>		<i>(WATSON)</i>	

ADDITIVE ALTERNATE #2 BID SCHEDULE (ACCESS PATH CONSTRUCTION IN FALL)

				ENGINEER'S ESTIMATE		LHC, INC.		WATSON EXCAVATING	
302	Construction Surveying	1	L.S.	\$ 1,900.00	\$ 1,900.00	\$ 3,800.00	\$ 3,800.00	\$ 1,700.00	\$ 1,700.00
304	Excavation	250	C.Y.	\$ 15.00	\$ 3,750.00	\$ 45.00	\$ 11,250.00	\$ 16.00	\$ 4,000.00
307	1-1/2" Minus Crushed Base Course for Path (9" Thick)	200	C.Y.	\$ 35.00	\$ 7,000.00	\$ 38.00	\$ 7,600.00	\$ 33.00	\$ 6,600.00
308	Geotextile Separation Fabric	800	S.Y.	\$ 1.50	\$ 1,200.00	\$ 2.00	\$ 1,600.00	\$ 2.00	\$ 1,600.00
309	2.5" Asphalt Concrete Pavement	600	S.Y.	\$ 18.00	\$ 10,800.00	\$ 18.00	\$ 10,800.00	\$ 19.00	\$ 11,400.00
315	Topsoil, Landscaping, Irrigation	1	L.S.	\$ 12,000.00	\$ 12,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00
TOTAL =				\$ 36,650.00		\$ 45,050.00		\$ 35,300.00	
<i>(ENGINEER)</i>						<i>(LHC)</i>		<i>(WATSON)</i>	

TD&H Engineering has checked the bids and certify they are correct as shown.



 Douglas Peppmeier, P.E.
 TD&H ENGINEERING, INC.
 Date: September 22, 2016

<u>PAY ITEM</u>	<u>BID AVERAGE</u>	<u>ENGINEER'S BID AMOUNT</u>	<u>LOW BIDDER</u>	<u>DIFFERENCE</u>	<u>ENGINEERS'S UNIT PRICE</u>	<u>LOW BIDDERS UNIT PRICE</u>	<u>DIFFERENCE</u>	<u>DESCRIPTION</u>
1	\$ 11,500.00	\$ 8,305.00	\$ 9,000.00	\$ 695.00	\$ 8,305.00	\$ 9,000.00	\$ 695.00	Mobilization, Insurance, Permitting, & Bonding
2	\$ 4,400.00	\$ 1,700.00	\$ 2,200.00	\$ 500.00	\$ 1,700.00	\$ 2,200.00	\$ 500.00	Construction Surveying
3	\$ 6,900.00	\$ 1,000.00	\$ 800.00	\$ (200.00)	\$ 1,000.00	\$ 800.00	\$ (200.00)	Erosion and Sediment Control
4	\$ 18,947.50	\$ 10,010.00	\$ 8,580.00	\$ (1,430.00)	\$ 14.00	\$ 12.00	\$ (2.00)	Excavation
5	\$ 1,900.00	\$ 1,000.00	\$ 800.00	\$ (200.00)	\$ 10.00	\$ 8.00	\$ (2.00)	Embankment
6	\$ 19,662.50	\$ 17,875.00	\$ 17,160.00	\$ (715.00)	\$ 25.00	\$ 24.00	\$ (1.00)	3" Minus Sub-Base Course
7	\$ 12,060.00	\$ 10,800.00	\$ 11,880.00	\$ 1,080.00	\$ 30.00	\$ 33.00	\$ 3.00	1-1/2" Minus Crushed Base Course for Court (12" Thick)
8	\$ 4,173.00	\$ 3,210.00	\$ 4,280.00	\$ 1,070.00	\$ 1.50	\$ 2.00	\$ 0.50	Geotextile Separation Fabric
9	\$ 35,204.00	\$ 31,200.00	\$ 36,400.00	\$ 5,200.00	\$ 15.00	\$ 17.50	\$ 2.50	3" Asphalt Concrete Pavement
10	\$ 27,664.00	\$ 21,840.00	\$ 26,000.00	\$ 4,160.00	\$ 10.50	\$ 12.50	\$ 2.00	Plexipave Court Surfacing
11	\$ 20,082.50	\$ 24,930.00	\$ 19,113.00	\$ (5,817.00)	\$ 45.00	\$ 34.50	\$ (10.50)	Chain Link Fencing
12	\$ 4,185.00	\$ 2,325.00	\$ 2,945.00	\$ 620.00	\$ 15.00	\$ 19.00	\$ 4.00	Interceptor Drain
13	\$ 825.00	\$ 500.00	\$ 1,000.00	\$ 500.00	\$ 500.00	\$ 1,000.00	\$ 500.00	Riprap Outfall Pad
14	\$ 6,600.00	\$ 4,500.00	\$ 6,900.00	\$ 2,400.00	\$ 1,500.00	\$ 2,300.00	\$ 800.00	Net Support Assembly
15	\$ 34,000.00	\$ 7,500.00	\$ 28,000.00	\$ 20,500.00	\$ 7,500.00	\$ 28,000.00	\$ 20,500.00	Topsoil, Landscaping, Irrigation
	\$ 208,103.50							

Indicates bid amount is \$5,000 or more than the Engineer's Estimate
 (XX.XX) Indicates bid amount is less than the Engineer's Estimate

<u>PAY ITEM</u>	<u>BID AVERAGE</u>	<u>ENGINEER'S BID AMOUNT</u>	<u>LOW BIDDER</u>	<u>DIFFERENCE</u>	<u>ENGINEERS'S UNIT PRICE</u>	<u>LOW BIDDERS UNIT PRICE</u>	<u>DIFFERENCE</u>	<u>DESCRIPTION</u>
1	\$ 11,500.00	\$ 8,305.00	\$ 9,000.00	\$ 695.00	\$ 8,305.00	\$ 9,000.00	\$ 695.00	Mobilization, Insurance, Permitting, & Bonding
2	\$ 4,400.00	\$ 1,700.00	\$ 2,200.00	\$ 500.00	\$ 1,700.00	\$ 2,200.00	\$ 500.00	Construction Surveying
3	\$ 6,900.00	\$ 1,000.00	\$ 800.00	\$ (200.00)	\$ 1,000.00	\$ 800.00	\$ (200.00)	Erosion and Sediment Control
4	\$ 18,947.50	\$ 10,010.00	\$ 8,580.00	\$ (1,430.00)	\$ 14.00	\$ 12.00	\$ (2.00)	Excavation
5	\$ 1,900.00	\$ 1,000.00	\$ 800.00	\$ (200.00)	\$ 10.00	\$ 8.00	\$ (2.00)	Embankment
6	\$ 19,662.50	\$ 17,875.00	\$ 17,160.00	\$ (715.00)	\$ 25.00	\$ 24.00	\$ (1.00)	3" Minus Sub-Base Course
7	\$ 12,060.00	\$ 10,800.00	\$ 11,880.00	\$ 1,080.00	\$ 30.00	\$ 33.00	\$ 3.00	1-1/2" Minus Crushed Base Course for Court (12" Thick)
8	\$ 4,173.00	\$ 3,210.00	\$ 4,280.00	\$ 1,070.00	\$ 1.50	\$ 2.00	\$ 0.50	Geotextile Separation Fabric
9	\$ 35,204.00	\$ 31,200.00	\$ 36,400.00	\$ 5,200.00	\$ 15.00	\$ 17.50	\$ 2.50	3" Asphalt Concrete Pavement
10	\$ 27,664.00	\$ 21,840.00	\$ 26,000.00	\$ 4,160.00	\$ 10.50	\$ 12.50	\$ 2.00	Plexipave Court Surfacing
11	\$ 20,082.50	\$ 24,930.00	\$ 19,113.00	\$ (5,817.00)	\$ 45.00	\$ 34.50	\$ (10.50)	Chain Link Fencing
12	\$ 4,185.00	\$ 2,325.00	\$ 2,945.00	\$ 620.00	\$ 15.00	\$ 19.00	\$ 4.00	Interceptor Drain
13	\$ 825.00	\$ 500.00	\$ 1,000.00	\$ 500.00	\$ 500.00	\$ 1,000.00	\$ 500.00	Riprap Outfall Pad
14	\$ 6,600.00	\$ 4,500.00	\$ 6,900.00	\$ 2,400.00	\$ 1,500.00	\$ 2,300.00	\$ 800.00	Net Support Assembly
15	\$ 30,500.00	\$ 7,500.00	\$ 21,000.00	\$ 13,500.00	\$ 7,500.00	\$ 21,000.00	\$ 13,500.00	Topsoil, Landscaping, Irrigation
	\$ 204,603.50							

Indicates bid amount is \$5,000 or more than the Engineer's Estimate

(XX.XX) Indicates bid amount is less than the Engineer's Estimate

<u>PAY ITEM</u>	<u>BID AVERAGE</u>	<u>ENGINEER'S BID AMOUNT</u>	<u>LOW BIDDER</u>	<u>DIFFERENCE</u>	<u>ENGINEERS'S UNIT PRICE</u>	<u>LOW BIDDERS UNIT PRICE</u>	<u>DIFFERENCE</u>	<u>DESCRIPTION</u>
202	\$ 2,750.00	\$ 1,900.00	\$ 1,700.00	\$ (200.00)	\$ 1,900.00	\$ 1,700.00	\$ (200.00)	Construction Surveying
204	\$ 7,625.00	\$ 3,750.00	\$ 4,000.00	\$ 250.00	\$ 15.00	\$ 16.00	\$ 1.00	Excavation
207	\$ 7,100.00	\$ 7,000.00	\$ 6,600.00	\$ (400.00)	\$ 35.00	\$ 33.00	\$ (2.00)	1-1/2" Minus Crushed Base Course for Path (9" Thick)
208	\$ 1,600.00	\$ 1,200.00	\$ 1,600.00	\$ 400.00	\$ 1.50	\$ 2.00	\$ 0.50	Geotextile Separation Fabric
209	\$ 11,100.00	\$ 10,800.00	\$ 11,400.00	\$ 600.00	\$ 18.00	\$ 19.00	\$ 1.00	2.5" Asphalt Concrete Pavement
215	\$ 13,000.00	\$ 12,000.00	\$ 16,000.00	\$ 4,000.00	\$ 12,000.00	\$ 16,000.00	\$ 4,000.00	Topsoil, Landscaping, Irrigation
	\$ 43,175.00							

(XX.XX) Indicates bid amount is less than the Engineer's Estimate

<u>PAY</u>	<u>BID</u>	<u>ENGINEER'S</u>	<u>LOW BIDDER</u>	<u>DIFFERENCE</u>	<u>ENGINEERS'S</u>	<u>LOW BIDDERS</u>	<u>DIFFERENCE</u>	<u>DESCRIPTION</u>
302	\$ 2,750.00	\$ 1,900.00	\$ 1,700.00	\$ (200.00)	\$ 1,900.00	\$ 1,700.00	\$ (200.00)	Construction Surveying
304	\$ 7,625.00	\$ 3,750.00	\$ 4,000.00	\$ 250.00	\$ 15.00	\$ 16.00	\$ 1.00	Excavation
307	\$ 7,100.00	\$ 7,000.00	\$ 6,600.00	\$ (400.00)	\$ 35.00	\$ 33.00	\$ (2.00)	1-1/2" Minus Crushed Base Course for Path (9" Thick)
308	\$ 1,600.00	\$ 1,200.00	\$ 1,600.00	\$ 400.00	\$ 1.50	\$ 2.00	\$ 0.50	Geotextile Separation Fabric
309	\$ 11,100.00	\$ 10,800.00	\$ 11,400.00	\$ 600.00	\$ 18.00	\$ 19.00	\$ 1.00	2.5" Asphalt Concrete Pavement
315	\$ 10,000.00	\$ 12,000.00	\$ 10,000.00	\$ (2,000.00)	\$ 12,000.00	\$ 10,000.00	\$ (2,000.00)	Topsoil, Landscaping, Irrigation
	\$ 40,175.00							

(XX.XX) Indicates bid amount is less than the Engineer's Estimate

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City of Whitefish
Department of Public Works
1005 W. 10TH Street, PO Box 158
Whitefish, MT 59937
(406) 863-2460 Fax (406) 863-2419

September 27, 2016

Mayor Muhlfeld and City Councilors
City of Whitefish
Whitefish, Montana

Mayor Muhlfeld and Councilors

**Approval of Preliminary Engineering Report for the
Wastewater Systems Improvements Project**

Introduction/History

The City was issued an Administrative Order of Consent (AOC) by the Montana Department of Environmental Quality (DEQ) on October 5, 2012. Late last year the AOC was updated to incorporate a Compliance Plan detailing the completion dates that must be met in order to bring the WWTP into compliance. The first milestone of the Compliance Plan requires that a Preliminary Engineering Report (PER) be approved by Council and submitted to DEQ.

Current Report

The primary impetus behind the project pertains to new wastewater treatment standards implemented by DEQ through the latest discharge permit, issued to the City in 2015. New requirements for removal of ammonia, nitrogen and phosphorous were included in this permit. The City's lagoon system was originally constructed in 1979, and has served the residents well. However, the existing treatment facility has reached the end of its useful design life and cannot be made to meet the new standards without major reconstruction.

The PER considered alternatives to address the existing permit, and will position the City to meet new limits in future permits. In development of treatment alternatives, the re-use of newer plant components was stressed in order to optimize the value of the City's earlier investments. In



addition, sustainable treatment technologies were considered for incorporation into the design of the new plant. Although treatment processes employing proven technologies, capable of meeting existing and anticipated regulatory standards, should be utilized, energy efficiency will be a prime consideration in the selection of specific pumping, mixing and aeration equipment.

The following is a brief summary of the three treatment alternatives that were analyzed in the report.

BioLac Lagoon Treatment System – This alternative consists of a lagoon-based, quasi-activated sludge treatment system. The system would include new grit removal, solids handling, and effluent disinfection equipment. The entire proposed BioLac system could be fit within the footprint of existing treatment cell #3, excluding disinfection.

Oxidation Ditch – The oxidation ditch is a variation of the activated sludge process. The system consists of a closed-loop aeration channel through which mixed wastewater is continuously recirculated. The heart of the oxidation ditch technology is the aeration system. The aerator provides for oxygen transfer, mixing, and recirculation of the wastewater. Through the proper design of the aeration system, it is possible to achieve organic removal, ammonia removal (nitrification), and nitrate removal (denitrification) in a single sludge system. The oxidation ditch concept also has the potential for phosphorus removal.

Sequencing Batch Reactor – This alternative consists of a multi basin system sized to treat the City’s projected 2035 design flow. The Sequencing Batch Reactor (SBR) is an activated sludge process designed to operate under variable conditions. An SBR operates in a true batch mode with aeration and sludge settlement both occurring in the same tank. The major differences between SBR and conventional continuous-flow, activated sludge system is that the SBR tank carries out the functions of aeration and sedimentation in a time sequence, rather than in the conventional space sequence of continuous-flow systems. In addition, the SBR system can be designed with the ability to treat a wide range of influent volumes whereas the continuous system is based upon a fixed influent flowrate. Thus, there is a degree of flexibility associated with working in a time rather than in a space sequence.

The following table provides a comparison of the capital and operating costs for the three final options considered:

Alternative	Capital Cost	Annual O&M	20-Year NPW Annual O&M	Salvage Value	20-Year NPW Salvage Value	Overall 20-Year Net Present Worth
Biolac w/ Existing Clarifier	\$15,914,648	\$642,369	\$8,729,790	\$2,481,218	\$1,132,428	\$23,512,010
Sequencing Batch Reactor	\$15,984,739	\$780,485	\$10,606,791	\$4,601,475	\$2,100,113	\$24,491,416
Oxidation Ditch	\$21,356,133	\$927,996	\$12,611,472	\$6,451,438	\$2,944,436	\$31,023,169



The treatment alternatives were ranked as follows, with 1 being the most desirable, and 3 being the least:

Table 4.8 City of Whitefish PER						
Ranking of Three Screened Alternatives						
				Option 1	Option 2	Option 3
				<u>Biolac</u>	<u>SBR</u>	<u>O-Ditch</u>
Capital Costs				1	1	3
Operating Costs				1	2	3
Mechanical and Operational Complexity				1	1	1
Use of Proven Technology				2	1	1
Future Expansion Capability				3	1	2
Capacity to Remove Pollutants to Lower Levels				3	1	1
Cold Weather Operation				2	1	1
Odor Potential and Aesthetics				2	1	2
Environmental Impacts				1	1	1
Ease of Implementation				1	1	2
Public Acceptance				1	1	1
Total				18	12	18
Rank				3	1	2

The recommended project includes replacement of the existing treatment plant with a SBR. This system will be capable of removing ammonia, nitrogen and phosphorous to fully comply with the requirements of the current MPDES discharge permit. Furthermore, the SBR plant will be capable of meeting anticipated nutrient standards proposed by the DEQ in the next two discharge permit cycles (5 and 10 years hence).

Pretreatment of the wastewater will be provided by the existing perforated screen plus grit removal capability added by a new unit process. A four cell sequencing batch reactor is proposed within the third lagoon cell whereas the existing lagoon cells will be retained for treatment during construction. Use of 4 cells allows continuous discharge from the system, eliminating the need for a post treatment flow equalization basin. BioSolids from the SBR plant will be discharged to an aerobic digester for further stabilization. The existing flocculating clarifier will be converted to a covered aerobic digester. After stabilization, BioSolids will be sent to the existing drying beds for further dewatering and long-term storage. Periodically the solids can be removed for disposal at the landfill or land application. While not an immediate plan (or need), a small composting operation could be constructed on site within one of the old treatment cells utilizing BioSolids and wood waste to generate compost. Disinfection of the treated effluent would be provided by ultraviolet disinfection.



Financial Requirement

The estimated capital costs for the project are \$17,500,000. This includes construction, engineering, administration and a 15% contingency. Annual costs for operating the entire facility are estimated to be \$780,480, which roughly equates to a \$440,000 cost increase over the current operational cost. Detailed cost estimates for this option are included in PER.

A project budget strategy has been prepared which anticipates grant funding from the TSEP and DRNC programs matched by a SRF loan, including forgiving principal of the loan in the amount of \$500,000. An alternative or supplement to the SRF loan is being investigated utilizing a Rural Development Loan and Grant combination. Whitefish, primarily due to its population, is eligible for RD funding but is not a good candidate for the limited funds. Initial project planning is proceeding without an assumption of obtaining an RD grant.

Recommendation

A copy of the Executive summary of the PER is included with this report, along with a schematic of the proposed SBR treatment technology. The entire PER is available for review or download at the Public Works Department.

It is the opinion of the Public Works Department that this PER provides a comprehensive review of the alternatives to address the AOC and bring the City into compliance with our discharge permit. It is our further opinion that the SBR is the best alternative to proceed with.

Based on these factors, it is the recommendation of the Public Works Department that Council approve the PER and authorize its submittal to DEQ

Sincerely,

A handwritten signature in black ink, appearing to read "Craig Workman".

Craig Workman, P.E.
Director of Public Works



Revision	Date	By
Draft	4/20/14	SA
Final		

Project: Final
 Preparer: J.2
 Drawn By: B.Nye
 Approved By: S. Anderson, P.E.
 Checked by: P. Montgomery, P.E.
 Designed By: S. Anderson, P.E.
 Project Number:

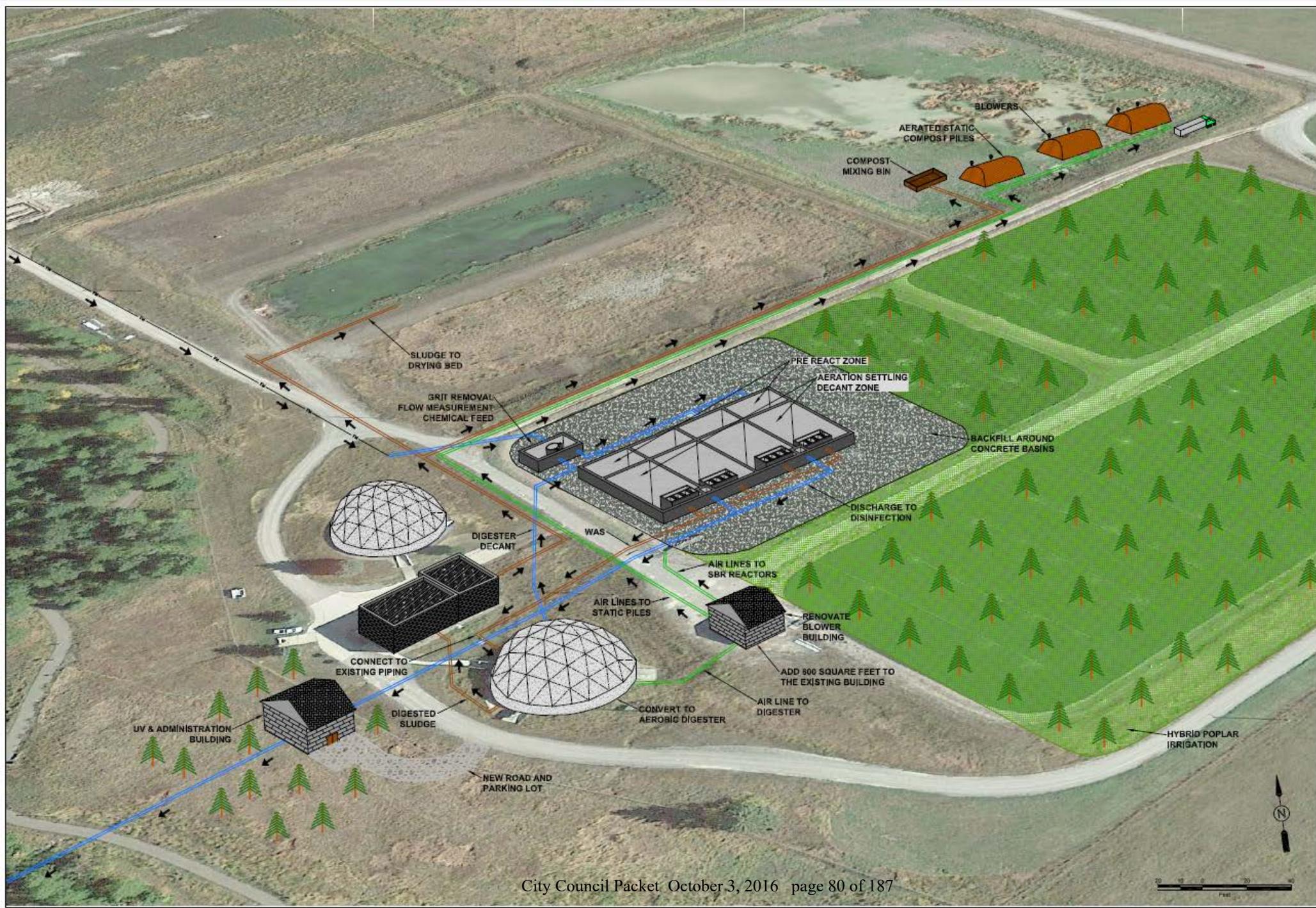


City of
 Whitefish,
 Montana

Project Title:
 Whitefish
 WWTP
 Alternatives

Sheet Title:
 Sequencing
 Batch Reactor
 with Potential
 Upgrades

Sheet:
Fig. 6.1





Chapter 1 Executive Summary

1.1 Introduction

This executive summary briefly describes the chapter contents for the *City of Whitefish 2016 Wastewater Systems Improvements Project - Preliminary Engineering Report (PER)*, conclusions and recommendations arising from this document. The primary impetus behind the project pertains to new wastewater treatment standards implemented by the Montana Department of Environmental Quality (DEQ) through the latest discharge permit issued to the City in 2015. New requirements for removal of ammonia, nitrogen and phosphorous were included in the new permit. The lagoon system, originally constructed in 1979, has served the City well but is approaching the end of its useful design life. The existing treatment facility cannot be made to meet the new standards without major reconstruction. This engineering study considered alternatives to address the existing permit as well as position the City for anticipated new limits that have been proposed by the DEQ for the next 5 and 10 years respectively, as the discharge permit is renewed. In development of treatment alternatives, the incorporation of existing plant components that were constructed more recently than the lagoons was stressed to optimize the value of the earlier investment.

Outside of this planning document, a Nutrient Reduction and Trading Plan was recently prepared by Robert Peccia and Associates in conjunction with Anderson-Montgomery to consider non-plant options for nutrient reduction, such as storm water control or reduction of discharge volume through irrigation. These alternate measures for nutrient reduction were brought forth to this engineering report and are discussed in Chapter 5.

1.2 Basis of Planning

Determination of the usage of the wastewater system is dependent on land use, population density, the magnitude and type of commercial and industrial activity to be served, the condition of the existing system and regulatory requirements. The area studied in this document was established through meetings with the City Public Works and Planning Staff by examination of property ownership, zoning, planning jurisdiction and environmental conditions. The study area boundary, as decided by the planning team, is similar to the boundary used in a previous Wastewater PER prepared in 2008, with updates in 2014.

Estimates of population were developed using 2000 census data and 2010 census data and reflect a lower growth rate than that experienced in the area in earlier planning documents, when growth rates were high during the housing boom in early 2000. In reviewing the 2010 Census, it shows that the City of Whitefish's growth for the 2000-2010 period was 26.33% or a 2.37% average annual growth. Historically, the City has had an average annual growth of 1.75% over the last 40 years. Also, the 2010 Census projected an average annual growth rate of 1.9% between 2005 and 2025 for Flathead County. Based on review of a more current historical growth rate in the community plus consideration of the 2010 census data, city officials decided to use an average annual growth rate of 1.9% for the 20 year planning period.

Theoretical build-out assumes that all developable land within the study area will be developed, giving a maximum density for the study area. **Table 1.1** summarizes the current and predicted study area population as well the connected population in the study area.

Table 1.1 Predicted Study Area Population

	2015	2025	2035	Ultimate Build-out
Existing and Proposed Sewer Service Planning Area Population	11,661	14,076	16,992	36,929
Existing and Proposed Sewer Service Area Connected Population	8,033	9,697	11,705	36,929

The City of Whitefish had an estimated population of 6,984 in 2015, obviously less than the connected population identified in the table above. To effectively conduct facilities planning it is necessary to set a potential service area boundary. The service area is the projected area in which municipal services can or may be extended depending upon needs and demand. Criteria examined in setting the potential service area boundary included environmental factors, public health protection, groundwater quality protection, surface water quality protection, land use planning and growth management, cost of service, the political environment and geophysical characteristics. The boundary for the proposed future wastewater service area was based on examination of the criteria described above, meetings and discussions with City staff, and comparison of predicted population growth with the capability of the proposed service area to accommodate the predicted growth.

These predictions are based on presumption that growth will occur in the Whitefish area at a relatively modest rate, similar to long-term community growth rates. These population values will be used in subsequent chapters of this report to predict demand on the wastewater system and to evaluate existing unit processes.

1.3 Wastewater Loads and Characteristics

Monthly flow and organic loading data was evaluated for a three year period, from 2012 through 2014. Based on this data, the average waste strength and flow is as follows:

BOD₅	297 mg/l
TSS	239 mg/l
Phosphorous	6 mg/l
Ammonia	25 mg/l
Average Daily Flow per capita	128.7 gpcd
Average Daily Flow per capita (wet weather)	154.5 gpcd

Earlier data was not used to prepare the estimates above in that a project was completed in 2012 to remove clear water from the sewer system, effectively resulting in a stronger waste strength.

Waste strength has increased significantly, almost 49% stronger in the concentration of BOD₅, since the last PER prepared in 2008. This increase in wastewater concentration reflects the ongoing efforts of the City to remove infiltration and inflow (I/I) of clear water from the collection system. Reduction of I/I allows for reduced sizing of new wastewater treatment unit processes and a corresponding savings in cost. Additionally, the biological treatment processes used in wastewater plants function more effectively if waste strength is not diluted with clear water.

Project Design Criteria are developed in a PER to evaluate treatment alternatives, size unit processes, prepare preliminary design drawings and prepare estimates of cost. The design criteria for this project are shown in the table below:

Table 1.2 CITY OF WHITEFISH WASTEWATER IMPROVEMENTS DESIGN CRITERIA					
	<u>2013</u>	<u>2015</u>	<u>2020</u>	<u>2025</u>	<u>2035</u>
Planning Area	11,230	11,661	12,812	14,076	16,992
Connected Pop.	7,736	8,033	8,826	9,697	11,705
Qavg	0.996	1.034	1.136	1.248	1.507
Qwet weather (6 month period)	1.195	1.241	1.363	1.498	1.808
Q Max Day		4.266	4.342	4.355	4.530
AVG BOD (lbs/day)	2467.8	2562.5	2815.4	3093.3	3734.0
MAX BOD	3289.6	3415.8	3753.0	4123.4	4977.4
TSS (lbs/day)	1980.4	2056.4	2259.4	2482.4	2996.5
Ammonia (lbs/day) 25.03 mg/l Avg Conc.	208.9	216.9	238.3	261.8	316.0
Total P (lbs/day) 6.0 mg/l Avg Conc.	49.83	51.74	56.85	62.46	75.40
TKN Avg 41.4 mg/l					
Alkalinity 265.6 mg/l					
Avg Influent Temp (°C)	<u>Dec</u>	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>
	9.5	8.8	8.1	8.2	9.2

1.4 Existing Wastewater Treatment and Collection

1.4.1 Wastewater Treatment Plant

The existing wastewater treatment facilities consist of 3 partially mixed aerated lagoons for biological treatment with the discharge from the lagoon system flowing to a flocculating clarifier where alum and polymers are added to precipitate phosphorus. Design capacity for the lagoons, built in 1979, is 1.25 MGD based on average daily flow. New pretreatment facilities and a second, redundant flocculating clarifier were constructed in 2008-09. A temporary disinfection system using sodium hypochlorite and chlorine neutralization was constructed in 2012. More specific design criteria for the existing facilities are as follows:

Pretreatment Facilities

Perforated Plate Mechanical Bar Screen	6.0 MGD Peak Capacity
Manual Bar Screen	9.0 MGD Peak Capacity
Screenings Washer/Compactor	6.0 MGD Peak Capacity
Odor Control Biofilter	1.4 CFM/SF
New Natural Gas Auxiliary Generator	150 KW
Bypass Pumping Capability for Existing Lift Station	

Aerated Lagoon System

	<u>Cell #1</u>	<u>Cell#2</u>	<u>Cell#3</u>
Volume (2' to 15' depth)	16.97 MG	8.52 MG	8.52 MG
Detention Time @ 1.25 MGD	13.6 days	6.8 days	6.8 days
Sludge Storage (0' to 2" depth)	260,200 cf	124,900 cf	124,900cf
Surface Area	4.93 acres	2.55 acres	2.55 acres

Advanced Treatment Facilities

Existing Flocculating Clarifier	1.8 MGD ADF Design Capacity
New Flocculating Clarifier	2.33 MGD ADF Design Capacity
New Mechanical Mixer for New Clarifier	
Redundant Alum and Polymer Feed Systems for Both Clarifiers	
New Natural Gas Auxiliary Generator	150 KW

The treatment system has consistently met the requirements of previous MPDES discharge permits regarding effluent quality. While the existing system is sized sufficiently to handle future growth, the age of the system and the inability of the treatment plant to remove nutrients and ammonia results in a need to consider major upgrades to or replacement of many of the existing facility's components.

1.5 Water Quality Regulations

Water pollution degrades surface and ground waters, potentially making them unsafe for drinking, fishing, swimming, and other activities. Accordingly, the State and Federal regulatory agencies have passed statutes with the intent of maintaining and restoring the beneficial uses of State waters. As authorized by the Clean Water Act and the Montana Water Quality Act, the Montana Pollutant Discharge Elimination System (MPDES) permit program controls water pollution by regulating point sources that discharge pollutants into waters of the State. The Montana Department of Environmental Quality (MDEQ) has adopted water quality standards that govern the discharge of wastewater which may cause a new or increased source of pollution to state waters. The Department also administers the MPDES program which authorizes and regulates all discharges to State surface waters. The Department develops design standards applicable to the design and construction of public water supply and wastewater systems.

Presently the treated wastewater from the Whitefish wastewater system is discharged directly into the Whitefish River, via an effluent diffuser. The Whitefish River flows southerly from Whitefish Lake to join the Stillwater River near U.S. Highway 2 east of Kalispell. The river then flows a short distance to Flathead Lake. The MPDES discharge permit is the primary mechanism whereby the DEQ regulates the quality of the effluent discharge of wastewater from the wastewater system to the Whitefish River. The discharge permit established criteria for implementing the National Secondary Treatment Standards, Montana Water Quality Standards, the recently adopted numeric nutrient standards and Non-degradation based load limits.

Current Compliance - The existing facilities cannot consistently meet the new standards for ammonia and will have difficulty in meeting the limits for total nitrogen as the system adds additional users. In review of 6 years of monthly effluent data for 2010 through 2015 eighteen violations of the load limits in the current discharge permit for Total Nitrogen were noted. During the same period, several violations of the ammonia limit were shown for each year, primarily when the lagoons were not nitrifying. Ammonia values for the period are only below the limit of 9.6 mg/l for a 1-2 month period typically during July and August. Additionally, a number of exceedances of the *E. Coli* bacteria limits were noted in the period of record considered.

Total Nitrogen and Total Phosphorous – The current permit contains new limits for nutrients based on the numeric nutrient standards recently adopted by the DEQ. The DEQ anticipates a process that will “ratchet down” effluent standards via the variance process until the final water quality standards are met. The following schedule indicates the process contemplated by the DEQ to reduce nutrient concentrations in the discharge. The schedule for systems with flows greater than 1.0 MGD is applicable to Whitefish.

Facilities > 1 MGD:

- A. Current general variance: 10 mg TN/L, 1.0 mg TP/L **-per statute**
- B. Next permit (+5 years): 8 mg TN/L, 0.8 mg TP/L
- C. Next permit: 8 mg TN/L, 0.5 mg TP/L

D. Next permit: *Under Development*

2. Facilities < 1 MGD:

- A. Current general variance) 15 mg TN/L, 2.0 mg TP/L **-per statute**
- B. Next permit (+5 years): 12 mg TN/L, 2.0 mg TP/L
- C. Next permit: 10 mg TN/L, 1.0 mg TP/L
- D. Next permit: 8 mg TN/L, 0.8 mg TP/L

Variations from Nutrient Standards – The numeric nutrient standards as described above are very low in comparison to conventional available treatment technologies and approach the limits of technology. While smaller systems can address the limits by curtailing their discharge through the use of land application of treated effluent, larger systems generally cannot install land application systems in a cost-effective manner. The DEQ concluded that treatment of wastewater to base numeric nutrient standards would result in substantial and widespread economic impacts on a statewide basis and developed a procedure to grant a variance from the criteria. A permittee who meets the end-of-pipe treatment requirements provided in the table below may apply for and the Department shall approve a general nutrient standards variance. The Department will process the general variance request through the discharge permit, and include information on the period of the variance and the interim requirements. The general variance may be established for a period not to exceed 20 years. A compliance schedule to meet the treatment requirements as shown may be granted on a case-by-case basis.

General Variance End-Of-Pipe Treatment Requirements

<u>Discharger Category</u>	<u>Total P (mg/L)</u>	<u>Total N (mg/L)</u>
≥ 1.0 million gallons per day	1	10
< 1.0 million gallons per day	2	15
Lagoons not designed to actively remove nutrients	Maintain current performance	

If a low-cost technological innovation for lowering nitrogen and phosphorus concentrations in effluent were to become widely available in the near future, the Department could make more stringent the concentrations shown in the Table above. Permittees receiving a general variance are required to evaluate current facility operations in order to optimize nutrient reduction with existing infrastructure and shall analyze cost-effective methods of reducing nutrient loading including nutrient trading, land application and improved facilities operation.

Whitefish received a General Variance in their latest discharge permit for the discharge category being greater than 1.0 MGD, resulting in a Total P limit of 1.0 mg/l and a Total N limit of 10 mg/l. These limits were used to calculate allowable loads of total nitrogen and phosphorous in the permit, effective July 1st through September 30th of each year.

1.6 Recommendations for Wastewater Improvements

A systematic analysis of the existing wastewater treatment facilities was completed in this planning document, considering waste loads from existing sources and anticipated loads for a 20 year planning period. In Chapter 4, several wastewater treatment alternatives were developed to address new regulatory standards as described in the previous section. The continued use or repurposing of existing plant facilities with remaining useful design life was stressed in the development of treatment alternatives. Sustainable treatment technologies are recommended for incorporation into the design and construction of new unit treatment processes. Energy efficiency should be prime consideration in the selection of specific pumping, mixing and aeration equipment. Treatment processes employing proven technologies capable of meeting existing and anticipated regulatory standards should be utilized. Both initial capital and long-term operating costs should be considered when identifying the apparent best treatment option for the City.

1.6.1 Summary Recommendations for Wastewater Improvements

The recommended project includes replacement of the existing secondary treatment plant with a Sequencing Batch Reactor (SBR) capable of removing ammonia, nitrogen and phosphorous to fully comply with the requirements of the current MPDES discharge permit. Furthermore, the plant will be capable of meeting anticipated more restrictive nutrient standards proposed by the DEQ in the next two discharge permit cycles (5 and 10 years hence). Pretreatment of the wastewater will be provided by the existing perforated screen plus grit removal capability added by a new unit process. A four cell sequencing batch reactor will be constructed within the third lagoon cell whereas the existing lagoon cells will be retained for treatment during construction. Use of 4 cells allows continuous discharge from the system, eliminating the need for a post treatment flow equalization basin. Biosolids from the SBR plant will be discharged to an aerobic digester for further stabilization. The existing flocculating clarifier will be converted to a covered aerobic digester. After stabilization, biosolids will be sent to the existing drying beds for further dewatering and long-term storage. Periodically the solids can be removed for disposal at the landfill or land application. While not an immediate plan (or need), a small composting operation could be constructed on site within one of the old treatment cells utilizing biosolids and wood waste to generate compost. Disinfection of the treated effluent would be provided by ultraviolet disinfection. Chapter 4 provides a complete description of the recommended alternative, including drawings.

The estimated costs for the project are \$17,366,666 including costs for construction (with a 3% inflation factor for construction in 2019), engineering, administration and a 15% contingency. Annual costs for operating the entire facility are estimated to be \$780,480, which roughly equates to a \$440,000 cost increase over the current operational cost. Detailed cost estimates for this option are included in Appendix D.

1.6.2 Funding Strategy and User Costs

A project budget strategy has been prepared which anticipates grant funding from the TSEP and DRNC programs matched by a SRF loan, including forgiving principal of the loan in the

amount of \$500,000. An alternative or supplement to the SRF loan is being investigated utilizing a Rural Development Loan and Grant combination. Whitefish, primarily due to its population, is eligible for RD funding but is not a good candidate for the limited funds. Initial project planning is proceeding without an assumption of obtaining an RD grant.

Table 1.3 provides the project budget using the identified funding program sources, amounts applied for and the ultimate user rate impacts based on an “Equivalent Dwelling Unit” calculation. If grants are obtained for the amounts listed, the average residential wastewater user rate will increase to an estimated rate of \$76.28.

It should be noted that the construction costs in the proposed project were inflated by a 3% annual inflationary increase for a three year period to reflect anticipated costs increases in the construction industry.

Project Phasing – Project phasing may be necessary due to the high cost of the project, limited grant assistance and the associated high user costs. However the compliance schedule with the regulatory agency requires compliance by 2021. It may be appropriate to phase components of the plant that could be deferred without impacting compliance with the mandated schedule.

1.6.3 Affordability Analysis

According to the 2010 Census data, the City of Whitefish has a Median Household Income (MHI) of \$ 43,117 with 40.98% considered “low to moderate” income, and a 17.3% poverty rate. Using the “Target Rate” concept used by the funding agencies, the current procedure would use a multiplier of 2.3% x MHI to determine what is considered to be a target combined water/sewer rate. For Whitefish, the combined water/sewer target rate would be calculated as follows:

$$\$43,117 \times 0.023 \div 12 \text{ months} = \mathbf{\$82.64/\text{month}}$$

Current average combined monthly water rates in Whitefish are \$90.10, which is in excess of the target water/sewer rate. Estimated increase for the proposed project will equate to a \$25 to \$30/month per EDU, depending on the loan term and grant amount. The projected water and sewer rate when the project is implemented is estimated to be \$127.03 which would be 154% of the target water and sewer rate. For the target sewer rate alone, currently \$32.34, the new predicted sewer rate of \$76.28 would be 236% of the target rate.

This affordability analysis indicates that increased costs, even with grants and low interest loans, are high and will impose a financial burden on wastewater system users in the City. Those families with incomes below the median household income, especially those with poverty status, will be particularly stressed by the increase in costs. The availability of low income housing has been demonstrated to be a significant problem in Whitefish and the raising of sewer rates will undoubtedly impact rental property and resultant rental rates, further affecting the affordability of housing.

Table 1.3 PROJECT BUDGET FORM

Preliminary Project Budget		Whitefish 2016 Wastewater System Improvements			May 3, 2016
Administrative/ Finance Costs	Source: RRGL	Source: TSEP	SRF	SRF Forgiven Principal	Total:
Professional Services- Project/Grant Administration	\$5,000	\$15,000	\$48,000		\$68,000
Legal Costs			\$70,000		\$70,000
Audit Fees					
Travel & Training			\$5,000		\$5,000
Loan Reserves			\$520,000		\$520,000
Interim Interest					
Bond Counsel & Related costs			\$50,000		\$50,000
ADMIN/FINANCE COSTS:	\$5,000	\$15,000	\$693,000	\$0	\$713,000
Prel. Engineer (Geotech)			\$35,000		\$35,000
Engineering/Arch. Design		\$485,000	\$510,000		\$995,000
Construction Engr. Services			\$1,040,200		\$1,040,200
Construction	\$120,000	\$250,000	\$11,783,466	\$500,000	\$12,653,466
Contingency			\$1,930,000		\$1,930,000
ACTIVITY COSTS	\$120,000	\$735,000	\$15,298,666	\$500,000	\$16,653,666
TOTAL PROJECT COSTS	\$125,000	\$750,000	\$15,991,666	\$500,000	\$17,366,666
Completed by: Scott Anderson					
Construction Cost increased by 3.0% inflation, 3 years					

Determination of Estimated Debt Monthly Cost		
Estimated Loan Amount		\$15,991,666
CRF 2.5% Interest, 20 year term		0.0641
# EDUs		4862
EUAC		\$1,025,066
EUAC w 10% Coverage		\$1,127,572
Monthly Cost		\$93,964.36
Monthly Cost per EDU		\$19.33

1.7 Implementation Schedule

The following schedule provides an achievable timeline for implementation of the needed wastewater improvements, presuming that affordable project financing can be obtained. This schedule is required to be met as per a regulatory action issued by the DEQ.

<u>Task</u>	<u>Date of Completion</u>
Complete Facilities Planning (PER)	Oct 1 2016
Submit Design Plans to DEQ	February 1 2018
Construction Completion	May 1 2021
Achieve Compliance	Nov 1 2021
Annual Progress Reports	January 2016-2021

1.8 Public Participation

A project meeting was held with the City staff to discuss the project on September 23, 2015. A Whitefish Council work session, with the inclusion of the public, was held November 16, 2015 to discuss the planning process and potential treatment options. A public hearing was held April 18, 2016 to further discuss the project and associated environmental impacts identified through the public review. Notice of the hearing was included in the local paper. A copy of the slides presented at the presentation is included in the appendices of this document. A final decision regarding the environmental Assessment was made by the City Council on May 2, 2016. The City also participates with the Whitefish Community Wastewater Committee which discusses local wastewater issues pertaining primarily to Whitefish Lake. This discussion often incorporates comments regarding the City's wastewater treatment and collection system, system needs and regulatory requirements.

An additional public meeting was held August 29, 2016 to allow for further discussion and exchange of information regarding the proposed new wastewater treatment facilities recommended in the draft Preliminary Engineering Report (PER) prepared for the City of Whitefish.

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MANAGER REPORT

September 28, 2016



CITY HALL/PARKING STRUCTURE COST AND BUDGET UPDATE

I wanted to provide an update on the budget status and costs of the City Hall/Parking Structure. With the City Council's last action on August 1st to add \$219,537 to the overall project budget, we are still in good shape as shown in the spreadsheet below. There may be some money left over for furniture or cost savings.

		City Hall/Parking Structure Budget and Cost Status Report	
		Prepared:	9/21/2016
Original Budget		\$16,041,549.89	
Budget Amendment #1		\$219,537.00	
Current Budget		\$16,261,086.89	
Costs Incurred through 6/30/16		\$6,032,320.94	
Costs Incurred in FY17 to date - 9/19/16		\$2,098,899.16	
Total Costs to date		\$8,131,220.10	
Remaining Budget		\$8,129,866.79	
Remaining Costs			
Martel Construction Contract		\$7,526,707.30	(includes remaining contingency of \$27,300)
Mosaic Architectural Contract		\$143,071.00	(may change with additional Kinley-Horn costs possible)
Owners' Representative Contract		\$90,000.00	estimate
Ancillary Costs - Interim City Hall Lease		\$59,500.00	
Ancillary Costs - Parking Systems		\$70,000.00	estimate
Ancillary Costs - Moving costs		\$8,000.00	includes money to move Planning/Building & Parks & Recreation
Ancillary Costs - Audio/Visual costs		\$60,000.00	estimate - Charter Communications may pay some of this cost in new CATV franchise agreement
Ancillary Costs - Door Access and Security Cameras		\$39,480.00	
Ancillary Costs - Miscellaneous		\$5,000.00	
Ancillary Costs - Furniture???		???	
Total Remaining Costs estimate		\$8,001,758.30	
Remaining Budget		\$128,108.49	

NEW FLOORING AND LIGHTING AT THE ARMORY

As part of the Resort Tax budget, Parks and Recreation planned to install new, multi-purpose flooring and lighting at the Armory. A picture of the new flooring and lighting after installation is shown below. The total cost of the project is shown below:

Armory Flooring:	\$36,050.00
Armory Lighting:	\$26,368.00
Total	\$62,418.00

We are waiting on an energy rebate from Flathead Electric of approx. \$5,000.



NEW EMPLOYEE

Lauren Stevens was hired as the new Administrative Assistant/Customer Service Clerk for the Planning & Building department. This is the position that formerly was a $\frac{3}{4}$ time position which the City Council agreed to increase to a full time position in the FY17 budget. She started work on August 29th.

WEST 7TH STREET RECONSTRUCTION PROJECT UPDATE

From the construction engineer's latest project report:

<p>1. Rough Estimate of Percent Completion to Date of Construction Phases (Include items such as clearing, grading, drainage, base, surface, lighting, etc.)</p> <p>LHC, Inc. is 135 days into an estimated 143 day operation (accounting for 3 weather days and 20 contract days granted thus far) which equates to the project being about 94.4% complete. The current contract completion date is September 25, 2016. When looking at job costs to date (for items installed or billable to), the project is projected at 85.0% complete when adjusted for imported Trench Backfill over-runs.</p>
<p>2. Work Completed or in Progress this period</p> <p><u>LHC Inc.:</u> Driveway, sidewalk and shared use path gravel grading (Karrow to Baker). Retaining wall subgrade prep. Sanitary sewer manhole vacuum testing.</p> <p><u>Glacier Traffic Control:</u> Hand rail installation continues.</p> <p><u>Stillwater Electric:</u> All street lights and base covers were installed.</p> <p><u>Sandon Construction:</u> Concrete driveway pours (Geddes to Baker). Sidewalk pours (Scott to Baker). Replaced back-flowing curb at northwestern Baker corner. Set and poured retaining wall footings.</p>
<p>6. Describe Anticipated Work by Contractor for Next Period</p> <p><u>LHC Inc.:</u> Remaining concrete base course gravels will be graded. The shared use path (Karrow to Geddes) will be paved. Intersections and remaining driveways will be paved. Double Diamond Paving will be completing the remaining pavement work. Roadway, path and sidewalk shoulders will be graded and finished with imported topsoil.</p> <p><u>Sandon Construction:</u> Sandon will finish the remaining concrete flat work. The retaining wall west of the Baker intersection will be completed.</p> <p><u>Stillwater Electric:</u> Street lights and speed radar sign will be finished and turned on.</p> <p><u>Glacier Traffic Control:</u> Handrail installation will continue. Street signs will also be installed.</p>

AUGUST REPORT ON HYDRO-ELECTRIC GENERATION PLANT

A copy of the most recent report on the production of the hydro-electric generation plant at the Water Treatment and the payback of the loan (pre-purchase agreement) from Flathead Electric is attached to this report.

After four full years of hydro-electric generation, we have paid off 61% (\$244,946) of the original pre-purchase agreement loan of \$400,000. The original estimate was that the loan would be paid off in a maximum of 8 years and we should beat that target easily. Once the loan is paid off, the electricity generated will go to offset the electricity requirements of the water treatment plant, the wastewater treatment plant, and other electrical bills at the City.

MEETINGS

Rotary Club (9/27) – I attended the monthly Rotary Club to be their guest speaker. I talked about the following topics:

City Manager replacement

City Property taxes going down-11.18%. Also total property tax relief from Resort Tax is about 10% of total tax bill – in my somewhat above median house value that is around \$250 per year – real tax relief

City Hall/Parking Structure – progress, status, and special features

Workforce and Affordable Housing Project update

Tax Increment District – projects and sunset in 2020

Other topics that the audience might have questions on

UPCOMING SPECIAL EVENTS

Octoberfest – Depot Park – September 29-October 1 and October 6-8

REMINDERS

Monday, October 10th – City Hall closed for the Columbus Day holiday



Respectfully submitted, Chuck Stearns, City Manager

Your Co-op Flathead Electric Community...Integrity...Reliability

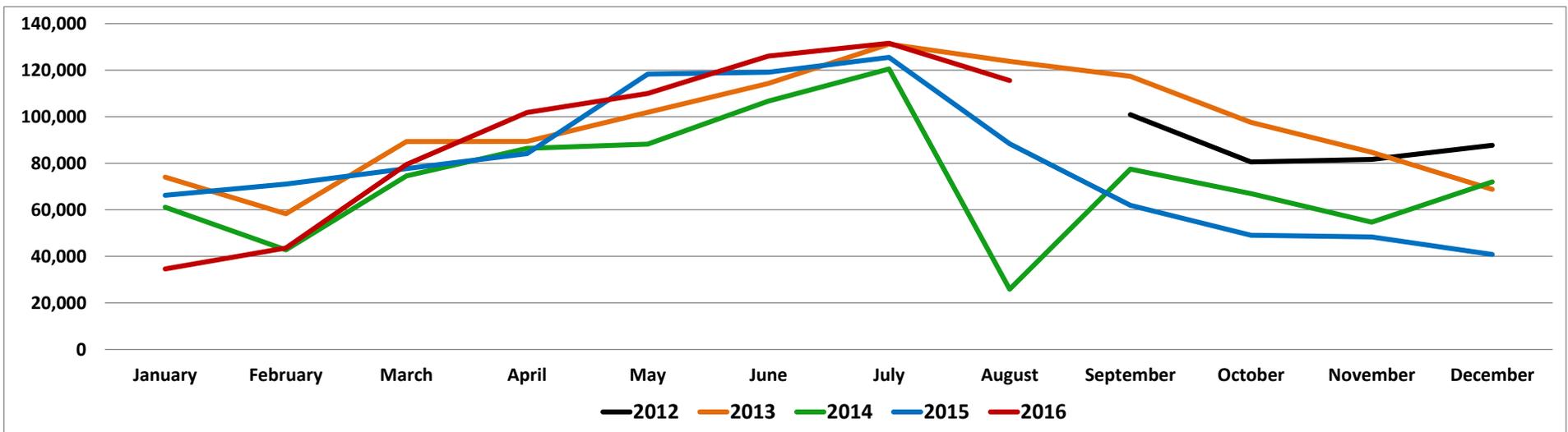
Whitefish Hydro Power Purchase & Exchange Agreement

Month End: August 31, 2016

Contract Detail	
Dollars	
Contracted Prepaid Power	\$ 400,000
Cumulative Credits	\$ 244,946
Prepaid Power Balance	\$ 155,054
Monthly Average	\$ 5,103
Kilowatt Hours	
Contracted Prepaid Power	6,650,000
Cumulative Generation	4,072,280
Prepaid Power Balance	2,577,720
Monthly Average	84,839
Estimated Contract Completion Date Based on Current Average:	
February 2019	

Production Detail				
Period	kWh Generated	Power Cost (\$.06015/kWh)	Power Balance	kWh Balance
Aug-16	115,550	\$ 6,951	\$ 155,054	2,577,720
Jul-16	131,576	7,914	162,005	2,693,270
Jun-16	126,073	7,583	169,919	2,824,846
May-16	110,011	6,617	177,502	2,950,919
Apr-16	101,833	6,125	184,119	3,060,930
Mar-16	79,433	4,778	190,244	3,162,763
Feb-16	43,594	2,622	195,022	3,242,196
Jan-16	34,603	2,081	197,644	3,285,790
Dec-15	40,818	2,455	199,725	3,320,393
Nov-15	48,367	2,909	202,180	3,361,211
Oct-15	49,050	2,950	205,089	3,409,578
Sep-15	61,960	3,727	208,039	3,458,628
Aug-15	88,354	5,314	211,766	3,520,588
Previous	3,041,058	182,920	217,080	3,608,942
Total	4,072,280	\$ 244,946		

Monthly Production Summary & Annual Comparison												
	January	February	March	April	May	June	July	August	September	October	November	December
2012									100,885	80,561	81,623	87,710
2013	74,093	58,310	89,321	89,426	101,918	114,332	131,207	123,804	117,346	97,567	84,719	68,825
2014	61,133	42,801	74,589	86,371	88,227	106,670	120,528	25,874	77,464	66,983	54,707	72,046
2015	66,232	71,070	77,676	84,134	118,297	119,096	125,513	88,354	61,960	49,050	48,367	40,818
2016	34,603	43,594	79,433	101,833	110,011	126,073	131,576	115,550				



RESOLUTION NO. 16-

A Resolution of the City Council of the City of Whitefish, Montana, indicating its intent to consider annexing approximately 82.7 acres of wholly surrounded land into the City of Whitefish, Montana, describing the land to be so considered, providing for notice and publication as provided by law, providing for a date of hearing such proposed annexation, and approving the Report on Extension of Services.

WHEREAS, by § 7-2-4501, MCA, the City of Whitefish may include as part of the City any tract or parcel of land that is wholly surrounded by passing a Resolution of Intent, giving notice and passing a Resolution of Annexation; and

WHEREAS, various tracts and parcels of land, as described on the attached Exhibit "A," have been identified as wholly surrounded by the City of Whitefish and on municipal maps as being wholly surrounded within municipal boundaries, as depicted on the attached Exhibits "B," "C," "D," "E," "F," "G," "H," and "I" and because they have to travel on and through City streets to access their property; and

WHEREAS, the City Council of the City of Whitefish desires to consider annexing within the corporate limits of the City certain wholly surrounded land as described and shown on Exhibits "A" "B," "C," "D," "E," "F," "G," "H," and "I;" and

WHEREAS, § 7-2-4211(2), MCA, requires the City of Whitefish to annex the full width of any public streets or roads, including the rights-of-way, that are adjacent to the wholly surrounded area being annexed; and

WHEREAS, the City Council of the City of Whitefish desires to provide that the appropriate notice be provided to property owners wholly surrounded and desires to provide for the appropriate public hearing to receive comment regarding such proposed annexation.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Whitefish, Montana, as follows:

Section 1: The City Council hereby indicates its intent to consider annexing, pursuant to § 7-2-4501, *et seq.*, MCA, the following wholly surrounded land and public streets or roads adjacent to such wholly surrounded land, described and shown on Exhibits "A," "B," "C," "D," "E," "F," "G," "H," and "I", attached hereto and incorporated herein by reference.

Section 2: The City Council hereby approves the draft Report on Extension of Services in City Manager memorandum #2016-025 dated September 7, 2016, and attached as Exhibit "J," as the plan for provision of services required by § 7-2-4506, MCA.

Section 3: The City Council hereby sets a public hearing to be held at 7:10 o'clock p.m., or as soon thereafter as the matter may be heard, at the City Council's regular Council meeting on October 3, 2016, in the City Council Chambers located at 1005 Baker Avenue in Whitefish, Montana.

Section 4: The City Council directs that the appropriate notice of the hearing be provided as required by § 7-2-4501, MCA.

Section 5: This Resolution shall take effect immediately upon its adoption by the City Council, and signing by the Mayor thereof.

PASSED AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF WHITEFISH, MONTANA, THIS _____ DAY OF _____, 2016.

John M. Muhlfeld, Mayor

ATTEST:

Michelle Howke, City Clerk

EXHIBIT "A"

1. 544 Ramsey Avenue - Assessor No. 0983118
Tract 6C in NW4NE4,
Section 35, Township 31 North, Range 22 West, P.M.M., Flathead County, Montana

2. 539 Ramsey Avenue - Assessor No. 0365750
RAMSEY ADD, BLOCK 3, Lot 8,
Section 26, Township 31 North, Range 22 West, P.M.M., Flathead County, Montana

3. No Address – Vacant - Assessor No. 0332537
RAMSEY ADD, BLOCK 3, W 100' of Lot 9,
Section 26, Township 31 North, Range 22 West, P.M.M., Flathead County, Montana

4. 520 Ramsey Avenue - Assessor No. 0906500
RAMSEY ADD, BLOCK 2, Lot 11 W 15' of N 223' & N 223' Lot 12 & Lot 9 ex W 100'
COS 11928,
Section 35, Township 31 North, Range 22 West, P.M.M., Flathead County, Montana

5. 528 Ramsey Avenue - Assessor No. 0332550
RAMSEY ADD, BLOCK 2, Lot 13 & pt ABD Street, ex Tract A,
Section 35, Township 31 North, Range 22 West, P.M.M., Flathead County, Montana

6. 339, 341 and 345 Fraser Avenue - Assessor No. 0289150
RAMSEY ADD, BLOCK 2, Lot 11, W 15' of S 220' & S 220' of Lot 12,
Section 35, Township 31 North, Range 22 West, P.M.M., Flathead County, Montana

7. 512 Ramsey Avenue - Assessor No. 0666445
RAMSEY ADD, BLOCK 2, Lot 11, ex S 210' of E 101.1',
Section 35, Township 31 North, Range 22 West, P.M.M., Flathead County, Montana

8. 331 Fraser Avenue - Assessor No. 0666475
RAMSEY ADD, BLOCK 2, Lot 11, S 210' of E 101.1',
Section 35, Township 31 North, Range 22 West, P.M.M., Flathead County, Montana

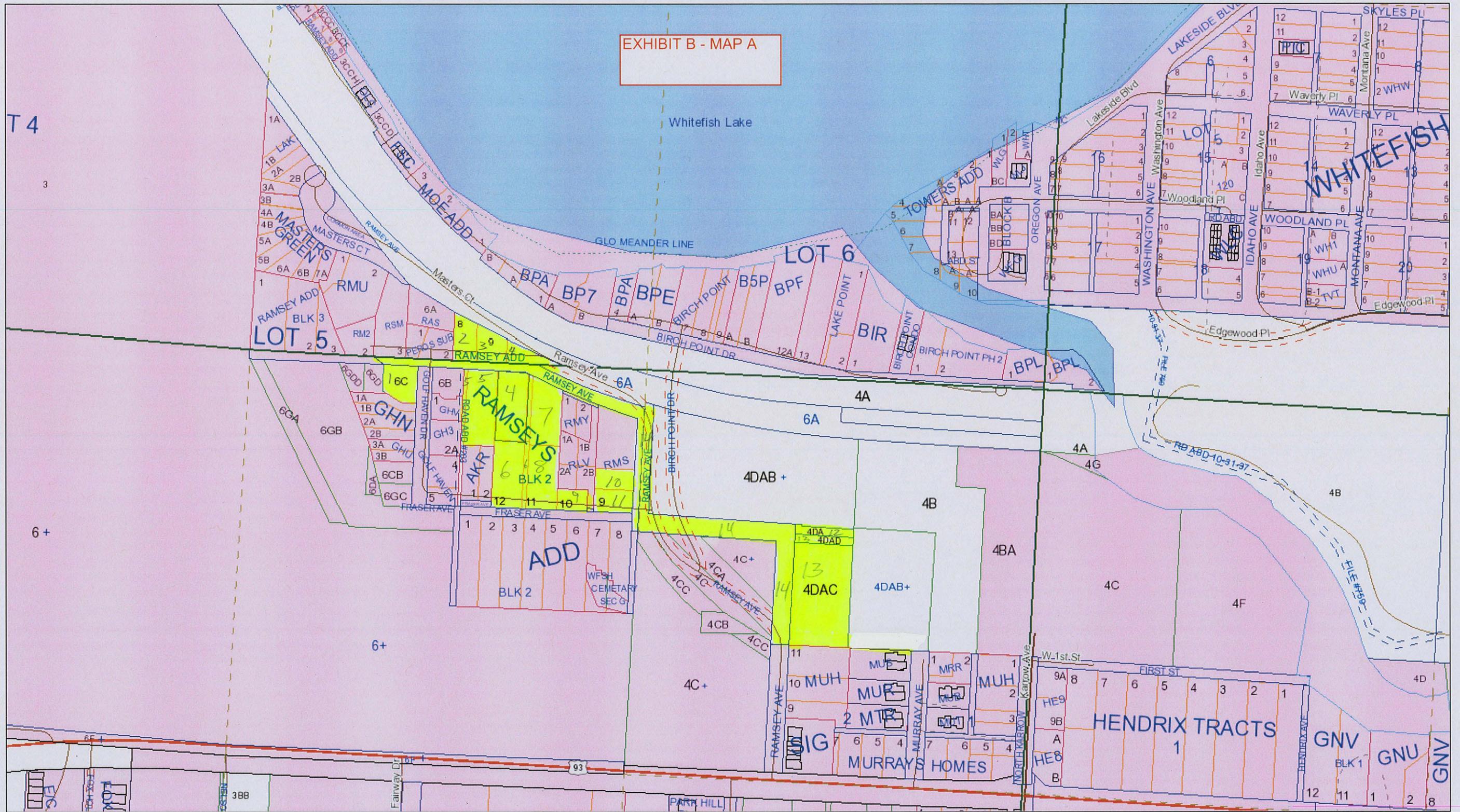
9. 323 Fraser Avenue - Assessor No. 0289100
RAMSEY ADD, BLOCK 2, Lot 10, W 100' of S 70',
Section 35, Township 31 North, Range 22 West, P.M.M., Flathead County, Montana

10. 408 Ramsey Avenue - Assessor No. 0749545
RAMSEY ADD, BLOCK 2, Lot 9, N 67.5' of S 142.5',
Section 35, Township 31 North, Range 22 West, P.M.M., Flathead County, Montana

11. 400 Ramsey Avenue - Assessor No. 0952410
RAMSEY ADD, BLOCK 2, Lot 9, S 75',
Section 35, Township 31 North, Range 22 West, P.M.M., Flathead County, Montana
12. No Address – Vacant - Assessor No. E038972
Tract 4DA in NE4NE4,
Section 35, Township 31 North, Range 22 West, P.M.M., Flathead County, Montana
13. No Address – Vacant – Assessor No. 0244795
Tracts 4DAC & 4DAD in NE4NE4,
Section 35, Township 31 North, Range 22 West, P.M.M., Flathead County, Montana
14. Ramsey Avenue Right-of-Way
The full width of Ramsey Avenue including rights-of-way within Section 35, Township 31 North, Range 22 West and Section 26, Township 31 North, Range 22 West, P.M.M., Flathead County, Montana
15. 1 Tides Way - Assessor No. 0969703
Tract 7AAB in SW4SE4, Tract 7AABA in SW4SE4,
Section 35, Township 31 North, Range 22 West, P.M.M., Flathead County, Montana
16. 345 Jennings Avenue - Assessor No. 0440146
GOJENDES TR ADD 1, BLOCK 1, Lot 4,
Section 36, Township 31 North, Range 22 West, P.M.M., Flathead County, Montana
17. 333 Jennings Avenue - Assessor No. 0801100
GOJENDES TR ADD 1, BLOCK 1, Lot 3,
Section 36, Township 31 North, Range 22 West, P.M.M., Flathead County, Montana
18. Vacant Parcel Adjacent to 235 Good Avenue - Assessor No. 0364400
GOJENDES TR, BLOCK 1, S 160' of E 100' of W 200',
Section 36, Township 31 North, Range 22 West, P.M.M., Flathead County, Montana
19. Good Avenue Right-of-Way Adjacent to 100 West 3rd Street & 101 West 2nd Street
The full width of Good Avenue including rights-of-way adjacent to N'LY & S'LY portion of Lot 1, BLOCK 2 Gojendes Tracts within Section 36, Township 31 North, Range 22 West, P.M.M., Flathead County, Montana
20. 6356 US Highway 93 South - Assessor No. 0971946
Tract 3ABL in NW4SE4,
Section 01, Township 30 North, Range 22 West, P.M.M., Flathead County, Montana
21. 1210 O'Brien Avenue - Assessor No. 0979618
Tract 2DA in Lot 3,
Section 01, Township 30 North, Range 22 West, P.M.M., Flathead County, Montana

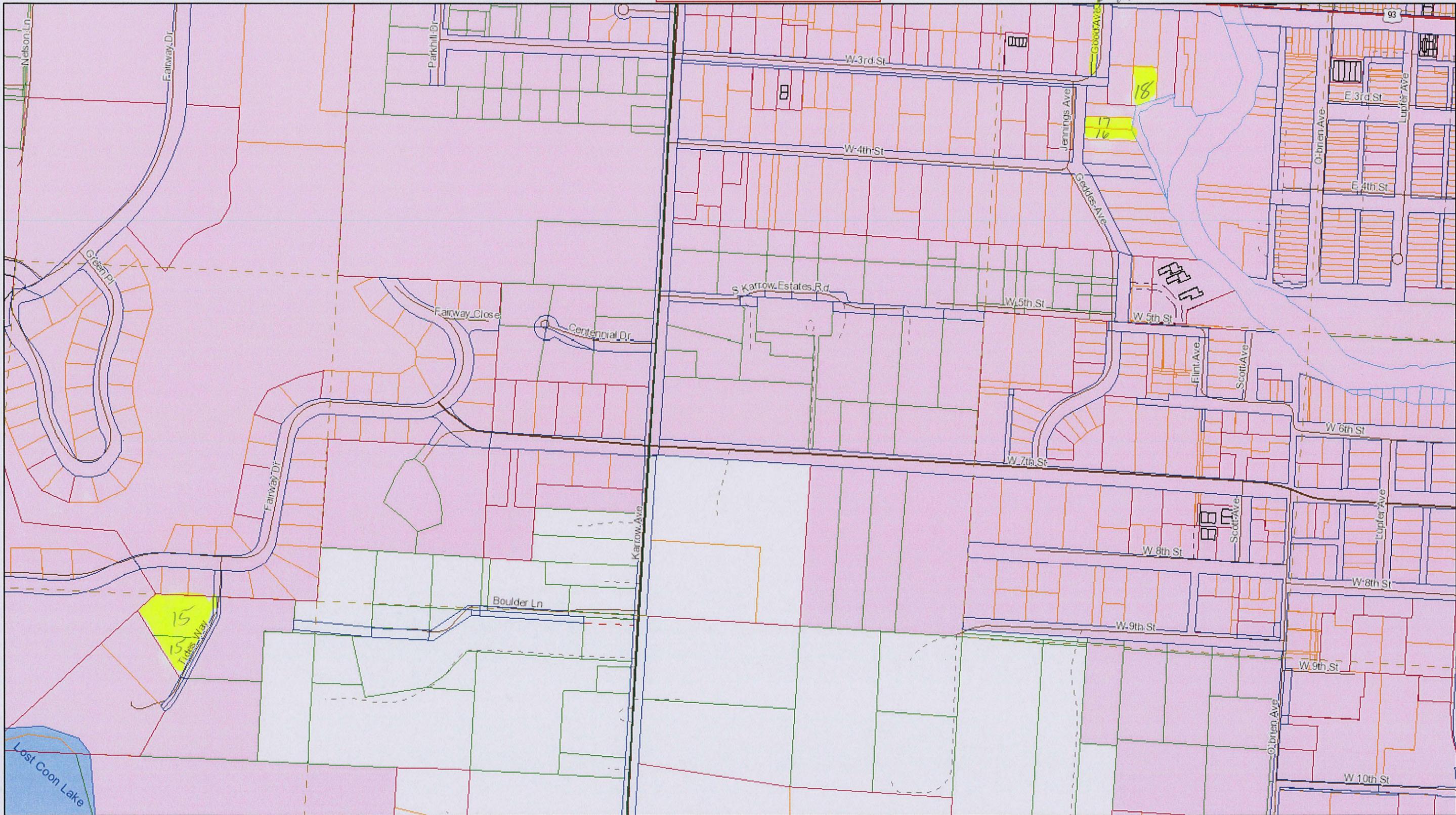
22. O'Brien Avenue Right-of-Way Known as Tract 5RF in SE4SW4
The full width of O'Brien Avenue rights-of-way in Section 36, Township 31 North, Range 22 West, P.M.M., Flathead County, Montana
23. 530 W 19th Street - Assessor No. 0954503
CHALET SUB, LOT 1 N 12.38',
Section 01, Township 30 North, Range 22 West, P.M.M., Flathead County, Montana
24. Vacant - Adjacent to 6446 US Highway 93 South – Assessor No. 0001971
N'LY strip of UNIT-A, Whitefish South 93 Professional Bldg Condo,
Section 01, Township 30 North, Range 22 West, P.M.M., Flathead County, Montana
25. Vacant - Adjacent to 6446 US Highway 93 South - Assessor No. 0012697
N'LY strip of UNIT-B, Whitefish South 93 Professional Bldg Condo,
Section 01, Township 30 North, Range 22 West, P.M.M., Flathead County, Montana
26. Vacant - Adjacent to 6446 US Highway 93 South – Assessor No. 0012698
N'LY strip of UNIT-C, Whitefish South 93 Professional Bldg Condo,
Section 01, Township 30 North, Range 22 West, P.M.M., Flathead County, Montana
27. Vacant - stormwater detention pond south of Mountain Mall – Assessor No. E000333
Tracts 1BF & 3I,
Section 01, Township 30 North, Range 22 West, P.M.M., Flathead County, Montana
28. Unaddressed – Assessor No. 0595750
ACRES 26.99, Tract 3BB in SE4SW4 & SW4SE4,
Section 01, Township 30 North, Range 22 West, P.M.M., Flathead County, Montana
29. 6204 - 6208 US Highway 93 South – Assessor No. 0030450
Tract 3B in SW4SE4,
Section 01, Township 30 North, Range 22 West, P.M.M., Flathead County, Montana
30. 6200 US Highway 93 South – Assessor No. 0976684
Tract 3BD in SE4SW4SE4,
Section 01, Township 30 North, Range 21 West, P.M.M., Flathead County, Montana
31. 1180 Voerman Road – Assessor No. 0683450
Tract 5A & Tract 5C in NW4NW4,
Section 05, Township 30 North, Range 21 West, P.M.M., Flathead County, Montana
32. No Address – Vacant – Adjacent to 1009 Park Avenue – Assessor No. 0005593
N'LY portion of Tract 2 of COS 15158 in Lot 4,
Section 31, Township 31 North, Range 21 West, P.M.M., Flathead County, Montana

33. Adjacent to 1009 Park Avenue
Adjacent 10th Street Right-of-Way to the N'LY portion of Tract 2 COS 15158 in Lot 4,
Section 31, Township 31 North, Range 21 West, P.M.M., Flathead County, Montana
34. No Address (Park Avenue) – Vacant – Assessor No. 0350300
Tract 1F in Lot 4,
Section 31, Township 31 North, Range 21 West, P.M.M., Flathead County, Montana
35. Alley Adjacent to Lots 1 through 7, BLOCK 5, PARK ADD
36. Vacant Land Adjacent to Park Avenue – Assessor No. 0004345
Tract 1 of COS 14544 in W2SW4SW4,
Section 32, Township 31 North, Range 21 West, P.M.M., Flathead County, Montana
37. 1000 Creek View Drive – Assessor No. 0832985
Tract 2 of COS 15015 in SW4,
Section 32, Township 31 North, Range 21 West, P.M.M., Flathead County, Montana
38. Vacant Land Off Ridge Crest Drive – Assessor No. 0968197
SUN CREST ADD 1, Lot 5 (SE PORTION),
Section 24, Township 31 North, Range 21 West, P.M.M., Flathead County, Montana
39. Vacant Land on Whitefish Lookout Road – Assessor No. 0009676
Tract 2 of COS 16393 including adjacent Lookout Road in SE4SW4,
Section 12, Township 31 North, Range 22 West, P.M.M., Flathead County, Montana
40. 1630 Baker Avenue – Assessor No. 0780360
Tract 5CD in Lot 2,
Section 01, Township 30 North, Range 22 West, P.M.M., Flathead County, Montana
41. 250 West 18th Street – Assessor No. 0974998
Tract 5AC & Tract 5BB ex E'LY PT in Lot 2,
Section 01, Township 30 North, Range 22 West, P.M.M., Flathead County, Montana
42. 1800 Baker Avenue and 285 and 291 West 19th Street – Assessor No. 0818999
Tract 6BBD in SW4NE4 COS 3588,
Section 01, Township 30 North, Range 22 West, P.M.M., Flathead County, Montana
43. 1800 Baker Avenue and 285 and 291 West 19th Street – Assessor No. 0818998
Tract 6BB in SW4NE4 – Tract 2 COR COS 4522,
Section 01, Township 30 North, Range 22 West, P.M.M., Flathead County, Montana
44. Between 634 and 636 Colorado Avenue – Assessor No. 0918750
WFSH TSTE CO 5 AC TR, S 35' of N 135' of E 120' of Lot 4, BLOCK 1,
Section 25, Township 31 North, Range 22 West, P.M.M., Flathead County, Montana



August 1, 2016

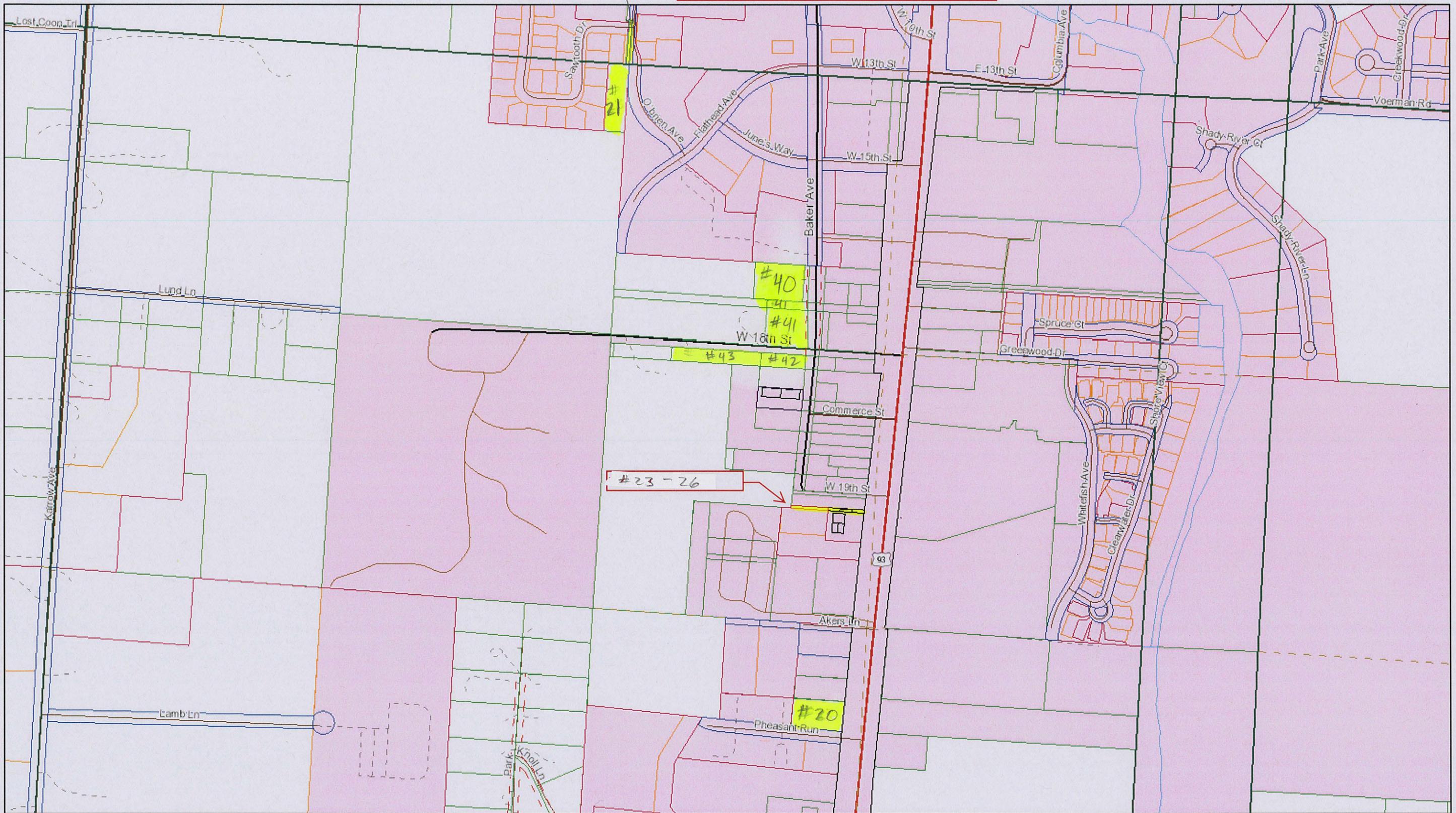




August 8, 2016

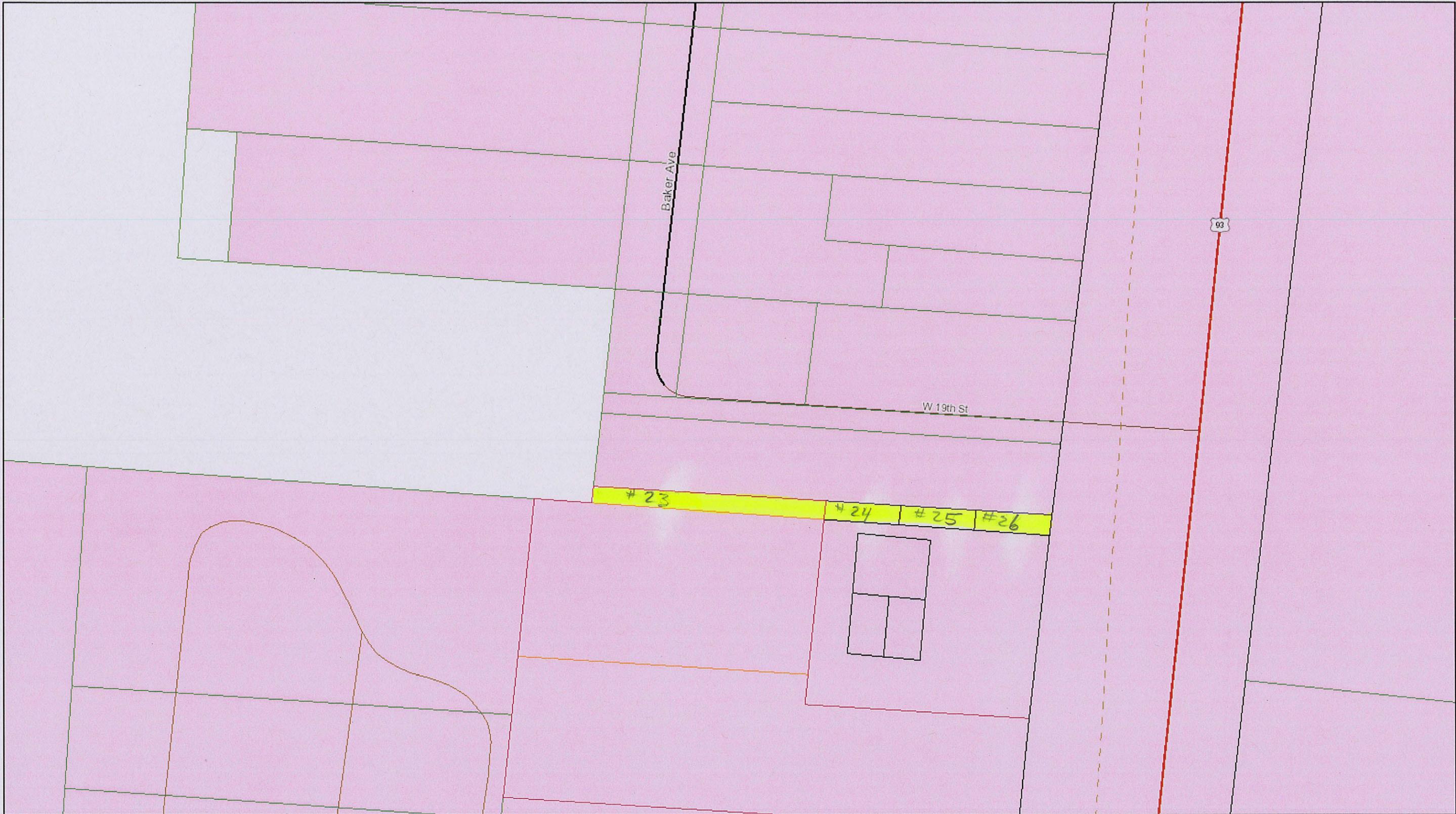


Exhibit D - Map C



August 8, 2016

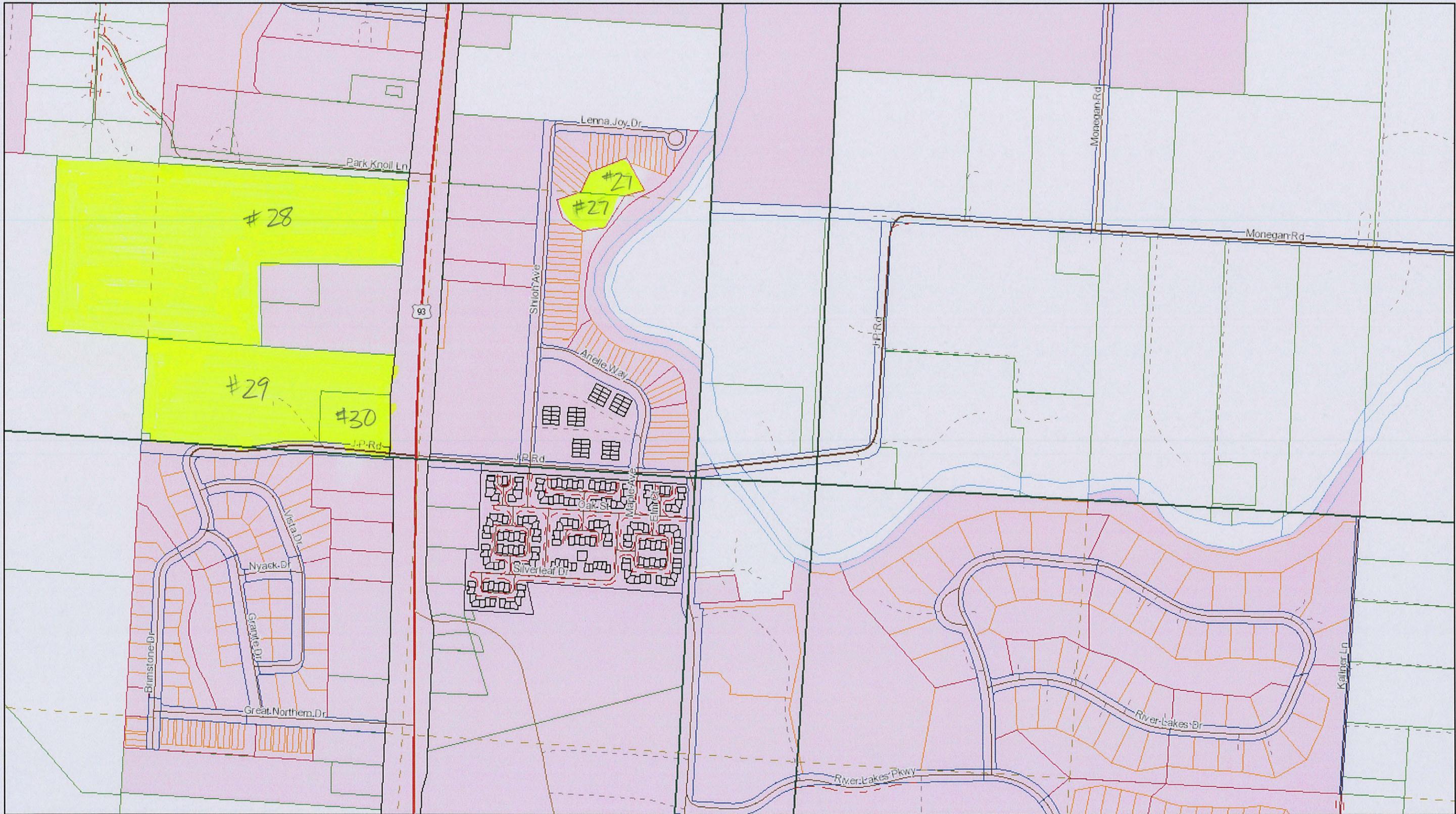




August 8, 2016



EXHIBIT F - MAP E



August 8, 2016

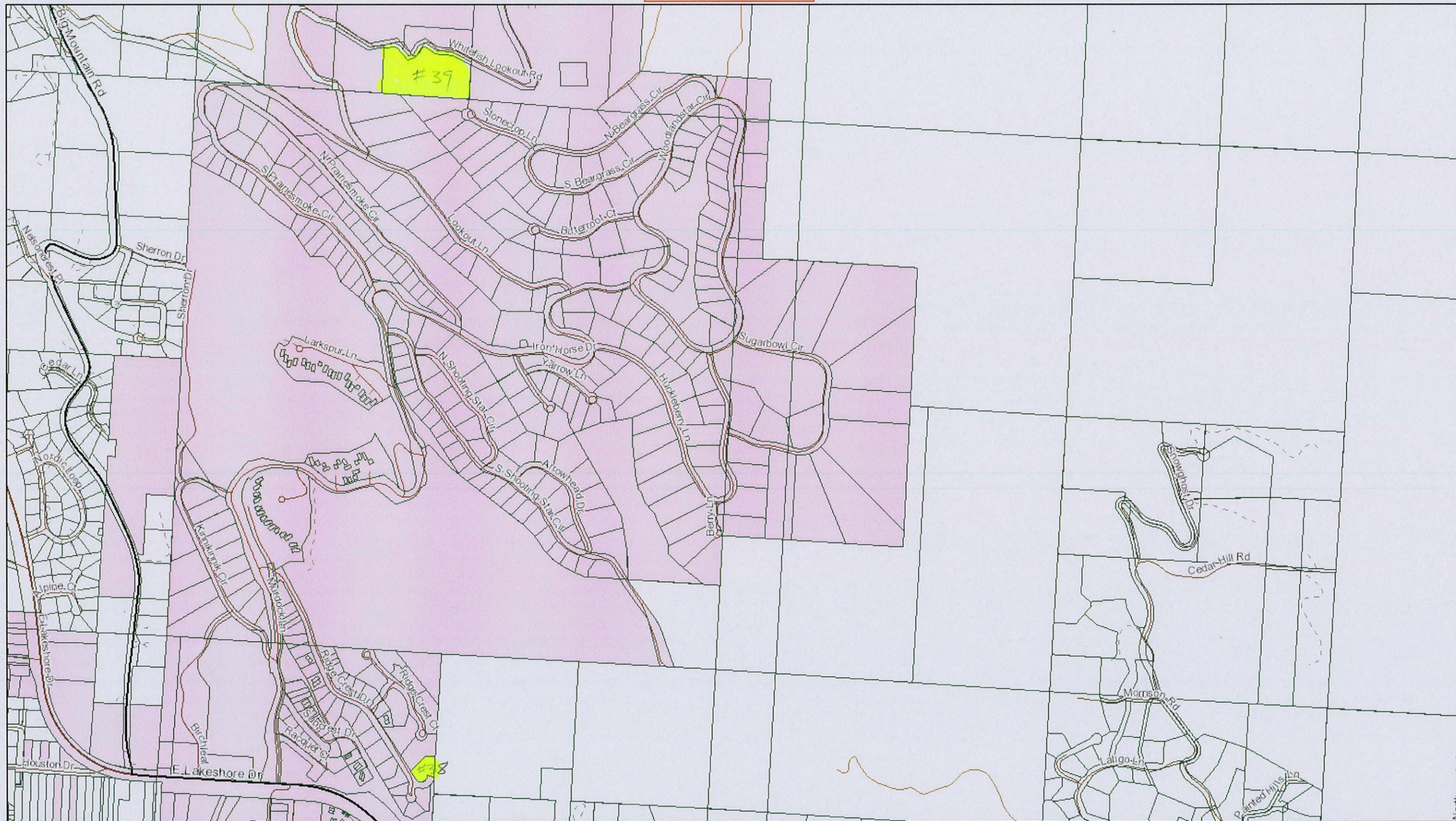




August 8, 2016

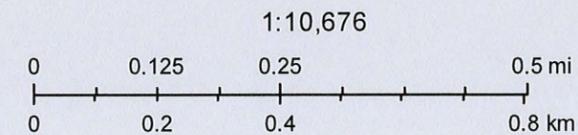


EXHIBIT H - MAP G



August 8, 2016

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MEMORANDUM

#2016-025

To: Mayor Muhlfeld
City Council Members

From: *Chuck*
Chuck Stearns, City Manager

Re: Ramsey and other various parcels for a Wholly Surround Annexation – Schedule for annexation and draft report on extension of services

Date: September 7, 2016

As tentatively approved by City Council at
September 6, 2016 Council work session.

This memo will present the discussion, rationale, and schedule for considering the annexation of forty-four (44) properties on Ramsey Avenue and various other parcels using the wholly surround method of annexation. Thirty-four (34) of the properties are taxable properties and ten properties are tax-exempt, of which six (6) properties are either right-of-way (now required to annex by §7-2-4211 (2) MCA) or is the Montana Department of Transportation stormwater detention pond south of the Mountain Mall. This memo also presents the maps, plans, and report for the extension of services as required by §7-2-4506, §7-2-4736, and §7-2-4732 MCA.

Most of the requirements for compliance with §7-2-4732 are met by our Extension of Services plan as adopted on March 2, 2009 by Resolution No. 09-04 which is incorporated by reference within this report and is available for review at the City Clerk's office or on the City website at <http://www.cityofwhitefish.org/large-files/pdf/Planning/Final%20Extension%20of%20Services%20Plan%202009.pdf>.

DISCUSSION AND RATIONALE

When the Whitefish City Council met in a work session on March 3, 2014 and again on July 5, 2016 to discuss the extent of utility connections and services provided outside of city limits and possible areas for annexation, the City Council's first priority expressed at that meeting was to annex the Houston Drive area on East Lakeshore Drive. However, that annexation has been held up by preventive litigation. We then annexed the West Lakeshore area properties on July 18, 2016. The next priority area discussed to be annexed is the area around Ramsey Avenue and other various, wholly surrounded parcels of land throughout the City.

This annexation is being pursued using the "Wholly Surrounded Land" method of annexation found in Title 7, Chapter 2, Part 45 of Montana Code Annotated. This separate method of annexation allows the City to annex certain property without the property owners having the right to protest and prevent the annexation. Section 7-2-4502 MCA provides as follows:

7-2-4502. Protest not available. Wholly surrounded land is annexed, if so resolved by the city or town council, whether or not a majority of the real property owners of the area to be annexed object. The question of annexing the wholly surrounded land is not subject to being voted on by the registered voters of the area to be annexed.

A Montana Attorney General Opinion provides additional legal interpretation of when property is “wholly surrounded”. From Montana Attorney General Opinion No. 41; 1987 Mont. AG LEXIS 9; 42 Op. Atty Gen. Mont. No. 41; November 18, 1987:

While not statutorily defined, the term "wholly surrounded" was construed in *Calvert v. City of Great Falls*, 154 Mont. 213, 217, 462 P.2d 182, 184 (1969), to include land which, while not completely contiguous with the municipality, was nonetheless surrounded by it: "The term 'wholly surrounded' means that . . . where all lands on the side of the tract are within the city and where it is impossible to reach the tract without crossing such territory, the tract is 'wholly surrounded'."

THEREFORE, IT IS MY OPINION:

A parcel of land is "wholly surrounded" under section 7-2-4501, MCA, when access may be gained only by crossing through the municipality.

Given that all of these properties proposed for annexation can only gain access to their property by crossing through the municipality on various streets and highways which are already in City limits, these properties are “wholly surrounded”.

SCHEDULE FOR CONSIDERATION OF ANNEXATION

September 6- City Council reviews draft memo and extension of services plan and authorizes consideration of annexation to proceed.

September 8 - City Manager mails letter and draft plan for extension of service to affected property owners. Letter includes notice of September 22nd meeting with property owners.

September 8- City Manager mails draft plan for extension of service to County, special districts, and WFSA providing them notice before approval of the report and asking if they want to consult on the orderly transfer of services pursuant to HB575 from 2011 Legislature.

September 22nd - City Manager and staff meet with affected property owners at a neighborhood meeting at City Council Chambers.

October 3- City Council considers a Resolution of Intention to annex pursuant to §7-2-4501 MCA and modifies and/or approves this report as the required plan and report on extension of services provided. After approval, make approved report available to the public.

October 12 and 19 – Publish notice as required by §7-2-4501, §7-2-4313, and §7-1-4127 MCA and mailed to property owners and occupants of the parcels. .

November 21 – Hold public hearing on annexation and if appropriate, adopt Resolution of annexation to annex the properties.

December 6th - City Clerk makes and certifies a copy of the Resolution and the minutes from the July 20th meeting and files those records with the Flathead County Clerk and Recorder.

PLANS AND REPORT ON EXTENSION OF SERVICES AS REQUIRED BY §7-2-4731 MCA

Section 7-2-4506 and 7-2-4732 MCA requires making of plans and the preparation of a report for the extension of services to any property annexed under this part, Annexation of Wholly Surrounded Land.

This section of this report presents the plans and report on extension of services. A listing of the properties proposed for annexation is in Exhibit A along with other property, tax, and assessment information for each property. A map of the proposed annexations are shown in Exhibits B through I (Maps A-H). The properties and areas conform to our Growth Policy adopted on November 19, 2007 and as subsequently amended. The current Growth Policy is available for review in the City Clerk's office or on the City's website at <http://www.cityofwhitefish.org/planning-and-building/long-range-plans.php>.

The following are the statements as to the plans for extending each major municipal service performed within the municipality to the property at the time of annexation.

- Electoral services - voting for municipal offices, ability to run for municipal offices will all be provided to the resident property owners immediately or in conformity to existing, applicable laws.
- Municipal Court – property owners and residents would immediately be afforded to all of the protections and services of the Municipal Court.
- Administration – The City Manager, City Clerk, and other administration services would all be available to the property owners and residents immediately, in substantially the same equitable basis, and in the same manner as such those services are provided within the rest of the municipality. Property owners or residents of the annexed properties would now be subject to business licensing, dog licensing, and resort tax payments if applicable.
- Legal Services – the protections and services of the City Attorney would all be available to the property owners and residents immediately, in substantially the same equitable basis, and in the same manner as such those services are provided within the rest of the municipality.

- Planning and Building – The City would take over providing Planning and Zoning services and regulations from Flathead County. The City provided such services before the Montana Supreme Court rescinded our extra-territorial jurisdiction in 2014. The properties’ zoning would have to be revised pursuant to a separate notification and public hearing process. Building permits and associated impact fees will now be required for new development on these properties and all building services will be immediately available to the property owners. Building and Planning Services would all be available to the property owners immediately, in substantially the same equitable basis, and in the same manner as such those services are provided within the rest of the municipality.
- Police – While the Flathead County Sheriff currently provides public safety services to these properties, the City of Whitefish would often be the first responder in the case of an emergency. The Police Department is closely located in the Emergency Services Center to these properties and public safety services should increase greatly because of the reduced response time. Police Department services would all be available to the property owners immediately, in substantially the same equitable basis, and in the same manner as such those services are provided within the rest of the municipality.
- Fire – The City of Whitefish Fire Department currently provides service to these properties under our contract with the Whitefish Fire Service Area. Therefore, there is no change in the level of service for fire protection and fire services. However, their Insurance Services Office (ISO) fire rating for property insurance should decrease from a rating of 6 to 4, thus reducing their annual fire insurance premiums, but it is hard to quantify how much of a decrease that will be. Fire services would all be provided to the property owners immediately, in substantially the same equitable basis, and in the same manner as such those services are provided within the rest of the municipality.
- Ambulance - The City of Whitefish Fire Department currently provides ambulance service to these properties and that service will continue in the same manner. Property owners and residents will now be able to obtain the \$200.00 discount on any ambulance calls afforded to property owners and residents of Whitefish. Ambulance services would all be provided to the property owners immediately, in substantially the same equitable basis, and in the same manner as such those services are provided within the rest of the municipality.
- Public Works –Water and Wastewater lines extend and available throughout the areas other than the property up by the Lookout Ridge subdivision. As shown on the property owner list and spreadsheet attached to this report (Exhibit A), there are 16 properties already on the water and/or sewer system. With annexation, their residential monthly bills for the base rate would decrease by 10.27% and their rate for quantity of water used would decrease by 27.49%. For a house that uses 3,000 gallons of water per month, those reductions would equal \$11.53 per month.

Stormwater services would remain as is until any street reconstruction project installed storm drainage or the residents created a SID for a stormwater system. The City of

Whitefish already plows all of the roads in these areas other than the Whitefish Lookout Road. Therefore, there would be no change in snow plowing.

All Public Works services would all be available to the property owners immediately in substantially the same equitable basis, and in the same manner as such those services are provided within the rest of the municipality. The property owners would face the normal connection costs when they want to connect to the municipal water or sanitary sewer system.

- Garbage Collection – the properties to be annexed will have garbage collection services provided under our current contract for services with North Valley Refuse. Thus, they will now be able to avail themselves of the quantity discounts and billing efficiencies that our contract for services provides. However, billing for use of the service is mandatory as it is for all other property inside the City. Garbage collection services would be available to the property owners immediately, in substantially the same equitable basis, and in the same manner as such those services are provided within the rest of the municipality.
- Parks and Recreation – These properties already benefit from, but are not charged for our greenway maintenance along Hwy 93. The property owners would now begin to pay for these services. All other Parks and Recreation services, facilities, and programs would all be available to the property owners immediately, in substantially the same equitable basis, and in the same manner as such those services are provided within the rest of the municipality.
- Library – no change in service. Library services would be available to the property owners immediately, in substantially the same equitable basis, and in the same manner as such those services are provided within the rest of the municipality. Property owners may currently use the Whitefish Community Library although, upon annexation, they would begin paying for those services.

A copy of our Extension of Services plan as adopted on March 2, 2009 by Resolution No. 09-04 is incorporated by reference within this report and is available for review at the City Clerk's office or on the City website at <http://www.cityofwhitefish.org/large-files/pdf/Planning/Final%20Extension%20of%20Services%20Plan%202009.pdf>.

The validity and applicability the City's Extension of Services Plan was upheld by the Montana Supreme Court in their ruling of September 21, 2004 upholding the City's 1998 annexations in their decision "NO. 03-229, IN THE SUPREME COURT OF THE STATE OF MONTANA 2004 MT 262"

Given that these properties are already using many city services and this annexation is an "in-fill" type of annexation, the financing of all services provided to these properties shall come from the city property tax levies and assessments that will be levied on these properties in the future. The estimated new property taxes from the annexation equal approximately \$12,025.35 and the assessments for streets, greenway, street lights, and stormwater will equal approximately

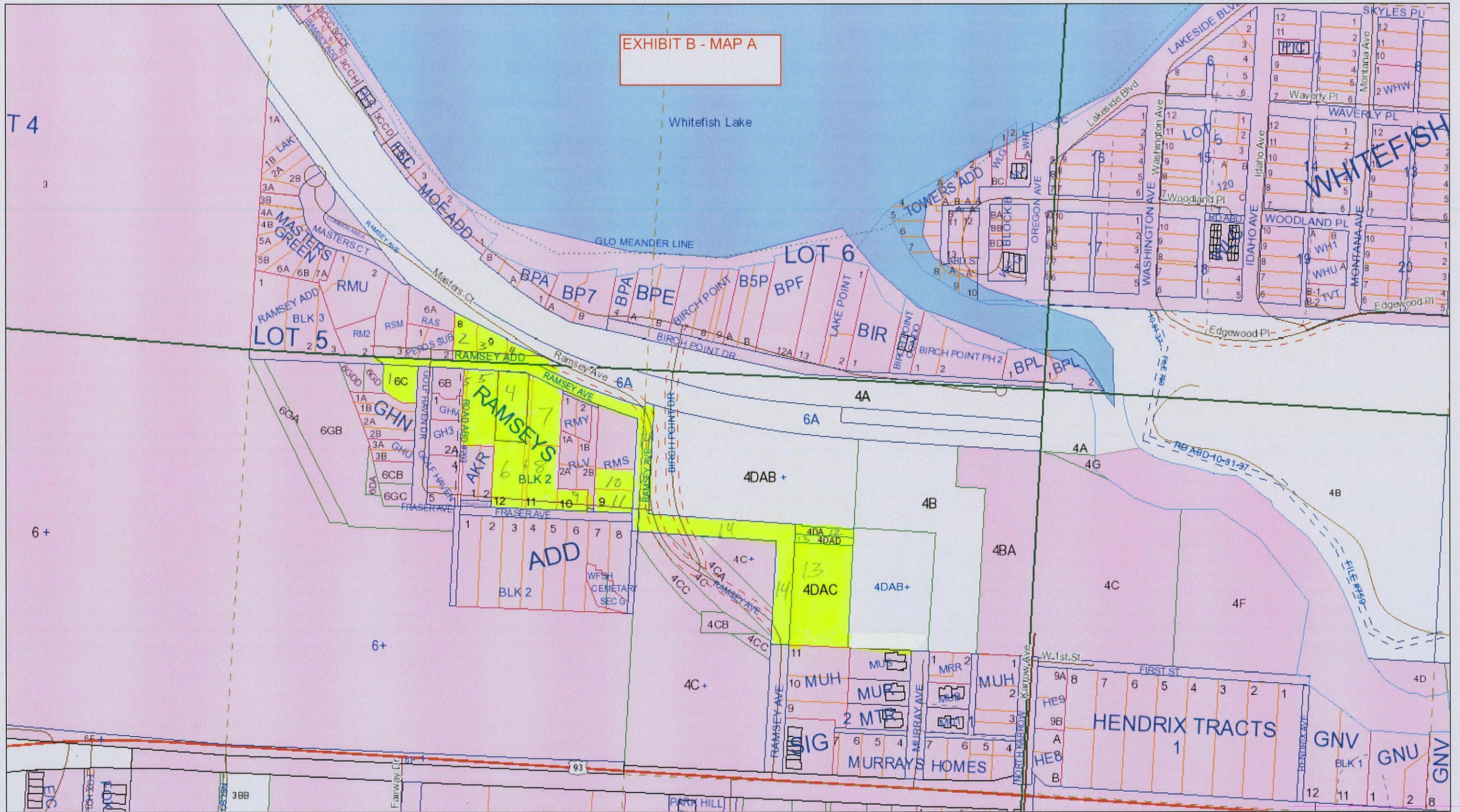
\$16,310.28 for total revenue to the City of approximately \$28,335.63 based on the most recent valuation and the FY16 and Tax Year 2015 tax rate (see Exhibit A). The property owner will face the normal connection costs when they choose or need to connect onto the city's sanitary sewer or water system unless they are already connected.

Property owners in this area will typically face a 16-28% increase in their property tax bill, with some exceptions for low value, vacant land or large lots, both of which have high percentage increases because of assessments, but relatively lower dollar increase impacts. The table in Exhibit A shows the City revenue and prospective increase in taxes (based on the most recent FY16- tax year 2015 property tax bills and last year's mill levies) that each property might face. Of course, mill levies can change each fall and reappraisal occurs every two years, with the next reappraisal coming in 2017. The property owners first tax bill with City taxes will not be issued until the fall of 2017.

The entire municipality tends to share the tax burden for these services, therefore the area may be annexed without a bond issue under the provisions of state law. As in-fill property, we do not anticipate the need to hire additional staff in order to provide the same level of service that is currently provided to other residents and property owners in Whitefish. Any increased costs will be marginal and incremental and offset by the new property taxes and assessments collected.

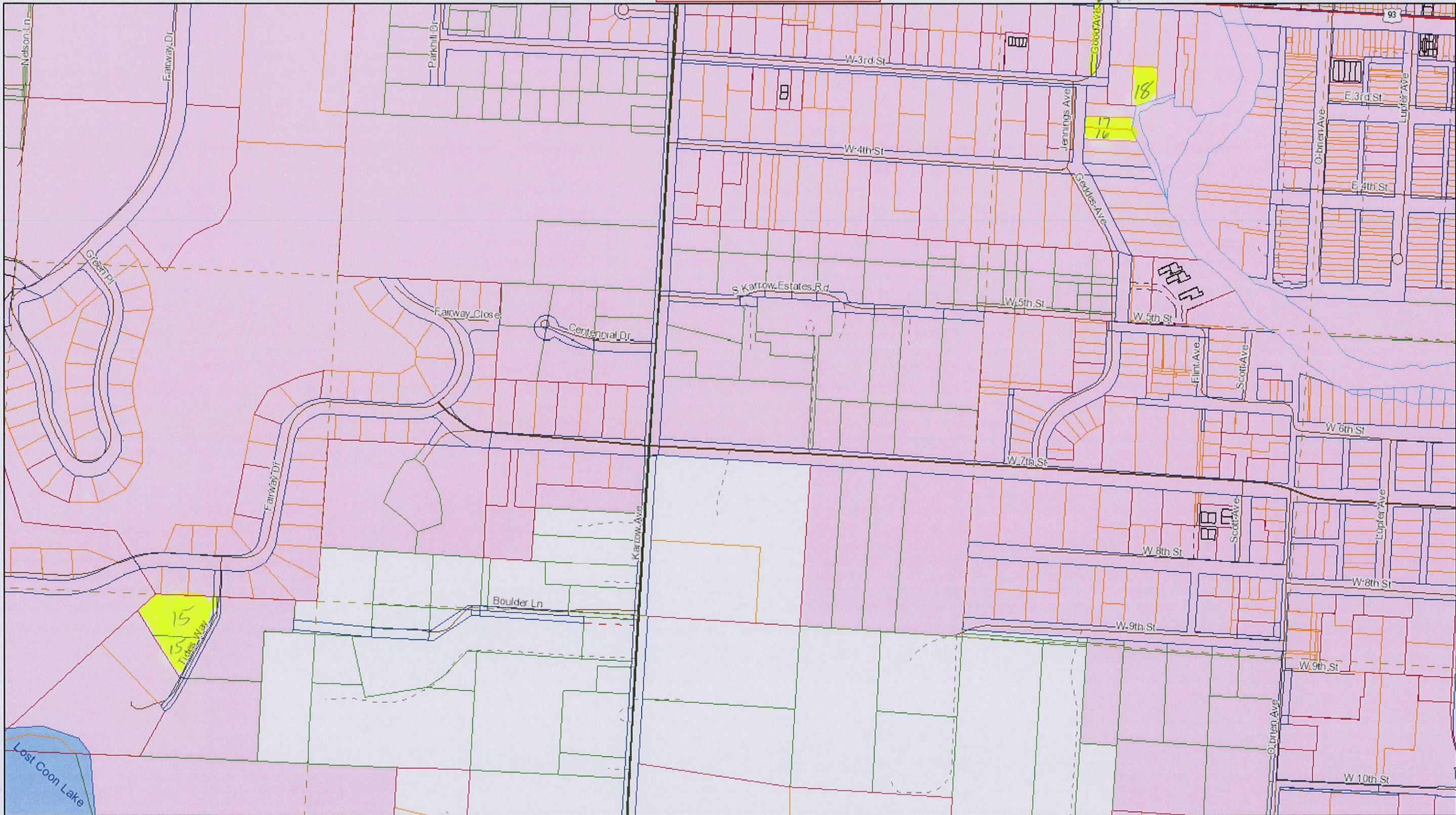
As this report shows, the City of Whitefish is ready and able to provide its full complement of municipal services to this property. Upon annexation, city services will be provided immediately, in substantially the same equitable basis, and in the same manner as such those services are provided within the rest of the municipality.

cc: Department Directors



August 1, 2016

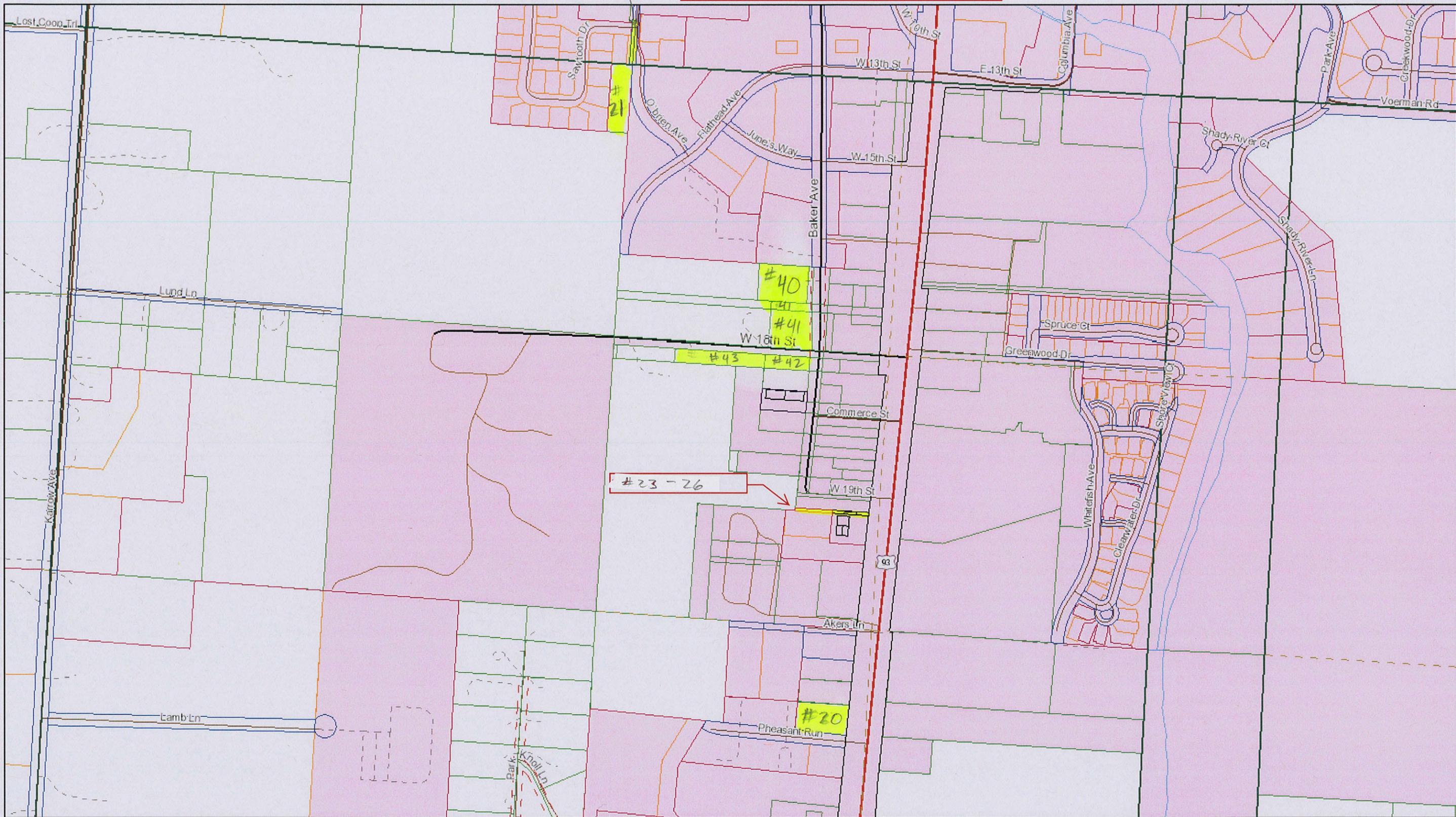




August 8, 2016

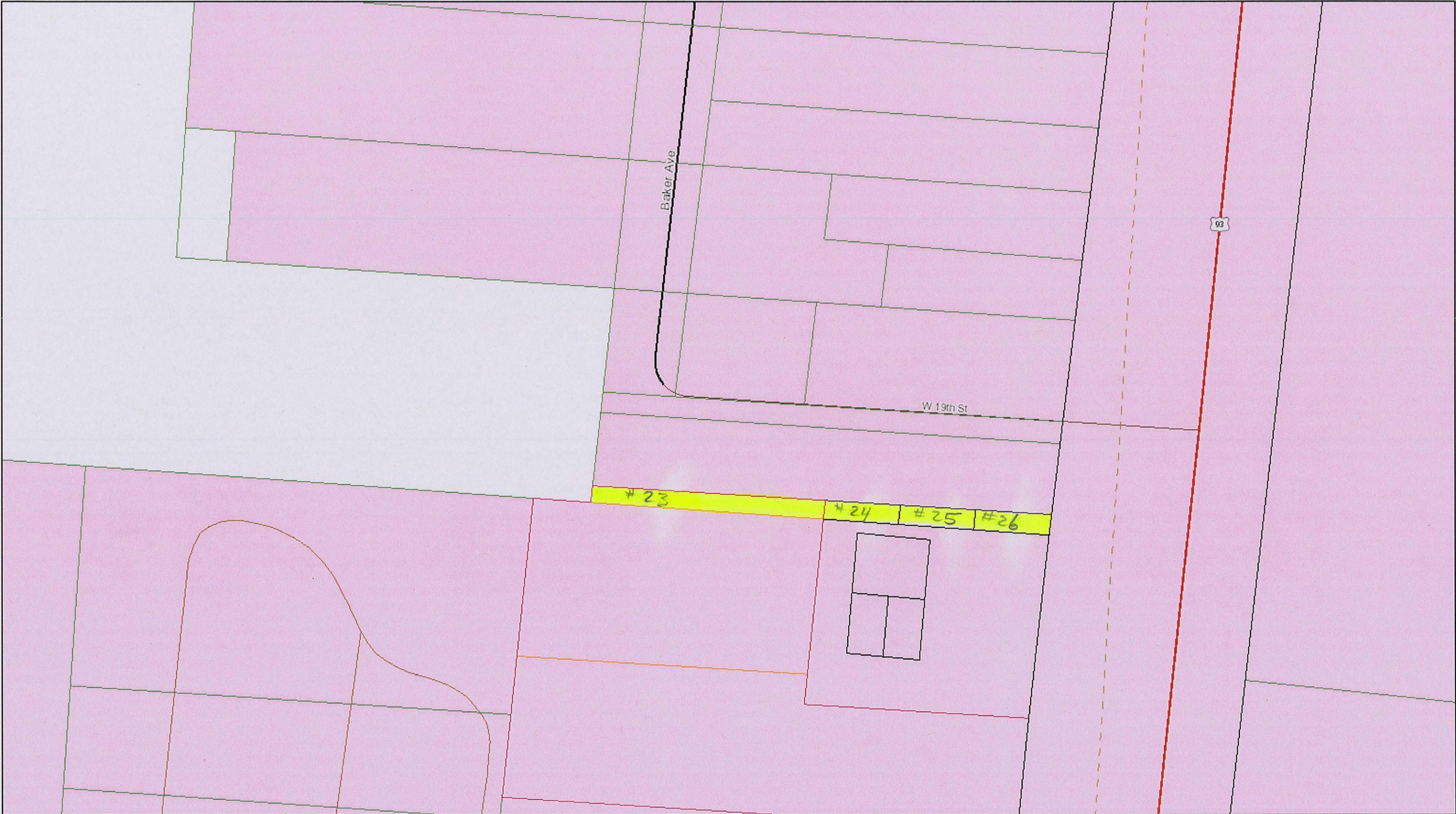


Exhibit D - Map C



August 8, 2016

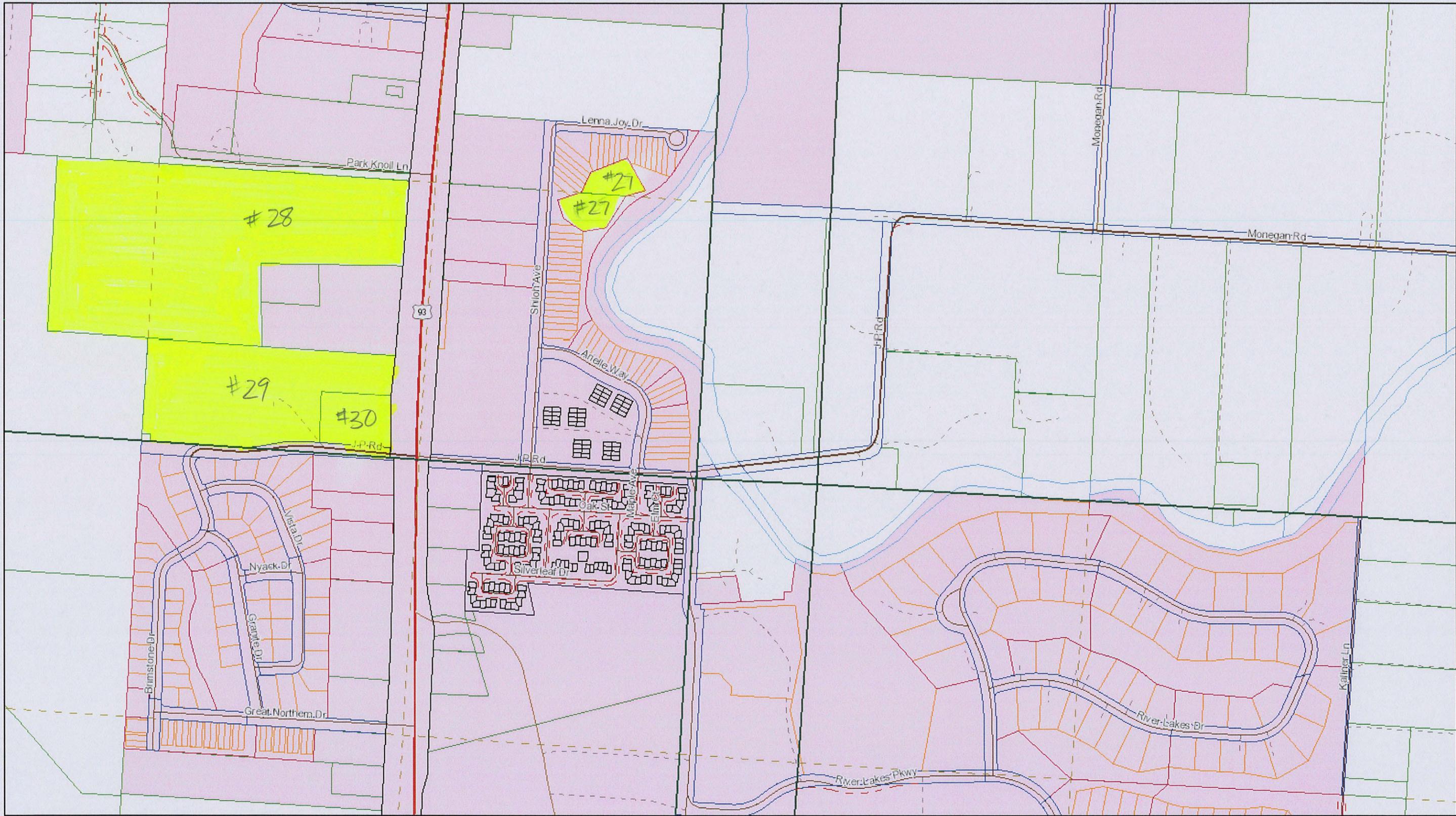




August 8, 2016



EXHIBIT F - MAP E



August 8, 2016

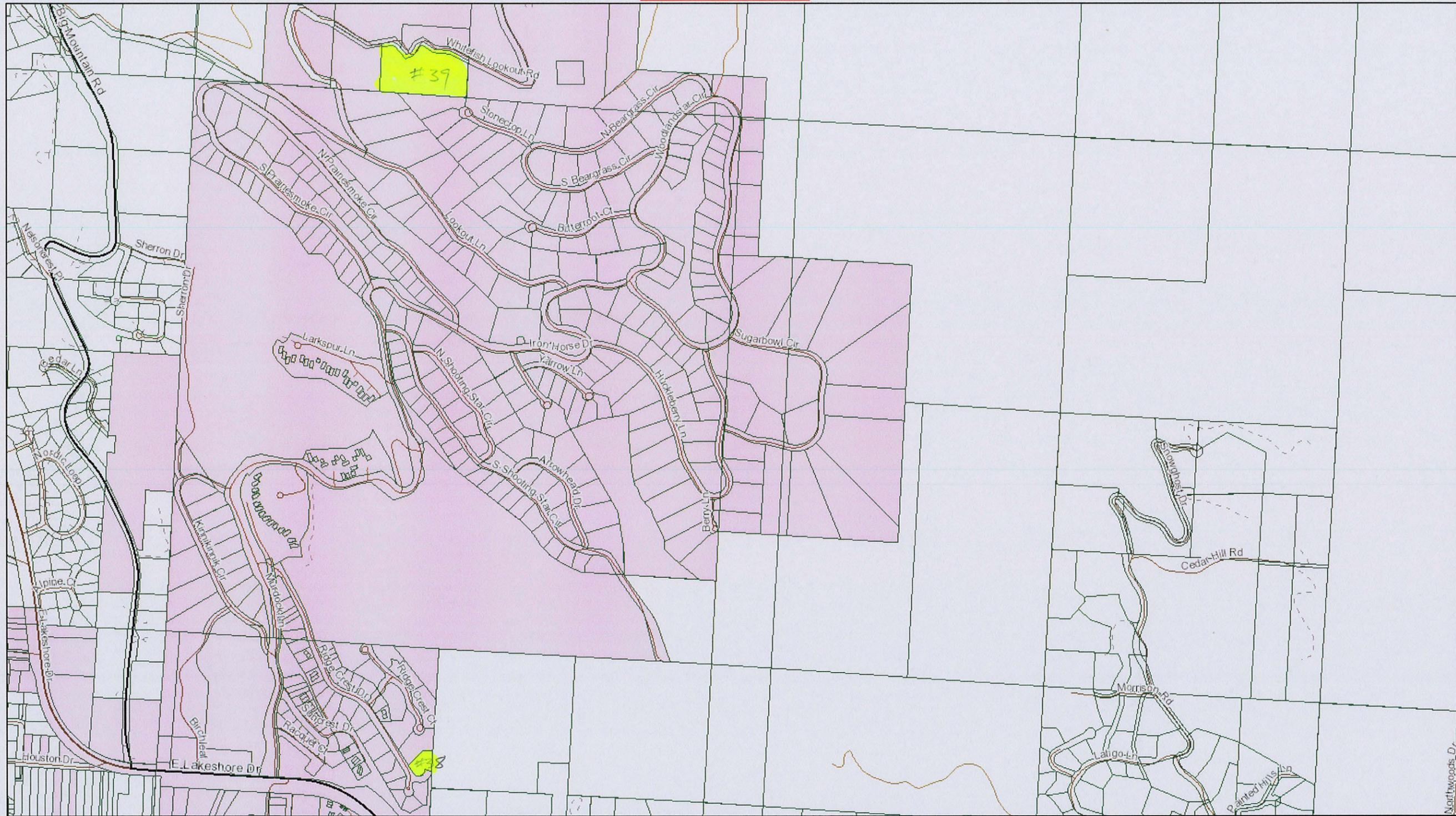




August 8, 2016

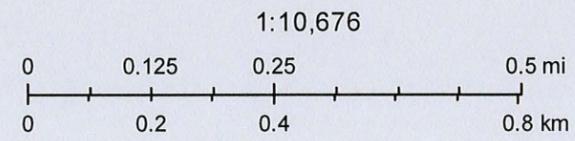


EXHIBIT H - MAP G



August 8, 2016

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RESOLUTION NO. 16-__

A Resolution of the City Council of the City of Whitefish, Montana, establishing "No Parking" Zones along portions of East 1st Street.

WHEREAS, Section 6-2-4(A) of the Whitefish City Code provides that the City Council may, on motion, create "No Parking" zones within the City; and

WHEREAS, as part of the Parking Structure Feasibility Study completed in 2013, a traffic impact analysis was completed to evaluate the impact of traffic on the streets surrounding the Parking Structure; and

WHEREAS, that traffic impact analysis recommended that, to improve traffic flow and turning movements on East 1st Street and the East 1st Street/Baker Avenue intersection, no parking be allowed on both sides of East 1st Street from the alley westward to Baker Avenue and that East First Street in that area be marked with three lanes of traffic, two westbound and one eastbound with the westbound lanes being a left turn or straight lane only and a right turn only lane; and

WHEREAS, on October 3, 2016, the City Council determined that it is in the best interests of the City and its inhabitants to establish "No Parking" zones along portions of East 1st Street, as depicted on the attached map.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Whitefish, Montana, as follows:

Section 1: There is hereby established a "No Parking" zone on the north and south sides of East 1st Street between the alley westward to Baker Avenue, subject to this Resolution, as depicted on the map attached hereto as Exhibit A and incorporated herein by reference.

Section 2: It shall be unlawful for anyone to park in the "No Parking" designated zone.

Section 3: The Public Works Department is authorized and directed to install appropriate signage and traffic markings to notify the public of these restrictions.

Section 4: This Resolution shall take effect immediately upon its adoption by the City Council, and signing by the Mayor thereof.

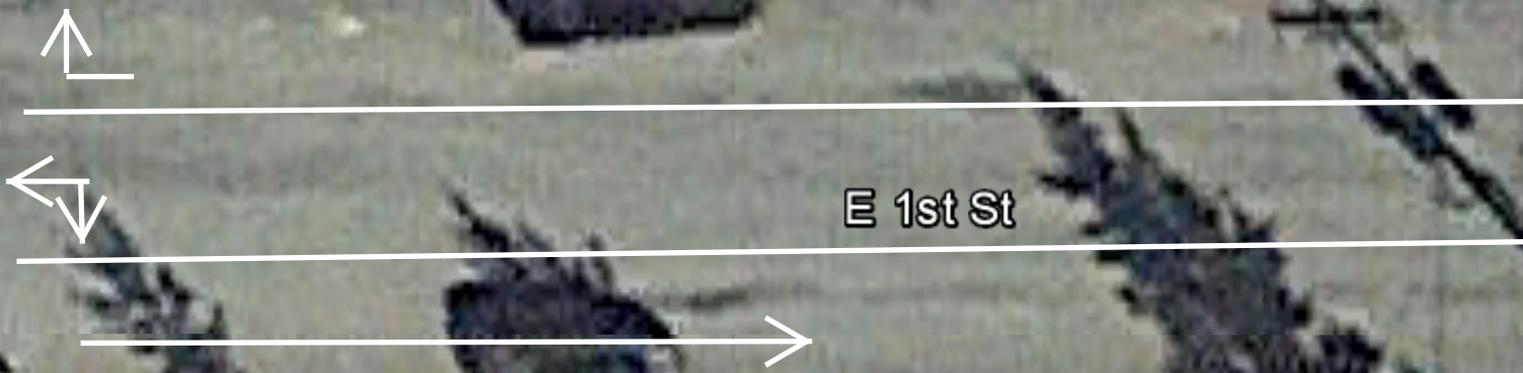
PASSED AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF WHITEFISH, MONTANA, ON THIS _____ DAY OF _____, 2016.

John M. Muhlfeld, Mayor

ATTEST:

Michelle Howke, City Clerk

EXHIBIT A
Proposed Turning
Lanes



E 1st St



MEMORANDUM

#2016-026



To: Mayor Muhlfeld
City Council Members

From: Chuck Stearns, City Manager

Chuck

Re: Staff Report – Resolution establishing no parking zones on East 1st Street by Parking Structure to improve traffic flow

Date: September 26, 2016

INTRODUCTION/HISTORY

During the Parking Structure Feasibility Study done in 2012 and 2013, WGM Group performed a traffic impact analysis for the effects of the Parking Structure. A copy of a section of that report dealing with East 1st Street is attached to this report.

As indicated in the report, traffic flow will improve in the area if there are two, turn lanes from East 1st Street westbound onto Baker Avenue (or if one is continuing straight through the intersection and continuing on East 1st Street in the Railway District).

Section 6-2-4(A) of the Whitefish City Code provides that only the City Council can determine No Parking areas in the City. Thus, to implement the recommendations of the traffic impact analysis, it is necessary for the City Council to act.

CURRENT REPORT

I have prepared the standard Resolution to enact these parking restrictions and the Resolution has a map exhibit to it which shows the planned turning lanes. Implementing no parking on both sides of East 1st Street, on the half block west of the alley, will improve traffic flow in and out of the parking structure and on East 1st Street where it intersects with Baker Avenue. There is 34 feet of right-of-way from curb to curb according to the City Hall plans, so each lane will be a little wider than 11 feet. Having the City Council enact this Resolution now will ensure that we order the correct turning arrows for when that section of East 1st Street opens back up next winter (probably by March).

FINANCIAL REQUIREMENTS/IMPACTS

There is minimal cost associated with the painting of curbs, signage, and turning arrows in the driving lanes, but it may cost \$1,000 to \$2,000, including in-kind labor, hopefully under \$1,000.

RECOMMENDATION

Staff respectfully recommends the City Council adopt A Resolution establishing "No Parking" Zones along portions of East 1st Street.

Intersection of 1st Street and Baker Avenue

Existing Conditions

Baker Avenue is a north/south minor arterial roadway consisting of one wide lane and a shoulder in each direction. On the west side of Baker Avenue, south of the intersection, the shoulder is used for parallel on-street parking. 1st Street forms the eastbound and westbound approaches of this intersection, with a single lane for all movements on each approach. On-street parallel parking is permitted on both sides of 1st Street, both east and west of the intersection. This intersection is controlled by stop signs on the eastbound and westbound 1st Street approaches.

Capacity Analysis

Capacity analysis of this intersection was conducted using the 2015 no-build and build traffic volumes developed in this report, and the above-described intersection configuration. The results of this analysis are summarized in **Table 5**.

**Table 5: 1st Street and Baker Avenue
LOS Summary**

	AM Peak Hour				PM Peak Hour			
	2015 No-Build		2015 Build		2015 No-Build		2015 Build	
	Delay	LOS	Delay	LOS	Delay	LOS	Delay	LOS
Eastbound Lt/Th/Rt	37.6	E	44.6	E	46.0	E	49.9	E
Westbound Lt/Th/Rt	19.1	C	21.2	C	28.0	D	52.4	F
Northbound Lt/Th/Rt	8.4	A	8.4	A	9.1	A	9.1	A
Southbound Lt/Th/Rt	9.3	A	9.6	A	8.7	A	8.7	A

Delay is measured in seconds per vehicle.

This intersection will be used by an estimated 70 to 75% of all parking structure related traffic, more than any other study intersection other than the structure access point. Traffic operations on northbound and southbound Baker Avenue are good, and will continue to be so even after the parking structure traffic is added. Parking structure related traffic does result in an increase in vehicle delay on the stop-controlled side street approaches, with the largest increase projected on the westbound approach during the PM peak hour as traffic exits the parking structure. This movement is projected to experience LOS F, with 52.4 seconds of delay for the average vehicle.

As discussed earlier in this report, the year 2015 Build traffic volume estimates may be overly conservative because traffic driving to current parking locations was not deducted from the intersections before the traffic driving to the parking structure was added. Parking structures do not generate traffic, they simply attract existing traffic. As a result of this, the extent of delay experienced at this intersection may similarly be overstated.

All-way Stop

Alternatives were considered to address the proposed delay situation. An all-way stop would not be advisable at this location because of the large platoons of traffic approaching from the traffic signal at 2nd and Baker. Stopping all of this traffic at once would likely cause back-ups into the 2nd Street intersection.

Roundabout

A roundabout was briefly considered, and if right-of-way can be cleared in the southeast corner of the intersection with the parking structure redevelopment project, then one may be possible; but the large clock tower in the southwest corner would very likely have to be removed and right-of-way acquired from the bank.

Traffic Signal

A traffic signal would alleviate the side-street traffic delays, but would noticeably increase delays on Baker Avenue. While a traffic signal warrant study is beyond the scope of this report, an initial assessment of signal warrant criteria, based on the available peak hour traffic volumes, suggests that signal warrants are unlikely to be met at this location. Additional

analysis of the interaction between a traffic signal at this location and the existing signal at 2nd and Baker would also have to be prepared. MDT concurrence would be required for installation of a traffic signal at this intersection, as Baker Avenue is under MDT jurisdiction.

Turning Restrictions

Restricting movements for vehicles exiting the parking structure (i.e., requiring traffic to only turn right onto 1st Street) would force drivers destined north on Baker Avenue or west of Baker Avenue (an estimated 50% of all parking structure traffic) to use circuitous routes through numerous additional intersections to reach their destinations. Similarly, prohibiting left-turn and through movements from westbound 1st Street at Baker Avenue would result in



out of direction travel for large portions of parking structure traffic, as well as the existing traffic on these movements.

Equilibration or Added Turn Lane

While none of the above possibilities can be ruled out entirely (except perhaps the all-way stop), it does appear that the most practical proposal would be to either 1) leave the intersection of 1st and Baker as it is today and allow traffic to equilibrate between this and other routes on its own during the busiest peak hours, while providing full traffic movement flexibility during other non-peak hours of the day (remembering that the summer traffic volume being analyzed is calculated to be 25% higher than the counted winter traffic, and that spring and fall shoulder season traffic might be lower still); or 2) removing on-street parking from 1st Street between Baker Avenue and the alley (approximately 7 spaces) and rededicating this space to establish a separate right-turn lane on 1st Street as it approaches Baker Avenue. This right-turn lane would allow 60 to 80 percent of traffic on this approach to be in its own lane, which would experience relatively low delay, while the remaining 20 to 40 percent (an estimated 11 AM and 45 PM vehicles) would continue to experience long delays in the left/through lane. **Table 6** summarizes the effects on capacity analysis of including a separate westbound right-turn lane.

**Table 6: 1st Street and Baker Avenue – With Additional Westbound Right-turn Lane
LOS Summary**

	AM Peak Hour						PM Peak Hour					
	2015 No-Build		2015 Build		2015 Build with Improvements		2015 No-Build		2015 Build		2015 Build with Improvements	
	Delay	LOS	Delay	LOS	Delay	LOS	Delay	LOS	Delay	LOS	Delay	LOS
Eastbound Lt/Th/Rt	37.6	E	44.6	E	44.6	E	46.0	E	49.9	E	49.9	E
Westbound Lt/Th/Rt	19.1	C	21.2	C	n/a	n/a	28.0	D	52.4	F	n/a	n/a
Westbound Lt/Th	n/a	n/a	n/a	n/a	46.8	E	n/a	n/a	n/a	n/a	79.1	F
Westbound Right	n/a	n/a	n/a	n/a	13.5	B	n/a	n/a	n/a	n/a	12.0	B
Northbound Lt/Th/Rt	8.4	A	8.4	A	8.4	A	9.1	A	9.1	A	9.1	A
Southbound Lt/Th/Rt	9.3	A	9.6	A	9.6	A	8.7	A	8.7	A	8.7	A

Delay is measured in seconds per vehicle.

n/a – not applicable for this analysis scenario

Queuing

Without a separate right-turn lane, it is estimated that the 95th percentile traffic queue on westbound 1st Street at Baker Avenue will be one to four vehicles long. With the separate right-turn lane these queues would be expected to be reduced by at least one vehicle. The available queue capacity on 1st Street without interfering with operations at the parking structure access is approximately 100 feet, or four vehicles, as measured from Baker Avenue.

Intersection of 1st Street and Parking Structure Access Point

Existing Conditions

This intersection does not currently exist. 1st Street is an east/west local street consisting of one lane in each direction with on-street parking. The parking structure access will be constructed with one entering lane and one exiting lane, with the exit stop-sign controlled.

Capacity Analysis

Capacity analysis of this intersection was conducted using the 2015 build traffic volumes developed in this report, and the above-described intersection configuration. The results of this analysis are summarized in **Table 7**.

**Table 7: 1st Street and Parking Structure Access
LOS Summary**

	Peak AM Hour		Peak PM Hour	
	2015 Build		2015 Build	
	Delay	LOS	Delay	LOS
Westbound Lt/Th	7.6	A	7.4	A
Northbound Lt/Rt	9.7	A	9.6	A

Delay is measured in seconds per vehicle.

As illustrated by the analysis results summarized in **Table 7**, this intersection will operate very well and requires no intersection improvements beyond the construction of the parking structure access and stop sign.

MEMORANDUM

#2016-028



To: Mayor John Muhlfield
City Councilors

From: Chuck Stearns, City Manager *Chuck*

Re: Staff Report – Authorization to proceed with sale of SID #167 Bonds with First Interstate Bank and Glacier Bank

Date: September 22, 2016

Introduction/History

The City Council created Special Improvement District #167 in 2015 to provide partial funding of \$750,000.00 for the construction of the Parking Structure. A prior City Council initially wanted downtown businesses to “have some skin in the game” or have some financial obligation for the Parking Structure beyond the Tax Increment property taxes that they might pay.

We are allowing property owners until September 30, 2016 to pay their assessment in full without incurring any interest costs. After September 30th, we can proceed with issuing the bonds.

During our 2015 negotiations with First Interstate Bank and Glacier Bank for their purchase of the two Tax Increment bond issues, both banks expressed an interest in possibly buying the parking structure SID bonds. One of the banks had bought a 20 year RSID bond in 2015 from Flathead County for a road construction project on Big Mountain. In the past, banks were not very interested in 20 year, fixed interest rate bonds, but I think their investment portfolios are so diversified now, tax-exempt interest is also a good investment, and they get Community Reinvestment Act points for investing in local bonds, so banks are more interested now in municipal bonds.

Current Report

The preliminary sizing of the bond issue when it was adopted last year was as follows:

Construction SID alternative

SID \$ to Structure	\$750,000
Issuance Costs	\$45,000
Revolving Fund Contribution (5% of principal)	\$44,000
Underwriter's Discount (1.4% of principal)	\$12,320
Admin Fees (3% of principal)	\$26,400
Contingency	\$2,280
Total of SID Bond	\$880,000

Issuance costs will come down to \$35,000 for the bond counsel costs and if we do a private, negotiated sale to the banks, we will not have any underwriters discount cost and we won't have to do disclosure documents as we would have to do in a public market bond issue.

Doing these bond issues with local banks make sense for the following reasons:

1. State law allows us to do negotiated sales on SID bonds because, as a Revenue Bond, they are often called "story bonds" wherein the "story" of the local economy, local conditions, and growth are part of the selling points and critical to the sale of the bonds. Local banks know the local "story" better than distant public markets.
2. The bonds can be deemed as "bank qualified" under federal IRS rules for bonds. That means banks can quote or bid even more competitively for such bonds than "non-bank qualified".
3. We don't have to do disclosure documents, bidding processes, and a possible bond rating if we do a private sale as compared to those procedures for a public offering, so we save those costs as well.

As you can see from the banks' proposed Term Sheet attached to this report, they are proposing an interest rate of 3.77% at current interest rates. The interest rate is pegged to a published index interest rate. In addition to this rate, state law (Section 7- 12-4189 (1)(a)) requires the City add at least 0.50% to the interest rate when we bill out the assessments as additional security in the event of payment delinquencies. So we would bill the assessments at a 4.27% interest rate which is below the 4.5% interest rate we estimated when we created the SID.

Recent SID bond issues in Montana have been 3.15% and 3.18%, but those were larger bond issues, in major cities, and could attract more interest. Also, one of them was a 15 year, not a 20 year bond. The banks also reduced their proposed interest rate by 5 basis points, 0.05%, during our negotiations. With a private placement with the banks, we can eliminate the underwriter's discount shown above and can lower the issuance costs to \$35,000 total. The present value of the cost differential of a 3.77% interest rate versus 3.18% over the 20 years equals \$46,033, but I

still think this is a fair proposal from the banks – it also save us a fair amount of staff time in doing the issuance.

Financial Requirement

Most of the financial information is shown above and in the banks' attached Term Sheet.

Recommendation

Staff respectfully recommends the City Council authorize staff to work with First Interstate Bank and Glacier Bank and Bond Counsel, Dorsey and Whitney to proceed with a private sale SID #167 Bonds up to \$880,000.00 for the Parking Structure Special Improvement District based on the banks' term sheet proposal.

attachments

RECEIVED
SEP 19 2016
BY: CCS



306 Spokane Avenue
Whitefish, MT 59937



319 2nd St
Whitefish, MT 59937-0100

September 14, 2016

City of Whitefish
PO Box 158
Whitefish, MT 59937

Re: SID Bond #167 Purchase

Dear Chuck:

First Interstate Bank and Glacier Bank have reviewed your request for the SID #167 bond issue. The Banks are pleased to provide you with the following commitment outlined below:

Amount: Up to \$880,000.00

Term: Twenty years.

Rate: 3.77% for twenty years as of September 14, 2016. Rate to be spread off the twenty year Federal Home Loan Bank of Des Moines Straight Line Amortizing Advance < \$15M Index + 120bp. Rate can be locked up to 30 days prior to issuance.

Rate quote is dependent on the issuance being designated as a qualified tax exempt obligation (bank qualified) by the issuer. Failure to designate the issue as bank qualified would result in the rate quote increasing by 15 bp.

Rate quote is dependent on the issuance being tax exempt. Failure for the issue to be tax exempt would result in the rate quotes increasing to 4.97%. The spread will increase to the twenty year Federal Home Loan Bank of Des Moines Straight Line Amortizing Advance < \$15M Index + 240 bp.

Fee: Bond counsel, document preparation and other issuance costs will be paid by the City of Whitefish. There will be no additional fees charged by First Interstate Bank or Glacier Bank.

Requirements:

Payments:

Principal and interest payments due semi-annually.

Security:

Secured by the SID Revolving Fund.

Legal Matters:

Issuer's bond counsel is to provide a legal opinion on the tax status of the issuance. If tax exempt, the issuer must designate the bonds as a qualified tax-exempt obligations (BQ). Should the tax exempt status of the issue be compromised at or after issuance, the interest rate to be paid on the debt shall revert to the equivalent taxable rate to the bank as of the issuance date.

Sincerely,

A handwritten signature in blue ink, appearing to be 'BC' with a flourish and a small '16' to the right.

Brenden Craig
Vice President, First Interstate Bank

A handwritten signature in blue ink, appearing to be 'Sm'.

Shane Moss
Vice President, Glacier Bank

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September 13, 2016

John Muhlfeld, Mayor
City of Whitefish
PO Box 158
Whitefish, MT 59937

Dear Mayor Muhlfeld,

Congratulations! The City of Whitefish has received MMIA's Award for Loss Control Achievement for Second Class Cities for the 15/16 fiscal year in the Liability Program. This award is issued to the City of Whitefish as your organization had the lowest incurred dollars in the Liability Program for the past five years when compared to other Second Class Cities' results.

It would be an honor to present you with the award plaque for this significant achievement during the MMIA Annual Business meeting in Missoula, MT at the Hilton Garden Inn on Friday, October 7, 2016 at 9:30 am. Please let us know if you or a representative from your City will be available to accept the award at that time. If not, we hope to be able to bring it to your community soon and will make arrangements to do so.

We look forward to presenting you with this Loss Control Achievement Award. Please accept our sincere congratulations for a job well done.

Sincerely,

A handwritten signature in blue ink, appearing to read "Alan Hulse".

Alan Hulse
CEO



Chamber of Commerce

September 27, 2016

Mr. Chuck Stearns
City of Whitefish
P.O. Box 158
Whitefish, MT 59937

Dear Chuck:

On behalf of the Board of Directors of the Whitefish Chamber of Commerce, we respectfully submit the following offer to lease the current offices of the City's Parks & Rec, Planning and Building department offices at 510 Railway Street, commonly referred to as the Depot Park Building:

- Lease Term: 10 years
- Rate: \$ 34,020 annually (\$14 per square foot)
- Effective Date: 30 days after vacation by city staff
- Proposed Use: Whitefish Visitor Information Center and offices for the Whitefish Chamber of Commerce and affiliated non-profits

As discussed at length during the Council's July 5 session, the Chamber staff and Board feel strongly that the Depot Park Building is an outstanding location for the city's official Visitor Information Center, enabling the Chamber and its staff to better promote Whitefish not only to tourists, but also to those looking to move their home or business here. It also offers the potential for 4-5 local non-profit organizations to co-locate in a single building, allowing for cost savings to all and the opportunity for better communication – and closer collaboration – between the groups.

The Chamber understands that the City Council continues to support the current Depot Park Plan – which ultimately calls for removal of the building – but that they also wish to generate additional revenue for the City in the short term. A 10-year lease term is proposed with the assumption that the Chamber's tenancy will be terminated (and the building demolished) at the end of that lease.

Our offer of \$14 per square foot (\$34,020 annually) is based on an analysis of similar-sized office spaces currently available in Whitefish, performed by National Parks Realty. The asking price on these spaces range from \$14/sq. foot (14 W. 2nd Street) and \$16/sq. foot (two properties at 704 East 13th St.), to \$18/sq. foot for the space in the City's new parking structure. The property most similar in age and

(406) 862-3501 • FAX (406) 862-9494 • www.whitefishchamber.org
PO Box 1120 • 307 Spokane Ave, Ste #103 • Whitefish, MT 59937 • visit@whitefishchamber.org

condition to the Depot Park Building is the one at 14 W. 2nd Street, hence our offer of \$14/foot. The E. 13th Street properties (north of Walgreens) are two years old and have been vacant for more than a year; the parking structure location will be brand new construction.

An inspection of the Depot Park Building has been performed by City staff, with no major structural/operational issues identified. The Chamber and its partnering organizations will be responsible for any interior improvements, renovations and/or modifications deemed necessary to make the building suitable for use as a Visitor Information Center and multi-user office space.

Thank you for your consideration; we look forward to discussing this proposal at the Council's Oct. 3 meeting

Best Regards,



Kevin O. Gartland
Executive Director

Chuck Stearns

From: Tad Lisowski
Sent: Monday, July 18, 2016 10:02 AM
To: Chuck Stearns
Subject: Parks building at Depot park
Attachments: IMG_2510.JPG; ATT00001.txt; IMG_2549.JPG; ATT00002.txt

Chuck

As requested I have looked at our building here at 510 Railway. I will start with the state of the roof shakes as I have attached photos and it is the only area of real concern. As you can see from the photos the shakes are very brittle and crumble with very little handling. I checked the roof sheeting in the attic and it appears sound and shows no signs of water damage or leaking. The roof shakes in my opinion should be replaced however as far as a time line they may last several years or fail well before that.

The foundation on the building appears in average to good condition. From the exterior and in the crawl space few visible cracks in the foundation are present. I have seen nothing that would lead me to believe the foundation needs repair even though there are areas covered with insulation that are not completely visible.

The framing in the crawl space for the floor system appears sound. It appears additional support has been added over the years to shore the floor with addition beams and concrete pad supports. I see nothing that would indicate failure. The visible roof trusses in the attic appear free of damage.

The crawl space is currently dry but has had issues with water. The vapor barrier in the crawl space would not meet current building standards but is consistent with construction methods at the time the building was completed.

Overall the buildings condition is consistent with what I would expect from its age. It appears structurally sound and the items noted as deficient could be corrected with general maintenance.

Thanks

Tad Lisowski
Building Official

City of Whitefish
510 Railway St
Whitefish, MT 59937
406-863-2410



Depot Park Building:

Building is 2,386 square feet

We closed on the second and final portion of the Depot Park purchase on Thursday, September 24th. We paid \$1,306,884.38 at closing on this portion. Overall, the purchase of the entire park and three existing buildings cost \$3,847,500 plus closing costs. All funds were paid from the Tax Increment Fund.

Building is insured for \$402,008 plus \$50,000 in contents

Assessor Records says it was built in 1976 and remodeled in 2002.

- 7) **PUBLIC HEARINGS** (Items will be considered for action after public hearings) (Resolution No. 07-33 establishes a 30-minute time limit for applicant's land use presentations. Ordinances require 4 votes for passage – Section 1-6-2 (E)(3) WCC)
- a) **Ordinance No. 16-11; An Ordinance rezoning approximately 4.73 acres of land located at 325 Haugen Heights Road, in Section 27, Township 31 North, Range 22 West, Whitefish, Montana, from County R-2.5 (Rural Residential District) to City WER (Estate Residential District) and adopting findings with respect to such rezone (First Reading) (p. 103) (WZC16-02) (CD1 14:00)(Councilor Frandsen attended the meeting during Senior Planner Compton-Ring's report, 7:26p.m.)**

Senior Planner Compton-Ring gave the staff report that is provided in the packet on the website.

Mayor Muhlfeld opened the Public Hearing

Henry Elsen and Andree' Larose, 901 Stuart Street, Helena Montana, are the owners of the property and were present for any questions.

Nick Polumbus, 303 Stumptown Loop, said there has been a lot of rezoning, annexation and development in the area, and his concern is the traffic component as a whole for the safety of the neighborhood.

Joel Shehan, 400 Icehouse Terrace, which is on the corner of Haugen Heights Road and east of the current Tamarack Ridge subdivision. He wanted to bring the Council's attention when the rezoning was approved there was an amendment that although the zoning was designated WER, there was a stipulation of a maximum of 32 residences being constructed there, which matched the acreage that was being rezoned. He also emphasized the concerns for increased traffic use.

Councilor Hildner made a motion, second by Councilor Feury to approve Ordinance No. 16-11; An Ordinance rezoning approximately 4.73 acres of land located at 325 Haugen Heights Road, in Section 27, Township 31 North, Range 22 West, Whitefish, Montana, from County R-2.5 (Rural Residential District) to City WER (Estate Residential District) and adopting findings with respect to such rezone in staff report WZC16-02. The motion passed unanimously.

- b) **Consideration of not demolishing the Depot Park Building in the future as planned for in the Depot Park Masterplans and instead leasing it out (p. 130)(CD1 21:51)**

City Manager Stearns gave the staff report provided in the packet on the website.

Mayor Muhlfeld opened the Public Hearing

Dan Graves, 192 Sweetgrass Way, board member for the Chamber of Commerce, says he hopes the Council considers the aspects of the building. There are several organizations that need a home; the Big Mountain Commercial Association, The Chamber of Commerce, the Convention and Visitor Bureau (WCVB), and then a Visitor Center. All four organizations would fit beautifully in the building, and it is a great location. He knows it is a part of the masterplans to

demolish and take it back to some type of greenspace. He said masterplans change all the time. On the 4th of July he was at the train station and looked over at the Depot Park and saw a man, a woman and a yellow Labrador, that was the extent of the traffic in the park. City of Whitefish is surrounded by thousands and thousands of acres, the largest National Park in Montana, and a river that runs through the middle of town, he asks “Do we really think people come here to utilize our park?” Yes, it is great for Tuesday markets, one weekend a month from May to October, but other than that it is a delightful green area and it can remain that way, but we don’t need to take down a building that would suit 365 days a year of function for an industry that drives this area. It would make a great home for those organizations.

Bruce Boody, Landscape Architect, was the lead person on the Depot Park Masterplans. One of the important things to remember is that was a continuation of the Downtown Masterplan. The Downtown Masterplan was 8 years’ worth of work, which was the original decision to acquire the park and remove the structures in the park. The decision was not made lightly, there was a lot of debate about it. When we started the Depot Park Masterplan, we just reaffirmed that decision and moved forward with that. All told we probably have 10-12 years of decision making that reaffirmed how valuable that park was to the downtown business district. That is why the City spent \$3.8 million to buy it. There are two very eloquent letters from John Phelps and Tee Bauer reaffirming the decision from all different directions. He echoes John Phelps and Tee Bauer’s comments, and the statements and the masterplans, and asks the Council to take a long view and reaffirm the decision to keep the park as green open space.

Turner Askew, 3 Ridgecrest Court, said one of the opportunities while serving on the Council was to interview people to do the masterplan, and hired Crandall Arambula as consultants for the Downtown Masterplan. They came up with some really interesting ideas and the masterplans came out. That doesn’t mean they are God, they were consultants and they were making us think. It looks like there are people that could use the building. Maybe for the next 5 years to get income, it’s a good idea to keep the building. If you tear it down, we can’t go back, we can’t put the Chamber of Commerce there. He encourages the Council to consider the options and go for it.

Kevin Gartland, 622 Somers Ave, Director of the Chamber of Commerce and serves on the Depot Park Steering Committee. The Chamber of Commerce has not come to the City and asked the City to reconsider the Depot Park Masterplan so that they can live there for the rest of their lives. We are here because from Council to Staff came the idea for a potential to drive revenue, which the City needs at this point in time. The Chamber has discussed it, and he referenced the letter from Tony Veseth that is included in the packet on the website. Kevin said that if it is a 5-year lease, at least two of the four non-profit organizations would dropout. The economy savings isn’t there, and the Chamber of Commerce is not interested in a five-year lease. If the building stays, the parking lot is not needed, he and his employees can park down past the railroad. Depot Park is supposed to be a park and we should maximize it for a park, but could also serve a very important purpose for the Chamber as well.

Mike Jenson, 919 Dakota Avenue, agrees with moving the non-profits into a central location. They can have a common receptionist in the front, save everybody money. In all his travels, every town he has encountered has an information center. Plans evolve all the time and to be bound in a rigid plan that is not flexible is not a valid plan. It’s hard to argue we need everything that building can provide, and can’t find it anywhere else. He believes we should keep the building.

Rebecca Norton, 530 Scott Avenue, prefers to demolish the building and continue with the regular plan. She likes the idea of the non-profits being together, but thinks there are other places that can be used for that purpose. Once you commit to that purpose you will never get that piece of property back. The people who have been designing our plan for years have shown incredible vision for downtown, and the opportunity to have that space function as it is designed. She votes for greenspace.

Joey Kositzky, Director of the Whitefish Community Library, urges the Council to read the letter from the Board of Trustees that is provided in the packet on the website. As a Library Director she is very much in favor of keeping the building and opening it up to non-profit. The Library gets walk-ins every day, five to ten to twenty people wanting to know where the visitors center is, where the Chamber of Commerce is, and where to get information? So she and her staff are stepping outside their building, pointing down the street, and hope they find it. If you do keep the building, she hopes to keep the parking lot, every decision you make about that park impacts the Library.

Ashley Meyette, Whitefish Gift and Gear, said keeping the building for a visitor center, or Chamber of Commerce would be ideal for them as a business. People ask where to go, what's around here; so they play tour guide a lot of times. Where do we find a visitor center, so staff directs them to the Chamber and they can't find, they don't know where the building is, they come back or they say they went over to the library. Having a central location down the street of all the businesses would be perfect to point them in the direction and then the Chamber can point them back. Or finding a different use for the building but keeping it for volunteer purposes. It's still centrally located, it's in a good spot and in good condition. There is no reason to throw it away,

Nick Polumbus, 303 Stumptown Loop, representing the Whitefish Convention and Visitor Bureau (WCVB), their core mission is to go to the world and convince people to come here for a vacation. The WCVB currently has a good deal in rent where they are at, and because their core mission is to go into the world and drive people in, their take on it would boil down to the terms of the lease and the cost. Of course an info center in a high profile location in town would be a benefit, that it a very rational thing we can all agree to. The WCVB's position depends on the dollars and cents, by they don't want to take resources away from their core mission to put towards increased rent for their purposes.

Rhonda Fitzgerald, 412 Lupfer Avenue, chairs the State Tourism Research Committee and they do a lot of research on all matters, visitor and recreation, and there is significant body of literature there now, saying that the walk up visitor information center is a very much declining concept. Most people are getting their information from their phone or at some sort of 24/7 kiosk which is why the WCVB partnered with the Heart of Whitefish and the City to provide the information kiosks around town. People are not wanting information 9-5 Monday thru Friday, they want it on Sunday night, or Friday night at 10:00. Even though the manned visitor center is a feel good thing, it really is not the wave of the future at all. Typically, the more techno savvy people are the less apt to use it, and we do market to a high value low impact visitor that is really quite sophisticated in their travel. She would say over time that function is going to become less and less important. The State of Montana no longer funds visitor information centers around the State. Their mission is use their funds for more affective visitor outreach. She participated on the Depot

Park Masterplan Committee as a representative for the Whitefish Market, and she referred to item #2 of John Phelps's letter that is provided in the packet on the website and reiterated his point. In this particular case the purchase with significant funds for the Depot Park was the number two catalyst project to create a town square, a public square viewed from Central Avenue to connect the Depot. The building squats right on the sight line for entrance into the park. As a private citizen she reached out to the consultants that helped out with the Downtown Masterplan, and they submitted a letter that is provided in the packet.

Donna Maddux, incoming Whitefish Library Association President, found Mr. Phelps words very convicting, however she brings the Council's attention to we are just recovering from the Great Recession. Work has come back into our area, but salaries have not yet come back in our area. We look to the leadership of our community to make wise decisions on our behalf and the masterplan has that piece of continuity, and she can't deny that value in that, but what she does deny is that its responsible to tear a perfectly good building because we apparently are very concerned about the view. Those are mentioned several times in that draft document. She guesses she has to say why in the dickens are we building a potentially three story City Hall if we are so concerned about the view? What happens at that park impacts the Library and at the moment she is a library association member, she wants the Council to think that we are a community recovering, we are not recovered yet. Please take that into account as you weigh a lot of valuable testimony tonight.

Tom Gilfillan, Whitefish Pottery, 355 Twin Bridges Road, agrees with Dan Graves, Mike Jenson, and Tony Veseth. He is a downtown businessman, and the two questions he gets asked the most at Whitefish Pottery is where are the public restrooms, and where is the visitor information center? It would be easier to tell visitors the center is at the end of the street, and you can find all the information you want. The information could be a valuable ticket outlet for the O'Shaughnessy Center, Alpine Theatre Project, events on the mountain, lift tickets. The building is a viable useful building and to tear it down would be financially irresponsible. Masterplans change. He doesn't think everybody sees how valuable the building could actually be. If it needs a new roof, let's get some donations and in-kind services to fix the roof, he will head it up. He stresses to the Council how valuable the building could be for a number of organizations, and the viability of the people coming to town.

Don Kaltschmidt, 230 JP Road, member of the Chamber of Commerce Board, also agrees with those who spoke towards keeping the building. As a lessee, if improvements are needed the investment needs to be paid back in a period of time. He suggests a five-year lease with an extension of time.

Tee Bauer, 211 Huckleberry Lane, served on the Park Board two years ago and served on the Park Planning Committee. He has written a letter that is provided in the packet on the website. The Depot Park is a special asset for the community, and he thinks that the potential of Depot Park for the downtown is underutilized and unrealized at this point. He thinks the work that was done on the Planning Committee will help us realize the real potential of Depot Park, the result is to take the building down. It will create an opportunity for the growth of downtown. Downtown today has become more urbanized. To have a greenspace in a park as beautiful as Depot Park as the masterplan has dictated would be a real asset, and even help the urban properties grow. We are not here to find a place for the Chamber or the WCVB, there is space in downtown to re-locate.

The opportunity now is to make Depot Park the potential it can be. He would like to propose to the Council he would be happy to make a gift to the City for the demolition cost of the building so the project can move forward as the masterplan has dictated. He asks Maria Butts to get three bids and he will work with her toward the demolition.

There being no further comments, Mayor Muhlfeld closed the Public Hearing and turned the matter over to the Council for their consideration.

Councilor Frandsen said she was on board for keeping the building. She is not ready to tear down a building that might have 5-years left in it, if that is the responsible and prudent thing to do. If we can earn a little revenue on the side to pay back to the TIF fund that is great. We need a more centrally located visitor information center, she is not convinced the City will be able to offer terms that would suffice those needs, nor would we be able to provide the improvements needed in that building for a longer term. She hadn't been looking at this as a long term move, and she had only been looking at this as keeping it alive for a little while longer, get a little more life out of it, with a term set for removing the building as planned.

Councilor Hildner asked the usable square feet in the existing building versus the square feet available in the space in the parking garage. Manager Stearns said the existing building is 2386 square feet and the parking structure is 2824 square feet. Councilor Hildner asked if a condition survey has been done for the building? Manager Stearns said no, other than when the decision was made for Parks and Recreation to move in, Building Inspector Bench looked at it. Director Taylor and Director Butts would have a feel for limitations or conditions. Councilor Hildner then asked if there has been any consideration to moving the building either to convert to affordable housing or to a City owned property for City use. Manager Stearns said there has been thought of putting it out for bid to buy and move. The front part is slab on grade, the back part has a crawl space and could be moved if a viable use. We haven't identified viable city use at this time. Councilor Hildner referred to page 133 of the packet, looking at aerial photos of 1961 and 2006 and number of trees are approximately 51 trees to now 19 trees. The southwest corner, triangle to the southeast is not usable space so we lose roughly 20% of the park with the building. He agrees with Jen and wants to have a full and robust discussion.

Discussion followed between Councilor Frandsen and Manager Stearns regarding the Montana Annotated Code and City Code and who has authority to make the decision to set the lease. Manager Stearns said the City Council provided the funding for the Depot Park Masterplan, therefore it is the City Council decision.

Councilor Barberis said she came into tonight thinking it would make sense to keep the building and it would be a great spot for a visitor center, but if in fact folks don't want to lease it for five years because of improvements, she doesn't want the City to spend money on making improvements, and thinks the retail space in the Parking Garage is a good alternative. She is in favor to demolition the building or moving all or some of it for storage for the Parks Department.

Councilor Sweeney, stated this is an uncomfortable place to be because he is squarely on the fence. He can see the benefits of retaining this building for a period of time and he thinks there is some fiscal responsibility for retaining it. At the same time, he respects the work that has been done on both the Downtown Masterplan and the Depot Park Masterplan. You would expect there

would be changes to masterplans overtime. It is important that we challenge this and all parts of masterplans to implement them. He had convinced himself at one point that retaining this building we would be affectively delaying or deciding when to implement various parts of the masterplan. This simply is a timing issue and not an overall concept of what we want that park to be. He would like to understand what renovation would be proposed for the building for the uses that have been articulated and who is going to fund those costs and whether or not under the circumstances makes sense to retain this building. Under no circumstances is he willing to retain the building for something less than a near market value. It doesn't make economic sense to do that. The City paid good money for that building and that park with the full intention to tear it down. If people are interested in it given the economics of it, he thinks we have made our decision. We are not willing to trade a community benefit for a revenue stream and visitor center or a community oriented building, because it doesn't make economic sense for a tradeoff.

Manager Stearns said he doesn't think we ever envisioned we would do a lot of improvements to the building, we think they would be tenant improvements, at the same time anytime tenants do improvements they either expect a break on their market lease or amortize it over a length of time. The original genesis of this thought was to use the revenue for the Parking Structure.

Councilor Feury echoes what Councilor Sweeney says that it is a very difficult issue. The only thing he heard in arguments in keeping the building is to provide a home for 3 possibly 4 perspective tenants. But what he has not heard in any of the argument is the impact of the function of the park. Ultimately the Depot Park Masterplan was how well will that park function as a park. When he looks at the photo on page 133 of the packet, he sees 45% of the park unusable because of the buildings. Dan Graves mentioned he saw a man and a women and a yellow Labrador on a leash, therefor it doesn't get any use, in part that is a good observation and very correct. The reason for that is if you are standing on Central Avenue there is zero to draw you into that park. He spent nine years standing across selling bread for his wife at the farmer's market, and watching, and states the building really does inhibit the function of the park. This park doesn't function well because of the building. Even though he thinks it is a great location for visitor center, and thinks they would be great uses and valuable, he thinks it would be at the detriment of the park. Therefor he can't support any change in the masterplan.

Councilor Williams understands and sees value in both sides of the argument. She believes that circumstances have changed, we need to be fiscally conservative and be smart about how we are spending our money and how we are generating revenue. Right now we have the opportunity to keep the building and she echo's Councilor Sweeney's concern in making sure it is actually worth our time and efforts to keep the building and bring in the revenue that we want. If we do keep the building, we need to set termination date of 5 years and echo the ideas of the Depot Park Masterplan. Circumstances change and who is to say circumstances won't change and we have actually made the positive additions to the building and that building becomes a very workable part of the park. She thinks with all the testimony she heard today, she would like to know more about the fiscal balance sheet of what needs to be done in terms of remodel and renovations to house tenants and not set a 5-year termination date, will make it approachable for tenants. In that case move forward and demolish the building.

Councilor Hildner made a motion, second by Councilor Feury to honor the Depot Park Masterplan and remove the building in the southwest corner of the park so that we may continue to develop the park as designed.

Councilor Hildner said in listening to the public and reviewing the masterplan he thinks there are options for those organizations who presented several hypotheticals, for them to pursue other alternatives. He thinks that the idea of parkland is one that is part and parcel of not only this community but really the preservation of parklands as part of our genetics as citizens of the United States. He thinks that it is incumbent upon us as elected officials to consider those alternatives, but given the opportunity he wants to come down on the side of future generations who will be able to enjoy this open space in the center of the community. He reminded himself when he looked again this morning, the approval of the Depot Park Masterplan was one the first votes he cast as a City Councilor, he thinks it was a proper vote then and it's the vote today.

Councilor Sweeney is not ready to make a decision to demolish the building with the set of facts he has in front of him. His concern is if there is no economic viability to retain the building, and set those parameters out, by all means tear it down. He can't support it at this time.

Councilor Frandsen said she thinks it is an important point to consider at this time whether or not to remove the building. However, it stands its coming down, and this is whether or not we should reconsider that effort. Tonight we also do not have a report on the condition of the building, how long the viability is of the building, the cost of improving it, how would lease negotiations look like with potential tenants, or who is really willing to be in the space. What is the economic impact of moving in a visitor center as to a park? She feels uncomfortable making a decision without some of those facts at hand, and wished it could have been tabled until having all the facts.

Councilor Feury said to address Councilor Frandsen's concerns, we are not going to moving out of there for more than a year. He would be more concerned in making a decision to go ahead and keep it at this point. By reaffirming the Depot Park Masterplan doesn't preclude anybody providing that information in the future or revisiting this decision. This is supporting the masterplan and in the future the issue could be revisited.

The motion dies on a 4 to 3 vote with Councilors Sweeney, Frandsen, Williams and Mayor Muhlfeld voting against the motion.

Councilor Sweeney made a motion, second by Councilor Frandsen to affirm the Downtown Masterplan and the Depot Park Masterplan calling for the removal of the building upon our vacation of that building, pending a detailed proposal from potential tenants within four months.

Councilor Sweeney doesn't know enough to make an argument about the fiscal important of retaining that building. The reality is if the tenants have interest in the building and they want something specific that is important to them, they will have to spend money to get it. If they come with a viable real proposal, he would entertain keeping the building.

Councilor Feury said the Chamber was uncomfortable with a 5-year lease and some wanted 10 years, and stated very clearly that after 5 years they could prove how valuable the building is.

He said you enter into a lease with somebody, it will be impossible to move a tenant out. This is not a five-year decision. Councilor Sweeney agrees with Councilor Feury, but at the same time he thinks there is some fiscal reasons and as a result some community benefit for us to look at whether or not over the next four months.

Mayor Muhlfeld said the reason this is on the agenda may be his responsibility when we were dealing with some budget issues related to the new City Hall and Parking Structure. He and Manager Stearns started investigating alternative revenue streams the City could perhaps tap and this of course rose to the top of the list. He voted for the Downtown Masterplan and the Depot Park Masterplan and there are certain elements of both plans that have changed. With a plan it is important to keep in mind that as long as most of the parts are retained and implemented, it still can be a functioning plan. He sees the same with this, retaining for a period of time and it is one of the few revenue generating assets the City owns outright and looking at a revenue stream of \$35,000 to \$40,000 a year even over a five-year life cycle is a significant source of revenue to help offset some of the escalated costs for City Hall. Furthermore, looking down the road it has always been contemplated that as the city grows and staff is added, we would have the opportunity to add a third floor to City Hall. When that third floor gets contemplated the TIF will no longer be available to the City, and how it will be paid for has been a question in his mind. A logical department for the City in the event we do need to expand to relocate back to this building would be the Parks and Recreation Department. It would be a logical fit to the park, not only in the short term but also the long term. The Council doesn't have all the information to make the best and informed decision.

The motion passes on a 4-3 vote with Councilors Barberis, Feury and Hildner voting in opposition.

c) Consideration of an application from Whitefish TP, LLC for a Conditional Use Permit to develop a three story, 81-room Marriott Towneplace Suites with 90 off-street parking spaces at 6361 Highway 93 South (WCUP 16-04)(p. 164) (CD1 1:53:30)

Senior Planner Compton-Ring gave her staff report that is provided in the packet on the website. The Conditional Use Permit is required due to the size of the footprint exceeding 15,000 square feet and is not granting a variance to the standards of the city, this is extra review and gives the city an opportunity to look at possible impacts.

Councilor Frandsen asked and Compton-Ring said the footprint of the building is 17,565 square feet, and staff reviews the landscape and fencing plans at the time they submit it for building permit. Councilor Hildner asked and Planner Compton-Ring said the demonstrable public benefit is only part of Planned Unit Development (PUD) requests. Councilor Sweeney asked Planner Compton-Ring said any use of that property would have an impact on the intersection and doing nothing will make it worse.

Mayor Muhlfeld opened the Public Hearing

The applicant Jordon Scott, 11011 N 92nd Street in Scottsdale, Arizona and the President of Glacier House Hotels, has been a visitor of Whitefish for 22 years. As a tourist he looks forward to visiting all the shops and restaurants downtown Whitefish provides. One of the great things



MEMORANDUM

#2016-021

To: Mayor Muhlfeld
City Council Members

From: Chuck Stearns, City Manager

Chuck

Re: Staff Report – Consideration of not demolishing the Depot Park Building in the future as planned for in the Depot Park Master Plan and instead leasing it out

Date: June 24, 2016

INTRODUCTION/HISTORY

On March 5, 2012, the City Council adopted the Depot Park Master Plan via Resolution No. 12-05. A copy of the Depot Park Master Plan is attached to this staff report. One recommended action in the Master Plan on page 7 was to remove existing structures in the park. The Credit Union's drive through facility was removed in spring of 2012 and the pond is currently being removed.

Earlier this year, when the City Council was dealing with the City Hall/Parking Structure budget and costs, there were discussions of a number of options to cut costs or raise other revenue. Mayor Muhlfeld suggested capitalizing and contributing three years of lease revenue for the retail space in the Parking Structure toward the costs (repaying the TIF fund over those three years) and suggested we could consider leaving the Depot Park Building in place and leasing it out. We estimated that we might receive as much as \$35,000 - \$40,000 in annual lease revenue if leased at market rates (\$15.00 per square foot per year = \$35,790 for the 2,386 square foot building). The City Council discussed keeping the building up briefly during these discussions and decided the proposal was worth putting forward for consideration.

The entire park was purchased in 2008 and 2009 for \$3,847,500 in two separate transactions. All funds were paid from the Tax Increment Fund. The purchase was first conceived in the original 2005 Downtown Master Plan with the following goal:

- ***Provide focus for civic activities***
by developing a square and city hall adjacent to the railroad depot.

CURRENT REPORT

After the City Council decided to put forward consideration of keeping the building, the former Depot Park Master Plan Committee met in April to discuss the proposal. Former members present at that meeting were Rhonda Fitzgerald, Bruce Boody, Kevin Gartland, and Jill Evans. Other people present were Chris Hyatt, Dylan Boyle, Maria Butts, and me. John Phelps a former member of the committee and the Library Board both wrote emails or letters on the issue and those are included with this packet. There was no consensus at that meeting as some people favored keeping the building and others said it was imperative that the building be removed.

I have prepared a list of the pros and cons arguments that I have heard over the years and that list is contained in the packet. We have also provided the draft minutes from the Park Board meeting of June 14th. The Park Board recommendation from that meeting is below:

Vice President Brunk made a motion to postpone the demolition of the building at Depot Park and put it up for a lease rental for up to 5 years. At the end of that time the building would be removed. The parking lot will remain for the period of the lease. The lease will be to a civic nonprofit at market rates and those funds, for the life of TIF, shall be paid to TIF and after TIF expires, the revenue stream goes to the Park Fund.

Member Dunn seconds.

A vote was taken with 4 ayes and 3 nays. The motion passes.

FINANCIAL REQUIREMENTS/IMPACTS

Based on leasing a downtown Whitefish commercial building for at least \$15.00 per square foot, the 2,386 square foot building could render \$35,790 per year. The actual market lease might be higher than that or the City Council could consider subsidized rental rates for community organizations at a rate less than \$15.00 per square foot.

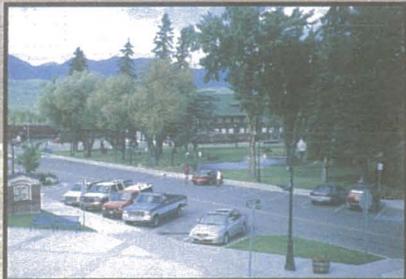
RECOMMENDATION

Staff respectfully requests the City Council consider the past and current public testimony on this topic, including the Depot Park Master Plan, and make a decision on keeping the building or continuing with the plan to demolish the building.

Depot Park Master Plan Final

Whitefish, Montana

February 14, 2012



BRUCE BOODY

Landscape
Architect Inc

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Whitefish, Montana 59937
406 862-4755

www.bruceboody City Council Packet July 5, 2016 page 132 of 344

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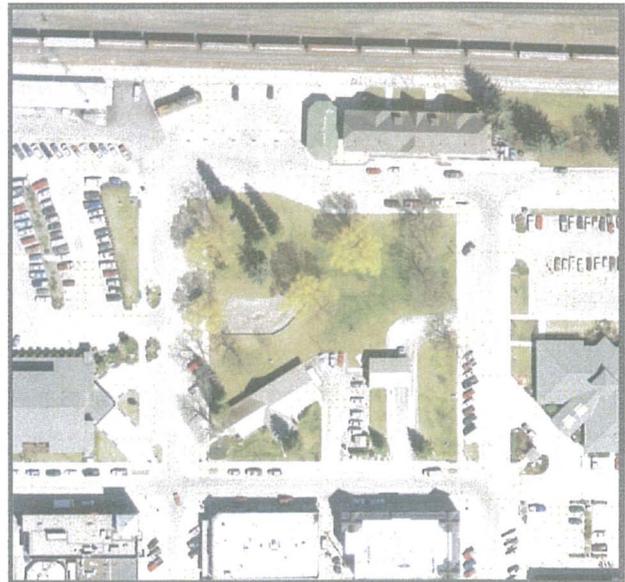
WHITEFISH DEPOT PARK MASTER PLAN

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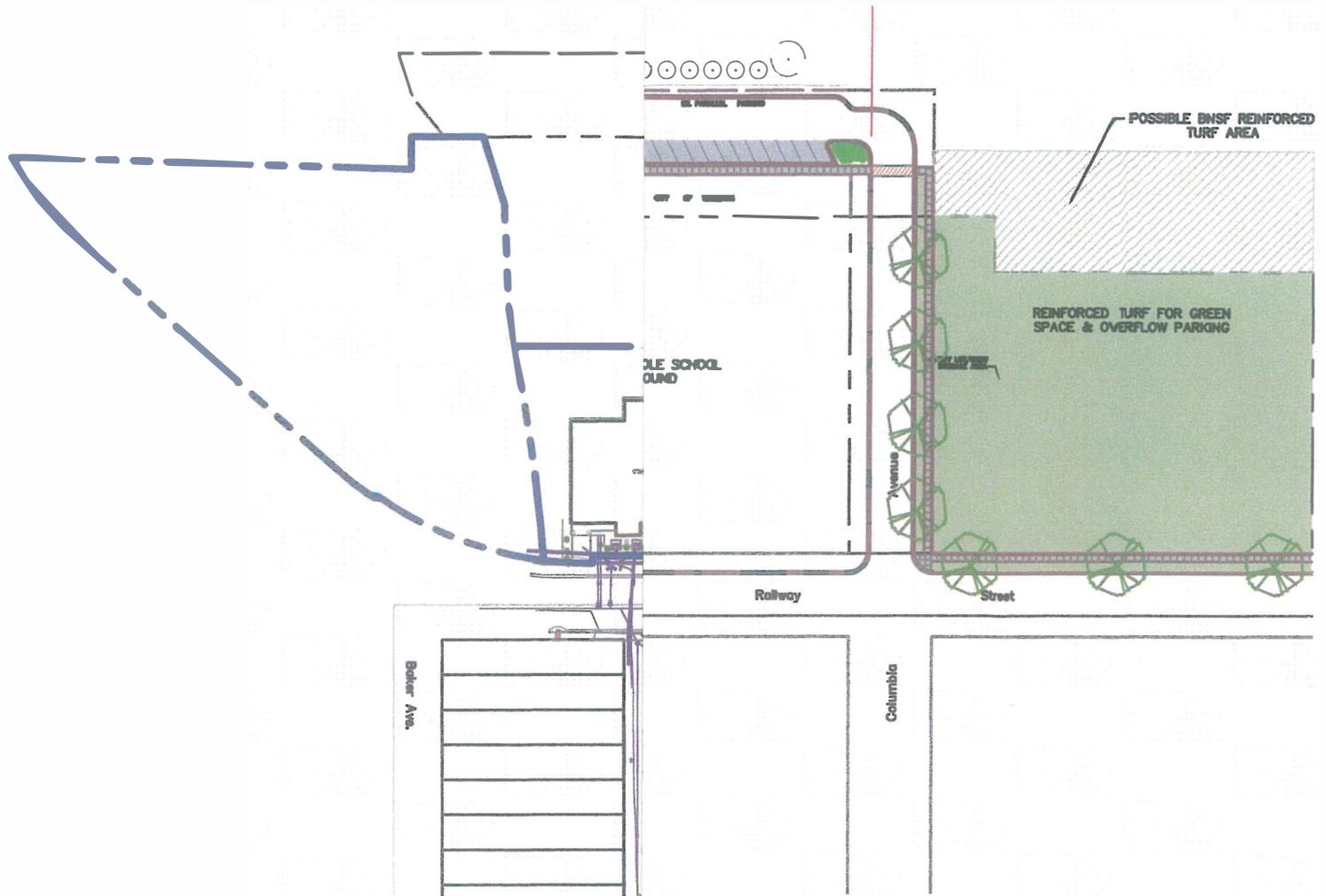
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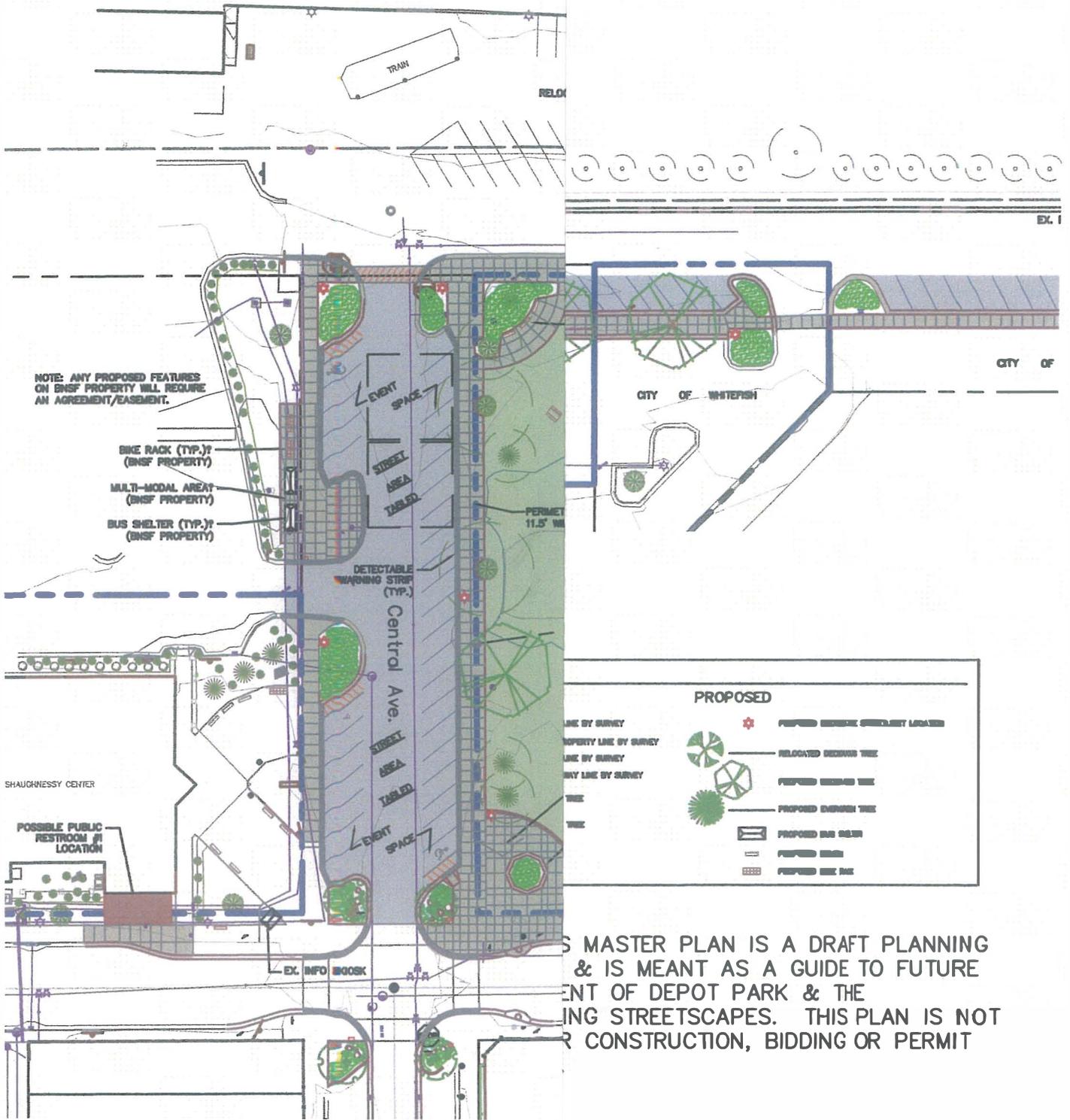
Depot Park 1961



Depot Park 2006



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THIS MASTER PLAN IS A DRAFT PLANNING & DESIGN AND IS MEANT AS A GUIDE TO FUTURE DEVELOPMENT OF DEPOT PARK & THE SURROUNDING STREETSCAPES. THIS PLAN IS NOT FOR CONSTRUCTION, BIDDING OR PERMIT



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I. Purpose of the Plan

Depot Park is the last open space in the heart of the Whitefish's downtown. It is the venue for many summer festivals and events. It is also a place where families have picnics and one can enjoy a book. This park is loved by residents and visitors alike. It is nestled between the train depot, the city library and the O'Shaughnessy Center at the north end of Whitefish's downtown.



In 2010 the City of Whitefish Parks & Recreation Department decided to develop a Master Plan to address the Depot Park area and the surrounding streetscapes. The intent was to update and enhance the Park to meet the greatly expanded use, make the park more functional for community events, daily use and enjoyment, to create a terminus to the downtown Central Avenue improvements and gateway for the historic Depot building. The Master Plan was to build on the foundational ideas and decisions made in the Whitefish Downtown Business District Master Plan.

The purpose of this plan is to set a vision for the park and lay a foundation for future park development. The plan establishes goals and objectives for park development and use, and identifies next steps.

II. Historical Perspective

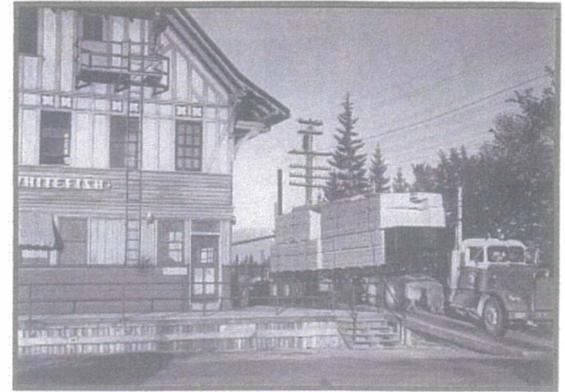
Depot Park, the community parkland in the heart of downtown Whitefish, is an essential and dynamic place for community gatherings and events. The park provides a welcome setting for the historic train depot directly to the north and an attractive terminus for Central Avenue. Depot Park has, over the years, experienced an interesting evolution. Originally, the property functioned as railroad property open space and eventually led to serving as the location for temporary railroad housing. From there the property turned to Burlington Northern Credit Union ownership and the credit union structures were built. In 2009 the City of Whitefish acquired the property giving the community a centralized downtown green space in perpetuity. The Park and adjacent streets are both intensively used for events and also provide important support for the downtown business district.



As the park has evolved, so has the downtown area. The area, comprised of the O'Shaughnessy Center, the Whitefish City Library and the associated roads and infrastructure, historically was a vacant lot and a storage area for gravel, snow and automobiles. Private donors, with the City as their partner, made possible the area that exists to serve the public today, known as the Community Center. Depot Park, sitting in the heart of the Community Center area, is host to many community events year round.

Over time, the Park and surrounding streetscapes have evolved. From the 1940's through the 1960's "Depot Street" was primarily a working railroad spur and the Depot's south platform was the loading area and ramps. The properties west and east of Depot Park block were, for the most part, vacant with only temporary uses and very little activity on the streets. Through the 1970's and into the 1980's the west and east parcels served as gravel and snow storage areas and overflow used car lot.

In the 1980's the City of Whitefish began to look at these properties as vital to the future of the Central Business District. When the Mountain Mall on U.S. Highway 93 South was proposed, an alternate mall was proposed on the block west of Depot Park. Though that proposal was never realized, the City's interest in the three blocks remained. The community's and City's vision was realized through adoption of the Community Center Master Plan. Through negotiations the City eventually purchased the blocks west and east of the de facto park block that was under Burlington Northern Credit Union ownership.



Through a public-private partnership the utilities and portions of the surrounding streets, along with the O'Shaughnessy Center and Library were built. The City continued its interest in the Park block and the importance was reaffirmed in the Whitefish Downtown Business District Master Plan [2006]. The City completed purchase of the Park block in 2009.

Whitefish Downtown Business District Master Plan

The Downtown Business District Master Plan process was begun in 2002 and culminated in the adoption of the plan in 2006. The Plan identified several issues related to Depot Park [called Great Northern Square in the WFDBD Master Plan] that help set the foundation for the Depot Park Master Plan. Most important among those issues is that the Park would remain an open, flexible green space to serve both daily use as well as events. There would be both turf and paved areas, suitable for passive and active uses and possibly some type of a water feature.



Other elements in the Business District Master Plan have an influence on the Park including: a proposed parking structure to the northwest [currently owned by Burlington Northern Santa Fe], a proposed pedestrian-bicycle underpass to tie the commercial Railway District to the downtown and the Central Avenue streetscape.

I. Existing Conditions

Location

Depot Park is located in the center of the Community Center area and is the northern anchor to the downtown business district. To the south of the Park, across Railway Street, there are several small businesses and offices. It also serves as the visual foreground and physical link to the historic Whitefish Train Depot. The Depot is a very important center of activity and is the busiest Amtrak Station between Minneapolis and Seattle.

Parkland

The Depot Park property is a city block, consisting of 1.93 acres [84,050 square feet]. Adjacent rights-of-way, often used in conjunction with park events, total 1.51 acres [65,950 square feet]. Together, the entire park area is roughly [3.5 acres 150,000 square feet]. The adjacent rights-of-way are also intensively used in conjunction with the larger events, but they also function for business district parking, vehicle and pedestrian circulation and a visual attraction to the downtown. The Master Plan area includes Depot Street to Columbia Avenue and the east block of the 'community center' area (snow storage lot) and the adjacent Columbia and Railway Street right-of-ways.

The Park's main features are its trees and open lawns. There are two structures within the park boundaries – the former Parkside Credit Union building and the credit union's drive thru. The main building is now home to the City of Whitefish Planning & Building and Parks & Recreation Departments. This building will remain in place until a new city hall is constructed.

Activities

Depot Park is the setting for numerous events including: the weekly Farmers' Market, Huckleberry Days, Art in the Park, Oktoberfest and Taste of Whitefish. It is used for many other events, reunions, receptions, concerts and daily activities. The Park is used daily by the public such as walkers, dog walkers, picnickers, frisbee, family games and school athletes.



II. Depot Park Master Plan

A. Design Goals, Objectives and Recommended Actions

The following goals and objectives shall serve as a vision for the park and guide its development:

- A. Goal: Preserve and enhance the unique character of Depot Park.
Objectives: Maintain as an open green space, as a terminus of Central Avenue improvements and as a forecourt for the historic Depot building.
Compliment surrounding architecture with proposed park elements.

Recommended Actions:

- Assess the health of the existing trees and preserve to the extent possible
- Install Central Avenue standard furnishings.
- Develop streetscape dimensions and character to match Central Avenue.

B. Goal: Depot Park will be planned to maximize the flexibility of the parks' space and provide for diverse users.

Objectives: Develop a flexible, open green space that is not highly programmed
Maximize event space and usage.
No permanent structures shall be located within the park

Recommended Actions:

Minimize hardscape within the park – keep hardscape to the perimeter of park.
Remove existing structures in phases.
Develop a covered pavilion for small performances and daily use.
Provide events spaces in streetscape areas.

C. Goal: Enhance the daily use experience in Depot Park.

Objectives: Improved pedestrian access and circulation.
Provide improved open green space for passive recreation.
Provide ample parking and other facilities.

Recommended Actions:

Develop a location for public restrooms.
Develop a water feature area.
Develop a covered pavilion for a gathering/picnic space.
Develop a historical/interpretive signage area.
Increase parking.



D. Goal: Manage Depot Park as one of the last open spaces in downtown.

Objectives: Protect the public investment in the park.
Recognize the varying needs of all of the users of the park.

Recommended Actions:

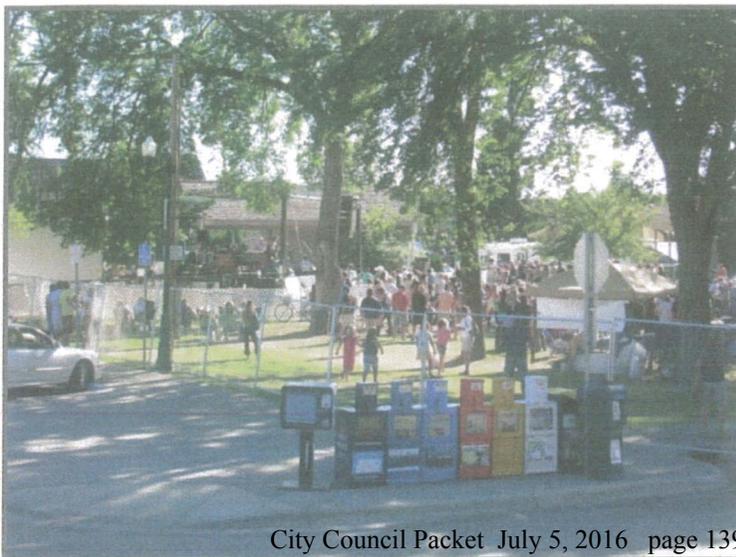
Develop and implement an operation and maintenance plan to protect Depot Park.
Limit the frequency & size of events.

E. Goal: Develop Depot Park with a 100-year vision.

Objectives: Development of the park will be timeless and have a simple design.
Development of the park will be flexible so as to respond to community evolution and allow for the largest variety of events.

Recommended Actions:

Use quality materials.
Plant long-lasting trees.



B. Depot Park Master Plan Narrative

Summary

The main features of the renovated Park will be the greatly expanded open lawn areas and greatly improved visuals. Approximately 30 % of the Park is currently occupied by structures, paved parking areas and a dilapidated pond. Besides occupying a significant portion of the Park, the existing structures block the visual connection from the business district to the historic Depot. The early removal of the drive-thru portion of the former bank facility along with the associated parking could provide some much needed and immediate additional green space. Eventually, as decided through the public process in the Whitefish Downtown Business District Master Plan and supported by the Depot Park Steering Committee, all the permanent, occupied structures will be removed. The Park perimeter will be enhanced with a newly revitalized streetscape to match the characteristics of the newly re-built Central Avenue. The new streetscape will significantly alter the use patterns at the Park, allowing for much greater flexibility for event staging. There will also be enhanced paved pedestrian areas at the four corners of the Park, meant to act as a backdrop and as gathering/small event spaces. There will also be enhanced benches at the park perimeter and un-anchored picnic tables within the park green space.

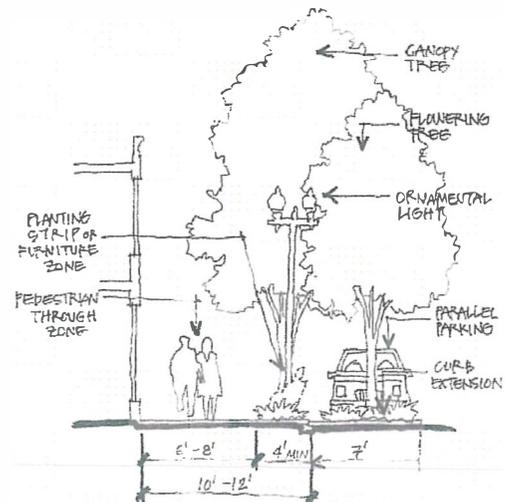


Corners

Each of the corner to the park will provide a unique gateway into Depot Park. The southwest entry to the park will feature a large raised planter to entice downtown users into the Park, provide a seat-height resting area and act as a foreground element to the Park and historic Depot. The northwest corner will primarily be an enhanced seating area among existing trees. The northeast corner, directly across from the Depot, will serve as an historical interpretive area and a gathering space. The southeast corner will have an expanded hard surface area and a 24-foot wide gazebo structure. The gazebo will serve as an informal covered space for daily activities and as a small performance space.

Streets

The adjacent tabled street areas of both Central Avenue and the northern portion of Spokane Avenue are meant to serve as the primary hard surface, intensive use areas—leaving the Park block as primarily open, flexible event and green space. The tabled street areas will add flexibility for events and circulation. One of the streets will remain open at all times. New scored concrete sidewalks will be 11.5-feet in width, new streetlights with flower baskets and banner arms and new street trees, where appropriate, will set the character for the Park.



Pedestrian Emphasis Streetscape Elements



Crown Fountain

Water Feature

Rather than having walkways traversing the Park, there is a water feature proposed as a visually blending attraction at the Park's center. While being unobtrusive, it would be an attractant when either the water jets and/or the lights are activated. The water feature would be flush with the lawn surface and its surface would be made of a dark blue-grey stone to be both visually unobtrusive and allow unrestricted and flexible event use when not activated.

Trees

The existing trees in Depot Park are an important feature. An arborist review of all the existing trees in the Park was undertaken early in the design process. As a result of that review and the renovation of the Park, there will be some changes to the overstory. Four trees of various small caliper will need to be relocated to accommodate new features in the Park and adjacent right-of-way. Twelve trees will need to be removed due to condition or Park renovation. Of those, 5 were identified as dead, 4 in poor condition and 3 in good condition. Four new trees are proposed to be added to the 20 remaining trees. All but one of the existing conifers will remain.

Lawn

The bulk of the Park block will remain as open, flexible lawn area. The lawn area will be updated with turf reinforcement where possible, soil amendments, re-grading and leveling for drainage and enhanced usable areas, new irrigation and sleeving for event tent setup.

Master Plan Features Outside the Park Proper

The following features, while not within the bounds of the park, are important to serve users of the park:

Angle parking on the south side of Depot Street between Spokane and Columbia Avenue.

A multi-modal area north of the O'Shaughnessy Center, to serve those using alternative modes of transportation including bicyclists, the Snow Bus, intercity transit, Rimrock bus service and Amtrak. There will be maps and an information kiosk. There is also a parking structure identified in the Downtown Business Plan.

Enhanced open space lawn area on the block east of the school playground (known as the snow storage lot), to serve the adjacent neighborhoods and be an adjunct space to Depot Park for activities and overflow parking.

Tabled intersections at Spokane Avenue and Depot Street and also Spokane Avenue and Railway Street, to function as additional event space.

Street reconstruction to match Central Avenue and provide more pedestrian friendly environment.

Potential public restroom facilities are also identified at the south side of the O'Shaughnessy Center and the west side of the Library, to serve the daily user of the park and downtown business district.

IV. Public Participation Process

Steering Committee

The Depot Park Steering Committee, appointed by the City Council, was charged guiding the planning process. The Steering Committee met monthly from May 2011 through February 2012. The Committee offered suggestions and input into the design of the Master Plan. Steering Committee members are:

Karl Cozad	Whitefish Parks and Recreation Dept. Director
Chris Hyatt	Whitefish City Council and Park Board
Susan Schnee	Whitefish Park Board
Chris Schustrom	Downtown Business District
Jill Evans	Stumptown Historical Society
Kevin Gartland	Whitefish Chamber of Commerce
Nancy Svennungsen	Farmers Market
John Phelps	At Large
Greg Gundersen	At Large
Tee Baur	At Large

Stakeholders

For the purpose of this plan, stakeholders are groups or entities that either are located in close proximity to the park, have special needs related to park development or are major users of the park facility. At the beginning of the master planning process, staff and the consultant team identified and met with the following stakeholders:

BNSF	Doug Schuch
	Ricco Montini
O'Shaughnessy Center	Carolyn Pittman
Farmers Market	Rhonda Fitzgerald
Chamber of Commerce	Kevin Gartland
Whitefish Christian Acad.	Todd Kotila
School District 5	Kerry Drown
Whitefish Community Library	Joey Kositzky

Also, the Design Team met with stakeholders, as necessary during plan development, to get feedback on specific aspects of the master plan. Overall, stakeholders were in support of the plan and concerns raised during their review were addressed.

Public Open Houses

Public open houses were held at specific points along the design process.

Open House #1 (Thursday June 9, 2011) was held early in the process to preview background and existing conditions information; determine how the park is currently being used; and what works well and what could be improved within the park.

Open House #2 (Wednesday August 10, 2011) presented the Preliminary Master Plan. Designers wanted feedback on proposed elements.

Open House #3 (Wednesday January 25, 2012) presented the final master plan (prior to presentation to Parks Board and City Council for adoption).

In addition, the public provided feedback to the Parks and Recreation Department staff directly throughout the project process which was shared with the Design Team. During the Farmers' Market in the summer of 2012, the Parks Department held an open house to solicit public comments.

V. Expected Next Steps

Adoption of the Master Plan

Following Park Board Review and Public Hearing in February of 2012, there will be a Public Hearing at Whitefish City Council. It is anticipated that the Public Hearing will be scheduled for March 2012.

Funding

The City is currently reviewing and prioritizing projects to be funded out of the Tax Increment Funds. In the Whitefish Downtown Business District Master Plan, Depot Park (Great Northern Square) was listed as one of the five Priority Catalyst Projects, along with Public Parking, Central Ave., City Hall, and Baker Mixed-Use Redevelopment.

Design and Construction

Once funding is in place the City would issue a Request for Qualifications for design and engineering consultants, for the detailed design and construction documents phase of the project.

Following the detailed design work and Council approval, the project could go out for construction bids. Depending on funding, it is possible that the project might need to be phased. Part of the phasing process would be the removal of the Whitefish Planning, Building and Parks & Recreation Department building when a new City Hall is constructed.



Pros and Cons of Keeping or Demolishing current building in Depot Park

DRAFT Prepared: 6/24/16

DEMOLISHING BUILDING	KEEPING BUILDING
Honors process of Downtown Master Plan and Depot Park Master Plan	Provides the City with a lease rental stream that it can use for City Hall and Parking Structure costs and to reimburse TIF for such costs until the TIF district goes away
Important for economic development of downtown by connecting commercial area with Depot	Provides flexibility in the future if the City runs out of room in the new City Hall – Parks and Recreation could move back there. More cost effective option than building third story to City Hall
Preserves and expands Depot Park	Could provide some subsidized lease rates to non-profit community groups if not leased at market rate
Best fulfills goals of Depot Park Master Plan	Some believe that the City may be criticized for demolishing a perfectly good building
City may be criticized for being in the commercial property lease business	Some believe this building is a good location for a visitor’s center – others disagree
Some say not demolishing the building would inhibit or prevent the bicycle promenade through Depot Park	Could just keep the building for the 2 to 3 years until funds are available to demolish it as an option.
Some say the City never intended nor would benefit from keeping an “obsolete” building	Could remove other buildings and the parking lot and keep the main building for a short term (Park Board idea)
Now that public restrooms were built on the south end of the O’Shaughnessy Center, the existing building is not needed to provide restrooms in the future	
Improves the opportunity for a quiet, respite area in the downtown to escape from the activity of downtown	
The building visually blocks views of the Depot and backdrop of the City so demolition improves the visual aspects of the area	
Some say that building blocks people’s access to the park. As designed this corner is the main, gracious entry to the park.	
Someone might buy the building to relocate and re-use it?	

Value of the open park exceeds the value of \$30,000 to \$40,000 per year.	
DEMOLISHING BUILDING	KEEPING BUILDING
Some think that it is such a major change to the Depot Park Master Plan that we need to re-do the Depot Park Master Plan and public process.	
Critical aspect for park to function as a gathering space.	
Leaving the building in place changes the entire function and visual character of the park requiring a re-design.	
Could just demolish building for minimal cost as early as summer 2017 (FY18)	

Chuck Stearns

From: joeyk@whitefishlibrary.org
Sent: Wednesday, March 16, 2016 11:07 AM
To: Maria Butts
Subject: Master Plan for Depot Park

Good morning Maria,

First, thanks Maria for everything you do to make our community so special. Secondly, thank you for alerting me concerning the discussion on the Depot Park Master Plan.

I would like to voice my concerns about removing the City Parks & Rec building. I agree with the comments regarding the many functional uses for the building as reflected in the minutes you forwarded.

I have always thought that if Parks & Rec ever relocated that the building would be a perfect location for the Visitor's Bureau. It is an attractive building that sits in the very heart of our community. The first 'welcome to Whitefish' that reflects our spirit and pride to visitors arriving on the train, or the bus, is our beautiful park. And the first place they come to for information (because they have no idea where the present Visitor's Center/Chamber is located) is the library. When we direct them to the Visitor's Bureau their first question is "is it very far to walk?" as they are pulling their luggage in the rain.

Having lived here for 56 years, I must admit I am very sentimental when it comes to our community. I am also aware that change is often good. However, sentiment and change aside, common sense tells me that demolishing a perfectly functional building to make more 'green space' and then constructing a gazebo to basically take its place is not the wisest use of the land OR our tax dollars.

This is strictly my personal opinion and I am definitely not speaking on behalf of the library.

Thank you!
joej

Joey Kositzky, Director
Whitefish Community Library

9 Spokane Ave
Whitefish, MT 59937
(406)862-9914
fax (406)862-1407

Chuck Stearns

From: Tee Baur <etbaur@baurproperties.net>
Sent: Tuesday, March 15, 2016 8:02 PM
To: Maria Butts; 'John & Melisa Phelps'; 'Kevin Gartland'; 'Greg Gunderson'; 'Chris Hyatt'; 'Schustrom, Chris'; 'Jill Evans'; 'Mark Svennungsen'; Susan Schnee; Jill Evans; 'Ricco Montini'; 'Rhonda Fitzgerald'; 'Joey Kositzky'; carolyn@whitefishtheatreco.org; 'Drown, Kerry'; gbristol@whitefishacademy.org
Cc: John Muhlfeld; Chuck Stearns; 'Bruce Boody'; 'Ryan Mitchell'
Subject: RE: Depot Park Master Plan

Maria,

I want the City Council to know how disappointed I am in the possibility of their voting to change the approved Master Plan of Depot Park. There was considerable time and debate in arriving at the Master Plan, because all of us on the planning committee felt that Depot Park is a unique opportunity for the City of Whitefish. Depot Park will be a real 'gem' when the Master Plan is adhered to and completed. While the existing park with the old Park Saving building is very functional, an entire block solely for the green-space of Depot Park will be an even bigger draw for downtown Whitefish than the current park. The prospect of the old Park Savings building remaining is not acceptable as it would not just be a visual protrusion into the park(as it is today) but it is also a people blocker for those wanting to access the park. The implementation of the Park Master Plan will do more for the downtown businesses and entire City of Whitefish than the possible rental stream from the existing building.

I have personally funded the lighting of evergreens in Depot Park to highlight the park in the winter and I hope to make further donations to light additional trees because I feel Depot Park can be so special for the City.

I appreciate the council's consideration of not changing the Depot Park Master Plan.

Respectfully submitted,

Tee Baur
211 Huckleberry Ln.
Whitefish, MT 59937

From: Maria Butts [mailto:parksadm@cityofwhitefish.org]
Sent: Tuesday, March 15, 2016 6:29 PM
To: 'John & Melisa Phelps'; 'Kevin Gartland'; 'Greg Gunderson'; 'Chris Hyatt'; 'Schustrom, Chris'; 'Jill Evans'; 'Mark Svennungsen'; Tee Baur; Susan Schnee; Jill Evans; 'Ricco Montini'; 'Rhonda Fitzgerald'; 'Joey Kositzky'; carolyn@whitefishtheatreco.org; 'Drown, Kerry'; gbristol@whitefishacademy.org
Cc: 'John Muhlfeld'; 'Chuck Stearns'; 'Bruce Boody'; 'Ryan Mitchell'
Subject: Depot Park Master Plan

Good Afternoon Depot Park Steering Committee Members,

On March 7, 2016 Whitefish City Council addressed the following agenda item: "Discussion of initiating a process to consider changing the Depot Park Master Plan so as to consider not demolishing the existing building in Depot Park." After some discussion, the Council decided to look into the concept further. I have attached the draft minutes of the meeting for your referral. It can be found on page 6, item 12.c.. The City of Whitefish feels that it is important to begin this dialogue with the Depot Park Steering Committee Members. Therefore, I would like to invite all of you to the City Hall Council Chambers, 1005 Baker Street, on April 6th at 4pm to take part in this discussion. If you are unable to attend, please feel free to either send a representative in your place or send your written comments to me prior to the meeting.

Sincerely,

Maria Butts
Director of Parks, Recreation and Community Services
City of Whitefish
PO Box 158
Whitefish, MT 59937

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Version: 2016.0.7442 / Virus Database: 4540/11795 - Release Date: 03/11/16

Chuck Stearns

From: John Phelps <jjohn016@centurytel.net>
Sent: Thursday, March 31, 2016 4:54 PM
To: Chuck Stearns
Subject: Fwd: Development of Depot Park

From: John Phelps <jjohn016@centurytel.net>
Date: March 30, 2016 at 5:07:52 PM HST
To: cstearns@cityofwhitefish.org
Subject: Development of Depot Park

Hello Chuck,

Would you please pass my comments (below) on to the Mayor and City Council.

I'm writing concerning the recent proposal to reconsider the adopted Depot Park Masterplan with a view toward keeping the existing building located in Depot Park. In my opinion it is the worst idea to come before the City Council in some time.

This Council is known for having an effective and enlightened approach to the long term good of the City. The decision to spend a very significant amount on a city hall and an elevated parking garage, although controversial to some, evidenced to me the Council's ability to appreciate the importance of looking to the future, and to appreciate the need to invest heavily in the downtown area, to serve the public, and to provide for City employees. To me, the idea of significantly reducing the size of Depot Park in order to maintain an obsolete building and produce a modest stream of income, at the expense of downtown, the Downtown Masterplan, and the greater Whitefish community, represents backward thinking.

I was employed by the City at the time that the City Council decided to invest \$3.8 million in the purchase of Depot Park. I attended every staff meeting and Council meeting at which the purchase was discussed. I don't recall any discussion of purchasing the park in order to acquire some low quality commercial rental property. The land was acquired in order to preserve and expand Depot Park.

I had the opportunity to serve on the citizens' committee to devise a master plan for Depot Park. I attended every meeting. All were well-attended by the other committee members. We all took our mission seriously. Of course we discussed whether there was any reasonable utility in retaining the existing buildings. It was not an extended discussion, because preserving the

buildings made no sense. We could not identify any good reason for preserving any of the buildings, and we identified numerous reasons for demolishing them and increasing the land available for use by the community. It would be pointless to re-assemble the original committee to reconsider the preservation of the existing building. The result would be the same, although it would be, perhaps, more emphatic.

I could go on for some time about the need to use every square inch of Depot Park for the benefit of the community. I'm confident that other individuals will adequately cover the point.

I will be out of town for the Council's April 6 meeting. I hope you will consider my comments, as well as those of the other committee members and the Park Board. Thank you for the wonderful job that you do for the community. John Phelps

Sent from my iPad



May 25, 2016

Hon. Mayor and City Council
The Park Board, City of Whitefish
Ms. Maria Butts, Director of Parks, Recreation, and Community Services
504 Central Ave.
Whitefish, MT 59937

Dear Whitefish Representatives:

As an immediate neighbor of Depot Park, the Whitefish Community Library (WCL) has closely followed planning for that park. Because our facility and patrons are heavily impacted by Depot Park activities, we have appreciated the City's request for our feedback whenever events are proposed that may close our street or impact our library operation. Consequently, our WCL Board of Trustees and staff would like to offer the following comments:

- When the Depot Park Master plan called for the removal of the current Parks' Department structure, we were dismayed because we feel strongly this would be a waste of an attractive, serviceable structure. We are pleased to hear that demolition is being reconsidered. We believe this attractive building does not "impede" either the viewshed or the welcome-aspect of Depot Park; in fact, we feel it is particularly positioned to offer a warm welcome to visitors. **It is a valuable City resource and prudent stewardship would dictate retaining it.**
- The existing building serves well as a City office annex. Having the Parks Department located in one of the most active City parks is beneficial. Depot Park events severely impact all immediate neighbors, and **it is definitely beneficial to have Park staff located right in the park for monitoring of such activities during business hours.**
- We support Depot Park and have done what we can to mitigate these events' effects on our operation. Thanks to the City, we have re-signed our parking lot; however, unless we can find a full-time volunteer to "staff" our parking lot, we anticipate that during the Farmers' Market and other Depot Park events, library patrons will continue to find it difficult or impossible to access the WCL due to our parking spaces being consumed by Park visitors. This is very hard to explain to, for example, elderly or infirm patrons who cannot park within two blocks of the library. **Depot Park parking and event overflow so impede our patrons' accessibility to the WCL that we often have to close the library during big events.** The more events that occur, the more often library service will be compromised.
- While a pavilion seems like a lovely idea, it may be the "straw that breaks the camel's back" for Depot Park. The Park's natural resource (turf, landscaping, ambience) are already severely compromised by the amount of scheduled activities occurring there, and it would be a shame to remove, or jeopardize the health of, the beautiful, mature trees on that corner. **Adding a pavilion to attract more events may make it nearly impossible to maintain the park's environmental condition.**

9 Spokane Avenue Whitefish, Montana 59937 (406) 862-9914

- **We also question why it would be considered necessary to remove a building on the southwest corner to “preserve the viewshed” and yet construct another on the southeast corner that would have the same effect.** When you spend a day there, you will see that a high percentage of Depot Park visitors approach Depot Park from the southeast.
- **One rule of thumb for a properly done recreational installation is that it should be adequate to support its own needs.** If a pavilion is going to be added, there should be adequate “support structure” accommodated within the Park facility for the additional events that it will attract; any proposed addition should accommodate *all its own needs* for restrooms, parking, access, electrical power, dressing rooms, etc. Our existing Park facility already cannot accommodate all its own needs for such purposes, and will increase the demands on neighboring facilities’ parking, restrooms, etc. How does the City plan to address those needs?
- **If the pavilion is going to be constructed, why not configure the existing Parks structure to fulfill some of the unmet needs in the area?** Whitefish needs a welcome center for train travelers and other tourists. The Park lacks a dressing room facility and the existing restrooms are too distant from the proposed Pavilion location for practical use. We also do not have sufficient public meeting rooms in our community. **All of these needs could be met within the existing structure, and it could serve as a revenue- generator for the Parks Department to help offset the Depot Park event impacts.**
- As noted, current Depot Park events already exceed the Park’s support resources. The proposed pavilion’s neighborhood impact-area encompasses the WCL campus; consequently, our library patrons’ access to their restrooms, parking, and services will become even more compromised by these events. Our private-entity neighbors are experiencing similar effects. **If a private developer were proposing to similarly impact neighboring entities’ operations, what limitations/requirements would the City impose on that project?**

The Whitefish Community Library Board and staff are supportive neighbors of Depot Park and we are pleased the City may be reconsidering the removal of the existing structure. We are also grateful for this opportunity to offer our comments and observations on the related proposals. Thank you.

Sincerely,



Anne Shaw Moran
Chair
WCL Board of Trustees

cc: Joey Kositzky, WCL Library Director

**Park Board Meeting Minutes
June 14, 2016**

DRAFT

Park Board Members Present: Ron Brunk, Jim DeHerrera, Frank Sweeney, Susan Schnee, Terri Dunn, Ray Boksich and Doug Wise

Park Board Members Absent: None

Guest: None

City Staff Present: Maria Butts, Chuck Stearns and Mary Blubaugh

A. Call to Order: 7:02 pm

B. Approval of June 14, 2016 Agenda- Member Sweeney moves to approve. Vice President Brunk seconds. All ayes; the agenda is approved.

C. Approval of the May 10, 2016 Minutes – Vice President Brunk moves to approve. Member DeHerrera seconds. All ayes; the minutes are approved.

D. Approval of the May 25, 2016 Special Meeting Minutes – The agenda had an incorrect date for this meeting. Vice President Brunk moves to approve. Member Sweeney seconds. All ayes; the minutes are approved.

E. Public Comments – Joey Kositzky from the Whitefish Community Library told the Park Board the library's Board of Trustees wanted her to highlight part of the letter, which was included in the Park Board's packet. They question the necessity of removing a building to preserve the view, yet constructing another building on the other corner. If a pavilion is going to be constructed, why not configure the existing structure to fulfill the unmet needs of the area? Having the Parks Department located in one of the most active City parks is beneficial. They would like to see the Parks and Recreation staff remain in the existing building.

City of Whitefish City Manager Chuck Stearns told the Park Board he is here as a resource in the matter of Depot Park. The Park Board has a list of Pros and Cons, which Chuck created. The existing building is 2,386 square feet and is insured for \$402,000.

F. Committee Reports

a. Bicycle/Pedestrian Committee – Member DeHerrera said the approach to Skye Park Bridge has been delayed. BNSF is moving forward with easement access to Birch Point.

b. Tree Advisory Committee – Member Dunn said the committee walked 7th Street to look at tree replacement. They will consult with homeowners as much as possible.

c. WSFF Board Meeting – Neither Vice President Brunk nor Member Sweeney were able to attend. They did view the May financial report. The finances were very tight, as May was a quiet month. The ice will come out next week for repairs to the rink. Member Sweeney asked if the curling club is coming back. Director Butts said no.

d. WAG Board Rep Committee –The minutes for their May meeting were included in the packet.

G. Presentations - None

H. Public Hearings - None

I. Old Business - None

J. New Business

a. Consideration to remove or keep the Depot Park building was discussed. City Council is asking for a recommendation from the Park Board. President Wise opened it up for discussion.

The Depot Park Master Plan was created in 2010. The intent was to maintain open green space. After public consideration, it was decided to remove the building at some point. The master plan was to be implemented in phases.

Member Boksich said he is more in favor of the building going. He would still like to see bathrooms in the park. Having either the Whitefish Convention and Visitors Bureau (WCVB) or the Chamber of Commerce there is a good idea. He talked to his block of neighbors, and the majority want the building to stay.

Member Sweeney is on the fence. He sees great value in the Depot Park Master Plan, which was a public process. It is still a good building with an opportunity to lease it at the market rate. Leasing could help pay back TIF funds. Personally, he would like to see the building remain for another 4 or 5 years. He thinks it would offer value to the City. Frank believes it is a timing issue versus whether to keep it or not. He would like to keep the building for several years (possibly 4 or 5), then have it removed. He might consider taking out the parking lot now for more green space.

Member Dunn is also mixed. If we put a time frame on the demolition of the building, we will find ourselves back here after 4 years. Terri would like to hear what Member Schnee has to say, as she was on the original Depot Park Master Plan committee.

Vice President Brunk supports the Depot Park Master Plan, but we don't have the money to tear down the building. This is not a phase we can act on right now. He would like to lease it for a set time and demolish the building at a later date. The Depot Park Master Plan is the voice of the people, and we should try to follow that.

Member Schnee served on the Depot Park Master Plan committee. She believes there will be push back if we don't get rid of the building. She would prefer a community building and would like to keep the parking lot until it is time to demolish. She does not want the building to be leased to a commercial entity. We must have a definite timeline for getting rid of the building.

Member DeHerrera agrees with Member Sweeney. There should be a strict timeline for how long we keep the building. At the end of that timeframe there should be no more discussion and the building goes. He believes the building should serve the public or be of public benefit. He would like to see the parking lot go.

President Wise believes we should go in the direction of the Master Plan. Using the structure for the Whitefish Convention and Visitor's Bureau would be an asset. He likes the timeframe idea. TIF ends in 2020. We would have 3 years to generate revenue if the lease starts in 2017. He would like to revisit what to do with the building after TIF ends versus having a set timeline for demolition.

Member Schnee asked how do we determine who to lease it to? Do we turn down a restaurant that may want to be at Depot Park?

Chuck Stearns said the lease would be under the Park Board. He originally thought the building should stay and provide public bathrooms. There are good points on both sides. He can see potential longer use for the building. Should the City grow out of space at the new building, the Parks and Recreation Department could move back. He would prefer to keep the building.

Member Sweeney asked if the revenue stream belongs to the Park Board. Chuck said the revenue stream would go back to TIF.

Member Schnee would like to eliminate commercial use for the building and lease only to non-profits.

Chuck Stearns said the Park Board would be able to determine the specifics of the lease. Chuck also said occupancy for the new City Hall is April 4, 2017.

Director Butts said if we propose a timeframe the Chamber and WCVB may find it challenging to move into a building for a short amount of time.

Member Schnee asked if we lease the building, must we provide parking. Chuck Stearns said the current code says if you build now, you must provide parking. If you take the parking out, you may run into opposition from City Council. It limits the attractiveness to potential tenant if you don't provide parking.

Member Boksich made a motion to postpone the demolition of the building at Depot Park and put it up for a lease rental for up to 5 years. At the end of that time the building would be removed. The parking lot would be removed and not be part of the lease.

Member Sweeney seconds and make a friendly amendment. The lease will be to a civic nonprofit at market rates and those funds, for the life of TIF, shall be paid to TIF and after TIF expires, the revenue stream goes to the Park Fund.

Member Sweeney clarified at the end of the lease the building is either removed or a Master Plan committee be reconvened to determine the future of the building.

A vote was taken with 3 ayes and 4 nays. The motion fails.

Vice President Brunk made a motion to postpone the demolition of the building at Depot Park and put it up for a lease rental for up to 5 years. At the end of that time the building would be removed. The parking lot will remain for the period of the lease. The lease will be to a civic nonprofit at market rates and those funds, for the life of TIF, shall be paid to TIF and after TIF expires, the revenue stream goes to the Park Fund.

Member Dunn seconds.

A vote was taken with 4 ayes and 3 nays. The motion passes.

b. Bakke Nature Reserve Parking Lot - Director Butts told the Park Board there was a change to the bid alternate for the parking lot. The 10 stall original project was changed to a 5 stall lot in the western portion. This is paid for with Resort Tax. The Resort Tax Committee has approved the funding.

Vice President Brunk made a motion to accept the estimated cost and design for the 5 stall parking lot as presented.

Member Schnee seconds. A vote was taken with all ayes.

c. Bakke Nature Reserve Future Plans – Director Butts met with Joel Pemberton with Rotary. The Rotary would like to assist us in developing the property as their Great Fish project. Someone has asked Public Works if they could buy the remaining buildings on the property. This would give us a clean slate to work with. President Wise said Rotary would like some sort of direction so they can fundraise with a goal in mind. Maria told the Park Board a medical mile is an option. This is a good way for the Parks and Recreation Department to partner with the health community. The state is actively seeking medical miles.

Member Schnee asked if the Parks Department would have to maintain this medical mile during the winter. Director Butts said that decision is up to us and would depend on the width and type of path. The Park Board then discussed the different type of paths. Member DeHerrera would like a gravel path as it goes with the nature reserve feel. President Wise asked if the Park Board had ever discussed picnic tables out there. Member Schnee said if you have picnic tables, then you need trash cans. Vice President Brunk agrees with Member DeHerrera. The Park Board needs to honor the wishes of the Bakke family. He would like the medical mile with some benches placed at various intervals. That would be a good start.

President Wise asked about the fencing. Director Butts said removal of the fencing would be a good volunteer project.

The Park Board decided on a medical mile natural path.

d. School District Joint Facility Use Agreement – Director Butts included this agreement in the Park Board packet. The 2nd page lists the shared facilities approved by the School Board. She is seeking Park Board approval.

Vice President Brunk makes a motion to accept the MOU prepared and presented by Director Butts.

Member DeHerrera seconds. A vote was taken with all ayes.

Member Sweeney asked Director Butts if we are using the Muldown Elementary School cafeteria for the Parks and Recreation Morning and After School Program.

Director Butts said yes.

K. Items from Parks and Recreation Department

a. Administrative Report – Director Butts told the Park Board core samples from the Riverside tennis courts area are being analyzed. She will be told how much it will cost to construct the courts sometime in July.

The WAG MOU has been preliminarily approved by the WAG Board.

The Whitefish Wolverines are in violation of their lease agreement for the Warming Hut. They have been noticed by the Deputy City Attorney. Currently the Wolverines owe the Parks and Recreation Department for rent and utilities. They have also been noticed that they are responsible for maintenance and damages of the premises. Josh Steel, owner of the Wolverines, spoke with the Deputy City Attorney and disputed several of the financial obligations. Director Butts would like to meet with Josh Steel and would like two Park Board members to attend that

meeting as well as the Deputy City Attorney. Member Boksich and Vice President Brunk volunteered to attend that meeting.

Discussion regarding lifeguards at City Beach and commercial vending on the lake will be an agenda item on the July Park Board meeting.

The Parks and Recreation fee schedule will also be a topic on the July agenda.

b. Recreation Coordinator – The After School program end of year party was held on June 8th. The kids chose a Star Wars, Egyptian, Hawaiian themed party. The Volunteer to Ski program will start up in a few weeks. The program allows 11 and 12-year-old students to earn a season pass to Whitefish Mountain Resort by providing community service. Thanks to a generous donation from the Whitefish Winter Carnival, a donated season pass from Whitefish Mountain Resort and funding raised from our Spring Gear Swap, we have accepted 7 kids into this program.

b. Parks Maintenance – Due to budget cuts, weekend staffing for parks maintenance has been changed. Instead of 2 workers on weekends all day we will have one staff working half days on Saturday and Sunday. There will still be a staff member on call for emergencies. The Memorial Park basketball court installation will begin the middle of this month. Jason provided the Park Board with photos of damage/violations at the Warming Hut.

c. Community Services Coordinator – Carla has completed all hiring at City Beach. She worked with a representative with the WGM group and staff from the County Health Department to host an open house at the Parks and Recreation office at the first Farmer's Market. The intent was to seek community input for the Whitefish Bicycle and Pedestrian Master Plan.

L. Correspondence - None

M. Items from Park Board:

Jim Deherrera – None

Susan Schnee – None

Ron Brunk –None

Terri Dunn – She appreciates Jason Loveless coming up with the gazebo alternatives.

Ray Boksich had to leave the meeting after the Depot Park building discussion.

Doug Wise – Thanks to the staff. He believes the gazebo will be an asset to the park.

N. Adjourn: The meeting was adjourned at 9:20 pm

Montana Code Annotated 2015

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7-8-4201. Disposal or lease of municipal property -- election. (1) Subject to the provisions of subsection (2), the city or town council may sell, dispose of, donate, or lease any property belonging to the city or town.

(2) (a) Except for property described in subsection (3), the lease, donation, or transfer must be made by an ordinance or resolution passed by a two-thirds vote of all members of the council.

(b) Except for property acquired by tax deed or property described in subsection (3), if the property is held in trust for a specific purpose, the sale or lease must be approved by a majority vote of the electors of the municipality voting at an election called for that purpose. The election must be held in accordance with Title 13, chapter 1, part 4.

(3) If a city or town owns property containing a historically significant building or monument, the city or town may sell or give the property to nonprofit organizations or groups that agree to restore or preserve the property. The contract for the transfer of the property must contain a provision that:

(a) requires the property to be preserved in its present or restored state upon any subsequent transfer; and

(b) provides for the reversion of the property to the city or town for noncompliance with conditions attached to the transfer.

(4) This section may not be construed to abrogate the power of the board of park commissioners to lease all lands owned by the city that were acquired for parks within the limitations prescribed by [7-16-4223](#).

(5) A city or town may donate land or sell the land at a reduced price to a corporation for the purpose of constructing:

(a) a multifamily housing development operated by the corporation for low-income housing;

(b) single-family houses. Upon completion of a house, the corporation shall sell the property to a low-income person who meets the eligibility requirements of the corporation. Once the sale is completed, the property becomes subject to taxation.

(c) improvements to real property or modifying, altering, or repairing improvements to real property that will enable the corporation, subject to the restrictions of Article X, section 6, of the Montana constitution, to pursue purposes specified in the articles of incorporation of the corporation, including the sale, lease, rental, or other use of the donated land and improvements.

(6) Land that is transferred pursuant to subsection (5) must be used to permanently provide low-income housing. The transfer of the property may contain a reversionary clause to reflect this condition.

History: En. Subd. 62, Sec. 5039, R.C.M. 1921; amd. Sec. 1, Ch. 115, L. 1925; amd. Sec. 1, Ch. 20, L. 1927; re-en. Sec. 5039.61, R.C.M. 1935; amd. Sec. 1, Ch. 35, L. 1937; R.C.M. 1947, 11-964; amd. Sec. 14, Ch. 311, L. 1979; amd. Sec. 1, Ch. 305, L. 1993; amd. Sec. 38, Ch. 387, L. 1995; amd. Sec. 4, Ch. 202, L. 1999; amd. Sec. 7, Ch. 170, L. 2009; amd. Sec. 110, Ch. 49, L. 2015.

Provided by Montana Legislative Services

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7-16-4223. Leasing of municipal land for nonpark purposes. The board of park commissioners shall have the power and be charged with the duty to lease all lands owned by the city heretofore acquired for parks, whether within or without the city, which, in the judgment of the board, it shall not be advisable to improve as parks, upon such terms and conditions as the board shall deem to be for the best interests of the city. Such lands shall not be leased for a longer term at any one time than 5 years and not for a longer time than 1 year without the concurrence of two-thirds of the entire board of park commissioners.

History: En. Sec. 2, p. 75, L. 1901; re-en. Sec. 3319, Rev. C. 1907; re-en. Sec. 5162, R.C.M. 1921; re-en. Sec. 5162, R.C.M. 1935; R.C.M. 1947, 62-204(5).

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7-16-4222. Rules to implement part. (1) In addition to the powers and duties established in the ordinance creating the board of park commissioners and the provisions of [7-16-4223](#) and [7-16-4225](#) through [7-16-4228](#), the board of park commissioners has the following powers and duties:

(a) to make all rules necessary or convenient to protect and promote the growth of trees and plants in parks, streets, avenues, alleys, boulevards, and public places under the care and control of the board and for the protection of all birds inhabiting, frequenting, or nesting in the parks, streets, avenues, boulevards, and public places;

(b) to make all rules for the use of parks by the public; and

(c) to provide penalties for the violation of the rules.

(2) The rules authorized by this section have the force of city ordinances and may be enforced as ordinances of the city are enforced.

History: En. Sec. 2, p. 75, L. 1901; re-en. Sec. 3319, Rev. C. 1907; re-en. Sec. 5162, R.C.M. 1921; re-en. Sec. 5162, R.C.M. 1935; R.C.M. 1947, 62-204(3); amd. Sec. 14, Ch. 543, L. 1995; amd. Sec. 39, Ch. 42, L. 1997.

Provided by Montana Legislative Services

Chapter 2

BOARD OF PARK COMMISSIONERS¹

2-2-1: BOARD CREATED; MEMBERSHIP:

The board of park commissioners must be composed of the mayor, or the mayor's designee, and six (6) other persons to be appointed by the mayor, with the approval of the city council. The seven (7) persons to be so appointed shall have the same qualifications for the office of park commissioner as are required by Montana code 7-4-4301 for the office of mayor.

A. Term Of Office:

1. Except as provided in subsection A2 of this section, the term of office of each park commissioner shall be two (2) years from and after May 1 of the year in which he is appointed and until his successor is appointed and qualified.
2. Three (3) of the commissioners first appointed shall hold office for the period of one year from and after May 1 and until their successors are appointed and qualified.

B. Vacancy: Any park commissioner who shall refuse or neglect to attend three (3) meetings of the board between May 1 and April 30 of the following year shall be deemed to have vacated his office, and thereupon his successor may be appointed.

C. Compensation: No park commissioner shall receive compensation for his service rendered under the provisions of this chapter, but the actual and necessary expenses incurred by any member of the board while acting under the orders of the board in the transaction of any business in its behalf may be paid upon being allowed and audited by the board.

D. Oath Of Office: Before entering upon the discharge of his duties, each park commissioner shall take and subscribe the oath provided by Montana code 2-16-211. The oath shall be filed in the office of the city clerk. (Ord. 96-15, 2-18-1997)

2-2-2: ORGANIZATION OF BOARD:

A. On the second Tuesday in May in each year, the board of park commissioners shall meet and organize by electing one of their number president and one of their number vice president, who shall hold their offices, respectively, for the term of one year.

B. The city clerk or the city clerk's designee shall be ex officio clerk of the board of park commissioners. (Ord. 96-15, 2-18-1997)

2-2-3: CONDUCT OF PARK BOARD BUSINESS:

A. The board of park commissioners shall hold an annual meeting on the second Tuesday of May and a meeting at least once in each month in each year at such times as the board shall by rule prescribe. Special meetings may also be held at the call of the president or, in his absence, the vice president, upon giving to each member of the board at least twenty four (24) hours' notice in writing of the time and place of holding such meeting.

B. A majority of the entire board shall be necessary to constitute a quorum for the transaction of the business of the board. (Ord. 96-15, 2-18-1997)

2-2-4: POWERS AND DUTIES:

- A. Officers: Except as provided in Montana code 7-16-4228(2), the president, and in the president's absence the vice president, shall preside at all meetings of the board. (Ord. 96-15, 2-18-1997; amd. 2003 Code)
- B. Park Board Minutes: The minutes of the meeting contained in the record book, when approved by the board, shall be prima facie evidence of the matters and things therein recited in any court of this state.

C. Park Board Powers And Duties:

1. The board of park commissioners shall have the management and control of all parks belonging to the city.
2. The board of park commissioners shall have the following powers and be charged with the following duties:
 - a. To lay out, establish, improve and maintain parkways, drives and walks in the parks of the city; and to determine when and what parks shall be opened to the public;
 - b. To plant, cultivate, maintain and improve all trees and other plants required to be planted, cultivated and maintained in the parks belonging to the city;
 - c. If directed by the city council, to plant, cultivate, maintain and improve all trees and other plants required to be planted, cultivated and maintained in the streets, avenues, boulevards and public places in the city and for that purpose to establish and maintain nurseries for the growth of trees and plants;
 - d. Upon receiving approval from the city council, to purchase or otherwise acquire, and sell or otherwise transfer, real property; to make plats thereof; and to file the same in the office of the city clerk;
 - e. To provide written comments and recommendations to the city council prior to any action by the city council to acquire or transfer land used, or to be used, for a city park;
 - f. To pay all obligations authorized to be incurred by the provisions of this part;
 - g. To exercise all other powers incident to the duties enjoined by the provisions of this part. (Ord. 96-15, 2-18-1997)

2-2-5: CONTRACTS AND EMPLOYMENT:

- A. The board of park commissioners has the following powers and duties:
1. To employ and discharge workers, laborers, engineers, foresters and others, and to fix their compensation; and
 2. To make all contracts necessary or convenient for carrying out any and all of the powers conferred and duties enjoined upon the board by this part; provided, however, that any contract having a term of more than five (5) years must be approved by the city council.
- B. All contracts made by the board must be in the name of the city and must be signed by the city clerk and by the president of the board or, in the president's absence, by the vice president of the board; provided, however, that any contract having a term of one year or less may be signed by the parks and recreation director.
- C. An order or resolution authorizing the making of any contract may not be passed or adopted except by a yea and nay vote, which must be recorded in full in the minutes by the city clerk.
- D. The board may elect to have all, or certain, personnel decisions made by the mayor, the city manager or the parks and recreation director pursuant to the policies and regulations governing other city personnel decisions. (Ord. 96-15, 2-18-1997)

The following pages were handed out at the City Council meeting the night of the meeting. They are included here as an addendum to the packet.

Michelle Howke

From: Chuck Stearns
Sent: Monday, October 03, 2016 8:20 AM
To: Michelle Howke
Subject: FW: Depot Park Buildings

Please print out for Council desks

From: John & Melisa Phelps [mailto:jjohn016@centurytel.net]
Sent: Monday, October 03, 2016 8:04 AM
To: John Muhlfeld <jmuhlfeld@riverdesigngroup.net>; Pam Barberis <pbarberis@cityofwhitefish.org>; Andy Feury <afeury@cityofwhitefish.org>; Jen Frandsen <jfrandsen@cityofwhitefish.org>; Frank Sweeney <fsweeney@cityofwhitefish.org>; kwilliams@cityofwhitefish.org
Cc: Chuck Stearns <cstearns@cityofwhitefish.org>
Subject: Depot Park Buildings

Mayor Muhlfeld and City Councilors:

I understand that you will be discussing and perhaps deciding the fate of the buildings in Depot Park. I support the demolition, sooner rather than later, and I wanted to submit some arguments that occurred to me after your last meeting on the topic. They are:

1. The City paid \$3,847,500, plus hydrocarbon investigation and closing costs, which were substantial, for the entire park. The City plans to spend upwards of \$1,000,000 to reconstruct the park. That's a total of \$4,847,500 investment in Depot Park. None of those dollars went toward acquiring a few tired old buildings that would interfere with using the park to its full potential. The intent was always to demolish the buildings. The City wasn't looking for income-producing property. It wanted a park for the people, including tourists. After investing that amount to acquire and reconstruct a spectacular (and very expensive) park for the people of Whitefish, how can one justify not making the entire block a park. Compare the amount of rent that the Chamber has been offered in ten years, \$340,200, with the purchase price and development cost of the park. I've been intimately involved with the City for an awfully long time, and keeping the buildings simply makes no sense to me..
2. After years of work, dedication and expense the Council adopted a Downtown Master Plan which called for using the entire city block for the new Depot Park. The Council voted to make the Downtown Master Plan a part of the City's Growth Policy. Then a Council-selected committee with professional assistance spent months producing (unanimously) a Depot Park Master Plan that relied upon removal of the buildings at the earliest moment. The Park Board and then the Council voted to approve the plan. The Park Board then developed a Parks Master Plan that adopted the committee's earlier Park Master Plan, without changes, and the Council voted to approve that Master Plan. Then the Council voted to make that Master Plan a part of the City's Growth Policy.

Do all the work and all the documents above mean nothing? Is the message to the citizens of the community that they can work tirelessly to produce planning documents that the Council approves with much formality, and then the Council will disregard those documents when it suits a bare majority of them?

Surely if the Council plans to ignore its own Growth Policy it should first amend the Growth Policy, using the same formality and publicity that it used in adopting it. That would at least show respect for the process, the document, and the people who worked so hard to produce it.

3. The rent proposed by the Chamber may represent the true rental value of the buildings. I'm not qualified to evaluate the amount. But the amount, \$34,020 per year, minus City expenses, is less than a drop in the bucket in the City's overall budget. That income will never be felt in the operation of the City. It's not enough to hire a new employee, or implement a new program. It will simply be absorbed into the budget and nothing noteworthy will happen. Contrast that with the value to your citizens of a large, world class park that will draw locals and tourists to downtown, and that will be a source of pride for the greater Whitefish community.

4. In order to appreciate the insignificance of the rental income, compare the amount to the City's other funds. It represents approximately 2 % of the Parks Department's budget. It represents approximately .0006 of the City's overall \$51,343,252 budget, although that figure is swollen with one-time items that should probably be deducted. It represents .007 of the City's general fund budget.

Compare the yearly rental figure with the cost of the new 180 foot Skye Park Bridge. It would pay for approximately 5 lineal feet of the bridge, which cost approximately \$1,164,256. I learned recently that the Parks department pays \$9,000 yearly for its supply of mutt mitts, to help people clean up after their pets. The rental income would buy almost a four year supply of mutt mitts. That's not much, compared to the loss to the people of the community if the most important part of their park is kept for income-producing purposes. My point is--the rent is infinitesimal compared to the amount it takes to run the City.

5. The City's very talented and very expensive out-of-state consultants recommended few if any structures in the park, because any place to hide will promptly be filled with transients. The Depot Park Master Plan Committee listened to their advice, and kept the park completely open, except for one well-lighted gazebo. The existing buildings, with their trees and shrubs, already attract their share of transients. A city employee who works in the building recently described to me observing transients smoking marijuana and urinating beside the existing building. Another employee told me of observing transients sleeping, drinking alcohol, and having sex between the shrubs and the building. I'm not making this stuff up. The building, with its landscaping, represents a perfect hiding place for transients, especially at night. By eliminating the buildings you eliminate the only place in the park that transients can use as their bedroom.

I could go on and on, as there are so many reasons to demolish the buildings for the sake of the park. Hopefully you've heard all the reasons by now. Please keep the people of the community, and its visitors, in mind when you make this decision.

Thank you for your service on the Council. John Phelps