



Administrative Meeting

November 17, 2021

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Subject: Interagency Master Agreement with Helena Regional Airport Authority and Assessments

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Policy Issue

None. This is an operational update.

Recommendation and Alternatives

Staff Recommendation

N/A

Alternatives for Consideration

None.

Legal Review

Complete.

Background Information

History of the issue

The Helena Regional Airport Authority ("Airport") and the City have reached a resolution of several issues regarding the services the City and Airport provide each other. Specifically, the parties are documenting responsibilities for:

- Airport terminal lease space for HPD and law enforcement services provided by HPD;
- 911 Dispatch Center lease;
- Gun/EOD Range lease;
- HFD Smokehouse training structure lease;
- City management of Airport employees benefits;
- Non-motorized paths/trails lease maintenance;
- Sewer Force Main and Lift Station;
- Street maintenance for Kelleher Drive, Skyway Drive, and Cromwell Dixon Lane; and
- Commitment to explore vacation of above-mentioned City rights-of-way and streets within to the Airport at which time the Airport would be responsible for maintenance and operation of those vacated rights of way.

On October 26, 2021 the Airport Authority Board unanimously concurred with the agreement as presently drafted.

In terms of City assessments, when state or federal law preclude the levying of a City assessment, the City may need to exempt those properties from City assessments that do not meet the requirements of state or federal law. In this instance staff believes the methodology of the City assessments levied against the Airport do not meet the threshold to avoid the assessments being characterized as “revenue diversion.” As a result, to resolve the delinquencies and avoid future audit issues a resolution creating this exemption passed by the Commission is necessary.

In the next year City staff will be reviewing the Street Maintenance and Improvement District No. 1 methodology so that no title buildings on the Airport’s property are appropriately assessed. Additionally, staff will be exploring conversion of the Stormwater District assessment to a monthly charge on user’s utility bill.

Related Public Questions / Concerns / Considerations

None.

Related Public Support

None.

Financial Impact

1. Existing operations and leases so no financial impact expected in terms of the fair market value of such services and leases between the City and the Airport.
2. The Airport is “delinquent” on City assessments for Tax Years 2019 and 2020 and is not expected to pay City assessments for Tax Year 2021. The specific assessments that have been levied against the Airport are Street Maintenance, Stormwater, Urban Forestry, and Open Space Maintenance. The assessments levied for Tax Years 2019 and 2020 were \$288,326. Tax Year 2021 is \$155, 498. Total assessments that the Airport is not legally able to pay is \$443,823. In the future, losses will be mitigated with the proposed street maintenance district methodology for no-title buildings and conversion of stormwater to a utility bill.

Public Information / Engagement

IAP2 Spectrum Type of Participation

Inform.

Inform and/or Engagement Plan

This matter is being presented to the commission at its regularly schedule Administrative Meeting and is included in the agenda published on the City of Helena webpage.

Respectfully submitted,

Rachel Harlow-Schalk
City Manager

Attachments

Presentation Documents

IAP2 Checklist

Draft Interagency Master Agreement Draft Resolution