

# JOURNAL OF COMMISSION PROCEEDINGS

December 4, 2018

Regular City Commission Meeting  
Commission Chambers Room 206

## CALL TO ORDER 7:00 P.M.

## PLEDGE OF ALLEGIANCE

## ROLL CALL

City Commission members present: Bob Kelly, Bill Bronson, Tracy Houck, Mary Sheehy Moe and Owen Robinson. Also present were City Manager Greg Doyon and Deputy City Manager Chuck Anderson; Deputy City Clerk Darcy Dea; Public Works Director Jim Rearden; Planning and Community Development Director Craig Raymond; Finance Director Melissa Kinzler; City Attorney Sara Sexe; and Police Chief Dave Bowen.

## AGENDA APPROVAL

City Manager Greg Doyon noted the removal of Item 7D from the contracts list. No additional changes were suggested by the City Manager or City Commission. The agenda, as amended, was approved.

## CONFLICT DISCLOSURE/ EX PARTE COMMUNICATIONS

None

## PETITIONS AND COMMUNICATIONS

### 1. Miscellaneous reports and announcements.

**John Hubbard**, 615 7th Avenue South, expressed concern with regard to the safety of the water system. Mr. Hubbard inquired and received clarification that MCL is Maximum Contaminant Level, HAA5 is Haloacetic Acids, and DBP is Disinfection By-Products.

City Manager Greg Doyon reported that informational pamphlets were included in the Utility Bills.

Mayor Kelly received clarification that water safety concerns from the public were minimal.

## NEIGHBORHOOD COUNCILS

### 2. Miscellaneous reports and announcements from Neighborhood Councils.

None

## **BOARDS AND COMMISSIONS**

### **3. Miscellaneous reports and announcements from Boards and Commissions.**

Commissioner Bronson mentioned that the Advisory Commission on International Relationships (ACIR) had a role with regard to hosting the delegation from Belarus.

## **CITY MANAGER**

### **4. Miscellaneous reports and announcements from the City Manager.**

City Manager Greg Doyon reported that:

- The Commission Retreat, as well as the Future of the Falls, were held on December 3, 2018.
- The Audit Committee will meet on December 7, 2018 at the Civic Center.
- Manager Doyon and Deputy City Manager Chuck Anderson will attend a City Managers meeting hosted by the Montana League of Cities and Towns. Manager Doyon will also attend an Infrastructure Coalition, a Tax Increment Financing (TIF) work session, and a meeting regarding the Montana Municipal Interlocal Authority (MMIA) Captive.
- A Joint City/County Meeting with Local Legislators will be on December 12, 2018.
- The topics for the December 18th work session will consist of a discussion about a Proposed Management Contract with CourseCo. There will be another presentation on the parking program at a future work session, and a Walkability Study will be on January 2nd.

Mayor Kelly expressed appreciation to the Department Heads that attended the Future of the Falls Forum on December 3rd.

## **CONSENT AGENDA**

5. Minutes, November 20, 2018, Commission Meeting.
6. Total Expenditures of \$3,679,692 for the period of November 1, 2018 through November 21, 2018, to include claims over \$5,000, in the amount of \$3,429,862.
7. Contracts List.
8. Grants List.

9. Approve the Community Based Policing Agreement with the Great Falls Housing Authority and authorize the City Manager to sign the Agreement.
  
10. Approve final payment for the ADA Handicap Ramps 4th St NE, 6th St NE and 6th Ave S, in the amount of \$11,823.80 to David Kuglin Construction and \$119.43 to the State Miscellaneous Tax Division and authorize the City Manager to make the payments. **OF 1730.2**
  
11. Approve Change Order No. 2 in the amount of \$366,384.00 to Sletten Construction Company for the Water Treatment Plant Improvements Phase 1 – UV and Chemical Building, Surge Tank, and Electrical Building project and authorize the City Manager to execute the necessary documents. **OF 1519.6**
  
12. Approve the 2018 Memorandum of Agreement for the Great Falls Metropolitan Transportation Planning Process.

**Commissioner Moe moved, seconded by Commissioner Bronson, that the City Commission approve the Consent Agenda as presented with the exception of Agenda Item 7D.**

Mayor Kelly asked if there were any comments from the public. Hearing none, Mayor Kelly asked if there was any discussion amongst the Commissioners.

Referring to Agenda Item 8A, Commissioner Bronson received clarification that the Planning and Community Development Department is responsible for administering the Grant.

There being no further discussion, Mayor Kelly called for the vote.

Motion carried 5-0

## **PUBLIC HEARINGS**

13. **Resolution 10272, Approving an Industrial Development Project and Associated Infrastructure Improvements in the International Airport Tax Increment Financing Industrial District and approve an expenditure in the amount of \$107,383.22 using Airport TIF funds.**

Planning and Community Development Director Craig Raymond reported that this is a request to conduct a public hearing concerning Resolution 10272 and the expenditure of public funds from the Great Falls International Airport (GFIA) Tax Increment Financing (TIF) District for certain public infrastructure improvements that will enhance and create further development opportunity within the Airport TIF district.

TIF is a mechanism that allows communities to use new tax dollars resulting from increasing

taxable value for reinvestment within the geographic area in which they are derived for a period of 15 years, or up to 40 years, if the incremental taxes were pledged to the repayment of a bond. The City currently has five TIF districts.

The GFIA TIF Industrial District Plan was adopted by the Commission on November 5, 2008. The boundaries were amended on September 1, 2009. The Southwest General Aviation Complex saw its first development in 1995 when the existing Front Range Aviation facility was built. The Federal Aviation Administration has long required GFIA to adopt a Master Plan in order to receive federal funds for airport improvements. Over the years, the Master Plan has evolved as needs and opportunities presented themselves.

In 2010, GFIA saw an opportunity to expand into what was previously thought to be undevelopable land due to topography and utility constraints. As part of other airport runway projects, the airport imported some fill in this area to create an area more conducive for development. In the 2014 Master Plan update, GFIA officially included these new areas and potential hangar layout options to maximize potential future development. Since that time the GFIA has been constructing other supporting infrastructure in the area including the Snow Removal Facility.

The specific funding reimbursement request is for \$107,383.14 to reimburse the Airport Authority for City water main extensions to serve the Southwest General Aviation Complex. This water line will remain public infrastructure and will serve multiple tenants within the district. The aviation complex is intended to accommodate several dozen private hangars. The first hangar being developed under this project is a 120 foot by 120 foot hangar for Front Range Aviation which is an existing aviation company. The second is a 200 foot by 200 foot hangar which will accommodate a new business which specializes in aircraft sales and leasing. In total, the proposed development potential of the Southwest General Aviation Complex may result in approximately 10 new full-time positions within a 20 year period. It will also provide support for existing aviation businesses which currently account for approximately 155 full time jobs.

The proposed improvements specifically serving the Southwest General Aviation Complex are located within the boundary of the TIF District.

**Great Falls International Airport (GFIA) Director John Faulkner**, 2800 Terminal Drive, reported that the large hangar project is approximately a four million dollar investment. Mr. Faulkner commented that the GFIA can now market property for build ready sites.

Mayor Kelly asked if the Commissioners had any questions of staff or the applicant.

Commissioner Robinson received clarification that the hangar project is the largest, private hangar in the State.

Referring to Criterion 3 of the Agenda Report, Commissioner Moe received clarification that the findings in the GFIA Master Plan have an environmental process through the National Environmental Protection Act (NEPA), and the development listed in the Master Plan has a finding of no significant environmental impact.

Mayor Kelly declared the public hearing open.

Speaking in support of Resolution 10272 and the Development Agreement were:

**Shane Etzweiler**, President/CEO of the Great Falls Area Chamber of Commerce, 100 1st Avenue North, commented that with the economic development at the GFIA, it would be

advantageous for the Commission to approve the TIF request for the GFIA.

**Jolene Schalper**, Great Falls Development Authority (GFDA), 300 Central Avenue, commented that the project is an excellent use of TIF funds to open up further development.

No one spoke in opposition to Resolution 10272 and the Development Agreement.

Mayor Kelly closed the public hearing asked if the Commissioners had any questions of staff or the applicant.

Referring to the discrepancy with regard to the payment of taxes in Criterion 12, Commissioner Moe inquired if the City is setting a precedent that would be difficult to adhere to with other parties.

Planning and Community Development Director Raymond and City Attorney Sara Sexe responded that the payment of taxes are circumstances due to the regulations under which the Airport Authority operates, and commented that there is no concern with regard to setting a precedence.

There being no further discussion, Mayor Kelly asked the will of the Commission.

**Commissioner Moe moved, seconded by Commissioner Bronson, that the City Commission adopt Resolution 10272, approving the Industrial Development Project and the expenditure of \$107,383.14 in Great Falls International Airport Tax Increment Industrial District funds to reimburse the Great Falls International Airport for expenses incurred related to the extension of public infrastructure to the Southwest General Aviation Complex.**

Mayor Kelly asked if there was any discussion amongst the Commissioners.

Commissioner Moe commented the larger issue of the assessment will work itself out in time and that the project is worthy.

Commissioner Bronson echoed Commissioner Moe's comments.

Commissioner Houck commented that TIF's were put in place to do projects such as the proposed one by GFIA.

Commissioner Robinson commented that the GFIA project would be good for the City.

Mayor Kelly called for the vote.

Motion carried 5-0

**Commissioner Bronson moved, seconded by Commissioner Houck, that the City Commission approve the Development Agreement and authorize the City Manager to execute the agreement.**

Mayor Kelly asked if there was any discussion amongst the Commissioners. Hearing none, Mayor Kelly called for the vote.

Motion carried 5-0

14. **Request to use Downtown Urban Renewal District Tax Increment Financing (TIF) Funds to assist with the annual operating costs for the Downtown Development Partnership.**

Planning and Community Development Director Craig Raymond reported this item is to consider an application for reimbursement for costs associated with annual operating expenses of the Downtown Development Partnership (DDP).

The Downtown Urban Renewal and Tax Increment Financing (TIF) District was established by the Commission in 2012 and encompasses property roughly between 5th Avenue South to 3rd Avenue North and Park Drive to 10th Street.

The DDP is requesting \$5,000 to assist with the annual operating costs of the DDP. The DDP serves as the coordinating body for downtown development groups and includes members from the Great Falls Development Authority, the Business Improvement District, the Downtown Great Falls Association, the City, Great Falls Public Schools, and the Chamber of Commerce. One of the major goals of the DDP is to put the City adopted Downtown Master Plan goals into motion.

The application for funds would allow the DDP to have more financial flexibility in its operations. It would also free up membership money to be used for other purposes, such as to create matching funds for grants, liability insurance, etc., which assist in the promotion of the development objectives that are shared by both the Urban Renewal District and the DDP organization.

Director Raymond explained that in order to approve TIF reimbursement requests, it must be demonstrated that they meet the criteria recommended in the Urban Renewal Plan as well as the Montana Code Annotated. The City's Tax Increment Application Process established twelve specific criteria to assess the merits of the project in relation to the Plan.

After review and evaluation of the planning project Staff has determined that the proposed use of TIF funds qualify for funding based on the following criteria:

Special or Unique Opportunities - The TIF funding would help with the operating costs of the DDP which would then open up the opportunity to use the funds brought in from membership dues for projects to benefit the downtown. The DDP could then increase their funding for projects such as traffic signal box art projects, the pedlet initiative and increased downtown promotion.

Financial Assistance - The DDP operates on funding brought in by membership dues. Since this is their main source of income, the TIF funding would aid in the operating costs which in turn would free up the membership funds for downtown projects.

Mayor Kelly declared the public hearing open.

Speaking in support of the request to use Downtown Urban Renewal District TIF funds were:

**Sherrie Arey**, 2700 3rd Avenue North, representing the DDP, commented that the DDP's

purpose is to promote, stimulate and effect community and economic development in downtown.

**Shane Etzweiler**, President/CEO of the Great Falls Area Chamber of Commerce, 100 1st Avenue North, explained that the DDP has a limited budget, and the TIF funds would help reimburse operating expenses.

**Jolene Schalper**, Great Falls Development Authority (GFDA), 300 Central Avenue, concurred with the previous speakers, and commented that the \$5,000 is a qualified use of TIF funding.

Speaking in opposition to the request to use Downtown Urban Renewal District TIF funds was:

**John Hubbard**, 615 7th Avenue South, received clarification that the proposed parking meter increase is not associated with the Downtown Renewal District TIF fund request.

Mayor Kelly closed the public hearing and asked the will of the Commission.

**Commissioner Houck moved, seconded by Commissioner Robinson, that the City Commission approve the expenditure of \$5,000 in Downtown Urban Renewal District Tax Increment Financing funds to assist with the operating costs for the Downtown Development Partnership.**

Mayor Kelly asked if there was any discussion amongst the Commissioners.

Commissioner Houck noted that electronic communication in support of Agenda Item 14 was received from Joan Redeen, Business Improvement District (BID) Community Director.

Mayor Kelly further noted that electronic communication in support of Agenda Item 14 was received from Brett Doney, Great Falls Development Authority (GFDA).

Commissioner Moe received clarification that all criteria are considered when processing TIF applications, and that staff is working on being more consistent with the application process.

Commissioner Moe commented that the request is a question of supplementing versus supplanting the core function, and the TIF funds could potentially be requested yearly.

Mayor Kelly explained that the administrative aspect of the TIF funds was vetted the prior year.

Commissioner Bronson received clarification that the DDP's operating expenses include insurance coverage, sending officers to participate in the National Main Street Conference, and membership dues for the National Main Street Program.

Commissioner Bronson further received clarification that there are no specific plans for the TIF funds other than insurance coverage and some unidentified projects. Any additional requests for annual operating funds would need to accomplish the purpose of the Downtown Master Plan.

Mayor Kelly commented that TIF's are a valuable economic development tool, and the City has been held up as an example for using TIF's the correct way.

Commissioner Bronson expressed concern that granting the request in this context would not be consistent with the 2012 Downtown Master Plan. Commissioner Bronson opined that it would not be good policy for the Commission to grant blanket requests for funding not knowing in advance what the funds will be spent on. Commissioner Bronson concluded that this type

of request raises issues with the Legislature.

Commissioner Houck received clarification that the DDP could reapply for TIF funds if the request was denied.

Commissioner Moe commented that the TIF request is within the law to use funds for operating expenses, and imposing additional conditions would be unfair.

Commissioner Bronson explained that he is not seeking Legislative changes; however, the TIF request needs to meet the requirements of the Downtown Master Plan.

Commissioner Robinson commented that the DDP's TIF request is within the law.

There being no further discussion Mayor Kelly called for the vote.

Motion carried 4-1 (Commissioner Bronson dissenting)

## **OLD BUSINESS**

## **NEW BUSINESS**

## **ORDINANCES/RESOLUTIONS**

## **CITY COMMISSION**

### 15. **Miscellaneous reports and announcements from the City Commission.**

Commissioner Bronson reported that a Joint City/County Meeting with Local Legislators will be on December 12, 2018 in the Gibson room at 9:30 a.m.

Commissioner Robinson reported that the 2020 Census committee had its first meeting, and commented that the Census provides important data.

Commissioner Houck encouraged citizens to support the economy by shopping locally. Commissioner Houck mentioned that there is a crisis line available 24/7, as well as camaraderie available to citizens who struggle with depression or loneliness during this time of the year.

Commissioner Moe expressed appreciation to Mayor Kelly, Commissioner Bronson, and City staff for attending the second session of the Future of the Falls on December 3rd.

Mayor Kelly announced that the Christmas Stroll is on December 7th.

### 16. **Commission Initiatives.**

None

## **ADJOURNMENT**

There being no further business to come before the Commission, **Mayor Kelly moved, seconded by**



**Commissioner Robinson, to adjourn the regular meeting of December 4, 2018, at 8:13 p.m.**

Motion carried 5-0

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**Mayor Bob Kelly**

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**City Clerk Lisa Kunz**

**Minutes Approved:  
December 18, 2018**