

Regular City Commission Meeting

Mayor Stebbins presiding

CALL TO ORDER: 7:00 PM

PLEDGE OF ALLEGIANCE

ROLL CALL: City Commissioners present: Dona R. Stebbins, Bill Bronson, John Rosenbaum, Bill Beecher and Mary Jolley. Also present were the Assistant City Manager, Acting City Attorney, Directors of Community Development, Fiscal Services, Park and Recreation, Planning and Public Works, Interim Library Director, the Fire Chief, Police Chief, and the City Clerk.

PROCLAMATIONS: Mayor Stebbins read Proclamations for Red Ribbon Week and White Ribbon Against Pornography Week.

NEIGHBORHOOD COUNCILS

- NC 5. **1A. Jean Stone**, NC 5, provided an update of the council’s Charles Russell Park improvement project. As a result of a joint effort between NC 5, Russell Park Improvement Committee and the City of Great Falls, as well as a matching grant from the Park Trust Fund approved by the Park Advisory Board, new playground equipment can be purchased for the park to replace 40 year old equipment. An additional \$224.50 needs to be raised by November 15th to take advantage of equipment sale prices and free shipping. She encouraged donations and thanked everyone involved for making this project a success.

- NC 8. **1B. Karen Grove**, Chair NC 8, reported that all of the neighborhood councils will be sponsoring a candidates’ forum in the Gibson Room tomorrow at 7:00 p.m. The Great Falls High School debate team will also be involved.

PUBLIC HEARINGS

OLD BUSINESS

NEW BUSINESS

Development Agreement between the City and West Bank Properties, LLC (Talcott). Approved.

2. DEVELOPMENT AGREEMENT BETWEEN THE CITY AND WEST BANK PROPERTIES, LLC (TALCOTT)

Fiscal Services Director Coleen Balzarini reported that this agreement is for public infrastructure improvements that were installed in conjunction with the construction of the Staybridge Suites at West Bank. On March 20, 2007, the City Commission approved Ordinance 2967 establishing the Great Falls West Bank Urban Renewal Plan. This plan included a Tax Increment District which covers the entire area of the Urban Renewal District. Ordinance 3027, adopted December 16, 2008, and Ordinance 3035, adopted

May 5, 2009, approved the West Bank Properties projects for specific planned public infrastructure improvements within the District boundaries, and authorized the reimbursement to West Bank Properties, LLC for costs from District tax increment revenues. These improvements included the burying of existing power lines, cable and phone lines, relocation of gas lines, installation of water, sanitary sewer, and storm drain utilities, roads, curbs, gutters and sidewalks.

In accordance with Ordinance 3027, this agreement specifies the terms, conditions and financial arrangements, including the use of tax increment revenues to pay costs or reimburse the costs of the public improvements, and the design, funding, oversight and construction of the public improvements.

Commissioner Bronson moved, seconded by Commissioners Beecher and Rosenbaum, that the City Commission authorize the City Manager to execute the Development Agreement between the City of Great Falls and West Bank Properties, LLC.

Mayor Stebbins asked if there was any discussion amongst the Commissioners. No one responded.

Mayor Stebbins asked if there were any inquiries from the public.

Ron Gessaman, 1006 36th Avenue NE, stated his opposition to this Development Agreement, and the tax increment financing for this District. He disagrees that this Development Agreement has no direct financial impact on the City. He finds section 5.3 of the Development Agreement interesting. Mr. Gessaman also discussed the definition of infrastructure improvements and believes the services of electricity, telephone, gas and internet to be private, not public, infrastructure improvements.

Steve Malicott, CEO of the Great Falls Area Chamber of Commerce, 100 1st Avenue North, reported that California was the first state to establish tax increment financing to develop blighted areas. Since that has occurred, 49 additional states have utilized that mechanism as a means to develop blighted properties. He expressed that what has occurred at West Bank is impressive, and believes the Staybridge Suites to be an outstanding community partner. Mr. Malicott expressed support of the agreement and the use of tax increment financing.

Brett Doney, Great Falls Development Authority, residing at 3048 Delmar Drive, commented that what the developer proposed is exactly what is in this agreement. He is working with the developer on a third project, and expects to see other projects in the future. Mr. Doney further reported that everything in the agreement meets all state statutory requirements for tax increment financing. It doesn't cost the taxpayers of the City anything, because with tax increment financing only new tax revenue is used. He

appreciates the City's support and the work of staff to make this project possible.

Brad Talcott, 2801 4th Avenue North, partner in the Staybridge Suites, thanked City staff and City Commissioners for their hard work and foresight in putting together the tax increment district at West Bank. He firmly believes the redevelopment wouldn't have happened without the City's involvement. Mr. Talcott commented that it is amazing to see the changes and improvements over the last year. Since the completion of the Federal Courthouse and Staybridge Suites, it is pleasing to him to see the increased use of the West Bank Park.

Motion carried 5-0.

ORDINANCES/RESOLUTIONS

Res. 9843. Adopted.

3. RESOLUTION 9843, RESOLUTION RELATING TO \$900,000 TAX INCREMENT URBAN RENEWAL SUBORDINATE LIEN REVENUE NOTE, SERIES 2009.

Fiscal Services Director Coleen Balzarini reported that this resolution will formalize the terms and conditions for the issuance of the subordinate note. The note, in essence, is a promise to repay the developer for the cost incurred to install the public improvements. She reported that public improvements in state statute do make specific reference to power lines and other utilities. NorthWestern Energy and Qwest, in this instance, are considered to be public utilities and, therefore, the costs are eligible. The interest rate on the note will be 5.6%. The note should be outstanding no longer than 25 years. It is anticipated that the note will be redeemed within two to three years contingent upon adequate tax increment within the District.

Commissioner Jolley moved, seconded by Commissioners Beecher and Bronson, that the City Commission adopt Resolution 9843.

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

Commissioner Jolley commented that she was happy with the development at West Bank. This resolution specifically states the payments and interest will be paid from tax increment monies.

Mayor Stebbins asked if there were any inquiries from the public.

Ron Gessaman, 1006 36th Avenue NE, read section 1.07 of Resolution 9843. He commented that the 2009A Bonds were the bonds provided for the \$2 million for the Federal Courthouse. With regard to section 3.01, he was curious where the money would come from to pay the interest on July

1, 2011. Mr. Gessaman further found the document itself curious, reading a portion of section 3.06, and commenting that certain language to be incorrectly cut and pasted. He thought the same with regard to language in section 4.02 regarding the Interest and Sinking Fund accounts. With regard to section 6.01, Mr. Gessaman again disagreed that the public infrastructure improvements would be owned and maintained by the City. He believes these additional utilities were not originally requested by the developer and were added on. Finally, he was pleased to see Mr. Talcott present and advocating for his project.

Brett Doney, Great Falls Develop Authority, residing at 3048 Delmar Drive, commented that it became clear last fall, in the midst of a deep recession, that this project would not pencil out or begin construction without the \$900,000 TIF package. That was when preliminary agreements were reached with the City that allowed Mr. Talcott to start construction. In response to Mr. Gessaman, Mr. Doney explained that was his reference to “in the beginning before construction started.” There was nothing hidden, no conspiracies and no screw ups. This was a successful project in the middle of a recession.

Richard Calsetta, #56 32nd Avenue NE, commented that he agrees with the development along the river. Being involved in the HVAC industry, he inquired if there were any future plans to require future development along the riverfront for the buildings to be green. He was surprised that the equipment installed in the new courthouse was not geothermal, and that most of the equipment at Staybridge Suites was traditional. He would like to see it required that future development along the river meet certain energy standards.

Motion carried 5-0.

**Consent Agenda.
Approved.**

CONSENT AGENDA

4. Minutes, October 6, 2009, Commission meeting.
5. Total expenditures of \$2,347,156 for the period of September 25 through October 14, 2009, to include claims over \$5,000, in the amount of \$2,023,001.
6. Contracts list.
7. Grants list.
8. Lien release list.
9. Approve final payment to United Materials of Great Falls, Inc. and the State Miscellaneous Tax Division in the amount of \$17,305.81 for the Third Avenue Northwest Roadway Improvements, Phase 2.
OF 1488
10. Approve Change Order No. 1 to Kuglin Construction in the amount of \$73,489 for the 22nd Street South Storm Drain Extension. **OF 1447.1**

With the exception of Item 4, Commissioner Jolley moved, seconded by Commissioner Bronson, that the City Commission approve the Consent Agenda as presented.

Mayor Stebbins asked if there was any discussion amongst the Commissioners. No one responded.

Mayor Stebbins asked if there were any inquiries from the public.

Kathy Gessaman, 1006 36th Avenue NE, inquired why the Street Department was buying \$8,220.54 worth of Morton salt as listed in Item 5. Public Works Director Jim Rearden answered that a maximum of 5% salt is used in the sand piles to keep it fluid throughout the winter. If the salt wasn't used in the stock piles it would freeze up and be unusable.

Ron Gessaman, 1006 36th Avenue NE, asked what the water service connection fee to DEQ under Item 5 was for. Mr. Rearden answered that was an annual fee paid to the Department of Environmental Quality under an agreement with the EPA. The EPA has authority over the water and sewer systems within the state. The DEQ charges the City two dollars, per sewer tap, to administer the EPA program within the state. Mr. Gessaman inquired if the two dollar service fee that appears on the utility bill once per year was providing the City with the funds to pay that. Mr. Rearden responded that it was an expense of the water and sewer funds, and that expense is covered by the ratepayers.

Mr. Gessaman asked what the incentive target price reconciliation payment to Veolia Water was for. Mr. Rearden responded that, because of various fixed and variable costs in the contract with Veolia throughout the year, a target price is set and then reconciled at the end of the year. Mr. Gessaman asked why the term "incentive" was included in target price reconciliation. Mr. Rearden explained that there was an incentive worked into the complex formula.

With regard to Item 4, Commissioner Jolley read Mr. Dolman's comments from the last meeting and thought he might have said "referenced" and not "refrained" as recorded in the minutes. Assistant City Manager Cheryl Patton responded that she thinks it is accurate, but would double check.

Commissioner Jolley requested that Item 4 be added back into the Consent Agenda as presented.

Motion carried 5-0.

BOARDS & COMMISSIONS

11. MISCELLANEOUS REPORTS AND ANNOUNCEMENTS.

CITY MANAGER**12. MISCELLANEOUS REPORTS AND ANNOUNCEMENTS.****PETITIONS AND COMMUNICATIONS****13. MISCELLANEOUS REPORTS AND ANNOUNCEMENTS.**

Mayor Stebbins opened the meeting to Petitions and Communications.

E-raise your E-waste!

13A. Kathy Gessaman, 1006 36th Avenue NE, reminded everyone that the E-raise your E-waste! event starts November 14. Pacific Recycling will collect the recyclable, electronic items. On Thursday, Austin Hall of Appalachian Voices, will be speaking at the College of Technology regarding mountain top removal.

City taxes.

13B. Travis Kavulla, 725 49th Street South, commented that he took slight exception to the portion of the Weekly Review regarding documentation provided to the Commissioners that addressed a newspaper report about a question that arose at a candidates' forum. He doesn't believe the numbers presented speak to the nature of the question concerning whether or not City taxes have increased and by how much. Mr. Kavulla believes the pertinent number to determine whether taxes have increased is whether or not the total number of mills has increased as levied by the City. He concluded that he believes the decrease in the school mills was masking a tax increase on the part of the City.

Federal building, West Bank Park, and voting.

13C. John Hubbard, 615 7th Avenue South, expressed that the new federal building should have been a museum. He inquired about West Bank Park and was informed that it is dedicated park land and will remain the same. While running for office, Mr. Hubbard was shocked to learn how many people don't care about voting. He commented that people who voted for the coal plant, as well as the city and county attorneys, should be held in contempt of the Supreme Court's Order.

Animal Shelter.

13D. Ron Gessaman, 1006 36th Avenue NE, doesn't believe the new Animal Shelter design fits in with the community. Mr. Gessaman suggested the City Commission make an effort to try to resolve the differences between the HSCC and the Animal Foundation.

CITY COMMISSION**14. MISCELLANEOUS REPORTS AND ANNOUNCEMENTS.**

Regarding Mr. Calsetta's comments, Commissioner Jolley commented that she didn't believe the City had green building code standards. Community Development Director Mike Rattray added that is not something the City mandates. That is a decision made by the project owner.

Mayor Stebbins expressed sorrow to the family of Greg Doyon for a death in his wife's family, and that thoughts and prayers are with the family during this sad time.

Mayor Stebbins also thanked Karen Grove and Jean Stone for their Neighborhood Council activity updates.

With regard to energy efficient construction, Commissioner Rosenbaum commented that the Commission did adopt the model energy code that is adopted by the State of Montana.

ADJOURNMENT

Adjourn.

There being no further business to come before the Commission, **Commissioner Bronson moved, seconded by Commissioner Rosenbaum, that the regular meeting of October 20, 2009, be adjourned at 8:05 p.m.**

Motion carried 5-0.

Mayor Stebbins

City Clerk

Minutes Approved: November 3, 2009