

**JOURNAL OF COMMISSION WORK SESSION**  
**October 6, 2009**

City Commission Work Session

Mayor Stebbins presiding

**CALL TO ORDER:** 5:45 p.m.

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

**1. FEMA LEVEE CERTIFICATION (PAL AGREEMENT AND IMPACT ON PROPERTY OWNERS)**

Acting City Attorney Chad Parker provided a PowerPoint presentation. He explained that, as part of FEMA's flood map modernization effort, it has presented the City of Great Falls, Cascade County, local Flood Control and Drainage Districts, including the West Great Falls Flood Control and Drainage District, and the Vaughn District with an agreement entitled the "Provisionally Accredited Levee" (PAL) Agreement. The PAL requests local governments and levee districts to attest that the levees, over which the locality has jurisdiction, either complies with 44 CFR 65.10 or does not. Compliance with 44 CFR 65.10 means that the levee provides a one percent annual chance flood protection. By attesting to this the levee owner or responsible party then receives a "provisional accreditation" from FEMA and the levee is placed onto the Digital Flood Insurance Rate Map (DFIRM) with a rating. The rating received from FEMA then is used by insurance companies to require flood insurance on properties within the potential flood zone and establish the rates applicable to the property.

Mr. Parker further explained that there is, however, a burden placed on communities signing the PAL and receiving a provisional accreditation. Data must be provided that shows how the levee(s) will perform in a flood event and which meets the criteria of 44 CFR 65.10. He reported that the only way to properly provide this documentation is to conduct an engineering study, which may be time consuming and expensive. After the study is performed, if the levee is found deficient, repair and modernization of the levee would then be required to maintain a provisional accreditation. The time allotted for correction is called a "maintenance deficiency correction period" and is a one-time only opportunity. The community then has a 12 month period of time to correct any deficiencies. If a deficiency is not corrected in that time, the levee is placed in an inactive status and is de-accredited. The FIRM or DFIRM is then updated to show the area behind the levy as a "high-risk" zone.

Flood Plain Administrator Kim McCleary provided maps and discussed the effects of signing vs. not signing the PAL on property owners. She reported that 1,133 parcels will be affected, of which 1,090 are privately owned. Flood insurance requirements and Federal, State and City floodplain regulations would apply. Existing policies could be "grandfathered." The sale of property will trigger a new policy. The floodplain regulations apply to any development, including dirt movement. It will require a beginning and project completion ground elevation

certificate by a surveyor. It further requires ground to be brought up to “base flood elevation,” and that the lowest floor elevation be two feet above base flood elevation. This would increase construction costs, but would lower flood insurance rates.

She reported that the deadline to sign the PAL is October 7<sup>th</sup>. If the PAL is signed, a new preliminary flood map is scheduled to be released in December. If the PAL is not signed, the preliminary map is scheduled for mid-January. She recommended that they start utilizing the preliminary map for the flood plain determination, but requested policy direction from the City Commission before the digital map is received. The West Great Falls Flood District is voting on this issue tonight at its meeting, and the County is discussing it tomorrow morning.

City Manager Doyon shared that all interested parties got together, including representatives from FEMA, as well as Army Corp officials on the phone at a meeting held at the County offices. This is a very frustrating issue because there are two federal agencies that have jurisdiction. FEMA’s perspective is that it is just updating and digitizing its maps. That process has a major impact on properties if located in the flood plains. It is his understanding that the Army Corp was the entity that constructed these levees to begin with. The Army Corp is now saying it wants to help, but not help fund it. A lot of push from the Flood Districts and residents that will soon contact their congressional delegation is to intercede in this matter and try to resolve those issues. It puts the City in a very difficult position. He heard an estimate at that meeting of \$150,000 per mile for a levy certification in the Denver area.

Mr. Parker commented that there are too many variables and shifting of responsibility from liability. The language of the PAL is different between the four entities.

City Manager Doyon suggested that he draft a letter to the congressional delegation for the City Commission to sign. Mayor Stebbins’ recommendation was not to sign the PAL because of the liability issues. She would feel comfortable if he drafted a letter to the congressional delegation outlining the concerns. Commissioner Bronson concurred.

## **2. ANIMAL SHELTER UPDATE**

City Manager Greg Doyon reported that the preliminary design of the Animal Shelter has been changed. The Foundation went back to the drawing board to come up with a design that would be more efficient in heating and cooling, easier on maintenance, and more efficient than the preliminary design. The Foundation retained Kim Stanton to assist with not only the regulations and operations of the Shelter, but also to evaluate the Shelter design to make sure it is consistent with applicable regulations. When she is done, he anticipates the last revision will get a revision. After that the Foundation can get a cost, as it doesn’t have a firm number at this point. The Foundation will attempt to get the design approved before the Design Review Board on October 12<sup>th</sup>. The Foundation is hoping that process will give the public an opportunity to see what the Shelter may look like and will assist with its fund raising efforts. The Foundation wants to maximize its status as a non-profit in order to take advantage of some potential tax exempt financing, and the City has given them quite a selection of options that are available. Those involved are even looking to see if any ARRA funding is available that could help out as well. There are some possibilities there, but nothing that he is prepared to come back to the Commission with at this time. He provided the Commission with a preliminary design. People

will notice that the philosophy on this design is such that the Foundation is trying to make it more of a community-based facility for training, animal clinics and to enhance the adoption process. He is hoping in the next couple of months he will have something to bring to the Commission.

### **3. DEVELOPMENT AGREEMENT – CITY OF GREAT FALLS AND WEST BANK PROPERTIES, LLC**

Fiscal Services Director Coleen Balzarini reported that, ideally, the Commission would have been acting on the Development Agreement and Note Resolution this evening. It was not in a final enough form in time for Talcott to review and sign it. The Federal building is now complete. There are property taxes that will be generated that will go into that tax increment district this tax year. StayBridge hotel is complete, but it will not be on the tax rolls until the next tax year. The City received an offer to issue a note to the Talcott property development. The note is a promise from the City to repay Talcott for those tax increment eligible improvements that the Commission previously authorized. There will be two notes. Talcott completed \$761,000 of infrastructure improvements. The Commission had approved up to \$900,000. A map is contained within the Development Agreement, as well as a detailed description of what still needs to be done which will allow the City to issue a second note up to \$139,000. Ms. Balzarini discussed the protections afforded to the City and Talcott in the Development Agreement. Talcott is now in a subordinate position to the debt that the City did for the Courthouse building. The hope is that the work that is already done there will stimulate additional projects that may not need any tax increment support at all. The interest rate established in the Note Resolution is 5.6%. That is an outside, verifiable rate. That is the rate that the Courthouse bond rate was issued for. It is anticipated within two years the City will be able to call the note back. If this is acted upon at the next Commission meeting, the first note will be issued November 1<sup>st</sup>. The first interest payment will be in July, 2011, when additional taxes are received in the District. The first principle payment won't be until January, 2012. The challenge is in this economy investors are not willing to carry the risk that those tax increments are going to come. The City has every assurance that they will. One more meeting will be held with Talcott and his representatives, and then it will be brought to the Commission for review and action at the next meeting.

### **ADJOURN**

There being no further discussion, Mayor Stebbins adjourned the work session of October 6, 2009, at 6:21 p.m.