

Regular City Commission Meeting

Mayor Stebbins presiding

CALL TO ORDER: 7:00 PM

PLEDGE OF ALLEGIANCE

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

MOMENT OF SILENCE in memory of Police Captain Jere Carpenter.

NEIGHBORHOOD COUNCILS

NC 2.

1A. Phyllis Hemstad, NC 2, thanked Ben Rangel for all his years of service. Ms. Hemstad discussed her years on the City/County Planning Board and projects worked with Ben Rangel, Bill Walters, Mike Rattray and Andrew Finch. Ms. Hemstad inquired what building was going in the West Bank Park area. Community Development Director Mike Rattray responded that the land owner, Mitchell Development, has tentative plans to build an office building north of the federal building. At this time, nothing has been submitted, reviewed or approved. Ms. Hemstad also expressed concern that the area being torn up looked like where the Native Americans built a circle. Mr. Rattray answered that the property line between the Mitchell Development owned land and City park land is diagonal and looks deceiving.

NC 4.

1B. Sandra Guynn, NC 4, provided an update regarding 10th Avenue North. The County, Road Board and Sheriff Castle are helping the Council to get the speed limit reduced from 45 to 35. Progress is also being made at the trailer park at 4727 2nd Avenue North. With regard to the Home Place, she was informed that the owner was issued a final notice and he has 30 days to comply. Ms. Guynn also reported that the family has been diligently cleaning the debris on the property located east of Bundi Gardens. Ms. Guynn concluded by encouraging people to call neighborhood councils with problems.

PUBLIC HEARINGS

Proposed West Bank Properties Project as an Urban Renewal Project and Authorization for Tax Increment Financing. Approved.

2A. PROPOSED WEST BANK PROPERTIES PROJECT AS AN URBAN RENEWAL PROJECT AND AUTHORIZATION FOR TAX INCREMENT FINANCING.

2B. ORDINANCE 3027, APPROVING A DEVELOPMENT PROJECT PROPOSED BY WEST BANK PROPERTIES, LLC (WEST

**Ord. 3027, Accepted on
first Reading and Set
Final Reading for
December 16, 2008.**

**BANK PROPERTIES PROJECT) AND ASSOCIATED PUBLIC
IMPROVEMENTS AS AN URBAN RENEWAL PROJECT AND
TO AUTHORIZE FINANCING THE PUBLIC IMPROVEMENTS
WITH TAX INCREMENT REVENUES.**

Planning Director Ben Rangel reported that Brad Talcott, doing business as West Bank Properties, LLC has submitted an application for the use of West Bank Urban Renewal District tax increment funds. This is the first application for use of these funds under the project review and evaluation process recently established by the City Commission. The process involves a staff review and recommendation by a group of City department heads, as well as the Planning Board considering the staff report and recommendation and in turn making recommendation to the City Commission, which makes the final decision as the urban renewal agency.

In conjunction with several area property owners, the City Commission created the District in March of last year to help revitalize and redevelop the area generally located along the west bank of the Missouri River, both north and south of Central Avenue West. Because the District was found to be deficient of streets, sidewalks, curbs and gutters, resulting in poor traffic and pedestrian access and to be deficient of some public utilities, a tax increment financing provision was established to help fund public infrastructure that would in turn help to encourage private sector investment and reinvestment in the area.

West Bank Properties has requested tax increment funds for several activities and improvements associated with a planned mixed use development project to include a Staybridge Suites hotel and future sites for a restaurant, office building and retail shops.

On November 18, 2008, the City Commission set public hearing for this evening. After conducting the public hearing, Mr. Rangel requested that the City Commission (1) approve the development project proposed by West Bank Properties, LLC and associated public improvements as an urban renewal project; (2) authorize financing the public improvements with tax increment funds; and (3) accept Ordinance 3027 on first reading and set final reading for December 16, 2008, to consider approving tax increment financing for public improvements, not to exceed \$900,000.

Mayor Stebbins declared the public hearing open. Those speaking in opposition were:

Sue Ann Strickland, NC 2, 609 2nd Avenue SW #4, asked if there were monies in the tax increment fund now. Ms. Balzarini responded that there is currently less than \$20,000 in the fund. The incremental increase in value specific to the Talcott project will be used to reimburse the developer for the public infrastructure being installed in conjunction with the development of the Staybridge Suites. There will be a Development Agreement between the

developer and the City that will make it clear that if there are no increments available they will not be reimbursed.

Ron Gessaman, 1006 36th Avenue NE, commented that Resolution 9796 states the City plans to borrow \$1 million dollars in bonds to pay the developer and reimbursement itself with the incremental tax money. Mr. Gessaman read a portion of page 2 of the agenda report and stated that he does not believe the public owns the power lines that are proposed to be buried as part of the infrastructure improvements. Mr. Gessaman questioned the fiscal impact statement and the City services that will be provided for the project. With regard to Ordinance 3027, Mr. Gessaman stated that the descriptions in sections 1.05 and 1.06 do not correspond with the agenda report, and that section 2.02 was confusing.

Speaking in favor were:

Brett Doney, Great Falls Development Authority, commented that the GFDA is an enthusiastic supporter of redevelopment at West Bank, with this project being the first major private sector investment. It is hard to get the first project off the ground with infrastructure costs. Mr. Doney noted that Commission approval authorizes staff to negotiate a Development Agreement. The hotel will provide 45 full time jobs. Mr. Doney hopes this project will be the catalyst to get other projects going in the area. Mr. Doney thanked City staff and the Planning Board and urged Commission approval.

Ben Forsyth, 900 9th Street South, commented that he believes this project is an opportunity to improve Great Falls. Mr. Forsyth read § 23-5-171, MCA, and requested that the Commission pass a resolution making this a no gambling zone. Mr. Forsyth believes this would benefit the community to establish one major thoroughfare in Great Falls without casinos. He also explained that a state statute addresses grandfathering the two current casinos in the area.

Phyllis Hemstad, NC 2, 931 1st Avenue NW, believes approval would improve and clean up the area. She looks forward to completion of the park.

Mayor Stebbins declared the public hearing closed and asked for the direction of the City Commission.

Commissioner Bronson moved, seconded by Commissioner Rosenbaum, that the City Commission approve a development project proposed by West Bank Properties, LLC, and associated public improvements as an urban renewal project, and authorize financing the public improvements with tax increment funds.

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

Commissioner Jolley stated that she attended the Planning Board meeting and the recommendation for using \$900,000 was contingent upon West Bank Properties agreeing to relieve the City of any financial responsibility to pay for the improvements. She wanted to make sure that recommendation was addressed in the Development Agreement.

Commissioner Bronson responded that he discussed that with Ms. Balzarini today and there is an understanding that those terms and conditions adopted by the Planning Board would be incorporated into the Development Agreement.

Commissioner Jolley asked if there were any other prospects for gap financing.

Ms. Balzarini responded that the developer would have to respond to that.

Motion carried 4-0.

Commissioner Bronson moved, seconded by Commissioner Rosenbaum, that the City Commission accept Ordinance 3027 on first reading and set final reading for December 16, 2008.

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

Motion carried 4-0.

Proposed Federal Courthouse/4th Avenue N.W. Project as an Urban Renewal Project and Authorization for Tax Increment Financing. Approved. Ord. 3028, Accepted on first Reading and Set Final Reading for December 16, 2008.

3A. PROPOSED FEDERAL COURTHOUSE/4TH AVENUE N.W. PROJECT AS AN URBAN RENEWAL PROJECT AND AUTHORIZATION FOR TAX INCREMENT FINANCING.

3B. ORDINANCE 3028, APPROVING THE FEDERAL COURTHOUSE/4TH AVENUE NW PROJECT AS AN URBAN RENEWAL PROJECT AND AUTHORIZING TAX INCREMENT FINANCING OF CERTAIN PUBLIC PROJECTS RELATED THERETO.

Fiscal Services Director Coleen Balzarini reported that this project is also located within the Brownfield Urban Renewal area. It is the project for the federal courthouse, and includes roadway work, utilities, and the West Bank Park improvements. Ms. Balzarini stated that the Commission is being asked to approve an amount up to \$2 million dollars. Within that amount is not only the cost of construction but also the cost of debt issuance. Ms. Balzarini requested that the Commission conduct a public hearing, approve or not approve this project as an eligible tax increment project, and accept

Ordinance 3028 on first reading and set second reading for December 16.

Mayor Stebbins declared the public hearing open. Speaking in opposition were:

Kathy Gessaman, 1006 36th Avenue NE, asked for clarification on the dollar amount of estimated tax. Ms. Balzarini responded that the total annual amount of the tax increment would be approximately \$200,000.

Commissioner Jolley requested updated tax information from the Department of Revenue before the next meeting.

Ms. Gessaman hoped the City could pay off the debt quicker, or allocate some of the money for fire/police services.

Ron Gessaman, 1006 36th Avenue NE, stated his opposition to all tax increment financing projects. Mr. Gessaman believed the agenda report to be incomplete. He pointed out clerical errors in the Ordinance. Mr. Gessaman believed there were federal funds for the Brownfield cleanup to take some burden off the taxpayers. Mr. Gessaman stated that Resolution 9801 estimated the cost of the project to be \$2,214,291. He asked how the City would cover the additional \$214,291.

Speaking in favor was:

Brett Doney, Great Falls Development Authority, commented that this was a step forward in the improvement of the West Bank Urban Renewal area. It was a necessary project and is what helped land the courthouse project. Mr. Doney urged Commission approval. He also discussed tax increment financing and stated the City has to approach each deal from a fiscal impact standpoint. In this case, the federal courthouse project is one of the early projects that other projects will flow from.

Mayor Stebbins declared the public hearing closed and asked for the direction of the City Commission.

Commissioner Rosenbaum moved, seconded by Commissioner Bronson, that the City Commission adopt the Federal Courthouse/4th Avenue N.W. Project as an urban renewal project and authorize financing public improvements with tax increment revenues.

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

Commissioner Jolley stated that she also had questions after reading the agenda report, but the ordinance does say an estimated principal amount of \$2 million dollars. She asked if this was a no bid \$2 million issuance of bonds.

Ms. Balzarini responded that it will be a negotiated sale, but the City Commission makes the final ruling as to whether to accept the negotiated offer on interest rates and terms and the type of bonds that would be issued.

Commissioner Jolley asked if some bonds were put out to bid.

Ms. Balzarini answered that general obligation, utility, unless it is a refinancing, and revenue bonds are required to be put out for bid. Tax increment bonds are not.

Motion carried 4-0.

Commissioner Jolley moved, seconded by Commissioner Bronson, that the City Commission accept Ordinance 3028 on first reading, and set final reading for December 16, 2008.

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

Motion carried 4-0.

**Res. 9792, Tourism
Business Improvement
District (TBID) No. 1307.
Adopted.**

**4. RESOLUTION 9792, TOURISM BUSINESS IMPROVEMENT
DISTRICT (TBID) NO. 1307.**

Fiscal Services Director Coleen Balzarini reported that at the request of the motel/hotel owners within the boundaries of the City of Great Falls, the Commission is being asked to conduct a public hearing and to take action to create a Tourism Business Improvement District as authorized by state statute.

Mayor Stebbins declared the public hearing open.

Speaking in opposition to Resolution 9792 were:

Michael Frenick, 1615 Oasis Court, asked how the \$1.00 increase in revenue was going to be distributed.

Gayle Fisher, Russell Country Tourism Region, 2012 5th Avenue South, reported that they have an amazingly progressive and forward thinking group of hotel owners and managers. They have chosen to assess themselves \$1.00 per occupied room night and create a marketing fund. There will be a seven member board of hotel owners or their designees who would then manage those funds. It is up to their discretion as to how the funds will be spent to market Great Falls.

Mr. Frenick continued that \$1.00 doesn't seem like a whole lot, but then it might increase to \$2.00. He explained that when he took over and marketed Tiber Marina, he found that advertising didn't work. Good service was

number one, along with word of mouth. He believes there is a better way of promoting other than spending \$375,000 on advertising.

Speaking in favor of Resolution 9792 were:

Brett Doney, Great Falls Development Authority, commented that this forms a fund in order to be more competitive to attract meetings and conventions to Great Falls and will also boost tourism in general.

Sue Ann Strickland, 609 2nd Avenue SW #4, commented that she was in the motel industry for 35 years. She wished that this, as well as the bed tax, was in place when her folks were struggling with their motel. Taxing themselves to attract tourism to Great Falls is wonderful.

Andy (last name unknown), stated that he is from Lake Tahoe, California, and has been in this town for three or four years. He wanted to discuss the coal plant. Mayor Stebbins informed him that this item concerned the Tourism Business Improvement District. Other comments were welcome at the end of the meeting.

Michael Frenick, 1615 Oasis Court, commented in response to Ms. Strickland that he always tries to stay at mom/pop operations. He wanted to know if the dollar was going to increase to two dollars.

Mayor Stebbins declared the public hearing closed and asked for the direction of the City Commission.

Commissioner Bronson moved, seconded by Commissioner Rosenbaum, that the City Commission adopt Resolution 9792.

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

Commissioner Jolley stated that she was glad this wonderful organization got together to donate a \$1.00 to a pool of money to attract people to this town. Just because they are going to assess themselves \$1.00 per room per night doesn't mean they are going to raise the prices.

Mayor Stebbins concurred.

Commissioner Bronson added that Billings has already established a Tourism Business Improvement District. That organization is convinced that it was instrumental in helping them collect a sufficient pool of cash to market Billings for various events in this state. This particular type of concept will be adopted by other major cities in the State of Montana over the next few years. Great Falls will be at great risk of falling behind if it doesn't do the same. He believes it is a wonderful opportunity to market and enhance the community and economy here.

Mayor Stebbins congratulated the group for being proactive and finding a solution to improve the circumstances.
Motion carried 4-0.

Res. 9794, Conditional Use Permit for the Collins Mansion. Adopted.

5. RESOLUTION 9794, CONDITIONAL USE PERMIT FOR THE COLLINS MANSION.

Planning Director Ben Rangel reported that Samuel and Andrea Gouchenour are the owners of the Collins Mansion which is located in West Great Falls at 1003 2nd Avenue NW. They have applied for a conditional use permit to allow the mansion to serve as a community center. Community centers, which can accommodate special events such as receptions, weddings, rehearsal dinners, anniversaries and retirement parties, are permitted in residential zoning districts, upon processing and approval of a conditional use permit.

On November 5, 2008, the City Commission set a public hearing for this evening. After conducting the public hearing, Mr. Rangel requested that the City Commission adopt Resolution 9794 which would grant a conditional use permit to the Collins Mansion to serve as a community center. He also requested that the City Commission approve an agreement, which contains the terms and conditions associated with the conditional use permit.

The Zoning Commission unanimously recommends City Commission approval.

Mayor Stebbins declared the public hearing open. No one spoke in opposition to Resolution 9794.

Speaking in favor of Resolution 9794 were:

Sue Ann Strickland, 609 2nd Avenue SW #4, speaking on behalf of NC 2, stated the Council supports this 100%, and urged Commission approval.

Andrea Gouchenour, 1000 2nd Avenue NW, stated that she and her husband are the new owners of the Collins Mansion. They are very excited about the project and made this a dream come true. This is the last step to make it official to offer weddings, family reunions and all the fun things that could be held there.

Gayle Fisher, 2012 5th Avenue South, commented that the Gouchenours have taken a property that was spiraling downward and restored it to its original elegance. She urged the Commission's support.

Mayor Stebbins declared the public hearing closed and asked for the direction of the City Commission.

Commissioner Jolley moved, seconded by Commissioner Bronson, that the City Commission adopt Resolution 9794, and approve the accompanying Agreement.

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

Mayor Stebbins thanked Ms. Gouchenour for taking care of one of the landmarks of Great Falls.

Motion carried 4-0.

**Res. 9798, Sanitation
Service Rates. Adopted.**

6. RESOLUTION 9798, SANITATION SERVICE RATES.

Public Works Director Jim Rearden reported that, as presented at the November 18, 2008, Work Session, the City Recycling Center has two functions. One is a transfer station and the other is a recyclable collection site. Resolution 9798 would increase sanitation rates primarily for the transfer station function of the Center. The City has struggled to make this operation self supporting, although it has come close to breaking even in the last year. To dispose of materials taken to the facility, increased rates are necessary to cover the costs of handling, hauling and land filling those materials. The rates are also necessary to ensure that all of the users of this facility are paying for its operation. Currently, County residents, Montana Waste customers and City sanitation customers all utilize the facility, but City sanitation customers alone have been subsidizing the losses at the facility. Approval of Resolution 9798 will help rectify that situation. The new rates, if approved, would take effect on January 1, 2009.

Mayor Stebbins declared the public hearing open. Speaking in opposition to Resolution 9798 was **Ron Gessaman**, 1006 36th Avenue NE. Mr. Gessaman commented that the paperwork provided at the work session showed the old and new rates. He also pointed out that residential customers can get a 96 gallon container from Montana Waste for \$1.12 less per month.

No one spoke in favor.

Mayor Stebbins declared the public hearing closed and asked for the direction of the City Commission.

Commissioner Rosenbaum moved, seconded by Commissioner Bronson, that the City Commission adopt Resolution 9798.

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

Motion carried 4-0.

OLD BUSINESS**NEW BUSINESS****ORDINANCES/RESOLUTIONS**

Ord. 3023, To Assign City Zoning to Tyndall Addition, Phase 1. Accepted on first reading, and set public hearing for January 6, 2009.

7. ORDINANCE 3023, TO ASSIGN CITY ZONING TO TYNDALL ADDITION, PHASE 1.

Planning Director Ben Rangel reported that in August, 2008, the City Commission approved the Preliminary Plat for Tyndall Addition, Phase 1. Kendall and Maxima Cox are the property owners and developers of this subdivision, which is located in Northwest Great Falls near the former Skyline Education Center. It consists of 10 single-family residential lots.

Mr. Rangel requested that the City Commission accept Ordinance 3023 on first reading and to set a public hearing for January 6, 2009, to consider assignment of City zoning. At that time, the City Commission will also be asked to approve the final plat of the subdivision and its annexation.

Commissioner Jolley moved, seconded by Commissioner Rosenbaum, that the City Commission accept Ordinance 3023 on first reading, and set a public hearing for January 6, 2009.

Mayor Stebbins asked if there was any discussion amongst the Commissioners or inquiries from the public. No one responded.

Motion carried 4-0.

Res. 9802, Conditional Use Permit to allow worship facility on Lot 8, Block 307, Original Townsite to Great Falls (525 1st Avenue North). Accepted on first reading, and set public hearing for January 6, 2009.

8. RESOLUTION 9802, CONDITIONAL USE PERMIT TO ALLOW WORSHIP FACILITY ON LOT 8, BLOCK 307, ORIGINAL TOWNSITE TO GREAT FALLS (525 1ST AVENUE NORTH).

Planning Director Ben Rangel reported that Heartland Community Fellowship has applied for a conditional use permit to allow a worship facility at the northwest corner of the intersection of 1st Avenue North and 6th Street in downtown Great Falls. The property is zoned C-4 Central Business which allows worship facilities upon processing and approval of a conditional use permit.

Mr. Rangel requested that the City Commission accept Resolution 9802 on first reading, and to set a public hearing for January 6, 2009.

Commissioner Jolley moved, seconded by Commissioner Rosenbaum, that the City Commission accept Resolution 9802 on first reading, and set a public hearing for January 6, 2009.

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

Commissioner Jolley inquired if the fellowship met other than Wednesday nights. Mr. Rangel responded that it was his understanding that Wednesday was predominately the evening they met. The conditional use permit, if approved, does not limit the nights or frequency at which they can meet.

Mayor Stebbins asked if there were any inquiries from the public. No one responded.

Motion carried 4-0.

**Consent Agenda.
Approved.**

CONSENT AGENDA

9. Minutes, November 18, 2008, Commission meeting.
10. Total expenditures of \$1,435,290 for the period of October 31 through November 12, 2008, to include claims over \$5,000, in the amount of \$1,274,416.
11. Contracts list.
12. Set public hearing for December 16, 2008, on Resolution 9805 to Revise Land Development Application Fees.
13. Award a contract to Motor Power Kenworth of Great Falls for 2009 Tandem Axle Roll-Off Cab and Chassis in the amount of \$95,800.
14. Postpone bid award for five 2009 single axle dump trucks.
15. Set CDBG/HOME Community Needs public hearing for December 16, 2008.
16. Approve Final Payment for Sunnyside Water Pressure Improvements – Piping, Phase 1, OF 1494.1, in the amount of \$2,376 to United Materials of Great Falls, and \$24 to the State Miscellaneous Tax Fund.

Commissioner Rosenbaum 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 Commission or inquiries from the public. No one responded.

Motion carried 4-0.

BOARDS & COMMISSIONS

17. MISCELLANEOUS REPORTS AND ANNOUNCEMENTS.

CITY MANAGER

18. MISCELLANEOUS REPORTS AND ANNOUNCEMENTS.

PETITIONS AND COMMUNICATIONS

19. MISCELLANEOUS REPORTS AND ANNOUNCEMENTS.

Mayor Stebbins opened the meeting to Petitions and Communications.

Yield/Stop Sign.

19A. Michael Frenick, 1615 Oasis Court, suggested that the yield sign should be a stop sign on the corner of 16th Avenue South and 21st Street South because of a vision block when turning left.

Energy Conservation.

19B. Ron Gessaman, 1006 36th Avenue NE, read a portion of an article in *USA Today* regarding a group in Denver called Green Print that got together with NeighborWorks, the Youth Corps, and 36 community organizations, to help segments of the population that live in poor areas to reduce energy consumption and reduce energy bills. Mr. Gessaman suggested that something similar be done in Great Falls.

CITY COMMISSION

20. MISCELLANEOUS REPORTS AND ANNOUNCEMENTS.

ADJOURNMENT

Adjourn.

There being no further business to come before the Commission, **Commissioner Jolley moved, seconded by Commissioner Bronson, that the regular meeting of December 2, 2008, be adjourned at 8:28 p.m.**

Motion carried 4-0.

Mayor Stebbins

City Clerk

Minutes Approved: December 16, 2008