

JOURNAL OF GREAT FALLS PORT AUTHORITY MEETING
May 16, 2023

Great Falls Port Authority Meeting
Civic Center, Gibson Room 212

Mayor Kelly presiding

CALL TO ORDER: 4:45 PM

ROLL CALL/STAFF INTRODUCTIONS: City Commission members present: Bob Kelly, Eric Hinebauch, Joe McKenney, and Rick Tryon. Commissioner Susan Wolff was excused. Also present were City Manager Greg Doyon; Finance Director Melissa Kinzler; City Attorney David Dennis; and Deputy City Clerk Darcy Dea.

PETITIONS AND COMMUNICATIONS

1. None.

NEW BUSINESS

2. **INSTALLATION OF OFFICERS CHAIR, VICE CHAIR AND SECRETARY/TREASURER.**

City Manager Greg Doyon reported that a local Port Authority is authorized pursuant to Mont. Code Ann. § 7-14-1101. Port Authorities are created to promote, stimulate, develop and advance the general welfare, commerce, economic development, and prosperity of its jurisdiction.

Because the composition of the City Commission has changed since the last meeting of the Port Authority, it is necessary to select a Chair, Vice-Chair and Secretary/Treasurer of the Great Falls Port Authority in order to authorize an agent to execute documents to consummate the sale of the Centene facility property.

Mayor Kelly moved, seconded by Commissioner Hinebauch, that the Great Falls Port Authority appoint Susan Wolff to serve as Chair, Eric Hinebauch to serve as Vice-Chair, and Rick Tryon to serve as Secretary/Treasurer of the Great Falls Port Authority.

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

Commissioner Tryon received clarification that Centene needed the City to form a Port Authority to qualify for financing.

City Manager Doyon added that the Commission could abolish the Port Authority at some point if there is no long-term purpose or benefit to the City to retain it.

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

Motion carried 4-0.

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3. SALE OF CENTENE FACILITY PROPERTY.

City Attorney David Dennis reported that the Great Falls Port Authority owns property that is leased to Centene Corporation. The Great Falls Port Authority constructed a \$7 million dollar facility on the property which was subsequently leased to Centene, pursuant to a lease agreement dated April 29, 2005. The project was financed through a \$5 million Montana Board of Investments loan, a \$1.1 million loan from GFDA, and a \$1 million contribution from the City of Great Falls. The monthly lease payments were structured to correspond to the monthly payments due pursuant to the MBOI and GFDA loans.

As part of the Lease Agreement, GFDA granted to Centene Corporation an option to purchase the property, exercisable throughout the 20-year original term of the Lease. The option price is equal to the balance of the amounts due pursuant to the MBOI and GFDA loans on the date the purchase closes. Assuming a closing date of May 25, 2023, as scheduled, the purchase price is approximately \$1,065,000.00.

Because the Port Authority governing body is the City Commission, it is necessary for the City Commission to authorize an agent to execute all documents necessary to consummate the sale of the facility and the property.

Mayor Kelly received clarification that the \$1,065,000.00 would pay off the balance of the MBOI and GFDA loans.

Commissioner Hinebauch moved, seconded by Commissioner Tryon, that the Great Falls Port Authority authorize Great Falls City Manager Greg Doyon to execute and deliver, on behalf of the Great Falls Port Authority, any and all documents and instruments necessary to consummate the sale by Great Falls Port Authority to Centene Corporation, of the real property described as Lot 1B-1 of the Amended Plat of Lots 1 and 5 of the Medical Tech Park Minor Subdivision Plat No. P-2005-0000018, situated in the SE¼ of Section 18, Township 20 North, Range 4 East, Principal Meridian, City of Great Falls, Cascade County, Montana, according to Plat filed May 29, 2015 being Plat No. P-2015-0000016, Cascade County, Montana and all real and personal property located thereon.

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

Commissioner McKenney inquired about the fiscal impact with regard to adding \$1 million to the City general fund.

City Attorney Dennis responded that Centene has agreed to honor a provision in the Development Agreement obligating Centene to pay the City \$1 million if the company operated in the City for a period of twenty years.

Commissioner McKenney referred to page 7, sections C and E of Resolution 8841 and commented that the Port Authority could be used for housing development.

City Manager Doyon responded that he would make sure that the Port Authority is not a tool for the City for growth before making a recommendation to the Commission to abolish it.

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Commissioner McKenney added that he would not be in a hurry to abolish the Port Authority.

Commissioner Hinebauch commented that he would like to know more about the capabilities and uses of the Port Authority.

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

Motion carried 4-0.

ADJOURNMENT

There being no further business, Mayor Kelly adjourned the Port Authority meeting of May 16, 2023, at 5:05 pm.

Secretary/Treasurer Rick Tryon

Deputy City Clerk Darcy Dea

Minutes Approved: June 6, 2023