

JOURNAL OF COMMISSION WORK SESSION
February 7, 2012

City Commission Work Session

Mayor Winters presiding

CALL TO ORDER: 5:30 p.m.

ROLL CALL: City Commissioners present: Michael J. Winters, Bill Bronson, Fred Burow, Mary Jolley, and Robert Jones. Also present were the City Manager; Deputy City Manager; City Attorney; Directors of Fiscal Services, Planning and Community Development, Park and Recreation, and Public Works; Police Chief; Great Falls High School Job Shadow Student Jordan Purinton; and the Administrative Secretary.

1. POLICE DEPARTMENT GENERATOR

City Manager Greg Doyon recommended replacement of the Great Falls Police Department (GFPD) generator, referring to a memo to the City Commission included in the January 27, 2012 Weekly Review.

Police Chief Dave Bowen introduced Communications Manager Bill Hunter and Support Services Captain Tim Shanks. Chief Bowen referenced the November 15, 2011 GFPD Emergency Power Systems Evaluation provided by Brad Kauffman of GPD, PC, Consulting Engineers.

Chief Bowen reported the current system is nearly 40 years old, is underpowered, and outdated. The most recent power outage in December, 2011, knocked out the In-Car Camera System (ICOP) and cost approximately \$10,000. The GFPD will soon be using New World software, wherein hundreds of thousands of dollars are invested.

Chief Bowen reported the study provided by GPD, PC, confirmed that both backup generators are undersized, nearly forty years old, and of questionable reliability. Poor ventilation causes some rooms to become unusable during operation of the generator.

GPD, PC provided four recommended options. The first option was a band aid approach. The fourth option includes powering up the entire building with an outdoor, natural gas or diesel 150 kilowatt generator providing a 600 amp service, while allowing for expansion as technology demands continue to increase.

Chief Bowen reported funding is available in the Safety Services fund, a fund used to bill agencies for 911 services that includes holdover dollars used for unforeseen emergencies. He noted there will be money left over for unforeseen emergencies after purchasing the estimated \$170,000 new generator, including labor.

Chief Bowen requested authorization to proceed with the project.

Commissioner Jones agreed with the purchase of the new generator to replace the existing units.

Commissioner Bronson also agreed with the purchase of the new generator, especially for safety reasons because of the possibility of carbon monoxide poisoning.

Commissioner Jolley agreed with the purchase of the new generator, but questioned if the generator would use natural gas or diesel. Chief Bowen responded that though the studies have not been done, they are leaning toward natural gas. She expressed concern if there should be a gas cutoff. He responded that could be a problem.

Commissioner Burow questioned if the generator was a multi-fuel unit. Chief Bowen responded the generator uses either diesel or natural gas. Commissioner Burow agreed with the purchase of the new generator.

Captain Shanks reported Mr. Kauffman should have vendor pricing next week and they will analyze again the pros and cons of diesel vs. natural gas.

Mr. Hunter noted the fourth option allows running cable to an outside outlet for an auxiliary generator if there was an interruption in natural gas.

The consensus of the Commission was to proceed with the generator.

2. WEST BANK TAX INCREMENT REFUNDING BONDS 2012

Fiscal Services Director Melissa Kinzler introduced D.A. Davidson Financial Advisor Aaron Rudio. Ms. Kinzler reported Resolution 9958 would be on the City Commission Agenda that evening. In October, 2009 the City issued a note to West Bank Properties, LLC, of \$761,463, and the City is issuing bonds to be used to refund that note. The City Manager and Fiscal Services Director will have authority to set the parameters of a negotiated sale on the bonds.

Ms. Kinzler noted the aggregate principal of the note cannot exceed \$900,000. The final maturity can be no later than the Series 2009 note (July 1, 2034). The interest rate shall not exceed 6.5%. The purchase price shall not be less than 98.25% of the principal price of the refunding bonds. All costs of the bonds, which include the reserves and the debt service payments, will be paid out of the West Bank Tax Increment funds.

Ms. Kinzler reported the negotiated sale is tentatively scheduled on February 15, 2012. After the sale is completed, a separate resolution will be presented to the Commission to confirm the sale of the bonds.

Mr. Rudio explained the note was an interim financing by the developer. Tax Increment on the books has shown that it is time to pay off the note. He noted it is an excellent time to be selling bonds as interest rates are historically low.

3. DOWNTOWN DEVELOPMENT PARTNERSHIP UPDATE

Planning and Community Development Director Mike Haynes reported that since the Downtown Master Plan (DMP) was adopted late in 2011, staff has been working on implementing some of the initiatives recommended. The following is an update on action items that will be brought before the Commission in the next few months.

Comprehensive Planner Brant Birkeland provided a PowerPoint presentation on the Downtown Development Partnership. Urban renewal districts and Tax Increment Financing (TIF) are mechanisms used by cities for community and economic development, typically used to fund public improvements and attract and incentivize private investment that does not raise taxes or increase regulations. This is a true public/private partnership that allows collaboration for community improvement and enhancement. The establishment of the district and TIF is a key recommendation that will allow the City to implement the strategies of the DMP.

Tax Increment Definitions:

- Base Taxable Value
 - the actual taxable value of all property within an urban renewal district prior to the effective date of the establishment of the TIF provision.
- Actual Taxable Value
 - the taxable value of all property in the district for each year calculated from the assessment roll.
- Incremental Taxable Value
 - the amount by which the Actual Taxable Value at any time exceeds the Base Taxable Value.

Commissioner Jolley questioned if there is a declining property value situation in the downtown. Mr. Birkeland responded the values are certainly not growing.

City Manager Greg Doyon noted it would be interesting to find out how much square footage is underused in order to make some assumptions about the development potential. Mr. Birkeland responded that was a recommendation of the DMP, and that data is being collected and analyzed.

Mr. Birkeland added there is opportunity for investment and redevelopment, especially above the ground floor. Most buildings are vacant above the ground floor, even on Central Avenue.

Mr. Birkeland reported that staff worked with the Downtown Development Partnership to establish the proposed district boundary that is recommended by the Downtown Development Partnership.

Montana statute does not contain specific language regulating the location, size and area of the Urban TIF/Renewal Districts. The general guidelines relate as follows:

Ability to generate revenue (increment) – will enough development occur in the area to generate an adequate increment, remembering that \$1,000,000 of assessed value will only generate about \$12,500 of new property tax revenue?

Feasibility of improving, installing or replacing infrastructure – can affordable infrastructure improvements be made within the boundary?

Proximity to services – is the area close enough to emergency, utility and other services and/or is the area close enough to reasonably connect to existing infrastructure?

Fairness – is the proposed district taking advantage of new investment that will not benefit from the TIF district?

Reasonable Benefit – is the area large enough to accommodate more than one business enterprise/tenant/property owner?

Effects on Taxing Jurisdictions – does the size of the district put a strain on the other taxing jurisdictions in providing services?

Opportunities for Success – is the district sized so that the local government can meet its revitalization and/or development goals?

The proposed district boundary achieves these goals and will be beneficial for the community for years to come.

Commissioner Jolley requested a list of the Downtown Partnership members. Mr. Birkeland responded he will provide that information.

District Background:

- 884 parcels
 - Downtown Master Plan = 2,326 parcels
- .375 sq.mi.
 - City of Great Falls = 22.327 sq.mi.
- Variety of land uses
- C-4, C-5 and M-2 zoning districts
- Multiple opportunities for redevelopment and investment

Mr. Birkeland noted the C-5 district is in a unique transition zone that has and will continue to receive special attention, and the City has done some analysis and will continue to do so.

Unfavorable Conditions:

- Montana statute identifies 15 possible conditions that may constitute “blight”
 - 3 of the 15 must be present to establish an Urban Renewal/TIF district
- Identified through the Growth Policy, on-site survey, inventory of the district
 - 4 conditions found in the proposed district

Downtown:

- Dilapidation and/or deterioration of buildings
- Inappropriate or mixed uses of land or buildings
- Defective or inadequate street layout
- The existence of conditions that endanger life or property by fire or other causes

Roles and Responsibilities:

- City Commission
 - Adopt Resolution of Necessity to establish Urban Renewal District
 - Authorize establishment of the Urban Renewal/TIF District
 - Ultimate decision making authority regarding any expenditure of TIF funds
- Review applications for TIF funding and projects in addition to TIF annual plan and budget.
- Downtown Partnership of Great Falls:
 - Implement the recommendations of the Downtown Master Plan
 - Develop annual work plan and budget for expenditure of TIF funds
 - Submit plan and budget to Commission for approval
 - Implement plan and monitor success
 - Implement aspects of the Downtown Master Plan outside TIF

- City Staff
 - Temporary liaison between Downtown Partnership and City Commission

Mr. Birkeland reported the Downtown Partnership is in the process of formally organizing and writing bylaws for a 501(c)(3) organization. The DMP recommended representatives of various stakeholder organizations.

Commissioner Jolley questioned the proposed length of the TIF. Mr. Birkeland responded a TIF is established for fifteen years and can be extended ten years if bonds must be paid back, for a maximum of twenty-five years.

Work to Date:

- Commenced the “100 day-challenge”
 - 30 days: Identify locations for Gateway monument signs (Welcome to Downtown)
 - 60 days: Capitalize on the success of Western Art Week
 - 100 days: 1st Ave. N. underpass rehab/painting
- Implementing other Downtown Master Plan Strategies
 - Forming of the organization
 - Downtown safety plan
 - CPTED
 - Complete Streets

Summary of Steps:

- Adopt Resolution of Necessity
- Host Community Open House
- Ensure compatibility with Growth Policy
- City Commission 1st reading and set public hearing
- City Commission public hearing and adopt urban renewal plan
- Submit plan to D.O.R. for certification
- Implementation of the Downtown Master Plan

Mr. Doyon asked other potential projects that could be funded through TIF. Mr. Birkeland responded: streetscape, building façade, infrastructure, and park/open space improvements; signage; and landscaping to attract development. He believes quality streetscape will attract quality business. Streetscape is a pleasant environment for a person to include landscaping, trees, benches, lighting, etc.

Commissioner Burow asked about the success of the last TIF district. Mr. Birkeland responded the partnership is recommended to involve citizens in developing the downtown and use of the proposed TIF money to improve the City of Great Falls. The last district allowed redevelopment of old parking lots into attractive parking lots; he wasn't sure how citizens were involved.

ADJOURN

There being no further discussion, Mayor Winters adjourned the work session of February 7, 2012, at 6:21 p.m.