

Regular City Commission Meeting

Mayor Kelly presiding

CALL TO ORDER: 7:00 PM

Commission Chambers Room 206

PLEDGE OF ALLEGIANCE

ROLL CALL/STAFF INTRODUCTIONS: City Commission members present: Bob Kelly, Bob Jones, Bill Bronson and Fred Burow. Commissioner Tracy Houck was excused. Also present were City Manager Greg Doyon; Deputy City Clerk Darcy Dea; Public Works Director Jim Rearden; Planning and Community Development Director Craig Raymond; Fiscal Services Director Melissa Kinzler; City Attorney Sara Sexe; and Police Chief Dave Bowen.

AGENDA APPROVAL: The Commission added a proclamation titled Bishop Phillip H. Porter Day. No Changes were proposed by the City Manager. The agenda was approved as amended.

PROCLAMATION: Mayor Kelly read a proclamation for Bishop Phillip H. Porter Day. Reverend Marcus Collins accepted the proclamation on behalf of Bishop Phillip H. Porter.

FIREFIGHTER OATHS: Mayor Kelly performed the swearing in ceremony for Fire Fighters Brian Martinez and Steven Luwe.

**** Action Minutes of the Great Falls City Commission. Please refer to the audio/video recording of the meeting for additional detail****

PETITIONS AND COMMUNICATIONS

1. MISCELLANEOUS REPORTS AND ANNOUNCEMENTS.

Kathy Gessaman, 1006 36th Avenue NE, expressed satisfaction with regard to the firework situation in her residential area.

Ron Gessaman, 1006 36th Avenue NE, referred to the recent fire north of town and suggested that new subdivisions be required to have a fire break. Mr. Gessaman further discussed the appointment procedures to boards and commissions, the Library reserve funds, and the salaries of the City Manager, Governor of Montana and President of the United States.

Edwin Ide, Berlin Airlift Veterans Association, extended an invitation to attend a reception for the Berlin Airlift on September 7 – 10.

John Hubbard, 615 7th Avenue South, received clarification regarding parade permits. He further discussed the Zika virus and over taxation.

NEIGHBORHOOD COUNCILS

2. MISCELLANEOUS REPORTS AND ANNOUNCEMENTS.

There were no miscellaneous reports and announcements from Neighborhood Councils.

BOARDS & COMMISSIONS

3. REAPPOINTMENTS, BUSINESS IMPROVEMENT DISTRICT.

Commissioner Burow moved, seconded by Commissioner Jones, that the City Commission reappoint Travis Neil and Jason Madill to the Business Improvement District (BID) Board of Trustees to four-year terms expiring June 30, 2020.

Mayor Kelly asked if there was any discussion amongst the Commissioners. Commissioner Burow received clarification with regard to the appointment of the third member.

Mayor Kelly asked if there were any comments from the public.

Ron Gessaman, 1006 36th Avenue NE, spoke in opposition to reappointing members without advertising as adopted in Resolution 10059.

There being no one further to address the Commission, Mayor Kelly called for the vote.

Motion carried 4-0.

4. MINOR SUBDIVISION – LOT 3, BLOCK 1, VILES AND ROBINSON ACRE TRACTS ADDRESSED AS 501 SMELTER AVENUE NORTHWEST.

Planning and Community Development Director Craig Raymond reported that this item is a request to approve a plat amendment. The applicant wishes to subdivide existing property into two lots. The subject property is located at 501 Smelter Avenue NW and is legally described as Lot 3, Block 1, Viles and Robinson Acre Tracts. The existing lot is a double-fronted lot having frontages on Smelter Avenue NW and Colorado Avenue NW.

He noted the original subdivision was created in 1931 and 12 of the original 18 lots have been similarly subdivided previously. The subject property is zoned R-2 Single-Family Medium Density and has been used for residential purposes. The property owner is proposing a single lot subdivision to create two lots that are 10,000 square feet each.

If approved, the splitting of the property leaves the existing single family residence on the southern portion and the existing detached garage on the second northern portion. The existing garage is built 18 feet from the north property line along Colorado Avenue. The applicant intends to build an additional single family residence on the newly created northern lot fronting on Colorado Avenue NW.

Director Raymond reported the applicant was granted conditional approval of three variances for the property from the Board of Adjustment on February 11, 2016. These variances were:

1) A variance for lot size to allow the 10,000 square foot lots instead of the zoning district minimum of 11,000 square feet.

2) A variance to allow the detached garage to remain on the second northern lot. This was necessary because a garage on a residentially zoned lot is considered an accessory use. The zoning code does not allow the establishment of accessory uses without first establishing the primary use which in this case is a single family dwelling. The conditional approval placed on the applicant was that he had to apply for the new single family residence permit within one year of the approval date. The owner has met this condition.

3) A setback variance so that the same existing garage may remain with the setback of 18 feet from the property line along Colorado Avenue. The garage was part of the original residence which fronted Smelter Avenue. It was in compliance because it was located adjacent to what was considered the "rear yard" where the setback is only required to be 15 feet. If the Commission approves the plat amendment, the garage becomes part of the front setback (fronting Colorado Ave) with a requirement of 20 feet setback but for the variance.

On July 12, 2016, the Planning Advisory Board, passed a motion recommending the City Commission approve Minor Subdivision of Lot 3, Block 1, Viles and Robinson Acre Tracts, addressed as 501 Smelter Avenue and the accompanying Findings of Fact, subject to the conditions of approval.

Commissioner Jones moved, seconded by Commissioner Burow, that the City Commission approve with conditions the Amended Plat of the subject property and accept the Findings of Fact.

Mayor Kelly asked if there was any discussion amongst the Commissioners. Commissioner Burow received clarification with regard to keeping the required setback on the boundaries for the house.

Mayor Kelly asked if there were any comments from the public. Hearing none, Mayor Kelly called for the vote.

Motion carried 4-0.

5. MISCELLANEOUS REPORTS AND ANNOUNCEMENTS FROM BOARDS AND COMMISSIONS.

There were no miscellaneous reports and announcements from members of boards and commissions.

CITY MANAGER

6. MISCELLANEOUS REPORTS AND ANNOUNCEMENTS.

City Manager Greg Doyon reported there was an incredible turnout for “movie in the park” and that it was a great success.

Manager Doyon thanked Officer Jeff Beecroft with regard to his presentation to Neighborhood Council 6.

Manager Doyon noted that the Emergency Operation Center was activated due to the wild land fire last Tuesday.

Fire Chief Steve Hester discussed procedures that were performed during the wild land fire. He expressed appreciation to Rural Firefighters, Public Works Department, United Materials, the Emergency Manager, Police Department and City staff.

Police Chief Dave Bowen discussed issues with regard to the activation of the Code Red System. He noted cooperation from the City, County, State and Federal agencies involved.

Manager Doyon discussed the need for more public education with regard to the evacuation protocol.

Public Works Director Jim Rearden discussed the involvement of the Street and Water Plant Divisions.

Manager Doyon acknowledged the Great Falls School District for hosting a place for evacuees to go to. He also mentioned the involvement of the Great Falls Housing Authority.

Planning and Community Development Director Craig Raymond recognized the Dispatchers. He further noted support from volunteers in the community.

Manager Doyon mentioned support from the community. He noted preventative work will be looked into.

Mayor Kelly commended City Manager Greg Doyon and the cooperative effort by all who were involved.

CONSENT AGENDA.

7. Minutes, July 19, 2016, Commission meeting.
8. Total expenditures of \$1,376,089 for the period of July 1, 2016 through July 20, 2016, to include claims over \$5,000 in the amount of \$1,101,508.
9. Amended contracts list.

10. Approve purchase of water meter equipment for Fiscal Year 2017 from Dana Kepner Co. of Billings in an amount not to exceed \$250,000.
11. Approve the cancellation of City of Great Falls checks that remain outstanding and unpaid for over one year and place in the General Fund miscellaneous revenue.
12. Set public hearing for August 16, 2016, on the 2016/2017 Business Improvement District Budget and Work Plan.
13. Approve Project Agreement Modification for 25th Street North Bike/Pedestrian Bridge (CTEP) with the State of Montana, Department of Transportation, increasing the estimated project cost to \$377,562. **OF 1306.8**

Commissioner Burow moved, seconded by Commissioner Bronson, that the City Commission approve the Consent Agenda as presented.

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

Motion carried 4-0.

PUBLIC HEARINGS

14. **RESOLUTION 10143 TO LEVY AND ASSESS SPECIAL IMPROVEMENT GENERAL BOULEVARD MAINTENANCE DISTRICT NO. 3570.**

Fiscal Services Director Melissa Kinzler reported the Park and Recreation Department – Boulevard Division is responsible for the care and maintenance of over 15,000 street trees located within the General Boulevard District. Services provided within the District are tree pruning, tree removal, tree planting, leaf pickup and streetscape design.

After calculating all factors relevant to the operation of the Boulevard Division, an assessment amount for the next fiscal year was calculated. No recommendation for an increase is proposed for Fiscal Year 2017. The last General Boulevard maintenance increase of 10% was approved in Fiscal Year 2016.

The assessment amount for the General Boulevard Maintenance District for the next fiscal year is \$350,742 and will result in an assessment of \$74.13 for an average size lot of 7,500 square feet.

Staff recommends conducting the public hearing and adopting Resolution 10143.

Mayor Kelly declared the public hearing open.

No one spoke in support of or in opposition to Resolution 10143.

Mayor Kelly closed the public hearing and asked the will of the Commission.

Commissioner Bronson moved, seconded by Commissioner Jones, that the City Commission adopt Resolution 10143.

Mayor Kelly asked if there was any discussion amongst the Commissioners. Hearing none, Mayor Kelly called for the vote.

Motion carried 4-0.

15. RESOLUTION 10144 TO LEVY AND ASSESS SPECIAL IMPROVEMENT PORTAGE MEADOWS MAINTENANCE DISTRICT NO. 1195.

Fiscal Services Director Melissa Kinzler reported in February 1977, Resolution 6913 created Special Improvement Maintenance District 1195 for the purpose of maintaining the Green Belt of the Portage Meadows Addition. The assessment covers the costs of materials, snow removal labor, water, mowing labor, fertilizer costs and labor, and tree pruning.

No recommendation for an increase is proposed for Fiscal Year 2017. The last Portage Meadows Boulevard maintenance increase of 24% was approved in Fiscal Year 2015.

Adoption of Resolution 10144 will allow the City to finance the costs of repairs and maintenance required each year in the Special Improvement Portage Meadows Maintenance District.

The assessments equate to an assessment of \$58,079, and will result in an annual assessment of \$310.58 for an average lot of 4,501 square feet.

Staff recommends conducting the public hearing and adopting Resolution 10144.

Mayor Kelly declared the public hearing open.

No one spoke in opposition to Resolution 10144.

Speaking in support of Resolution 10144 was:

Ron Gessaman, 1006 36th Avenue NE, noted in the Budget, page 62, the increase in reserves for Portage Meadows.

There being no one further to address the Commission, Mayor Kelly closed the public hearing and asked the will of the Commission.

Commissioner Burow moved, seconded by Commissioner Jones, that the City Commission adopt Resolution 10144.

Mayor Kelly asked if there was any discussion amongst the Commissioners. Hearing none, Mayor Kelly called for the vote.

Motion carried 4-0.

Manager Doyon and Fiscal Services Director Melissa Kinzler explained the policy with regard to the Reserve funds.

16. RESOLUTION 10145 TO LEVY AND ASSESS STREET MAINTENANCE DISTRICT.

Fiscal Services Director Melissa Kinzler reported the Street Division maintains approximately 383 miles of streets and alleys within the City limits. Maintenance consists of pavement rehabilitation and restoration, street cleaning, snow and ice removal, alley maintenance, and the nuisance weed program. In addition, traffic operations are funded through the Street Division and are responsible for the maintenance of all roadway signs, signals and pavement markings.

No recommendation for an increase is proposed for Fiscal Year 2017. The last street maintenance increase of 10% was approved in Fiscal Year 2016.

Adoption of Resolution 10145 will allow the City to fund the cost of work, improvements, and maintenance in the street maintenance district.

The total assessment is \$4,535,592, and will result in an annual assessment of \$110.27 for an average size lot of 7,500 square feet.

Staff recommends conducting the public hearing and adopting Resolution 10145.

Mayor Kelly declared the public hearing open.

No one spoke in support of or in opposition to Resolution 10145.

Mayor Kelly closed the public hearing and asked the will of the Commission.

Commissioner Bronson moved, seconded by Commissioner Jones, that the City Commission adopt Resolution 10145.

Mayor Kelly asked if there was any discussion amongst the Commissioners. Hearing none, Mayor Kelly called for the vote.

Motion carried 4-0.

17. RESOLUTION 10146 TO LEVY AND ASSESS PROPERTIES WITHIN SPECIAL IMPROVEMENT LIGHTING DISTRICTS.

Fiscal Services Director Melissa Kinzler reported there are currently 27 Special Improvement Lighting Districts (SLD's) with approximately 9,429 roadway lights. The majority (97%) of the roadway lights are owned by Northwestern Energy. The City pays a maintenance fee to Northwestern Energy for these lights in addition to a fee which covers the electrical transmission and distribution. The remaining 3% of roadway lights are City-owned.

Adoption of Resolution 10146 will allow the City to fund the operational and maintenance costs required in the Special Improvement Lighting Districts for the fiscal year.

The anticipated assessment amount is \$1,175,344. The total assessment amount reflects an 18% decrease from the prior fiscal year as the cash balances for the various lighting districts are more than adequate to cover the operational costs for the districts.

Staff recommends the City Commission conduct the public hearing and adopt Resolution 10146 to levy and assess properties within the Special Improvement Lighting Districts.

Mayor Kelly declared the public hearing open.

Speaking in support of Resolution 10146 was:

Ron Gessaman, 1006 36th Avenue NE, commented he would like to see a decrease in assessments in other funds. Mr. Gessaman encouraged the rationalization in the various funds.

No one spoke in opposition to Resolution 10144.

Mayor Kelly closed the public hearing and asked the will of the Commission.

Commissioner Jones moved, seconded by Commissioner Burow, that the City Commission adopt Resolution 10146.

Mayor Kelly asked if there was any discussion amongst the Commissioners. Hearing none, Mayor Kelly called for the vote.

Motion carried 4-0.

18. **ORDINANCE 3145 APPROVING AN URBAN RENEWAL PROJECT (WEST BANK LANDING PROJECT) AND ASSOCIATED INFRASTRUCTURE IMPROVEMENTS IN THE WEST BANK URBAN RENEWAL AREA AND AUTHORIZING FINANCING OF INFRASTRUCTURE IMPROVEMENTS WITH TAX INCREMENT REVENUE. OF 1488.4**

Planning and Community Development Director Craig Raymond reported that this item is an application for reimbursement for certain development costs of public infrastructure and other improvements associated with what is known as "West Bank Landing" with Tax Increment Financing Funds (TIF).

Tax Increment Financing is a mechanism that allows communities to use new tax dollars resulting from increasing taxable value for reinvestment within a defined geographic area in which they are derived for a period of 15 years, or up to 40 years if the incremental taxes were pledged to the repayment of a bond. The West Bank Urban Renewal Area is just 1 of 5 TIF districts within the City of Great Falls.

The West Bank Urban Renewal and Tax Increment Financing District was established by the City Commission in 2007 and encompasses property along the west bank of the Missouri River on either side of the Central Avenue West Bridge. Within the West Bank Urban Renewal TIF District is the West Bank One site which consists of Staybridge Suites, FASTER Basset, The Front Brewing Company and Kobe Restaurant. These projects also benefited from TIF support.

The applicant, West Bank Landing LLC, has submitted a TIF reimbursement application for approximately \$2.6 million of eligible TIF expenses to develop phase 1 and 2 of the site. West Bank Landing will be developed immediately north of the adjacent West Bank One development and will incorporate the existing blighted site into a cohesive “village” of mixed-use businesses and residential property.

The plans call for construction of a distinctive, environmentally responsible development that enhances the Westside of Great Falls and complements the popular River’s Edge Trail and West Bank One development. The applicant recognizes that this property provides a unique opportunity to create a development that showcases the Missouri River and needs to be attractive to both residents and new businesses.

The first phase of development includes demolition of existing structures, cleanup of roughly 5.6 acres to accommodate construction of a new hotel, rehabbing an existing historic building for potential tenant(s), and other infrastructure and site work for future commercial construction. Future phases include construction of mixed-use office/retail/restaurant buildings, as well as residential condominiums.

The project site has received EPA Brownfield funds to help facilitate the cleanup of a substantially contaminated property which is directly adjacent to the treasured Missouri River, River's Edge Trail, and West Bank Park. The use of TIF and EPA Brownfield funds for clean-up projects like this have a clear public benefit.

As developers, the members of West Bank LLC are convinced that well-planned, environmentally responsible development along the Missouri River is not easy but is feasible when the right pieces of the puzzle fall into place, and will be profitable. It will attract new businesses, create more jobs and draw local residents to the river and the core of the City.

In order to approve TIF reimbursement requests, the applicants must demonstrate that they meet the criteria recommended in the Urban Renewal Plan as well as the Montana Code Annotated. To aid in this determination, the City of Great Falls’ Tax Increment Application Process established twelve specific criteria to assess the merits of the project in relation to the Plan. For this particular project, the development agreement stipulates that no reimbursement will take place until such time that the developer successfully completes sufficient development and generates enough increment to support the reimbursement. It is anticipated that a municipal bond will be issued to finance the reimbursement.

City staff and legal counsel from Dorsey & Whitney met to review the West Bank Landing TIF Application. After thorough review and evaluation of the Project and infrastructure improvements City staff has determined:

- No persons will be displaced from their housing by the Project or the infrastructure

improvements.

- The Project and the infrastructure improvements substantially satisfy the review criteria of the funding application process and meet the purpose and goals of State Law, the District and Plan.
- The infrastructure improvements conforms to the comprehensive plan (or parts thereof) for the City as a whole.
- The infrastructure improvements constitute public improvements in accordance with State Law.

A sound and adequate financial program exists for the financing of the infrastructure improvements.

Mayor Kelly declared the public hearing open.

Speaking in opposition to Ordinance 3145 were:

Ron Gessaman, 1006 36th Avenue NE, commented that if a business needs public subsidies to do projects like this then they have a bad business plan. With regard to public safety, Mr. Gessaman suggested when giving TIF's, the City should start charging a beneficial use fee similar to what is charged for people who use government owned property.

John Hubbard, 615 7th Avenue South, received clarification with regard to tax increases for Items 14 through 17.

Speaking in support of Ordinance 3145 were:

Brad Talcott, 2801 4th Avenue North, partner in West Bank, expressed appreciation to the Commission for its effort with regard to the project.

Brad Livingston, 100 1st Avenue North, discussed TIF's and SID programs. He noted support from the Chamber of Commerce.

Jolene Schalper, Great Falls Development Authority, 300 Central Avenue, noted the project shows "team Great Falls."

There being no one further to address the Commission, Mayor Kelly closed the public hearing and asked the will of the Commission.

Commissioner Bronson moved, seconded by Commissioner Jones, that the City Commission adopt Ordinance 3145.

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

Commissioner Bronson noted there has been nine years worth of work done on this project. He

further noted once the area was identified as an Urban Redevelopment area that TIF programs would be used.

Commissioner Burow received clarification with regard to bonding for the existing TIF district.

Erin McCrady, Dorsey & Whitney Law Firm, explained the West Bank Landing Project will be located in the existing TIF district. She further noted that the additional tax increment created from this project will be pledged when a third bond is issued.

Commissioner Jones expressed support with regard to what has been done to West Bank.

There being no one further to address the Commission, Mayor Kelly called for the vote.

Motion carried 4-0.

Commissioner Bronson moved, seconded by Commissioner Jones, that the City Commission approve the Development Agreement pertaining to the West Bank Landing Urban Renewal Project.

Mayor Kelly asked if there was any discussion amongst the Commissioners. Hearing none, Mayor Kelly called for the vote.

Motion carried 4-0.

OLD BUSINESS

NEW BUSINESS

ORDINANCES/RESOLUTIONS

CITY COMMISSION

19. MISCELLANEOUS REPORTS AND ANNOUNCEMENTS.

There were no miscellaneous reports and announcements.

20. COMMISSION INITIATIVES.

There were no Commission initiatives.

ADJOURNMENT

There being no further business to come before the Commission, **Commissioner Jones moved, seconded by Commissioner Burow, to adjourn the regular meeting of August 2, 2016, at 8:26 p.m.**

Motion carried 4-0.

Mayor Bob Kelly

Deputy City Clerk Darcy Dea

Minutes Approved: August 16, 2016