



# City Commission Agenda

for

## February 3, 2009

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**Please Note:** The City Commission agenda format allows citizens to speak on each issue prior to Commission action. We encourage your participation. Please keep your remarks concise and to the topic under consideration.

**CALL TO ORDER:** 7:00 P.M.

**PLEDGE OF ALLEGIANCE**

**ROLL CALL**

**NEIGHBORHOOD COUNCILS**

1. Neighborhood Council 4 Good Neighbor Award – Golden Corral Staff
2. Miscellaneous reports and announcements.

**PUBLIC HEARINGS**

3. Res. 9807, Creating Special Improvement Lighting District – City-owned Residential Lighting District 1305, Water Tower Park Addition. Action: Conduct public hearing and adopt or deny Res. 9807. **(Presented by: Coleen Balzarini)**
4. Ord. 3029, to Rezone Parcel Mark No. CC, Section 14, T20N, R3E (City-owned parcel along Overlook Drive). Rezones property from PLI Public lands and institutional district to M-2 Mixed-use transitional district. Action: Conduct public hearing and adopt or deny Ord. 3029. **(Presented by: Bill Walters)**

**OLD BUSINESS**

5. Contract Rate Rider #2: Wholesale Power Rate Adjustment, Wholesale Power Contract between Southern Montana Electric and the City of Great Falls. Action: Approve or deny Contract. **(Presented by: Coleen Balzarini)**

**NEW BUSINESS**

**ORDINANCES/RESOLUTIONS**

6. Res. 9809, Remodel Tax Benefits, 201 2<sup>nd</sup> Avenue South. Grants remodeling tax benefits to OAGR Enterprises LLC. Action: Adopt or deny Res. 9809. **(Presented by: Mike Rattray)**
7. Ord. 3030, Assign City Zoning to Castle Pines Addition, Phase VII. Assigns zoning classification to R-3 Single-family high density district. Action: Accept Ord. 3030 on first reading and set public hearing for March 3, 2009. **(Presented by: Bill Walters)**

**CONSENT AGENDA** The Consent Agenda is made up of routine day-to-day items that require Commission action. Items may be pulled from the Consent Agenda for separate discussion/vote by any Commissioner.

8. Minutes, January 20, 2009, Commission meeting.

9. Minutes, January 28, 2009, Special Commission meeting.
10. Total Expenditures of \$1,643,409 for the period of January 15-28, 2009, to include claims over \$5000, in the amount of \$1,469,887.
11. Contracts list.
12. Lien Release list.
13. Set public hearing for March 3, 2009, on Res. 9813, Conditional Use Permit to allow a Wind Turbine on Lot 2A, Block 1, Vo-Tech Addition (MSU-College of Technology).

Action: Approve Consent Agenda or remove items for further discussion and approve remaining items.

#### **BOARDS & COMMISSIONS**

14. Appointment, Great Falls Transit District Board. Appoint one member to fill the remainder of a four-year term through November 30, 2010.
15. Appointment, Park and Recreation Board. Appoint one member to fill the remainder of a three-year term through December 31, 2009.
16. Miscellaneous reports and announcements.

#### **CITY MANAGER**

17. Miscellaneous reports and announcements.

**PETITIONS AND COMMUNICATIONS** *(Public comment on any matter that is not on the agenda of the meeting and that is within the jurisdiction of the City Commission. Please keep your remarks to a maximum of 5 minutes)*

18. Miscellaneous reports and announcements.

#### **CITY COMMISSION**

19. Miscellaneous reports and announcements.

#### **MOTION TO ADJOURN**



**Item:** Resolution 9807 Creating Special Improvement Lighting District - City-Owned Residential Lighting District 1305, Water Tower Park Addition

**From:** Martha Capps, Operations Supervisor

**Initiated By:** TD Development

**Presented By:** Coleen Balzarini, Fiscal Services Director

**Action Requested:** City Commission Conduct Public Hearing and Adopt Resolution 9807

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**Public Hearing:**

1. Mayor conducts public hearing, calling three times each for opponents and proponents.
2. Mayor closes public hearing and asks the will of the Commission

**Suggested Motion:**

1. Commissioner moves:

“I move the City Commission (adopt/deny) Resolution 9807 creating Special Improvement Lighting District – City-Owned Residential Lighting District 1305.”

2. Mayor calls for a second, discussion, inquiries from the public, and calls for the vote.
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**Staff Recommendation:** Staff recommends the City Commission adopt Resolution 9807 Creating Special Improvement Lighting District – City-Owned Residential Lighting District 1305.

**Background:** On January 6, 2009, the City Commission adopted Resolution 9785, Intent to Create Special Improvement Lighting District - City-Owned Residential Lighting District 1305, Water Tower Park Addition at the request of TD Development, the owner and developer of the property. The design of the street lighting is to be 5 – 100 watt lights mounted on 16 foot poles to provide adequate lighting to the 16 individual properties anticipated within Water Tower Park Addition. The boundary lines of this area are outlined on Exhibit B of Resolution 9785.

Staff mailed letters regarding the City’s intention to create Special Improvement District – City Owned Residential Lighting No. 1305, along with a copy of the published legal notice, which outlined the protest procedures to each person, firm or corporation, or a known agent having property located within the boundaries of the proposed district. During the 15 day protest period,

no opposition letters were received by the City regarding the creation of the district as presented in Resolution 9785.

**Concurrences:** Representatives from the City's Public Works, Fiscal Services, Engineering and Planning Department work with the property owners and developer throughout the review and approval process.

**Fiscal Impact:** There is no direct fiscal impact to City operations. The special assessment for the installation costs of the improvements shall be payable by property owners residing in the district over a term not to exceed 15 years. The estimated annual assessment for construction for an average sized lot of 13,541 square feet will be \$108.33 plus 5% interest on the outstanding loan balance; and as shown on Exhibit C of Resolution 9785. The property owners have the right to prepay the assessment as provided by law.

The ongoing estimated annual maintenance assessment will be \$77.91 for an average sized lot of 13,541 square feet. The maintenance costs include energy, transmission, distribution, and other ongoing related costs; and as shown on Exhibit D of Resolution 9785.

**Alternatives:** The City Commission could choose to deny the adoption of Resolution 9807, and therefore not create Special Improvement Lighting District 1305.

**Attachments/Exhibits:** Resolution 9807  
Resolution 9785, Intent to Create available @  
[www.greatfallsmt.net/records/resolutions/res9785.pdf](http://www.greatfallsmt.net/records/resolutions/res9785.pdf)

Cc: Jason Handl, City Engineering  
Brad Kauffman, GPD Engineering

**RESOLUTION NO. 9807**

**A RESOLUTION CREATING SPECIAL IMPROVEMENT LIGHTING DISTRICT – CITY OWNED RESIDENTIAL LIGHTING NO. 1305 IN THE CITY OF GREAT FALLS, MONTANA FOR THE PURPOSE OF FINANCING THE INSTALLATION OF FIVE 100 WATT HPS SEMI-CUT OFF STREET LIGHTS ON 16-FOOT STEEL POLES WITH UNDERGROUND WIRING ON PROPERTIES LOCATED WITHIN WATER TOWER PARK ADDITION.**

WHEREAS, the City Commission of the City of Great Falls, duly and regularly passed and adopted Resolution No. 9785 on the 6<sup>th</sup> day of January, 2009, which Resolution of Intention to Create Special Improvement Lighting District – City-Owned Residential Lighting No. 1305 is now on file in the office of the City Clerk and to which reference is hereby made; and

WHEREAS, the City Commission caused notice of the intent of passage of the Resolution of Intention No. 9785 to be published in the *Great Falls Tribune*, a daily newspaper published in the City of Great Falls, Montana, in the manner and form and during the period as required by law and also caused the City Clerk on the 9<sup>th</sup> day of January, 2009, that being the day of the first publication of the notice, to mail to each person, firm or corporation, or a known agent thereof, having property within the District, to the last known address of such person, firm or corporation or agent, a notice of the passage of the Resolution of Intention No. 9785; and

WHEREAS, the City Commission having this day met in regular session, at the time and place fixed and mentioned in the Resolution of Intention No. 9785 and in said notices for a public hearing, and the passing upon protests, against the making of the proposed District therein; and the Commission having fully heard and considered all of such protests and other testimony.

**NOW, THEREFORE, BE IT RESOLVED BY THE COMMISSION OF THE CITY OF**

**GREAT FALLS, MONTANA:**

Section 1. The City Commission does hereby find and determine that the protests and each of them made against the creation of the District and against the making of the proposed improvements are and the same are hereby declared insufficient.

Section 2. There is hereby created a Special Lighting District to be known and designated as Special Improvement Lighting District – City-Owned Residential Lighting No. 1305 of the City of Great Falls, Montana, and the improvements described in the Resolution of Intention No. 9785 are hereby ordered to be made.

Section 3. The boundaries of the District shall be the same as described in the Resolution of Intention No. 9785 to which reference is hereby made for a particular description thereof.

Section 4. The City Commission hereby makes reference to the Resolution of Intention No. 9785 for further particulars, including the method of assessing the costs of the improvements against the benefited properties.

Section 5. That the creation of this District will super cede and take precedence over any existing, overlapping street lighting district boundaries.

PASSED by the Commission of the City of Great Falls, Montana, on this 3<sup>rd</sup> day February, 2009.

\_\_\_\_\_  
Dona R. Stebbins, Mayor

ATTEST:

\_\_\_\_\_  
Lisa Kunz, City Clerk

(SEAL OF CITY)

\_\_\_\_\_  
Approved for Legal Content: City Attorney

State of Montana )  
County of Cascade : ss  
City of Great Falls )

I, Lisa Kunz, City Clerk of the City of Great Falls, Montana, do hereby certify that the foregoing Resolution 9807 was passed by the Commission of the City of Great Falls, Montana, at a meeting thereof held on the 3<sup>rd</sup> day of February, 2009 and approved by the Mayor of said City on the 3<sup>rd</sup> day of February, 2009.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the Seal of said City this 3<sup>rd</sup> day of February, 2009.

\_\_\_\_\_  
Lisa Kunz, City Clerk

(SEAL OF CITY)



**Item:** Public Hearing - Ordinance 3029 to rezone Parcel Mark No. CC, Section 14, T20N, R3E (City-owned parcel along Overlook Drive)

**From:** Bill Walters, Interim Planning Director

**Initiated By:** City Administration

**Presented By:** Bill Walters, Interim Planning Director

**Action Requested:** City Commission adopt Ordinance 3029.

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**Public Hearing:**

1. Mayor convenes public hearing, calling three times each for opponents and proponents.
2. Mayor closes public hearing and asks the will of the Commission.

**Suggested Motion:**

1. Commissioner moves:

“I move that the City Commission (adopt/deny) Ordinance 3029.”

2. Mayor calls for a second, discussion, inquiries from the public, and calls the vote.
- 

**City Zoning Commission Recommendation:** The City Zoning Commission, at the conclusion of a public hearing held December 9, 2008, unanimously passed a motion recommending the City Commission rezone Parcel Mark No. CC, Section 14, T20N, R3E, from PLI Public lands and institutional district to M-2 Mixed-use transitional district.

**Background:** The City is the owner of a vacant 2.67 acre tract of land legally described as Parcel Mark No. CC, Section 14, Township 20 North, Range 3 East, Cascade County, Montana. Subject parcel is located between the City Water Treatment Plant and Warden Bridge where Lower River Road intersects with Overlook Drive. The City is interested in having the parcel rezoned from PLI Public lands and institutional district to M-2 Mixed-use transitional district to make the property more marketable for development. The M-2 Mixed-use transitional district allows commercial, residential, and institutional uses and public spaces. The zoning district does not permit light or heavy industrial uses.



Please refer to the attached Vicinity/Zoning Map.

The City acquired subject parcel from the Great Northern Railroad in 1972. The City Public Works Department has used the property for several years as a site for depositing snow removed from City streets. Two City water transmission mains traverse the site and a City sanitary sewer main is located in the BNSF Railroad right-of-way bordering the south corner of the site. The current reconstruction of the abutting portion of Overlook Drive will result in the relocation of water mains traversing Parcel Mark No. CC. Vehicular access is currently provided by State right-of-way lying beneath the Warden Bridge which connects to River Drive South.

Section 76-2-304 Montana Code Annotated lists criteria and guidelines which must be considered in conjunction with municipal zoning regulations:

- a) is designed in accordance with the comprehensive plan;
- b) is designed to lessen congestion in the streets;
- c) will secure safety from fire, panic or other dangers;
- d) will promote health and the general welfare;
- e) will provide adequate light and air;
- f) will prevent overcrowding of land;
- g) will avoid undue concentration of population;
- h) will facilitate the adequate provision of transportation, water, sewerage, schools, parks and other public requirements;
- i) gives reasonable consideration to the character of the district;
- j) gives reasonable consideration to the peculiar suitability of the property for particular uses;
- k) will conserve the value of buildings; and
- l) will encourage the most appropriate use of land throughout the municipality.

Parcel Mark No. CC is bordered on the north by right-of-way and abutments supporting the Warden Bridge, on the east by a beverage warehouse and railroad right-of-way, on the south by a water treatment plant and on the west side by River Drive South and the Missouri River.

Two primary goals of the economic development element of the City of Great Falls Growth Policy are:

- ◆ Attract new businesses.
- ◆ Encourage businesses and industries that will utilize existing infrastructure.

Two primary goals of the land use element of the Growth Policy are:

- ◆ To support and encourage efficient, sustainable development and redevelopment throughout the community.
- ◆ To support and encourage a compatible mix of land uses in newly developing areas.

The Growth Policy encourages compatible infill and redevelopment which offer the community the highest degrees of efficiency and sustainability. Land use changes should be compatible with the type, scale, and physical character of the neighborhood.

Subject property is located within the boundaries of the Missouri River Urban Corridor Plan dated 2004. The primary purpose of this Plan is to present a vision for what is possible in the

corridor. The Plan indicates vacant properties should be planned and developed carefully. Subject parcel has not been identified for park purposes. The Plan provides that City-owned land in the corridor that may offer good development opportunities, be sold or leased for development that would be beneficial to the community.

In addition, development upon Parcel Mark No. CC will be subject to the review and approval of the City's Design Review Board, which considers such features as building architecture, exterior materials, colors, façade design and elevations, outdoor lighting and landscaping.

Considering the remaining procedural steps to insure quality of the built environment, staff concludes all of the above cited criteria are or can substantially be met.

A private party has expressed an interest in acquiring subject parcel if it is properly zoned to accommodate private development. As no City Department has indicated a need for subject property, either short or long term, rezoning the property to M-2 Mixed-use transitional district is a step in preparing the property to be marketed for sale.

During the Public Hearing before the Zoning Commission on December 9, 2008, no proponents or opponents spoke and no public comment was presented.

**Concurrences:** Other City Departments including Public Works, Community Development, Park and Recreation and Fire have been consulted regarding the rezoning. Neighborhood Council 6 reviewed the rezoning proposal during a meeting held December 3, 2008, and no objections were expressed.

**Fiscal Impact:** Approval of the rezoning could eventually result in private development of the property which will enhance the tax base.

**Alternatives:** If there are justifiable reasons to do so, the City Commission could deny Ordinance 3029 to the extent allowed in City Code and State Statute.

**Attachments/Exhibits:**

Ordinance 3029

Vicinity/Zoning Map

Cc: Jim Rearden, Public Works Director  
Dave Dobbs, City Engineer  
Mike Rattray, Community Development Director  
Mike Jacobson, Water Plant Supervisor

ORDINANCE 3029

AN ORDINANCE CHANGING THE ZONING CLASSIFICATION ON PARCEL MARK NO. CC, SECTION 14, TOWNSHIP 20 NORTH, RANGE 3 EAST, CASCADE COUNTY, MONTANA, LOCATED ALONG OVERLOOK DRIVE BETWEEN THE WATER TREATMENT PLANT AND THE WARDEN BRIDGE, FROM PLI PUBLIC LANDS AND INSTITUTIONAL DISTRICT TO M-2 MIXED-USE TRANSITIONAL DISTRICT

\* \* \* \* \*

WHEREAS, on the 6<sup>th</sup> day of September, 2005, the City Commission of the City of Great Falls, Montana, adopted a certain Ordinance designated as Ordinance 2923 entitled: "AN ORDINANCE ADOPTING TITLE 17 OF THE OFFICIAL CODE OF THE CITY OF GREAT FALLS, MONTANA, PERTAINING TO LAND DEVELOPMENT CODES AND REPEALING ANY AND ALL PREVIOUS ORDINANCES OR INTERIM ORDINANCES,"; and,

WHEREAS, said Ordinance 2923 became effective the 6<sup>th</sup> day of October, 2005; and,

WHEREAS, said Ordinance 2923 has placed the following described property situated in the City of Great Falls, Cascade County, Montana, in a PLI PUBLIC LANDS AND INSTITUTIONAL DISTRICT, as defined therein:

Parcel Mark No. CC, Section 14, Township 20 North, Range 3 East, Cascade County, Montana, located along Overlook Drive between the Water Plant Addition and the Warden Bridge.

WHEREAS, notice of rezoning the above-mentioned property from the existing PLI PUBLIC LANDS AND INSTITUTIONAL DISTRICT to a M-2 MIXED-USE TRANSITIONAL DISTRICT was published in the Great Falls Tribune, advising that a public hearing on this proposed change in zoning would be held on the 3rd day of February, 2009, before final passage of said Ordinance herein; and,

WHEREAS, pursuant to said Ordinance 2923, a hearing was duly held after notice thereof was first duly given according to said Ordinance 2923, for the purpose of considering changing said zoning designation on said property to a M-2 MIXED-USE TRANSITIONAL DISTRICT; and,

WHEREAS, following said public hearing, it was found and recommended that the said zone change be made, NOW THEREFORE,

BE IT ORDAINED BY THE COMMISSION OF THE CITY OF GREAT FALLS, STATE OF MONTANA:

Section 1. It is determined that the herein requested zone change will meet the criteria and guidelines cited in Section 76-2-304 Montana Code Annotated, and Section 17.16.40.030 of the Unified Land Development Code of the City of Great Falls.

Section 2. That the zoning designation on the property hereinabove described be changed from a PLI PUBLIC LANDS AND INSTITUTIONAL DISTRICT to a M-2 MIXED-USE TRANSITIONAL DISTRICT.

Section 3. All Ordinances and parts of Ordinances in conflict herewith, are hereby repealed.

Section 4. This ordinance shall be in full force and effect thirty (30) days after its passage and adoption by the City Commission.

PASSED BY THE CITY COMMISSION OF THE CITY OF GREAT FALLS, MONTANA, this 3rd day of February, 2009.

\_\_\_\_\_  
Dona R. Stebbins, Mayor

ATTEST:

\_\_\_\_\_  
Lisa Kunz, City Clerk

(SEAL OF CITY)

APPROVED FOR LEGAL CONTENT:

\_\_\_\_\_  
David V. Gliko, City Attorney

State of Montana     )  
County of Cascade    : ss.  
City of Great Falls    )

I, Lisa Kunz, City Clerk of the City of Great Falls, Montana, do hereby certify that the foregoing Ordinance 3029 was placed on its final passage and passed by the City Commission of the City of Great Falls, Montana at a meeting thereof held on the 3rd day of February, 2009.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the Seal of said City on this 3rd day of February, 2009.

\_\_\_\_\_  
Lisa Kunz, City Clerk

(SEAL OF CITY)

State of Montana     )  
County of Cascade    : ss.  
City of Great Falls    )

Lisa Kunz, being first duly sworn, deposes and says: That on the 3rd day of February, 2009, and prior thereto, she was the City Clerk of the City of Great Falls, Montana; that as said City Clerk she did publish and post as required by law and as prescribed and directed by the Commission, Ordinance 3029 of the City of Great Falls, in three conspicuous places within the limits of said City to-wit:












On the Bulletin Board, first floor, Civic Center Building;  
On the Bulletin Board, first floor, Cascade County Court House;  
On the Bulletin Board, Great Falls Public Library

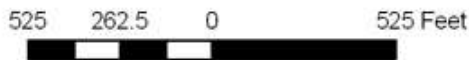
\_\_\_\_\_  
Lisa Kunz, City Clerk

(SEAL OF CITY)

# VICINITY/ZONING MAP



-  MARK CC IN NE 1/4 SECTION 14, TOWNSHIP 20 NORTH, RANGE 3 EAST, PROPOSED TO BE REZONED FROM PLI PUBLIC LANDS AND INSTITUTIONAL DISTRICT TO M-2 MIXED-USE TRANSITIONAL DISTRICT
- |  |  |  |
|--|--|--|
|  CITY LIMITS                |  R-2 Single-family medium density |  PLI Public Lands and Institutional |
|  RIGHT-OF-WAY               |  R-3 Single-family high density   |  POS Parks and Open Space            |
|  R-1 Single-family suburban |  M-2 Mixed-use transitional       |  RIVERS                              |
|  |  |  Tracts of land outside City         |





**Item:** Contract Rate Rider #2: Wholesale Power Rate Adjustment; Wholesale Power Contract Between Southern Montana Electric and the City of Great Falls

**From:** Electric City Power Board of Directors

**Initiated By:** Southern Montana Board Approval to Offer Blended Energy Rate, Dated August 21, 2008

**Presented By:** Coleen Balzarini, Fiscal Services Director

**Action Requested:** Approve Contract Rate Rider #2: Wholesale Power Rate Adjustment (Blended Rate) Offer From Southern Montana Electric

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**Suggested Motion:**

1. Commissioner moves:

“I move that the City Commission approve/reject the Wholesale Power Rate Adjustment (the blended energy rate) offer from Southern Montana Electric G&T and authorize the City Manager and ECP Executive Director to execute Contract Rate Rider #2.”

2. Mayor calls for a second, discussion, inquiries from the public, and calls the vote.

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**INTRODUCTION**

The process of transitioning to a “blended rate” for wholesale power sales to the City of Great Falls/ECP was approved at the August 21, 2008 meeting of the Southern Montana Board of Trustees. It was anticipated that the rate would have been effective on October 1, 2008 subject to acceptance by the City. As of yet the City has not accepted the revised rate which would be a departure from a “pass through” of actual costs adjusted for net imbalance sales and purchases on the open market. Until the City “accepts” the new rate and associated terms as proposed by the Southern Board the “pass through” billing will continue in its current form.

The Electric City Power Board discussed the blended energy rate offer at the November, December 2008, and January 2009 meetings. The ECP Board recommended the City Commission approve the blended energy rate offer at its December 2008 meeting.

A Southern bylaw issue will also be resolved as one outcome of the City’s acceptance of the blended rate (the same rate as used by other SME members). Currently all Southern members receiving the blended rate are required to maintain a cash deposit to cover Southern’s cash flow

needs (this is so Southern can make their electric supply payments while awaiting receipt of payments from the Southern members). During a transition period through December 31, 2010, cash differences between the cost of the “pass through” rate and the more favorable “blended” rate, will be retained by Southern to accumulate the required cash deposit. If the entire one month deposit has not been accumulated by the end of the transition period, the remaining amount due will be billed and collected over a reasonable period of time.

## **BACKGROUND**

The following is a detailed version of what will happen in regards to the July 17, 2007 security deposit agreement and the transition from a pass through rate to a blended rate.

### **Rate Structure**

An explanation of the proposed rate structure change and its impact can be illustrated using June kwh's of consumption and June \$'s as provided on the attached chart.

The difference is not just a function of imbalance sales. It is also a function of the impact of substituting a take or pay contract, in this case 15,200,000 kwh's, for a rate charged for actual energy consumed, in this case 14,115,759 kwh's.

### **Pass Through Rates**

The pass through rate, and the associated take or pay contract comprised of 15,200,000 kwh's was originally acquired to accommodate the anticipated growth in the ECP customer base beginning in October of 2004 running through September 30, 2011. During certain periods since October 2004, ECP had excessive surplus energy to be sold on the open market. This occurred when ECP entered into contracts in anticipation of customer growth. The growth did not occur in the anticipated timeframes due to legislative or other actions occurring outside the control of ECP and the City. At this time the contracts serve ECP customers' standard demands and a portion of ECP customers' peak energy demands. Any surplus kwh's associated with ECP customers are bought or sold in the imbalance market. Net imbalance sales and purchases “pass through” to ECP. As a pass through customer, ECP does not participate in margins or the resulting contributions to patronage capital.

### **Blended Rates**

The blended rate includes the cost per megawatt hour of electric energy and related services based on the total cost of service necessary to meet the total energy and related services needs of the members of Southern Montana plus a reasonable margin (to be allocated on a contribution to patronage capital basis to the Cooperative Member Systems and the Buyer) as determined by the Southern Montana Board of Trustees. Southern has experienced positive margins in all years except one since it began supplying energy to its members in 2004.

The blended (levelized) rate will be charged for actual kwh's consumed by ECP customers. Southern has adequate energy contracts through September 30, 2011 to serve all of Southern's members. The contract rates are comparable in cost per kwh to ECP's pass through contracted cost per kwh. Surplus kwh's from all of Southern's wholesale energy contracts will first be pooled and made available to all six cooperative members. Any remaining surplus kwh's associated with all Southern members needs will be bought or sold in the imbalance market.

It is highly likely that the blended rate will continue to be more favorable to ECP than the current pass through rate. The 2008 blended rate would have been approximately \$52.23/MWh. The 2009 blended rate will be approximately \$56.41. This is an 8% increase compared to NWE's 10% increase from 2007 to 2008. The 2008 and 2009 Southern blended rate increases are greater than past increases due to the need to replace 50 MW's of low cost WAPA power with other higher priced supplier contracts beginning in 2008. These contracts will be in effect through 2011. Therefore, future years' rate adjustments are anticipated to be less than 8% as the major price adjustments have been taken in 2008 and 2009.

**Water Credit**

Beginning January 1, 2009, the Water Credit deferred payment will no longer be in effect. The Block 1 Contract, the block related to the Water Credit agreement, expires December 31, 2008. As of October 31, 2008, the amount payable related to the Water Credit is \$1,161,945.

**One month cash deposit held by Southern**

Currently all Southern's blended rate members are required to place cash on deposit with Southern to cover cash flow needs (this allows Southern to make their electric payments while waiting for payments from the members). This requirement is the result of a Southern Board policy adopted in December 2007 and amended on June 19, 2008. By transitioning ECP to the blended rate, Southern will begin to accrue the cash deposit required to be consistent with other Southern members. This \$732, 573 (one month ECP average expense) deposit requirement has no expiration date and will remain in effect as long as ECP is a member of Southern, or until such time as Southern Board action removes the requirement via a policy amendment.

The blended rate will require ECP to pay Southern for all power consumed by ECP customers at a flat rate. Amounts ECP previously paid or received for ECP customers' imbalance transactions will no longer pass through to ECP but will now remain with Southern. Amounts in excess of that previously paid via the pass through contract when compared to amounts paid via the blended rate will be held on deposit by Southern until a cash balance equal to one month ECP expenses is built up. All funds held on deposit by Southern will earn a rate of return commensurate with the rate Southern Montana receives for other funds it has on deposit in interest bearing accounts.

**Sample Flow of Funds**

Here is the flow of funds under a blended rate scenario during the transition period when 14,115,759 kwh's are consumed by ECP customers (June 2008 actual consumption):

Step 1:

Calculate amounts that would be due if under the pass through rate. This amount is a component of

Wholesale pass through contract (consumed kwh's of 14,115,759)	\$655,535.85
Wholesale pass through contract (take or pay kwh's of 15,200,000)	<u>\$ 50,320.15</u>
Total Wholesale pass through contract	\$705,856.00
Transmission	\$121,395.53
Admin (kwh's consumed 14,115,759 X energy + Trans X 2%)	\$ 15,538.63
Net Imbalances	<u>\$ (2,378.03)*</u>



Total amount due under pass through rate: \$840,412.13

\*Note, upon acceptance of the blended rate, Net Imbalances would be carried by Southern and no longer passed directly through to ECP.

Step 2:

Calculate dollar amounts due for energy consumed under current estimated blended rate inclusive of energy, transmission, and admin. (14,115,759 kwh's X \$.05641)

\$796,269.97

Step 3:

Determine the difference: Step1 minus Step2.

\$ 44,142.16

Step 4:

Record transition period transaction on ECP books as follows:

Debit: Energy Expense (blended rate)	\$796,269.97	
Debit: Cash on Deposit with Utility Provider (difference between pass through & blended Rates up to \$732,573)	\$ 44,142.16	
Credit: Cash (wire transfer to Southern)		\$840,412.13

Step 5:

During transition period, monthly Interest Earnings attributable to Cash on Deposit with Utility Provider are recorded on City Books as follows:

Debit: Cash on Deposit with Utility Provider (\$ 44,142.16 x 1.5%/12month)	\$ 55.18
Credit: Interest Earnings Revenue	\$ 55.18

Step 6:

Once Cash on Deposit with Utility Provider equals one month of ECP Energy expense, the transition period is satisfied and transactions on City Books are only for blended rate energy expenses as follows:

Debit: Energy Expense (blended rate)	\$796,269.97	
Credit: Cash (wire transfer to Southern)		\$796,269.97

Step 7:

Once transition period is complete, monthly interest earnings attributable to Cash with Utility Provider are recorded on City Books as follows:

Debit: Cash (wire transfer from Southern) (\$732,573 x 1.5%/12month)	\$ 915.72
Credit: Interest Earnings Revenue	\$ 915.72

### **\$1.4 Million Certificate of Deposit(CD)**

At some point in the future, there will be a release of the City's agreement to designate funds held by the City in the amount of \$1.4 million in the form of certificates of deposit as security for a Southern letter of credit. As Southern Montana's surplus cash balances increase, the City's designated funds will no longer be necessary. You may recall the letter of credit was required of Southern by the wholesale energy supplier in relation to ECP energy needs to serve its customers.

A review of the underlying terms of the July 17, 2007 security agreement have resulted in a change in accounting and related note disclosures for the CD's beginning with the FY 2008 audited financial reports. The June 30, 2008 audited financials as well as all future financials will no longer reflect a utility deposit from other city funds to ECP equal to the \$1.4 million CD. Instead, the arrangement is disclosed in a contingent liability footnote. The disclosure discusses the amount of the CD and how it might be accessed in the event of a payment default. The sequence of events that must occur is ECP customers would be delinquent in payments to ECP, which would prevent ECP from making its payment to Southern, which would prevent Southern from making its payment to the wholesale energy supplier. It also states that there has never been a delinquent event by ECP customers, ECP, or Southern.

**Concurrences:** Southern Montana Electric G&T Board, and Electric City Power Board concur with the terms of the blended energy rate offer. The City Attorney and Southern's legal counsel have approved the Contract Rate Rider #2 as presented at the Commission Meeting.

**Fiscal Impact:** Although past performance cannot guarantee future results, it is highly likely that the acceptance of the blended energy rate will result in a positive fiscal impact to the Electric Utility Fund.

**Alternatives:** Do not accept the blended energy rate, and continue with the pass through rate as it currently exists.

### **Attachments/Exhibits:**

1. Contract Rate Rider #2: Wholesale Power Rate Adjustment; Wholesale Power Contract Between Southern Montana Electric and the City of Great Falls.
2. Wholesale Power Contract Between Southern Montana Electric and the City of Great Falls dated October 2, 2007
3. Rate Comparisons using Southern 2008 and 2009 blended rates compared to Historic Pass Through Rates

**CONTRACT RATE RIDER #2: WHOLESALE POWER RATE ADJUSTMENT  
WHOLESALE POWER CONTRACT BETWEEN  
SOUTHERN MONTANA ELECTRIC AND THE CITY OF GREAT FALLS**

**THIS CONTRACT RATE RIDER #2** ("Rider #2"), made and entered into this \_\_\_\_ day of January, 2009, by and between **SOUTHERN MONTANA ELECTRIC GENERATION AND TRANSMISSION COOPERATIVE, INC.**, a corporation organized and existing under the laws of the State of Montana, with its principal place of business at 3521 Gabel Road – Suite #5, Billings, Montana 59102, ("Southern Montana"), the **CITY OF GREAT FALLS**, a municipality within the State of Montana, with its principal place of business at City Hall, 2 Park Drive South, Great Falls, Montana, 59401, (the "City of Great Falls"), and **ELECTRIC CITY POWER, INC.**, a Montana nonprofit corporation, with its principal place of business at City Hall, 2 Park Drive South, Great Falls, Montana, 59401 ("ECP"). The City of Great Falls and ECP are referred to collectively as the "Buyer." Southern Montana, the City of Great Falls and ECP are collectively referred to hereinafter as the "Parties."

**WHEREAS**, Southern Montana and the City of Great Falls entered into a Wholesale Power Contract on October 2, 2007, ("Wholesale Power Contract") to meet the electric energy and related services requirements of ECP's customers, through December 31, 2048;

**WHEREAS**, the City of Great Falls and ECP entered into an Assignment and Assumption Agreement on October 2, 2007 assigning, transferring and conveying the City of Great Falls' rights, benefits and privileges under the Wholesale Power Contract to ECP;

**WHEREAS**, in Section 7(A) of the Wholesale Power Contract, Southern Montana and the Buyer agreed to rates as determined by previously secured wholesale electricity supply contracts (such rates referred to as the "Pass-Through Rate");

**WHEREAS**, Southern Montana also has wholesale power contracts with its five other members who are rural electric cooperatives (the "Cooperative Member Systems");

**WHEREAS**, for the purpose of this Rider #2 the term "Blended Rate" will be defined as the cost per megawatt hour of electric energy and related services based on the total cost of service necessary to meet the total energy and related services needs of the members of Southern Montana plus a reasonable margin (to be allocated on a contribution to patronage capital basis to the Cooperative Member Systems and the Buyer) as determined by the Southern Montana Board of Trustees;

**WHEREAS**, the Blended Rate is generally adjusted annually by the Southern Montana Board of Trustees as an attribute of Southern Montana's budgeting process;

**WHEREAS**, the Parties have discussed transitioning the Pass-Through Rate paid by Buyer over a Transition period into a Blended Rate, following which all of Southern Montana's member systems (Cooperative Member Systems and Buyer) would pay a single Blended Rate adjusted as needed by the Southern Montana Board of Trustees;

**AND WHEREAS**, the Southern Montana Board of Trustees approved at its August 21, 2008 meeting a rate methodology to determine a Transition Rate (defined below) offered to Buyer as a means to transition its Pass-Through Rate to a Blended Rate over a transition period, leading to this Rider #2 to the Wholesale Power Contract.

**NOW, THEREFORE**, for good and sufficient consideration, the receipt of which is mutually acknowledged, the Parties agree as follows:

- A. Effective January 1, 2009, (the "Effective Date"), the Parties agree that the Buyer will pay a Transition Rate (defined below) for a period ending December 31, 2010 ("Transition Period").

- B. During the Transition Period Buyer agrees to pay Southern Montana a "Transition Rate." The Transition Rate paid by Buyer during the Transition Period will be determined and defined as follows:
1. Step #1: Southern Montana will calculate the average rate for sales to all Southern Montana members (Cooperative Member Systems and Buyer).
  2. Step #2: Southern Montana will determine the Blended Rate for the Cooperative Member Systems (the Blended Rate varies slightly on a monthly basis as a function of the member system load factors).
  3. Step #3: Southern Montana will calculate the difference between the average rate in Step #1 and the Cooperative Members Systems Blended Rate in Step #2.
  4. Step #4: The sum of Step #1 and Step #3 will be the "Transition Rate" paid by the Buyer for the Transition Period.
  5. Step #5: Southern Montana will calculate the difference between the Pass-Through Rate (including the 2% charge for administrative and general services, scheduling and other services pursuant to Section 7(a) of the Wholesale Power Contract) and the Transition Rate determined in accordance with Steps #1 through #4. If the difference between the Pass-Through Rate and the Transition Rate is greater than zero that amount will be credited to Buyer's deposit requirement as stated in Southern Montana's Board Policy G-5 ("Policy G-5").

An illustrative example showing Step #1 through Step #5 is attached hereto as Exhibit A.

- C. Any funds retained by Southern Montana during or after the Transition Period will constitute a deposit held by Southern Montana for which Buyer will be paid interest at a rate commensurate with the rate Southern Montana receives for other funds it has on deposit in interest bearing accounts.

D. Post-Transition Period Provisions:

1. At the end of the Transition Period if Buyer has fully met the deposit requirement of Policy G-5, Buyer will pay the Blended Rate as defined herein as is necessary to meet Buyer's load ratio share of the cost of service necessary to meet the total energy and related services needs of the members of Southern Montana. The Blended Rate will include a reasonable margin (to be allocated on a contribution to patronage capital basis to the Cooperative Member Systems and the Buyer) as determined by the Southern Montana Board of Trustees.
2. Provided however, if at the end of the Transition Period Buyer has not fully met the deposit requirement of Policy G-5, Buyer will be billed the remaining deposit requirement and allowed to meet this obligation over a reasonable period of time. Satisfaction of the deposit requirement will put the Buyer on par with the Cooperative Member Systems in meeting the Board implemented deposit requirement for Blended Rate purchasing member systems.
3. Provided further, that the above provisions shall apply until such time that Highwood Generating Station begins commercial operation, at which time Section 7(C) of the Wholesale Power Contract (which addresses rates upon such commercial operation) shall apply unless other rate provisions are agreed to by the Parties.

This Rider #2 shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and assigns.

EXECUTED the day and year first hereinabove written.

SOUTHERN MONTANA ELECTRIC GENERATION AND TRANSMISSION COOPERATIVE, INC.

By: \_\_\_\_\_ Attest: \_\_\_\_\_  
President Vice-President

CITY OF GREAT FALLS

By: \_\_\_\_\_ Attest: \_\_\_\_\_  
City Manager Title: \_\_\_\_\_

ELECTRIC CITY POWER, INC.

By: \_\_\_\_\_ Attest: \_\_\_\_\_  
Executive Director Title: \_\_\_\_\_

STATE OF MONTANA )  
 : ss.  
COUNTY OF \_\_\_\_\_ )

On this \_\_\_\_\_ day of \_\_\_\_\_, 2009, before me, the undersigned, a Notary Public in and for said state, personally appeared \_\_\_\_\_ and \_\_\_\_\_ the President and Vice-President, respectively, of Southern Montana Electric Generation and Transmission Cooperative, Inc., a Montana corporation, each known to me to be the person whose name is subscribed to the within instrument and acknowledged to me that they executed the same, on behalf of said corporation, for the purposes therein expressed.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first hereinabove written.

(Notary Seal)

\_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Notary Public for the State of Montana  
Residing in: \_\_\_\_\_  
My Commission Expires: \_\_\_\_\_

STATE OF MONTANA )  
 : ss.  
COUNTY OF \_\_\_\_\_ )

On this \_\_\_\_\_ day of \_\_\_\_\_, 2008, before me, the undersigned, a Notary Public in and for said state, personally appeared \_\_\_\_\_, the City Manager of the City of Great Falls, an incorporated city, known to me to be the person whose name is subscribed to the within instrument and acknowledged to me that they executed the same, on behalf of said incorporated city, for the purposes therein expressed.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first hereinabove written.

(Notary Seal)

\_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Notary Public for the State of Montana  
Residing in: \_\_\_\_\_

My Commission Expires: \_\_\_\_\_

STATE OF MONTANA            )  
  : ss.  
COUNTY OF \_\_\_\_\_        )

On this \_\_\_\_\_ day of \_\_\_\_\_, 2008, before me, the undersigned, a Notary Public in and for said state, personally appeared \_\_\_\_\_, the Executive Director of Electric City Power, Inc. a Montana nonprofit corporation known to me to be the person whose name is subscribed to the within instrument and acknowledged to me that they executed the same, on behalf of said corporation, for the purposes therein expressed.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first hereinabove written.

(Notary Seal)

\_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Notary Public for the State of Montana  
Residing in: \_\_\_\_\_  
My Commission Expires: \_\_\_\_\_

DRAFT 01-19-09

COPY

**WHOLESALE POWER CONTRACT BETWEEN  
SOUTHERN MONTANA ELECTRIC AND THE CITY OF GREAT FALLS**

THIS AGREEMENT, is made and entered into this 2nd day of October, 2007 (as amended, this "Agreement"), by and between **SOUTHERN MONTANA ELECTRIC GENERATION AND TRANSMISSION COOPERATIVE, INC.** ("SME" or "Southern Montana"), a corporation organized and existing under the laws of the State of Montana, with its principal place of business at 3521 Gabel Road\_- Suite #5, Billings, Montana 59102, and the **CITY OF GREAT FALLS** ("City"), an incorporated city with its principal place of business at City Hall, 2 Park Drive South, Great Falls, Montana, 59401.

**RECITALS**

WHEREAS, SME is a rural electrical cooperative organized under the provisions of Title 35, Chapter 18 of the Montana Code Annotated for the purposes of purchasing and reselling, generating, and distributing electrical power to its members;

WHEREAS, the City is a member of SME;

WHEREAS, the City Commission of the City has organized and created Electric City Power, Inc., a Montana nonprofit corporation ("ECP"), as an instrumentality of the City in order to secure and provide reliable and economic supplies of electricity to its commercial and industrial customers, and ECP has obtained a license under Montana law to supply electricity to certain commercial and industrial customers (but ECP is not licensed to operate an electrical distribution system);

WHEREAS, the City has determined that it needs to enter into this Agreement with SME to meet the power requirements of ECP's customers whether or not the City or ECP participate in the Highwood Generating Station as an owner;

WHEREAS, ECP has entered into power supply agreements with certain commercial and industrial customers as identified (along with each customer's projected load and meter and delivery points) on Exhibit A attached hereto;

WHEREAS, on or about the effective date hereof, the City and ECP have entered into an Assignment and Assumption Agreement (the "Electric City Power Contract") under which the City has agreed to assign to ECP and ECP has assumed all of the City's rights to receive the electric energy and related transmission and ancillary services purchased by it from SME under this Agreement to permit ECP to meet its obligations to its commercial and industrial customers;

WHEREAS, SME is currently purchasing electric energy and related transmission services for the purpose of, among other things, supplying wholesale electric energy to its members, including the City;

WHEREAS, for the purpose of acquiring quantities of electric energy and related services for the supply of the City's power requirements, SME has entered into a number of power purchase agreements with PPL Montana, LLC (hereinafter "PPL"), a Delaware limited liability company by and through PPL Energy Plus, LLC, its authorized agent with principal business office at 303 North Broadway, Suite 400, Billings, Montana, 59101 (the "Existing PPL Supply Contracts");

WHEREAS, SME has previously executed the following agreements with the City with respect to its power requirements (collectively, the "Existing Contracts"): (1) September 29, 2004 WHOLESAL POWER CONTRACT; (2) October 22, 2004 AGREEMENT; (3) October 18, 2005 AGREEMENT, ADDENDUM #1; (4) November 8, 2006, AGREEMENT, ADDENDUM #2; and (5) July 17, 2007 AGREEMENT



REGARDING SECURITY FOR POWER PURCHASES FOR THE CITY OF GREAT FALLS;

WHEREAS, SME is undertaking the development of a coal-fired electric generating facility to be located in Cascade County, Montana near the City of Great Falls, which facility will be known as the Highwood Generating Station ("HGS");

WHEREAS, the City, through ECP, desires to be an equity participant in the HGS if it can secure financing satisfactory to the Rural Utilities Service ("RUS") and in such time as to not delay SME's financing and construction of HGS;

WHEREAS, if the City, through ECP, is an equity participant, the HGS will be sized at approximately 250 Megawatts net and ECP will own an undivided ownership interest in, and will be entitled to fifteen percent (15%) of the net output from, HGS on and after it begins commercial operation;

WHEREAS, if the City, through ECP, is not an equity participant in the HGS, the HGS will be sized at approximately 213 to 215 Megawatts net and will be owned and financed solely by SME, primarily by a loan guaranteed through the RUS;

WHEREAS, the parties anticipate the HGS may not begin commercial operation prior to the second quarter of 2012;

WHEREAS, in connection with its equity participation in the HGS, the parties anticipate that SME, the City and ECP will negotiate and enter into a Coordination and Integration Agreement (if entered into, the "CIA") providing for the coordinated financing of the HGS and providing that ECP will assign its ownership interest in HGS to SME and that SME will, in turn, make the output of ECP's ownership interest in HGS,

000534

together with certain other power supply sources, available to ECP and the City so that ECP may meet its commitments to its commercial and industrial customers;

WHEREAS, SME has long-term wholesale power contracts to provide the electric power requirements of its other five members, some or all of which are borrowers of RUS;

WHEREAS, in order to secure a long-term supply of electrical power for the customers of ECP, the City desires a long-term wholesale power contract to satisfy its power and transmission requirements;

WHEREAS, the estimated commercial operation of the HGS is at least 35 years and financing will be for approximately that period;

WHEREAS, SME will continue to enter into power purchase agreements with third-party power suppliers to supply the needs of its members, including the City, until such time as the HGS begins commercial operation;

WHEREAS, after the HGS begins commercial operation SME will continue to secure additional power from third-party suppliers as necessary to supply its members, including the City, with power requirements which exceed the output of the HGS and SME will also provide its members (including the City) with power requirements during outages affecting the HGS, spinning reserves, ancillary services, firming resources, and similar services;

WHEREAS, SME has entered into a contract agreement for electric service with the United States, acting through the Department of Energy, Bonneville Power Administration Power Business Line (hereinafter referred to as Bonneville PBL), and the Western Area Power Administration (hereinafter referred to as "Western") which

includes quantities of electric energy and related services available to its member cooperatives; and

WHEREAS, SME has entered into a contract agreement for Network Integrated Transmission Services with the United States, acting through the Department of Energy, Bonneville Power Administration Transmission Business Line (hereinafter referred to as Bonneville TBL);

WHEREAS, SME has entered into a contract agreement for Network Integrated Transmission Services with NorthWestern Energy;

NOW, THEREFORE, in consideration of the mutual undertakings herein, the parties agree as follows:

1. GENERAL:

(A) Purchase and Sale of Requirements. SME shall sell and deliver to the City and the City shall purchase and receive from SME all electric energy and related transmission and ancillary services which the City and ECP shall require to meet the electricity requirements of ECP's customers, including the customers of ECP identified on Exhibit A hereto and any additional electric service customers with whom ECP may hereafter enter into power supply agreements pursuant to Section 1(C) (collectively, the "Customers"). This provision shall not preclude the City or ECP from (i) purchasing electric power and related transmission and ancillary services from the Western in the event the City or ECP obtains an allocation of preference power from Western, or (ii) operating a co-generation facility at the City's Wastewater Treatment Facility, provided that all such purchases are made through SME and subject to the terms provide in Section 22.



(B) Assignment to ECP. Pursuant to the Electric City Contract, (i) the City has assigned to ECP all of the City's rights to receive the electric energy and related transmission and ancillary services purchased by the City from SME under this Agreement for the purpose of permitting ECP to serve ECP's Customers, and (ii) ECP has accepted and assumed all of the City's rights and obligations under this Agreement. The assignment does not relieve the City of the obligations it has to SME under this contract except to the extent those obligations are in fact fulfilled by ECP.

(C) Additional ECP Customers. ECP shall be entitled to enter into power supply agreements with additional customers (in addition to those identified on Exhibit A), so long as the additional customer's load requirements can reasonably be expected to be met from ECP's share of the HGS (if ECP participates as an owner of an undivided interest in HGS) and from other power supply sources available to SME to provide service to the City and ECP.

(D) Limitation on Recourse to the City. SME and the City agree that the City is not pledging any of its revenues or assets to performance of its obligations under this Agreement other than the revenues, rights and assets of the City which are held solely for the purpose of operating its electric supply business (including the revenues and rights of the City under the Electric City Contract). The obligations of the City under this Agreement and SME's rights and remedies against the City shall be limited to (i) the payments received by the City from ECP, (ii) the rights of the City to receive payments from ECP under the Electric City Contract, (iii) the City's equity ownership in ECP, and (iv) any cash reserves or letters of credit or other security provided by the City or ECP in connection with this Agreement.

(E) Nondiscrimination. In meeting the power requirements of the City and ECP's Customers, SME will treat alike each of SME's cooperative members, on the one hand, and the City and ECP, on the other hand, under substantially similar conditions, except to the extent that any such discrimination (i) will not have a material adverse effect on the City or ECP or ECP's Customers or the use of HGS by the City or ECP, and (ii) is otherwise (A) permitted by the terms of this Agreement or (B) is consistent with Prudent Utility Practices; provided further that this provision does not preclude, and allows, SME to treat the City and SME's cooperative members differently with respect to the power supply sources SME utilizes to serve the City and ECP, on the one hand, and SME's cooperative members, on the other hand, and the resulting price for such power; for example, this provision does apply to SME's allocation from Western which will flow through SME only to the cooperative members. "Prudent Utility Practices" means the practices, methods, standards and procedures that (a) are generally accepted and followed by generation and transmission cooperatives and, in the event HGS becomes operational, owners and operators of coal-fired power projects of technology, complexity and size similar to the HGS, and which (b) would be expected by owners and operators of such projects, at the particular time in question and in the exercise of reasonable judgment in light of facts or circumstances then known or that reasonably should have been known, to accomplish the desired results and goals, including such goals as efficiency, reliability, economy and profitability, in a manner consistent with all applicable laws, safety and environmental protection, provided however that the term Prudent Utility Practices is not intended to be limited to the optimum practice or method to the exclusion of all others,

but rather is intended to encompass a spectrum of reasonable and prudent practices, methods, standards and procedures.

2. ELECTRIC CHARACTERISTICS: Electric power and energy to be furnished hereunder shall be alternating current, three phase, sixty cycle.

3. COORDINATION OF INTERCONNECTIONS & SWITCHING: In the event that ECP or the City acquires distribution facilities, the City agrees that, as a safety measure, it will comply with (and will cause ECP to comply with) reasonable safety measures adopted by SME in the operation of such distribution facilities.

4. DELIVERY POINTS: Delivery points, delivery voltage, metering voltage, and special conditions of power and energy delivered, or scheduled for delivery, for the City and ECP's Customers shall be as shown on Exhibit B attached hereto and made a part hereof. In the event ECP enters into contracts with additional Customers as contemplated in Section 1(C), Exhibit B will be amended to reflect the delivery points, delivery voltage, metering voltage, and special conditions applicable to such additional Customers.

5. CONTRACT DEMAND: The estimated contract demand for the City and ECP's Customers at each point of delivery shall be as specified in Exhibit B attached hereto and made a part hereof (where contract demand refers to the amount of power the Customers have a right or obligation to purchase from ECP). On or before the 1<sup>st</sup> day of April of each year the City shall submit a revised Exhibit B to SME setting forth the estimated maximum number of kilowatts the City and ECP's Customers will require at the respective point(s) of delivery for the following five (5) calendar years. SME shall notify the City in writing as soon as practical after it receives the proposed revision from



the City whether it accepts the proposed revision and any changes SME may suggest or concerns SME may have with respect to the proposed revision, and SME and the City shall each use good faith efforts to agree on the proposed revision at least 90 days prior to the beginning of the next calendar year. If the City and SME agree on a revision to Exhibit B, the revised Exhibit B shall be substituted for the Exhibit B then in effect.

6. SUBSTATION: Unless distribution services are otherwise provided by NorthWestern Energy or other utilities, the City or ECP shall install, own, and maintain (or cause to be installed, owned and maintained) the necessary substation equipment at the points of connection and shall own and maintain (or arrange for) switching and protective equipment which may be reasonably necessary to enable the City and ECP's Customers to take and use electric power and energy hereunder and to protect the system of SME or SME's suppliers. Meters and metering equipment shall be furnished and maintained or caused to be furnished and maintained by the City or ECP, unless otherwise provided by NorthWestern Energy or such other utilities.

7. RATES:

(A) For wholesale electricity supplies previously secured for and furnished to the City by SME as set forth in the Existing Contracts, the following rates apply:

(i). THIRTY-SIX DOLLARS (\$36) per megawatt hour ("mWh") for the 5 megawatt (mW) flat block of power secured for the City from PPL for delivery during the term October 1, 2004 through December 31, 2008. In addition, the City shall pay SME an additional \$5.70 per mWh in the form of a credit against SME's future raw water purchases from the City. SME's monthly billing

statements to the City shall reflect the monthly amount of the water credit. The water credit shall apply to this block of power only.

(ii) FORTY-FOUR DOLLARS AND FIFTEEN CENTS (\$44.15) per mWh for the shaped blocks of power secured for the City from PPL on August 3, 2005, consisting of the following: (a) 6 mW on-peak and 5 mW off-peak for delivery during the term September 1, 2005 through June 30, 2006 and (b) 10 mW on-peak and 8 mW off-peak for delivery during the term of July 1, 2006 through September 30, 2011.

(iii) FIFTY-TWO DOLLARS AND EIGHTY CENTS (\$52.80) per mWh for a 7 mW flat block of power secured for the City from PPL for delivery during the term January 1, 2007 through December 31, 2008.

(iv) FORTY-SEVEN DOLLARS AND FORTY-FIVE CENTS (\$47.45) per mWh for a 12 mW flat block of power secured for the City from PPL for delivery during the term January 1, 2009 through March 31, 2011.

In addition to the amounts set forth in the sub-paragraphs (i) through (iv), the City shall pay SME an additional 2% for administrative, scheduling, and other services provided by SME. SME will provide separate billing records and invoices to the City for each of the above enumerated blocks of power.

(B) For wholesale electricity supplies purchased after the date of this Agreement, to satisfy the City's requirements until such time as the HGS begins commercial operation, the rates applicable to such electricity supplies shall be the actual cost incurred by SME for the power plus an additional 2% for administrative, scheduling, and other services provided by SME. SME shall purchase such wholesale electricity



supplies only at the request of and in consultation with the City. At the request of the City, SME shall use its best efforts to obtain and submit to the City for approval indicative pricing proposals from third parties to supply the City's requirements at the best available prices. Upon approval of a proposal by the City, SME shall enter into a contract securing the power, provided that the form of the contract has been approved by the City. The price for these purchases will be set at the time the third party purchase is executed.

(C) When the HGS begins commercial operation, rates shall be determined as follows:

(i) If the City, through ECP, owns a percentage undivided interest in the HGS, then the City's price of power for its percentage share of the output of the HGS shall be a corresponding percentage of the total cost of operating the HGS and delivery of power to the point of delivery (where the total operating cost is determined based on reasonable and equitable methods of allocation of the actual costs incurred by SME as the operator of the HGS), including (a) the costs of operating the transmission facilities which are part of the HGS (from the HGS to the interconnection with NorthWestern Energy), plus (b) the costs of acquiring and managing necessary firming resources, ancillary services and supplemental power supply sources, plus (c) amounts as may be equitably determined by the SME Board of Trustees and applicable to all SME Members as necessary to establish reserves and other such financial devices which benefit in an equitable manner all of the SME Members including the City, plus (d) SME's administrative and general expenses which are appropriately attributed to the

operation of the HGS; but in any event excluding (e) SME's debt service expense and charges allocable to SME's financing. In the event that the City's electricity supply requirements exceed its percentage share of the output of the HGS, then the price of the additional supply will be the cost SME incurs for the additional power on a pass-through cost basis plus 2% for administrative, scheduling, and other services provided by SME.

(ii) If the City, through ECP, is not a percentage owner of an undivided interest in the HGS, then the City's price of power shall be the cost SME incurs for the power provided by SME to the City on a pass-through basis plus 2% for administrative, scheduling, and other services provided by SME. To the extent of availability, SME agrees to first make available to the City all electricity generated by the HGS that is in excess of the demands of SME's member cooperatives and other contractual obligations made to secure operating and spinning reserves as well as contracts made in advance of the request by ECP to purchase capacity from HGS, at a price based on the cost of operating the HGS together with a reasonable charge reflecting an allocated share of SME's debt service requirements including revenues necessary to meet RUS' requirements for an appropriate Times Interest Earned Ratio (TIER) and a 2% charge for administrative, scheduling, and other services provided by SME. When the power generated by the HGS and made available to the City is insufficient to meet the City's demands, then SME shall purchase power from third-party suppliers to fulfill the City's demands at a price based on the pass-through cost of such purchased power plus a 2% charge for administrative, scheduling, and other

services provided by SME. In this event, SME shall purchase such blocks of power at the request of and in consultation with the City. At the request of the City, SME shall use its best efforts to obtain and submit to the City for approval bids from third parties to supply the City's requirements at the best available prices. Upon approval of a proposal by the City, SME shall enter into a contract securing the power, provided that the form of the contract has been approved by the City.

(D) The City shall provide all letters of credit and other security required by any third-party supplier of power purchased by SME to meet the City's requirements.

8. METER READING AND PAYMENT OF BILLS: SME shall read or cause to be read each meter on approximately the same date each month. Electric energy and related services furnished hereunder shall be paid for by the City at the offices of SME monthly within ten (10) days after the bill therefore is mailed. If the City shall fail to pay any such bill within such ten-day period, SME may discontinue delivery of electric energy and related services hereunder upon fifteen (15) days' written notice to the City of its intention to do so. SME shall timely pay for all wholesale electric energy, transmission services and other incurred costs in accordance with the provisions of contracts between SME and providers of said energy and related services.

9. METER TESTING AND BILLING ADJUSTMENT:

(A) SME shall without charge to the City inspect and/or test metering equipment or cause metering equipment to be inspected and/or tested at least once each year and at any reasonable time upon request therefore by the City. Any metering equipment found to be defective or inaccurate shall be repaired and readjusted or replaced.

Should any meter fail to register, the electric demand and energy delivered during such period of failure to register shall, for billing purposes, be that amount determined to be appropriate pursuant to the meter testing and billing adjustment provisions of the contract between SME and the United States, between SME and NorthWestern Energy, between SME and PPL, whichever contract(s) is (are) applicable to said metering equipment failure.

If any of the inspections and/or tests provided for herein disclose an error exceeding two percent (2%), corrections based upon the inaccuracy found shall be made pursuant to the meter testing and billing adjustment provisions of the contract between SME and the United States, and/or between SME and NorthWestern Energy or PPL, whichever contract(s) is (are) applicable to said inaccuracy. Any correction in billing resulting from such correction in meter records shall be made in the next monthly bill rendered by SME to the City and such correction when made shall constitute full adjustment of any claim between the parties hereto arising out of such failure or inaccuracy of metering equipment.

(B) SME shall notify the City or arrange notification in advance of the time of any City requested meter test so that a representative of the City may be present at such meter test.

10. ADJUSTMENTS FOR FRACTIONAL BILLING PERIOD: For a fractional part of a billing period at the beginning or end of service, and for fractional periods due to withdrawals of service, the applicable charges for demand or capacity, for kilowatt hour blocks of energy, and/or for a minimum bill shall each be proportionately adjusted in the ratio that the number of hours that electric service is furnished to the City



in such fractional billing period bears to the total number of hours in the billing period involved.

11. RIGHT OF ACCESS: In the event the City or ECP acquires any distribution facilities, the City hereby agrees that Southern Montana, and its authorized agents, contractors, or employees, may enter City's or ECP's distribution facilities, including its substations, at all reasonable times, provided proper advance arrangements have been made with the City. All activities of Southern Montana and its authorized agents, contractors, or employees, shall be performed so as not to interfere with the operation and maintenance of the facilities of the City or ECP.

12. INDEMNIFICATION: Subject to the limitation on recourse to the City contained in Section 1(D), in the event the City or ECP acquires any distribution facilities, the City hereby agrees to indemnify and hold harmless Southern Montana, and its authorized agents, contractors, and employees, from any loss or damage and from any liability on account of personal injury, death, or property damage, or claims for personal injury, death, or property damage of any nature whatsoever and by whomsoever made arising out of the wrongful act or omission of the City or ECP or their agents or employees acting within the scope of their employment, except to the extent caused by the negligence or willful misconduct of the indemnified party.

13. CONTINUITY OF SERVICE: SME shall use reasonable diligence to provide a constant and uninterrupted supply of electric energy and related services hereunder. If the supply of electric energy and related services shall fail or be interrupted, or become defective through an act of God or of the public enemy, or

because of accident, labor dispute, or any other cause beyond the control of Southern Montana, SME shall not be liable therefore or for damages caused thereby.

14. CONSERVATION AND RENEWABLE ENERGY PROGRAM:

(A) The parties acknowledge that the City does not currently have a conservation commitment, but the parties also agree that the City shall develop and implement a conservation and renewable energy program (hereinafter referred to as the “program”), as may hereafter be required by any governmental authority (hereinafter referred to as the “agency”) with jurisdiction over SME or the City.

(B) Southern Montana, with the guidance and assistance of the agency, will assist the City in development of a program which will qualify under the agency’s guidelines or requirements.

(C) The City will develop a program and will submit said program in timely fashion to the agency for review and approval in accordance with the agency’s guidelines or requirements.

(D) If the City does not obtain the approval of its program by the agency or if such approval has been revoked, the net monetary cost resulting therefrom or any penalty imposed on SME by the agency will be passed through and imposed on the City.

15. TRANSFER OF INTEREST IN CONTRACT BY CITY: No voluntary transfer of this contract or of the rights of the City hereunder shall be made without the written approval of Southern Montana. In the event the City is a percentage owner of an undivided interest in the HGS, this provision shall be modified to allow for those assignments specified by the parties in their HGS ownership agreements.

16. MISCELLANEOUS:

(A) Substation Charges. City agrees to reimburse SME for any expenses incurred for materials, labor, and replacement parts, if any, in maintaining and repairing voltage regulators, by-pass switches, and other related equipment installed to provide or maintain service to the City in substations of the Western and/or NorthWestern Energy and/or PPL and to the extent that charges therefore may be made to SME by the Western and/or NorthWestern Energy, and/or PPL, and have been mutually agreed to in advance by the City and Southern Montana.

(B) Entire Agreement. This Agreement represents the complete agreement of the parties and supersedes and replaces all prior agreements and understandings of the parties, whether written or oral.

(C) Severability. If any provision of this Agreement is held invalid or unenforceable, all other provisions shall not be affected. With respect to any provision held invalid or unenforceable, the Parties shall amend or modify this Agreement as necessary to effect as closely as possible the Parties' original intent.

17. WAIVERS: Any waiver at any time by either party hereto if its rights with respect to a default or any other matter arising in connection with this contract shall not be deemed to be a waiver with respect to any subsequent default or matter.

18. TERMINATION OF EXISTING CONTRACTS: This Agreement supersedes and replaces the Existing Contracts. All rights and liabilities of the parties arising under the Existing Contracts prior to the date of this Agreement or relating to periods prior to the date of this Agreement shall be and are hereby preserved and shall be governed by the provisions of the Existing Contracts.

19. TERM AND EARLY TERMINATION:

(A) Term. This Agreement shall become effective on the date specified in the first sentence of this Agreement and (unless terminated early pursuant to Section 19(B)) shall remain in effect through the 31st day of December, 2048, and shall thereafter continue in full force and effect until it is terminated by either party's giving to the other not less than twelve (12) months written notice of its intention to terminate.

(B) Early Termination Upon Member Termination Event. This Agreement will terminate early, prior to the end of the initial term, upon the occurrence of a Member Termination Event, effective on the date on which the Member Termination Event is deemed to be effective. For this purpose, a "Member Termination Event" means the occurrence of one or more of the following events:

(a) Receipt of written notice by SME from ECP to the effect that this Agreement will terminate on an effective date not less than 60 days nor more than 180 days after the date of the notice, following a final decision of the courts of Montana or the United States, or other body having jurisdiction over the issue, determining that this Agreement is void or unenforceable or that SME otherwise lacks the legal authority to provide electricity supply and transmission services to the City; or

(b) Receipt by SME of written notice from the City or ECP to the effect that this Agreement will terminate on an effective date not less than 60 days nor more than 180 days after the date of the notice, following a final decision of the courts of Montana or the United States, or other body having jurisdiction over the issue, determining that the City cannot be a voting member of SME;



provided, however, no Member Termination Event will be deemed to occur if SME and the City mutually agree upon an alternative arrangement acceptable to SME and the City prior to the date the Membership Termination Event is effective.

20. SPECIFIC PERFORMANCE AVAILABLE: Southern Montana and the City agree that (i) if the City shall fail to comply with any provision of the Wholesale Power Contract, Southern Montana, or the Administrator of RUS, if the Administrator so elects, shall have the right to enforce the obligations of the City under the provisions of this Agreement, and (ii) if SME shall fail to comply with any provisions of this Agreement, the City, or the Administrator of RUS, if the Administrator so elects, shall have the right to enforce the obligations of SME under the provisions of this Agreement. Such enforcement may be by instituting all necessary actions at law or suits in equity, including, without limitation suits for specific performance. Such rights of the Administrator to enforce the provisions of this Agreement are in addition to and shall not limit the rights which the Administrator shall otherwise have pursuant to any financing agreement it may have with SME. RUS shall not, under any circumstances, assume or be bound to the obligations of SME or City under this Agreement except to the extent the Government shall agree in writing to accept and be bound by any such obligation in whole or in part.

21 COUNTERPARTS AND DUPLICATE ORIGINALS: This Agreement may be simultaneously executed and delivered in two or more counterparts and/or duplicates, each of which so executed and delivered shall be deemed to be an original, and all shall constitute but one and the same instrument.

22. COGEN FACILITY: The City may operate a cogeneration facility at its Wastewater Treatment Facility. It shall sell power generated by the Cogen Facility to SME on terms mutually agreed by the Parties. SME will resell that power back to the City at the same price subject to terms and conditions established by the Board for the resale, including an administrative fee for administration and scheduling.

23. FUTURE AMENDMENTS, INCLUDING AMENDMENTS REQUIRED BY HGS FINANCING

This Agreement may be amended in writing signed by both parties. The parties recognize that in the event the City is an equity participant in the HGS the agreements made in connection with the financing and ownership of the City's and SME's respective shares of the HGS, including but not limited to any Ownership Agreement and any Coordination and Integration Agreement, may contain terms which will require the parties to supplement, modify and amend this Agreement to comport with those agreements.

24. FURTHER RIGHTS OF THE PARTIES:

The rights and remedies set forth in this Agreement are cumulative with all other rights and remedies available at law or equity and each party reserves all of its rights and remedies available in law or equity unless otherwise expressly provided in this Agreement.

EXECUTED the day and year first hereinabove written.

Southern Montana Electric Generation and Transmission  
Cooperative, Inc.

By: [Redacted]  
President

Attest: [Redacted]  
Vice-President

The City of Great Falls, Montana

By: [Redacted]  
Its: City Manager

Attest: [Redacted]  
Its: City Clerk

STATE OF MONTANA )  
:ss.  
County of Yellowstone )

On this 20<sup>th</sup> day of September, 2007, before me, the undersigned, a Notary Public in and for said state, personally appeared William Fitzgerald and John E. Prinkki, the President and Vice-President of Southern Montana Electric Generation and Transmission Cooperative, Inc., a Montana corporation, each known to me to be the person whose name is subscribed to the within instrument and acknowledged to me that they executed the same, on behalf of said corporation, for the purposes therein expressed.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first hereinabove written.

(Notarial Seal)

[Redacted Signature]  
Printed Name: Tim R Gregori  
Notary Public for the State of Montana  
Residing at: Billings MT  
My Commission Expires: 1 June 2008

STATE OF MONTANA )  
:ss.  
County of Cascade )

On this 11<sup>th</sup> day of October, 2007, before me, the undersigned, a Notary Public in and for said state, personally appeared John W. Lawton and Lisa Kowz, the City Manager and the City Clerk of The City of Great Falls, Montana, an incorporated city, each known to me to be the person whose name is subscribed to the within instrument and acknowledged to me that they executed the same, on behalf of the city, for the purposes therein expressed.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first hereinabove written.



(Notarial Seal)

Printed Name: Joyce A. Thares  
Notary Public for the State of Montana  
Residing at: Great Falls, Montana  
My Commission Expires: 3-14-2011

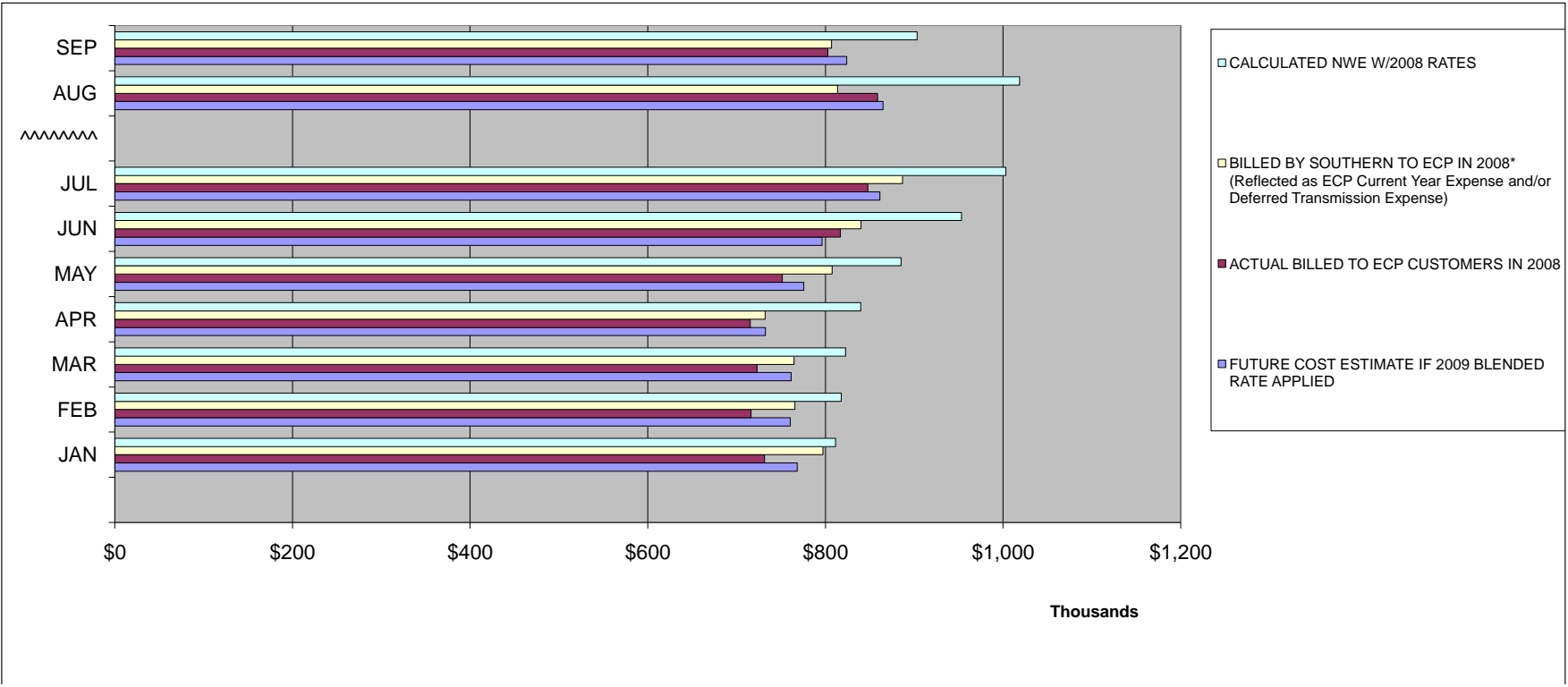
**ELECTRIC CITY POWER  
RATE COMPARISONS  
JAN TO SEP 2008**

RATE TYPE	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP
FUTURE COST ESTIMATE IF 2009 BLENDED RATE APPLIED	\$768,148.49	\$760,516.33	\$761,413.07	\$732,506.00	\$775,715.55	\$796,311.41	\$ 861,454.18	\$ 864,759.16	\$ 823,827.16
ACTUAL BILLED TO ECP CUSTOMERS IN 2008	\$731,370.58	\$716,455.62	\$722,958.69	\$715,362.12	\$751,599.44	\$816,930.01	\$ 847,899.34	\$ 858,891.13	\$ 802,725.13
BILLED BY SOUTHERN TO ECP IN 2008* (Reflected as ECP Current Year Expense and/or Deferred Transmission Expense)	\$797,327.65	\$765,554.11	\$764,535.80	\$732,220.26	\$807,370.18	\$839,967.68	\$ 886,795.10	\$ 813,519.95	\$ 806,770.28
CALCULATED NWE W/2008 RATES	\$811,521.54	\$817,757.86	\$822,796.30	\$839,799.80	\$885,032.45	\$953,165.72	\$ 1,003,191.67	\$ 1,018,685.40	\$ 903,281.73

**EST CHANGE IN FINANCIAL CONDITION IF BLENDED RATE ACCEPTED WHEN OFFERED**

\$ 98,110.40 ECP NET CASH [Customer Billing Less Blended Rate]

\$ 56,784.37 AMOUNT ON DEPOSIT W/SOUTHERN [Billed By Southern Less Blended Rate]





**Item:** Resolution #9809, Remodel Tax Benefits, 201 2<sup>nd</sup> Avenue South, Lots 13 & 14, Block 369, GFO

**From:** Mike Rattray, Community Development Director

**Initiated By:** OAGR Enterprises LLC/Anthony Longin

**Presented By:** Mike Rattray, Community Development Director

**Action Requested:** City Commission to consider adoption of Resolution #9809, for a remodeling tax benefit for OAGR Enterprises LLC, 201 2nd Avenue South, Lots 13 & 14, Block 369, Great Falls Original Townsite

---

**Suggested Motion:**

1. Commissioner moves:

“I move that the City Commission adopt Resolution #9809.”

2. Mayor calls for a second, discussion, inquiries from the public, and calls the vote.

---

**Staff Recommendation:** Staff recommends the adoption of Resolution #9809, for a remodeling tax benefit for OAGR Enterprises LLC, 201 2<sup>nd</sup> Avenue South, Lots 13 and 14, Block 369, Great Falls Original Townsite.

**Background:** The property owner, OAGR Enterprises LLC, has remodeled the building at 201 2<sup>nd</sup> Avenue South. The building permit was issued June, 2007, and the project was completed in February 2008, at an estimated cost of \$650,000. The applicant is requesting approval of the tax benefits and Resolution No. 9809 has been prepared to comply with the requirement that all applications be approved by resolution. Approval of the application will allow for the taxes generated from the renovation to be added to the existing taxes over a five-year period in increments of 20 percent each year.

Section 15-24-1501, MCA, provides the local government option of giving Tax Benefits for the Remodeling, Reconstruction or Expansion of Existing Buildings or Structures. The law governing this incentive was amended in 1985 requiring that each local governing body (City and County) may approve the Tax Benefit on a project by project basis. If one local government body approves the tax benefit and the other does not, the benefit will apply only to the mills levied by



the approving governing body. In addition, tax benefits do not include any relief from state-wide levies and local government approval of the application must be by resolution.

The City Commission's policy regarding the approval of remodeling tax benefits was established by Resolution 9004, approved January 19, 1999, and requires that all property taxes on all property owned by the applicant be current and that the applicant be allowed to take advantage of only one City program available to provide local development assistance. This policy came about as a result of concern that certain projects were taking advantage of extremely low interest rates, city sponsored new construction or rehabilitation loan programs designed to improve building conditions, improve blighted areas and expand the tax base. After receiving the low interest loans, some developers were then applying for the reduction in property taxes, which had the net effect of canceling some of the benefits the City was supposed to derive from making the original loan.

In applying this policy to the application received from the current owners, we find that all property taxes are current and that the applicants have not received City financial assistance from other programs.

**Concurrences:** Not applicable.

**Fiscal Impact:** Approval of the application will allow for the taxes generated from the expansion to be added to the existing taxes over a five-year period in increments of 20 percent each year.

**Alternatives:** The City Commission may or may not adopt Resolution # 9809.

**Attachments:** Resolution No. 9809  
Application (Not available online; on file in City Clerk's Office.)

cc: OAGR Enterprises LLC  
P.O. Box 3106  
Great Falls, MT 59401

RESOLUTION NO. 9809

A RESOLUTION APPROVING THE APPLICATION FOR  
TAX BENEFITS FOR THE REMODELING, RECONSTRUCTION,  
OR EXPANSION OF EXISTING BUILDINGS OR STRUCTURES  
FOR OAGR ENTERPRISES LLC, 201 2<sup>ND</sup> AVENUE SOUTH,  
LOTS 13 & 14, BLOCK 369, GREAT FALLS ORIGINAL TOWNSITE,  
CASCADE COUNTY, GREAT FALLS, MONTANA

\* \* \* \* \*

WHEREAS, State Statutes (15-24-1501, MCA), as amended provide the opportunity for local governing bodies to give Tax Benefits for the Remodeling, Reconstruction or Expansion of Existing Buildings or Structures; and

WHEREAS, the local governing body must review each application and determine if it is to be approved or denied; and

WHEREAS, a copy of the processed application form, reflecting the governing body's decision, must be mailed to the Department of Revenue before April 1 of the tax year for which the benefits are sought; and

WHEREAS, OAGR Enterprises LLC has submitted an application for remodel of the building located at 201 2<sup>nd</sup> Avenue South, Lots 13 & 14, Block 369, Great Falls Original Townsite, Great Falls, Montana.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF GREAT FALLS, MONTANA, AS FOLLOWS:



That the City Commission of the City of Great Falls does hereby approve said application for remodeling tax benefit as submitted.

PASSED by the Commission of the City of Great Falls, Montana, on this 3rd day of February, 2009.

\_\_\_\_\_  
Dona R. Stebbins, Mayor

ATTEST:

\_\_\_\_\_  
Lisa Kunz, City Clerk

(SEAL OF CITY)

APPROVED FOR LEGAL CONTENT:

\_\_\_\_\_  
David V. Gliko, City Attorney

State of Montana     )  
County of Cascade   : ss.  
City of Great Falls   )

I, Lisa Kunz, City Clerk of the City of Great Falls, Montana, do hereby certify that the foregoing Resolution No 9809 was placed on its final passage and passed by the Commission of the City of Great Falls, Montana, at a meeting thereof held on the 3<sup>rd</sup> day of February, 2009, and approved by the Mayor of said City, on the 3<sup>rd</sup> day of February, 2009.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the Seal of said City, this 3<sup>rd</sup> day of February, 2009.

\_\_\_\_\_  
Lisa Kunz, City Clerk

(SEAL OF CITY)



**Item:** Ordinance 3030 to Assign City Zoning to Castle Pines Addition, Phase VII

**From:** Charles Sheets, Planner 1

**Initiated By:** Harold Poulsen, Property Owner and Developer

**Presented By:** Bill Walters, Interim Planning Director

**Action Requested:** City Commission accept Ordinance 3030 on first reading and set a public hearing for March 3, 2009, to consider adoption of Ordinance 3030.

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**Suggested Motion:**

1. Commissioner moves:

“I move that the City Commission (accept/deny) Ordinance 3030 on first reading and set a public hearing for March 3, 2009.”

2. Mayor calls for a second, discussion, inquiries from the public, and calls the vote.

---

**Zoning Commission Recommendation:** At the conclusion of a public hearing held February 12, 2008, the Zoning Commission passed a motion recommending the City Commission assign a City zoning classification of R-3 Single-family high density district to Castle Pines Addition, Phases VI - VIII, upon annexation to the City.

**Background:** The City Commission during a meeting held March 4, 2008, conditionally approved the Preliminary Plat of Castle Pines Addition, Phases VI – VIII. The developer now requests approval of the final plat and annexation of the final phase of the Preliminary Plat. The subdivision is located along the easterly extension of 28<sup>th</sup> Avenue South just east of Castle Pines Addition, Phase VI and consists of 13 single-family residential lots ranging in size from 7505 sq ft to 9596 sq ft.

For additional information, please refer to the attached Vicinity/Zoning Map and reduced copy of the Final Plat.

Similar to Castle Pines Addition, Phases III, V, and VI, NeighborWorks proposes to acquire 10 lots in this phase to accommodate construction of “self-help” program homes. Funding arrangements stipulate the homes be constructed outside the City Limits. Therefore, although the subdivision and annexation will be processed simultaneously, upon filing the final plat, the

lots will be sold, homes constructed and infrastructure installed, with annexation becoming effective, probably next fall, when the homes are ready for occupancy. The remaining 3 lots will be sold by the developer to others to build single-family residences. These 3 lots and the dedicated rights-of-way will be annexed simultaneously with the filing of the final plat.

Within the subdivision, streets and avenues will connect to 27<sup>th</sup> Avenue South, which connects directly to 13<sup>th</sup> Street South or 17<sup>th</sup> Street South via a portion of 16<sup>th</sup> Street South and 26<sup>th</sup> Avenue South. Roadways within the subdivision will be improved to City standards with paving, curb and gutter.

City water and sewer mains will be installed. Easements will be provided within the plat for the installation of private utilities.

Based on land contours, the area generally slopes to the northwest. The Master Plan Agreement which accompanied Castle Pines Addition, Phase I indicates the developer of Phase I and the City participated jointly in the construction of a surface drainage control facility (south of the Multi-Sports Complex) and storm drain piping in 13<sup>th</sup> Street South to serve the area being developed as Castle Pines Addition. City storm drainage has been extended south, with inlets in 27<sup>th</sup> Avenue South.

According to the Master Plan Agreement, the developer of Castle Pines Addition, Phase I paid to the City \$12,261 in lieu of dedicating park land for the area covered by the original master plan for Castle Pines Subdivision. Castle Pines Addition, Phase VII is included within that original master plan area.

An Off-Site Improvement Trust Fund was established in conjunction with Castle Pines Addition, Phase 1 wherein as each lot is sold a monetary amount is deposited in the trust fund to assist in the eventual improvement of 13<sup>th</sup> Street South and 24<sup>th</sup> Avenue South, including water main installation and providing a secondary water source to the Castle Pines area.

Subject property borders Castle Pines Addition, Phases II, IV and VI, which are being developed as single-family residential subdivisions. Castle Pines Addition, Phase VII generally adheres to a conceptual plan for Castle Pines Addition that was prepared in 1995.

Annexation of subject property will enhance health, safety and welfare through application of City Codes and provision of municipal services.

Section 76-2-304 Montana Code Annotated lists criteria and guidelines, which must be considered in conjunction with establishing municipal zoning on land:

- a) is designed in accordance with the growth policy (comprehensive plan);
- b) is designed to lessen congestion in the streets;
- c) will secure safety from fire, panic or other dangers;
- d) will promote health and the general welfare;
- e) will provide adequate light and air;
- f) will prevent overcrowding of land;
- g) will avoid undue concentration of population;
- h) will facilitate the adequate provision of transportation, water, sewerage, schools, parks and other public requirements;

- i) gives reasonable consideration to the character of the district;
- j) gives reasonable consideration to the peculiar suitability of the property for particular uses;
- k) will conserve the value of buildings; and
- l) will encourage the most appropriate use of land throughout the municipality.

Subject property is located on the fringe of the City, which has been attracting moderately priced single-family dwelling units. The subdivision is a natural projection of urban growth.

Goals of the land use element of the Great Falls Growth Policy include:

- To support and encourage efficient, sustainable development and redevelopment throughout the community.
- To support and encourage a compatible mix of land uses in newly developing areas.

Applicable policy statements include “Residential land uses should be planned and located so that they do not result in adverse impacts upon one another” and “Annexations should be logical and efficient extensions of the City’s boundaries and service areas”. Therefore, staff concludes the twelve criteria stated above are substantially met.

At the conclusion of a public hearing held February 12, 2008, the Zoning Commission passed a motion recommending the City Commission assign a zoning classification of R-3 Single-family high density district to Castle Pines Addition, Phases VI - VIII, upon annexation to the City. No citizens spoke as proponents or opponents during the hearing.

It is anticipated the City Commission, following the public hearing on March 3, 2009, will consider two annexation resolutions, an annexation agreement and final plat for Castle Pines Addition, Phase VII, simultaneously with Ordinance 3030.

**Concurrences:** Representatives from the City’s Public Works, Community Development, and Fire Department have been involved throughout the review and approval process for this project.

**Fiscal Impact:** Providing services is expected to be a negligible cost to the City. Any increased costs likely will be covered by increased tax revenues from improved properties.

**Alternatives:** The City Commission could deny acceptance of Ordinance 3030 on first reading and not set the public hearing. However, such action would deny the applicant due process and consideration of a public hearing, as provided for in City Code and State Statute.

**Attachments/Exhibits:**

- 1. Vicinity/Zoning Map
- 2. Ordinance 3030
- 3. Reduced copy of final plat

Cc: Jim Rearden, Public Works Director,  
Dave Dobbs, City Engineer  
Harold Poulsen, P.O. Box 1376, Great Falls, MT 59403  
Woith Engineering, 1725 41<sup>st</sup> St S, Great Falls, MT 59405  
Al Henry, NeighborWorks, 509 1<sup>st</sup> Ave S, Great Falls, MT 59405

ORDINANCE 3030

AN ORDINANCE ASSIGNING A ZONING CLASSIFICATION OF R-3 SINGLE-FAMILY HIGH DENSITY DISTRICT TO CASTLE PINES ADDITION, PHASE VII, IN GOVERNMENT LOT 1, SECTION 19, TOWNSHIP 20 NORTH, RANGE 4 EAST, P.M.M., CASCADE COUNTY, MONTANA

\* \* \* \* \*

WHEREAS, Harold Poulsen is the owner of record of the property being platted as Castle Pines Addition, Phase VII in Government Lot 1, Section 19, Township 20 North, Range 4 East, P.M.M., Cascade County, Montana; and,

WHEREAS, Harold Poulsen has petitioned the City of Great Falls to annex Castle Pines Addition, Phase VII; and,

WHEREAS, Harold Poulsen has petitioned said Castle Pines Addition, Phase VII be assigned a City zoning classification of R-3 Single-family high density district, upon annexation to City; and,

WHEREAS, notice of assigning a zoning classification of R-3 Single-family high density district, to Castle Pines Addition, Phase VII was published in the Great Falls Tribune advising that a public hearing on this zoning designation would be held on the 3<sup>rd</sup> day of March, 2009, before final passage of said Ordinance herein; and,

WHEREAS, following said public hearing, it was found and recommended that the said zoning designation be made, NOW THEREFORE,

BE IT ORDAINED BY THE COMMISSION OF THE CITY OF GREAT FALLS, STATE OF MONTANA:

Section 1. It is determined that the herein requested zoning designation will meet the criteria and guidelines cited in Section 76-2-304 Montana Code Annotated, and Section 17.16.40.030 of the Unified Land Development Code of the City of Great Falls.

Section 2. That the zoning of Castle Pines Addition, Phase VII be designated as R-3 Single-family high density district classification.

Section 3. This ordinance shall be in full force and effect thirty (30) days after its passage and adoption by the City Commission or upon filing in the office of the Cascade County Clerk and Recorder the resolutions annexing Castle Pines Addition, Phase VII into the corporate limits of the City of Great Falls, Montana, whichever event shall occur later.

PASSED BY THE CITY COMMISSION OF THE CITY OF GREAT FALLS, MONTANA, this 3<sup>rd</sup> day of March, 2009.

\_\_\_\_\_  
Dona R. Stebbins, Mayor

ATTEST:

\_\_\_\_\_  
Lisa Kunz, City Clerk

(CITY SEAL)

APPROVED FOR LEGAL CONTENT:

---

David V. Gliko, City Attorney

State of Montana )  
County of Cascade : ss  
City of Great Falls )

I, Lisa Kunz, City Clerk of the City of Great Falls, Montana, do hereby certify that the foregoing Ordinance 3030 was placed on its final passage and passed by the Commission of the City of Great Falls, Montana, at a meeting thereof held on the 3<sup>rd</sup> day of March, 2009 and approved by the Mayor of said City on the 3<sup>rd</sup> day of March, 2009.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the Seal of said City this 3<sup>rd</sup> day of March, 2009.

---

Lisa Kunz, City Clerk

(CITY SEAL)

State of Montana )  
County of Cascade : ss  
City of Great Falls )

I, Lisa Kunz, being first duly sworn, deposes and says: That on the 3<sup>rd</sup> day of March, 2009 and prior thereto, I was the City Clerk of the City of Great Falls, Montana; that as said City Clerk, I did publish and post as required by law and as prescribed and directed by the Commission, Ordinance 3030 of the City of Great Falls, in three conspicuous places within the limits of said City to-wit:

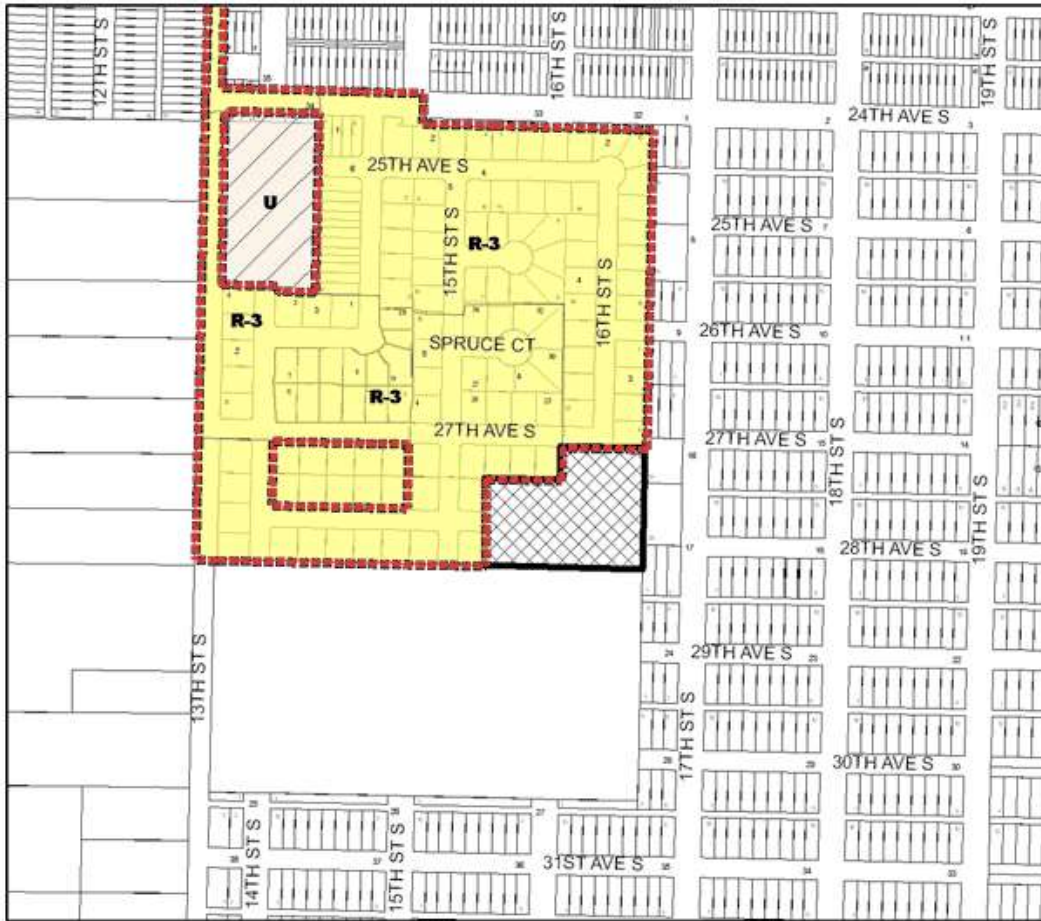
On the Bulletin Board, first floor, Civic Center Building;  
On the Bulletin Board, first floor, Cascade County Court House;  
On the Bulletin Board, Great Falls Public Library

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Lisa Kunz, City Clerk

(CITY SEAL)

# VICINITY/ZONING MAP




 FINAL PLAT OF CASTLE PINES ADDITION PHASE VII TO BE ANNEXED TO THE CITY

 NEW CASTLE CONDOMINIUMS ADDITION IN FINAL STAGES OF ANNEXATION

 CITY LIMITS

 U Unincorporated enclave

 R-3 Single-family high density

 TRACTS OF LAND OUTSIDE OF CITY

530 265 0 530 Feet



PLAT OF  
**CASTLE PINES PHASE VII**  
 AN ADDITION TO THE CITY OF GREAT FALLS  
 A SUBDIVISION LOCATED IN G.L.O. LOT 1 OF SECTION 19,  
 T20N, R4E, P.M., MT, CASCADE COUNTY, MONTANA

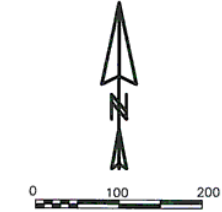
**LEGEND**

- CURRENT ADDITION BOUNDARY
- CURRENT ADDITION LOT LINES
- CENTERLINE
- EXISTING PROPERTY LINE
- UTILITY EASEMENT
- ⊕ STREET MONUMENT
- ⊕ P.O.B. POINT OF BEGINNING
- SF SQUARE FEET
- FOUND IRON PIN

**AREAS**

STREETS -	40,948 SF = 0.94 ACRES
LOTS -	108,033 SF = 2.48 ACRES
TOTAL AREA -	148,981 SF = 3.42 ACRES

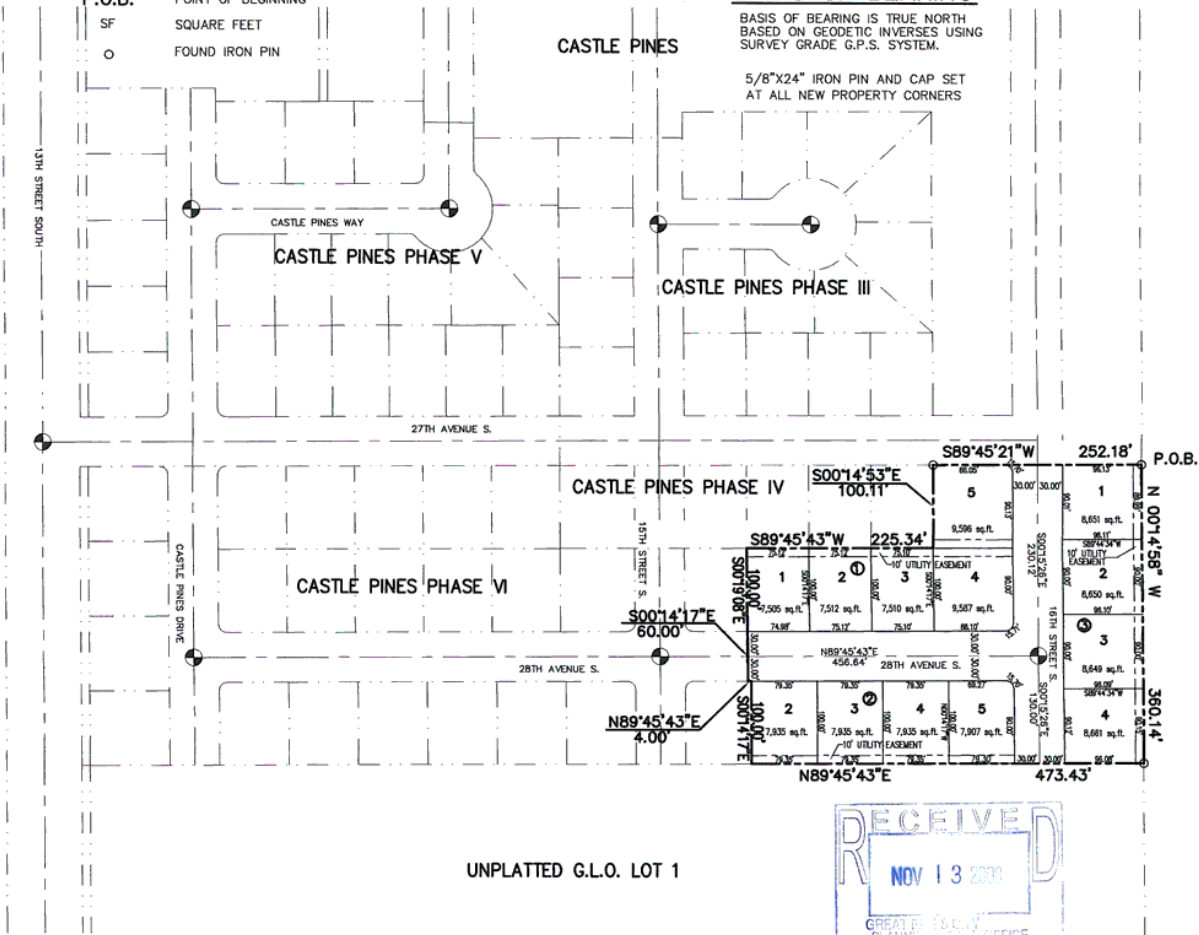
ALL PROPERTY LINE CURVES  
 ARE 10' IN RADIUS UNLESS  
 OTHERWISE DIMENSIONED



**BASIS OF BEARING**

BASIS OF BEARING IS TRUE NORTH  
 BASED ON GEODETIC INVERSES USING  
 SURVEY GRADE G.P.S. SYSTEM.

5/8"X24" IRON PIN AND CAP SET  
 AT ALL NEW PROPERTY CORNERS





**ANNEXATION AGREEMENT  
FOR  
CASTLE PINES ADDITION, PHASE VII  
IN GOVERNMENT LOT 1 OF SECTION 19,  
TOWNSHIP 20 NORTH, RANGE 4 EAST,  
CASCADE COUNTY, MONTANA**

1. PREFACE

The following is a binding Agreement dated this \_\_\_\_\_ day of \_\_\_\_\_, 2009, between HAROLD POULSEN, hereinafter referred to as “Owner,” and the CITY OF GREAT FALLS, MONTANA, a municipal corporation of the State of Montana, hereinafter referred to as “City,” regarding the requirements for filing the Final Plat and the annexation to the corporate limits of City, of CASTLE PINES ADDITION, PHASE VII, in Government Lot 1 of Section 19, Township 20 North, Range 4 East, Cascade County, Montana, hereinafter referred to as “Subdivision.”

2. PREVIOUS AGREEMENTS

- A. Master Plan Agreement dated November 7, 1995, between Lone Tree, Inc., a Montana statutory close corporation, and the City of Great Falls, filed in the office of the Clerk and Recorder of Cascade County on Reel 285, Document 613.
- B. Off-Site Improvements Trust Fund Agreement, dated November 7, 1995, between Lone Tree, Inc., a Montana statutory close corporation, and the City of Great Falls, filed in the office of the Clerk and Recorder of Cascade County on Reel 285, Document 615.
- C. Economic Development Agreement, dated November 7, 1995, between Lone Tree, Inc., a Montana statutory close corporation, and the City of Great Falls, filed in the office of the Clerk and Recorder of Cascade County on Reel 285, Document 617.

3. PRIOR ACTIONS

The Preliminary Plat of Subdivision, prepared by Woith Engineering, was conditionally approved by City on March 4, 2008.

4. SUPPORTING DOCUMENTS

- A. A final plat of Subdivision prepared by Woith Engineering and filed of record in the Clerk and Recorder’s Office of Cascade County, Montana.

- B. Final engineering drawings and specifications prepared by Woith Engineering consisting of documents for sanitary sewer mains, water mains, drainage improvements, paving, sidewalk, curb and gutter. Said drawings and specifications are on file in the City Engineer's office.
- C. Loan commitment letter dated June, 2008, by Stockman Bank of Great Falls, to indicate the capability of Owner to pay for the public improvements referenced in Paragraph 4.B. hereinabove. A copy of the same is filed in the office of the Great Falls City Planning Board.

5. AMENDMENTS

Minor changes to engineering documents and such revisions to the engineering drawings as are deemed appropriate and necessary by City's Engineer and City's Public Works Department and which do not materially affect the hereinabove mentioned final plat, can be made as follows:

- A. The proposed revision will be submitted to City's Public Works Department for review and, if approved, the City Engineer or Public Works Director will sign and adequately annotate the change.
- B. The annotated revision becomes a part of this Agreement upon City's Public Works Department approval.
- C. Changes during construction shall be made by change order approved by City's Public Works Department.
- D. "As Built" reproducible drawings shall be supplied to City's Engineer upon completion of the construction.
- E. All amendments to this Agreement, except as allowable above in this section, shall be in writing and approved by City and Owner.

6. FEES AND CHARGES

A. Prior to annexation of Subdivision, Owner shall, in addition to the Annexation Application Fee of \$100.00, Preliminary Plat Fee of \$500.00, Zoning Application Fee of \$400.00, Annexation Agreement Fee of \$200.00, Final Plat Fee of \$200.00, Resolution Fee of \$200.00 and Filing Fees of \$198.00 which have been paid, pay the following required fee as provided by City policy, ordinances and resolutions:

Storm Sewer Fee (\$250/3.42acre)	\$ 855.00
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- B. Owner or its successors or assigns shall reimburse City for its expenses incurred in testing and acceptance of public utilities to serve Subdivision at the rates charged by City for said work at the time performed.
- C. Water tapping, water connection, sewer service tapping, and sewer connection fees will be assessed at the time of installation.
- D. The absence of any fee from this agreement lawfully charged by the City in connection with construction activity associated with Subdivision shall not constitute a waiver by the City.

7. PUBLIC IMPROVEMENTS

Owner agrees to complete within two (2) years of the date of this Agreement, the installation of the sanitary sewer and water improvements, street paving and curb and gutter to serve Subdivision, according to plans referenced in Paragraph 4.B. above and filed in the City Engineer's office and in accordance with standards of City.

8. RESTRICTIONS ON BUILDING PERMITS AND OCCUPANCY

Building permits for lots in Subdivision shall not be issued until the contracts for installation of the public improvements have been executed. Owner acknowledges that City will not permit the occupancy of any residential structure in Subdivision until street improvement and water and sanitary sewer mains within Subdivision have been installed, tested and accepted by City, which acceptance will not be unreasonably withheld by City.

9. FUTURE STORM DRAINAGE FACILITIES

Owner hereby agrees to waive right to protest any future area wide special improvement district for storm drainage facilities and further agrees to pay for proportionate share of any future storm drainage improvements which service Subdivision that may be installed with or without an area wide special improvement district. The term "area wide" as used herein, means any area larger than that covered by Subdivision which is a contributor to the drainage sub-basin of which Subdivision is a part.

10. PUBLIC ROADWAY LIGHTING

Owner hereby agrees to waive its right to protest any future special lighting district for public roadway lighting facilities that service Subdivision, and further agrees to pay for proportionate share of the costs associated with roadway lighting which service Subdivision that may be installed with or without a special lighting district.

11. SIDEWALKS

It is hereby agreed that the following exception to the strict adherence of Subdivision requirements will be permitted: sidewalks serving and abutting any lot in Subdivision shall be installed as a condition of final occupancy by the then lot owner within six (6) months (allowing for unfavorable weather conditions only) of occupancy. It is understood that the above provision regarding sidewalks shall not preclude City from exercising its authority provided by Chapter 12.28, Municipal Code of the City of Great Falls pertaining to sidewalks.

12. ADHERENCE TO OFF-SITE IMPROVEMENTS TRUST FUND AGREEMENT

To assist in the eventual expenses in improving 13<sup>th</sup> Street South and 24<sup>th</sup> Avenue South in the vicinity of Castle Pines Addition Phase VII, including water main installation and providing a secondary water source to the Castle Pines development area, a trust fund was created in conjunction with Castle Pines Addition, Phase I. Owner hereby agrees to deposit, as each lot is sold in Castle Pines Addition Phase VII, \$1,457.00 in the trust fund referenced and established by the Off-Site Improvements Trust Fund Agreement referenced in Paragraph 2.B. above. Said monetary amount was determined by the provisions contained in said Off-Site Improvements Trust Fund Agreement, dated November 7, 1995.

13. WAIVER OF PROTEST OF ANNEXATION

Owner does hereby waive any and all statutory procedure notice on right of protest to annexation of Subdivision, as provided for by State law.

14. WARRANTY, OWNERSHIP AND INSPECTION OF UTILITY AND STREET IMPROVEMENTS

A. After the public utilities and street improvements described in Paragraph 4.B. hereof have been installed and accepted by City, the same shall be in all respects treated, owned and maintained as though the same had been constructed and installed by City. However, to the extent installed by Owner, Owner or its contractor shall guarantee said improvements against defective work and materials for a period of two (2) years from date of acceptance of the completed improvements by City.

B. Installation of the public utilities and street improvements described in Paragraph 7. hereof, shall be subject to City's infrastructure inspection policy in place at the time of installation.

15. ANNEXATION PREREQUISITES

Subdivision is contiguous to City; is not included within the boundary of any other incorporated municipality; and is not a part of any fire district existing or organized under any of the provisions of Chapter 33, Title 7, of the Montana Code Annotated. Subdivision, upon annexation to City, will be provided fire protection services by City comparable to that provided incorporated properties.

16. MAINTENANCE DISTRICTS

Owner waives its right to protest the lawful creation by City of maintenance districts for any proper purpose including, but not limited to, fire hydrant and street maintenance and shall pay the proportionate share of the costs associated with said maintenance districts as they may be applied to Subdivision.

17. CITY ACCEPTANCE AND ZONING

In consideration of the foregoing, City hereby accepts and approves the final plat of Subdivision and will approve the property contained within the boundaries of Subdivision for incorporation by annexation into the corporate limits of the City of Great Falls, Montana, as R-3 Single-family high density district zoning classification. It is hereby understood that the preceding language regarding zoning of lots in Subdivision does not preclude City from reclassifying lots if an area wide reclassification is undertaken, in which event City agrees to reclassify said lots as a conforming use.

18. BINDING EFFECT

The provisions covenants and terms of this Agreement shall run with the land and bind the present owners, their devisees, heirs, successors, and assigns; and any and all parties claiming by, through, or under them, shall be taken to agree and covenant with each of the parties to the Agreement, their devisees, heirs, successors and assigns, to conform to the provisions, covenants and terms of this Agreement.

IN WITNESS WHEREOF, the parties hereto have set their hands and seal the day, month and year first hereinabove written.

**CITY OF GREAT FALLS**  
A Municipal Corporation of the State of Montana

REVIEWED FOR LEGAL CONTENT

\_\_\_\_\_  
Gregory T. Doyon, City Manager

\_\_\_\_\_  
David V. Gliko, City Attorney

ATTEST:

(Seal of the City)

\_\_\_\_\_  
Lisa Kunz, City Clerk

OWNER

By: \_\_\_\_\_  
Harold Poulsen

State of Montana )  
                                  :SS.  
County of Cascade)

On this \_\_\_\_\_ day of \_\_\_\_\_, in the year Two thousand and Nine, before me, the undersigned, a Notary Public for the State of Montana, personally appeared Harold Poulsen, known to me to be the person whose name is subscribed to the instrument within and acknowledged to me that he executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Notarial Seal the day and year first above written.

\_\_\_\_\_  
Notary Public for the State of Montana

\_\_\_\_\_  
Notary Public for the State of Montana (Printed)  
Residing at \_\_\_\_\_  
My commission Expires \_\_\_\_\_, 20\_\_

(NOTARIAL SEAL)



Regular City Commission Meeting

Mayor Pro Tempore Bronson presiding

**CALL TO ORDER:** 7:00 PM

**PLEDGE OF ALLEGIANCE**

**ROLL CALL:** City Commissioners present: Bill Bronson, John Rosenbaum and Mary Jolley. Mayor Stebbins and Commissioner Beecher were excused. Also present were the City Manager, Assistant 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.

**PROCLAMATION:** Groundhog Job Shadow Day

**NEIGHBORHOOD COUNCILS**

**NC 6 – Robin Baker sworn in.**

1. Robin Baker was sworn in as a representative of Neighborhood Council District No. 6.
2. There were no miscellaneous reports or announcements from neighborhood council representatives.

**PUBLIC HEARINGS**

**Neighborhood Stabilization Program (NSP) Community Housing Needs. Public hearing conducted.**

**3. NEIGHBORHOOD STABILIZATION PROGRAM (NSP) COMMUNITY HOUSING NEEDS.**

CDBG Administrator Chris Imhoff reported that the State of Montana anticipates receiving one time funding of \$19,600,000 from the U.S. Department of Housing & Urban Development for the Neighborhood Stabilization Program (NSP). The program was authorized through the Housing and Economic Recovery Act of 2008 in an effort to address the housing foreclosure crisis. In early February, 2009, the Montana Department of Commerce will be making funds available to local governments and their sub-recipients through a competitive application process. Activities eligible under the NSP funding guidelines will include: (1) establishment of financing mechanisms for purchase and redevelopment of foreclosed upon homes and residential properties, including such mechanisms as soft seconds, loan loss reserves and shared equity loans for low, moderate and middle income home buyers; (2) purchase and rehabilitation of abandoned or foreclosed upon homes and residential properties in order to be sold, rented or developed; (3) establishment of land banks for homes that have been foreclosed upon; (4) demolition of blighted structures; and, (5) redevelopment of demolished or vacant properties.

Because the Montana Department of Commerce feels public involvement can be a key factor in developing community understanding and support for the NSP projects, it is a requirement to hold a minimum of one public hearing prior to a jurisdiction submitting a formal proposal for the funds. The hearing is to be held prior to passage of a resolution by the governing body authorizing submission of an NSP application.

Ms. Imhoff encouraged citizens to provide ideas regarding the City of Great Falls' housing needs as related to foreclosure issues and how these needs might be addressed with NSP eligible projects.

Mayor Pro Tempore Bronson declared the public hearing open. Those addressing the City Commission were as follows:

**Ron Duncan**, Project Manager working with NeighborWorks to assist in this program, residing at 1821 Mountain View Drive, commented that NeighborWorks will refurbish blighted and foreclosed properties to make available to low income families. He recommended the City Commission participate in the program.

**Sheila Rice**, Executive Director of NeighborWorks, residing at 913 3<sup>rd</sup> Avenue North, thanked and encouraged the City to apply for the funds. The money is targeted on foreclosed and abandoned properties. Ms. Rice believes with the capacity provided by the City and NeighborWorks and the kind of projects they are already good at doing on a collaborative basis, that Great Falls can have a very competitive application. She encouraged the City Commission and City staff to consider: (1) purchasing foreclosed and abandoned properties; (2) land trust opportunities; (3) allow some homes to be sold to families up to 120% of median income; and, (4) a downtown redevelopment project.

**Anthony Houtz**, an architect with CTA Architects Engineers, 701 2<sup>nd</sup> Street South, and **Alan Henry**, Director of Operations, NeighborWorks, 509 1<sup>st</sup> Avenue South, submitted comments today via e-mail. Both Mr. Houtz and Mr. Henry expressed their support for NSP as a funding source for affordable housing and also to stimulate growth and development in the downtown area.

There being no one further to address the Commission, Mayor Pro Tempore Bronson declared the public hearing closed.

**OLD BUSINESS**

**NEW BUSINESS**

**ORDINANCES/RESOLUTIONS**

Res. 9810. Adopted.

**4. RESOLUTION 9810, AUTHORIZING PARTICIPATION IN THE MONTANA DEPARTMENT OF COMMERCE'S NEIGHBORHOOD STABILIZATION PROGRAM.**

CDBG Administrator Chris Imhoff reported that the Montana Department of Commerce (MDOC) requires the passage of a resolution by a governing body authorizing the grant application prior to submission.

**Commissioner Rosenbaum moved, seconded by Commissioner Jolley, that the City Commission adopt Resolution 9810, authorizing participation in the Montana Department of Commerce's Neighborhood Stabilization Program.**

Mayor Pro Tempore Bronson asked if there was any discussion amongst the Commissioners.

Commissioner Jolley inquired who would be submitting the application. Ms. Imhoff responded that the State will only accept applications from local jurisdictions. Commissioner Jolley inquired who would be deciding the rank of requested items. Ms. Imhoff responded that the State previously required a list of items from the City that it would be considering. The resolution authorizes the City Manager to submit the application.

City Manager Doyon commented that he would defer to Community Development's and NeighborWorks' expertise for the maximum benefit under the guidelines.

Commissioner Jolley added that she likes the idea of downtown projects, especially condominiums.

Mayor Pro Tempore Bronson stated that he was made aware of the details of this program at the MLCT conference in October. Based on his experience with federal programs, he is impressed with the flexibility in this program.

Motion carried 3-0.

**Consent Agenda.  
Approved.**

**CONSENT AGENDA**

5. Minutes, January 6, 2009, Commission meeting.
6. Total expenditures of \$913,449 for the period of December 31, 2008 - January 14, 2009, to include claims over \$5,000, in the amount of \$777,098.
7. Contracts list.
8. Lien Releases.
9. Grant list.
10. Set public hearing for February 17, 2009, on Resolution 9804, on the 2009 Water, Sewer, Storm Drain Utility Service Rate Review.
11. Appoint Greg Doyon to replace Cheryl Patton as B.A.S.E. Trustee.

12. Approve Change Order No. 1 in the amount of \$14,382.80 to Kuglin Construction for the 2008 CDBG Handicap Ramps.

13. Award bid for six new 2009 police pursuit vehicles to City Motor Company of Great Falls in the amount of \$135,627.

**Commissioner Rosenbaum moved, seconded by Commissioner Jolley, that the City Commission approve the Consent Agenda as presented.**

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

Motion carried 3-0.

### **BOARDS & COMMISSIONS**

**Aaron Kueffler  
reappointed and Adam  
Gill, Carrie Koppy and  
Sandie Wright appointed  
to the Community  
Development Council.**

#### **14. APPOINTMENTS, COMMUNITY DEVELOPMENT COUNCIL.**

**Commissioner Jolley moved, seconded by Commissioner Rosenbaum, that the City Commission appoint Adam Gill to fill the remainder of a three year term through January 31, 2010; reappoint Aaron Kueffler to a three year term through January 31, 2012; and, appoint Carrie Koppy and Sandie Wright to three year terms beginning February 1, 2009, through January 31, 2012, to the Community Development Council.**

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

Motion carried 3-0.

#### **15. MISCELLANEOUS REPORTS AND ANNOUNCEMENTS.**

### **CITY MANAGER**

#### **16. MISCELLANEOUS REPORTS AND ANNOUNCEMENTS.**

City Manager Gregory Doyon reported that the City received word that it was eligible to receive the SAFER grant to bolster firefighter services. Due to the timeline of this and if the Commission is interested, a meeting will be scheduled next week to take action to direct staff whether or not to accept the grant. Fire Chief Randy McCamley reported that last spring the Fire Department applied for the Staffing for Adequate Fire and Emergency Response (SAFER) grant. The grant is administered by the Department of Homeland Security under FEMA. It is awarded through a competitive process with grants being awarded to communities with the most urgent need to add front line firefighters. The goal of the SAFER grant is to enhance the local fire department's ability to comply with staffing, response and operational standards established by the National Fire Protection Agency (NFPA) and Occupational Safety Health Administration (OSHA).

Chief McCamley reported that the additional staffing would result in a budget savings of approximately \$80,000 on call back of off-duty firefighters during second alarm fires. Due to current staffing levels, the Fire Department is put in a position that it has to pay overtime on an almost daily basis.

The SAFER grant is a five year program. The federal government's share starts out at 90% of the salaries the first year down to zero percent the fifth year. The grant does not pay for health insurance, retirement or workers' compensation benefits. The City's portion for the first year would be \$259,632. A condition of the grant is to keep the new hire positions for the five years.

Mr. McCamley reported that more front line firefighters were on duty in 1969 than in 2009. The responsibilities of the Fire Department have gone from 900 calls for service in 1969 to well over 5,000 calls for service in 2008.

The timeline involved is that by the end of the month the Fire Department has to either return its acceptance package or notify DHS.

Chief McCamley concluded that he looks forward to discussing funding ideas, department savings on overtime and other cost saving measures to help get through the first and second years.

Mayor Pro Tempore Bronson asked if there were any questions from the Commissioners.

Commissioner Jolley commented that the overtime being reduced would provide some breathing room before discussing a public safety mill levy. Chief McCamley responded that the overtime budget could conservatively be reduced by \$80,000 the first year.

Commissioner Jolley inquired about the first quarter payment from DHS on October 1, 2009. Chief McCamley answered that the grant stipulation is that DHS reimburses quarterly after the fact.

Commissioner Jolley asked if it would be difficult to find 16 new firefighters in this timeframe. Chief McCamley answered that Great Falls is one of 11 fire districts across Montana that uses a consortium that tests once per year in June. Typically there are between 400-500 applicants, about 300 applicants actually take the test, and about 250 get through the testing process. The cities of Bozeman and Missoula already received grants and are filling positions. He is confident that Great Falls could find 16 qualified firefighters.

Commissioner Rosenbaum commented that public safety is a main mission of the Commission. He suggested a discussion occur with all of the Commissioners present.

Mayor Pro Tempore Bronson inquired when that meeting would occur. City Manager Doyon responded next Wednesday at 5:00 p.m.

### PETITIONS AND COMMUNICATIONS

#### 17. MISCELLANEOUS REPORTS AND ANNOUNCEMENTS.

Mayor Pro Tempore Bronson opened the meeting to Petitions and Communications.

#### **Letter of Support-Senate Bill 88.**

**17A. George Littlefield**, 4225 Morningside Circle, requested a letter of support for Senate Bill 88 to add the definition of a school zone in the State codes. The bill already passed the Senate. Director of Transportation Jim Lynch stood in support at the last hearing. Mr. Littlefield requested letters of support before he goes before the House in two weeks. Mr. Littlefield was instructed to provide an initial draft of said letter to the City Clerk.

#### **Recycling CFL bulbs, conservation.**

**17B. Ron Gessaman**, 1006 36<sup>th</sup> Avenue N.E., reported that he contacted Ace Hardware and was informed that both locations continue to collect CFL bulbs for recycling for the foreseeable future as long as the economy permits. Mr. Gessaman also read a portion of an article in the *Missoulian* newspaper regarding Helena reducing its energy usage by 22% between 2001 and 2007, resulting in a savings of \$640,000 and a drop in carbon dioxide emissions. Mr. Gessaman inquired what the City of Great Falls is doing to reduce energy consumption.

#### **Recession, global warming and over taxation.**

**17C. John Hubbard**, 615 7<sup>th</sup> Avenue South, discussed City staff requesting new police cars and more firemen and reminded the Commission about the recession/depression. Mr. Hubbard also discussed Armageddon, global warming and over taxation.

#### **SAFER grant.**

**17D. Dave VanSon**, President of Great Falls Firefighters Union, 2404 1<sup>st</sup> Avenue North, reported that the union is in support of the award of the SAFER grant and encouraged the Commission's support as well.

### CITY COMMISSION

#### 18. MISCELLANEOUS REPORTS AND ANNOUNCEMENTS.



**ADJOURNMENT**

**Adjourn.**

There being no further business to come before the Commission, **Commissioner Jolley moved, seconded by Commissioner Rosenbaum, that the regular meeting of January 20, 2009, be adjourned at 7:55 p.m.**

Motion carried 3-0.

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Mayor Pro Tempore Bronson

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City Clerk

Minutes Approved: February 2, 2009

Special City Commission Meeting

Mayor Stebbins presiding

**CALL TO ORDER:** 2:30 PM

**ROLL CALL:** City Commissioners present: Dona Stebbins, Bill Bronson, Bill Beecher, John Rosenbaum and Mary Jolley. Also present were the City Manager, Assistant City Manager, City Attorney, the Fire Chief, Police Chief and the City Clerk.

### **NEW BUSINESS**

#### **DEPARTMENT OF HOMELAND SECURITY GRANT “STAFFING FOR ADEQUATE FIRE AND EMERGENCY RESPONSE” (SAFER).**

Fire Chief Randy McCamley reported that last spring the Great Falls Fire Rescue applied for the Staffing for Adequate Fire and Emergency Response grant which is administered by the Department of Homeland Security. These grants are awarded through a competitive process with grants being awarded to communities from across the nation with the most urgent need to add front-line firefighters. The goal of these grants is to enhance the local fire departments' abilities to comply with staffing, response and operational standards established by the National Fire Protection Association (NFPA) and the Occupational Safety Health Administration (OSHA).

On January 14, 2009, the City of Great Falls received notification that it had been awarded over \$1.7 million dollars to help fund the hiring of 16 new firefighters. The award notice requires the City of Great Falls to complete an acceptance package that lets the Department of Homeland Security know that the City has accepted the terms of the grant and will begin the recruiting process.

Chief McCamley presented PowerPoint slides of diagrams, charts and graphs that compared the current City of Great Falls' staffing level versus industry standards; how rapidly fire progresses through the different phases with flashover occurring at 8 minutes; fire extension and the number of civilian deaths, injuries and dollar loss per fire; the importance of a quick interior fire attack to substantially reduce human and property losses; standard response for first alarm residential fires that effectively and safely protects the lives and safety of both firefighters and citizens.

Chief McCamley explained that increasing frontline staffing would improve citizen safety and service delivery; improve fire ground safety; help reduce property loss; provide budget savings on callbacks of off-duty firefighters during 2<sup>nd</sup> alarm fires; provide a cushion for minimum staffing levels without having to hire back as often; and, improve Insurance Services Office (ISO) fire classification for the community from 3 to 2.

The SAFER grant requires a long term financial commitment from the City. The federal grant amount decreases over four years and terminates in the fifth year. The grant provides funds to apply toward new fire fighter wages only. It does not apply toward benefits and other administrative costs. In addition to the cost of salaries and benefits, additional personal protective equipment will have to be purchased for the new recruits.

Chief McCamley reported that, although the Fire Department does generate revenue, the Commission will need to consider the grant's impact on the general fund. He reviewed charts that projected general fund revenues over the next five years, and highlighted new revenues generated by the Fire Department to help offset the City's match for the grant.

In addition, Chief McCamley projected a savings of \$80,000 per year for overtime if the SAFER grant was in place. He also explained that the possibility exists that a restructuring of the Fire Inspector duties may present itself in the current fiscal year which could provide another \$77,000 savings to be used to supplement the City's funding match.

In closing, Chief McCamley thanked the Commission for allowing him the opportunity to present this important request. The personnel at the Great Falls Fire Department understand that the timing of this budget request couldn't have come at a more challenging budget time. Chief McCamley believes that this rare funding opportunity will benefit the community and provide for safer working conditions for the firefighters. He urged the Commission's careful consideration of this matter.

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

Commissioner Beecher inquired if there had been any effort to request a lesser matching requirement or an extension of the deadline from the Department of Homeland Security (DHS). Chief McCamley responded that those attempts were made as late as this afternoon. The point of contact responsible for the DHS grant understands the City's predicament, consulted with his headquarters and responded that no adjustments could be made to the grant. The grant was considered on the City's need for 16 firefighters. With regard to the deadline, tomorrow will be past the two week deadline. In fairness to the other applicants that may be able to benefit from this grant, DHS needs the City's answer or will consider other applicants.

City Manager Doyon requested clarification on the timeframe for implementation if the grant was accepted. Chief McCamley responded that no monies would be expended out of the remainder of this year's budget. The City will not be paying for these new positions until after the recruitment and hiring process at the end of June or first part of July. DHS reimburses quarterly after the fact.

Commissioner Beecher inquired what would happen if the City couldn't meet the total match in subsequent years. Chief McCamley responded that failure to comply with all aspects of the grant would result in forfeiting the balance of the grant and the City would have to pay back the grant payments up to that point.

Commissioner Bronson asked where the implication with OSHA was that was referred to in the agenda report. Chief McCamley answered that compliance with OSHA was referenced because that was the language of the grant. It is to bring communities toward compliance with NFPA as well as OSHA.

Commissioner Bronson inquired if GFFR could rely on the mutual aid agreements with MANG and MAFB one hundred percent of the time. Chief McCamley responded that GFFR has a long standing relationship with MANG and MAFB. Due to military call outs, MAFB has not been able to honor that commitment every time in the recent past. MANG has people available, but the distinction with the mutual aid agreement is that they will not show up at the fire within eight minutes. Most of the time they are called in as after forces to do the clean up or they back staff the station.

Commissioner Bronson inquired about the concern expressed in the agenda report regarding the department not being able to answer a recent call because all apparatus was already assigned to another emergency and, if the trend continued, more system failures would occur. Chief McCamley explained that overlapping calls are occurring with more frequency. The standard first alarm takes three quarters of the City's Fire Department dedicated to that call. That leaves one engine company for the remainder of the city. With the several thousand other public service calls and EMS calls going on, routinely that other fire engine is also out in the community leaving no one to respond. The incident referenced in the report happened on New Year's Eve.

Commissioner Bronson asked Chief McCamley to comment on how the current situation may be placing unnecessary or additional stress on the firefighting staff. Based on the current staffing levels, Commissioner Bronson asked if the Fire Department had situations in the past two to five years where this has been a major contributing factor to an accident or injury and, if so, is this something that could be avoided with increased staffing levels. Chief McCamley answered yes. He explained that a common factor between the number of firefighter deaths nationally was that there were generally less than 15 firefighters on the ground. There were also more injuries. Fires that burn today are hotter, the smoke is more toxic, and the situations are more dangerous than they were 20-30 years ago. Since he has been Chief, he explained that he has had to retire three firefighters that were severely injured on the fire ground or during rescues that were unable to return to work. More recently, a firefighter was burned. With the current staffing level, Chief McCamley believes his staff is getting the job done but they are risking more than what is necessary. Statistically, it is a matter of time before other accidents happen.

Commissioner Bronson discussed the statistics of call comparisons and staffing levels between 1969 and the present. There has been an increase in medical and hazmat calls. He asked Chief McCamley to comment on whether there were other considerations to look at since the number of fire calls has gone down. Chief McCamley answered from 1969 to the present, fires are down less than half across the nation. That was due to aggressive fire inspections, education efforts and improvements in the uniform fire and building codes. Today, there are OSHA requirements. Whether there are 100 or 300 fires per year, there is a need to have a standard deployment of resources on duty every day because there is no way to predict when or where the next fire will occur. Almost everything built today is built out of lightweight construction. It burns hotter, is more toxic and collapses in minutes. When things were built out of lumber, it afforded more time. When not at fires, his staff is busy attending several thousand emergency medical calls per year, or assisting the community with a variety of other services.

Commissioner Beecher commented that the service contract with SME is an assumption, and any increase in the general fund over the next four years will be absorbed to match the grant without any consideration to other department needs. The City Manager has asked the Commission to focus on budget priorities. An election is coming up in November. He feels strongly that a public safety levy should be put forth for the voters to consider. Having said all that, Commissioner Beecher asked what would happen if the Commission accepts the grant, the first firefighter is hired after the new budget year, but the voters don't support the public safety levy.

Mayor Stebbins responded that she has family members who are firefighters. She would not like to see them go through the situation that this City department is going through. There is a lot of stress involved, particularly being short handed. She believes the public will see the need for a public safety levy. She believes the public is cognizant of the hard work of this department and the fact that every day they go in harm's way.

Commissioner Bronson echoed Mayor Stebbins and commented he had an uncle that was a fire marshal who was injured firefighting and had to end his career. He understands the risks. The significant economic concern has to be weighed as part of the equation. He believes it is necessary for the public and private sectors to step up in hard times. He is willing to take the risk and believes the public will too once they fully understand all of the ramifications.

Commissioner Jolley asked if the fire service agreement was with SME or Southern Montana. Chief McCamley responded that he believes the entity is Southern Montana Electric G&T and, to his knowledge, the contract amount is \$23,000 per month for fire and rescue services.

Commissioner Jolley inquired about the Fire Inspector's position. Chief McCamley answered that the Fire Inspector has been on leave, and he is not sure at this point if he will be coming back to work. If the position is vacated, then he will ask the City Manager to reallocate that money back to the operations division.

Commissioner Jolley asked how many cities in Montana also have fire trucks responding to emergency medical calls. Chief McCamley responded, as far as he knew, they all do. Commissioner Jolley asked if it would be frowned upon if GFFR cut back on services after accepting the grant. Chief McCamley responded that the DHS is not concerned where the money comes from. They leave it up to the local officials to decide how to manage their money. Once the commitment is made and he returns the packet to accept the grant, the City is not on the hook until it starts spending the money. Once that happens, the spirit and intent of the contract needs to be followed.

Assistant Fiscal Services Director Melissa Kinzler commented that if the public voted in November to pass a public safety mill levy, the City wouldn't see that money until the next year.

Commissioner Rosenbaum discussed the timeline of the City budget process and a public safety mill levy. He suggested mailing out a special ballot in May.

**Commissioner Bronson moved, seconded by Commissioner Beecher, that the City Commission accept the Department of Homeland Security grant and authorize the City Manager to hire 16 full-time firefighters using the SAFER grant money and also to appropriate matching funds as required by the City.**

Mayor Stebbins asked if there were any inquiries from the public.

**Neil Taylor**, 3417 4<sup>th</sup> Avenue South, commended the Great Falls Fire Department. Mr. Taylor suggested the idea of volunteer firemen.

**Ron Gessaman**, 1006 36<sup>th</sup> Avenue NE, expressed concerns about the number of calls referenced in the agenda report, and the large percentage of emergency medical calls when there is a private ambulance service in Great Falls. He described an occasion on Tuesday where he saw an ambulance going west and about two miles further he met a fire truck also going west. He presumed they were both going to the same location and believes it was a wasted call for the Fire Department. He also believes that the fuel costs estimated in the agenda report to be too low. Mr. Gessaman does not believe, due to the current economic situation, that the voters will approve a public safety mill levy. If the public does not approve a public safety levy, the City's portion of the grant will eat up 100% of the general fund by the fifth year. Mr. Gessaman assumed that the public safety levy mentioned in the report was to match the SAFER grant,

and it does not cover the additional money for the Police Department. He also reminded the Commission that there have been requests from the Park and Recreation Department and the Animal Shelter. He is concerned about what will happen if the public does not approve a public safety levy, and how the money will be paid back.

**Dave VanSon**, 2404 1<sup>st</sup> Avenue North, thanked the City Commission for discussing this important issue. Mr. VanSon stated he was here as a citizen of Great Falls, a Captain of the GFFR, and President of Great Falls Firefighters Union. He is 100% in support of the SAFER grant. Mr. VanSon commented that there was public misconception regarding duplication of calls that he heard earlier. He clarified that every fire station has a paramedic on the engine. They are strategically located throughout the city to respond to the call quicker than the private ambulance service that has one location downtown. As the prior gentleman noticed he saw an ambulance and a fire truck going west, the fire department will be there prior to the ambulance and provide the essential medical services. Those services are not duplicated. They are enhanced by the Fire Department responding to those calls. Increasing the staffing levels is a need and not a want for the firefighters. Mr. VanSon encouraged the City Commission to approve the SAFER grant.

Motion carried 5-0.

**ADJOURNMENT**

There being no further business to come before the Commission, **Commissioner Jolley moved, seconded by Commissioner Bronson, that the special meeting of January 28, 2009, be adjourned at 3:30 p.m.**

Motion carried 5-0.

\_\_\_\_\_  
Mayor Stebbins

\_\_\_\_\_  
City Clerk

Minutes Approved: February 2, 2009





**ITEM:** \$5,000 Report  
 Invoices and Claims in Excess of \$5,000

**PRESENTED BY:** Fiscal Services Director

**ACTION REQUESTED:** Approval with Consent Agenda

**ITEMIZED LISTING OF ALL TRANSACTIONS GREATER THAN \$5000:**

MASTER ACCOUNT CHECK RUN FOR JANUARY 21, 2009	332,303.14
MASTER ACCOUNT CHECK RUN FOR JANUARY 28, 2009	399,255.85
MUNICIPAL COURT ACCOUNT CHECK RUN FROM JANUARY 15 TO JANUARY 27, 2009	56,728.80
WIRE TRANSFERS FROM JANUARY 15, 2009 TO JANUARY 21, 2009	818,441.71
WIRE TRANSFERS FROM JANUARY 22, 2009 TO JANUARY 28, 2009	36,679.29
<b>TOTAL: \$</b>	<b>1,643,408.79</b>

**GENERAL FUND**

**FIRE**

HEIMAN FIRE EQUIPMENT INC	SCBA EQUIPMENT	12,906.15
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**PARK & RECREATION**

MONTANA WASTE SYSTEMS	DEC 08 CHARGES (SPLIT AMONG FUNDS)	62.94
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**SPECIAL REVENUE FUND**

**CTEP PROJECT**

DICK OLSON CONSTRUCTION	PMT #3 LIBRARY LANDSCAPE	12,226.50
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**LIGHTING DISTRICT**

ENTERPRISE ELECTRIC	POLE LIGHT REPAIR AND LABOR	5,000.00
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**SUPPORT & INNOVATION**

GREAT FALLS BUSINESS IMP DIST	DECEMBER 08 TAX DISTRIBUTION	5,154.74
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**RIVER'S EDGE TRAIL**

MT DEPT OF TRANSPORTATION	2003 BIKE/PED FACILITY IMPROVEMENTS	10,201.00
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**FEDERAL BLOCK GRANTS**

AGENCY ON AGING	PURCHASE FOOD FOR HOME MEAL DELIVERY PROGRAM	6,383.21
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**HOME GRANTS**

NEIGHBORWORKS	DRAWDOWN #6 FOR NHS	5,000.00
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**AG TECH PARK**

GREAT FALLS DEVELOPMENT AUTHORITY	PMT #2 DEVELOPMENT COSTS FOR AG TECH DISTRICT	5,000.00
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**ENTERPRISE FUNDS****WATER**

DICK ANDERSON CONSTRUCTION	PMT #1 WTP HEADHOUSE FLOOR REPLACEMENT	26,592.16
THATCHER CO	ALUMINUM SULFATE-LIQUID	5,475.70

**SEWER**

VEOLIA WATER NORTH AMERICA	MONTHLY WWTP OPERATION CONTRACT	230,312.08
VEOLIA WATER NORTH AMERICA	MONTHLY CONTRACTED CAPITAL IMPROVEMENTS	12,500.00

**SANITATION**

MONTANA WASTE SYSTEMS	DEC 08 CHARGES (SPLIT AMONG FUNDS)	56,134.05
UNITED ELECTRIC	LIGHTING UPGRADE FOR SANITATION BUILDING	6,946.83

**ELECTRIC**

SME	PMT OF ENERGY SUPPLY EXPENSE DEC 08	700,775.38
A DASHEN & ASSOCIATES	FINANCIAL ADVISORY SERVICES JULY 2005 THROUGH DECEMBER 2007	83,144.56

**SAFETY SERVICES**

QWEST	JANUARY 2009 911 CHARGES	5,708.03
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**PARKING**

APCOA/STANDARD PARKING	FEBRUARY 2009 COMPENSATION	23,152.17
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**RECREATION**

FLOORS & MORE	COMMUNITY REC CENTER GYM FLOOR REPAIR	5,199.00
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**CIVIC CENTER EVENTS**

GREAT FALLS SYMPHONY	PAYOUT GROSS TICKET RECEIPTS #09-48 HANDEL'S MESSIAH	8,964.00
GREAT FALLS SYMPHONY	PAYOUT GROSS TICKET RECEIPTS #09-09 GOLDEN ANNIVERSARY GALA	6,346.00

**INTERNAL SERVICES FUND****HEALTH & BENEFITS**

BLUE CROSS/BLUE SHIELD	HEALTH INS CLAIMS JAN 5-12, 2009	93,789.02
BLUE CROSS/BLUE SHIELD	HEALTH INS CLAIMS JAN 13-19, 2009	43,874.50
BLUE CROSS/BLUE SHIELD	HEALTH INS CLAIMS JAN 20-26, 2009	36,679.29

**CENTRAL GARAGE**

MOUNTAIN VIEW CO-OP	DIESEL FUEL	11,764.62
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**TRUST AND AGENCY****COURT TRUST MUNICIPAL COURT**

CITY OF GREAT FALLS	FINES & FORFEITURES COLLECTIONS	50,594.80
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**CLAIMS OVER \$5000 TOTAL:**\$ 1,469,886.73

CITY OF GREAT FALLS, MONTANA

AGENDA: 11

COMMUNICATION TO THE CITY COMMISSION

DATE: February 3, 2009

**ITEM:** CONTRACT LIST  
Itemizing contracts not otherwise approved or ratified by City Commission Action  
(Listed contracts are available for inspection in the City Clerk's Office.)

**PRESENTED BY:** Lisa Kunz, City Clerk

**ACTION REQUESTED:** Ratification of Contracts through the Consent Agenda

**MAYOR'S SIGNATURE:** \_\_\_\_\_

**CONTRACT LIST**

	<b>DEPARTMENT</b>	<b>OTHER PARTY (PERSON OR ENTITY)</b>	<b>PERIOD</b>	<b>FUND</b>	<b>AMOUNT</b>	<b>PURPOSE</b>
<b>A</b>	Fiscal Services	Southern Montana Electric	10/02/2007 – 12/31/2048			Contract Rate Rider #1 – Wholesale Power Contract for Cogeneration Energy Purchases <b>OF 1472</b>

**CITY OF GREAT FALLS, MONTANA  
COMMUNICATION TO THE CITY COMMISSION**

**AGENDA: 12  
DATE: February 3, 2009**

**ITEM:** LIEN RELEASE LIST  
Itemizing liens not otherwise approved or ratified by City Commission Action  
(Listed liens are available for inspection in the City Clerks Office.)

**PRESENTED BY:** Lisa Kunz, City Clerk

**ACTION REQUESTED:** Ratification of Lien Releases through the Consent Agenda

**MAYOR'S SIGNATURE:** \_\_\_\_\_

**LIEN RELEASES**

	<b>DEPARTMENT</b>	<b>OTHER PARTY (PERSON OR ENTITY)</b>	<b>PERIOD</b>	<b>FUND</b>	<b>AMOUNT</b>	<b>PURPOSE</b>
<b>A</b>	Fiscal Services	Property Owner at time of recording – Keith and Cara Kazda (current owner of record – US Bank N.A.	Current	237-3131-532-3599	\$200	Partial Release of Resolution #9762 for Assessing the Cost of Removal and Disposal of Nuisance Weeds at 1223 6 <sup>th</sup> Avenue North. Parcel #47400. Lot 9, Blk 140, Great falls First Addition.



**Item:** Resolution 9813 for Conditional Use Permit to allow a Wind Turbine on Lot 2A, Block 1, Vo-Tech Addition, (MSU College of Technology)

**From:** Bill Walters, Interim Planning Director

**Initiated By:** Montana State University-Great Falls College of Technology

**Presented By:** Bill Walters, Interim Planning Director

**Action Requested:** City Commission set public hearing for Resolution 9813.

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**Suggested Motion:**

1. Commissioner moves:

“I move that the City Commission set a public hearing for March 3, 2009, to consider adoption of Resolution 9813.”

2. Mayor calls for a second, discussion, inquiries from the public, and calls the vote.

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**Zoning Commission Recommendation:** At the conclusion of a public hearing held January 13, 2009, the Zoning Commission passed a motion recommending the City Commission grant a conditional use permit to allow a 120 foot wind turbine to be erected on Lot 2A, Block 1, Vo-Tech Addition, at least 500 feet from the west right-of-way of 20<sup>th</sup> Street South and at least 200 feet from the south boundary of said Lot 2A.

**Background:** Montana State University-Great Falls College of Technology has applied for a conditional use permit to allow the erection of a 120 foot tall wind turbine east of 20<sup>th</sup> Street South between 19<sup>th</sup> and 20<sup>th</sup> Avenues. Subject property, legally described as Lot 2A, Block 1, Vo-Tech Addition, is 12.7 acres in area and is presently zoned PLI Public lands and institutional district wherein a wind turbine is permitted upon processing and approval of a conditional use permit.

For additional information, please refer to the attached: 1) Vicinity/Zoning Map; 2) MSU GF College of Technology 2008 Master Plan with Proposed Wind Turbine Location; and 3) Vicinity Aerial Photo with Proposed Wind Turbine Location.

Wind turbine is included as part of the definition of “utility installation” in the Unified Land Development Code. A “utility installation” is allowed in all zoning districts as a conditional use except the AI Airport industrial and I-2 Heavy industrial districts where it is a permitted use.

MSU COT, by considering installation of a 120-foot 50 kilowatt (kW) monopole wind turbine, is attempting to address a dual purpose initiative to utilize renewable energy for off-setting utility costs while also developing new programming in energy areas. The wind turbine will reduce the increased energy costs from the recent addition of the Trades Building to the campus and will eventually be used as an instructional tool for a wind technician program currently being developed.

The attached 2008 Master Plan of the MSU Great Falls College of Technology submitted by the applicant and the Vicinity aerial photo prepared by the Planning Staff show the location of the proposed wind turbine in the southerly portion of the School’s campus.

The wind turbine proposed by MSU COT is similar in size to the wind turbine installed last year by Cascade County to serve the new County Shop Complex west of Great Falls.

Attached is a Memorandum from Mike Rattray, Community Development Director, dated November 26, 2008, stating support for the wind turbine project but expressing concern about locating it too close to the lots in the Medical Tech Park which the City is attempting to sell. Joe Schaffer, Interim Dean of MSU – Great Falls College of Technology, met with Mike Rattray and the Planning Staff to discuss possible alternate sites to locate the turbine. Taking into consideration comments/input from the City Community Development Department and consultants’ working for MSU COT, the location of the proposed wind turbine was moved to a point 220 feet east of 20<sup>th</sup> Street South and 250 feet north of COT’s south boundary which was submitted to the Zoning Commission for consideration.

The procedure for processing a conditional use is identical to that for a City zone change. Following a public hearing and recommendation by the Planning Board, the City Commission shall conduct a public hearing and arrive at a final decision regarding the conditional use application. The City Commission may, through a written agreement with the applicant, establish such conditions and restrictions upon the construction, maintenance and operation of the conditional use as is deemed necessary for the protection of the public interest and to secure compliance with standards and requirements.

The City Zoning Code lists the seven following criteria to be applied to a request for a conditional use for evaluation purposes.

1. The conditional use is consistent with City’s growth policy and applicable neighborhood plans, if any.
2. That the establishment, maintenance or operation of the conditional use will not be detrimental to, or endanger the health, safety, morals, comfort or general welfare.

3. The conditional use will not be injurious to the use and enjoyment of other property in the immediate vicinity for the purposes already permitted, nor substantially diminishes and impairs property values within the neighborhood.
4. The conditional use will not impede the normal and orderly development and improvement of the surrounding property for uses permitted in the district.
5. Adequate utilities, access roads, drainage and/or necessary facilities have been or are being provided.
6. Adequate measures have been or will be taken to provide ingress and egress so designed as to minimize traffic congestion in the public streets.
7. The conditional use shall, in all other respects, conform to the applicable regulations of the district in which it is located, except as such regulations may, in each instance, be modified by the City Commission.

The Growth Policy does not contain an energy element and therefore is silent on renewable energy systems. A goal in the land use element of the Growth Policy is “to preserve and enhance the character, quality, and livability of existing neighborhoods”. The Growth Policy states proposed land use changes should be evaluated according to the type of neighborhood affected. The wind turbine is proposed to be located on a large acreage tract with several hundred feet buffering it from any existing development. It is unknown to what extent the visual impacts of the turbine will have on future development and property values in the vicinity.

Staff concludes no significant negative aspects, associated with the seven above mentioned criteria, should result from the approval of the conditional use permit, and provided the wind turbine is located generally as depicted on the map/plan layouts attached hereto.

As interest and inquiries regarding wind turbines, ranging in size from the one being proposed by MSU COT to smaller units that can be mounted on residential rooftops, is increasing, staff is drafting amendments to the Land Development Code which will permit certain types of wind-powered electricity systems in all zoning districts subject to compliance with specified standards and conditions. It is anticipated the amendments should be available in the next month or two for Zoning Commission consideration.

During the Zoning Commission public hearing held January 13, 2009, Ms. Joann Heninger, 1917 20<sup>th</sup> Avenue South, expressed opposition to the location of the proposed turbine presented in the Staff Report and Recommendation which was 220 feet east of 20<sup>th</sup> Street South and 250 feet north of COT’s south boundary. Ms. Heninger discussed health concerns, noise and the possibility of property value depreciation. She said residential properties occupied twenty-four hours a day, seven days a week would be more affected than a commercial building in the Medical Tech Park. She would prefer the turbine be built at the original location (500 feet east of 20<sup>th</sup> Street South and 200 feet north of COT’s south boundary). Mr. Ron Gessaman, 1006 36<sup>th</sup> Avenue NE, said he is generally in favor of alternate energy sources, but would like to see the tower located as far east as possible, since homeowners would be subjected to any environmental impacts 24 hours a day, while commercial parcels are occupied approximately eight hours a day. Following a lengthy discussion, the Zoning Commission at the conclusion of the hearing, unanimously passed a motion recommending the City Commission grant a conditional use permit to allow a 120 foot wind turbine to be erected on Lot 2A,



Block 1, Vo-Tech Addition, at least 500 feet from the west right-of-way of 20<sup>th</sup> Street South and at least 200 feet from the south boundary of said Lot 2A.

The minutes of the Zoning Commission public hearing will be provided to the City Commission prior to March 3, 2009.

**Concurrences:** The applicant presented and discussed the proposed wind turbine project with Neighborhood Council No. 6 (located west of 20<sup>th</sup> Street South) on December 3 and with Neighborhood Council No. 5 (located east of 20<sup>th</sup> Street South) on December 15. Feedback from Council 6 included separating the wind turbine from the existing Pines Apartment Complex (located along 20<sup>th</sup> Street at 17<sup>th</sup> Avenue South) and the residents west of 20<sup>th</sup> Street as much as possible. Council 6 again considered the matter during a meeting held January 7 and expressed support for the wind turbine project. Council 5 passed a motion to endorse the effort of MSU COT to pursue construction of the wind energy project as presented.

**Fiscal Impact:** Granting the conditional use permit will not result in any changes to providing City services to the area. It is possible the location of the proposed wind turbine could impede sale of some of the lots in that portion of the Medical Tech Park being developed by the City as alluded to in the attached Memo from Mike Rattray.

**Alternatives:** The City Commission could decide not to set the public hearing on Resolution 9813. However, such action would deny the applicant due process and consideration of a public hearing, as provided for in City Code and State Statute.

**Attachments/Exhibits:**

1. Resolution 9813
2. Vicinity/Zoning Map
3. MSU GF College of Technology 2008 Master Plan with Proposed Wind Turbine Location
4. Vicinity Aerial Photo with Proposed Wind Turbine Location
5. Memo from Mike Rattray, Community Development Director, dated Nov. 26, 2008

Cc: Mike Rattray, Community Development Director  
Joe Schaffer, MSU COT, 2100 16<sup>th</sup> Avenue South, 59405  
Joann Heninger, 1917 20<sup>th</sup> Avenue South, 59405

RESOLUTION 9813

A RESOLUTION APPROVING A CONDITIONAL USE PERMIT  
TO ALLOW A WIND TURBINE ON  
LOT 2A, BLOCK 1, VO-TECH ADDITION

\* \* \* \* \*

WHEREAS, Montana State University-Great Falls College of Technology is the owner of Lot 2A, Block 1, Vo-Tech Addition, comprising the southerly portion of the campus of the College of Technology located between 20<sup>th</sup> and 23<sup>rd</sup> Streets South in the vicinity of 19<sup>th</sup> and 20<sup>th</sup> Avenues South; and

WHEREAS, Lot 2A, Block 1, Vo-Tech Addition, is presently zoned PLI Public lands and institutional district wherein a wind turbine is permitted upon processing and approval of a conditional use application; and

WHEREAS, the City of Great Falls' Unified Land Development Code includes wind turbine as part of the definition of "utility installation" which is allowed in all zoning districts as a conditional use except the AI Airport industrial and I-2 Heavy industrial districts where it is a permitted use; and

WHEREAS, Montana State University-Great Falls College of Technology has applied for a conditional use permit to allow the erection of a 120 foot tall wind turbine on Lot 2A, Block 1, Vo-Tech Addition; and

WHEREAS, the Great Falls Zoning Commission conducted a public hearing on January 13, 2009, to consider said conditional use permit application and at the conclusion of said hearing, passed a motion recommending the City Commission grant a conditional use permit to allow a 120 foot wind turbine to be erected on Lot 2A, Block 1, Vo-Tech Addition, at least 500 feet from the west right-of-way of 20<sup>th</sup> Street South and at least 200 feet from the south boundary of said Lot 2A;

NOW, THEREFORE, BE IT RESOLVED BY THE COMMISSION OF THE CITY OF GREAT FALLS, MONTANA:

Section 1. It is determined that the herein requested conditional use permit will meet the criteria cited in Section 17.16.36.040 of the Unified Land Development Code of the City of Great Falls.

Section 2. That a conditional use permit to allow a 120 foot wind turbine to be erected on Lot 2A, Block 1, Vo-Tech Addition, at least 500 feet from the west right-of-way of 20<sup>th</sup> Street South and at least 200 feet from the south boundary of said Lot 2A, is hereby approved.

Section 3. That this Resolution shall become effective immediately upon its passage and approval.

PASSED AND ADOPTED by the City Commission of the City of Great Falls, Montana, March 3, 2009.

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Dona R. Stebbins, Mayor

ATTEST:

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Lisa Kunz, City Clerk

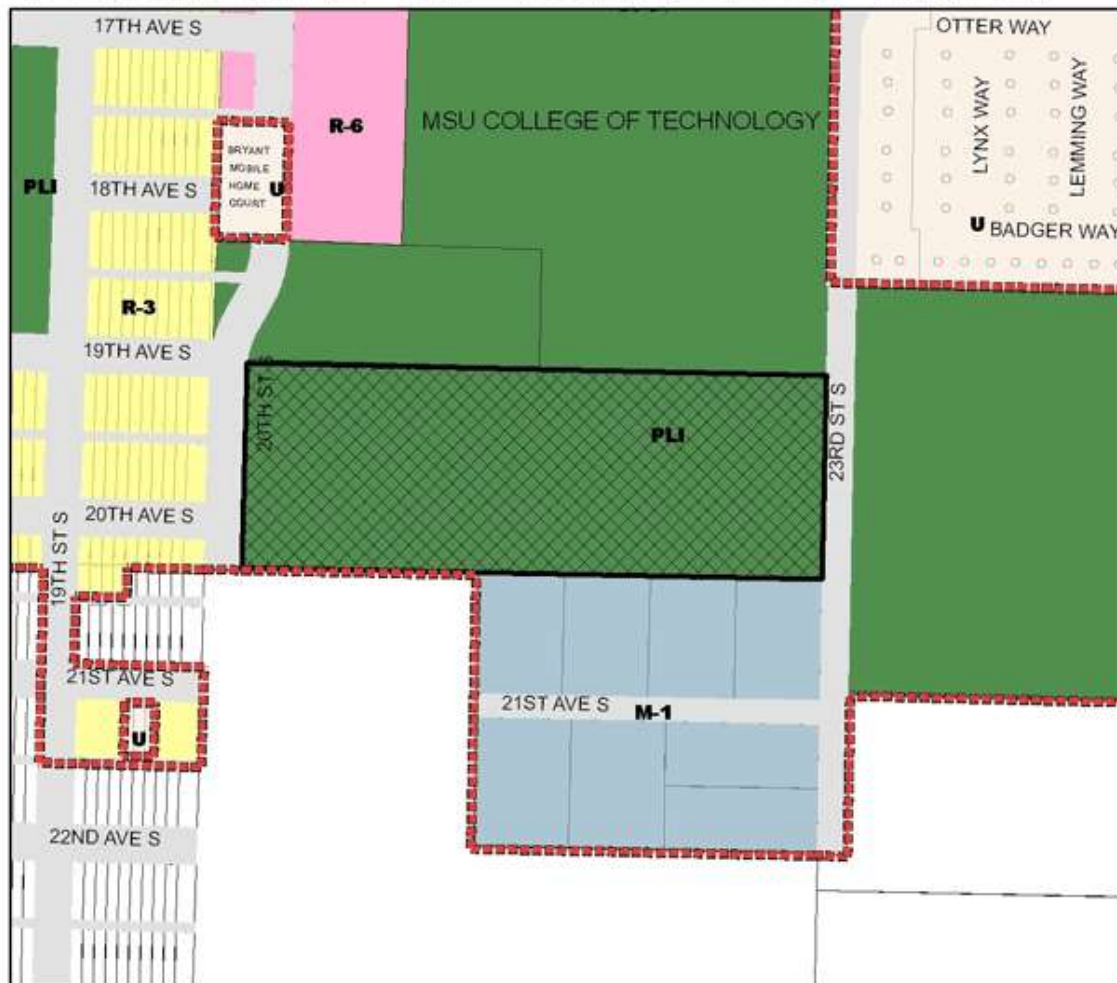
(CITY SEAL)


Approved for legal content:








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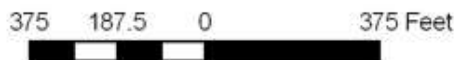
David V. Gliko, City Attorney

# VICINITY/ZONING MAP



 LOT 2A, BLOCK 1, VO-TECH ADDITION, ZONED PLI PUBLIC LANDS AND INSTITUTIONAL DISTRICT WHEREIN A WIND TURBINE IS PERMITTED UPON PROCESSING AND APPROVAL OF A CONDITIONAL USE APPLICATION.

- |  |   |   |
|--|---|---|
|  City Limits                    |  R-6 Multi-family high density |  PLI Public Lands and Institutional |
|  R-3 Single-family high density |  M-1 Mixed-use district        |  U Unincorporated enclave           |
|  |   |  Tracts of land outside City        |



**PLAN LEGEND:**

	EXISTING BUILDING OLD CONSTRUCTION
	EXISTING BUILDING NEW CONSTRUCTION
	FUTURE BUILDING PROPOSED LOCATIONS
	FUTURE BUILDING CHILD CARE LOCATION OPTIONS
	FUTURE PARKING APPROXIMATE 600 STALLS
	FUTURE GRASS AREA
	FUTURE LANDSCAPE TREES AND SHRUBS
	EXISTING LANDSCAPE TREES AND SHRUBS

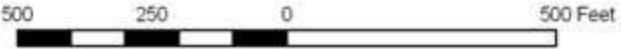


MSU GREAT FALLS COLLEGE OF TECHNOLOGY - 2008 MASTER PLAN





# VICINITY



## **MEMO**

To: Bill Walters, Sr. Planner  
From: Mike Rattray  
Date: November 26, 2008  
Re: Conditional Use Permit for Wind Turbine at MSU COT

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The Community Development Department is supportive of the wind turbine project being proposed by MSU COT, however the location of the turbine is of concern. The city has invested heavily in the Medical Tech Park to provide available shovel ready office park lots for professional office development. Recently, the new Social Security office was completed and currently a new Homeland Security/Border Patrol office is under construction. The proposed site for the wind turbine is in the southwest corner of their property, well removed from any of their current or future building sites. However, it is relatively close to the Medical Tech Park lots and will certainly impede any future sales of these lots. I seriously doubt that anyone planning to construct a new office building will find these lots desirable as compared to lots without a wind turbine in the back yard. I see no reason why the turbine could not be located further to the north, approximately on a line with 19<sup>th</sup> Avenue South, thereby eliminating any negative impact to property owners along the south boundary of their property. In addition, this location will reduce their project costs since their wire run will be significantly shorter as compared to the southwestern location. Please provide these comments to the Planning Board and hopefully a different location can be negotiated with MSU COT. Thank you and the Planning Board for giving this concern consideration.





## **GREAT FALLS ZONING COMMISSION**

### **MINUTES OF THE PUBLIC HEARING FOR CONDITIONAL USE PERMIT FOR WIND TURBINE ON LOT 2A, BLOCK 1, VO-TECH ADDITION (MSU COT)**

January 13, 2009

The public hearing was called to order at 3:10 p.m. in the Commission Chambers of the Civic Center by Chairman John Harding.

#### **ROLL CALL & ATTENDANCE**

Zoning Commission Members present:

Mr. Michael Bates  
Mr. Art Bundtrock  
Ms. Danna Duffy  
Mr. John Harding  
Mr. Terry Hilgendorf  
Mr. Bill Roberts  
Mr. Wyman Taylor

Zoning Commission Members absent:

Mr. Ron Kinder  
Mr. Joe Schaffer (recused\*)

Planning Staff Members present:

Mr. Andrew Finch, Senior Transportation Planner  
Ms. Deb McNeese, Administrative Assistant  
Mr. Bill Walters, Interim Planning Director

Others present:

Mr. Dave Dobbs, City Engineer  
Ms. Mary Jolley, City Commissioner

A copy of the attendance list, as signed by those present, is attached and incorporated by reference.

\*Mr. Schaffer, as the petitioner's representative, recused himself prior to the commencement of the hearing.

## **EXPLANATION OF HEARING PROCEDURES**

Mr. Harding advised that agendas are available on the table at the back of the room and the agenda will be followed. He requested that everyone present sign the attendance list, which was also on the table. There will be an opportunity for proponents and opponents to speak. Mr. Harding asked those intending to speak to come to the rostrum, state their name, address and whom they represent. He requested remarks be on the subject before the Board at this hearing and be limited to a reasonable length of time to allow everyone equal opportunity to speak. The Chairman reserves the right to determine reasonable time. The hearing is recorded on tape as an aid in preparing minutes. He asked that cell phones and electronic devices be turned off.

## **READING OF PUBLIC NOTICE**

As there was no response to Mr. Harding's question on whether anyone present wished to have the public notice read, the public notice was not read.

## **PLANNING STAFF REPORT & RECOMMENDATION**

After reviewing the staff report and recommendation, Mr. Walters said he would be glad to respond to any questions from the Board. He noted that staff is working on drafting amendments to the Land Development Code regarding wind-powered electricity systems, which should be available in the next month or two for Zoning Commission consideration.

Mr. Taylor asked how close turbines could be located to buildings. Mr. Walters said he has been looking at sample codes in other areas and national standards, and has found that most use 110% of the turbine height for the minimum distance between the turbine and any property line. Mr. Walters was not aware of any provision requiring separation between a turbine and a building located on the same parcel.

Mr. Harding asked if the tower site shown on the report was the original or the compromise location, and if Mr. Rattray was satisfied with the proposed change.

Mr. Walters said the report displays depict the compromise site, which is further north and west of the original tower location. Mr. Rattray is aware of the compromise site.

## **PETITIONER'S PRESENTATION**

Mr. Joe Schaffer, 105 35<sup>th</sup> Avenue NE, acting Dean and CEO of Montana State University of Great Falls College of Technology, explained that a wind turbine for the college will serve three purposes: 1) to help reduce the consumption of fossil fuels 20% as mandated for all State agencies by the year 2010; 2) an education tool for college, high school and others; and

3) a data resource showing the turbine's efficiency, amount of energy generated and wind speeds at the turbine site. Mr. Schaffer said the original construction site offered a natural peak, adequate buffer from residential and ground turbulence, the most direct wire run, and did not impact future plans for campus growth. In order to appease Mr. Rattray's concerns, an alternate site was chosen, which is nearer to obstructions, residences, and a future 20<sup>th</sup> Street extension but is still feasible. Mr. Schaffer said as a "*good neighbor*", the college sent notices regarding the proposed turbine construction to area residents, visited with the neighborhood councils, and has discussed concerns with all that have contacted them.

There were other questions from the Board regarding funding and equipment availability.

Mr. Schaffer said although funds are available, the College is still looking at alternate stimulus or grant funding. Once the equipment is ordered it will take approximately six to nine months for the turbine to be up and running.

### **PROponents OPPORTUNITY TO SPEAK**

There were no proponents.

### **OPponents OPPORTUNITY TO SPEAK**

Ms. Joann Heninger, 1917 20<sup>th</sup> Avenue South, a property owner directly west of the proposed site, objected to the location. Ms. Heninger discussed health concerns, noise and the possibility of property value depreciation as noted by Mr. Rattray's memo. She stated that residential properties occupied twenty-four hours a day, seven days a week would be more affected than a commercial building, and the "not in my back yard" memo was very inappropriate coming from the City. She would prefer the turbine be built on the original location, further away from homes.

### **OTHER PUBLIC COMMENT**

Mr. Ron Gessaman, 1006 36<sup>th</sup> Avenue NE, said he is generally in favor of alternate energy sources, and was unaware that the City had negotiated a special deal for the relocation of the tower. He would like to see the tower located as far east as possible, since home owners would be subjected to any environmental impacts 24 hours a day, while commercial parcels are occupied approximately eight hours a day.

### **PETITIONER'S RESPONSE**

Mr. Schaffer reiterated that the College's intent is to be a good neighbor, which is why the location was negotiated with the City. In terms of research and studies regarding impacts from wind turbines, the studies have typically been geared to wind-farms, large-scale turbines, or high levels of population close to wind-farms, not typically on a 50-kilowatt unit. He conceded

that there will be some impacts, but noted that typically the wind blows hardest in the evenings and in the winter months, and that wind turbines do not run twenty-four hours a day, seven days a week. Mr. Schaffer said he would be happy to work with neighbors regarding the location, as the College has no intention of making people's lives unbearable.

There followed a short discussion of current shipping times and material costs of a wind turbine, and wind velocity needed to make the unit work efficiently.

### **ZONING COMMISSION DISCUSSION & ACTION**

Mr. Hilgendorf said he was in favor of the project, but referred to the City memo concerning the ability to sell lots if located near the turbine. He stated he would vote against the project unless moved further away from residents. Mr. Hilgendorf said he felt commercial properties could more easily withstand any potential impact from the turbine than residential owners could. He added that regulations and a study determining sound and noise dangers needs to be done as soon as possible, since it is likely there will be additional requests in all zoning classifications for turbines as they become more efficient and less costly.

Mr. Bates asked if the location could be adjusted after approval. Mr. Schaffer said the original site and the compromise location may have to be adjusted slightly after a geotechnical study is done. Mr. Taylor asked if it would be possible to move the tower closer to the campus buildings. Mr. Schaffer noted safety, future campus development and turbine efficiency needs were taken into consideration when the original and compromise sites were identified. Mr. Harding noted how few comments came from surrounding property owners, and said he would be in favor of the project if constructed in the original location.

Mr. Roberts asked Mr. Walters if Neighborhood Council 6 approved the original or the revised location. Mr. Walters said the original location was presented, but was unaware if the compromise location was brought before the council.

**MOTION:** That the Zoning Commission recommend to the City Commission that a conditional use permit be granted to allow a 120 foot wind turbine to be erected on Lot 2A, Block 1, Vo-Tech Addition on the original location designated by the petitioner.

Made by: Mr. Roberts  
Second: Mr. Bundtrock

There followed a lengthy discussion regarding how to describe the original turbine location in the motion, and whether the Board should dictate where the property owner locate the turbine. Mr. Walters noted that the lot in question is sizeable and conditions usually accompany conditional use permits, which may include assigning location restrictions. Mr. Walters added

that the City Commission would be looking for direction or a recommendation which would include a specific site location.

The above motion was further clarified by Mr. Roberts.

**MOTION:** That the Zoning Commission recommend to the City Commission that a conditional use permit be granted to allow a 120 foot wind turbine to be erected on Lot 2A, Block 1, Vo-Tech Addition, at least 500 feet from the west right-of-way of 20<sup>th</sup> Street South and at least 200 feet from the south boundary of said Lot 2A.

Made by: Mr. Roberts

Second: Mr. Bundtrock

Vote: The motion carried unanimously.

Mr. Walters asked the Board's intent of the 120 foot height limitation. The Board indicated the 120 foot height limitation applied to the turbine housing and was not inclusive of the blade height

Mr. Walters stated the Zoning Commission's recommendation will be forwarded to the City Commission, with a possible first consideration at the February 3 meeting.

## **ADJOURNMENT**

The hearing adjourned at 4:38 p.m.

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CHAIRMAN

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SECRETARY



**Item:** Appointment to the Great Falls Transit District Board

**From:** City Manager's Office

**Initiated By:** City Commission

**Presented By:** City Commission

**Action Requested:** Appoint one member to the Great Falls Transit District Board to fill the remainder of a four-year term through November 30, 2010.

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**Suggested Motion:**

1. Commissioner moves:

“I move that the City Commission appoint \_\_\_\_\_ to fill the remainder of a four-year term through November 30, 2010, to the Great Falls Transit District Board.”

2. Mayor calls for a second, discussion, inquiries from the public, and calls the vote.

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**Staff Recommendation:** It is recommended that the City Commission appoint one member to the Great Falls Transit District Board to fill the remainder of a four-year term through November 30, 2010.

**Background:** Paul Eastman was appointed to the Great Falls Transit District Board in December of 2006. Mr. Eastman passed away in December of 2008. Therefore, it is necessary to appoint one member to fill the remainder of his four-year term.

Purpose

The Great Falls Transit District Board is comprised of five members – three elected, one appointed by the City Commission, and one appointed by Cascade County Commissioners. The Board governs the Great Falls Transit District. The Board is responsible for determining an appropriate mill levy, preparing and presenting a budget, and overseeing all aspects of the District, including operations, maintenance and operations.

Evaluation and Selection Process

Advertising was done in the *Great Falls Tribune* and on the City of Great Falls Website.

Continuing members of this board are:

Ann Marie Meade (County appointee)

Sally Macmillan (Elected)  
Laurel Gebo (Elected)  
Carl Donovan (Elected)

Citizens interested in serving on this board:

Len Nopen  
Marion Smith

**Concurrences:** The Great Falls Transit District Board has submitted a recommendation for the appointment of Marion Smith.

**Fiscal Impact:** Not applicable.

**Alternatives:** Advertise to seek other citizen interest.

**Attachments/Exhibits:** Applications  
Recommendation





**Item:** Appointment, Park and Recreation Board

**From:** City Manager's Office

**Initiated By:** City Commission

**Presented By:** City Commission

**Action Requested:** Appoint one member to the Park and Recreation Board

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**Suggested Motion:**

1. Commissioner moves:

“I move that the City Commission appoint \_\_\_\_\_ to the Park and Recreation Board to fill the remainder of a three-year term through December 31, 2009,”

2. Mayor calls for a second, discussion, inquiries from the public, and calls the vote.

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**Staff Recommendation:** It is recommended that the City Commission appoint one new member to the Park and Recreation Board to fill the remainder of a three-year term through December 31, 2009.

**Background:** Kelly Timmer was appointed to the Park and Recreation Board in January of 2007. Ms. Timmer resigned from the Board in December of 2008. Therefore, it is necessary to appoint one member to fill the remainder of her term.

Purpose. The Park and Recreation Board consists of seven members who act in an advisory capacity to the City Commission and the City Manager on all matters related to the Park and Recreation program in the City of Great Falls. Per City Ordinance, members must reside within the City.

Evaluation and Selection Process

Advertising was done on the City's website and through the *Great Falls Tribune* for two vacancies on the Board that were filled at the December 16, 2008, City Commission meeting. Four applications were received – two which were appointed, one was appointed to the Parking Commission, and one, Russell Motschenbacher, was not selected. Mr. Motschenbacher is still interested in being appointed to the Board.

Continuing members of this board are:

Tim Austin  
Karen Harant  
Doug Hickey  
James McCarvel  
David Simmons  
Bryan Thies

Citizens interested in serving on this board are:  
Russell Motschenbacher

**Concurrences:** Not applicable.

**Fiscal Impact:** Not applicable.

**Alternatives:** Advertise to seek other citizen interest.

**Attachments/Exhibits:** Application