



**Item:** Reimbursement of eligible public infrastructure expenses from the West Bank Tax Increment Financing District (TIFD)

**From:** Mike Haynes, AICP, Director of Planning and Community Development

**Initiated By:** Talcott Properties, LLC

**Presented By:** Mike Haynes, AICP, Director of Planning and Community Development

**Action Requested:** Approve reimbursements from the West Bank Urban Renewal Fund

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**Suggested Motion 1:**

1. Commissioner moves:

“I move that the City Commission approve reimbursement of \$110,197.00 to Talcott Properties, LLC from the West Bank Urban Renewal Fund upon documented project completion, and approve the Development Agreement.”

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

**Suggested Motion 2:**

1. Commissioner moves:

“I move that the City Commission approve reimbursement of \$15,000.00 to Recreational Trails Incorporated from the West Bank Urban Renewal Fund upon documented project completion, and approve the Development Agreement.”

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

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**Recommendation:** At the conclusion of a public hearing held August 14, 2012, the Planning Advisory Board recommended that the City Commission approve a request by Talcott Properties, LLC for the reimbursement of \$110,197.00 in eligible public infrastructure expenses and reimbursement of \$15,000.00 to Recreational Trails Incorporated for construction of proposed trail improvements from the City of Great Falls West Bank Tax Increment Financing District (TIFD) Urban Renewal Fund. See map in Exhibit A.

Brad Talcott representing Talcott Properties, LLC, Doug Wicks of Recreational Trails Inc. (RTI), and Marty Basta representing the City's Park & Recreation Department all attended the Planning Board public hearing and concurred with the Planning Board recommendation.

Specifically, based on the current fund balance in the West Bank Urban Renewal Fund, the recommendation of the Planning Board was to reimburse Talcott Properties, LLC \$95,197.00 now and the remaining \$15,000.00 when there is an adequate cash balance as determined by the Fiscal Services Director, for the public infrastructure improvements.

The Planning Board recommendation also included a provision that Recreational Trails Inc. be reimbursed \$15,000 as a 50% match of construction costs upon completion of a proposed concrete segment of the River's Edge Trail. The trail segment generally runs between the Federal Courthouse and the new public parking area at the terminus of 3<sup>rd</sup> Avenue NW in the West Bank Park. The proposed new segment would connect two existing segments of concrete trail from previous phases of construction. RTI would pay the estimated \$30,000 project cost exclusively from private community donations received through their 501(c)3 organization.

At the Agenda Setting meeting on August 29, 2012, for the City Commission meeting to be held on September 4, 2012, there was discussion regarding the single motion in the draft Agenda Report and the timing and merit of the reimbursement requests from Talcott Properties, LLC and RTI. Based on that discussion, the Agenda Report was revised to include two separate reimbursement requests and motions.

At the September 4, 2012, City Commission meeting, City Commissioners tabled action on the reimbursement requests to September 18, 2012, after presentation by staff, comment from both applicants in support of the staff recommendation and hearing public comment. The concerns expressed by Commissioners focused on the fact that the private developer (Talcott Properties, LLC) was required to submit a formal application while RTI (a private non-profit organization) was not, and the timing and relative priorities of the two projects.

Since that meeting, RTI submitted a formal application consistent with the *Process* established in 2008 and the suggested motions have been revised. The revised motions reflect the anticipated completion dates of both projects and the new revenues to the Fund. Both projects may be reimbursed when the respective projects are completed, inspected and finalized, and the required supporting documentation submitted to staff and reviewed. Reimbursement requests are processed by the Fiscal Services Department.

It remains important to the overall success of the West Bank Urban Renewal District that future improvements to the West Bank Park, consistent with the West Bank Park Master Plan adopted by City Commission on March 15, 2011, be considered for the use of future TIF increment generated over and above that needed to pay off bonds.

**Background:** On September 16, 2008, the City Commission approved a Tax Increment Application Process (*Process*) to accommodate "funding requests from the private sector" for eligible public infrastructure improvements in TIF Districts. See Exhibit B. The *Process* requires that planning staff evaluate funding requests in coordination with Fiscal Services, that the Planning Board consider said requests and make recommendations to City Commission, and that City Commission take final action with regard to TIF reimbursements.

Within the West Bank TIF District is the West Bank One project that currently comprises the Staybridge Suites Hotel, Faster Basset and Front Brewing Company, and the Kobe Steak and Seafood Restaurant now under construction. See Exhibit C.

On May 7, 2012, West Bank One developer Talcott Properties, LLC made formal application for reimbursement of costs to install utilities, roads, sidewalks and parking for the Kobe Steak and Seafood Restaurant project. Upon request of planning staff, the applicant subsequently submitted written responses to the 11 specific criteria outlined in the *Process* to assess the merits of the project in relation to the West Bank Urban Renewal Plan. See both in Exhibit D.

The requested reimbursement of \$110,197.00 for installation of curb and gutter (\$13,855.00), sidewalks (\$3,630.00), parking lots and roads (\$18,122.00), and water, sewer and storm-drains (\$74,590.00) are eligible infrastructure investments related to West Bank TIF development. In addition, the developer has attested that the construction/rehabilitation costs, exclusive of acquisition costs and development fees, are \$1,274,424. The requested reimbursement of \$110,197.00 is less than the maximum 10% TIF participation recommended in the *Process*.

Note that on page 1 of the “Tax Increment Financing Application Process” document, that is the first attachment to the 2008 Agenda Report (Exhibit B to this report), applicants are specifically encouraged to submit for, and secure approval of, reimbursement of public infrastructure improvements before construction begins. Without prior approval by City Commission, an applicant cannot be certain that infrastructure improvements are eligible and thus reimbursable.

Construction is underway on the Kobe Restaurant site. The underground utilities and curbing is already in place and sidewalks, roads and parking areas will be installed shortly. While there are no guarantees that costs incurred by an Applicant prior to funding approval will be reimbursed, the ongoing redevelopment of the West Bank One property has been an outstanding success and the quality of development has set the standard for other commercial development projects within the City of Great Falls.

The request by Talcott Properties, LLC meets all standards established in the *Process* to be eligible for reimbursement, and future phases of development in West Bank One will generate additional future tax revenues for the West Bank TIFD and the City of Great Falls. For these reasons, planning staff and the Planning Board recommend that the City Commission approve the request for reimbursement.

The application for reimbursement of eligible public infrastructure improvements from RTI is attached as Exhibit E to the Agenda Report. The trail improvement is a public infrastructure project eligible for reimbursement of TIF funds according to state statutes. RTIs request for a 50% match of project costs exceeds that recommended in the *Process* but is appropriate for a public park facility and may be authorized by the City Commission. According to RTI the project will be under construction soon. It is expected that TIF funds will help construct other future improvements to West Bank Park in accordance with state statutes.

The *Process* also requires Development Agreements be approved that outline the terms and conditions of TIF assistance. Those agreements are attached as Exhibit F.

**Concurrences:** RTI and the Park and Recreation and Planning (now Planning and Community Development) Departments have worked together for over 20 years to achieve the shared goal of building and maintaining the city's trail system, the premier recreational opportunity in the area. Fish, Wildlife and Parks (FWP) and PPL Montana are also key organizations in the partnership. Representatives from the City's Fiscal Services Department and Park & Recreation Department have been involved throughout the process.

**Fiscal Impact:** The West Bank Urban Renewal Fund was established to receive tax increment and pay bonds and eligible expenses in support of the successful redevelopment of the West Bank Urban Renewal District. At the end of Fiscal Year 2012, the West Bank Urban Renewal Fund had a fund balance of \$122,625. Fiscal Services estimates receiving revenues of approximately \$181,474 into the West Bank Urban Renewal Fund in December 2012. If the City Commission approves the reimbursement requests from Talcott Properties, LLC and RTI, the projected fund balance would cover both reimbursements and the debt payment due.

**Alternatives:** The City Commission has discretion to approve, amend or disapprove funding requests.

**Attachments/Exhibits:**

- Exhibit A - West Bank Urban Renewal District Map
- Exhibit B - Tax Increment Application Process Agenda Report (2008)
- Exhibit C - West Bank One Site Plan
- Exhibit D - Talcott Properties, LLC Application
- Exhibit E - RTI Application
- Exhibit F – Development Agreements

Cc: Melissa Kinzler, Fiscal Services Director  
Marty Basta, Park & Recreation Director  
Patty Cadwell, Neighborhood Council Coordinator  
Brad Talcott, Talcott Properties, LLC  
Doug Wicks, Recreational Trails, Inc.



Exhibit A – West Bank Urban Renewal District Map





Exhibit B - Tax Increment Application Process Agenda Report (2008)



Agenda # 17

Commission Meeting Date: *September 16, 2008*

**CITY OF GREAT FALLS  
COMMISSION AGENDA REPORT**

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**Item:** Tax Increment Application Process and Forms

**From:** City Staff

**Initiated By:** City Staff

**Presented By:** Cheryl Patton, Assistant City Manager

**Action Requested:** Approve Process and Application Form

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**Suggested Motion:**

1. Commissioner moves:

“I move that the City Commission (approve/reject) the attached Tax Increment Application Process and Application Form”

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

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**Staff Recommendation:** Staff recommends the City Commission approve the proposed Tax Increment Application Process and the Application Form as attached or make modifications to either document.

**Background:** The City of Great Falls has several districts which have been approved according to state statute for use of Tax Increment Financing of public improvements. Those districts include the Downtown Urban Renewal District, The West Bank Urban Renewal District and the Agri-technology Industrial District.

The City has not granted funding requests from the private sector for tax increment assistance for many years. However, the City had past experience in lending tax increment funds from the Downtown Revitalization Urban Renewal District in the 1980's. Besides the loan program in the 1980's, the City has used tax increment revenue for public improvements within the districts which help to accomplish the goals outlined in the district's plan at the time each district was created by the City Commission.

The City has been approached by two, separate developers planning projects within the West Bank Urban Renewal District requesting consideration for tax increment assistance. After a Work Session with the City Commission on August 19, 2008, staff believes that each project should be judged on its own merits and the requests should be evaluated by a knowledgeable group for appropriateness and impact to the district and community.



City staff has researched the process that the Missoula Redevelopment Agency (MRA) uses to assist private developers with projects within their urban renewal districts. The forms requested for approval tonight were adapted for The City of Great Falls' use from the written process and application forms used by MRA. The City's suggested **Process** follows that of the MRA in stating that the maximum TIF participation in any one private project would be limited to 10% of the construction/rehabilitation costs, exclusive of acquisition cost. Projects demonstrating extraordinary benefit to the Districts or the community, could, at the discretion of the City Commission, receive additional assistance.

The attached **Process** outlines eligible activities under state statute; an application process to be followed; and criteria to evaluate the request and the project. The **Application Form** requests applicant and project information including project costs, project financing and a project pro forma. This information will be used by the staff evaluation group, the Planning Board and the City Commission in determining the need and appropriateness of tax dollar participation in the project.

The **Process** states that the Planning Department will be the lead agency to accept applications. Planning will also convene the City staff group to evaluate the requests and will formulate a recommendation to the Planning Board for their review and consideration. The Planning Board is charged with making a recommendation to the City Commission for its consideration. The City Commission retains all powers granted in state statute.

Fiscal Services will be the lead agency in accounting for tax increment funds and preparing any necessary bond documents. If formal development agreements are needed, staff will rely on assistance from professional bond counsel. For each project, a project manager will be assigned from an appropriate department to ensure completion of the project in conformance with the approval by the City Commission.

**Concurrences:** The documents requested for approval have been reviewed by the Directors of Fiscal Services, Planning, Community Development, Public Works and Park and Recreation Departments and the Assistant City Manager.

**Fiscal Impact:** Tax Increment Revenues are available to be spent by the municipality on eligible activities outlined in state statute for a period of 15 years or the length of any bond issue. Each tax increment district has goals to be accomplished, including public improvements which were outlined in the plan when the district was created. Funding that is provided to assist private development with public improvements could also go toward meeting the Districts goals or could be returned to the taxing jurisdictions. TIF assistance to the private sector is viewed as an appropriate incentive to help a development or redevelopment project become reality.

**Alternatives:** The City Commission can approve these attachments as presented, modify either attachment or reject the **Process** and/or **Application**.

**Attachments/Exhibits:**

Tax Increment Financing Application Process  
Tax Increment Financing Application



**CITY OF GREAT FALLS  
WEST BANK URBAN RENEWAL DISTRICT &  
INDUSTRIAL TAX INCREMENT DISTRICTS  
TAX INCREMENT FINANCING APPLICATION PROCESS**

IMPORTANT: The material included below outlines the Tax Increment Financing application process and the responsibilities of the Applicant and the City of Great Falls. The Planning Department is charged with processing all applications and accomplishing the plans established with creation of each district. Private projects requesting Tax Increment financial assistance will be evaluated by the Planning Board. The Planning Board will prepare a recommendation to the City Commission concerning each individual request using the criteria outlined in this document. Please review this information carefully before submitting the application forms or finalizing your development plans.

**Failure to receive approval of a completed application BEFORE construction begins may affect the Applicant's eligibility for Tax Increment Financing assistance from the City of Great Falls.**

#### **INTRODUCTION**

The City of Great Falls is responsible for administering the urban renewal program in Great Falls, pursuant to Montana Urban Renewal Law (Title 7 Chapter 15 parts 42 and 43, Montana Code Annotated). Tax Increment Financing (TIF) is an important element of the program as it provides the City with a means to finance urban renewal, industrial, technology or aerospace activities. The TIF program operates by first establishing a base year taxable value for all properties within the appropriate district. In the case of the West Bank Urban Renewal District, the base year is 2007. Property taxes from that District continue to be paid to all taxing jurisdictions on the basis of the 2007 base year valuation. All increases in property taxes in the District above this base valuation, due to new development or reappraisals, are assigned to the City to be used to finance urban renewal activities within the District.

Applicants for TIF assistance are subject to program eligibility analysis and project review criteria listed below. In addition, project applications will be accepted and processed in the order in which they are received and approved based on the availability of funds in consideration of goals of the plan for the appropriate district.

#### **ELIGIBLE ACTIVITIES**

7-15-4288, M.C.A defines how tax increments can be used by the municipality to pay costs of or incurred in connection with an urban renewal project, industrial infrastructure development project, technology infrastructure development project or aerospace transportation and technology infrastructure development project and includes:



1. Land acquisition, including acquisition of infrastructure-deficient areas and assemblage of land for development by private enterprise or public agencies, including sale, initial leasing, or retention by the municipality itself at fair value.
2. Demolition and removal of structures.
3. Relocation of occupants.
4. Public improvements such as the acquisition, construction and improvement of infrastructure which includes streets, roads, curbs, gutters, sidewalks, pedestrian malls, alleys, parking lots and off-street parking facilities, sewers, sewer lines, storm sewers, waterlines, waterways, sewage and water treatment facilities, natural gas lines, electrical lines, telecommunication lines, rail lines, rail spurs, bridges, publicly owned buildings and other public improvements.
5. Costs incurred in the exercise of urban renewal powers allowed under 7-15-4233, M.C.A.

### **APPLICATION PROCESS**

Anyone seeking TIF assistance from the City must submit a written application for each TIF-assisted project.

The following procedure has been developed to allow for a thorough and public review of TIF funding requests.

1. Initial Contact. Contact the Planning Department, Room 4, lower level of the Civic Center, to discuss the project and determine eligibility for TIF assistance.
2. Prepare a Written Application. The Applicant must prepare a written application for each funding request. For all TIF requests over \$10,000, the Applicant must also complete a "Developer's Statement of Qualification and Financial Responsibility" which includes submittal of developer's financial statements. This additional form may also be required of other Applicants by staff when deemed necessary for the evaluation process.
3. Staff Review. Upon submittal of all necessary information, a staff group consisting of Fiscal Services, Planning, Community Development, Park & Recreation, and Public Works department heads and the Assistant City Manager will review the merits of the project and the need for funding. The Planning Department staff will prepare a staff report and recommendation to the Planning Board.
4. Planning Board. The staff recommendation will be considered by the Planning Board who in turn will prepare a recommendation to the City Commission for final approval. At any point in the review process the staff, the Planning Board or the City Commission may request more information of the Applicant or solicit comments on the project from other public agencies. Upon submittal of the



appropriate affidavit, developer's financial statements will not be subject to public review or presentation to or comment by other agencies.

5. City Commission Review and Approval. The City Commission will review the project, will consider the recommendation from the Planning Board and will approve or reject the funding request or any part thereof along with any special terms of TIF assistance.
6. Development Agreement. If TIF assistance is approved, the City and the Applicant must execute a legally binding Development Agreement which establishes the terms and conditions of the TIF assistance. Among the terms and conditions, the Agreement shall specify the schedule for the start and completion of the project and may require the Applicant to guarantee repayment of TIF assistance if the terms of the Agreement are violated by the Applicant. The Development Agreement shall also specify whether the Applicant or City will be responsible for bidding or obtaining cost estimates and selecting contractors for funded activities. If the City is specified, it will follow public bidding and selection procedures as required by state law. The Development Agreement must be approved by the City Commission.

**IMPORTANT NOTE: Costs to be paid with TIF monies may not be incurred by the Applicant prior to funding approval and the satisfaction of any conditions of such approval.**

#### **CRITERIA FOR REVIEW**

Materials contained in TIF applications are used to assess the merits of projects in relation to the goals and objectives of the West Bank Urban Renewal Plan or other appropriate district plan. To measure the public benefit derived from the project, the City evaluates projects based on the following criteria. Each project is judged on its own merit; therefore, no weight is given to any of the criteria. However, the first six criteria are the most important in evaluating projects and must be addressed in the staff recommendation.

1. Economic Stimulus – The amount of economic activity to be generated by the project is assessed, as well as the leverage ratio of public to private investment. In general, the maximum limit of participation in any one project is 10% of the construction/rehabilitation costs, exclusive of acquisition cost. Projects clearly demonstrating extraordinary benefit to Districts or the community may, at the discretion of the City Commission, receive additional TIF assistance for eligible items. All applications should contain credible, measurable information substantiating the project's economic stimulus in the District and the community.



2. Tax Generation – The increase in taxable value due to new construction/rehabilitation as estimated by the County Assessor’s office to determine tax increment generation.
3. Employment Generation – Total employment generated by the project as assessed in terms of new permanent and part-time jobs, and construction jobs.
4. Elimination of Blight – The project’s direct and indirect impact on the physical and fiscal deterioration within the appropriate district and the community, as identified in the West Bank Urban Renewal Plan or the appropriate district plan for industrial, technology or aerospace districts.
5. Special or Unique Opportunities – The extent to which the project represents a unique opportunity, meets a special need, or addresses specific district or community goals. The restoration of a historic property or the provision of an unmet community need is an example of special and unique opportunities.
6. Impact Assessment – The extent of both positive and negative environmental impacts, appropriateness of the project design, and impact on existing businesses or residents.
7. Financial Assistance – Other forms of financing available to the Applicant. Lender participation, industrial development revenue bonds, and state and federal grant monies, for example, are examined to assess the need for TIF assistance.
8. Project Feasibility – A determination of feasibility is made based on the strength of the Applicant’s demonstration of market demand for the project as contained primarily on the pro forma and financing commitments.
9. Developer Ability to Perform – An assessment of the Applicant’s capability to undertake the relative complexities of the project based on past performance on similar projects.
10. Timely Completion – The feasibility of completing the project according to the Applicant’s project schedule.
11. Payment of Taxes – All property taxes, special improvement district assessments, and other assessments on the project property must be paid to date.

**CITY OF GREAT FALLS  
WEST BANK URBAN RENEWAL DISTRICT  
INDUSTRIAL TAX INCREMENT DISTRICTS  
TAX INCREMENT FINANCING (TIF) APPLICATION**

Project Name: \_\_\_\_\_ Date Submitted: \_\_\_\_\_

**APPLICANT INFORMATION**

1. Name: \_\_\_\_\_
2. Address: \_\_\_\_\_  
\_\_\_\_\_
3. Telephone Number: \_\_\_\_\_

**PROJECT INFORMATION**

1. Building Address: \_\_\_\_\_
2. Legal Description: \_\_\_\_\_  
\_\_\_\_\_
3. Ownership: \_\_\_\_\_  
Address: \_\_\_\_\_
4. If property is not owned by the Applicant, list leasehold interests: (Attach evidentiary materials.)  
Name: \_\_\_\_\_  
Address: \_\_\_\_\_
5. Existing/Proposed Businesses: \_\_\_\_\_  
Business Description: \_\_\_\_\_  
\_\_\_\_\_
6. Employment: Existing FTE Jobs \_\_\_\_\_  
New Permanent FTE Jobs created by project \_\_\_\_\_ Construction FTE jobs \_\_\_\_\_
7. Architectural/Engineering Firm  
Firm: \_\_\_\_\_  
Address: \_\_\_\_\_  
Representative: \_\_\_\_\_
8. Description of Project: (Attach narrative explanation.)
9. Rehabilitation/construction Plans (Attach schematics, site, and landscaping plans.)
10. Project Schedule: (Attach time line or schedule through completion.)



### PROJECT COSTS

#### Land and Site Improvements (Itemized)

- 1. Equity in Land and Buildings \$ \_\_\_\_\_
- 2. \$ \_\_\_\_\_
- 3. \$ \_\_\_\_\_
- 4. \$ \_\_\_\_\_

Subtotal \$ \_\_\_\_\_

#### Construction/Rehabilitation Costs (Use general construction trade divisions)

- 1. \$ \_\_\_\_\_
- 2. \$ \_\_\_\_\_
- 3. \$ \_\_\_\_\_
- 4. \$ \_\_\_\_\_
- 5. \$ \_\_\_\_\_
- 6. \$ \_\_\_\_\_
- 7. \$ \_\_\_\_\_
- 8. \$ \_\_\_\_\_
- 9. \$ \_\_\_\_\_
- 10. \$ \_\_\_\_\_

Subtotal \$ \_\_\_\_\_

#### Fees

- 1. A&E design/Supervision \$ \_\_\_\_\_
- 2. Permits \_\_\_\_\_ \$ \_\_\_\_\_  
\_\_\_\_\_ \$ \_\_\_\_\_
- 3. Other fees \_\_\_\_\_ \$ \_\_\_\_\_  
\_\_\_\_\_ \$ \_\_\_\_\_

Subtotal \$ \_\_\_\_\_

**Total Project Development Costs** \$ \_\_\_\_\_

**PROJECT FINANCING**

*Please complete Sources of Funds detail and summarize below.*

**Developer Equity**

Cash Invested \$ \_\_\_\_\_  
 Land & Buildings \$ \_\_\_\_\_  
 Other (Specify) \_\_\_\_\_ \$ \_\_\_\_\_  
 \_\_\_\_\_ \$ \_\_\_\_\_  
 Subtotal \$ \_\_\_\_\_

**Lender Commitments** (Attach evidence i.e. Letters of Credit or other documentation.)

Lender	Loan Amount	Interest	Term	Payment/Period
_____	\$ _____	_____ %	_____ yrs	\$ _____ /mo
_____	\$ _____	_____ %	_____ yrs	\$ _____ /mo
Total Loan Amount				\$ _____

**TIF Request**

Eligible Improvements (See Narrative)

\$ \_\_\_\_\_  
 \$ \_\_\_\_\_  
 \$ \_\_\_\_\_  
 \$ \_\_\_\_\_  
 \$ \_\_\_\_\_  
 Subtotal \$ \_\_\_\_\_

**Sources of Funds Summary** (Post totals from above)

Developer Equity \$ \_\_\_\_\_  
 Lender Commitments \$ \_\_\_\_\_  
 TIF Request \$ \_\_\_\_\_  
 Other Funds (Specify) \_\_\_\_\_ \$ \_\_\_\_\_

**Total Project Financing** \$ \_\_\_\_\_



## PRO FORMA

	Year 1	Year 2	Year 3	Year 4	Year 5
Revenue	\$	\$	\$	\$	\$
Less: Vacancy and Credit Losses	-	-	-	-	-
Gross Operating Income	=	=	=	=	=
Less: Operating Expenses					
Accounting and Legal	\$	\$	\$	\$	\$
Advertising	\$	\$	\$	\$	\$
Property Insurance	\$	\$	\$	\$	\$
Property Management (cleaning, etc.)	\$	\$	\$	\$	\$
Property Taxes	\$	\$	\$	\$	\$
Repairs and Maintenance	\$	\$	\$	\$	\$
Services (laundry, etc.)	\$	\$	\$	\$	\$
Supplies	\$	\$	\$	\$	\$
Utilities	\$	\$	\$	\$	\$
Miscellaneous	\$	\$	\$	\$	\$
Total Operating Expenses	=	=	=	=	=
Net Operating Expenses (Gross Operating Income - Total Operating Expenses)	\$	\$	\$	\$	\$
Less: Total Annual Debt Service	-	-	-	-	-
Cash Flow Before Taxes	=	=	=	=	=

## DEVELOPER'S STATEMENT OF QUALIFICATION AND FINANCIAL RESPONSIBILITY

### Applicant

1. Name: \_\_\_\_\_  
Address: \_\_\_\_\_
2. If the applicant is not an individual doing business under his/her own name, the applicant has the status indicated below and is organized or operating under the laws of \_\_\_\_\_.  
\_\_\_\_\_ A corporation  
\_\_\_\_\_ A nonprofit or charitable institution or corporation  
\_\_\_\_\_ A partnership known as \_\_\_\_\_  
\_\_\_\_\_ Other (explain) \_\_\_\_\_  
Date of organization: \_\_\_\_\_
3. Names, address, title of position (if any), and nature and extent of the interest of the officers and principal members, principal members, principal shareholders, investors, or partners of the applicant.  

<u>Name and Address</u>	<u>Nature and Extent of Interest</u>
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### Financial Condition

1. Provide a current financial statement for each private entity involved in the project. Documentation of financial capacity may include net worth statements, balance sheets, or profit and loss statements.
2. Has the applicant or any individual or entity affiliated with the development of this project been adjudged bankrupt, either voluntary or involuntary, within the past ten years?  
No \_\_\_\_\_ Yes \_\_\_\_\_ If yes, give date, place, and under what name \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
3. Has the applicant or any individual or entity affiliated with the development of this project been indicted for or convicted of any felony within the past 10 years?



No \_\_\_\_\_ Yes \_\_\_\_\_ If yes, give the date, charge, place, court and action taken for each case \_\_\_\_\_  
\_\_\_\_\_

**CONSTRUCTION CONTRACTOR**

1. Identify the construction contractor or builder who will undertake this project.  
Name: \_\_\_\_\_  
Address: \_\_\_\_\_
2. Has such contractor or builder ever failed to qualify as a responsible bidder, refused to enter into a contract after an award has been made, or failed to complete a construction or development contract within the last 10 years? No \_\_\_\_\_ Yes \_\_\_\_\_ If yes, explain.

**CERTIFICATION**

I (we), \_\_\_\_\_ (please print), certify that the statements and estimates within this Application as well as any and all documentation submitted as attachments to this Application or under separate cover are true and correct to the best of my (our) knowledge and belief.

Signature \_\_\_\_\_

Address \_\_\_\_\_

Title \_\_\_\_\_

\_\_\_\_\_

Address \_\_\_\_\_

Date \_\_\_\_\_

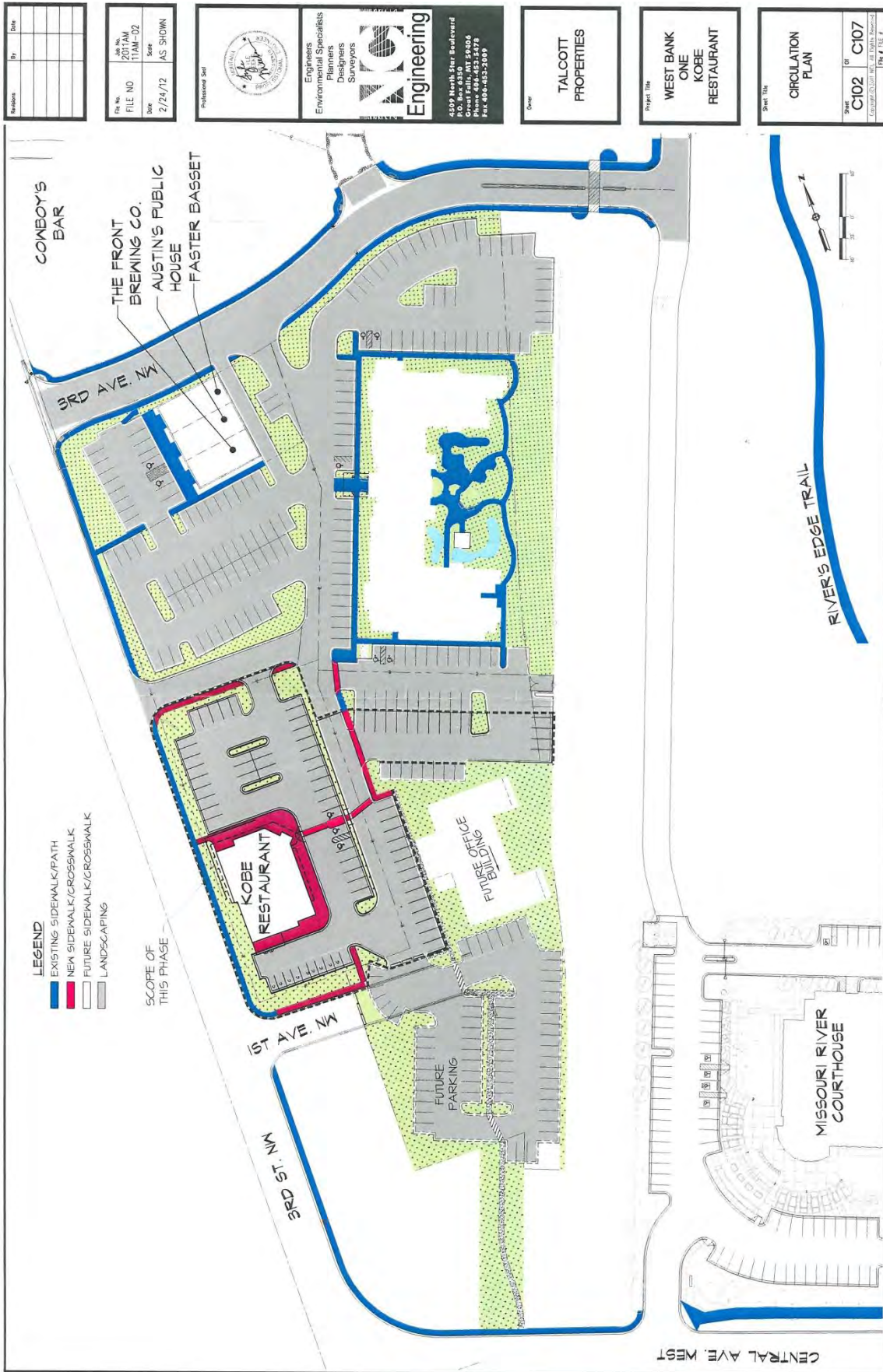
\_\_\_\_\_

Date \_\_\_\_\_

Signature \_\_\_\_\_

Title \_\_\_\_\_

# Exhibit C – West Bank One Site Plan



February 15, 2012

Melissa Kinzler  
City of Great Falls  
Fiscal Services director  
PO Box 5021  
Great Falls, MT 59403  
406-455-8476

Dear Melissa,

We are requesting the remaining TIF for West Bank One Development.

These are the items that qualify for reimbursement of TIF. We realize the total below is more than the remaining money available.

West Bank Hotel Properties  
Hotel Development  
TIOF Request  
February 2012

Curb and Gutter	\$ 13,855.00
Sidewalks	\$ 3,630.00
Parking lots and Roads	\$ 18,122.00
Utilities (Water, Sanitary and Storm)	\$ 74,590.00

Total: \$ 110,197.00

Sincerely,



Brad Talcott  
West Bank Properties  
4415 River Dr. No  
PO Box 2493  
Great Falls, MT 59403



**CITY OF GREAT FALLS  
WEST BANK URBAN RENEWAL DISTRICT  
INDUSTRIAL TAX INCREMENT DISTRICTS  
TAX INCREMENT FINANCING (TIF) APPLICATION**

Project Name: Kobe Steak and Seafood Date Submitted: 5-7-12

**APPLICANT INFORMATION**

1. Name: Talcott Properties, LLC.
2. Address: PO Box 2493  
Great Falls, MT 59403
3. Telephone Number: 406.761.0018

**PROJECT INFORMATION**

1. Building Address: Intersection of 4<sup>th</sup> Ave NW and 3<sup>rd</sup> Street - GF, MT
2. Legal Description: Parcel of land in the (SW1/4) and governmental lot 7, section 2  
Township 20 North, Range 3 east, P.M.M., Cascade County, Montana.
3. Ownership: Talcott Properties, LLC.  
Address: PO Box 2493, Great Falls, MT 59403
4. If property is not owned by the Applicant, list leasehold interests: (Attach evidentiary materials.)  
Name: M/A  
Address: \_\_\_\_\_
5. Existing/Proposed Businesses: Restaurant  
Business Description: Kobe Steak and Seafood
6. Employment: Existing FTE Jobs —  
New Permanent FTE Jobs created by project 45 Construction FTE jobs 55
7. Architectural/Engineering Firm  
Firm: CTA  
Address: 219 2<sup>nd</sup> Ave S., Great Falls, MT 59405  
Representative: Martin Byrnes
8. Description of Project: (Attach narrative explanation.)
9. Rehabilitation/construction Plans (Attach schematics, site, and landscaping plans.)
10. Project Schedule: (Attach time line or schedule through completion.)

**PROJECT COSTS**

**Land and Site Improvements** (Itemized)

1. Equity in Land and Buildings	\$	<u>525,000</u>	
2.	\$	<u>                    </u>	
3.	\$	<u>                    </u>	
4.	\$	<u>                    </u>	
Subtotal			\$ <u>525,000</u>

**Construction/Rehabilitation Costs** (Use general construction trade divisions)

1. Site /landscaping	\$	<u>495,972</u>	
2. Concrete	\$	<u>87,283</u>	
3. Steel	\$	<u>163,756</u>	
4. Masonry	\$	<u>97,356</u>	
5. Finishes	\$	<u>230,841</u>	
6.	\$	<u>                    </u>	
7.	\$	<u>                    </u>	
8. Mechanical	\$	<u>115,080</u>	
9. Electrical	\$	<u>84,136</u>	
10.	\$	<u>                    </u>	
Subtotal			\$ <u>1,274,424</u>

**Fees**

1. A&E design/Supervision	\$	<u>108,400</u>	
2. Permits	\$	<u>6,250</u>	
	\$	<u>                    </u>	
3. Other fees <u>Tap</u>	\$	<u>926</u>	
	\$	<u>                    </u>	
Subtotal			\$ <u>115,576</u>

**Total Project Development Costs** \$ 1,915,000

**PROJECT FINANCING**

Please complete Sources of Funds detail and summarize below.

**Developer Equity**

Cash Invested \$ 150,000  
 Land & Buildings \$ 525,000  
 Other (Specify) \_\_\_\_\_ \$ \_\_\_\_\_  
 \_\_\_\_\_ \$ \_\_\_\_\_  
 Subtotal \$ 675,000

**Lender Commitments** (Attach evidence i.e. Letters of Credit or other documentation.)

Lender	Loan Amount	Interest	Term	Payment/Period
<u>Stockman Bank</u>	<u>\$ 1,100,000</u>	<u>6</u> %	<u>20</u> yrs	<u>\$ 7,900</u> /mo
_____	\$ _____	_____ %	_____ yrs	\$ _____ /mo
Total Loan Amount				\$ <u>7,900</u>

**TIF Request**

Eligible Improvements (See Narrative)

utilities \$ 95,000  
curb and gutter \$ 45,000  
 \_\_\_\_\_ \$ \_\_\_\_\_  
 \_\_\_\_\_ \$ \_\_\_\_\_  
 \_\_\_\_\_ \$ \_\_\_\_\_

Subtotal \$ 140,000

**Sources of Funds Summary** (Post totals from above)

Developer Equity \$ 675,000  
 Lender Commitments \$ 1,100,000  
 TIF Request \$ 140,000  
 Other Funds (Specify) \_\_\_\_\_ \$ \_\_\_\_\_

**Total Project Financing** \$ 1,915,000



## DEVELOPER'S STATEMENT OF QUALIFICATION AND FINANCIAL RESPONSIBILITY

### Applicant

1. Name: Talcott Properties, LLC.  
Address: PO Box 2493 Great Falls, MT 59403
2. If the applicant is not an individual doing business under his/her own name, the applicant has the status indicated below and is organized or operating under the laws of \_\_\_\_\_.  
\_\_\_\_ A corporation  
\_\_\_\_ A nonprofit or charitable institution or corporation  
\_\_\_\_ A partnership known as \_\_\_\_\_  
 Other (explain) LLC, Operations Similar  
Date of organization: 1/21/1999
3. Names, address, title of position (if any), and nature and extent of the interest of the officers and principal members, principal members, principal shareholders, investors, or partners of the applicant.

<u>Name and Address</u>	<u>Nature and Extent of Interest</u>
<u>Bradley B. Talcott</u> <u>2801 4th Ave North</u> <u>Great Falls, MT 59401</u>	<u>Member</u>

### Financial Condition

1. Provide a current financial statement for each private entity involved in the project.  
Documentation of financial capacity may include net worth statements, balance sheets, or profit and loss statements. See original TIF application
2. Has the applicant or any individual or entity affiliated with the development of this project been adjudged bankrupt, either voluntary or involuntary, within the past ten years?  
No  Yes \_\_\_\_\_ If yes, give date, place, and under what name \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
3. Has the applicant or any individual or entity affiliated with the development of this project been indicted for or convicted of any felony within the past 10 years?

No  Yes \_\_\_\_\_ If yes, give the date, charge, place, court and action taken for each case \_\_\_\_\_

### CONSTRUCTION CONTRACTOR

1. Identify the construction contractor or builder who will undertake this project.  
Name: James Talcott Construction, Inc.  
Address: PO Box 2493 Great Falls, MT 59403
2. Has such contractor or builder ever failed to qualify as a responsible bidder, refused to enter into a contract after an award has been made, or failed to complete a construction or development contract within the last 10 years? No  Yes \_\_\_\_\_ If yes, explain.

### CERTIFICATION

I (we), Bradley B. Talcott (please print), certify that the statements and estimates within this Application as well as any and all documentation submitted as attachments to this Application or under separate cover are true and correct to the best of my (our) knowledge and belief.

Signature Bradley B. Talcott

Title Member

Address 2801 4th Avenue N  
Great Falls, MT 59403

Date 5-7-12

Address \_\_\_\_\_

Date \_\_\_\_\_

Signature \_\_\_\_\_

Title \_\_\_\_\_



CITY OF GREAT FALLS  
WEST BANK URBAN RENEWAL DISTRICT  
INDUSTRIAL TAX INCREMENT DISTRICTS  
TAX INCREMENT FINANCING (TIF) APPLICATION

**Narrative:** Talcott Properties, LLC. is adding a restaurant to West Bank One as per master plan.

**Construction Plans:** See attached

**Project schedule:** Job started in February 2012 and will be completed in September 2012.

# **West Bank One**

## **Criteria for Tax Increment Financing**

### **1. Economic Stimulus**

This phase of the West Bank One development has resulted in the addition of three new businesses to Great Falls: Kobe Steak and Seafood, The Front Brewing Company and The Front Public House. As new businesses, they provide both new taxes and new jobs. Employment includes not only the permanent jobs created by the businesses, but the temporary work of construction. Likewise, there is the intangible stimulus provided by the cleanup of a blighted area and the resulting higher-end use in a neighborhood that has been sorely lacking in investment and development.

### **2. Tax Generation**

Tax revenues for the three new businesses have yet to be determined. However, it should be noted that the taxes for an earlier phase (Staybridge Suites), came in more than 50 percent higher than originally anticipated by the City for a total of about \$150,000 annually. We anticipate that the two new buildings will each generate at least \$10,000 in additional annual property taxes.

### **3. Employment Generation**

Kobe Steak and Seafood will generate about 45 jobs, or roughly 35 FTE. The Front Brewing Company and The Front Pub will generate at least 10 FTE total. Construction work associated with the buildings will generate at least 55 FTE jobs for the construction period. Not included in this count is the work provided to architectural and engineering firms, attorneys and business consultants.

### **4. Elimination of Blight**

The West Bank Redevelopment Area has been identified by the City of Great Falls as its area of greatest potential for elimination of blight and economic redevelopment. The West Bank One project – including this phase – meets virtually every goal set for this area. They include:



- Removal of blighted buildings. All of the previous buildings in this development were demolished and removed, and all hazardous materials (asbestos and lead paint) removed.
- Creation of a high density urban environment. The businesses created all are of the nature identified in the Great Falls West Bank Redevelopment Plan as desirable for the location. We have specifically declined opportunities to place casinos or box stores on the property in an effort to meet this goal.
- Create a walkable neighborhood. Accommodating foot and bicycle traffic is a priority for the development – especially given the close proximity to the popular River’s Edge Trail. All design was performed with this in mind, and each building will have bike racks and benches or outdoor seating available.
- Integrate a variety of uses. Each phase of West Bank One includes a different use. The first phase was lodging; this phase is restaurant/bar space; the next stage is office space.

## 5. Special/Unique Opportunities

The City of Great Falls earlier declared the cleanup of the West Bank area as its top redevelopment priority. This phase of the project continues the effort to meet that goal. We are working hard to not only attract new businesses (which we believe has been done very successfully during a national economic downturn), but also to make the West Bank area special. To accomplish that, we have invested substantial funds to design and construct particularly high-quality buildings. We have likewise invested significantly to provide the most innovative landscaping of any development in the region. Our goal is to set the highest possible standard for redevelopment along West Bank, creating a very special place in our community.

## 6. Impact Assessment

The positive environmental impacts of West Bank One are many. They include:

- Removal of blighted properties and associated hazardous materials.
- Replacing (and adding to) existing utilities with underground utilities.
- Using the latest environmentally sound practices for storm water removal.
- Using native plants and materials in much of the landscaping to minimize water use and maximize aesthetics.

We have a harder time identifying negative environmental impacts, with the exception of the obvious increase in traffic to the area.

In terms of project design, as stated above, we are committed to providing the highest-quality buildings and landscaping feasible.

The impact on existing businesses and residences has yet to be determined. The businesses that were previously located on the site (with the exception of an old motel that had already closed) were relocated, so those jobs were not lost. We believe that as West Bank One progresses, other businesses in the area will benefit from the additional traffic to this area.

## 7. Financial Assistance

This phase of West Bank one includes the following sources of funding:

- \$765,00 – developer equity
- \$1,100,000 – lender commitment (Stockman Bank)
- \$140,000 – TIF funds

## 8. Project Feasibility

This project has been determined feasible by our banker, as well as by the new businesses committed to operating at West Bank One.

## 9. Developer Ability to Perform

Talcott Properties demonstrated with construction of the Staybridge Suites hotel during the first phase of this project that we have the capacity to bring this project to fruition. We have done development and redevelopment work in Great Falls for more than 25 years.

## 10. Timely Completion

As we are in control of our construction schedule, we have no problems meeting completion deadlines.

## 11. Payment of Taxes

Talcott Properties and all associated businesses and individuals have been and remain current on all taxes.

Exhibit E

CITY OF GREAT FALLS  
WEST BANK URBAN RENEWAL DISTRICT  
INDUSTRIAL TAX INCREMENT DISTRICTS  
TAX INCREMENT FINANCING (TIF) APPLICATION

Project Name: West Bank Park Trail Date Submitted: 9-6-2012

APPLICANT INFORMATION

1. Name: Doug Wicks, Recreational Trails, Inc
2. Address: P.O. Box 553, Great Falls, MT 59403  
(home) 2127 4<sup>th</sup> Ave S, Great Falls, MT 59405
3. Telephone Number: 406-788-3313

PROJECT INFORMATION

1. Building Address: N/A
2. Legal Description: \_\_\_\_\_
3. Ownership: City of Great Falls Mountain  
Address: P.O. Box 5021, Great Falls, MT 59403
4. If property is not owned by the Applicant, list leasehold interests: (Attach evidentiary materials.)  
Name: 10 Marty Basta, Park & Recreation Director  
Address: P.O. Box 5021 Great Falls, MT 59403
5. Existing/Proposed Businesses: \_\_\_\_\_  
Business Description: \_\_\_\_\_
6. Employment: Existing FTE Jobs \_\_\_\_\_ (for project duration)  
New Permanent FTE Jobs created by project \_\_\_\_\_ Construction FTE jobs 5
7. Architectural/Engineering Firm  
Firm: Thomas, Dean & Hoskins  
Address: 1800 River Drive N, Great Falls, 59401  
Representative: John Juras, PE, LEED AP
8. Description of Project: (Attach narrative explanation.)
9. Rehabilitation/construction Plans (Attach schematics, site, and landscaping plans.)
10. Project Schedule: (Attach time line or schedule through completion.)



**PROJECT COSTS**

**Land and Site Improvements** (Itemized)

- 1. Equity in Land and Buildings \$ \_\_\_\_\_
- 2. \$ \_\_\_\_\_
- 3. \$ \_\_\_\_\_
- 4. \$ \_\_\_\_\_

Subtotal

\$ 0

**Construction/Rehabilitation Costs** (Use general construction trade divisions)

- 1. Remove pool \$ \_\_\_\_\_
- 2. Quality asphalt \$ \_\_\_\_\_
- 3. trail, replace \$ \_\_\_\_\_
- 4. \$ \_\_\_\_\_
- 5. with concrete: \$ 30,000
- 6. \$ \_\_\_\_\_
- 7. \$ \_\_\_\_\_
- 8. \$ \_\_\_\_\_
- 9. \$ \_\_\_\_\_
- 10. \$ \_\_\_\_\_

Subtotal

\$ 30,000

**Fees**

- 1. A&E design/Supervision \$ \_\_\_\_\_
- 2. Permits \_\_\_\_\_ \$ \_\_\_\_\_  
\_\_\_\_\_ \$ \_\_\_\_\_
- 3. Other fees \_\_\_\_\_ \$ \_\_\_\_\_  
\_\_\_\_\_ \$ \_\_\_\_\_

Subtotal

\$ \_\_\_\_\_

**Total Project Development Costs**

\$ \_\_\_\_\_

NOTE: Engineering fees were paid as part of Bay Drive 2 project. Specs and RFQ documents prepared by TDH for RTI with RTI funds.

**PROJECT FINANCING**

Please complete Sources of Funds detail and summarize below.

**Developer Equity**

Cash Invested \$ \_\_\_\_\_  
 Land & Buildings \$ \_\_\_\_\_  
 Other (Specify) \_\_\_\_\_ \$ \_\_\_\_\_  
 \_\_\_\_\_ \$ \_\_\_\_\_  
 Subtotal \$ \_\_\_\_\_

**Lender Commitments** (Attach evidence i.e. Letters of Credit or other documentation.)

Lender	Loan Amount	Interest	Term	Payment/Period
N/A	\$ _____	_____ %	_____ yrs	\$ _____ /mo
_____	\$ _____	_____ %	_____ yrs	\$ _____ /mo
Total Loan Amount				\$ _____

**TIF Request**

Eligible Improvements (See Narrative)

Replace asphalt \$ \_\_\_\_\_  
 trail segment \$ \_\_\_\_\_  
 with concrete - \$ \_\_\_\_\_  
 (reimbursement \$ 15,000  
 when project \$ \_\_\_\_\_  
 completed.)  
 Subtotal \$ 15,000

**Sources of Funds Summary** (Post totals from above)

Developer Equity \$ 15,000  
 Lender Commitments \$ \_\_\_\_\_  
 TIF Request \$ 15,000  
 Other Funds (Specify) \_\_\_\_\_ \$ \_\_\_\_\_

**Total Project Financing** \$ 30,000

**DEVELOPER'S STATEMENT OF QUALIFICATION  
AND FINANCIAL RESPONSIBILITY**

**Applicant**

1. Name: Recreational Trails, Inc  
Address: P.O. Box 553, Great Falls, MT 59403

2. If the applicant is not an individual doing business under his/her own name, the applicant has the status indicated below and is organized or operating under the laws of Montana.

- A corporation
- A nonprofit or charitable institution or corporation
- A partnership known as \_\_\_\_\_
- Other (explain) \_\_\_\_\_

Date of organization: 1990 - (solec3 in 1993)

3. Names, address, title of position (if any), and nature and extent of the interest of the officers and principal members, principal members, principal shareholders, investors, or partners of the applicant.

<u>Name and Address</u>	<u>Nature and Extent of Interest</u>
Doug Wicks, President	2129 4 <sup>th</sup> Ave S, city
Chuck Jennings, V. President	317 Fox 6r, city
Dobbie Corn, Treasurer	3200 Ivy Dr. city

**Financial Condition**

1. Provide a current financial statement for each private entity involved in the project. Documentation of financial capacity may include net worth statements, balance sheets, or profit and loss statements.

2. Has the applicant or any individual or entity affiliated with the development of this project been adjudged bankrupt, either voluntary or involuntary, within the past ten years?

No  Yes \_\_\_\_\_ If yes, give date, place, and under what name \_\_\_\_\_

3. Has the applicant or any individual or entity affiliated with the development of this project been indicted for or convicted of any felony within the past 10 years?



No ~~\_\_\_\_\_~~ Yes \_\_\_\_\_ If yes, give the date, charge, place, court and action taken for each case \_\_\_\_\_

**CONSTRUCTION CONTRACTOR**

1. Identify the construction contractor or builder who will undertake this project.

Name: James Talbot Construction

Address: 4215 River Dr, N., Great Falls

2. Has such contractor or builder ever failed to qualify as a responsible bidder, refused to enter into a contract after an award has been made, or failed to complete a construction or development contract within the last 10 years? No ~~\_\_\_\_\_~~ Yes \_\_\_\_\_ If yes, explain.

**CERTIFICATION**

I (we), Doug Wickes, Pres. of RTI (please print), certify that the statements and estimates within this Application as well as any and all documentation submitted as attachments to this Application or under separate cover are true and correct to the best of my (our) knowledge and belief.

Signature Doug Wickes

Title President, RTI

Address P.O. Box 553  
Great Falls, MT

Date 9-6-2012

Address \_\_\_\_\_

Date \_\_\_\_\_

Signature \_\_\_\_\_

Title \_\_\_\_\_

Exhibit E

September 6, 2012

Doug Wicks, Pres.  
Recreational Trails, Inc.  
trailsrus21@bresnan.net

Mike Haynes, Director  
City Planning and Community Development Department  
P.O. Box 5021, Great Falls, MT, 59403



RE: NARRATIVE DESCRIPTION OF PROPOSED WEST BANK TRAIL PROJECT

Dear Mike,

8. Narrative Description:

This is a project to replace a somewhat damaged segment of asphalt trail on the West Bank Trail with long-lasting, low maintenance concrete. The project is to begin at the north end of the recently completed concrete Bay Drive 2 trail and extend northeast as far as \$30,000 will allow, which we estimate to be 250 to 300 LF.

This trail segment is a component of the bike/pedestrian access to West Bank Park and the entire urban trail loop. It is our hope that over a period of years the entire loop can be converted to concrete. This trail segment is acknowledged in the adopted West Bank Park Master Plan and has been approved by the Board of Recreational Trails, Inc., the Park & Recreation Department (who manages the trail on City lands, the Park & Recreation Board and the Planning and Zoning Board.

This project represents the first actual construction envisioned in the West Bank Master Plan, and RTI is proud to partner with the City of Great Falls to make this upgrade a reality this construction season.

Thanks for your consideration of this project.

## EXHIBIT F

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### DEVELOPMENT AGREEMENT FOR TIF ASSISTANCE

**THIS DEVELOPMENT AGREEMENT** is made and entered into this \_\_\_\_ day of September, 2012, by and between **TALCOTT PROPERTIES, LLC.**, P.O. Box 2493, Great Falls, Montana 59403 (“Developer”), and the **CITY OF GREAT FALLS, MONTANA**, a municipal corporation organized and existing under the laws of the State of Montana, P.O. Box 59021, Great Falls, Montana 59403 (“City”).

#### Recitals

**1.** The Developer is developing the area it owns within the West Bank Urban Renewal District, which was established by the City for the redevelopment of that area. As part of the Developer’s West Bank One project, the Developer is constructing the Kobe Steak and Seafood Restaurant to complement the other new business improvements that have been constructed there.

**2.** As part of the Developer’s West Bank One project and to enhance the development, the Developer is constructing public improvements consisting of paved roads with curbs and gutters, water and wastewater mains, stormwater facilities, and public sidewalks and parking lots. (“Public Improvements”). The paved roads with curbs and gutters, sidewalks and parking lots are physically located on privately-owned property but are available for public use.

**3.** The Developer has requested reimbursement of \$110,197.00 for its cost of construction of the Public Improvements from tax increment financing (“TIF”) funds arising from the West Bank Urban Renewal District.

**4.** The City recognizes the benefit to the public and the overall development of West Bank One project by having these Public Improvements constructed concurrently with the Developer’s construction of the Kobe Steak and Seafood Restaurant.

**5.** The Public Improvements are located within the West Bank Urban Renewal District and include paved roads, sidewalks and parking lots, which will provide public use and access the City’s River’s Edge Trail. Because the Public Improvements provide a public benefit, it is appropriate to use tax increment funds to pay for their construction.

**6.** For construction economy and efficiency the Developer has already commenced and is constructing the Public Improvements as an integral part of the West Bank One project. The Developer seeks reimbursement from the City through the tax increment funds for the costs of these identified Public Improvements.

## Agreement

1. **Public Improvements:** The Developer agrees to construct and install the Public Improvements in accordance with City specifications. The Public Improvements will be completed no later than December 31, 2012. The Developer agrees that the paved roads with curbs and gutters, sidewalks and parking lots that are part of the Public Improvements are available for public use even though they may be physically located on privately-owned property. Developer agrees to provide easements or use agreements to the City for this public use. For the water and wastewater mains and stormwater facilities, over which the City will have ownership and control, the Developer agrees to provide necessary easements and bills of sale evidencing the City's ownership.

2. **Reimbursement:** City agrees to reimburse the Developer for the costs of construction and installation of the Public Improvements in the sum of \$110,197.00 upon completion of the construction and acceptance by the City. The reimbursement may be made in two installments, with the first installment being no less than \$95,197.00 and payable after acceptance of the Public Improvements and the second installment for the balance will be made when the City has adequate tax increment funds available. The City anticipates having sufficient funds for the second installment by December 31, 2012.

3. **Non-discrimination in Hiring:** All hiring by the Developer and its subcontractors of persons performing work on Public Improvements will be on the basis of merit and qualification and will not discriminate on the basis of race, color, religion, creed, political ideas, sex, age, marital status, physical or mental disability, or national origin.

4. **Prevailing Wages:** To the extent that any part of the Public Improvements may be subsequently deemed as public works pursuant to §§18-2-403, MCA, the Developer is liable to pay wages, benefits, and expenses as a project for Highway, Heavy Construction or a combination thereof. Developer agrees to defend, indemnify and hold the City harmless from any claim made against the City for Developer's failure to pay standard prevailing wages under §18-2-407, MCA and this Development Agreement.

5. **Indemnification:** To the fullest extent permitted by law, the Developer shall fully indemnify, defend, and save City, its agents, representatives, employees, and officers harmless from and against any and all claims, actions, costs, fees, losses, liabilities or damages of whatever kind or nature arising from or related to the Developer's work on Public Improvements and work of any subcontractor or supplier to Developer.

6. **Independent Contractor:** The parties agree and acknowledge that in the performance of this Public Improvements, the Developer is an independent contractor and not an agent, representative, subcontractor, or employee with and of the City. The parties further agree that all individuals and companies retained by the Developer at all times will be considered the agents, employees, or independent contractors of the Developer and at no time will they be the employees, agents, or representatives of the City.



7. **Warranty:** The Developer warrants that all materials, and labor provided to, on, or for any of the Public Improvements over which the City will acquire ownership to are free of defects and nonconformities in design, materials, and workmanship for a minimum period beginning with the commencement of the work on the Public Improvements and ending one (1) year from the acceptance by the City.

8. **Default:** Failure of or unreasonable delay by either party to perform any term or provision of this Development Agreement shall constitute a default hereunder. In the event of alleged default or breach of any term or condition of this Development Agreement, the party alleging such default or breach shall give the other party not less than thirty (30) days' written notice specifying the nature of the alleged default and the manner in which it may be satisfactorily cured. During any such 30-day period, the party charged shall not be considered in default for purposes of termination or instigation of legal proceedings.

If either party fails to perform a condition of this Development Agreement, the other party, after providing the defaulting party a 30-day written notice demanding a default be cured, is entitled to all of the remedies provided by law or by this Agreement, including but not limited to damages and specific performance.

**IN WITNESS WHEREOF**, the parties have executed this Agreement the day and year first above written.

\_\_\_\_\_  
**Talcott Properties, LLC., Developer**

**CITY OF GREAT FALLS, MONTANA**

By: \_\_\_\_\_  
**Gregory T. Doyon, City Manager**

**ATTEST:**

By: \_\_\_\_\_  
**Lisa Kunz, City Clerk**

**APPROVED AS TO FORM:**

By: \_\_\_\_\_  
**David L. Nielsen, Interim City Attorney**

## DEVELOPMENT AGREEMENT FOR TIF ASSISTANCE

**THIS DEVELOPMENT AGREEMENT** is made and entered into this \_\_\_\_ day of \_\_\_\_\_, 2012, by and between **RECREATIONAL TRAILS INC.**, P.O. Box 553, Great Falls, Montana 59403 (“RTI”), and the **CITY OF GREAT FALLS, MONTANA**, a municipal corporation organized and existing under the laws of the State of Montana, P.O. Box 59021, Great Falls, Montana 59403 (“City”).

### Recitals

1. RTI has applied to the City for \$15,000 from tax increment financing (“TIF”) funds from the West Bank Urban Renewal District to help fund replacing the current asphalt segment of the River’s Edge Trail running between the Missouri River Federal Courthouse and the public parking area at the terminus of 3<sup>rd</sup> Avenue NW in West Bank Park with a concrete surface. (“Trail Improvement”)
2. RTI is willing to take the lead in the project and secure matching grant funds for Trail Improvement. RTI estimates a total construction cost of \$30,000, which could be paid from a grant of \$15,000 that it has obtained and TIF funds from the West Bank Urban Renewal District in the amount of \$15,000.
3. The City recognizes the benefit of this project to the connectivity of its trail system and is willing to contribute \$15,000 from TIF funds for this public improvement.
4. This segment of the trail is located within the West Bank Urban Renewal District and would benefit both the public and the Renewal District. The use of TIF funds for the Trail Improvement is an appropriate expenditure.

### Agreement

1. **Trail Improvements:** RTI agrees to construct and install the Trail Improvement in accordance with City specifications. The Trail Improvements will be completed no later than August 31, 2013.
2. **Reimbursement:** City agrees to contribute the sum of \$15,000 from TIF funds as its share of the costs of construction and installation of the Trail Improvement. This contribution will be made upon the completion of construction and acceptance by the City.
3. **Construction Contract Provision:** RTI agrees that in any construction contract it procures for the Trail Improvement, the contract will at a minimum contain the following provisions:

a. **Warranty:** The contractor will warrant that all materials and labor provided for the Trail Improvement are free of defects and nonconformities in design, materials, and workmanship for a minimum period beginning with the commencement of the work on the Trail Improvement and ending one (1) year from the acceptance by the City of the Trail Improvement.

b. **Non-discrimination in Hiring:** All hiring by RTI, its contractor and its subcontractors of persons performing work on Trail Improvement will be on the basis of merit and qualification and will not discriminate on the basis of race, color, religion, creed, political ideas, sex, age, marital status, physical or mental disability, or national origin.

c. **Labor Relations:**

i. Contractor shall post a legible statement of all wages and fringe benefits to be paid to the contractor's employees and the frequency of such payments (i.e., hourly wage employees shall be paid weekly). Such posting shall be made in a prominent and accessible location at the site of the Trail Improvement site and shall be made no later than the first day of work. Such posting shall be removed only upon the final completion of the Trail Improvement and the termination of the construction contract.

ii. In performing the terms and conditions of the construction contract and the work on the Trail Improvement, contractor shall give preference to the employment of bona fide residents of Montana, as required by §18-2-403, MCA, and as such, term is defined by §18-2-401(1), MCA. When making assignments of work, contractor shall use workers both skilled in their trade and specialized in their field of work for all work to which they are assigned.

iii. Pursuant to §§18-2-403 and 18-2-422, MCA, contractor shall pay wages, benefits, and expenses as set forth on standard prevailing wages schedule, which must be attached to the construction contract, for Rates of Wages, Benefits, and Expenses. Contractor shall pay all hourly wage employees on a weekly basis. Violation of the requirements set forth in the provision may subject the contractor to the penalties set forth in §18-2-407, MCA. Contractor shall maintain payroll records and provide certified copies to the RTI and the City. Contractor shall maintain such payroll records during the term of the construction contract, the course of the work on the Trail Improvement project, and for a period of three (3) years following the date of final completion of the Construction Project and termination of the construction contract.

iv. Contractor shall indemnify, defend, and hold RTI and the City harmless from any and all claims, demands, costs, expenses, damages, and liabilities arising out of, resulting from, or occurring in connection with any labor problems or disputes or any delays or stoppages of work associated with such problems or disputes.

**d. Indemnification:** To the fullest extent permitted by law, contractor shall fully indemnify, defend, and save RTI, the City, and their agents, representatives, employees, and officers harmless from and against any and all claims, actions, costs, fees, losses, liabilities or damages of whatever kind or nature arising from or related to contractor's work on Trail Improvement and the work of any subcontractor or supplier to contractor.

**e. Insurance:** Contractor shall maintain minimum insurance as stated:

- |   |   |
|---|---|
| <b>i.</b> Commercial General Liability<br>(bodily injury and property damage) | \$1,500,000 per occurrence<br>\$3,000,000 aggregate |
| <b>ii.</b> Products and Completed Operations                                  | \$3,000,000   |
| <b>iii.</b> Automobile Liability<br>(all owned, hired, non-owned)             | \$1,500,000 per accident                            |
| <b>iv.</b> Workers' Compensation  | Not less than statutory limits                      |

Contractor shall provide RTI and the City with proof of such insurance coverage within ten (10) days following execution of this construction contract. Contractor shall notify RTI and the City thirty (30) days prior to the expiration of any such required insurance coverage and shall ensure such required insurance coverage is timely renewed during the term of the construction contract so that there is no lapse in coverage during contractor's performance of the construction contract. Contractor shall further notify the City within two (2) business days of contractor's receipt of notice that any required insurance coverage will be terminated or contractor's decision to terminate any required insurance coverage for any reason. Each required insurance coverage must name the City and RTI as additional insureds.

**4. Independent Contractor:** The parties agree and acknowledge that in the performance of this Trail Improvement project, RTI is an independent contractor and not an agent, representative, subcontractor, or employee with and of the City. The parties further agree that all individuals and companies retained by RTI at all times will be considered the agents, employees, or independent contractors of RTI and at no time will they be the employees, agents, or representatives of the City.

**5. Default:** Failure of or unreasonable delay by either party to perform any term or provision of this Development Agreement shall constitute a default hereunder. In the event of alleged default or breach of any term or condition of this Development Agreement, the party alleging such default or breach shall give the other party not less than thirty (30) days' written notice specifying the nature of the alleged default and the manner in which it may be satisfactorily cured. During any such 30-day period, the party charged shall not be considered in default for purposes of termination or instigation of legal proceedings.

If either party fails to perform a condition of this Development Agreement, the other party, after providing the defaulting party a 30-day written notice demanding a default be cured, is entitled to all of the remedies provided by law or by this Agreement, including but not limited to damages and specific performance.



**IN WITNESS WHEREOF**, the parties have executed this Agreement the day and year first above written.

\_\_\_\_\_  
**Recreational Trails, Inc.**

**CITY OF GREAT FALLS, MONTANA**

By:\_\_\_\_\_  
**Gregory T. Doyon, City Manager**

**ATTEST:**

By:\_\_\_\_\_  
**Lisa Kunz, City Clerk**

**APPROVED AS TO FORM:**

By:\_\_\_\_\_  
**David L. Nielsen, Interim City Attorney**