



Item: Resolution 9961 establishing the boundaries of the proposed Downtown Urban Renewal District and indentifying that the area is “blighted” as defined by Montana Statute.

From: Brant Birkeland, Comprehensive Planner II

Initiated By: Planning and Community Development Department

Presented By: Wendy Thomas, AICP, Deputy Planning and Community Development Director

Action Requested: It is recommended the City Commission adopt Resolution 9961 regarding the proposed Great Falls Downtown Urban Renewal District.

Suggested Motion:

1. Commissioner moves:

“I move that the City Commission (adopt/deny) Resolution 9961.”

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

Recommendation:

It is recommended that the Commission Adopt Resolution 9961 establishing the boundaries of the proposed Downtown Urban Renewal District, identifying the area as a proposed urban renewal district, and establishing that the area is “blighted” per Montana Statute.

Background:

In October 2011 the Great Falls City Commission adopted the Downtown Master Plan. The Plan provides a strategically focused, goal driven “blueprint” for the future growth and development of downtown. The Plan included a recommendation to re-establish a Downtown Tax Increment Financing (TIF) District to provide a dedicated source of funding for public improvements to implement plan strategies. A pre-requisite for establishing a TIF is establishment of an urban renewal district.

An initial step in the creation of an urban renewal district is to document the existence of conditions that have discouraged economic development and investment. Montana Statutes identifies fifteen factors that, if present may discourage development and investment. When it is found that three of the fifteen conditions exist, the area is then defined as “blighted” by the State of Montana. Once this designation has been made, the proposed district is eligible to become an Urban Renewal District and utilize TIF funds. City staff has conducted a study and survey of the proposed district and has found that five of the fifteen conditions currently exist in the proposed district. A copy of the report documenting these conditions is included as Exhibit A of this report and serves as the basis for Resolution 9961. The Resolution establishes that the proposed Downtown Urban Renewal District is “blighted” and identifies the area as a proposed urban renewal district.

Specifically, the report documents “blighted” conditions in the district to be:

1. Physical deterioration of buildings and properties
 - The existence of this condition has primarily resulted from extended periods of vacancy, neglect and/or the underutilization of buildings and properties within the district.
2. Inappropriate or mixed uses of land or buildings.
 - Currently, residential and commercial land uses are located adjacent to vacant or underutilized heavy industrial areas; and the over-abundance of inefficiently utilized parcels in the district.
3. Defective or inadequate street layout.
 - The current street configuration and certain street intersections may prohibit development and investment, as evidenced by extended stretches of vacancy and underutilization along key commercial streets.
4. Deterioration of site.
 - Vacant, underutilized and/or unmaintained buildings and parcels concentrated in specific pockets of the district have slowed development and investment and led to private commercial investment moving to other areas of the City and outside of the municipal boundary.
5. The existence of conditions that endanger life or property by fire or other causes.
 - Multiple factors have contributed to the presence of conditions that endanger life or property including the utilization of hazardous construction building materials, physical deterioration of buildings, and damage caused by fire. These conditions have led to a disproportionately high amount of certain crimes such as arson and trespassing.

Concurrences:

City Administration and Downtown Development Partnership.

Fiscal Impact:

There is no fiscal impact to adopting this Resolution. The fiscal impact of establishing a TIF District will be outlined in the respective agenda reports.

Alternatives:

The City Commission could deny Resolution 9961 which would preclude creation of a Downtown TIF District.

Attachments/Exhibits:

Resolution 9961

Exhibit A: Downtown Urban Renewal District Blight Study

Exhibit B: Building Activity and Valuation 2005-2010

RESOLUTION 9961

A RESOLUTION DECLARING A BLIGHTED AREA EXISTS WITHIN THE CITY OF GREAT FALLS, MONTANA AND THAT THE REDEVELOPMENT OF THAT AREA IS NECESSARY FOR THE REVITALIZATION OF DOWNTOWN GREAT FALLS

WHEREAS, the State of Montana has provided for the redevelopment of those portions of its cities which constitute an economic and social liability; substantially impair the sound growth of a municipality; retards the provision of housing accommodations; and aggravates traffic problems; and,

WHEREAS, the procedure provided in Title 7, Chapter 15, Parts 42 and 43 of the Montana Codes Annotated authorizes municipalities to exercise statutory urban renewal powers for redevelopment and rehabilitation through urban renewal plans and projects, after the municipality has made a finding that a blighted area exists; and,

WHEREAS, Title 7, Chapter 15, Part 42 of the Montana Codes Annotated provides the definition of blight and identifies conditions that contribute to the existence of a blight; and,

WHEREAS, the City of Great Falls Downtown Master Plan identifies a Downtown Urban Renewal District with a provision to use Tax Increment Financing (TIF) as necessary to redevelop and revitalize Downtown and implement certain recommendations of the Plan; and,

WHEREAS, the City of Great Falls has conducted a study (attached as Exhibit "A" to this Resolution) to determine the existence of blight in the proposed Downtown Urban Renewal District described in the legal description and map identified in the study and in particular found:

1. Physical deterioration of buildings and properties
 - Vacancy, underutilization and a lack of maintenance has led to the physical dilapidation and deterioration of a number of buildings within the district. Not only does this have a negative impact on the aesthetic character of specific buildings and the district as a whole, it also produces conditions that are unsafe, unsanitary and not conducive to economic development.
2. Inappropriate or mixed uses of land or buildings.
 - A large amount of land within the District is currently used as surface parking for automobiles. While a certain amount of parking is necessary to support economic and residential activities within the District, an over-abundance of surface parking lots represents an inefficient use of land in the City's commercial core. Underutilized surface parking lots could potentially be redeveloped as commercial, office, residential or mixed use development with the potential to improve the vitality of the downtown and increase the taxable value of the District.

- In certain areas of the District, heavy industrial uses are adjacent to residential, retail and transitional uses. These areas present key locations for redevelopment within the District.
3. Defective or inadequate street layout.
- Three one-way couplets currently traverse through the district. Although a complete, formal analysis of the impact of the one-way couplets is planned for the spring and summer of 2012, multiple studies and analysis conducted across the U.S. indicate that downtown access and circulation, customer parking and property values increase when downtown one-ways are restored to two-way streets.
 - A primary intersection within the district - Park Drive and 1st Avenue N - is unsafe and difficult to navigate for pedestrians. Additionally, the current configuration of the intersection produces congestion and inefficient automobile travel.
4. Deterioration of site.
- Vacant, underutilized or unmaintained buildings and parcels concentrated within specific areas have created pockets of site deterioration throughout the district. The deterioration of site has often led private investment and development to move to outlying areas of the City, slowing redevelopment and infill efforts downtown. If site deterioration is not addressed, the exodus of commercial and residential development will continue and ultimately lead to further deterioration.
 - An analysis of building permits issued in the City of Great Falls from 2005 to 2010 illustrates the lack of investment within the District. Of the 1,760 building permits issued in the City over this five year period, only 96 were issued for construction in the District. The value of projects for which the building permits were issued resulted in a \$369,346,006.00 investment city-wide compared to \$13,553,878.00 in the proposed district. A statistical analysis of the valuation of the projects shows that the maximum value found city-wide is much larger (\$10,788,533.00) than found within the District (\$1,500,000). Additionally, the median value of city-wide projects (\$221,962) was approximately 65% greater than the median value of downtown investment (\$141,186). Exhibit B of this resolution displays a geographical depiction of investment and building activity in the City from 2005 to 2010.
5. The existence of conditions that endanger life or property by fire or other causes.
- The existence of conditions that endanger life or property by fire or other causes is present. Multiple factors have contributed to these conditions including fire damage, the use of hazardous construction materials, negligence and extended vacancy among others. Properties that have reached this condition are often the target of trespassing, graffiti and other forms of vandalism.
 - Although the district accounts for less than 2% of the geographic area of the City, certain crimes that endanger life or property occur within the district at a disproportionately high rate. According to Great Falls Police Department dispatch records, nearly half (47%) of all arson cases reported in 2011 occurred

within the district. Additionally, over a third (34%) of all trespassing and a nearly a quarter (24%) of abandoned vehicles reports occurred in the district.

6. Conclusion

- Based on these findings, the proposed Downtown Urban Renewal District can be described as blighted per Montana Statute, with respect to physical deterioration of buildings and properties; inappropriate or mixed uses of land or buildings; defective or inadequate street layout; deterioration of site; and the existence of conditions that endanger life or property by fire or other causes.

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

That the City Commission finds that blight exists within the City of Great Falls in the area described in Exhibit "B" of this Resolution under the definition contained in Section 7-15-4206 (2), M.C.A. and that rehabilitation and redevelopment of such area (pursuant to the Montana Urban Renewal Law) is necessary and desirable in the interest of the public health, safety, and welfare of the residents of the City of Great Falls and that this rehabilitation and redevelopment be made with a commitment to quality improvement and a commitment to property owner and community involvement in decision making.

BE IT FURTHER RESOLVED BY SAID CITY COMMISSION 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, on March 6, 2012.

Michael J. Winters, Mayor

ATTEST:

Lisa Kunz, City Clerk

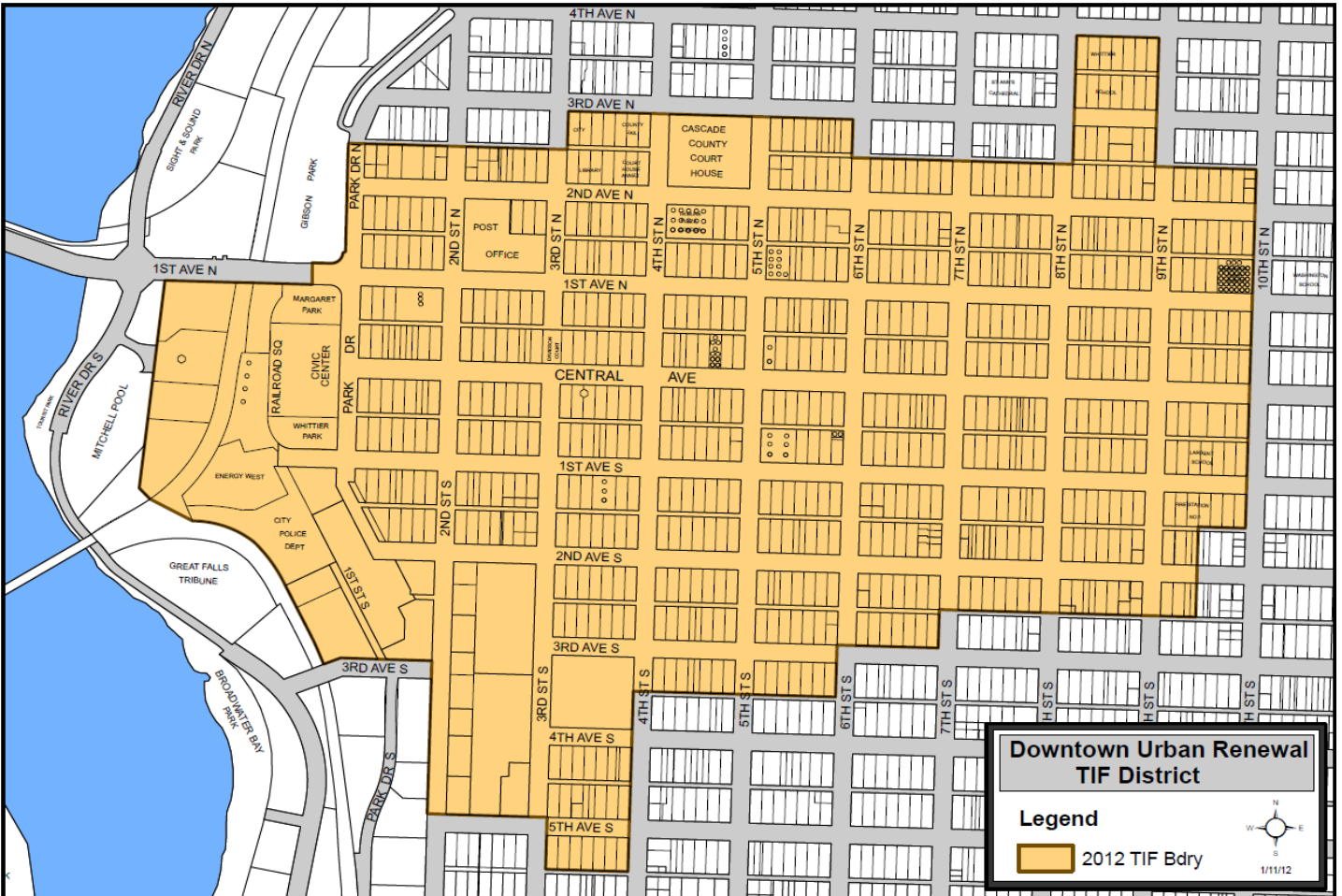
(SEAL OF CITY)

APPROVED FOR LEGAL CONTENT:

James W. Santoro, City Attorney

Downtown Urban Renewal Blight Study

District Boundary



Legal Description of the District:

Beginning at a point that is the southeast corner of Lot 1, Block 11, of the Broadwater Bay Business Park; thence south across 3rd Ave So to the northeast corner of Lot 6, Block 9, of the Broadwater Bay Business Park; thence south along the west right of way line of 2nd St So to a point that is directly west of the southwest corner of Lot 8, of the Amended Plat of Block 453, of the Great Falls Original Townsite (GFOT); Thence east across 2nd St So to the southwest corner of Lot 8, of the Amended Plat of Block 453, of the GFOT; thence east to the southwest corner of Lot 14, Block 452, of the GFOT; thence south to the southwest corner of Lot 1, Block 455, of the GFOT; thence east to the southeast corner of Lot 7, Block 455, of the GFOT; thence north along the west right of line of 4th St S to a point directly west from the southwest corner of Lot 1, Block 420, of the GFOT; thence east across 4th St So to the southwest corner of Lot 1, Block 420, of the GFOT; thence east to the southeast corner of Lot 7, Block 421, of the GFOT; thence north to the southeast corner of Lot 8, Block 413, of the GFOT; thence east across 6th St So to the southwest corner of Lot 14, Block 412, of the GFOT; thence east to the southeast corner of Lot 8, Block 412, of the GFOT; thence north to the southeast corner of Lot 7, Block 412, of the GFOT; thence east to the southwest corner of Lot 1, Block 411, of the GFOT; thence east to the southeast corner of Lot 3, Block 409, of the GFOT; thence north to the southeast corner of Lot 3, Block 376, of the GFOT; thence east to the southeast corner of Lot 7, Block 376, of the GFOT; thence north along the west right of way line of 10th St N to the northeast corner of Lot 8, Block 258, of the GFOT; thence west to the northeast corner of Lot 8, Block 257, of the GFOT; thence north to the northeast corner of Lot 7, Block 242, of the GFOT; thence west to the northwest corner of Lot 1, Blk 242, of the GFOT; thence south to the northwest corner of Lot 14, Blk 257, of the GFOT; thence west to the northeast corner of Lot 8, Blk 254, of the GFOT; thence north to the northeast corner of Lot 7, Blk 254, of the GFOT: thence west to the northwest corner of Lot 1, Blk 252, of the GFOT; thence south to the northwest corner of Lot 14, Blk 252, of the GFOT; thence west to the northwest corner of Lot 13, Blk 250, of the GFOT; thence continuing west to a point that is located on the west right of way of Park Dr N; thence south along the west right of way of Park Dr N to the corner of Park Dr N and 1st Ave N; thence around a curve to the left to a point of tangent thence continuing west eighty feet along the north right of way of 1st Ave N; thence south on a perpendicular line to the south right of way line of 1st Ave N; thence west along the south right of way line of 1st Ave N to the northwest corner of Lot 5, Blk 13, of the Broadwater Bay Business Park Addition (BBBP); thence southwesterly to the southwest corner of Lot 2, Blk 13, of the BBBP; thence southeasterly to the southeast corner of Lot 2, Blk 13, of the BBBP; thence continuing southeasterly to a point that is the intersection of the north railroad right of way line and the westerly boundary of Mark 22A (City of Great Falls Police Department); thence southeasterly along a curve to the right also being the north railroad right of way line to the southwest corner of Lot 1, Blk 12, of the BBBP; thence easterly along the north right of way line of 3rd Ave S to the point of beginning.

Downtown Urban Renewal Blight Study

Determination of Blight:

To establish an Urban Renewal District in Montana, it must be found that conditions of blight are present in the area. Section 7-15-4206 (2) MCA defines blight as “an area that is conducive to ill health, transmission of disease, infant mortality, juvenile delinquency, and crime, that substantially impairs or arrests the sound growth of the city or its environs, that retards the provision of housing accommodations, or that constitutes an economic or social liability or is detrimental or constitutes a menace to the public health, safety, welfare, and morals in its present condition and use, by reason of:

- the substantial physical dilapidation, deterioration, age obsolescence, or defective construction, material, and arrangement of buildings or improvements, whether residential or nonresidential;
- inadequate provision for ventilation, light, proper sanitary facilities, or open spaces as determined by competent appraisers on the basis of an examination of the building standards of the municipality;
- inappropriate or mixed uses of land or buildings;
- high density of population and overcrowding;
- defective or inadequate street layout;
- faulty lot layout in relation to size, adequacy, accessibility, or usefulness;
- excessive land coverage;
- unsanitary or unsafe conditions;
- deterioration of site;
- diversity of ownership;
- tax or special assessment delinquency exceeding the fair value of the land;
- defective or unusual conditions of title;
- improper subdivision or obsolete platting;
- the existence of conditions that endanger life or property by fire or other causes; or
- any combination of the factors listed in this subsection (2).

The substantial physical dilapidation, deterioration, age obsolescence, or defective construction, material, and arrangement of buildings or improvements, whether residential or nonresidential.

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and the district as a whole, it also produces conditions that are unsafe, unsanitary and not conducive to economic development.

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Downtown Urban Renewal Blight Study

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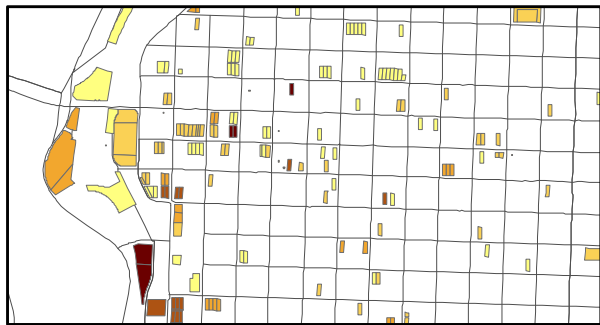
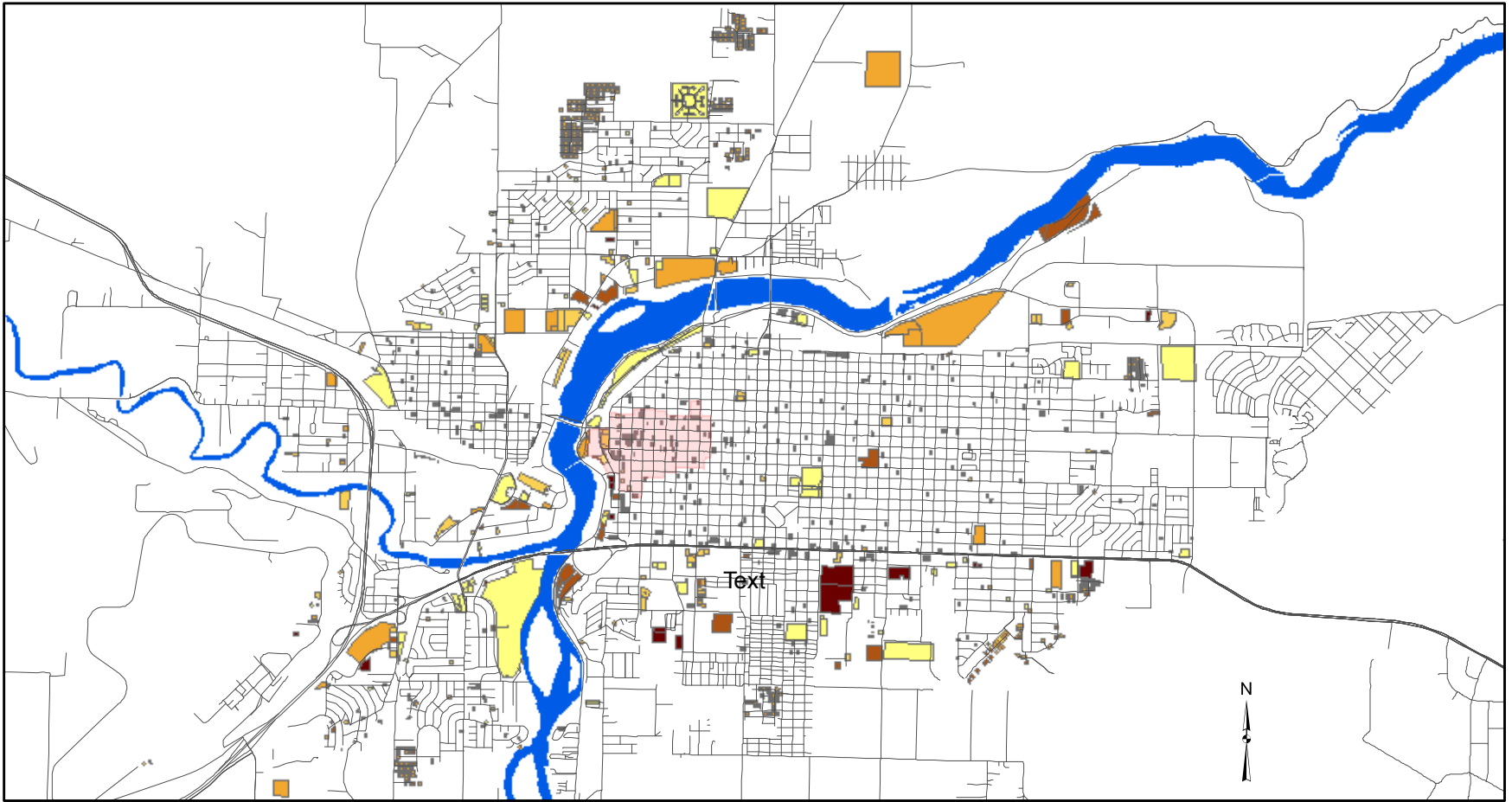
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Exhibit B

Building Activity and Valuation 2005-2010



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