



Item: Resolution 9953, Remodel Tax Benefit, 1011 Broadwater Drive,
TR A COS 4633, OM EE/4, SEC 14, TWN 20, R3E, Mark 26

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

Initiated By: Double Bogey LLC

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

Action Requested: City Commission to consider adoption of Resolution 9953, for a
Remodeling Tax Benefit for Double Bogey LLC, 1011 Broadwater Drive

Suggested Motion:

1. Commissioner moves:

“I move that the City Commission adopt/deny Resolution 9953.”

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

Staff Recommendation: Staff requests consideration of Resolution 9953, for a Remodeling Tax Benefit for Double Bogey LLC, 1011 Broadwater Drive, TR A COS 4633, OM EE/4, Section 14, Township 20, Range 3 East, Mark 26, Great Falls, Cascade County.

Background: The property owner, Double Bogey LLC, has been reconstructing and expanding the building at 1011 Broadwater Drive. The building permit was issued for an office addition to the warehouse on May 5, 2011, and the project was recently completed. The applicant is requesting approval of the Remodel Tax Benefit and Resolution 9953 has been prepared to comply with the requirement that all applications be approved by resolution. Approval of the application will allow the property owner the benefit of paying reduced property taxes for the first five years on the additional value generated by the reconstruction at the following rates:

Construction period	0%
First year following construction	20%
Second year following construction	40%
Third year following construction	60%
Fourth year following construction	80%
Fifth year following construction	100%
Following years	100%

On August 17, 2010, City Commission approved a Remodeling Tax Benefit for an expansion to the warehouse at 1101 Broadwater Drive that was completed in 2010 at a cost of about \$2.2 million (Resolution 9884).

The current request is for a Remodeling Tax Benefit for the office addition to the beverage warehouse at 1101 Broadwater Drive that was recently completed at a cost of about \$2.1 million. A Certificate of Occupancy was issued for the project on February 9, 2012. The applicant provided staff with documentation of the actual costs involved with the office expansion and tax exemptions are always limited to the increase in taxable value created by the building improvements.

Section 15-24-1501, MCA, provides local government the option of giving Tax Benefits for the Remodeling, Reconstruction or Expansion of Existing Buildings or Structures. Section 15-24-1501 MCA reads:

15-24-1502. Tax exemption and abatement for remodeling, reconstruction, or expansion of certain commercial property -- approval. (1) (a) Subject to the conditions of this section, remodeling, reconstruction, or expansion of an existing commercial building or structure that increases its taxable value by at least 5%, as determined by the department, may receive a property tax exemption during the construction period, not to exceed 12 months, and for up to 5 years following completion of construction. The property tax exemption is limited to 100% of the increase in taxable value caused by remodeling, reconstruction, or expansion.

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.

City Commission 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 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 developers 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, and also applying for the reduction in property taxes, which had the net effect of canceling some of the benefit 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 financial assistance from other City programs.

As required by Section 76-15-103, MCA, due notice of the intent to consider Resolution 9953 has been provided through notices of this public hearing being published in the Great Falls Tribune on February 26, 2012 and March 11, 2012.

Concurrences: Not applicable.

Fiscal Impact: Approval of the application will allow the new taxes generated from the expansion to be added to the property owner's existing taxes over a five-year period in increments of 20% each year.

Alternatives: The City Commission may or may not adopt Resolution 9953.

Attachments/Exhibits: Resolution 9953
Application

cc: Double Bogey LLC, 300 Main Street, Shelby, MT 59474
Brenda Ivers, Department of Revenue

RESOLUTION NO. 9953

A RESOLUTION APPROVING THE APPLICATION FOR
TAX BENEFITS FOR THE REMODELING, RECONSTRUCTION,
OR EXPANSION OF EXISTING BUILDINGS OR STRUCTURES FOR
DOUBLE BOGEY LLC, 1011 BROADWATER DRIVE,
TR A COS 4633, OM EE/4, SEC 14, TWN 20, R3E, MARK 26,
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, Double Bogey LLC has submitted an application for reconstruction of a building located at 1011 Broadwater Drive, TR A COS 4633, OM EE/4, Section 14, Township 20, Range 3 East, Mark 26, 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 20th day of March 20, 2012.

Michael J. Winters, Mayor

ATTEST:

Lisa Kunz, City Clerk

(SEAL OF CITY)

APPROVED FOR LEGAL CONTENT:

James W. Santoro, City Attorney



Department of Revenue Application for Tax Exemption and Reduction for the Remodeling, Reconstruction or Expansion of Existing Commercial Buildings or Structures

This application must be submitted to the appropriate local governing body or bodies by the property owner of record or his agent. The decision of the local governing body or bodies must be mailed to the Department of Revenue before April 1 of the tax year for which the benefits are sought.

I, Double Bogey LLC Name of Applicant - Please Print whose mailing address is 300 MAIN STREET Shelby MT 59474 Please Print

do hereby make application for tax exemption and reduction for the remodeling, reconstruction or expansion of existing commercial building(s) or structure(s), in accordance with 15-24-1502, MCA, on the following described lands. (Please attach an additional page if the legal description does fit within this space.) Legal Description: S14, T20N, R03E, TRA, COS#4633 IN NE MK 26 02-3015-14-1-10-04-0000

I submit the following information in support of this application:

- Date that the remodeling, reconstruction or expansion will start 1/10/2011. Date that the remodeling, reconstruction, or expansion will be completed 11/28/2011. Date that the earliest building permit was received 5/5/2011. (The construction period for a specific project may not exceed 12 months.) Estimated cost of the remodeling, reconstruction or expansion \$2,100,000 Please supply a brief description and diagram of the remodeling, reconstruction or expansion. If additional space is required, please attach additional pages See Attached! Currently The commercial building or structures has not been used in a business for IN USE months. Property taxes on the building or structures are delinquent ___ yes ___ X ___ no.

Official Plans on Site with City

Under penalty for perjury, I hereby certify the facts herein stated are true. I further acknowledge by my signature that I have reviewed the information on the reverse side of this form and understand its meaning.

Double Bogey Stuart Howell Secretary Date 12/8/11 Year 2011 Signature of Property Owner or Agent Stuart Howell Secretary Date Year

For County Government Purposes Only

Application received by county governing body on ___ year ___. This application for exemption and reduction for the remodeling, reconstruction or expansion of existing commercial buildings or structures is hereby: ___ Approved ___ Disapproved

By ___, Chairman-County Commission on ___, year ___

For City Government Purposes Only

Application received by city governing body on ___ year ___. This application for tax exemption and reduction for the remodeling, reconstruction or expansion of existing commercial buildings or structures is hereby: ___ Approved ___ Disapproved

By ___, Authorized Agent of City Government on ___, year ___

For Department of Revenue Use Only

Application received by the Department of Revenue on ___, year ___.

- The remodeling, reconstruction or expansion of the existing commercial building or structure increases the taxable value of that structure or building by at least 5% ___ yes ___ no. This application for tax exemption and reduction for the remodeling, reconstruction, or expansion of existing commercial buildings or structures is hereby: ___ Approved ___ Disapproved If approved, the appropriate tax benefits will be granted for the ___ tax year.

Reasons:

By ___, County Appraiser on ___, year ___

Double Bogey LLC

300 Main Street
Shelby MT 59474

Tel. 406.434.5259

Fax 406.434.2457

RECEIVED

DEC 23 2011

CITY CLERK

December 8, 2011

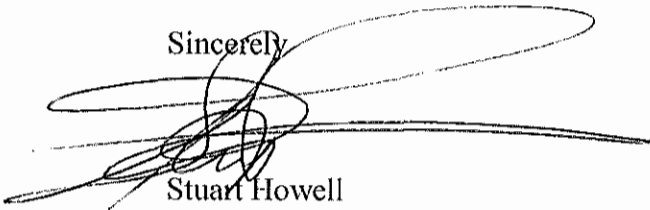
Lisa Kuntz
City Clerk
P.O. Box 5021
Great Falls MT 59403

Re: Double Bogey Application for Tax Exemption, Great Falls, Montana

Dear Ms. Kuntz:

I am enclosing a completed Application for Tax Exemption and Reduction for the Remodeling, Reconstruction or Expansion of Existing Commercial Buildings or Structures (MDOR Form AB-56A) for Double Bogey LLC. I understand that you will process this for consideration by the City Commission at its earliest opportunity. If you have any questions, please call on me at the address listed above.

Sincerely,

A handwritten signature in black ink, appearing to be "Stuart Howell", written over a horizontal line. The signature is stylized and somewhat illegible.

Stuart Howell
Secretary

SAH:jfh

Enclosures

c: Glenn E. Tremper, PLLC

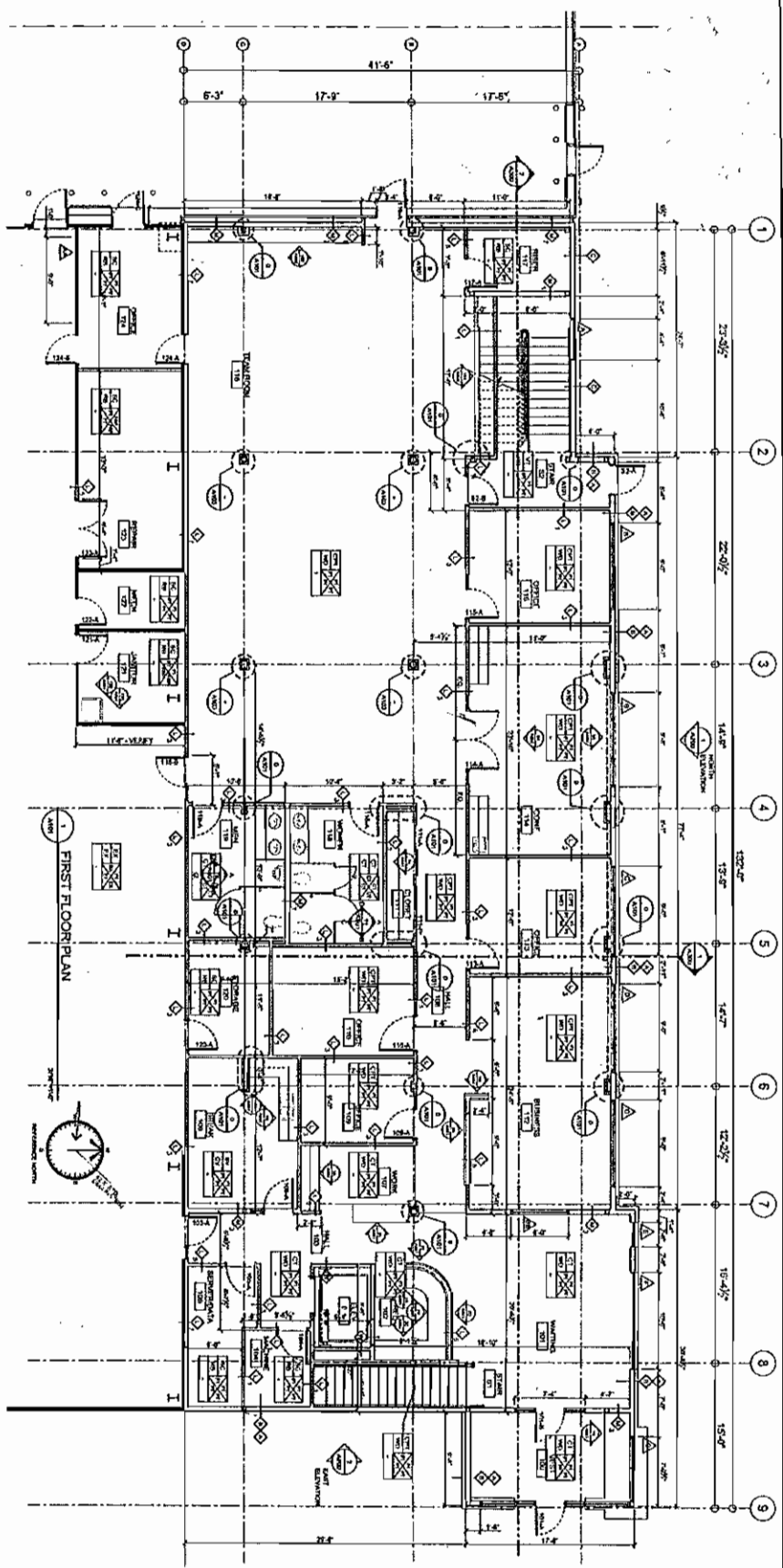
A tract of land in the NE ¼ of Section 14, Township 20 North, Range 3 East, M.P.M., Great Falls, Cascade, Montana, described as follows:

Commencing at the Northwest corner of Lot 1, Block 4, Water Plant Addition to Great Falls, Cascade County, Montana; thence North 42° 36' West, 35.0 feet to the center line of the Burlington Northern Inc.'s main line railroad track; thence North 47° 24' East, 220.0 feet along said center line of the Burlington Northern Inc.'s main railroad; thence North 42° 36' West 38.0 feet to the true point of beginning; thence North 42° 36' West 36.6 feet; thence North 37° 03' West 100.0 feet; thence North 25° 57' West 67.15 feet; thence North 46° 02' East 343.1 feet; thence North 43° 03' West 192.05 feet, the last five courses being along the Easterly and Northerly lines of a parcel of land conveyed by Burlington Northern Inc. to City of Great Falls by deed recorded on August 9, 1972 on Reel 79 as Document 6861; thence North 82° 48' East along a line parallel with the South line of Warden Bridge 331.9 feet; thence 46° 02' East 54.2 feet; thence North 82° 48' East 100.5 feet along a line parallel with the North line of said Warden Bridge; thence South 46° 02' West 354.63 feet; thence South 43° 03' East 143.0 feet; thence South 47° 24' West 423.6 feet to the point of beginning.
(Certificate of Survey No. 757).

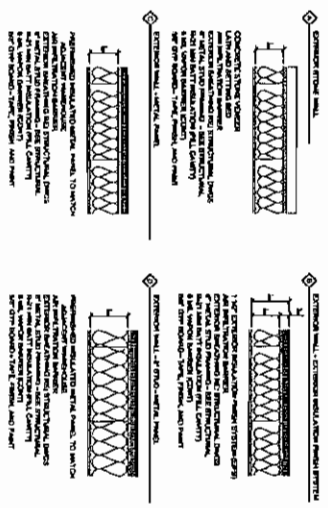
Also a tract of land in the Northeast ¼ of Section 14, Township 20 North, Range 3 East, MPM, Great Falls, Cascade County, Montana, described as follows:

Beginning at a point in the said Northeast Quarter, which point lines North 42° 36' West, 35.0 feet from the Northwest corner of Lot 1 Block 4, Water Plant Addition to Great Falls, Cascade County, Montana; thence North 47° 24' East, 220.0 feet; thence North 42° 36' West, 38.0 feet; thence North 47° 24' East, 423.6 feet to the true point of beginning; EXTENDING THENCE North 47° 24' East, 175.98 feet; thence North 43° 03' West, 147.2 feet; thence South 46° 02' West, 176.0 feet; thence South 43° 03' East, 143.0 feet to the point of beginning.
(Certificate of Survey No. 1546).

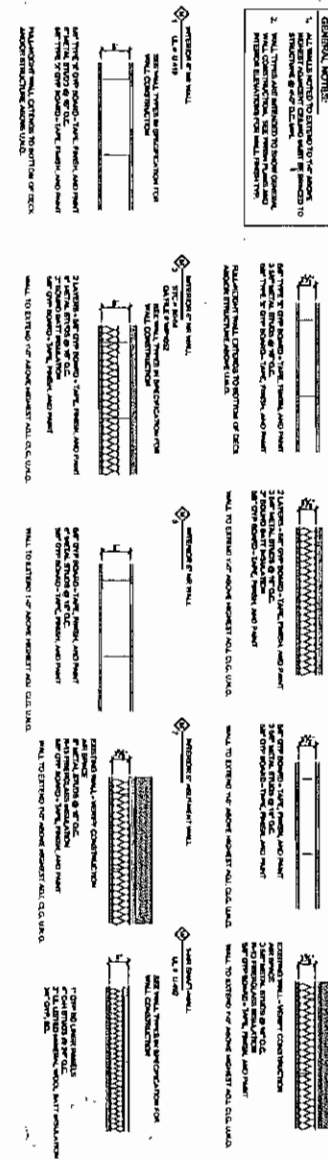
The physical street address of the property is known as, 1011 Broadwater Drive, Great Falls, Montana, 59405.



EXTERIOR WALL TYPES



INTERIOR WALLS



DESIGN DEVELOPMENT

**EAGLE BEVERAGE
OFFICE ADDITION
GREAT FALLS, MONTANA**

REVISIONS:

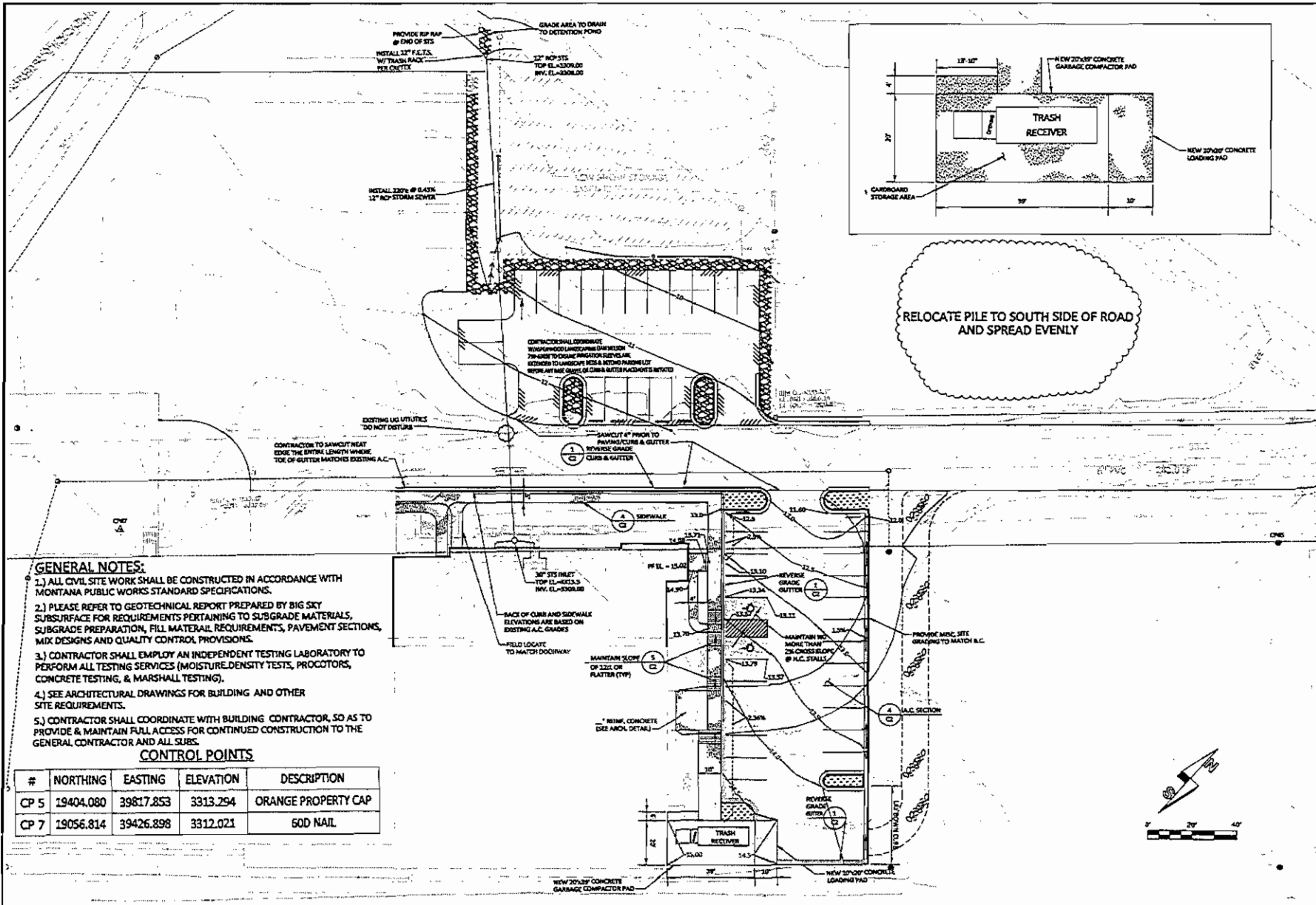
CTA

CONTRACTOR:
CTA, INC.
1400 WEST 10TH STREET
GREAT FALLS, MONTANA 59404
PHONE: (406) 763-1111
FAX: (406) 763-1112
WWW.CTA-MT.COM

DESIGNED BY:
CTA, INC.
1400 WEST 10TH STREET
GREAT FALLS, MONTANA 59404
PHONE: (406) 763-1111
FAX: (406) 763-1112
WWW.CTA-MT.COM

DATE: 08/14/2013

SHEET:
A101



b s c e
BIG SKY CIVIL & ENVIRONMENTAL, INC
 ENGINEERS - PLANNERS - DESIGNERS -
 LAND SURVEYS - ENVIRONMENTAL SPECIALISTS
 1505 14th ST SW
 P.O. BOX 3625
 GREAT FALLS, MT 59403
 (406)727-2185 OFFICE
 (406)727-3656 FAX
 www.bigskycy.com

PROFESSIONAL SEAL
 BY:
 DATE: 4/28/11

OWNER:
 DOUBLE
 BOGEY, LLC

PROJECT NAME:
 ANHEUSER BUSCH
 OFFICES -
 SITE WORK

SHEET TITLE:
 SITE PLAN

DRAWING INFORMATION:
 RSCC PROJECT NUMBER: 8995
 OWNER FILE NUMBER: 0000
 CAD FILE NAME: NSI 515418A
 ASSOCIATED PROJECTS: 0000

SHEET:
 1 OF 2

- GENERAL NOTES:**
- 1.) ALL CIVIL SITE WORK SHALL BE CONSTRUCTED IN ACCORDANCE WITH MONTANA PUBLIC WORKS STANDARD SPECIFICATIONS.
 - 2.) PLEASE REFER TO GEOTECHNICAL REPORT PREPARED BY BIG SKY SUBSURFACE FOR REQUIREMENTS PERTAINING TO SUBGRADE MATERIALS, SUBGRADE PREPARATION, FILL MATERIAL REQUIREMENTS, PAVEMENT SECTIONS, MIX DESIGNS AND QUALITY CONTROL PROVISIONS.
 - 3.) CONTRACTOR SHALL EMPLOY AN INDEPENDENT TESTING LABORATORY TO PERFORM ALL TESTING SERVICES (MOISTURE/DENSITY TESTS, PROCTOR, CONCRETE TESTING, & MARSHALL TESTING).
 - 4.) SEE ARCHITECTURAL DRAWINGS FOR BUILDING AND OTHER SITE REQUIREMENTS.
 - 5.) CONTRACTOR SHALL COORDINATE WITH BUILDING CONTRACTOR, SO AS TO PROVIDE & MAINTAIN FULL ACCESS FOR CONTINUED CONSTRUCTION TO THE GENERAL CONTRACTOR AND ALL SUBS.
- CONTROL POINTS**

#	NORTHING	EASTING	ELEVATION	DESCRIPTION
CP 5	19404.080	39817.853	3313.254	ORANGE PROPERTY CAP
CP 7	19056.814	39426.898	3312.021	60D NAIL