



Item: Resolution 10087 to Levy and Assess Properties within the Tourism Business Improvement District

From: Judy Burg, Taxes and Assessments

Initiated By: Annual Assessment Process

Presented By: Melissa Kinzler, Fiscal Services Director

Action Requested: City Commission adopt Resolution 10087

Suggested Motion:

1. Commissioner moves:

“I move that the City Commission (adopt/deny) Resolution 10087.”

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

Staff Recommendation: Staff recommends the City Commission adopt Resolution 10087 to levy and assess properties within the Tourism Business Improvement District (TBID).

Background: The Tourism Business Improvement District was established by Resolution 9792 on December 2, 2008, for a period of ten years by petition of the property owners within the District. Its overall purpose is to utilize assessments through the TBID tax assessment and direct those monies for the purpose of promoting tourism, conventions, trade shows and travel to the City of Great Falls.

As required by State statute § 7-12-1132 MCA, the TBID presented a proposed work plan and budget and recommended a method of levying an assessment on the properties within the district that best ensures the assessment on each lot or parcel is equitable in proportion to the benefits to be received for Fiscal Year (FY) 2014/2015. Following the public hearing held on August 5, 2014, the City Commission moved to adopt the FY 2014/2015 Work Plan and Budget for the TBID.

Concurrences: The TBID partners with several organizations, such as the 4-Seasons Sports Foundation, Great Falls Public Schools, and the Great Falls Convention and Visitors Bureau to carry out the overall purpose of promoting tourism, conventions, trade shows and travel to the City of Great Falls. Fiscal Services staff is responsible for assessing and collecting the revenues.

Fiscal Impact: The assessment formula as presented to the property owners and recommended to the City Commission is as follows:

- The applicable hotels shall be subject to an annual assessment of one dollar (\$1.00) per occupied room night as prescribed in § 7-12-1133 (c) MCA

The assessment amount requested by the TBID through their work plan and budget was approximately \$455,400. The actual assessment for FY 2014/2015 based on the above assessment formula will generate \$456,334 in assessment revenue. Included in the projected assessment amount is an additional delinquent amount of \$36,400 for noncompliance as provided by the TBID By-Laws. The FY 2014/2015 estimated assessment per lot or parcel is indicated on the assessment projection summary as Exhibit "A" incorporated and made a part of Resolution 10087.

Alternatives: The City Commission could choose to deny the adoption of Resolution 10087 to assess the property owners within the Tourism Business Improvement District. However, on August 5, 2014, the City Commission approved the Tourism Business Improvement District budget which identifies the Tourism Business Improvement District assessment as 100% of the operating revenues. Denial of Resolution 10087 will prevent the Tourism Business Improvement District from carrying out the City Commission previously approved budget.

Attachments/Exhibits: Resolution 10087
Resolution 10087 Exhibit "A" (Not available online; on file in the City Clerk's Office.)

RESOLUTION 10087

A RESOLUTION LEVYING AN ASSESSMENT ON ALL PROPERTIES WITHIN THE GREAT FALLS TOURISM BUSINESS IMPROVEMENT DISTRICT (TBID) NO. 1307

WHEREAS, the City Commission, is authorized to create and administer a business improvement district as provided by § 7-12-1101 through § 7-12-1151 MCA; and,

WHEREAS, the City Commission is authorized, more specifically by § 7-12-1101 through § 7-12-1144 MCA, to create a Tourism Business Improvement District (TBID) to promote tourism, conventions, trade shows, and travel to the City of Great Falls; and,

WHEREAS, the City Commission received petitions signed by more than the minimum requirement of 60 percent of the owners of the property proposed to be included in the district, and are on file in the City Clerk's office; and,

WHEREAS, the City Commission conducted a public hearing to consider establishing the Tourism Business Improvement District as provided for in State Statute; and,

WHEREAS, on December 2, 2008, the City Commission approved Resolution 9792 creating the Tourism Business Improvement District No. 1307 in Great Falls, Montana for a duration of ten (10) years; and,

WHEREAS, a Board of Directors for the Tourism Business Improvement District has been appointed and said Board has developed and submitted a Work Plan and Proposed Budget to the City Commission; and,

WHEREAS, the City Commission is required by § 7-12-1132(b) MCA to conduct a public hearing to hear objections to the work plan and budget, and may modify as it considers necessary and appropriate; and,

WHEREAS, the City Commission, is authorized to require all or any portion of the cost of funding all uses and projects for tourism promotion within Great Falls, as specified in the Great Falls Tourism Business Improvement District budget, be paid by the owners of the property embraced within the boundaries of such a district; and,

WHEREAS, the City Commission, is authorized to annually assess and collect the entire cost of the district against the entire district using a method, which best ensures that the assessment on each lot or parcel is equitable in proportion to the benefits to be received as provided by § 7-12-1133 MCA.

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

Section 1 – Adoption of Work Plan and Budget

On August 5, 2014, the City Commission held a public hearing on any objections to the Work Plan and Proposed Budget with the understanding that approval of the two documents would necessitate the levying of an assessment on all the property in the district.

Section 2 – Assessment Method

All parcels with hotels, with six or more rooms, defined as any structure, or any portion of any structure, which is occupied or intended or designed for occupancy by transients for dwelling, lodging, or sleeping purposes and includes any hotel, inn, motel, or other similar structure or portion thereof, within the boundaries of the district are to be assessed for the costs of operating the Tourism Business Improvement District. Stays by persons who are otherwise exempt from paying a transient occupancy tax (a.k.a lodging facility use tax), as provided in § 15-65-101 through § 15-65-136 MCA, shall be exempt from the assessment.

The assessment formula recommended to the City Commission will be a flat fee of one dollar (\$1.00) per occupied room night as prescribed in § 7-12-1133(c) MCA.

The assessment requested for Fiscal Year 2014/2015 is based on the above assessment formula and will generate FOUR HUNDRED FIFTY-SIX THOUSAND THREE HUNDRED THIRTY-FOUR DOLLARS (\$456,334) in assessment revenue.

Due to overwhelming support for a Tourism Business Improvement District and concurrence with the assessment formula, the City Commission hereby approves the levying of the assessment as indicated on the assessment projection summary attached to this resolution as Exhibit “A”¹.

Section 3 – Assessment Due Date

Assessments are payable in two payments and will become delinquent at 5:00 o’clock p.m. on November 30, 2014 and May 31, 2015

PASSED AND ADOPTED by the City Commission of the City of Great Falls, Montana, this 2nd day of September, 2014.

Michael J. Winters, Mayor

ATTEST:

¹ Exhibit not available online; on file in City Clerk’s Office.

Lisa Kunz, City Clerk

(Seal of the City)

APPROVED FOR LEGAL CONTENT:

Sara R. Sexe, City Attorney