

Item:	RESOLUTION 10166: A RESOLUTION ESTABLISHING GUIDELINES FOR EVALUATION OF SPECIAL APPROPRIATIONS REQUESTS RELATED TO ECONOMIC DEVELOPMENT
From:	City Commission
Initiated By:	City Commission
Presented By:	Commissioner Bronson
Action Requested:	Adopt Resolution 10166

### **Suggested Motion:**

1. Commissioner moves:

"I move that the City Commission (adopt/deny) Resolution 10166.

2. Mayor requests a second to the motion, Commission discussion, public comment, and calls for the vote.

### **Background/Rationale:**

This resolution is prompted by renewed requests by the Great Falls Development Authority [GFDA] for a grant of taxpayer dollars for various projects. Currently, the City Commission requires requests for property tax abatements, TIF/TEDD expenditures, and CDBG block grant requests to go through an application process, subject to evaluation in accordance with certain guidelines. Similar requests by GFDA or other individuals and organizations for public assistance should be considered in the same manner.

In 2004, the City Commission adopted Resolution 9433, which addresses *some* requests for assistance. (Copy attached) This resolution was triggered by requests for City involvement in the Centene and malt plant projects, above and beyond provision of basic infrastructure. That resolution is still in place, but it does not speak to the broad range of possible requests for assistance, including those made recently by GFDA.

The proposed new resolution incorporates elements of Resolution 9433 that are still potentially relevant today, and includes the benefits of what the Commission has learned in the process of considering requests for property tax abatements and TIF/TEDD expenditures. It also draws on ideas from other communities that occasionally receive special requests for economic assistance. Resolution 9433 will be superseded and repealed by the adoption of this resolution.

Once adopted, requests for monies will be presented to the City Manager's office. The City Manager will have the discretion to develop and utilize application forms consistent with the resolution.

Note that this proposal will <u>not</u> apply to the property tax abatement requests or TIF/TEDD requests, which already have review guidelines in place. It also will not apply to CDBG, which also has its own set of review criteria, including directives from HUD.

**Concurrences:** The resolution has been reviewed and approved by the City Attorney and Director of Planning and Community Development.

**Alternatives:** The Commission could deny the resolution and rely on current Resolution 9433, as well as such *ad hoc* criteria as the Commission may consider when acting on future requests. This *status quo* approach is not recommended; the criteria in Resolution 9433 are not comprehensive, and it would be better from a policy standpoint to pass judgment on requests consistent with a set of comprehensive, published criteria.

### Fiscal Impact: None

### Attachments/Exhibits:

- 1) Resolution 10166
- 2) Resolution 9433

### **RESOLUTION 10166**

### A RESOLUTION ESTABLISHING GUIDELINES FOR EVALUATION OF SPECIAL APPROPRIATIONS REQUESTS RELATED TO ECONOMIC DEVELOPMENT

WHEREAS, the City Commission has a stated goal of strengthening and diversifying the local economy to provide job opportunities; and

WHEREAS, the City Commission's primary emphasis in helping achieve those goals lies in the provision of quality public services, such as police, fire/rescue, and water, sewer, and storm-water management, without which services economic development efforts by the private sector would be hindered; and

WHEREAS, there are circumstances where direct or indirect financial assistance to the private sector for economic development may be warranted, subject to the City's financial strength and other special considerations; and

WHEREAS, the City Commission has previously acknowledged the need for policies related to assistance to the private sector through, among other things, the creation of targeted economic development districts, and the grant of tax abatements, and

WHEREAS, the City Commission previously adopted Resolution 9433, establishing an economic development assistance policy; and

WHEREAS, the policy established in the forgoing Resolution must be updated, considering changed circumstances, as well as more complex and varied requests for economic assistance.

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

(1) The purpose of this policy is to establish guidelines for the City of Great Falls for processing and reviewing applications for economic development-related assistance. Applications for property tax abatements, the creation of a targeted economic development district, the proposed use of funds available for public expenditure within a targeted economic development district, or for funding under the Community Development Block Grant [CDBG] program, are not governed by this Resolution.

(2) Any grant of economic development assistance must encourage desirable economic development or redevelopment within the City of Great Falls. Applications will be evaluated on a case-by-case basis, taking into consideration established policies, project criteria, and demands on City services in relation to the potential benefits from grant of assistance. Meeting policy criteria as set forth in this Resolution does not guarantee the award or appropriation of funds requested. Approval or denial of one requested appropriation does not set precedent for approval or denial of another request.

(3) The City of Great Falls will evaluate and then either approve, modify, or deny requests for assistance based upon one or more of the following factors, as applicable:

a) Whether the City's financial condition at the time of the application for assistance, or consideration of the application, warrants granting the application;

b) The status and currency of the property or other taxes or assessments on any property owned by an applicant for economic assistance;

c) The projected impact on the tax base of the City;

d) Whether the award of assistance would have any impact on employment opportunities within the City, and if so, the nature and extent of that impact;

e) Whether the project for which funding is sought has already received additional financial assistance from the City, or other authorities with authority to grant such assistance;

f) Whether the applicant has partnered with other individuals or entities in the project or program for which economic assistance is sought;

g) Whether there is any opportunity for cost recovery, in any amount, for City resources utilized or expended in conjunction with the project or program for which assistance is sought;

h) Whether the projected use of funds will create affordable housing opportunities within the City of Great Falls;

i) Whether any funds awarded will encourage additional, unsubsidized development in a particular geographic area located within the City of Great Falls, either directly or indirectly, through "spin-off" development;

j) Whether the project will facilitate the development process and achieve development on sites which would not be developed without assistance, or would not be developed at a level of acceptable quality;

k) Whether the project would encourage redevelopment of commercial and industrial areas in the City of Great Falls, resulting in a higher level and quality of re-investment;

l) Whether the project would encourage removal of blight, or the rehabilitation of a high profile or priority site;

m) Whether the application is sought in whole or in part because of increased costs of redevelopment, such as clean-up of a contaminated site, demolition expenses, or similar costs, over and above costs normally incurred in development;

n) Whether the project or program to be supported by such economic development assistance could be obtained without the benefit of an appropriation from the City; i.e., but for the grant of assistance, the project or program would not be developed or pursued;

o) Whether the provision of assistance will create an adverse impact on existing state, county or municipal services;

p) Whether the project contributes to the implementation of other policies adopted by the City of Great Falls, including, but not limited to, the City's Growth Policy and the Downtown Master Plan;

q) Whether the funds are sought solely for operational expenses of the applicant;

r) Whether the project meets federal, state or local laws or regulations which are applicable to the request for assistance, including but not limited to, the Montana Economic Development Bond Act of 1983 [MCA § 17-5-1501, *et. seq.*], and/or the Big Sky Economic Development Program [MCA § 19-1-201, *et. seq.*];

s) Whether the project would meet other criteria as would be considered reasonable for the best interests of the City.

(4) Any requests for assistance shall be directed to the City Manager for review and recommendation to the City Commission. The City Manager may create and utilize forms for use by applicants in seeking assistance in accordance with this Resolution.

(5) This Resolution shall become effective upon adoption and shall supersede Resolution No. 9433.

PASSED and ADOPTED by the City Commission of the City of Great Falls, Montana, this  $20^{\text{th}}$  day of December, 2016.

Bob Kelly, Mayor

ATTEST:

Lisa Kunz, City Clerk

(SEAL OF CITY)

### APPROVED FOR LEGAL CONTENT:

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Sara Sexe, City Attorney

### **RESOLUTION 9433**

### A RESOLUTION ESTABLISHING AN ECONOMIC DEVELOPMENT ASSISTANCE POLICY

**WHEREAS**, recent publicity about the City's financial participation in economic development opportunities triggered some discussion about the City's role in economic development.

WHEREAS, it is important to establish criteria to answer the following questions:

"What will the City do?"

"Under what circumstances?"

"For whom will the City do it for?"

Answers to these questions will assist in job growth and economic development as well as consistent economic development assistance.

**WHEREAS**, it is understood that economic development assistance is sensitive when it is directed to extend of utilities, the cost of which normally is borne by developers.

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

The City Commission hereby establishes the following criteria when asked to provide economic incentives:

1. Proposed projects should be strongly endorsed by the community's economic development organization, the Great Falls Development Authority (GFDA).

2. The economic impact of projects considered for assistance must center around the provision of new, long term, primary jobs. For the City's purposes primary jobs are those bringing new money into the community from outside the community.

3. The provision of incentives must be part of a formal development agreement committing the company or organization to a minimum number of permanent jobs at defined pay scales.

4. Incentives offered by the City must be part of a package with participation of others such as GFDA, the County, the State of Montana or Federal agencies.

5. There must be an opportunity for at least partial cost recovery for City resources to be put into the project.

6. Resources for incentives must be available.

PASSED by the Commission of the City of Great Falls, Montana, on this 19th day of October 2004.

Randall H. Gray, Mayor

ATTEST:

Carolyn Horst, Deputy City Clerk

(SEAL OF CITY)

### REVIEWED FOR LEGAL CONTENT:

David Gliko, City Attorney

State of Montana)County of Cascade:ssCity of Great Falls)

I Carolyn Horst-Broquist, Deputy City Clerk of the City of Great Falls, Montana, do hereby certify that the foregoing Resolution 9433 was placed on its final passage and passed by the Commission of the City of Great Falls, Montana, at a meeting held on the 3rd day of November, 2004, and approved by the Mayor of said City on the 3rd day of November, 2004.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the Seal of said City this 3rd day of November, 2004.

Carolyn Horst-Broquist, Deputy City Clerk

(SEAL OF CITY)