



Item: Resolution 10148 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 10148

Suggested Motion:

1. Commissioner moves:

“I move that the City Commission (adopt/deny) Resolution 10148.”

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

Staff Recommendation: Staff recommends the City Commission adopt Resolution 10148 to levy and assess properties within the Tourism Business Improvement District (TBID).

Background: The TBID 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 2016/2017. Following the public hearing held on July 19, 2016, the City Commission moved to adopt the Fiscal Year 2016/2017 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 \$388,803. The actual assessment for Fiscal Year 2016/2017 based on the above assessment formula will generate \$409,751 in assessment revenue. The increase in this year's assessment revenue can be attributed to increased lodging and a new hotel, which opened its doors for business during the assessment time frame. The Fiscal Year 2016/2017 estimated assessment per lot or parcel is indicated on the assessment projection summary as Exhibit "A" incorporated and made a part of Resolution 10148.

Alternatives: The City Commission could choose to deny the adoption of Resolution 10148 to assess the property owners within the TBID. However, on July 19, 2016, the City Commission approved the TBID budget which identifies the TBID assessment as 69% of the operating revenues. Denial of Resolution 10148 will prevent the TBID from carrying out the City Commission previously approved budget.

Attachments/Exhibits: Resolution 10148
Resolution 10148 Exhibit "A" (Not available online; on file in the City Clerk's Office.)

RESOLUTION 10148

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 July 19, 2016, 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 2016/2017 is based on the above assessment formula and will generate FOUR HUNDRED NINE THOUSAND SEVEN HUNDRED FIFTY-ONE DOLLARS (\$409,751) 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, 2016 and May 31, 2017.

PASSED AND ADOPTED by the City Commission of the City of Great Falls, Montana, this 20th day of September, 2016.

Bob Kelly, Mayor

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

ATTEST:

Lisa Kunz, City Clerk

(Seal of the City)

APPROVED FOR LEGAL CONTENT:

Sara R. Sexe, City Attorney