

Regular City Commission Meeting

Mayor Winters presiding

CALL TO ORDER: 7:00 PM

PLEDGE OF ALLEGIANCE

MOMENT OF SILENCE

ROLL CALL: City Commissioners present: Michael Winters, Bob Jones, Bill Bronson, Fred Burow and Bob Kelly. Also present were the City Manager, Deputy City Manager; City Attorney; Directors of Fiscal Services, Planning and Community Development, and Public Works; Police Chief; and the City Clerk.

AGENDA APPROVAL: No changes were proposed by the City Manager or City Commission. The agenda as submitted was approved.

PROCLAMATIONS: Mayor Winters read a proclamation for National Disability Employment Awareness Month and Commissioner Bronson read a proclamation for Red Ribbon Week.

PRESENTATIONS: Mayor Winters performed the swearing in ceremony for Firefighters Steven Tucker, Joseph Tinsley and Sterling Veltkamp.

**** Action Minutes of the Great Falls City Commission. Please refer to the audio/video recording of this meeting for additional detail. ****

NEIGHBORHOOD COUNCILS

1. MISCELLANEOUS REPORTS AND ANNOUNCEMENTS.

There were no miscellaneous reports and announcements from Neighborhood Council representatives.

CONSENT AGENDA.

2. Minutes, October 7, 2014, Commission meeting.
3. Total Expenditures of \$2,948,043 for the period of September 17 through October 8, 2014, to include claims over \$5,000, in the amount of \$2,637,573.
4. Contracts list.
5. Lien release list.
6. Approve project funding and Maintenance Agreement for the Overlook Drive Path with the Montana Department of Transportation. **OF 1596.1**

7. Approve project funding and Maintenance Agreement for the West Bank Trail improvements with the Montana Department of Transportation. **OF 1585.5**
8. Approve declaration of equipment as surplus.
9. Postpone bid award for two new tandem axle trucks with new sideload refuse packers.

Commissioner Kelly moved, seconded by Commissioner Jones, that the City Commission approve the Consent Agenda as presented.

Mayor Winters asked if there was any discussion amongst the Commissioners.

Commissioner Burow requested additional information for Items 4D, E, F & G of the contracts list.

Planning and Community Development Director Craig Raymond clarified that the separate professional services agreements are to provide downtown property owners with storefront design renderings that will be paid from Montana Main Street Program grant funds.

With regard to Items 6 and 7, Commissioner Kelly recognized Rivers Edge Trail, Inc., for its contributions and securing matching funds from the State to provide ADA access to West Bank Park and an extension of the River's Edge Trail to the Visitor Center at no cost to the City taxpayers.

Mayor Winters asked if there were any comments from the public. Hearing none, Mayor Winters called for the vote.

Motion carried 5-0.

BOARDS & COMMISSIONS

10. MISCELLANEOUS REPORTS AND ANNOUNCEMENTS.

There were no miscellaneous reports and announcements from representatives of Boards and Commissions.

PUBLIC HEARINGS

11. RESOLUTION 10093, RESTORATION, REHABILITATION, EXPANSION, AND NEW CONSTRUCTION OF QUALIFIED HISTORIC PROPERTIES TAX ABATEMENT FOR ROCKY MOUNTAIN BUILDING DEVELOPMENT VENTURE, LLC, LOCATED AT 601 CENTRAL AVENUE.

Planning and Community Development Director Craig Raymond reported that Resolution 10093 relates to Rocky Mountain Building Development Venture, LLC's application for tax exemption and reduction for the remodeling, reconstruction or expansion of existing historical commercial buildings or structures. The Rocky Mountain building is a qualified historic property.

The temporary abatement on new property taxes generated by the remodeling would be available to the applicant during the construction year, not to exceed 12 months, and for up to five years

following completion. All total, the approximate amount of tax monies that will be abated is nearly \$150,000. In subsequent years 100% of the additional property taxes resulting from the improvements would be payable. The estimated total project cost at this time is approximately \$9 million dollars that would ultimately be invested in downtown Great Falls. The total amount of taxes received after the abatement period will be approximately \$30,000 annually.

The approval of Resolution 10093 makes a significant step towards implementing certain goals the Commission has established in the Growth Policy and the Downtown Master Plan. This project will have a large impact on the redevelopment of downtown. It will restore a burned out, blighted building that has historical significance to the community; it will bring newly renovated commercial space into the downtown core; and, it will bring a considerable number of new residents to live, eat, shop and conduct business in the downtown area. The short term commitment will have long term benefits for both the downtown community and the City revenue stream.

Mayor Winters declared the public hearing open.

Speaking in opposition to Resolution 10093 was:

Ron Gessaman, 1006 36th Avenue NE, commented that Montana Code Annotated does not require that the abatement be given, or the Commission could decide to give less than the maximum allowed per statute. Mr. Gessaman is opposed to the use of a tax abatement to renovate the building. He further noted that this building is within the Downtown Urban Renewal Tax Increment Financing (TIF) District. He opined that, at the end of the tax abatement period, the City ends up with nothing other than the costs of providing service. Mr. Gessaman suggested the Commission ask for a business plan with benchmarks to continue to get the tax break.

Speaking in support of Resolution 10093 were:

Kenneth Robison, 315 Lamplighter Lane, commented that downtown Great Falls is vital to the community. Restoration of historic buildings in the downtown area is the key to revitalizing. He asked for the Commission's support of the tax abatement for the historic Rocky Mountain Building.

Jane Weber, County Commissioner, 701 4th Avenue North, commented that the County Commission has traditionally supported tax abatements within the City limits. She commented that growth begets growth. The TIF District allows funding to be able to create additional growth down the line in our community. It is a goal of local government officials to build the tax base. She urged the Commission's support concluding it is good for growth.

Neil Fortier, 509 1st Avenue South, development consultant for Rocky Mountain Building Development Venture, LLC, commented that the tax abatement is needed for the project to move forward. It is needed to leverage additional financing. Mr. Fortier clarified that tax revenues are not being used to fund this project. Without the project moving forward, the owners could continue to pay approximately \$745 per year in property taxes. Or, the project can move forward and the owners will pay approximately \$30,000 per year in property taxes.

Gary Hackett, 3912 18th Avenue South, reported that he owns the Hastings Building located next to the Rocky Mountain Building. At the time of the Rocky Mountain Building fire, his building was heavily damaged. He discussed his thoughts of rebuilding on the lot or leveling the building and walking away. What tipped the scale to rebuild was approval of a tax abatement application. When he completed restoration of the Hasting Apartments he applied for and received tax abatement for the Margaret Building, which was an important piece of the financing equation of buying and renovating the building. He reported that he will pay more taxes on his two renovated buildings versus an empty lot. Mr. Hackett urged the Commission's support of Resolution 10093 for the continued improvement to downtown Great Falls.

Bob Milford, 79 Sun View Lane, suggested that Paris Gibson might say the Rocky Mountain Building is important for our town's future and past. Without a past our future is sketchy. These abatements will help retain a significant part of our town's past and will in a short time increase revenues for our community. Mr. Milford thanked the Commission for considering our past as well as our future.

Jolene Bach, Great Falls Development Authority, 300 Central Avenue, reported that this may be the last chance to rehabilitate the Rocky Mountain Building, and the tax abatement makes it possible. Ms. Bach commented that should the Commission impose stricter tax abatement guidelines in the future, this is the type of project that will meet all of the guidelines. She noted several indirect benefits of a rehabilitated Rocky Mountain Building such as more downtown restaurant and shopping opportunities, as well as spurring additional projects from this development.

Ryan Smith, 1328 Beargrass Drive, local architect and member of the Historic Preservation Advisory Commission, commented that the ripple effect of having this project move forward is huge. He noted that he is already working with a potential tenant of the Rocky Mountain Building. Approval of this project will continue the downtown momentum and will help support after hour activity.

Jan Cahill, Great Falls Area Chamber of Commerce, residing at 746 33 B Avenue NE, reported that the Great Falls Area Chamber of Commerce completely supports the tax abatement project for the Rocky Mountain Building.

Joan Redeen, Business Improvement District, 13 5th Street North, reported that the Business Improvement District is in full support of the tax abatement for the Rocky Mountain Building.

Sheila Rice, NeighborWorks, 509 1st Avenue South, on behalf NeighborWorks and Downtown Development Partnership, commented that this is Great Falls' opportunity to have a great downtown.

Ellen Sievert, 1602 3rd West Hill Drive, commented that the highest yields come from the property that comprises the City center. The City Commission adopted the Downtown Master Plan in 2012 that outlined steps to the stop decay in downtown. Ms. Sievert suggested that the Commission do whatever it can to avoid more empty lots and get the downtown revitalization ball rolling. She reported that research proves that compact, centrally located mixed-use development yields the most property taxes. She concluded that an investment today will pay

huge dividends in the future.

Krista Smith, Great Falls Builders Exchange, residing at 1328 Beargrass Drive, suggested the Commission also consider the money that could be generated by the construction phase of this project.

Andy Ferrin, Business Improvement District Chairman, 308 1st Avenue South, noted his support of Resolution 10093.

Alison Fried, Dragonfly Dry Goods, 504 Central Avenue, reported that she was one of the founders of the Downtown Chicks that now is a group of about 300 members. The mission statement is to have fun, support each other, support downtown, and support each other's businesses. Approval of Resolution 10093 is a way to support our community and what we can do together.

Carole Ann Clark, 1014 Durango Drive, concurred with the previous speakers in support. She concluded that the tax abatement makes sense historically, aesthetically, and financially.

Gerald Clark, 1014 Durango Drive, concurred with the previous speaker.

Ira Kaufman, 411 Central Avenue, submitted a written letter in support of Resolution 10093.

Commissioner Bronson moved, seconded by Commissioner Jones, that the City Commission adopt Resolution 10093.

Mayor Winters asked if there was any discussion amongst the Commissioners.

Commissioner Bronson reported that when the legislature adopted this form of tax abatement in 1989 it recognized that when a developer takes on a building of historic nature, like the Rocky Mountain Building, the investment that is necessary to get it going is incredibly significant. This is a tool for local governments to use in renovating its communities. The City Commission will determine where the TIF monies will be allocated. Commissioner Bronson also noted that the Commission adopted two policies that are critical, not just to the growth of downtown but the growth of the community. The Growth Policy speaks to the need to develop our entire community with special emphasis on downtown. The Downtown Master Plan recognizes the importance of economic revitalization in the downtown. He also discussed the risks and strict standards the development group is subject to or they risk paying the taxes plus interest and penalties.

Commissioner Kelly expressed appreciation to Mr. Hackett for the tough decision he made in rebuilding and staying with the City, neighbors and his customers. He also thanked the broad prospective of people in the audience this evening.

Commissioner Jones concurred with the previous speakers in support of Resolution 10093.

Mayor Winters commented that reinvesting in our own community is pride in ownership.

There being no further discussion, Mayor Winters called for the vote.

Motion carried 5-0.

OLD BUSINESS

NEW BUSINESS

12. PROFESSIONAL SERVICES CONTRACT AMENDMENT, WATER TREATMENT PLANT FACILITY UPGRADES (OF 1519.0).

Public Works Director Jim Rearden reported that this item is a Professional Services Contract Amendment with Black & Veatch for the Water Treatment Plant improvements. The 2006 Water Master Plan identified numerous facilities at the Water Treatment Plant that needed replacement and/or upgrades. On July 17, 2012, the City entered into a contract with the design team of Black & Veatch, Thomas, Dean & Hoskins and L'Heureux, Page, Werner to evaluate infrastructure upgrades to the entire Water Treatment Plant. During the ensuing process approximately \$55 million dollars worth of improvements were identified to ensure dependable service and adequate capacity while meeting regulatory requirements well into the future. A certain level of preliminary design was required on the future improvements to fully utilize the Water Treatment Plant site. Approximately \$25 million dollars of those improvements have been identified for final design and the first phase of construction. The basis of decision for the improvements was employee safety, regulatory requirements, reliability, and site security and access. Based on this criteria, the main components of the first phase of improvements are: (1) new chemical feed building to house ultraviolet disinfection, a new ammonia feed system and future additional chemical feed systems; (2) new electrical room with replacement of the main electrical switchgear serving the plant; (3) new two million gallon surge tank to allow for proper utilization of the UV and chemical feed systems; (4) a standby power system; and (5) replacement of the NorthWestern Energy substation and a new administration building as alternate bid items.

Staff recommends approval of the contract amendment in the amount of \$4,474,649 which will provide services for final design, project management and construction phase services through the first phase of construction.

Commissioner Jones moved, seconded by Commissioner Burow, that the City Commission approve the Professional Services Contract Amendment between the City of Great Falls and Black & Veatch Corporation for engineering services for the Water Treatment Plant Facility Upgrades, Office File 1519.0, for a fee not to exceed \$4,474,649, and authorize the City Manager to execute the agreements.

Mayor Winters asked if there was any discussion amongst the Commissioners.

Commissioner Kelly requested clarification that this item was an amendment to an existing contract for additional services. Director Rearden responded affirmatively and added that since the 2006 Water Master Plan there have been additional regulatory requirements.

Commissioner Kelly inquired if there was competitive pricing for this contract. Director Rearden clarified that according to state law they are not allowed to competitively bid for professional

engineering services. It is primarily a qualifications-based selection.

Mayor Winters asked if there were any comments from the public. Hearing none, Mayor Winters called for the vote.

Motion carried 5-0.

ORDINANCES/RESOLUTIONS

PETITIONS AND COMMUNICATIONS

Mayor Winters asked Police Chief Dave Bowen to discuss the Mustang Exchange event.

Police Chief Dave Bowen reported that, on September 29, 2011, the Great Falls Police Department delivered the drug related seized car to the School District with \$1,000, with the request that it be restored.

He invited the public to attend the Mustang Exchange event at the Civic Center on October 29th at 10 a.m. The 1966 Ford Mustang was restored by the students and will be returned to the Great Falls Police Department. The vehicle will be sold at public auction in the spring with a portion of the proceeds going back to the school to continue this program and the remainder will go towards drug enforcement in the community.

13. MISCELLANEOUS REPORTS AND ANNOUNCEMENTS.

- A. **Ron Gessaman**, 1006 36th Avenue NE, announced that residents of Valley View and River View were concerned about a group home in their neighborhood. Mr. Gessaman referred to § 76-2-412(4), MCA, and suggested that the Commission establish a rule that requires a conditional use permit for the establishment of a group home in a neighborhood, and that process would provide prior notice to the residents of that neighborhood.
- B. **John Hubbard**, 615 7th Avenue South, discussed accountability in government, and the upcoming election.

CITY MANAGER

14. MISCELLANEOUS REPORTS AND ANNOUNCEMENTS.

City Manager Greg Doyon announced that, due to Tuesday, November 4th, being General Election Day, the next regularly scheduled Commission meeting will be Wednesday, November 5th, pursuant to a policy adopted by the Commission in 1984.

Manager Doyon discussed upcoming Work Session topics. The proposed topics for the next Work Session will consist of a golf course update, risk management annual report, and possibly a transportation program update.

CITY COMMISSION

15. MISCELLANEOUS REPORTS AND ANNOUNCEMENTS.

Mayor Winters and Police Chief Bowen discussed a City program with KRTV that is in the development stage.

Mayor Winters discussed traffic concerns and inquired if staff could identify neighborhood and thru streets for the public.

16. **COMMISSION INITIATIVES.**

There were no Commission initiatives.

ADJOURNMENT

There being no further business to come before the Commission, **Commissioner Kelly moved, seconded by Commissioner Jones, to adjourn the regular meeting of October 21, 2014, at 8:23p.m.**

Motion carried 5-0.

Mayor Michael J. Winters

City Clerk Lisa Kunz

Minutes Approved: November 5, 2014