

PLANNING ADVISORY BOARD ZONING COMMISSION

FEBRUARY 10, 2015

Case Number

TIF2015-1

Applicant

Park & Recreation Dept.

Owners

City of Great Falls

Property Location

West Bank Park

Parcel ID Number

N/A

Requested Action

Fund various Park and Trail improvements

Recommendation

Approval of the request.

Project Planner

Andrew Finch, Sr. Planner

West Bank Park TIF District Funding Application



Overview

The Great Falls West Bank Urban Renewal and Tax Increment Financing (TIF) District encompasses property on the west bank of the Missouri River on either side of the George Shanley (Central Ave. West) Bridge (Exhibit A: West Bank TIF District Boundary).

West Bank Park, a City-owned recreation and open space facility, is within the West Bank TIF District, and has a recently adopted Master Plan to guide improvements within the park.

On December 29, 2014, the City Park & Recreation Department made formal application for TIF funds to augment a number of grants that have been received for Park improvements (Exhibit D: Application).

The City Commission has an approved “Tax Increment Application Process” for considering funding requests from the private and public sectors for tax increment assistance from TIF Districts. Upon receipt of an application, planning staff is assigned the responsibility of reviewing the funding request and making a recommendation to the Planning Advisory Board. The Planning Advisory Board (PAB) then considers the application, and makes a recommendation to the City Commission. For final action, the City Commission considers the PAB recommendation and approves or rejects the funding request, along with any special terms of approval.

TIF Request

The Park & Recreation Department has re-

quested that TIF funds be used to supplement and complement funding and work that will be performed in the same area of West Bank Park, to implement the first phase of recommendations in the West Bank Park Master Plan. More completely described and outlined in the TIF Application attached as Exhibit D, the work elements and various funding sources are briefly summarized below. **Note that the Application requests \$454,797 in TIF funding; City staff has recommended an even \$460,000 be requested to allow for a small contingency amount.**

IMPROVEMENT

FUNDING SOURCE

ADA accessible full service restroom:	Missouri-Madison RiverFund Grant; NW Energy Grant; TIF
Paved ADA parking lot:	CTEP Grant, RTI (non-profit); TIF
ADA bike/ped connection from 3rd Ave NW	Transportation Alternatives (TA) Grant; RTI match
Trail replacement/widening (4 ft to 8 ft)	TA Grant; RTI
Trail replacement (various)/remove pump house	TIF, RTI
Irrigation and landscaping	TIF
Upgrade vault toilet to ADA	CTEP Grant, RTI match
Drinking Fountain	TIF, RTI

FUNDING SOURCE TOTALS

TIF request	\$454,797 \$460,000
Grants	\$311,144
Recreational Trails, Inc. (RTI)	\$ 49,839
Park & Recreation Department	<u>\$ 18,500</u>
TOTAL	\$834,280 \$839,483

TIF REQUEST ITEMS

Supplementing Parking Lot Grant:	\$ 26,162
Irrigation and Landscaping:	\$303,000
Supplementing Restroom:	\$ 69,835
Drinking Fountain:	\$ 5,800
Concrete Trail Replacement/Pump House Removal:	\$ 50,000
Miscellaneous	<u>\$ 5,203</u>
TIF TOTAL	\$454,797 \$460,000 (54.8% of project total)

Montana TIF Regulations

Creation and administration of Tax Increment Financing (TIF) Districts is governed by Montana State Urban Renewal statutes (Title 7, Chapter 15, Parts 42 and 43, MCA). The excerpted sections of MCA that authorize the requested TIF expenditures are underlined below:

***7-15-4288. Costs that may be paid by tax increment financing.** The tax increments may be used by the municipality to pay the following costs of or incurred in connection with an urban renewal project, industrial infrastructure development project, technology infrastructure development project, or aerospace transportation and technology infrastructure development project:*

(4) the acquisition, construction, and improvement of infrastructure, industrial infrastructure, technology infrastructure, or aerospace transportation and technology infrastructure that includes streets, roads, curbs, gutters, sidewalks, pedestrian malls, alleys, parking lots and offstreet parking facilities, sewers, sewer lines, sewage treatment facilities, storm sewers, waterlines, waterways, water treatment facilities, natural gas lines, electrical lines, telecommunications lines, rail lines, rail spurs, bridges, spaceports for reusable launch vehicles with associated runways and launch, recovery, fuel manufacturing, and cargo holding facilities, publicly owned buildings, and any public improvements authorized by Title 7, chapter 12, parts 41 through 45; Title 7, chapter 13, parts 42 and 43; and Title 7, chapter 14, part 47, and items of personal property to be used in connection with improvements for which the foregoing costs may be incurred;

In conformance with State regulations, the City's adopted West Bank Urban Renewal Plan provides guidance for addressing urban blight, as well as outlining a general process for identifying projects for expenditure of TIF funds. The relationship of the funding request to the Plan is addressed in the following section.

West Bank Urban Renewal Plan and Requested TIF Participation

In 2007, the City of Great Falls adopted the West Bank Urban Renewal Plan. In order to approve TIF participation requests, they must be determined to be in compliance with and follow the recommendations of the Urban Renewal Plan, as well as be determined eligible for TIF participation in accordance with the MCA guidelines presented in the previous section. To aid in this determination, the Tax Increment Application Process established eleven specific criteria to assess the merits of the project in relation to the West Bank Urban Renewal Plan.

Those criteria are:

1. Economic Stimulus - *The amount of economic activity to be generated by the project is assessed, as well as the leverage ratio of public to private investment. In general, the maximum limit of any one project is 10% of the construction/rehabilitation costs, exclusive of acquisition costs. Projects clearly demonstrating extraordinary benefit to Districts or the community may, at the discretion of the City Commission, receive additional TIF assistance for eligible items. All applications should contain credible, measurable information substantiating the project's economic stimulus in the District and the community.*
2. Tax Generation - *The increase in taxable value due to the new construction/rehabilitation as estimated by the County Assessor's office to determine tax increment generation.*
3. Employment Generation - *Total employment generated by the project as assessed in terms of new permanent and part-time, and construction jobs.*
4. Elimination of Blight - *The project's direct and indirect impact on the physical and fiscal deterioration within the appropriate district and the community, as identified in the West Bank Urban Renewal Plan or the appropriate district plan for industrial, technology or aerospace districts.*
5. Special or Unique Opportunities - *The extent to which the project represents a unique opportunity, meets a special need, or addresses specific district or community goals. The restoration of a historic property or the provision of an unmet community need is an example of special and unique opportunities.*
6. Impact Assessment - *The extent of both positive and negative environmental impacts, appropriateness of the project design, and impact on existing businesses or residents.*
7. Financial Assistance - *Other forms of financing available to the Applicant. Lender participation, industrial development revenue bonds, and state and federal grant monies, for example, are examined to assess the need for TIF assistance.*
8. Project Feasibility - *A determination of feasibility is made based on the strength of the Applicant's demonstration of market demand for the project as contained primarily on the pro forma and financing commitments.*
9. Developer Ability to Perform - *An assessment the Applicant's capability to undertake the relative complexities of the project based on past performance on similar projects.*
10. Timely Completion - *The feasibility of completing the project according to the Applicant's schedule.*
11. Payment of Taxes - *All property taxes, special improvement district assessments and other assessments on the project property must be paid to date.*

Determination of Appropriateness

The requested improvements are eligible for TIF funding according to Montana Code Annotated (MCA) guidance. Further, they contribute to the majority of the criteria listed in the TIF application, with detail provided on Attachment 2 to the TIF Application (Exhibit C to this Report). Below are some of the primary areas to which the project contributes.

Elimination of Blight. A new restroom, paved parking lot, added and improved trails, and irrigation system and landscaping will improve access to the Park and further beautify the area. Removal of the old pump house that is no longer in use will also eliminate blight. The renewal to the area will be apparent and enjoyed by residents and visitors.

Special or Unique Opportunities. As outlined in the West Bank Park Master Plan, the south end of the park will serve as the active area and “Provide(s) the greatest opportunity for more intensive uses, particularly as the best access exists in this area for users of every variety.” With the improvements to the turf, the natural amphitheater can be used to hold public events and transform the area into a destination within the park. The proposed improvements will provide for a variety of unique community events.

Financial Assistance. Almost half of the proposed improvements are being funded through a combination of grants and matching funds from a non-profit source. Other than TIF, no other known sources of funding are available to fund the remaining improvements.

Timely Completion. The other sources of funding are immediately available and must be expended this construction season. The timing is ripe for construction of the work requested for TIF funding.

According to the Fiscal Services Director there is currently adequate funding in the TIF Fund available for the requested project. No outstanding financial commitments exist in the West Bank TIF District, although there will hopefully be future requests by private property owners to continue to aid progress in the revitalization of the West Bank Urban Renewal District.

Staff determines the work is eligible and appropriate, and that there is adequate funding in the TIF to fund the project.

Recommendation:

The Planning Advisory Board recommends to the City Commission that the City authorize the projects and improvements and associated funding from the West Bank Urban Renewal TIF District.

Next Steps:

The recommendation of the Planning Advisory Board will be forwarded to the City Commission.

Attachments:

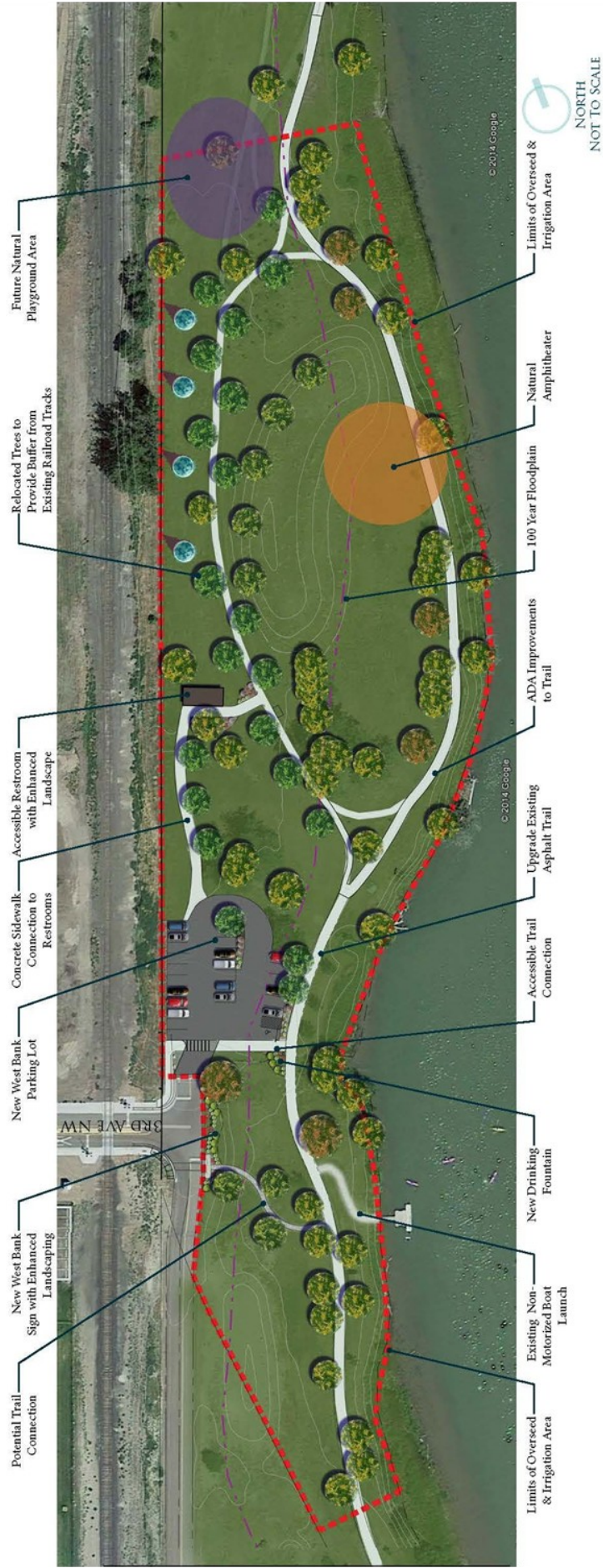
Exhibits A - D.

Cc: Patty Rearden, Deputy Director Park & Recreation Department
Melissa Kinzler, Fiscal Services Director
Jennifer Reichelt, Deputy City Manager

EXHIBIT A - WEST BANK TIF DISTRICT BOUNDARY

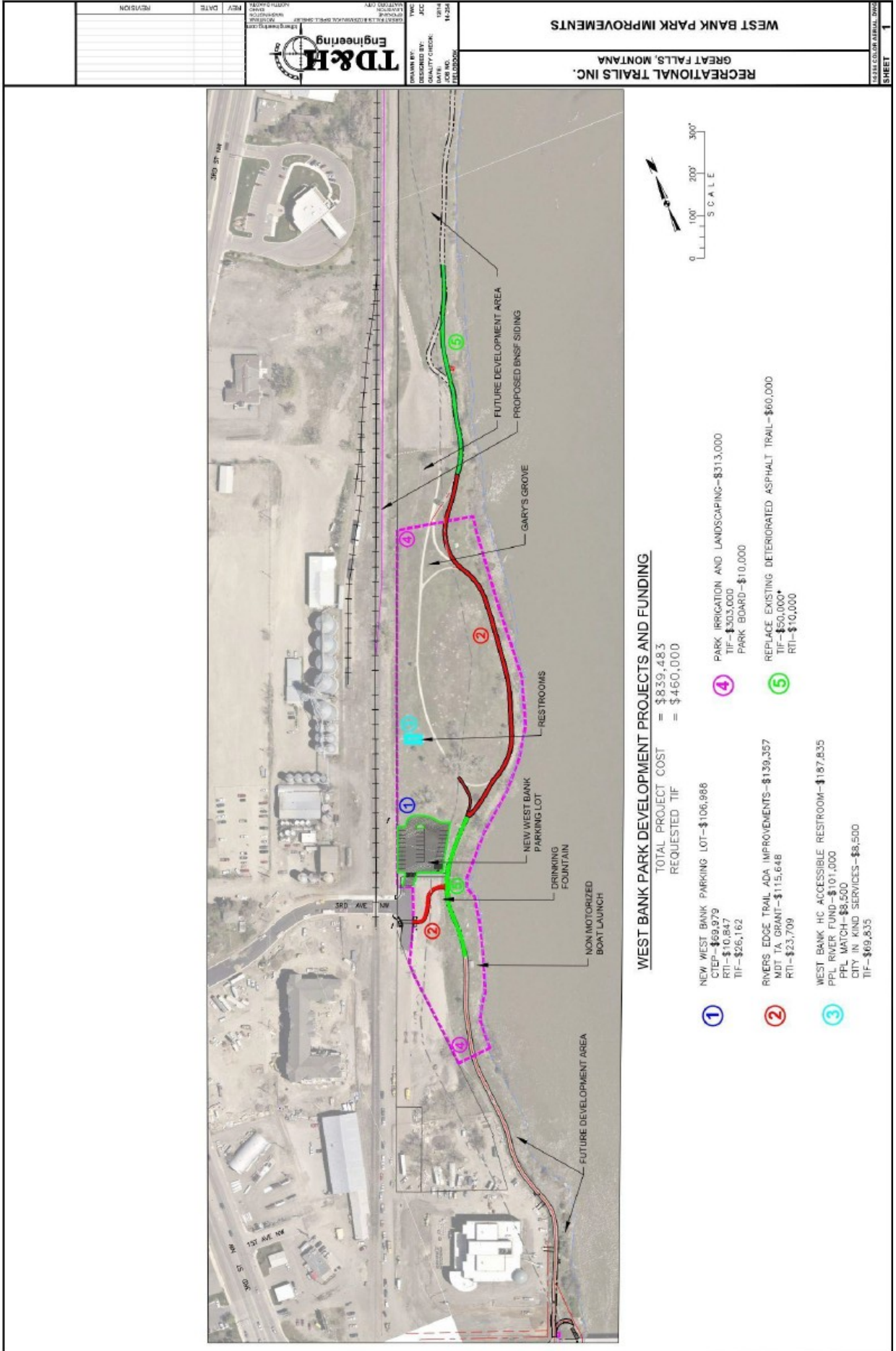


EXHIBIT B - OVERALL WEST BANK IMPROVEMENTS



WEST BANK PARK LANDSCAPE CONCEPT DECEMBER, 2014

EXHIBIT C - WEST BANK IMPROVEMENTS AND FUNDING SOURCES



WEST BANK PARK DEVELOPMENT PROJECTS AND FUNDING

TOTAL PROJECT COST = \$839,483
 REQUESTED TIF = \$460,000

- ① NEW WEST BANK PARKING LOT—\$106,986
 CTEP—\$69,979
 RTI—\$10,847
 TIF—\$26,162
- ② RIVERS EDGE TRAIL ADA IMPROVEMENTS—\$139,357
 MDT TA GRANT—\$115,648
 RTI—\$23,709
- ③ WEST BANK HC ACCESSIBLE RESTROOM—\$187,835
 PPL RIVER FUND—\$101,000
 PPL MATCH—\$8,500
 CITY IN KIND SERVICES—\$8,500
 TIF—\$69,835
- ④ PARK IRRIGATION AND LANDSCAPING—\$313,000
 TIF—\$203,000
 PARK BOARD—\$10,000
- ⑤ REPLACE EXISTING DETERIORATED ASPHALT TRAIL—\$60,000
 TIF—\$50,000*
 RTI—\$10,000

REVISION	DATE	REV

TD&H Engineering
 1000 N. 10TH AVENUE, SUITE 100
 GREAT FALLS, MONTANA 59404
 PHONE: (406) 761-1234
 FAX: (406) 761-1235
 WWW.TD&H.COM

PROJECT NO. 18-0000
 DATE: 11-2018
 DRAWN BY: JCC
 CHECKED BY: JCC
 DATE PLOTTED: 11-2018

RECREATIONAL TRAILS INC.
 GREAT FALLS, MONTANA
 WEST BANK PARK IMPROVEMENTS

62525 COLORADO AVE. 1000
 SHEET 1

EXHIBIT D – APPLICATION
