

COMMITTEE OF THE WHOLE

August 19, 2024

6:00 PM

1. Update on Lewistown Land Use Plan
2. Review of budget and certified values

NOTICE FOR, AND AGENDA FOR, A REGULAR MEETING OF THE CITY COMMISSION, CITY OF LEWISTOWN, AUGUST 19, 2024 AT 7:00 P.M. AT THE CENTRAL MONTANA COMMUNITY CENTER LOCATED AT 307 W WATSON

To participate virtually the options are as follows:

To join by zoom: <https://zoom.us/j/8486275925?pwd=dTVGbndDK253ZUJLMjRuZXU5QVpMdz09>

Meeting ID: 848 627 5925 Passcode: 59457

CALL TO ORDER

PLEDGE OF ALLEGIANCE

ROLL CALL

APPROVAL OF MINUTES – July 15, 2024 and August 5, 2024

COURTESIES

PROCLAMATIONS

BOARD AND COMMISSION REPORTS

CITY MANAGER REPORT

PUBLIC COMMENT – non agenda items

CONSENT AGENDA

Acknowledgement of the claims that have been paid from August 1, 2024 to August 15, 2024 for a total of \$71,978.77

***REGULAR AGENDA – Resolutions, Ordinances & Other Action Items:**

1. Discussion and action on Resolution No. 4162, a resolution approving an application from W. Randall (“Randy”) Hafer and Janna Hafer, for a TIF revolving loan (**Action: approve, disapprove or amend Resolution No. 4162**) City Manager Holly Phelps
2. Discussion and action on approving the 2024-2025 annual plan for the Tax Increment Finance District (**Action: approve, disapprove or amend the 2024-2025 annual plan for the TIF District**) City Manager Holly Phelps
3. Discussion and action on approving the 2024-2025 annual plan for the Targeted Economic Development District (**Action: approve, disapprove or amend 2024-2025 annual plan**) City Manager Holly Phelps
4. Public hearing to hear comments on Resolution No. 4159, a resolution approving the fiscal year 2025 work plan and budget for Tourism Business Improvement District #1
5. Discussion and action on approving Resolution No. 4159, a resolution approving the fiscal year 2025 work plan and budget for Tourism Business Improvement District #1 (**Action: approve, disapprove or amend Resolution No. 4159**) City Manager Holly Phelps
6. Discussion and action on approving Resolution No. 4160, a resolution approving an assessment to defray the cost of the work plan and budget for Tourism Business Improvement District #1 for fiscal year 2025 (**Action: approve, disapprove or amend Resolution No. 4160**) City Manager Holly Phelps
7. Discussion and action on approving Resolution No. 4161, a resolution relating to adopting a preliminary budget and providing a date for public hearing and adoption thereof for the fiscal year beginning July 1, 2024 and ending June 30, 2025 (**Action: approve, disapprove or amend Resolution No. 4161**) City Manager Holly Phelps

CITIZENS’ REQUESTS

COMMISSIONER’S MINUTE

ADJOURNMENT

* All citizens are invited to make comment on any agenda item prior to action being taken by the Commission

RESOLUTION NO. 4162

**A RESOLUTION APPROVING AN APPLICATION
FROM W. RANDALL ("RANDY") HAFFER AND JANNA
HAFFER, FOR A TIF REVOLVING LOAN**

WHEREAS, the Lewistown City Commission has adopted Ordinance No. 1748 – An Ordinance establishing the Lewistown Urban Renewal Area, creating the Lewistown Urban Renewal District and adopting the Lewistown Urban Renewal District Plan; and

WHEREAS, by Resolution number 3903 the City created an Urban Renewal Agency per 7-15-4232 Montana Codes Annotated (MCA), which was designated as the “Lewistown Improvement District Board” to engage in activities authorized in 7-15-4234 MCA and provide administrative functions; and

WHEREAS, the Commission re-designated the “Lewistown Improvement District Board” as the “Lewistown Tax Increment Financing District Board” by Resolution 3923; and,

WHEREAS, the Commission appointed a Lewistown Tax Increment Financing District Board (hereafter, the “TIF Board”) in order to manage the Lewistown Urban Renewal District created by Ordinance 1748; and,

WHEREAS, the TIF Board oversees the operation of the Lewistown Urban Renewal District, including public purpose activities; promotional activities; façade building conservation and loan programs; and administrative functions; and,

WHEREAS, the TIF Board exercises those powers authorized by law as specified in Resolution 3923; and,

WHEREAS, the TIF Board has developed the Lewistown TIF District (LTD) Program whereby qualified applicants may apply for TIF District Program Funds for assistance in redevelopment or rehabilitation of properties within the Urban Renewal District; and,

WHEREAS, through its LTD Program the TIF Board has received numerous applications for TIF District Program Funds, has reviewed the same and, has recommended approval of several applicants for those funds; and,

WHEREAS, the City Commission has retained final budgetary authority for TIF program activities.

NOW, THEREFORE, BE IT RESOLVED, that the Lewistown City Commission hereby approves the following applications for a TIF RLF Loan as recommended by the TIF Board:

1. W. Randall ("Randy") Hafer and Janna Hafer, for documentation and permitting process for the Broadway Apartments Project, 206 6th Avenue North, Lewistown, Montana, a \$100,000.00 loan charged at 5% interest over 10 years, with a balloon payment at 7 years, and interest only payments for the first year.

BE IT FURTHER RESOLVED, that This approval also includes the guarantee that the TIF RLF remains in first position unless negotiations result in other terms that are then approved by the TIF Board and Lewistown City Commission.

PASSED AND APPROVED this ____ day of August 2024.

KellyAnne Terry, Chairperson
Lewistown City Commission

Attest:

Nikki Brummond
City Financial Officer/Clerk

Lewistown TIF FY 2024-25 Budget & Workplan

Revenue:

Estimated 2025 Tax Revenue		\$565,878.00
Remaining 2024 Taxes to be Received		
Projected Cash at 6-30-24		<u>\$1,039,704.00</u>
Total Revenues		\$1,605,582.00
Funds Allocated to Revolving Loan Fund	40%	\$642,232.80
Remaining 2024 TIF Funds		\$963,349.20

Expense:

	%	Amount
Management/SMDC and other Operating Expense	1%	\$9,633.49
Private Property Investment	25%	\$240,837.30
Infrastructure Investment	45%	\$433,507.14
Discretionary Investment Opportunities	19%	\$183,036.35
Funds Allocated to Reserve/future funding opportunities	10%	\$96,334.92
Total Budget	100%	<u>\$963,349</u>

Annual Workplan:

The TIF board's budget continues to prioritize private and public investment to generate taxable value. These projects include but are not limited to improving building façades, infrastructure and other public benefits. (parking, upper story housing)

The board will work to expand their knowledge of revolving loan funds and bonding options in order to be more prepared to take on larger projects moving forward.

The investment plan and application are used to determine eligible applicants and projects.

Snowy Mountain Development staff continues to act as administrators for the board.

Lewistown TED FY 2024-25 Budget & Workplan

Revenue:

Estimated 2025 Tax Revenue	\$154,081.00
Remaining 2024 Taxes to be Received	
Projected Cash at 6-30-24	\$338,386.00
Total Revenue	\$492,467.00

Item	%	Amount
Private Property Investment	10%	\$49,247
Infrastructure Investment	65%	\$320,104
Discretionary Investment Opportunities	15%	\$73,870
Funds Allocated to Reserve/future funding opportunities	10%	\$49,247
Total Budget	100%	\$492,467

Annual Workplan:

The TED board's budget continues to prioritize private and public investment to generate taxable value.

These projects include but are not limited to improving infrastructure.

The investment plan and application are used to determine eligible applicants and projects.

Snowy Mountain Development staff acts as administrator for the board.

RESOLUTION NO. 4159

A RESOLUTION APPROVING THE FISCAL YEAR 2025 WORK PLAN AND BUDGET FOR TOURISM BUSINESS IMPROVEMENT DISTRICT #1

WHEREAS, Resolution 3806 adopted by the Lewistown City Commission created Tourism Business District #1 (TBID #1) effective February 1, 2013, in order to increase tourist trips and promote and benefit the tourism and lodging industry in Lewistown; and

WHEREAS, TBID #1 provides funding that will promote the health, safety, prosperity, security, and general welfare and will convey a special benefit to the properties within the boundaries of the Tourism Business Improvement District;

WHEREAS, Section 7 of Resolution 3806 requires a work plan and budget be submitted and approved by the City Commission each year:

Powers and Duties of Trustees. The appointed Trustees shall have the powers and duties set out in Sections 7-12-1121 through 7-12-1133, M.C.A. and any other applicable laws, ordinances or regulations. At a time determined by the City Commission, the Board of Trustees shall submit to the City Commission for approval a work plan and budget for the ensuing fiscal year. The City Commission may modify the work plan and budget as it considers necessary and appropriate.

WHEREAS, the duly appointed Trustees for TBID #1 have submitted a proposed work plan and budget for FY2025 which has been reviewed by the City Commission and the Commission finds the same to be appropriate and within the purposes as set forth by law for tourism business district uses;

WHEREAS, the work plan and budget submitted by the Board provides for liability insurance coverage insuring the District, the Board, and the City of Lewistown against legal liability

for personal injury and property damage in an amount deemed appropriate by the City.

WHEREAS, as provided by MCA Section 7-12-1132(3), and after due notice being given, the City Commission held a public hearing on objections to the proposed work plan and budget and considered all comments made at such hearing;

NOW, THEREFORE, BE IT RESOLVED, that the attached FY2025 Work Plan and budget for TBID #1 is hereby approved.

APPROVED by the City Commission of the City of Lewistown, Montana this 19th day of August 2024.

KellyAnne Terry
Chairman of the Commission

ATTEST:

Nikki Brummond, City Clerk

RESOLUTION NO. 4160

A RESOLUTION APPROVING AN ASSESSMENT TO DEFRAY THE COST OF THE WORK PLAN AND BUDGET FOR TOURISM BUSINESS IMPROVEMENT DISTRICT #1 FOR FISCAL YEAR 2025

WHEREAS, Resolution 3806 adopted by the Lewistown City Commission created Tourism Business District #1 (TBID #1) effective February 1, 2013, in order to increase tourist trips and promote and benefit the tourism and lodging industry in Lewistown; and

WHEREAS, TBID #1 provides funding that will promote the health, safety, prosperity, security, and general welfare and will convey a special benefit to the properties within the boundaries of the Tourism Business Improvement District;

WHEREAS, MCA Section 7-12-1132(3) requires the governing body to levy an assessment upon all of the property in the district using as a basis one of the methods prescribed in MCA Section 7-12-1133 and the City has previously selected the method to be used in Resolution 3806:

Assessments. All lodging facilities, as defined in Section 8, that are within the District will be assessed for their proportionate share of the costs of maintaining the activities of the Tourism Business Improvement District as prescribed in Section 7-12-1133(2)(c) M.C.A. The assessments to fund the work plan for the first fiscal year are to be collected from all lodging facilities with 6 or more rooms within the boundaries of the district and all such lodging facilities shall be subject to an assessment of one dollar (\$1.00) per occupied room night. Stays by persons who are otherwise exempt from paying a transient occupancy tax (a.k.a. lodging facility use tax), as provided in Sections 15-65-101 through 15-65-136 MCA, shall be exempt from the assessment. The assessments may

be modified annually by adoption of a resolution or adoption of the City's budget.

WHEREAS, the City finds that the method and amount of assessment as described in Resolution 3806 is appropriate for FY 2025 and does not require modification.

NOW, THEREFORE, BE IT RESOLVED, that all lodging facilities that are within TBID #1 will be assessed for their proportionate share of the costs of maintaining the activities of the Tourism Business Improvement District as prescribed in Section 7-12-1133(2)(c) M.C.A. The assessments to fund the work plan for the fiscal year 2022 shall be collected from all lodging facilities with 6 or more rooms within the boundaries of the district and all such lodging facilities shall be subject to an assessment of one dollar (\$1.00) per occupied room night. Stays by persons who are otherwise exempt from paying a transient occupancy tax (a.k.a. lodging facility use tax), as provided in Sections 15-65-101 through 15-65-136 MCA, shall be exempt from the assessment.

APPROVED by the City Commission of the City of Lewistown, Montana, this 19th day of August 2024.

KellyAnne Terry
Chairman of the Commission

ATTEST:

Nikki Brummond, City Clerk

In accordance with City of Lewistown Ordinance No. 3806 this is the Work Plan and Budget for FY 24-25 using a July 1, 2024 through June 30, 2025 fiscal year.

Revenue	BUDGET
Projected Collections in 1 st FY Quarter (Jan., Feb., March 2025)	\$6,000.00
Projected Collections in 2 nd FY Quarter (April, May, June 2024)	\$10,000.00
Projected Collections in 3 rd FY Quarter (July, August, Sept. 2024)	\$15,000.00
Projected Collections in 4 th FY Quarter (Oct., Nov, Dec. 2024)	<u>\$9,000.00</u>
Total Revenues	\$40,000.00
Carryover from FY24 (estimated)	\$20,000.00
Total Funds	<u>\$60,000.00</u>

Expenditures Budgeted

Based on the previous year, this work plan has been developed to be broad enough to address upcoming opportunities and yet focused enough to comply with the intent of the TBID's mission of generating room nights for lodging facilities in the City of Lewistown, Montana and Fergus County by effectively marketing our region as a preferred travel destination.

Funding is being allocated to five areas including a reserve fund, as follows:

Sponsorship/Event	\$10,000.00
Marketing	\$35,000.00
Other Opportunities	\$2,000.00
Admin Operation Costs including insurance	<u>\$1,000.00</u>
Total Expenditures Budgeted	\$48,000.00
Reserves:	<u>\$15,000.00</u>
Total	<u>\$63,000.00</u>

Sponsorship/Event	\$10,000.00
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Business Enhancement expenditures are defined as activities that enhance the hotelier business by generating room nights within the community. Activities may include sponsorship of school and non-school sporting tournaments, recruitment of recreational activities, events, conferences, conventions, community activities, and other sponsorships.

Marketing**\$35,000.00**

Marketing expenditures are defined as expenses related to promotion of the region as a preferred travel destination. Marketing may include advertising in brochures, catalogues, flyers, or other printed or methods of communicating the value of traveling to and staying in Lewistown and Fergus County. Marketing is the process of communicating the value of a product or service through positioning to customers. Marketing can be looked at as an organizational function and a set of processes for creating, delivering and communicating value to customers, and managing customer relationships in ways that benefit the organization.

Marketing is often thought as these four methods: relationship marketing, internal marketing, integrated marketing, and socially responsive marketing. The set of engagements necessary for successful marketing management includes, capturing marketing insights, connecting with customers, building strong brands, shaping the market offerings, delivering and communicating value, creating long-term growth, and developing marketing strategies and plans.

Other Opportunities**\$2,000.00**

There may be times when a circumstance presents itself that the board has not considered, this category allows the board some discretionary funds to advance the mission of the TBID by utilizing this opportunity. Opportunities will most likely fall outside of the other funding categories.

Admin Operation Costs including insurance**\$1,000.00**

State law (7-12-1143) requires the annual budget and work plan provide for liability insurance coverage insuring the District, the Board, and the City of Lewistown against legal liability for personal injury and property damage in an amount deemed appropriate by the City.

Total Expenditures Budgeted**\$48,000.00****Reserves:****\$15,000.00**

An amount will be held in reserves to aid in cash flow and insure funds are readily available when needed. This amount is 10-30% of the total available funds.

Total**\$63,000.00**

RESOLUTION NO. 4161

A RESOLUTION RELATING TO ADOPTING A PRELIMINARY BUDGET AND PROVIDING A DATE FOR PUBLIC HEARING AND ADOPTION THEREOF FOR THE FISCAL YEAR BEGINNING JULY 1, 2024 AND ENDING JUNE 30, 2025

WHEREAS:

1. MCA Section 7-6-4020 provides that "A preliminary annual operating budget must be prepared for the local government."
2. MCA Section 7-6-4024 provides that the "governing body shall hold a hearing [on the preliminary budget] in accordance with the notice given pursuant to 7-6-4021."
3. The City Commission has prepared a preliminary annual operating budget for fiscal year 2025 and desires to provide notice to the public of its preparation and set a date for public hearings and adoption of the same;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF LEWISTOWN, MONTANA:

That the preliminary budget for the City of Lewistown for fiscal year 2025 has been prepared.

BE IT FURTHER RESOLVED that the City Clerk shall provide notice to the public in the form and manner provided by law as follows:

1. That the City Commission has completed its preliminary annual budget for the fiscal year 2025
2. That the preliminary budget has been placed on file at the Lewistown City Office, 305 W. Watson, Lewistown, Montana and is open to inspection Monday through Friday from 8:00 a.m. until 5:00 p.m.
3. That the Lewistown City Commission will meet on **September 3, 2024 at the hour of 7:00 p.m.** at the Central Montana Community Center, 307 W. Watson, Lewistown, Montana, for the purpose of approving a final budget and making appropriations; and
4. That any taxpayer or resident may appear at the meeting and be heard for or against any part of the proposed budget.

PASSED by the Commission of the City of Lewistown, Montana, on this 19th day of August 2024.

KellyAnne Terry, Chairman of the Commission

ATTEST:

Nikki Brummond, City Clerk