

Attachment A: Economic Development Funding Tools Summary

Tool	Key Advantages	Key Disadvantages	Best Used When...
Tax Increment Financing (TIF)	<ul style="list-style-type: none"> - Leverages future tax revenue - Attracts private capital - Flexible uses 	<ul style="list-style-type: none"> - Diverts revenue from General Fund - Complex to manage - Politically sensitive (SB 2, SB 539) 	<ul style="list-style-type: none"> - There's a defined district - Project needs gap financing - ROI will exceed public investment
Impact Fees	<ul style="list-style-type: none"> - "Growth pays for growth" - Reduces burden on existing ratepayers 	<ul style="list-style-type: none"> - May deter development - Legal complexity - Cannot fix pre-existing deficiencies 	<ul style="list-style-type: none"> - Growth is steady - Infrastructure pressure is measurable - Strong policy support exists
Grants (Federal/State/Private)	<ul style="list-style-type: none"> - Outside funding source - Supports strategic priorities - Encourages partnerships 	<ul style="list-style-type: none"> - Competitive - Requires match funding - Does not cover lifecycle costs 	<ul style="list-style-type: none"> - Projects are shovel-ready - City has matching funds - Project aligns with grant criteria
Special Improvement Districts (SID)	<ul style="list-style-type: none"> - Costs tied to direct benefit - Supports localized upgrades 	<ul style="list-style-type: none"> - Property owner opposition - Only funds neighborhood-scale improvements 	<ul style="list-style-type: none"> - Property owners see direct benefit - Target area needs basic infrastructure
Recovery Rates for New Development	<ul style="list-style-type: none"> - Transparent cost-sharing - Builds capital reserves - Supported by local law/code 	<ul style="list-style-type: none"> - Needs detailed program design - May be perceived as duplicative 	<ul style="list-style-type: none"> - New development triggers infrastructure upgrades - City wants to avoid General Fund burden
Private Developer Funding	<ul style="list-style-type: none"> - No public subsidy - Simplifies process - Reduces public risk 	<ul style="list-style-type: none"> - Delays projects - Missed opportunities - Uneven infrastructure quality 	<ul style="list-style-type: none"> - Strong private ROI exists - Project is market-ready - Public doesn't want to subsidize
Enterprise Fund Direct CIP Development Funding	<ul style="list-style-type: none"> - Predictable revenue stream - Can be allocated for specific infrastructure - Promotes long-term planning 	<ul style="list-style-type: none"> - Politically sensitive - Public resistance to rate hikes - Regressive impact on ratepayers 	<ul style="list-style-type: none"> - Infrastructure is aging or needs expansion - Transparent communication is possible - Enterprise funds are strong and support reinvestment

Attachment B: Utility Rate Impact Summary Scenarios

Rates Proposed on April 15, 2025, Commission Work Session

Proposed Increase			Monthly Impact		Yearly Impact	
Fund	Rate Option #1	Investment Impact	Residential	Commercial	Residential	Commercial
Water	10%	\$1,790,000	\$2.32	\$7.26	\$27.84	\$87.12
Sewer		\$1,230,000	\$2.89	\$9.22	\$34.68	\$110.64
Stormwater		\$420,000	\$0.83	\$1.19	\$9.96	\$14.28
Total		\$3,440,000	\$6.04	\$17.67	\$72.48	\$212.04

Adding Capital for New Infrastructure - \$2 million

The chart below reflects a rate structure that includes a \$2 million dollar Capital Improvement Plan allocation for new infrastructure investment. Eligibility criteria would need to be clarified, but generally new infrastructure investment could include main upsizing, public extension of utility to developed property, and/or new supporting substructure like lift stations.

Total Increase (Proposed Increase + Capital Improvement Investment)			Monthly Impact		Yearly Impact	
Fund	Rate Option	Amount to raise	Residential	Commercial	Residential	Commercial
Water	21.17%	\$3,790,000	\$4.89	\$15.41	\$58.67	\$184.97
Sewer	26.26%	\$3,230,000	\$7.61	\$24.51	\$91.26	\$294.12
Stormwater	57.6%	\$2,420,000	\$5.11	\$6.90	\$61.37	\$82.82
Total		\$9,440,000	\$17.61	\$46.83	\$211.30	\$561.92

Attachment C: Strategic Development Officer Position Proposal
Position Funding

Fund	FY 2025 Revenue Budget	Allocation	Salary	Benefit	Total
<u>Enterprise Funds</u>					
Water	17,940,150	37.2%	44,589.20	18,565.73	63,154.93
Sewer	13,176,105	27.3%	32,748.44	13,635.56	46,384.00
Storm Drain	4,267,500	8.8%	10,606.62	4,416.31	15,022.93
Streets	8,482,823	17.6%	21,083.56	8,778.62	29,862.19
<u>TIF Funds</u>					
Central MT	679,115	1.4%	1,687.90	702.80	2,390.70
Airport	211,678	0.4%	526.11	219.06	745.17
East Industrial	423,567	0.9%	1,052.75	438.34	1,491.09
West Bank	1,000,220	2.1%	2,485.99	1,035.10	3,521.09
Downtown	2,100,000	4.3%	5,219.43	2,173.23	7,392.66
	48,281,158		120,000.00	49,964.75	169,964.75

* Allocation is based off of the Enterprise Funds revenues.

Position Overview

The **Strategic Development Officer (SDO)** serves as the City of Great Falls’ lead representative for coordinating economic development initiatives, managing public-private partnerships, and overseeing key infrastructure financing tools such as Tax Increment Financing (TIF) and Special Improvement Districts (SIDs). Reporting to the City Manager’s Office, the SDO is the primary point of contact for developers and business stakeholders, guiding projects through early planning stages and ensuring alignment with City policies, funding capacities, and infrastructure priorities. This role is grounded in the ethical stewardship of public resources and is responsible for advocating fair, transparent, and financially responsible development practices. The SDO leads cross-departmental coordination, advises the City Manager and Commission on growth strategies, and maintains trusted relationships with economic development partners and the public. A strong understanding of municipal finance, land use, and infrastructure policy—combined with diplomacy, integrity, and strategic focus—is essential to this position.

Attachment D: Development Process and Decision Authority Matrix (Macro)

Step	Staff Role / Authority	What Staff Cannot Do	Commission Role	Developer Must Provide
1. Pre-Application	SDO coordinates early engagement with Planning, Public Works, Legal, Finance, Fire, and Police. Provides overview of city policies, funding tools, and infrastructure availability.	Cannot make promises of funding or entitlements.	N/A	Project description, site plan, and preliminary concept.
2. Internal Review	Departments analyze infrastructure capacity, layout, and service demand. Fire reviews for life safety code compliance; Police evaluates public safety access.	Cannot grant waivers or alter master plans.	N/A	Technical drawings, utility estimates, zoning context.
3. Staff Negotiation	SDO and Planning negotiate development terms, agreements, and recommend feasibility based on Growth Policy and City capability.	Cannot finalize incentives or commit public funds.	N/A	Infrastructure cost estimates, proposed TIF/SID or funding requests.
4. Formal Application	Planning finalizes reports, schedules hearings. Legal, Finance, Fire, and Public Works review technical and legal details.	Cannot approve annexation, zoning, or subdivision.	Conducts public hearings and votes on entitlements and agreements.	Application packets, notifications, community meeting participation.
5. Commission Decision	Staff presents recommendations, impact analysis, and legal/financial review.	N/A	Votes on final agreements, zoning, annexation, and funding terms.	Final engineering plans, signed agreements, pro forma if incentives used.
6. Implementation	Public Works oversees infrastructure installation. Planning ensures conditions are met. Fire conducts compliance inspections.	Cannot change terms post-approval without Commission action.	Reviews progress as needed; may amend policies or funding strategy.	As-builts, construction schedules, maintenance and compliance reports.

* Whether an SDO is hired or not, we're looking for Commission concurrence with processes.

Continued Attachment D: Development Functional Process Outline (Macro)

Function	Responsible Department(s)	Staff Role	Planning Board Role	City Commission Role
Annexation & Zoning Entitlements	Planning & Community Development (P&CD)	Review, negotiate terms, prepare reports	Conducts hearing, recommends approval/denial	Final approval of annexation and zoning decisions
Subdivision Review	P&CD	Leads technical review, coordination, and staff reports	Hearing and recommendation	Final approval
TIF Requests	P&CD / Finance	Pre-app review, prepare analysis, recommend	N/A	Approves or denies funding/incentive request
Utility Infrastructure (Water/Sewer/Storm)	Public Works	Layout, cost share, approve below-threshold expenses in agreements	N/A	Approves agreements, SIDs, bonding, master plans
Streets/Traffic Infrastructure	Public Works	Layout, cost share, approve up to \$250K per FY	N/A	Approves long-range transportation plans and agreements
Legal Review & Risk	Legal	Ensures agreements comply with state law, assists with negotiation	N/A	N/A
Fiscal Oversight & Cost Modeling	Finance	Analyzes cost impacts, TIF, SIDs, user rates	N/A	Approves funding mechanisms and budgets
Developer Negotiation/Coordination	Strategic Development Officer (CM Office)	Primary point of contact, aligns City interests across departments	N/A	Advisory role to Commission; ensures alignment with goals and policy

Attachment E: City Commission Developer Expectations

Proposed Statement by the City of Great Falls to Developers: The City of Great Falls supports strategic development that contributes to the community's long-term health, economic vitality, and infrastructure sustainability. Developers seeking to build within city limits or receive public investment are expected to engage early, align with adopted plans and policies, contribute equitably to infrastructure costs, and demonstrate long-term public value. The City is committed to being a fair and responsive partner in this process.

Best Practices: Developer Expectations Framework

1. Early Engagement & Pre-Application Coordination

- **Expectation:** Developers should initiate engagement with the City early—prior to land acquisition or design.
 - **Best Practice:** Require or strongly encourage a formal **Pre-Application Meeting** with the Strategic Development Officer (SDO), Public Works, Planning, and Finance.
 - **Benefit:** Clarifies infrastructure needs, timeline, and available public tools (e.g., TIF, SID) before design is locked in.
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2. Infrastructure Responsibilities & Cost Sharing

- **Expectation:** Developers are primarily responsible for onsite and direct offsite infrastructure required for their project.
 - **City Role:** The City may contribute to *oversizing* infrastructure if it aligns with adopted master plans or capital improvement strategies.
 - **Best Practice:** Require developers to submit a **Public Infrastructure Impact Analysis** if requesting cost share or incentives.
 - **Rationale:** This avoids the perception of giveaways and ensures public investment matches broader benefit.
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3. Alignment with Plans & Policies

- **Expectation:** All projects must align with the **Growth Policy, Zoning Ordinance, Infrastructure Master Plans, and Design Standards.**
 - **Best Practice:** Require a narrative from the developer explaining how the project aligns—or why an exception is justified.
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4. Transparency and Lifecycle Accountability

- **Expectation:** Developers requesting TIF, SID, or rate-based incentives must provide:
 - Estimated construction value and timing
 - Revenue forecast (taxable value, utility fees)
 - Long-term impact on City services (e.g., streets, water, police/fire)
 - **Best Practice:** Explore using a **6:1 public value-to-infrastructure ratio benchmark** for evaluating project feasibility.
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5. Public Process Respect & Coordination

- **Expectation:** Developers will participate in required public hearings and coordinate with affected Neighborhood Councils when appropriate.

- **Best Practice:** Avoid direct lobbying of Commissioners before public hearing; direct communications through SDO or staff leads.
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6. Incentive Requests: Defined Process

- **Expectation:** All requests for TIF, SID, or cost participation must:
 - Be submitted in writing with supporting financials
 - Undergo staff vetting and fiscal analysis
 - Be formally reviewed by the City Commission
- **Best Practice:** Establish a **Development Incentives Policy** or application checklist to standardize submissions.