

**JOURNAL OF COMMISSION WORK SESSION**  
**August 7, 2012**

City Commission Work Session

Mayor Winters presiding

**CALL TO ORDER:** 5:30 p.m.

**ROLL CALL:** City Commissioners present: Michael J. Winters, Bill Bronson, Fred Burow, Mary Jolley, and Robert Jones.

**STAFF PRESENT:** Deputy City Manager; Chief Prosecutor; Directors of Planning and Community Development, and Public Works; Fire Chief; Police Captain; and the City Clerk Administrative Secretary.

**1. CENTRAL MONTANA AG-TECH PARK UPDATE**

Central Montana Ag-Tech Park (CMAT) representative Joe Stanek provided a PowerPoint presentation update on the project. Mr. Stanek reported that he and his wife own a portion of CMAT called Dali LLC. They also purchased the Montgomery Energy project, one of two members of the Tax Increment Financing (TIF) district called CMAT. He reviewed additional road and land ownership in the area.

Mr. Stanek noted Ordinance 2911, adopted May 17, 2005, related to the Central Montana Agricultural and Technology Park Tax Increment Industrial Infrastructure District. He noted MCA 7-15-4288(4) provides that the cost of acquiring a rail spur may be paid by tax increment financing.

Mr. Stanek noted the \$75,000 Master Plan for CMAT, created by the Great Falls Development Authority (GFDA) in June 2006, was put on hold. He reviewed information provided to the Department of Revenue in November, 2005, for CMAT infrastructure projects.

Mr. Stanek noted a \$40,000 Master Plan, paid by Dali and GFDA, was created for the land east of Black Eagle that is referred to as Great Bear Innovation Park, 980 acres zoned heavy industrial by Cascade County. Annexation of 125 acres was approved by the City Commission approximately six months ago.

Mr. Stanek reviewed a sewer, water, storm, rail and topo survey master plan, a comprehensive power grid layout, and an easement to Dali into the NorthWestern Energy switchyard.

Mr. Stanek noted fees have been paid for the 125 acres that have been annexed. A portion of road leading to Black Eagle road has been paved. He reported on the final draft of the protective covenants, conditions, and restrictions for Great Bear Innovation Park.

Mr. Stanek reported a new turn lane was set aside on Highway 87 by the State of Montana around 2005. He reviewed plans for the Montgomery Energy property, including 35 acres north of that property. He noted the property is owned free and clear.

Mr. Stanek reviewed the approved Burlington Northern (BN) track concept that can be tied into the BN line. He noted Montana Fish, Wildlife & Parks (MFWP) granted GFDA an easement for public use, and BN donated GFDA a rail line to promote CMAT.

Mr. Stanek requested permission from the GFDA to use the easement. He also requested an easement from MFWP.

Mr. Stanek discussed the water line agreement that goes into CMAT; Cascade County is the recipient and GFDA is the sub-recipient.

Mr. Stanek concluded that (1) the Dali has 1080 acres zoned I-2 Heavy Industrial, master planned with no debt, away from population, housing and Giant Springs; (2) 60 acres (Montgomery Energy) are annexed, zoned I-2 with all industrial utilities and a Highway 87 off-ramp; (3) 125 acres are approved for annexation by the City as I-2 Heavy Industrial as Phase One of Great Bear Innovation Park; (4) the CMAT TIF District is in place with \$700,000 in the account, growing at \$150,000 per year, and MCA 7-17-4208 permits the purchase of a rail spur with TIF money; and (5) BN is ready to begin construction on the track.

Mr. Stanek proposed that Dali would (1) obtain financing to build the rail spur; (2) finish the annexation of 125 acres of Phase One of Great Bear Innovation Park; and (3) finish the subdivision of the Montgomery Energy parcel, allowing for seven lots immediately for sale. He requested that GFDA (1) grant the right to use the easement granted by MFWP for public use; (2) obtain MFWP permission to modify the boundary to allow Great Bear Innovation Park to gain access; and (3) enter into an option agreement with Dali on the same terms and conditions as the one now held by GFDA above Giant Springs.

Mr. Stanek requested the City (1) finish the Master Plan for CMAT; and (2) pledge existing and future funds from the TIF District for repayment of the rail spur construction.

## **2. AGRI-TECH PARK TIF DISTRICT**

Great Falls Development Authority President Brett Doney introduced Montana Advanced Biofuels LLC President Gary Hebener; Roger Doney, Trustee of the Loy Trust, owner of the land for both Montana Advanced Biofuels LLC site and the Great Falls Agri-Tech Park; and, Dan Huestis, farmer of that land.

Mr. Doney noted he had been talking with City Manager Greg Doyon about creating a tax increment financing (TIF) district for both the Great Falls Agri-Tech Park and Montana Advanced Biofuels LLC sites. Mr. Doney discussed the site area using [www.google.com/earth](http://www.google.com/earth).

Mr. Doney reported that the first phase of the Agri-Tech Park will be considered at the 7 p.m. City Commission meeting following this work session. He noted that a TIF district is needed to extend infrastructure for the area and rebuild a county gravel road to City standards, if annexation is approved. An EDA grant application will be reconsidered in September, and notice should be received by the end of October. He added plans are to continue the Great Falls Agri-Tech Park in phases, moving east.

With the recent Canadian prospect, Mr. Doney reported there is a timing issue. As an alternate, a minor subdivision could be created in the County with a TIF district until annexation by the City.

Mr. Doney stated special requests would be made after the TIF district is created. He believes requests would be similar to the Staybridge Suites project, with no risk to the City.

Mr. Doney hopes to hear about the Canadian prospect by the end of August, 2012. Progress is being made on the City approval process for the Agri-Tech Park. He requested to begin laying the groundwork for a TIF district so approval could be given as soon as the subdivision is approved.

The long term benefit of the TIF would be high-wage jobs and a tax base. The down side of the TIF is that taxes are not available immediately to pay for police, fire, schools, etc.

Mr. Doney believes that without the TIF tool, projects would not happen; the infrastructure is too much of an upfront cost. He reviewed the costs of providing rail access. He noted that he expects the Agri-Tech Park to hold approximately two dozen companies, and most will provide capital investment between \$5 - \$8 million and 12-15 jobs.

Commissioner Jones questioned which companies were planning to start up in the Agri-Tech Park. Mr. Doney responded that seven companies have expressed a strong interest. Pacific Steel & Recycling is the only committed company. If the Canadian company chooses Great Falls, the other companies would need to go in later phases.

Commissioner Jolley questioned if Pacific Steel & Recycling and the Canadian company need rail line. Mr. Doney responded that both companies do need rail line. TIF would be used to bring the line between the two lots.

Commissioner Jolley questioned what kind of proposal was made without the EDA grant that also needed matching funds, and where the matching funds would come from for the EDA grant. Mr. Doney responded that the offer made to the Canadian company was contingent on TIF funds to be used for the EDA grant match.

Commissioner Jolley questioned where the funds would come from if the EDA grant was not received. Mr. Doney responded that improvements would be done for the Canadian company; additional improvements east would be done with further development. The Canadian company is aware the proposal is dependent on the creation of a TIF district.

Mr. Doney noted if the Canadian company proposal is not accepted, they will move ahead with the first ten lots. If the County subdivision dual route is taken, City standards would be met.

Commissioner Jolley asked if the City can annex a County TIF district. Mr. Doney responded that an intergovernmental agreement may be needed so the City would recognize that TIF district when the property is annexed.

Commissioner Burow asked if the contact information for the Canadian company had been provided to Mr. Stanek. Mr. Doney responded they are under a confidentiality agreement with the company; however, he noted the company was shown what was available as far out of town as they were interested.

Commissioner Burow asked if there would be a need to continue beyond Phase One of the Agri-Tech Park if Mr. Stanek is able to move forward with CMAT. Mr. Doney responded that the more options that are available to show a prospect, the better. He reported that GFDA is now using [www.loopnet.com](http://www.loopnet.com).

Commissioner Burow asked Mr. Stanek if CMAT is moving forward. Mr. Stanek responded that he must have a master plan to proceed. He discussed concerns with competing with a semi-government agency. Plans are to move ahead with CMAT; however, GFDA holds the easement.

Mayor Winters asked Mr. Stanek if CMAT has anchored parties. Mr. Stanek responded that Montana Specialty Mills and a couple of manufacturers have shown interest.

### ADJOURN

There being no further discussion, Mayor Winters adjourned the informal work session of August 7, 2012, at 6:42 p.m.