



Item: East Industrial Park Comprehensive Development Plan - Ordinance 3105
From: Michael Haynes, AICP, Director Planning and Community Development
Initiated By: Planning and Community Development Department
Presented By: Michael Haynes, AICP, Director Planning and Community Development
Action Requested: City Commission accept Ordinance 3105 on first reading and set a public hearing for May 7, 2013, to consider adoption of Ordinance 3105.

Suggested Motion:

1. Commissioner moves:

“I move that the City Commission (accept/deny) Ordinance 3105 on first reading and set a public hearing for May 7, 2013.”

2. Mayor calls for a second, discussion, public comment, and calls the vote.

Staff Recommendation:

It is recommended that the City Commission accept Ordinance 3105 on first reading and set the public hearing regarding the East Industrial Park Comprehensive Development Plan for May 7, 2013.

Background:

Tax Increment Financing (TIF) is a state authorized, locally driven funding mechanism allowing cities and counties to direct property tax dollars that accrue from new development, within a specifically designated district, to community and economic development activities. To utilize TIF, a municipality must take the following steps:

1. Document the existence of infrastructure deficiencies that discourage economic investment in an industrial area.
2. Establish the boundaries of the industrial area.
3. Adopt a Comprehensive Development Plan, including a Tax Increment Financing provision.

On March 5, 2013, the City Commission approved Resolution 10014 that addressed steps one and two. Step three can be implemented through the adoption of Ordinance 3105; the adoption of a Comprehensive Development Plan which will guide the industrial development program and

public infrastructure projects in the infrastructure deficient district. Montana Statutes require that the adopted comprehensive development plan include a provision to utilize TIF as part of the City's urban renewal program.

The 2005 City of Great Falls Growth Policy provides a goal-driven, action oriented blueprint to guide economic development in Great Falls. It is anticipated that the establishment of the East Industrial Park and the provision of TIF funds will allow the City to catalyze and incentivize private development through a series of strategic investments and improvements to implement the strategies and recommendations outlined in the Growth Policy.

The City has worked with a number of public agencies and organizations, and private stakeholders, in the initial steps of establishing the Tax Increment Financing Industrial District. To date, the following tasks have been accomplished through the work of this public/private partnership:

- Defined, described and mapped the boundaries of the industrial district;
- Prepared a "Resolution of Necessity", as proposed to be required and defined in Montana Statute;
- Prepared a resolution finding infrastructure deficiency, as approved by the City Commission; and
- Prepared a draft East Industrial Park Comprehensive Development Plan (EIPCDP).

In accordance with Section 7-15-4299 MCA, the zoning of the East Industrial Park has been submitted to the Great Falls City Planning Advisory Board for review and the Board found the PUD – Planned Unit Development with an underlying zoning of I-2 Heavy Industrial and the I-2 Heavy Industrial zoning of the area is zoned for light or heavy industrial use in accordance with the Great Falls Growth Policy. Additionally, Section 7-15-4213, MCA, requires the City's Planning Advisory Board to review and provide written recommendation to the City Commission regarding the EIPCDP's conformance with the City's Growth Policy. On March 12, 2013, the Planning Advisory Board unanimously concurred with the staff recommendation and found that the EIPCDP conforms to the Growth Policy.

Concurrences: The City Manager's Office has been involved with representatives from a variety of public and private organizations and agencies throughout the development of the EIPCDP including: Montana Department of Revenue, Cascade County, and the Great Falls Development Authority, among others. These groups have worked with several City departments including Planning and Community Development, Public Works, Fiscal Services and the City Attorney.

Fiscal Impact: It is anticipated that actions resulting from the Plan will increase the overall taxable value of the proposed district through strategic public and private investment. The increase in taxable value from a set baseline level as of January 1, 2013 will be re-directed back into the district. The increment that is derived from the increase in taxable values therefore will stay in the district and will not be available to be used elsewhere in the City.

Alternatives: The City Commission could deny Ordinance 3105 and not set the public hearing.

Attachments/Exhibits:

Ordinance 3105

East Industrial Park Comprehensive Development Plan

Resolution 10014

Exhibit A – Proposed CMAT TIFID

Planning Advisory Board written recommendation to City Commission

Planning Advisory Board Resolution

CC:

Jim Rearden, Public Works Director

Dave Dobbs, City Engineer

Patty Cadwell, Neighborhood & Youth Council Coordinator

Melissa Kinzler, Director of Fiscal Services

Pat Halcro, City Mapping & Addressing

Susan Conell, Cascade County, sconell@casadecountymt.gov

Great Falls Development Authority, Brett Doney, bdoney@gfdevelopment.org

Janet Cornish, janet@cdsofmontana.com

ORDINANCE 3105

AN ORDINANCE ESTABLISHING A TAX INCREMENT FINANCING INDUSTRIAL DISTRICT PROGRAM TO ASSIST IN FINANCING NECESSARY INDUSTRIAL INFRASTRUCTURE TO ENCOURAGE THE ATTRACTION, GROWTH AND RETENTION OF SECONDARY, VALUE-ADDING INDUSTRIES;

CREATING AND APPROVING THE EAST INDUSTRIAL PARK TAX INCREMENT FINANCING INDUSTRIAL DISTRICT; ESTABLISHING THE BOUNDARIES THEREOF AND ADOPTING THE EAST INDUSTRIAL PARK COMPREHENSIVE DEVELOPMENT PLAN;

INCLUDING A TAX INCREMENT FINANCING PROVISION PURSUANT TO SECTIONS 7-15-42 AND 43 MCA; PROVIDING FOR DEFINITION OF TERMS; ESTABLISHING THE COSTS WHICH MAY BE PAID BY TAX INCREMENT FINANCING INDUSTRIAL DISTRICTS; ESTABLISHING JANUARY 1, 2013 AS THE BASE TAXABLE YEAR; PROVIDING FOR THE REPEAL OF ALL PARTS OF ORDINANCES AND RESOLUTIONS IN CONFLICT HEREWITH; AND PROVIDING FOR AN EFFECTIVE DATE HEREOF.

* * * * *

WHEREAS, the procedure provided in Title 7, Chapter 15 Parts 42 and 43 of the Montana Code Annotated (MCA) authorizes municipalities to exercise statutory development powers through comprehensive industrial development plans and projects; and,

WHEREAS, the City of Great Falls is interested in fostering the development, growth and retention of secondary, value-adding industries as part of the City's overall goals to promote, stimulate, develop and advance the general welfare, commerce, economic development and prosperity of the citizens of Great Falls, Cascade County, and the State of Montana; and,

WHEREAS, the City of Great Falls is interested in using Tax Increment Financing as a tool to foster economic and community development; and,

WHEREAS, the City Commission adopted Resolution 10014, which established the boundaries of the East Industrial Park, as generally located both north and south of 18th Avenue North, and both east and west of 67th Street North, and determined the existence of infrastructure deficiencies in the area; and,

WHEREAS the creation of a Tax Increment Financing Industrial District (“TIFID”), as authorized in Sections 7-15-4282 through 4293, MCA, will help fund the supportive public infrastructure needed for the development of secondary, value-adding industries in the East Industrial Park area; and,

WHEREAS, the East Industrial Park Comprehensive Development Plan, including a Tax Increment Financing provision, has been prepared to guide the industrial development program and public infrastructure projects in the infrastructure deficient area established by Resolution 10014; and,

NOW, THEREFORE, BE IT ORDAINED BY THE COMMISSION OF THE CITY OF GREAT FALLS, MONTANA:

That Tuesday, the 7th day of May, 2013, at 7:00 P.M. in the Commission Chambers of the Civic Center, Great Falls, Montana, be and the same is hereby set as the time and place at which the City Commission shall hear all persons relative to the proposed East Industrial Park Comprehensive Development Plan, including a provision for Tax Increment Financing; and,

BE IT FURTHER ORDAINED BY SAID CITY COMMISSION that the City Clerk of the City shall forthwith cause notice of the Ordinance to adopt the East Industrial Park Comprehensive Development Plan be: (1) published in the Great Falls Tribune, the newspaper published nearest such land; and (2) posted in three public places.

Section 1

Definitions. The following terms wherever used or referred to in this Ordinance shall have the following meanings:

(1) “Tax increment financing industrial district” means a district designated as such by the City Commission in accordance with the provisions of this Ordinance, consisting of a continuous area within an accurately described boundary, zoned for light or heavy industrial use in accordance with the Great Falls *Growth Policy*, and is found to be deficient in infrastructure improvements for industrial development.

(2) “Actual taxable value” means the taxable value of taxable property at any time, as calculated from the assessment roll last equalized.

- (3) “Base taxable value” means the actual taxable value of all taxable property within a tax increment financing industrial district prior to the effective date of a tax increment financing provision. This value may be adjusted as provided in Sections 7-15-4287 or 7-15-4293, MCA.
- (4) “East Industrial Park Tax Increment Financing Industrial District” means the tax increment industrial infrastructure district created by this Ordinance.
- (5) “Incremental taxable value” means the amount, if any, by which the actual taxable value at any time exceeds the base taxable value of all property within a tax increment financing industrial district.
- (6) “Tax increment” means the collections realized from extending the tax levies, expressed in mills, of all taxing bodies which the tax increment financing industrial district or a part thereof is located, against the incremental taxable value.
- (7) “Taxes” means all taxes levied by a taxing body against property on an ad valorem basis.
- (8) “Industrial district” means a tax increment financing industrial district.
- (9) “Industrial infrastructure development project” means a project undertaken within or for an industrial district that consists of any or all of the activities authorized by Section 7-15-4288, MCA.
- (10) “Act” means Title 7, Chapter 15, Parts 42 and 43, Montana Code Annotated.

Section 2

Findings. Based on representations made to the City Commission to date and taking into consideration all comments received, including those made at a public hearing duly held on May 7, 2013, after proper legal notice was given, the City Commission does hereby make the following findings, determinations and declarations regarding the East Industrial Park Tax Increment Financing Industrial District, which is hereinafter referred to as the District:

- (1) The property to be included in the District consists of a continuous area with an accurately described boundary, and the district encompasses approximately 395 acres, more than large enough to host a diversified tenant base of multiple independent tenants.
- (2) The City Commission adopted Resolution 10014, which established the boundaries of the East Industrial Park, as generally located both north and south of 18th Avenue North, and both east and west of 67th Street North.
- (3) In accordance with Section 7-15-4299 MCA the zoning of the East Industrial Park has been submitted to the Great Falls City Planning Advisory Board for review and the Board found the PUD – Planned Unit Development with an underlying zoning of I-2 Heavy Industrial and the I-2 Heavy Industrial zoning of the area is zoned for light or heavy industrial use in accordance with the Great Falls Growth Policy.

- (4) The property to be included in the District does not contain property included within an existing urban renewal area district technology infrastructure development district or aerospace transportation and technology district created pursuant to this part.
- (5) The City Commission adopted Resolution 10014, a resolution of necessity, which determined the existence of infrastructure deficiencies in the area, and that the area will likely not be developed to its potential, without the provision of public infrastructure improvements.
- (6) The goal of the District is the development of secondary, value adding industries, in order to sustain and grow its economy over time.
- (7) The District has as its purpose the development of infrastructure to encourage the growth and retention of secondary, value-adding industries.
- (8) In the District, infrastructure development will require the upgrade of water and sewer services, transportation and utility upgrades, stormwater collection and treatment, extension of rail service, and other facility and services improvements.
- (9) In accordance with Section 7-15-4213 MCA the East Industrial Park Comprehensive Development Plan has been submitted to the Great Falls City Planning Advisory Board for review and the Board found the East Industrial Park Comprehensive Development Plan to conform to the Great Falls Growth Policy.
- (10) The comprehensive development plan for the District authorizes the use of tax increment financing in support of making infrastructure improvements. As revenues permit, the City of Great Falls may issue tax increment financing bonds in support of these activities.
- (11) The Act requires that prior to final adoption of this Ordinance; the City Commission shall hold a public hearing on the creation of the proposed District. Pursuant to such authority, notice of a public hearing to be held on Tuesday, the 7th day of May, 2013, at 7:00 P.M. in the Commission Chambers of the Civic Center, Great Falls, Montana, was on published April 21 and 28, 2013, and mailed by certified mail to all property owners in the district, giving notice of the public hearing in substantially the form presented in, and attached.

Section 3

Establishment of the District. The East Industrial Park Tax Increment Financing Industrial District is hereby established.

Section 4

Boundaries. A legal description and map of the District is found in the attached Comprehensive Development Plan for the District.

Section 5

Comprehensive Development Plan for the District. A plan describing existing infrastructure, existing infrastructure deficiencies, and industrial development activities to be undertaken within the District is attached.

Section 6

Base Year. For the purpose of calculating the incremental taxable value for each year of the life of the District, the base taxable value shall be calculated as the taxable value of all real and personal property within the District, as of January 1, 2013.

Section 7

Tax Increment Provision. Cascade County is hereby authorized to segregate, as received, the tax increment derived in the District, and use and deposit such increment into the District Fund for use as authorized by the Act and as authorized herein or by the City Commission from time to time.

Section 8

Costs That May be Paid From Tax Increments. The tax increments received from the District may be used to directly pay costs of approved infrastructure projects, or to pay debt service on bonds issued to finance infrastructure improvements as defined under the Act as may from time to time be approved by the City Commission. The City Commission hereby authorizes the use of tax increment in the District to be used to pay debt service on internal and bank financed loans issued to finance all or a portion of the costs of eligible improvements in compliance with the Act, and subject to any limitations imposed by the Montana Constitution.

Section 9

Term of the Tax Increment Financing Provision. The tax increment financing provision of the District will terminate in accordance with state law.

Section 10

Effect of Industrial Infrastructure Development Project. The creation of an industrial infrastructure development project or the approval of an industrial infrastructure development project does not affect, abrogate or supersede any rules, ordinances, or regulations of the City relating to zoning, building permits, or any other matters.

Section 11

Conflict with Other Ordinances and Resolutions. All parts of ordinances and resolutions in conflict herewith are hereby repealed.

Section 12

Effective Date. The effective date of this Ordinance is thirty days after final adoption on second reading. This Ordinance shall be in full force and effect on June 6, 2013.

APPROVED by the City Commission of the City of Great Falls, Montana, on first reading April 2, 2013.

Michael J. Winters, Mayor

ATTEST:

Lisa Kunz, City Clerk

(CITY SEAL)

APPROVED FOR LEGAL CONTENT:

David L. Nielsen, Interim City Attorney

State of Montana)
County of Cascade : ss
City of Great Falls)

I, Lisa Kunz, City Clerk of the City of Great Falls, Montana, do certify that I did post as required by law and as prescribed and directed by the Commission, Ordinance 3105 in three conspicuous places within the limits of said City to-wit:

- On the Bulletin Board, first floor, Civic Center Building;
- On the Bulletin Board, first floor, Cascade County Court House;
- On the Bulletin Board, Great Falls Public Library

Lisa Kunz, City Clerk

(CITY SEAL)

East Industrial Park Tax Increment Financing District Comprehensive Development Plan - Great Falls, Montana



1. INTRODUCTION AND OVERVIEW

The City of Great Falls is committed to fostering the development of secondary, value adding industries, including manufacturing businesses in order to sustain and grow its economy over time. To this end, the City plans to create a tax increment financing industrial district (TIFID) at a site known as the East Industrial Park for a proposed rail-served heavy industrial park with an emphasis on value-added processing of agricultural products.



However, in order to facilitate development, a variety of infrastructure deficiencies must be addressed, including water, sewer, storm drainage, roadway and rail service. Tax Increment Financing will be a key component in a comprehensive funding strategy to address these

infrastructure deficiencies and will enable Great Falls to leverage other local, state and federal dollars to achieve its goals.

The 2005 Great Falls Growth Policy sets forth a series of goals in support of future economic development including the following:

- Diversify the base economy.
- Enhance, strengthen, and expand the existing economic base.

Further, the Growth Policy specifically points to the need to encourage “value added” manufacturing businesses in both agriculture and non-agriculture sectors. Public investments in infrastructure in the East Industrial Park in support of value adding industry will enable the City to meet these critical goals.

Tax Increment Financing will be a key component in a comprehensive funding strategy to address these infrastructure needs and will enable the City of Great Falls to leverage other local, state and federal dollars to achieve its goals.

The City of Great Falls

The population of Great Falls (2011 Census Estimate) is 58,950, showing a slight increase since the 2010 Census, when the population was 58,505 and an increase of over 3% since the 2000 census. The median income for Great Falls in 2011 adjusted dollars is \$42,105,

below the state's median of \$44,392 and well below the federal median, which is \$51,484. 27,041 persons are in the Great Falls' civilian labor force including 768 in manufacturing. (American Community Survey 3-year estimate, 2009-2011) According to the Bureau of Labor Statistics, the estimated unemployment rate as of December, 2012 is 5.1%.

Great Falls is located in north-central Montana, in Cascade County. The City is bordered on the west by the Rocky Mountains and to the southeast by the Little Belt and Highwood Mountains. Nearly eighty years after the Lewis and Clark Expedition first explored the "great falls of the Missouri" in 1805, Paris Gibson visited the area and envisioned a prosperous community along the mighty river. Within a few years, Gibson and other early settlers designed and built an attractive, well-planned community with broad, tree-lined streets and over 800 acres of parkland. More settlers arrived in Great Falls in the 1890s to join in the growing development of mining, logging, farming, ranching, and hydroelectric power development, the lattermost becoming the mainstay of the economy.

During the first half of the 20th century, Great Falls grew into a more diverse, urbanized community. As natural resource-based economic activity declined, it was replaced by the military, manufacturing and service sectors. Today, the qualities that first brought settlers to Great Falls continue to attract new residents, businesses and visitors to the beauty, resources, opportunities, and quality of life offered here. (Great Falls Growth Policy)

History of Industrial Development in Great Falls

In its early years, industrial development in the City of Great Falls was generally located along the Missouri River and rail lines within the downtown core, in close proximity to the City's residential neighborhoods. Through the 19th and 20th centuries, as transportation and industrial technologies advanced, industrial development gradually moved towards the outlying areas of the City. These areas typically provided convenient highway and rail access, as well as separation from incompatible residential and retail land uses around the core.

The 2005 Great Falls Growth Policy indicates that approximately 1,868 acres (3.1%) of the City is used for industrial activities. The Growth Policy favors future industrial development to be in the form of industrial park or other campus like patterns, in locations with ease of access by multiple types of transportation, limited environmental impacts and the potential for generating related growth.

East Industrial Park Tax Increment Financing Industrial District

The City of Great Falls intends to establish a Tax Increment Financing Industrial District at a site known as the East Industrial Park. The base year for the purposes of measuring any incremental value will be 2013 and the base value will be calculated as of January 1, 2013.

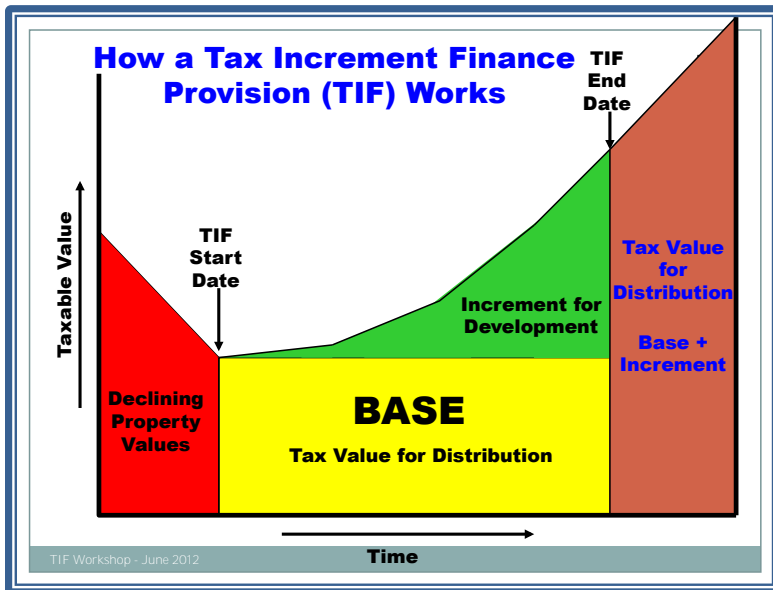


Figure 1. Schematic of Tax Increment Financing

Tax increment financing is a mechanism that allows communities to use new tax dollars resulting from increasing taxable value for reinvestment within the geographic area in which they are derived for a period of 15 years, or up to 40 years if the incremental taxes were pledged to the repayment of a bond. (Figure 1.) Until 1989, tax increments could only be used for rehabilitation efforts within urban

renewal areas, which were usually blighted central business districts. In 1989, the Montana Legislature amended the Montana Urban Renewal Law to enable municipalities to create special industrial districts which could employ tax increment financing to assist in the development and retention of secondary, value-adding industries. In doing so, the Legislature noted that the State of Montana wishes to encourage secondary, value-adding industrial manufacturing that uses Montana timber, mineral, oil and gas, coal and agricultural resources in the production of goods in the state. The legislation recognized that secondary, value-adding industries, in order to be competitive in today's world economy, require expensive infrastructure that is beyond the means of most Montana communities. Senate Bill 472 resulted in Section 7-15-4299 Montana Code Annotated (MCA), originally codified in 1989 and amended in 2007. This law enables communities to assist in industrial development in areas that are deemed to be infrastructure deficient. Tax increment financing may now be used for improvements as defined in 7-15-4288 MCA.

In March of 2008, the Montana Department of Revenue, under its administrative rule making authority, more specifically defined "secondary industries" as those that use

mechanical or chemical processes to transform materials or substances into new products in the manner defined as manufacturing in the North American Industry Classification System Manual. These industries engage in the:

- Processing of raw materials, such as minerals, ore, oil, gas, coal, agricultural products, and forestry products; or
- Processing of semi-finished products that are used by the industry as a raw material in further manufacturing.

"Value-added" is defined as an increase in the worth of the raw or semi-finished product that results from a mechanical or chemical transformation and may not be attributable to a mere increase in existing production.

In order to make use of this innovative economic development strategy, the City of Great Falls must adopt a **comprehensive industrial development plan**, which defines the specific geographic area within which the tax increment will be measured and reinvested. Further, the plan must outline those activities that the local government intends to undertake in order to successfully develop (or retain) value-adding industrial activity. Further, the boundaries of the district must ensure that the district can host a diversified tenant base of multiple independent tenants.

2. DISTRICT DESCRIPTION

The East Industrial Park is generally located north of 18th Avenue North, both east and west of 67th Street North.

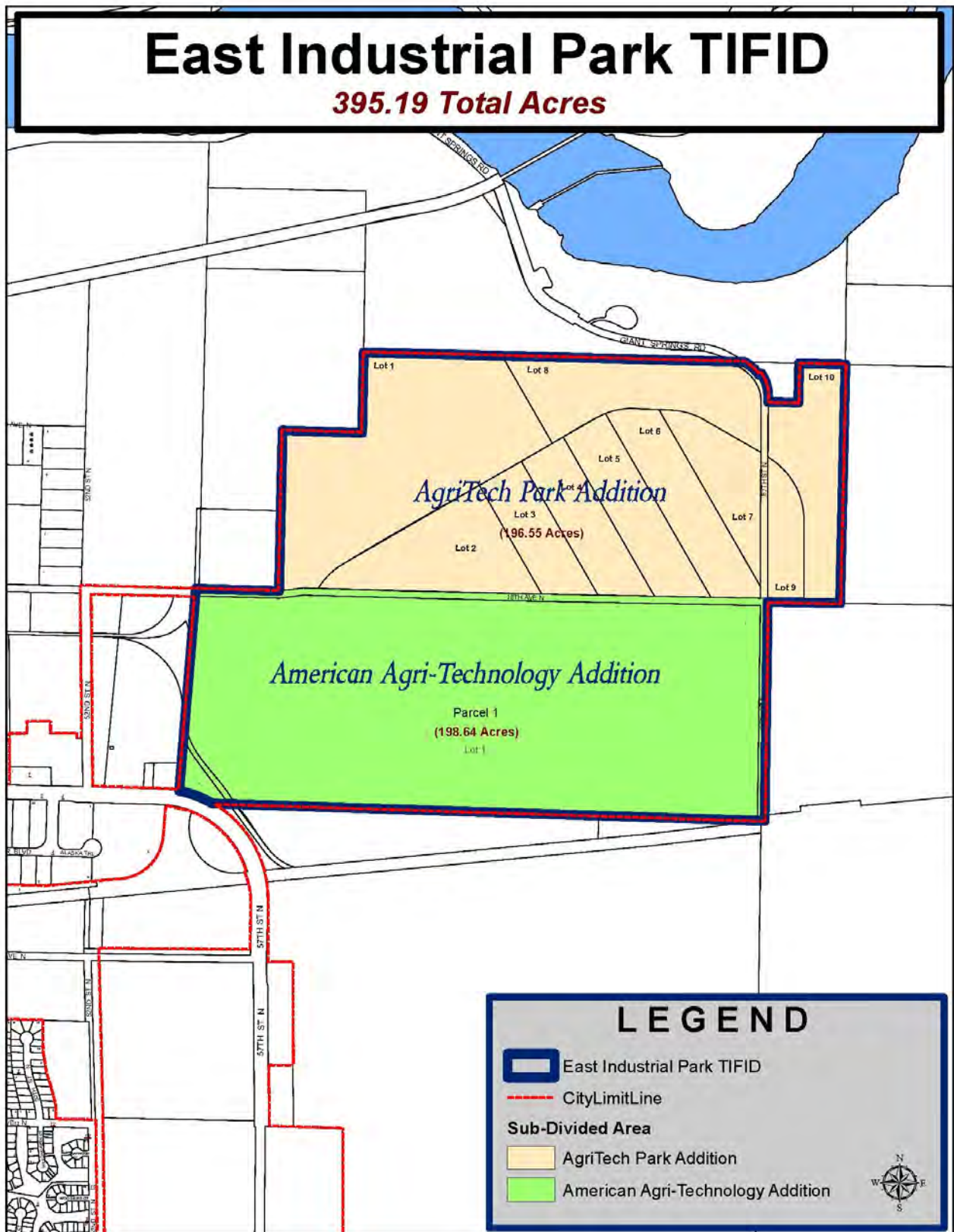
Legal Description

The East Industrial Park TIFID encompasses 395.19 acres and is described as follows:

"All of the new Agri-Tech Park Addition including Lots 1-10, and platted right of way, 196.55 acres, located in T21N, R4E, Section 34 and all of Parcel 1 (Lot 1) of the American Agri-Technology Addition...198.64 Acres, located in T20N, R4E, Section 3...P.M.M. Cascade County, Montana"

The new district boundary will be described as follows: All (Lots 1-10) of AgriTech Park Addition and its platted right of way...and all of parcel 1 (that includes platted right of way), of the American Agri-Technology Addition.

Map of the East Industrial Park TIFID



3. GOALS OF THE EAST INDUSTRIAL PARK TIFID

Considerations:

- In preparing the 2005 Great Falls Growth Policy, the staff solicited input and recommendations related to economic development from business people, residents and Neighborhood Council members. Comments received call for a “sustainable” economy that strengthens the community without degrading the high quality of life in the area. Citizens stressed that the overall economic development goal is to establish and expand those sectors of the economy that will employ people in high-paying jobs, support families, and enhance the community. They noted that, in planning for economic growth, industries that can both offer high-paying jobs and enhance the quality of life in the community should be pursued.
- Great Falls is fortunate to be home to many natural amenities and features, including the areas in close proximity to the proposed East Industrial Park. Adjacent to, and north of, the Park is Giant Springs State Park comprised of state-owned (Fish Wildlife and Parks - FWP) land and PPL Montana land managed by FWP. West of the Park is largely undeveloped property owned by water-bottler Source Giant Springs with some industrial uses beyond that (north of 18th Avenue North and west of 52nd Street North). East of the Park is more undeveloped land owned by the Loy Trust, with Whitmore Ravine running generally south to north through that property and out-falling into the Missouri River.
- The City of Great Falls is surrounded by prime agricultural land capable of producing large quantities of consistently high quality grains and livestock, critical to the area’s economic base.

Based on these critical considerations, the goals of the East Industrial Park Tax Increment Financing Industrial District are:

Based on these critical considerations, the goals of the East Industrial Park Tax Increment Financing Industrial District are:

- To foster economic vitality in the City of Great Falls and increase employment opportunities through infrastructure development in support of secondary value-adding industry
- To provide support for industries that preserve the quality of life for all residents
- To help assure that industrial development activities reflect the City of Great Falls’ commitment to the stewardship of its agricultural and natural resources including the Missouri River Corridor and associated restoration, interpretive, recreation and conservation programs currently underway

- To encourage secondary, value adding industries that take advantage of the area's vast agricultural resources
- To facilitate the investment in a site suitable for industrial development based on its proximity to both rail and highway transportation infrastructure.

4. INFRASTRUCTURE ANALYSIS – STATEMENT OF INFRASTRUCTURE DEFICIENCY

As noted above, the development of secondary, value-adding industries in the East Industrial Park will require upgrades to water and sewer services and rail services. In addition, the location of the site, in close proximity to the Missouri River, will require that projects are designed in a fashion that protects the integrity of the River Corridor and associated amenities. More specifically, the deficiencies can be described as follows:

1. **Water, Sewer and Rail** – The proposed East Industrial Park has one lot located south of 18th Avenue North, eight lots located on the north of 18th Avenue North and, two lots located east of 67th Street North. The site will require extensions of water and sewer to serve industrial uses from their existing location in 18th Avenue North east to 67th Street North, then both north and south on 67th Street North. Development of the District will also require creation of a lift station. In addition, the site will require extensions of the existing rail spur, that now runs south of, and parallel to, 18th Avenue North to just east of 52nd Street North. The rail will need to be extended to the east to serve the lot south of 18th Avenue North and cross 18th Avenue North northeasterly through the northern lots in the District, ultimately crossing 67th Street and then running south between the two lots, located east of 67th Street North.
2. **Roadway** – There are two public roadways within the District and improvements to both of these roadways are necessary. 18th Avenue North requires a 2-inch overlay from the existing location of the 5-inch asphalt thickness easterly to 67th Street North. 67th Street North requirements will include a geotextile, 12-inch thickness gravel subbase, 3-inch thickness crushed gravel and 5-inch thickness asphalt cement concrete. The width of the pavement shall be 36 feet. In addition, 6-foot wide paved bicycle lanes are required on both 18th Avenue North and 67th Street North.
3. **Utilities** – Telephone, cable, natural gas, fiber optic and electricity are available to the property. However, with the exception of electricity, these services will need to undergo significant upgrade to accommodate industrial uses. While these utilities are present in the area, most of the property is not served. Therefore, in addition to upsizing current utility infrastructure, extensions of these facilities will be required to serve individual needs.

4. **Stormwater and Land Related Concerns** – There are currently stormwater/drainage and groundwater investigations underway for areas within the District. The findings of these reports may require off-site improvements including an outfall storm drain and other associated storm water infrastructure. Additional stormwater infrastructure will be identified as development occurs on each lot in the District.
5. **General Improvements** – Additional infrastructure and public services deficiencies will be identified over time. For example, emergency services buildings and equipment, site security, transloading and cargo facilities, and other improvements and services may be required.

5. INDUSTRIAL DEVELOPMENT ACTIVITIES TO BE UNDERTAKEN

The City of Great Falls will work with other public entities and private developers to establish an industrial and economic development framework to enable it to target and recruit secondary, value-adding industries. Targeted industries will likely include agri-processing, as Great Falls has a significant competitive advantage over other markets. The City’s location within the Golden Triangle region of north-central Montana provides access to a wide-variety of consistently high-quality wheat, barley and other small grains.

Additionally, the proximity to a variety of energy sources, rail transportation and a major highway network enhances the City’s potential for general manufacturing, energy generation, steel fabrication and other value adding industries.

Identification of secondary, value-adding industries

A list of industries that could be targeted for development within the East Industrial Park Tax Increment Financing Industrial District is presented in Table 1, by North American Industry Classification System (NAICS) code.

Table 1. Potential Industries for the East Industrial Park	
NAICS Code	Industry
236210 Industrial Building Construction	This industry comprises establishments primarily responsible for the construction (including new work, additions, alterations, maintenance, and repairs) of industrial buildings (except warehouses). The construction of selected additional structures, whose production processes are similar to those for industrial buildings (e.g., incinerators, cement plants, blast furnaces, and similar non-building structures), is included in this industry. Included in this industry are industrial building general contractors, industrial building for-sale builders, industrial building design-build firms, and industrial building construction management firms.
Sector 23237 Heavy and Civil Engineering	The Heavy and Civil Engineering Construction subsector comprises establishments whose primary activity is the construction of entire engineering projects (e.g., highways and dams), and specialty trade contractors, whose primary activity is the production of a

<p>Construction</p>	<p>specific component for such projects. Specialty trade contractors in Heavy and Civil Engineering Construction generally are performing activities that are specific to heavy and civil engineering construction projects and are not normally performed on buildings. The work performed may include new work, additions, alterations, or maintenance and repairs.</p> <p>Specialty trade activities are classified in this subsector if the skills and equipment present are specific to heavy or civil engineering construction projects. For example, specialized equipment is needed to paint lines on highways. This equipment is not normally used in building applications so the activity is classified in this subsector. Traffic signal installation, while specific to highways, uses much of the same skills and equipment that are needed for electrical work in building projects and is therefore classified in Subsector 238, Specialty Trade Contractors.</p> <p>Construction projects involving water resources (e.g., dredging and land drainage) and projects involving open space improvement (e.g., parks and trails) are included in this subsector. Establishments whose primary activity is the subdivision of land into individual building lots usually perform various additional site-improvement activities (e.g., road building and utility line installation) and are included in this subsector.</p> <p>Establishments in this subsector are classified based on the types of structures that they construct. This classification reflects variations in the requirements of the underlying production processes.</p>
<p>32311 Prefabricated Metal Building and Component Manufacturing</p>	<p>This U.S. industry comprises establishments primarily engaged in manufacturing prefabricated metal buildings, panels, and sections.</p>
<p>332812 Metal Coating, Engraving (except Jewelry and Silverware), and Allied Services to Manufacturers</p>	<p>This U.S. industry comprises establishments primarily engaged in one or more of the following: (1) enameling, lacquering, and varnishing metals and metal products; (2) hot dip galvanizing metals and metal products; (3) engraving, chasing, or etching metals and metal products (except jewelry; personal goods carried on or about the person, such as compacts and cigarette cases; precious metal products (except precious plated flatware and other plated ware); and printing plates); (4) powder coating metals and metal products; and (5) providing other metal surfacing services for the trade. Included in this industry are establishments that perform these processes on other materials, such as plastics, in addition to metals.</p>
<p>3112 Grain and Oilseed Milling 311224 Soybean and Other Oilseed Processing</p>	<p>This U.S. industry comprises establishments primarily engaged in crushing oilseeds and tree nuts, such as soybeans, cottonseeds, linseeds, peanuts, and sunflower seeds. Examples of products produced in these establishments are oilseed oils, cakes, meals, and protein isolates and concentrates.</p>
<p>325193 Ethyl Alcohol Manufacturing</p>	<p>This U.S. industry comprises establishments primarily engaged in manufacturing nonpotable ethyl alcohol.</p>

221117 Biomass Electric Power Generation	This U.S. industry comprises establishments primarily engaged in operating biomass electric power generation facilities. These facilities use biomass (e.g., wood, waste, alcohol fuels) to produce electric energy. The electric energy produced in these establishments is provided to electric power transmission systems or to electric power distribution systems.
221112 Fossil Fuel Electric Power Generation	This U.S. industry comprises establishments primarily engaged in operating fossil fuel powered electric power generation facilities. These facilities use fossil fuels, such as coal, oil, or gas, in internal combustion or combustion turbine conventional steam process to produce electric energy. The electric energy produced in these establishments is provided to electric power transmission systems or to electric power distribution systems.

Further research and analysis will be required to determine which of these industries can be actively recruited based on market conditions and the East Industrial Park’s site’s unique position in the market place. Issues such as energy costs related to operations and transportation, distance from markets and overall industry trends, as well as infrastructure requirements will help determine industries to be targeted.

Capital Improvements Planning and Implementation

The City of Great Falls will undertake the necessary planning required to more particularly identify the infrastructure required to support the development of targeted secondary, value-adding industries. This planning effort will address necessary capital improvements and the associated costs. Infrastructure design and development could include roads and other transportation infrastructure such as rail lines, pedestrian ways, sewage pre-treatment, sewer lines, water wells and mains, utilities, street lighting, communication infrastructure such as cell towers and additional fiber cable and buildings.

TIFID Program Criteria

The City of Great Falls will use tax increment financing in conjunction with other funding mechanisms to support the development of secondary value-adding industry within the East Industrial Park. Infrastructure projects selected for funding will be required to meet certain criteria, based on the goals of this TIFID Plan. Suggested eligibility criteria for reviewing both city-initiated and industry-initiated requests for public infrastructure improvements projects might include the following:

1. The project must be located within the authorized TIFID area.
2. Any developer who wishes to apply for tax increment assistance for the construction of public infrastructure will be asked to enter into an assessment agreement with the local government. An assessment agreement is a document which obligates the developer to pay all property tax obligations for the period

during which the tax increment is being used to assist the developer, but no longer than the authorized life of the tax increment provision of the TIFID in which the development is located. This obligation remains in effect, even in the event that the developer closes or moves its facilities. Further, depending on the nature of the assistance, the developer may have to agree to continue to pay taxes at least at the property tax rate which was in effect at the time the agreement is executed, regardless of changes in the tax rate by the State of Montana.

3. Specific criteria which will be used to evaluate applications for assistance will include but are not limited to:
 - a. Job Creation – Developments will be evaluated based upon the number of direct jobs created. Advantage will be given to developments where the wages and benefits for the jobs meet or exceed the current average Great Falls Per Capita Personal Income.
 - b. Taxable Valuation – In most cases, developers who contribute more to the community’s tax base will be eligible for greater assistance.
 - c. Value-adding – Developers must be engaged in “secondary industries”, defined as those industries that use mechanical or chemical processes to transform materials or substances into new products in the manner defined as manufacturing in the North American Industry Classification System Manual. Those developers which make use of Montana’s mineral, agricultural, energy and timber resources will receive preferential treatment compared to those which do not.
 - d. Leverage-Ratios – Tax increment funds may not be used to finance the entire cost of development. Those investments of tax increment financing which result in a larger infusion of private or other public capital will receive preferential treatment compared to those which result in smaller infusion of private or other public capital.

Each project will be analyzed individually to determine the amount of financial assistance available based upon the factors stated above. Final criteria will be approved by the Great Falls City Commission and employed by the staff in reviewing project proposals.

Financing

Once targeted industries and required capital improvements have been more clearly identified, the next step will be to develop the mechanisms to implement the overall TIFID program. Given that private industrial development will generate the property taxes necessary to finance a portion of the infrastructure development, recruitment and infrastructure development must occur hand in hand. It is likely that construction of public infrastructure will be financed through the sale of Tax Increment Bonds in combination with other state and federal funding programs. Tax increment financing mechanisms can include:

- Tax Increment Bonds – Tax increment revenues would be pledged to pay bond principal and interest annually. The size and term of the bond would depend on tax increment revenues available from private sector taxpayers within the TIFID. While Montana law provides that tax increment districts may only be authorized for 15 years, the time period may be extended to coincide with the term of a tax increment bond, but no longer than an additional 25 years. As noted above, it may be necessary for the private taxpayer(s) to enter into an agreement with the City of Great Falls to assure, for the term of the bond, the annual payment of all property taxes due or an equivalent amount if the taxpayer no longer holds property in the district. The amount of tax increment realized each year must be enough to cover all bond payments due, as well as an adequate reserve.
- Annual Tax Increment Appropriations – The City may finance smaller public infrastructure improvements from its annual tax increment receipts by appropriation. Funds available each year would be determined by the size of the annual increment and any prior commitments (such as bond debt service requirements and administrative costs).
- Tax Increment Financing Revolving Loans – The Montana TIF statutes provide for the establishment of loan programs, whereby TIF funds may be loaned for the construction of private infrastructure or other activities in support of the goals of the TIF district. As principal and interest payments are made, the funds may be loaned again, even after the TIF District sunsets.
- Conventional Financing – The City may borrow funds from commercial lending institutions in order to finance public infrastructure improvements. Annual tax increment revenues will pay principal and interest on the loan. A conventional loan agreement will not, however, extend the authorized 15 year time period for a TIFID.

Per 7-15-4291 MCA, The City of Great Falls may enter into agreements with the other affected taxing bodies to remit to such taxing bodies any portion of the annual tax increment not currently required for the payment of the costs listed in 7-15-4288 MCA or pledged to the payment of the principal of premiums, if any, and interest on bonds.

Industry Recruitment

Once the District is established, local staff and resources and/or consultant services could be used to assist in the development of business plans, market studies and general research to recruit secondary, value-adding industries to the TIFID. Once the District starts generating revenue, TIFID funds may be directed to these activities as well.

Partnership Development

The TIFID program will rely on cooperative efforts among the City of Great Falls, TIFID property owners, and economic development organizations to achieve its goal of fostering industrial development. In many cases, these cooperative partners will work jointly on market analyses, business recruitment and capital improvements planning. Also, as noted above, it will be necessary to work with other local, state and federal entities in providing additional financing and matching funds to build industrial infrastructure in the TIFID. Potential partnerships can be forged using a variety of programs and funding mechanisms. A sampling of these includes:

Programs

- The Treasure State Endowment Program (Montana)
- Community Development Block Grant (U.S. Department of Urban Development)
- The Montana Intercap Program
- Economic Development Administration (U.S. Department of Commerce)
- *Water, Wastewater and Solid Waste Action Coordinating Team* (a group of professionals from state, federal, and non-profit organizations that finance, regulate, or provide technical assistance for community water and wastewater systems)
- Community Transportation Enhancement Program – Under 23 USC 133 (d) (2) (Federal Code), 10 percent of the Surface Transportation Program monies are awarded to each state for transportation enhancements.

Funding Mechanisms

- Local mill levies for transportation infrastructure (7-14-4101 MCA)
- Transportation Improvement Authority (7-14-1001, MCA)
- Special Improvement Districts (7-12-4101 MCA)
- Debt Financing – Counties can make use of various kinds of debt financing to fund industrial development projects. These include general obligation bonds,

special improvement district bonds and revenue bonds as well as Tax Increment Financing Bonds.

- State Fuel Tax (15-70-101MCA)

6. PROGRAM ADMINISTRATION

In the near term, the East Industrial Park Tax Increment Financing Industrial District will be managed directly by the City of Great Falls. No later than April of each year the City Commission, in conjunction with staff, will prepare an annual TIFID budget and work plan for the following fiscal year (July 1st to June 30th). Each annual work plan will include the following elements:

- Anticipated Increment Revenue for the Year
- Project Priorities and Associated Costs
- Financing Strategies Anticipated
 - Direct Increment Revenue
 - Debt Financing
 - Other Sources of Funding
- Administrative Budget including staff and consulting services

The City Commissioners will review the work plan and determine whether any changes are necessary before setting the budget. Once the budget is set, City staff will be responsible for:

- Developing financing strategies
- Working to maintain the Tax Increment Financing Accounts
- Working with City staff, property owners and developers to identify public infrastructure projects for the future
- Reviewing proposed infrastructure development projects for the future
- Following all local government procurement rules with respect to:
 - Preparing bid and proposal requests
 - Reviewing proposals from engineers, contractors and other vendors
 - Making recommendations to the City Commission regarding contractor selection
- Monitoring projects
- Conducting market analyses, engineering studies and project feasibility analyses

The City Commission may consider the formation of a TIFID Advisory Board to work with the Commission in preparing annual budget and work plans, and in TIFID related economic development activities. The Advisory Board would be comprised of five to seven members, including one member of the City Commission. Meeting schedules, agendas and board governance would be jointly decided by the members and the Commission, and in accordance with Montana's open meeting laws. Each member of the

Advisory Board would serve for two years and may be reappointed. The first appointees to the Advisory Board would be appointed in the following manner, to provide for staggered terms:

- Two to three members for one year
- Two members for two years
- One to two member for three years

Following this initial appointment schedule, all Board members would be appointed for a term of two years.

7. PLAN AMENDMENTS

The plan provides flexibility to accommodate a variety of approaches. However, changes over time may necessitate more formal amendments to the Industrial District Plan. If required, amendments will be made by ordinance.

RESOLUTION 10014

A RESOLUTION DECLARING AN INFRASTRUCTURE DEFICIENT AREA EXISTS WITHIN THE CITY OF GREAT FALLS, MONTANA IN AN AREA KNOWN AS THE EAST INDUSTRIAL PARK AND THAT THE INVESTMENT IN INFRASTRUCTURE IN THAT AREA IS NECESSARY IN THE INTEREST OF PUBLIC HEALTH, SAFETY, OR WELFARE OF THE RESIDENTS OF GREAT FALLS AND TO DETERMINE THE BOUNDARIES OF THAT AREA

WHEREAS, the State of Montana has recognized that portions of its cities and counties are deficient in infrastructure improvements for industrial development and therefore constitute an impediment to the growth of infrastructure intensive value-adding economic development; and

WHEREAS, the creation of infrastructure in support of value-adding economic development is a matter of State policy and State concern because the State and its local governments will continue to suffer economic dislocation due to the lack of value-adding industries; and

WHEREAS, municipalities lack sufficient capital to rectify the infrastructure shortage in infrastructure-deficient areas, thus impeding their ability to achieve economic growth through the development of value-adding industries; and

WHEREAS, the procedure provided in Title 7, Chapter 15, Part 42 and 43 of the Montana Codes Annotated authorizes municipalities to exercise statutory development powers through comprehensive industrial development plans and projects, after the municipality has made a finding that an infrastructure deficient area exists that substantially impairs or arrests the sound growth of the city or its environs; retards the development of new and expanded value adding industry; constitutes an economic or social liability and/or is detrimental to the financial wellbeing of the community and its citizens; and

WHEREAS, on September 18, 2012, the City Commission directed the study to determine the infrastructure deficiencies of the proposed East Industrial Park; and

WHEREAS, the City of Great Falls has conducted the study to determine the existence of infrastructure deficiencies in an area known as the East Industrial Park, which is generally located both north and south of 18th Avenue North, both east and west of 67th Street North and in particular found:

1. **Water, Sewer and Rail** – The proposed East Industrial Park has one lot located south of 18th Avenue North, eight lots located on the north of 18th Avenue North and, two lots located east of 67th Street North. The site will require extensions of water and sewer to serve industrial uses from their existing location in 18th Avenue North, east to 67th Street North, then both north and south on 67th Street North. Development of the District will also require creation of a sewage lift station. In addition, the site will require extensions of the existing rail spur, that now runs south of, and parallel to, 18th Avenue North to just east of 52nd Street North. The rail will need to be extended to the easterly to serve the lot south of 18th Avenue North, and northeasterly cross 18th Avenue North northeast to the northern lots in the District, ultimately crossing 67th Street, and then running south between the two lots, located east of 67th Street North.
2. **Roadway** – There are two public roadways within the District and improvements to both of these roadways are necessary. 18th Avenue North requires a 2-inch overlay from the existing location of the 5-inch asphalt thickness easterly to 67th Street North. 67th Street North will be required including a geotextile, 12-inch thickness gravel subbase, 3-inch thickness crushed gravel and 5-inch thickness of asphaltic cement concrete. The width of the pavement shall be 36 feet. In addition, 6-foot wide paved bicycle lanes are required on both 18th Avenue North and 67th Street North.
3. **Utilities** – Telephone, cable, natural gas, fiber optic and electricity are available to the property. However, with the exception of electricity, these services will need to undergo significant upgrade to accommodate industrial uses. While these utilities are present, most of the property is not served. Therefore, in addition to upsizing current utility infrastructure, extensions of these facilities will be required to serve individual needs.
4. **Stormwater and Land Related Concerns** – There are currently stormwater/drainage and groundwater investigations underway for areas within the District. The findings of these reports may require off-site improvements including an outfall storm drain and other associated storm water infrastructure. Additional stormwater infrastructure will be identified as development occurs on each lot in the District.
5. **General Improvements** – Additional infrastructure and public services deficiencies will be identified over time. For example, emergency services buildings and equipment, site security, transloading and cargo facilities, and other improvements and services will likely be required.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF GREAT FALLS, MONTANA;

That the City Commission finds that infrastructure deficiencies exist within the City of Great Falls in the area described in Exhibit "A" to this Resolution and that infrastructure investment of this area (pursuant to the Montana Urban Renewal Law) is necessary and desirable in the interest of the public health, safety, and welfare of the residents of the City of Great Falls and that this investment in infrastructure be made with a commitment to quality improvement and a commitment to property owner and community involvement in decision making.

PASSED by the Commission of the City of Great Falls, Montana, this 5th day of March, 2013.

Michael J. Winters, Mayor

ATTEST:

Lisa Kunz, City Clerk

(SEAL OF CITY)

APPROVED FOR LEGAL CONTENT:

David L. Nielsen, Interim City Attorney

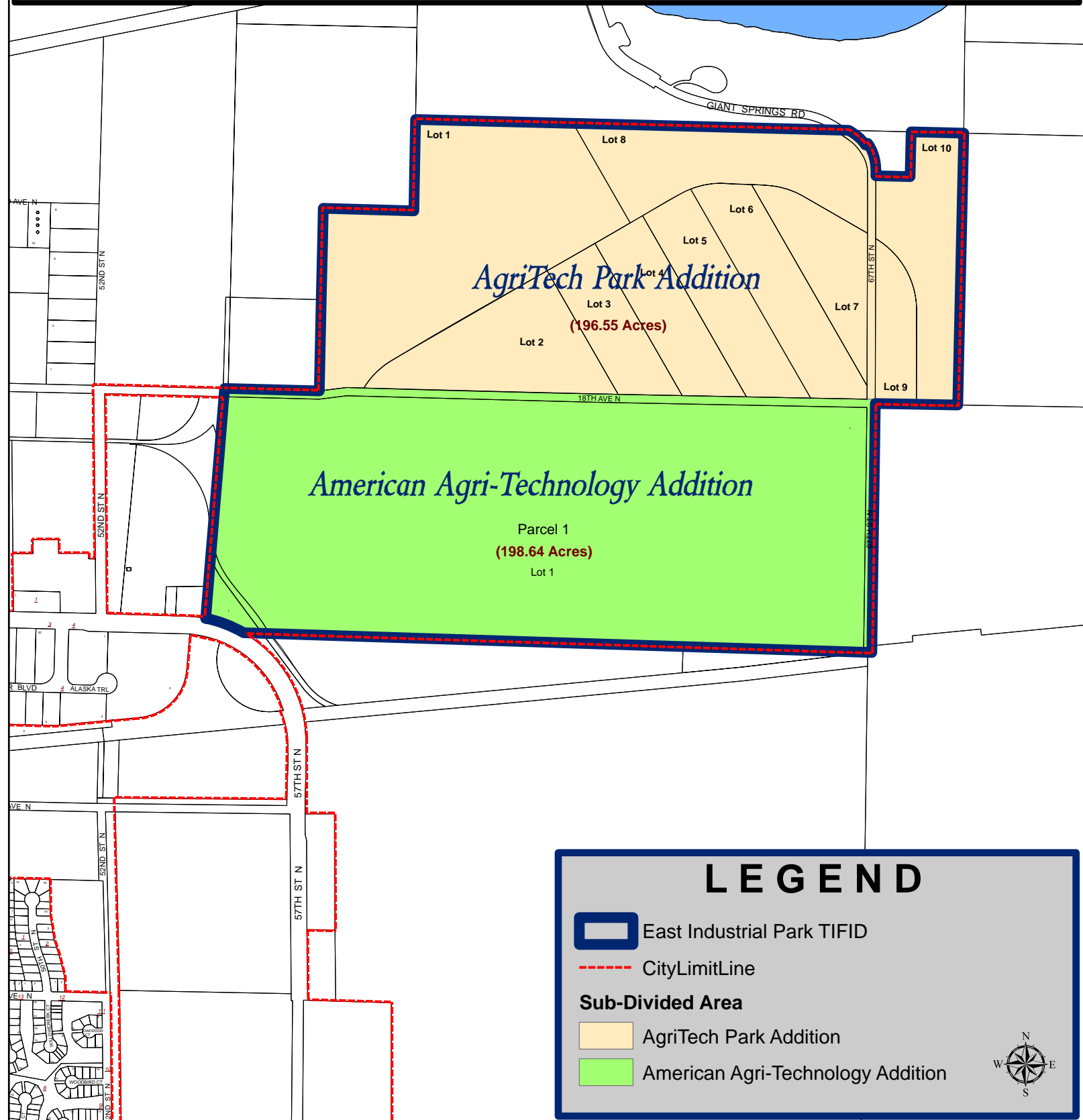
PROPOSED East Industrial Park TIFID

Lots 1-10, including that portion of 67th St N platted in the AgriTech Park Addition 196.55 Acres

Exhibit A

Parcel 1 (Lot 1), including that portion of 18th Ave N and 67th St N, platted in the American Agri-Technology Addition 198.64 Acres

Located in T21N, R4E, Sect 34 and in T20N, R4E, Sect 3 .. P.M.M.





Planning & Community Development Dept.

P.O. Box 5021 Great Falls, MT 59403

Date: March 12, 2013
To: Great Falls City Commission
From: Great Falls Planning Advisory Board
Subject: East Industrial Park Comprehensive Development Plan

Commissioners,

In accordance with Section 7-15-4299 MCA, the Great Falls City Planning Advisory Board has reviewed the zoning of the East Industrial Park and has found that the PUD – Planned Unit Development with an underlying zoning of I-2 Heavy Industrial and the I-2 Heavy Industrial zoning of the area is zoned for light or heavy industrial use in accordance with the Great Falls Growth Policy. This recommendation was approved by the Planning Advisory Board by a unanimous vote.

Additionally, pursuant to Section 7-15-4213, MCA, the Great Falls Planning Advisory Board has reviewed the East Industrial Park Comprehensive Development Plan and has found that it is in conformity with the Growth Policy for the development of Great Falls. This recommendation was approved by the Planning Advisory Board by a unanimous vote.

Sincerely,

Nathan Weisenburger
Vice Chairman
Great Falls Planning Advisory Board

RESOLUTION
BY THE PLANNING ADVISORY BOARD

RECOMMENDING ACCORDANCE OF THE ZONING AND CONFORMANCE OF THE PROPOSED EAST INDUSTRIAL PARK TAX INCREMENT FINANCING INDUSTRIAL DISTRICT COMPREHENSIVE DEVELOPMENT PLAN WITH THE GREAT FALLS GROWTH POLICY

WHEREAS, the City of Great Falls is interested in fostering the development, growth and retention of secondary, value-adding industries to promote economic development, to improve area employment opportunities and to expand the tax base; and

WHEREAS, the Great Falls Planning Advisory Board has been created by the City of Great Falls, as provided for in Title 76-1-101, M.C.A; and

WHEREAS, the City of Great Falls has adopted the Great Falls Growth Policy per Resolution No. 10014 on March 5, 2013, pursuant to 76-1-604, MCA; and

WHEREAS, on January 15, 2013, under Corrected Ordinance 3097, the Great Falls City Commission stated that the tract of land located in Government Lots 8 & 9, the SW1/4, & the SE1/4 of Section 34, Township 21 North, Range 4 East, P.M.M., Great Falls, Cascade County, Montana, has an underlying zoning of I-2 Heavy Industrial and the development standards shall be those prescribed in Title 17, City Code, for I-2 Heavy Industrial zoning, with an overlay of PUD-Planned unit development district, subject to conditions; and

WHEREAS, the City of Great Falls has proposed establishing the **EAST INDUSTRIAL PARK TAX INCREMENT FINANCING INDUSTRIAL DISTRICT (EAST INDUSTRIAL PARK TIFID)**, as provided for in Parts 7-15-4201 and 4301, et Seq., Montana Code Annotated (MCA), the State's Urban Renewal Law; and

WHEREAS, pursuant to Section 7-15-4299, MCA, the planning board shall conduct a public hearing for the purpose of making a recommendation to the local governing body whether

the zoning of the proposed TIFID is zoned for light or heavy industrial use in accordance with the area growth policy document; and

WHEREAS, pursuant to Section 7-15-4213, MCA, a proposed TIFID plan must include the local government's planning board's review and recommendation as to the plan's conformity with the growth policy; and

WHEREAS, the Great Falls Planning Advisory Board's review of the **EAST INDUSTRIAL PARK TIFID** zoning and the proposed **EAST INDUSTRIAL PARK TIFID COMPREHENSIVE DEVELOPMENT PLAN (PLAN)** as it relates to the Great Falls Growth Policy has been properly submitted, reviewed, and noticed, on February 24 and March 3, 2013; and

WHEREAS, the Great Falls Planning Advisory Board held a public hearing on Tuesday, March 12, 2013, to receive and review all written and oral testimony, and staff and consultant input, on the **EAST INDUSTRIAL PARK TIFID** zoning and the proposed **EAST INDUSTRIAL PARK TIFID PLAN** as it relates to the Great Falls Growth Policy; and

WHEREAS, six members of the general public spoke in regards to the **EAST INDUSTRIAL PARK TIFID** zoning and the proposed **EAST INDUSTRIAL PARK TIFID PLAN** as it relates to the Great Falls Growth Policy, and

WHEREAS, no written comment(s) were received from the general public; and

WHEREAS, evidence must be provided that the zoning within the proposed **EAST INDUSTRIAL PARK TIFID** is in accordance with the Great Falls Growth Policy and the **PLAN** of the proposed **EAST INDUSTRIAL PARK TIFID** is in conformance with the Great Falls Growth Policy, and to address the statutory requirements and to help the Great Falls Planning Advisory Board make findings, the following excerpts and referenced statements are provided from the Great Falls Growth Policy and Title 17, Great Falls City Code, Chapter 20, Land Use, which is a document used to implement the vision, goals, policies and actions presented in the plan as it relates to the Great Falls Growth Policy; and

1. *The Growth Policy describes the potential for "value-added" manufacturing in the following statements.*

"Employment in all types of manufacturing in Cascade County grew an aggregate total of 18.7% from 1991-2001. Table 5 shows the growth in employment in various manufacturing industries during this period while Table 6 shows the growth in wages for the same industries. The approximately 80 new jobs created at the Pasta Montana plant in 1997 accounted for much of the increase in employment. In addition, Pasta Montana, the proposed new malting plants and new ethanol plant will create local markets for agricultural products where limited markets previously existed. These types of "value-added" manufacturing industries have great potential to build upon the natural resources in the area, form clean industries that provide competitive wages, and create a constant demand for the locally grown agricultural products."

“Opportunities exist for future expansion of the manufacturing base in several areas. For example, new types of “value-added” agricultural manufacturing facilities like strawboard manufacturing, malting, or expansion of the Pasta Montana plant can increase the local manufacturing base. The Great Falls region is an excellent location for these types of manufacturing facilities. Other potential growth may come in express shipping and other industries identified in an industry targeting study recently completed by a national consultant for the Great Falls Development Authority.”
(Great Falls Growth Policy, page 6 and 7)

2. *The Great Falls Growth Policy describes the use of tax increment financing in the following statement: “To assist in retaining existing businesses in Great Falls and to help in attracting new economic growth to the area.... The Federal, State and local governments in the Great Falls area can provide a variety of grants, loans, incentives, and other programs to existing businesses and industries or assist new businesses become established in the community. Some of this assistance is funded by the Community Development Block Grant (CDBG) program, tax increment financing (TIF), and revolving loan funds. Local government in Cascade County plays a crucial role in economic development efforts by providing utilities, sewers, water, streets, and other types of infrastructure that is essential for new growth. In addition, the City of Great Falls works with the Chamber, GFDA, and BID on expanding existing businesses and industries and bringing new businesses to the area.”*
(Great Falls Growth Policy, page 19)

3. *The following statements describe the City of Great Fall’s Economic Development Strategic Plan.*
 - *A diversified base economy as the foundation for sustainable economic development.*
 - *Growing the local economy through retaining and expanding existing business.*
 - *Quality of life as a key factor in economic growth.*
 - *Promoting and capitalizing on traditional and non-traditional community assets.*
 - *Quality education at the K-12 and post-secondary levels.*
 - *Military presence and the economic opportunities associated with it.*
 - *Potential emergence as a center for alternative energy research and development.*
 - *Collaborative approaches to economic development that define successful communities.*(Great Falls Growth Policy, page 20)

4. *The following Goals are intended to support future economic development in Great Falls.*
 - *Diversify the base economy.*
 - *Enhance, strengthen, and expand the existing economic base.*
 - *Attract new businesses and support expansion of existing businesses that tend to raise the median income level.*
 - *Attract industries that preserve the quality of life.*
 - *Encourage businesses and industries that will utilize existing infrastructure.*(Great Falls Growth Policy, page 22)

5. *Areas of Potential Economic Growth*

The comments and recommendations from business people, residents and Neighborhood Councils call for a “sustainable” economy that strengthens the community without degrading the high quality of life in the area. The overall goal is to establish and expand those sectors of the economy that will employ people in high-paying jobs, support families, and enhance the community. In planning for economic growth, industries that can both offer high-paying jobs and enhance the quality of life in the community should be pursued. This type of industry already exists in Great Falls, and there is great potential for future expansion. The following types of businesses were specifically identified as areas with the greatest potential for growth in the base economy.

Manufacturing

Expansion of existing food processing facilities and new “value-added” food processors

Establish aerospace industry

Establish technical and engineering programs to support industry

Agriculture

Enhance value-added manufacturing of agricultural products

Alternative crop/livestock production

(Great Falls Growth Policy, page 21)

6. *The LAND USE section describes Future Growth Areas. Land for continued industrial growth is generally available in the northeast corner of the urban area in and near North Park Addition and east of Source Giant Springs. Additional industrial development is also occurring near the Malt Plant currently under construction just north of the City. Vacant land south of MSU-Great Falls would be a logical and productive site for an upscale business/research park.*

(Great Falls Growth Policy, page 15)

7. *The LAND USE GOALS section describes the goals intended to frame the major issues for the policies, actions, and strategies contained in this Element:*

- To support and encourage efficient, sustainable development and redevelopment throughout the community.*
- To preserve and enhance the character, quality, and livability of existing neighborhoods.*
- To support and encourage a compatible mix of land uses in newly developing areas.*
- To preserve, as appropriate, open space, prime agricultural lands, environmentally sensitive lands, scenic vistas, and the character and qualities of such lands.*

(Great Falls Growth Policy, page 18)

8. *The LAND USE POLICIES section on Commercial, Office, and Industrial Uses describes the policy for locating large industrial areas. Commercial uses should be planned according to how they serve residential neighborhoods, the City, and the surrounding region. Further strip commercial development along major arterial roads should be avoided. The Downtown area should become a mixed-use, high-intensity activity center surrounded by viable residential neighborhoods. Large industrial areas and employment centers should be planned and located based on site requirements, ease of access by*

*multiple types of transportation, environmental impacts, long-term relationships to residential uses, and the potential for generating related growth.
(Great Falls Growth Policy, page 18)*

9. *This Title (Land Development Code) is established to promote the public health, safety, and welfare and is intended to accomplish the following purposes:*
- implement the goals, objectives, and policies of the growth policy*
 - ensure that all development is guided by and gives consideration to the growth policy*
 - establish a comprehensive compendium of regulations that controls the use or development of land within the City*
 - provide for clear, consistent standards, regulations, and procedures for the review and approval of all proposed development within the City*
 - address the substantive findings as contained in this Title*
 - safeguard the public health, safety, and general welfare by establishing minimum standards for design and development*
- (17.4.050 – Purpose)*
10. *This Chapter (Land Use/Zoning) is established to promote the public health, safety, and welfare and is intended to accomplish the following purposes:*
- Promote a sound development pattern by separating the City into various districts where each has uniformly applicable development standards*
 - Separate incompatible land uses to the greatest extent possible*
 - Encourage the most appropriate use of land throughout the City*
 - Regulate and restrict the erection, construction, reconstruction, alteration, repair, and use of buildings, structures, and land*
 - Provide for a wide range of housing options*
 - Allow different, but compatible land uses (i.e., mixed uses) to occur in specified areas of the City*
 - Avoid, or as a less preferred alternate, minimize congestion*
 - Avoid, or as a less preferred alternate, minimize environmental degradation*
 - Implement the City's adopted growth policy*
 - Prohibit any use of land within the City of Great Falls that is in violation of federal, state or local law.*
- (17.20.1.020 – Purpose)*
11. *The City is divided into a number of base zoning districts so that each parcel is located in at least one (1) district and potentially more. For each of these districts, appropriate types of uses are identified along with development standards. In addition to these base districts, there are a number of overlay districts. These overlay districts are intended to accomplish specific purposes that are not generally applicable to the entire base district. Where the requirements of a base district and overlay district conflict, the most restrictive applies. The zoning map depicts the location of the base districts and overlay districts used in this chapter.*

*All properties within the **EAST INDUSTRIAL PARK TIFID** were zoned I-2 Heavy Industrial with a PUD Overlay upon annexation. The description of the I-2 Heavy*

industrial district states “This district is intended to accommodate those activities associated with processing raw materials or other activities with potentially significant off-site impacts. Typically, the uses found in this district are not compatible with most types of non-industrial uses.” The description of the PUD Planned unit development district states, “A planned unit development district is a special type of zoning district that is proposed by the developer to account for a desired mix of uses. Each district is unique and therefore has its own set of development standards which are documented in the approval.”
(17.20.2.010 - Types of zoning districts; 17.20.2.040 - Establishment and purpose of districts)

WHEREAS, these excerpts and referenced statements demonstrate that there is a close and direct relationship between the Great Falls Growth Policy and Title 17, Great Falls City Code, Chapter 20, Land Use; and

WHEREAS, as noted in items 1, 2, 3, 4 and 5, above, the Great Falls Growth Policy deals with very broad land use issues and policies; it does not identify specific land uses or zoning changes. Additionally although zoning is one of the principal means of implementing the Great Falls Growth Policy, no specific zoning recommendations are made in the document. Instead, the Great Falls Growth Policy provides a set of general, community-wide policies and guidelines to assist the general public, local government, and developers in making informed land use decision; and

WHEREAS, it is acknowledged in items 6, 7 and 8 above and documented in the Great Falls Growth Policy that industrial development is an accepted land use on the northeast side of Great Falls via the description of Future Growth Areas in the LAND USE section, “Land for continued industrial growth is generally available in the northeast corner of the urban area in and near North Park Addition and east of Source Giant Springs”; and

WHEREAS, the establishment of specific zoning classifications and the assignment of those zoning classifications to every parcel of land within the corporate limits of the Great Falls are performed through Title 17, Great Falls City Code, Chapter 20, Land Use. As noted in items 9, 10 and 11, above, the I-2 Heavy Industrial with a PUD Overlay was established to promote public health, safety and welfare and is intended to accomplish the following purpose: to accommodate those activities associated with processing raw materials or other activities with potentially significant off-site impacts; and

WHEREAS, the proposed **EAST INDUSTRIAL PARK TIFID** encompasses approximately 395.19 acres and is generally located both north and south of 18th Avenue North, both east and west of 67th Street North, and is located in Township 21 North, Range 4 East, Section 34, and in Township 20 North, Range 4 East, Section 3, P.M.M., Great Falls, Cascade County, Montana; and

WHEREAS, the Great Falls Planning Board finds that the I-2 Heavy Industrial with a PUD Overlay zoning within the proposed **EAST INDUSTRIAL PARK TIFID** is in accordance with the Great Falls Growth Policy; and

WHEREAS, the Great Falls Planning Advisory Board finds that the proposed **EAST INDUSTRIAL PARK TIFID PLAN** is in conformance with the Great Falls Growth Policy.

NOW THEREFORE, BE IT RESOLVED, that the Great Falls Planning Board, on a vote of 7-0, recommends to the Great Falls City Commission that the I-2 Heavy Industrial district, with a PUD – Planned Unit Development overlay zoning within the proposed **EAST INDUSTRIAL PARK TAX INCREMENT FINANCING INDUSTRIAL DISTRICT** is in accordance with the Great Falls Growth Policy, and further recommends that the proposed **EAST INDUSTRIAL PARK TAX INCREMENT FINANCING INDUSTRIAL DISTRICT COMPREHENSIVE DEVELOPMENT PLAN** is in conformance with the Great Falls Growth Policy.

DATED THIS 12th DAY OF MARCH 2013

Nate Weisenburger, Vice Chairman
Great Falls Planning Advisory Board

Attachment:

Proposed **EAST INDUSTRIAL PARK TAX INCREMENT FINANCING INDUSTRIAL DISTRICT COMPREHENSIVE DEVELOPMENT PLAN**