



Item: 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

From: Mike Haynes, AICP, Director of Planning and Community Development

Initiated By: Planning and Community Development Department

Presented By: Mike Haynes, AICP, Director of Planning and Community Development

Action Requested: Adopt Resolution 10014

Suggested Motion:

1. Commissioner moves:

“I move that the City Commission (adopt/deny) Resolution 10014.”

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

Staff Recommendation: Staff recommends the City Commission adopt 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 (EIP) 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.

Background:

The State of Montana has recognized that portions of its cities and counties are deficient in infrastructure necessary for industrial development and therefore constitute an impediment to the growth of infrastructure intensive value-adding economic development. The creation of infrastructure in support of value-adding economic development is a matter of State policy and concern because the State and its local governments will continue to suffer economic dislocation due to the lack of value-adding industries.

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. 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. Based on these findings, the State permits the creation of Tax Increment Financing Industrial Districts (TIFID) which allows taxes generated by new development within a TIFID to be used to address deficient public infrastructure in that district.

On September 18, 2012, the City Commission directed a 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.

While current statutes do not specifically require a Resolution of Necessity for an Industrial Tax Increment Financing District, Senate Bill 239 would require that one be in place prior to the creation of any type of Tax Increment Financing District. If the bill becomes law, the Resolution

of Necessity would be required. Staff therefore recommends approval of the resolution at this time, because it might become a requirement prior to the completion of our TIFID adoption process, and because it reflects sound public policy, given that tax dollars will be spent in an area that is deficient in public improvements.

Concurrences: Representatives from the City's Public Works and Fiscal Services have been involved throughout the review and approval process for the Resolution of Necessity.

Fiscal Impact: There is no fiscal impact to adopting this Resolution. The fiscal impact of establishing and expanding a TIFID will be outlined in the respective agenda reports.

Alternatives: The City Commission could deny Resolution 10014 which could preclude the creation of the East Industrial Park TIFID.

Attachments/Exhibits:

Resolution 10014 with Exhibit A

Cc: Jim Rearden, Public Works Director
Dave Dobbs, City Engineer
Janet Cornish, janet@cdsofmontana.com

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.
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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 Kuntz, 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.

