



Item: Ordinance 3110 to approve development projects proposed by the City of Great Falls for Public Improvements and to authorize financing with Tax Increment Revenues from the Central Montana Agriculture and Technology Park Tax Increment Financing Industrial District

From: Jana Cooper, RLA, Planner II, Planning & Community Development

Initiated By: Dave Dobbs, City Engineer, Public Works Department

Presented By: Craig Raymond, Interim Director of Planning & Community Development

Action Requested: City Commission accept Ordinance 3110 on first reading and set a public hearing for July 2, 2013.

Suggested Motion:

1. Commissioner moves:

“I move that the City Commission (accept/deny) Ordinance 3110 on first reading and set a public hearing for July 2, 2013.”

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

Recommendation: At the conclusion of a meeting held on May 28, 2013, the Planning Advisory Board recommended the City Commission approve the use of existing funds from the Central Montana and Agriculture Park Tax Increment Financing Industrial District (“CMATP District”) for:

1. \$271,200 for the design and construction of the Sanitary Sewer Main Extension (Lift Station to Malteurop Gate) in the CMATP District to the Public Works Department of the City of Great Falls.
2. \$429,800 for the design and construction of Great Bear Avenue in the CMATP District to the Public Works Department of the City of Great Falls.
3. \$50,000 for the Preliminary Storm Drain Improvements Design for the CMATP District to the Public Works Department of the City of Great Falls.

One person spoke in favor of the expenditure of existing Tax Increment Funds at the Planning Advisory Board Meeting. Staff recommends approval of the proposed expenditures.

Background: The CMATP District applies to property located in the northern portion of the City of Great Falls, east of U.S. Highway 87 (attached CMATP District Boundary). The

CMATP District is comprised of the existing Malteurop barley malting plant; ADF International, which is currently under construction; and undeveloped land owned by Dali, LLC, which is currently in the City's subdivision process for re-platting.

On May 2, 2013, the City of Great Falls Public Works Department made formal application for approval to use existing Tax Increment Financing ("TIF") funds to develop public improvements within the CMATP District (attached TIF Funding Applications).

City Commission approved a "Tax Increment Application Process" for considering funding requests for tax increment assistance from TIF districts in 2008. It was updated on April 16, 2013. The process is that upon receipt of an application, planning staff reviews the funding request and makes recommendation to the Planning Advisory Board ("PAB"). City Commission considers the PAB recommendation and approves or rejects the funding requests along with any special terms of assistance.

Montana Codes Annotated

Creation and administration of TIF districts is governed by Urban Renewal statutes of the Montana Code Annotated (MCA) (Title 7, Chapter 15, Parts 42 and 43). MCA includes regulations and procedures for establishing TIF districts. Key provisions have been underlined in the referenced MCA regarding costs that may be paid by tax increment financing:

7-15-4288. Costs that may be paid by tax increment financing. The tax increments may be used by the municipality to pay the following costs of or incurred in connection with an urban renewal project, industrial infrastructure development project, technology infrastructure development project, or aerospace transportation and technology infrastructure development project:

- (1) land acquisition;
- (2) demolition and removal of structures;
- (3) relocation of occupants;
- (4) the acquisition, construction, and improvement of infrastructure, industrial infrastructure, technology infrastructure, or aerospace transportation and technology infrastructure that includes streets, roads, curbs, gutters, sidewalks, pedestrian malls, alleys, parking lots and offstreet parking facilities, sewers, sewer lines, sewage treatment facilities, storm sewers, waterlines, waterways, water treatment facilities, natural gas lines, electrical lines, telecommunications lines, rail lines, rail spurs, bridges, spaceports for reusable launch vehicles with associated runways and launch, recovery, fuel manufacturing, and cargo holding facilities, publicly owned buildings, and any public improvements authorized by Title 7, chapter 12, parts 41 through 45; Title 7, chapter 13, parts 42 and 43; and Title 7, chapter 14, part 47, and items of personal property to be used in connection with improvements for which the foregoing costs may be incurred;
- (5) costs incurred in connection with the redevelopment activities allowed under 7-15-4233;
- (6) acquisition of infrastructure-deficient areas or portions of areas;
- (7) administrative costs associated with the management of the urban renewal area, industrial district, technology district, or aerospace transportation and technology district;
- (8) assemblage of land for development or redevelopment by private enterprise or public agencies, including sale, initial leasing, or retention by the municipality itself at its fair value;
- (9) the compilation and analysis of pertinent information required to adequately determine the needs of an urban renewal project in an urban renewal area, the infrastructure needs of

secondary, value-adding industries in the industrial district, the needs of a technology infrastructure development project in the technology district, or the needs of an aerospace transportation and technology infrastructure development project in the aerospace transportation and technology district;

(10) the connection of the urban renewal area, industrial district, technology district, or aerospace transportation and technology district to existing infrastructure outside the district;

(11) the provision of direct assistance, through industrial infrastructure development projects, technology infrastructure development projects, or aerospace transportation and technology infrastructure development projects, to secondary, value-adding industries to assist in meeting their infrastructure and land needs within the district; and

(12) the acquisition, construction, or improvement of facilities or equipment for reducing, preventing, abating, or eliminating pollution.

City of Great Falls Review Criteria

The *City of Great Falls Application and Process for Tax Increment Financing Funds* establishes twelve specific criteria to assess the merits of a project in relation to the approved Central Montana Agricultural and Technology Park Comprehensive Development Plan (“Plan”).

Those criteria are:

1. Public Infrastructure Improvements - Public infrastructure improvements have the benefit of improving and impacting an entire district. Each district may have its own Capital Improvement Plan, which may include things such as roadway improvements, storm drains, sewer and waterlines, railroads, etc.
2. Economic Stimulus - The amount of economic activity to be generated within the district through the development is assessed, as well as the leverage ratio of public to private investment. In general, the maximum limit of any one development is 10% of the construction/rehabilitation costs, exclusive of acquisition costs. Projects clearly demonstrating extraordinary benefit to Districts or the community may, at the discretion of the City Commission, receive additional TIF assistance for eligible items. All applications should contain credible, measurable information substantiating the project’s economic stimulus in the district and the community.
3. Tax Generation - The increase in taxable value due to the new district development, including construction/rehabilitation, as estimated by the County Assessor’s office to determine tax increment generation.
4. Employment Generation - Total employment generated by the district development as assessed in terms of new permanent and part-time jobs, and construction jobs.
5. Elimination of Blight (applies to Urban Renewal Districts) - The development’s direct and indirect impact on the physical and fiscal deterioration within the appropriate district and the community, as identified in the appropriate district plan.
6. Special or Unique Opportunities - The extent to which the district’s development represents a unique opportunity, meets a special need, or addresses specific district or community goals. The restoration of a historic property or the provision of an unmet community need is an example of special and unique opportunities.
7. Impact Assessment - The extent of both positive and negative environmental impacts, appropriateness of the development’s project design, and impact on existing businesses or residents.

8. Financial Assistance - Other forms of financing available to the Applicant. Lender participation, industrial development revenue bonds, and state and federal grant monies, for example, are examined to assess the need for TIF assistance.
9. Development Feasibility - A determination of feasibility is made based on the strength of the Applicant's demonstration of market demand for the development in the district as contained primarily on the pro forma and financing commitments.
10. Developer Ability to Perform - An assessment the Applicant's capability to undertake the relative complexities of the development based on past performance on similar projects.
11. Timely Completion - The feasibility of completing the development according to the Applicant's development schedule.
12. Payment of Taxes - All property taxes, special improvement district assessments and other assessments on the project property must be paid to date.

The applicant has submitted a written response to each of the 12 criteria above (attached TIF Funding Applications).

Staff Recommendation/Analysis

The Planning and Community Development Department has received three applications for use of existing TIF monies for infrastructure improvements in the CMATP District (attached TIF Funding Applications). The Fiscal Services Director confirms there is currently approximately \$658,155 in the existing CMATP District TIF Fund. An additional \$51,000 anticipated to be deposited in the TIF Fund in June, 2013. The funding requests total an estimated \$751,000 in eligible improvements. Staff must prioritize where the existing funding will be distributed based on the Criteria For Review outlined in the Application and Process for Tax Increment Financing Funds and listed in this report. Additionally, the City has hired a consultant to help advise the City through these processes. The consultant has advised that there is a cost to the City related to processing the applications, as well as cost for legal and financial review of the proposed expenditures and related agreements. These fees will be distributed from the TIF Fund as needed up to \$50,000 and will be approved by City Commission through the budget process.

Additionally, Public Works has prepared a basic Capital Improvements Plan ("CIP") to help analyze the infrastructure deficiencies in the CMATP District. Staff has used the proposed CIP to further define and prioritize the projects and needs in the CMATP District (attached Capital Improvements Plan).

Further, Staff has received a separate application for use of CMATP District TIF funds from a private developer. Staff recognizes that there will be a competitive process for the use of TIF funding in the CMATP District and has determined the most fair way to process TIF funding applications is to set a deadline for all CMATP District TIF funding requests, and then analyze the projects and determine what is the best use of future funds based on the CIP, Criteria for Review and the Comprehensive Development Plan. This will occur at a later date once all applications have been received.

Staff makes the following recommendations related to priority of use of the existing TIF Funds based on the Comprehensive Development Plan, the CIP and the applicants submitted Criteria for Review:

1. CMATP Sanitary Sewer Main Extension, Phase 1 (Office File 1658.1) - Request from Public Works

Install approximately 1,550 linear feet of 18-inch diameter sewer main; 250 linear feet of 15-inch diameter sewer main; 175 linear feet of 12-inch sewer main; 7 manholes; and 60 feet of bored casing under the Malt Plant railroad spur. Surface restoration and other minor items will be included. This project includes A&E design and supervision.

Estimated Project Cost: \$271,200

Staff recommends using existing funds in the CMATP District TIF Fund for the Sanitary Sewer Main Extension.

Project Rationale:

There are three property owners in the existing CMATP District (Malteurop, Dali LLC, and ADF International). Neither the Dali, LLC property or the ADF International property have existing sewer to their sites. The sewer main extension will provide both of these properties an immediate benefit. The main will serve industrial business within the existing CMATP District, which will generate between 200 and 900 jobs in the immediate future. Additional possible future extensions to this main will serve hundreds of acres located to the south, west and north of the current boundaries of the CMATP District, which could not be served without this extension and could provide many more jobs and development opportunities in the vicinity.

Additionally, the annexation agreement with Malteurop states that they are responsible for the cost to extend utilities across the frontage of their property. Public Works has estimated this cost at \$150,000, which could be reimbursed back to the TIF fund once final costs have been determined and if Malteurop repays, per their obligation in the existing annexation agreement. Finally, the project meets the intent of the Criteria for Review listed in the application and is in conformance with the CMATP Comprehensive Development Plan (attached).

2. CMATP Great Bear Avenue Paving, Phase 2 (Office File 1658.1) - Request from Public Works

Install approximately 1,620 linear feet of 35 foot wide asphalt street on the approximate alignment of the existing graveled driveway; install gravel shoulders; install drainage pipe crossings; and restore/revegetate disturbed areas. This project includes A&E design and supervision.

Estimated Project Cost: \$429,800

Staff recommends using existing funds in the CMATP District TIF Fund for the Great Bear Avenue Paving.

Project Rationale:

The proposed paved roadway, Great Bear Avenue, will immediately serve all of the property owners within the CMATP District. The current roadway is gravel and requires regular maintenance to remove washboard caused by grain trucks and other traffic servicing Malteurop. Greatly increased traffic generated by the developing ADF International project and proposed

businesses to the north owned by Dali, LLC, will accelerate the existing problem and ultimately requires the roadway to be paved. Great Bear Avenue currently exists as an access and utility easement, which is owned by Dali, LLC. The request for funding for the paving of Great Bear Avenue is contingent on Dali, LLC dedicating the roadway to the public as right-of-way. Currently, Dali, LLC is processing a subdivision of their property north of Great Bear Avenue. A condition of approval for this subdivision is that Dali, LLC dedicate Great Bear Avenue as a public right-of-way.

Finally, the project meets the intent of the Criteria for Review listed in the application and is in conformance with the CMATP Comprehensive Development Plan (attached).

3. CMATP Preliminary Storm Drain Improvements Design, Phase 3 (Office File 1658.1) - Request from Public Works

Design of Storm Drain Improvements.

Estimated Project Cost: \$50,000

If funds are available, Staff recommends using existing funds in the CMATP District TIF Fund for the Preliminary Storm Drain Improvements Design.

Project Rationale:

As the CMATP District develops, an urban storm drain system will be needed to safely convey storm runoff through the area and avoid damage to adjacent and downstream properties. The system mains will be designed from the east side of U.S. Highway 87, through the CMATP District, under Black Eagle Road, and to the existing holding pond. The proposed storm drain system will immediately serve the new ADF International facility plus the proposed Dali, LLC businesses. The system will also protect property from damage and serve future developments well to the east of Black Eagle Road. Future extensions can serve several hundred acres to the west and north of the current CMATP District.

Finally, the project meets the intent of the Criteria for Review listed in the application and is in conformance with the CMATP Comprehensive Development Plan (attached).

Concurrences: Representatives from the City's Fiscal Services, Public Works, Park and Recreation and City Manager's Office have been involved throughout the review and recommendation process for this project.

Fiscal Impact: The CMATP District was established to receive tax increment and pay bonds and eligible expenses in support of the successful development of the Central Montana Agriculture and Technology Park. At the end of Fiscal Year 2013, the CMATP District Fund had a fund balance of approximately \$709,155. Fiscal Services estimates receiving revenues of approximately \$51,000 into the CMATP District Fund in December 2013. If the City Commission approves the expenditure requests from the City, the projected fund balance would cover the proposed Public Improvement Projects.

Alternatives: The City Commission has discretion to approve, amend or disapprove funding requests.

Attachments/Exhibits:

Ordinance 3110

CMATP District Boundary

Capital Improvements Plan

TIF Funding Applications

Approved CMATP Comprehensive Development Plan

Cc: Jennifer Reichelt, Deputy City Manager
Melissa Kinzler, Fiscal Services Director
Jim Rearden, Public Works Director
Dave Dobbs, City Engineer

ORDINANCE 3110

AN ORDINANCE APPROVING DEVELOPMENT PROJECTS PROPOSED BY THE CITY OF GREAT FALLS AND ASSOCIATED PUBLIC IMPROVEMENTS AS A TAX INCREMENT FINANCING INDUSTRIAL PROJECT AND TO AUTHORIZE FINANCING THE PUBLIC IMPROVEMENTS WITH TAX INCREMENT REVENUES FROM THE CENTRAL MONTANA AGRICULTURE AND TECHNOLOGY PARK TAX INCREMENT FINANCING INDUSTRIAL DISTRICT

* * * * *

WHEREAS, in accordance with Title 7, Chapter 15, Parts 42 and 43 (the “Act”), on May 7, 2013, the Great Falls City Commission (the “Commission”) adopted Ordinance 3106 to expand and approve the Central Montana Agriculture and Technology Park (“CMATP”) Tax Increment Financing Industrial District (the “District”) and the Comprehensive Development Plan (the “Plan”), which contains a tax increment financing provision to help fund rehabilitation and redevelopment projects within the District; and,

WHEREAS, on September 16, 2008, the Commission established a process to review and evaluate projects and activities proposed in the District for use of tax increment funds generated by the District; and,

WHEREAS, the City of Great Falls, P.O. Box 5021, Great Falls, Montana, (the “City”) proposes to support private development within the district including the new ADF International, a new steel manufacturing plant, and other future industrial developments (“CMATP Projects”) to be located generally east of U.S. Highway 87 both north and south of Great Bear Avenue in the northern portion of the City of Great Falls; and,

WHEREAS, the City has identified certain public and related improvements to be constructed and undertaken with respect to the CMATP Projects and has requested that tax increment revenues be made available to finance all or a portion of the costs of those improvements; and,

WHEREAS, on May 7, 2013, the City's Fiscal Services, Planning and Community Development, Park and Recreation and Public Works Department representatives and the Assistant City Manager (the "City Staff") jointly reviewed and evaluated the CMATP Projects and funding request and made a report and recommendation (the "City Staff Report") to the Great Falls Planning Advisory Board (the "Planning Board") to the effect that: the CMATP Projects and several specific public improvements as enumerated in herein below (the "Public Improvements") would be beneficial to the public and would result in the rehabilitation and redevelopment of the District; and that the Public Improvements are eligible for tax increment financing in accordance with the Act and the purpose and goals of the District and Plan; and,

WHEREAS, on May 28, 2013, the Planning Board received, reviewed and considered the City Staff Report, as well as information from a representative of the City and has made recommendation to the Commission to the effect that the CMATP Projects conform to the City's Growth Policy, adopted in accordance with Title 76, Chapter 1, and that the CMATP Projects and Public Improvements should be approved as an Industrial Project and that tax increment revenues be used to fund the Public Improvements; and,

WHEREAS, the Commission is considering whether to Approve Development Projects Proposed By the City of Great Falls and Associated Public Improvements as an Industrial Project and to Authorize Financing the Public Improvements with Tax Increment Revenues; Calling for a Public Hearing Thereon; and Establishing Compliance with Reimbursement Bond Regulations under the Internal Revenue Code; and,

WHEREAS, a public hearing will be noticed and held on Tuesday, the 2nd day of July, 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 Development Projects Proposed By the City of Great Falls and Associated Public Improvements as an Industrial Project and to Authorize Financing the Public Improvements with Tax Increment Revenues from the Central Montana Agriculture and Technology Park Tax Increment Financing Industrial District.

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

Section 1. Project and Public Improvements.

1.01. The CMATP Projects. The City proposes to support development in the Central Montana Agriculture and Technology Park including the new ADF International, a new steel manufacturing plant, and other future industrial developments. The City has requested three Phases of Public Improvements as follows:

a) CMATP Sanitary Sewer Main Extension, Phase 1:

The initial phase of the CMATP Project shall consist of the installation of approximately 1,550 linear feet of 18-inch diameter sewer main; 250 linear feet of 15-inch diameter sewer main; 175 linear feet of 12-inch sewer main; 7 manholes; and 60 feet of bored casing under the Malt Plant railroad spur. Surface restoration and other minor items will be included. This project includes A&E design and supervision and is estimated at a cost of \$271,200.

- b) CMATP Great Bear Avenue Paving, Phase 2:
Install approximately 1,620 linear feet of 35 foot wide asphalt street on the approximate alignment of the existing graveled driveway; install gravel shoulders; install drainage pipe crossings; and restore/revegetate disturbed areas. This project includes A&E design and supervision and is estimated at a cost of \$429,800.
- c) CMATP Preliminary Storm Drain Improvements Design, Phase 3:
Design of Storm Drain Improvements and is estimated at a cost of \$50,000.

1.02. The Public Improvements. The City Staff and Planning Board have recommended that the City finance from tax increment revenues, to the extent available, the costs of Public Improvements, consisting of as listed herein above.

Section 2. Findings.

2.01 The City Commission hereby finds, with respect to the CMATP Projects, the Public Improvements and the funding request described herein, as follows:

- a) no persons will be displaced from their housing by the CMATP Projects;
- b) the CMATP Projects and Public Improvements substantially satisfy the review criteria of the funding application process and meet the purpose and goals of the Act, the Central Montana Agricultural and Technology Tax Increment Financing Industrial District and Comprehensive Development Plan;
- c) the CMATP Projects and Public Improvements will be beneficial to the public and will result in the rehabilitation and redevelopment of the District;
- d) the CMATP Projects and Public Improvements conform to the City's Growth Policy;
- e) the CMATP Projects and Public Improvements afford maximum opportunity consistent with the sound needs of the City as a whole, for the rehabilitation or redevelopment of the industrial area by private enterprise; and
- f) there is a feasible and workable plan of financing for the CMATP Projects and Public Improvements as more particularly described in Section 3 hereof.

Section 3. Plan of Financing and Development Agreement.

Based on representations of the Fiscal Services Department, there are existing adequate resources in the District to undertake and complete the CMATP Project on a timely basis. It is the understanding that the City wishes to proceed with construction of the Public Improvements and has requested that the City use the available funds in the District for the costs of the approved Public Improvements. Based on the estimated costs of Phases 1-3 of the CMATP Projects, the City projects that the existing tax increment available in the District will be sufficient to finance \$751,000 of the costs of the Public Improvements. City Staff is authorized to bid and develop the CMATP Projects and shall specify the terms, conditions and financial arrangements, and the design, funding, oversight and construction of the Public Improvements.

Section 4. Public Hearing.

A public hearing is hereby called and shall be held on July 2, 2013 at 7:00 p.m. in the City Commission Chambers at 2 Park Drive South, Great Falls, Montana regarding the CMATP Projects and the use of tax increment revenues to finance the costs of the Public Improvements.

Section 5. Notice.

Notice of the public hearing shall be published in the *Great Falls Tribune* on June 16 and June 23, 2013.

Section 6. Approval of Project and Financing.

6.01. The Commission hereby confirms the findings with respect to the CMATP Projects set forth in Section 2 of this Ordinance.

6.02. The CMATP Projects are hereby approved as an Industrial Project.

6.03. The Commission approves financing of the Public Improvements, consisting of:

- a) CMATP Sanitary Sewer Main Extension, Phase 1:
The initial phase of the CMATP Project shall consist of the installation of approximately 1,550 linear feet of 18-inch diameter sewer main; 250 linear feet of 15-inch diameter sewer main; 175 linear feet of 12-inch sewer main; 7 manholes; and 60 feet of bored casing under the Malt Plant railroad spur. Surface restoration and other minor items will be included. This project includes A&E design and supervision and is estimated at a cost of \$271,200.
- b) CMATP Great Bear Avenue Paving, Phase 2:
Install approximately 1,620 linear feet of 35 foot wide asphalt street on the approximate alignment of the existing graveled driveway; install gravel shoulders; install drainage pipe crossings; and restore/revegetate disturbed areas. This project includes A&E design and supervision and is estimated at a cost of \$429,800.
- c) CMATP Preliminary Storm Drain Improvements Design, Phase 3:
Design of Storm Drain Improvements and is estimated at a cost of \$50,000.

Section 7. Effective Date.

This ordinance shall be in full force and effect thirty (30) days after its passage and adoption by the City Commission or upon filing in the office of the Cascade County Clerk and Recorder.

APPROVED by the City Commission of the City of Great Falls, Montana, on first reading June 4, 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 3110 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

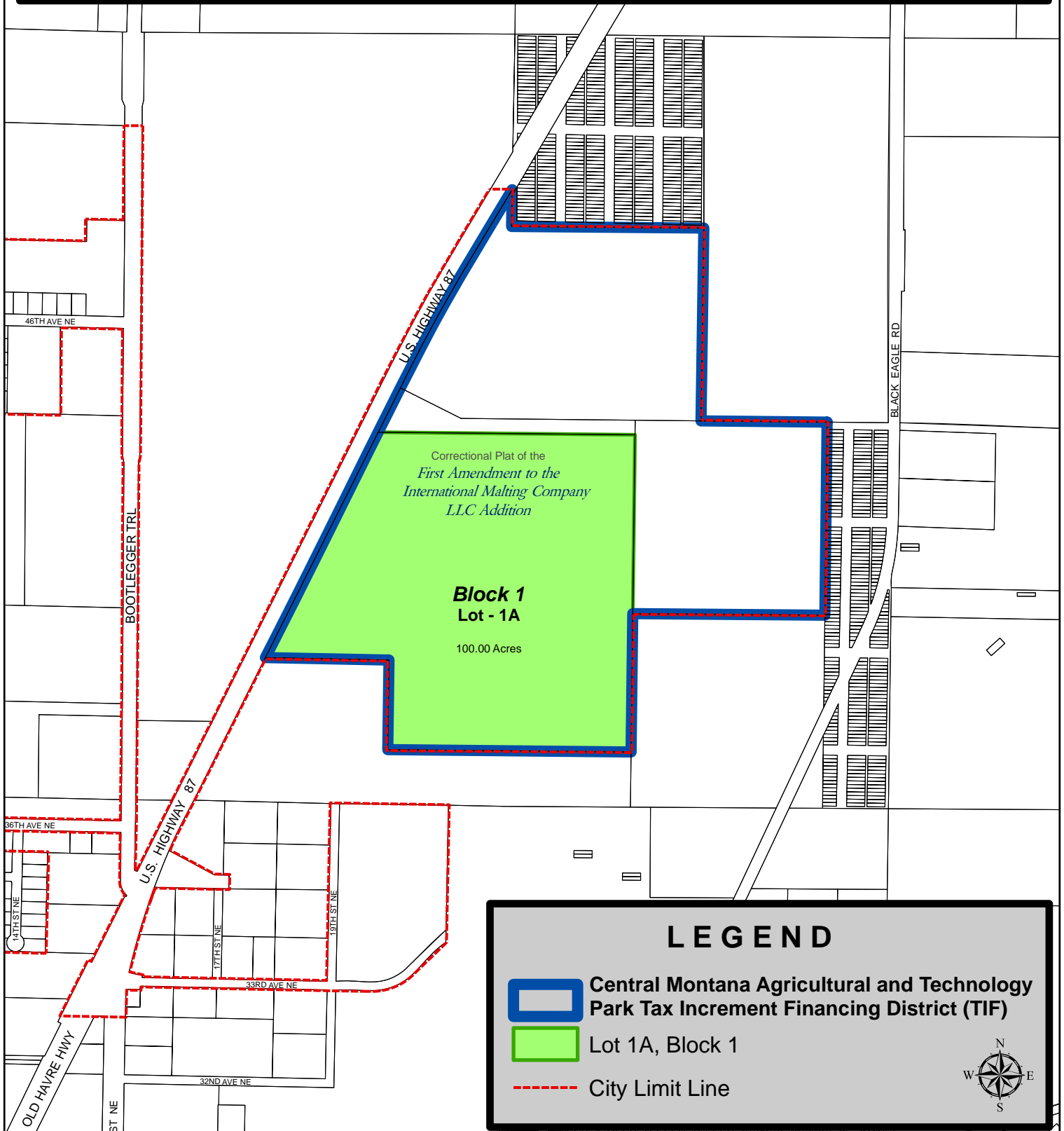
Lisa Kunz, City Clerk

(CITY SEAL)

Amended Area to Central Montana Agricultural and Technology Park Tax Increment Financing District

Lot 1A, Block 1, of the Correctional Plat of the First Amendment to the International Malting Company, LLC Addition

Totaling 100.00 Acres all located in Section 30, Township 21 North, Range 4 East



**City of Great Falls
Public Works/Engineering**

INTER-OFFICE MEMORANDUM

May 23, 2013

TO: Jim Rearden, Public Works Director
Jana Cooper, Planner II

FROM: Dave Dobbs, City Engineer

SUBJECT: Capital Improvement Plan (CIP) for Central Montana Agricultural & Technology Park (CMATP) Infrastructure Extensions; Cost Estimates for ADF / Malt Plant Area TIF Improvements

Progress being made in bringing the ADF facility to fruition along with the expansion of the TIFID to help finance required infrastructure has focused on the need to provide a list of improvements that the area will need in the near future. This basic Capital Improvement Plan is intended to assist in the orderly and efficient develop of the existing TIFID as well as position the area for additional growth beyond the immediate boundaries of the District.

Previous lists of needed improvements, along with cost estimates, have been generated. This inventory has evolved and will continue to evolve as more detailed plans and information become available.

Over the last few months, the City's consultant, Janet Cornish, has advised and worked closely with City staff to expand the District to include ADF. The Planning Board voted in favor of the proposal on March 12. City Commission approval occurred on May 7.

The 100 acre ADF annexation is complete. Ground breaking occurred in early April, with completion and production startup scheduled for October. Immediately to the north of ADF, the replat of Lot 5 may again be moving forward. This replat could receive final approval during the summer and provide 7 small lots for industrial development. There has also been some interest from land owners for eventual industrial development to the south and east of the District.

With these factors in mind, Staff has generated this basic CIP to provide focus and help guide the TIFID financed infrastructure improvements forward. The proposed

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improvements are divided into 4 groups. Details affecting each group and individual project are included.

GROUP 1 PROJECTS. These are time critical, immediate infrastructure needs, driven by ADF development and also serving other properties within the existing District. Three applications have been submitted to date.

- A. Sanitary sewer main extension from the lift station on Black Eagle Road to the northeast corner of the ADF property. A new main will start at the lift station and run west along the north edge of the malt plant property. This phase of the sewer extension will end at the point where it can easily connect to the ADF onsite sewer main (project 2A, below). The main can also be extended to serve Lot 5 (Joe Stanek's Great Bear Phase II subdivision – see project 3A, below). Future extensions could also serve several hundred acres of land to the south, west, and north of the current District.

Engineering plans for this extension have been provided as a part of the Lot 5 development and have been reviewed. Upsizing beyond the minimum 8-inch diameter main is needed to serve the contributory area.

The estimated cost of the sewer extension is \$271,200. Per the malt plant annexation agreement, that property agreed to provide easements for this type of infrastructure extension as well as pay for the basic 8-inch main within the annexed portion of the malt plant site. It is estimated that the malt plant share of the sewer main cost would be \$136,000 (if the City chooses to pursue this obligation), with the TIF district covering the other \$135,200.

- B. The private driveway connecting the malt plant with U.S. Highway 87 needs to be upgraded from gravel to pavement and converted to a public roadway to be called Great Bear Avenue. This roadway will serve as an improved access to the malt plant, connect to the driveways serving the ADF property, and connect to the streets and/or driveways eventually serving the Great Bear Phase II property. Engineering plans will need to be generated. It is anticipated that a consultant will be hired for this work. The design will be similar to the recent paving project on Black Eagle Road and will be designed to carry significant truck traffic.

The estimated cost of paving the road is \$429,800. Per the annexation agreement, Lot 5 (formerly Montgomery Energy, currently called Great Bear

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Phase II) is obligated to pay for half of this cost if the City chooses to pursue this obligation.

The land that the roadway is located on, Lot 4, is a dedicated utility and access easement. Before paving, some utility work must be completed and Lot 4 must be dedicated to the City, which is also a condition of the annexation agreement.

- C. Storm drainage improvements are also needed immediately to serve not only ADF but also the future development of Lot 5. The intensive development planned for the ADF site will generate greater storm runoff than what presently occurs. This water must be safely conveyed through the malt plant and other downstream properties to avoid damage.

It is proposed that this project be handled in two phases. For expediency, the first phase will be a consultant contract(s) to complete the drainage master plan for this basin and provide a preliminary design with cost estimates. Easements will also be needed across several properties. The malt plant property and Lot 5 are obligated under their annexation agreements to provide easements. Construction would follow when design is complete and financing are arranged.

The cost of the first phase is \$50,000. The City has applied for TIF funding. The second phase has an estimated cost of \$1,700,000. This includes project 3D, below.

GROUP 2 PROJECTS. With the recent annexation of the ADF property (Lot 1A of the amended plat) and its inclusion into the expanded TIFID, it is anticipated that requests will be made to finance parts of the onsite infrastructure using these funds.

- A. From the western terminus of project 1A above, the sanitary sewer will need to extend south along the east edge of the ADF property and then turn west to serve the manufacturing plant buildings. Staff recommends that the sewer also be extended to the southeast corner of ADF to encourage further development and not disturb the site with future construction once ADF is in production.

The engineering plans for this extension have been provided as a part of the ADF development. Construction is under way. Easements will be provided per the Annexation Agreement.

The estimated cost of the sewer extension is \$266,000.

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- B. The water main will be extended from its current location in the malt plant driveway (Lot 4), south along the west edge of Lot 1A to serve the ADF office and manufacturing building. Staff recommends that the water main also be extended to the southwest corner of ADF to encourage further development, to not disturb the site with future construction once ADF is in production, and to allow eventual system looping.

The engineering plans for this extension have been provided as a part of the ADF development. Easements will be provided per the Annexation Agreement. The estimated cost of the water main extension is \$198,900.

- C. It is possible that ADF might also apply for funding for additional on-site infrastructure. Scope and costs are unknown at this time.
- D. It is likely that further development will occur on the remainder of Lot 5 at some point in the future, and require additional infrastructure extensions.

GROUP 3 PROJECTS. Lot 5 (former Montgomery Energy site) is within the original TIFID and is again being proposed for development. The replat could be complete by sometime this summer. The developer has applied to use TIF funds to install the required infrastructure.

- A. Sanitary sewer would be extended from its western terminus in project 1A above, across Lot 5 (amended) in a northwesterly direction to the eastern right-of-way of Highway 87, and south in Innovation Street to serve the new lots that are being created. Service lines would be installed to the edges of the Innovation Street right-of-way. Future extensions could also serve a significant area between Highway 87 and Bootlegger Trail. Plans have been provided as a part of the amended Lot 5 development and have been reviewed.

The estimated cost of the sewer main extension is \$236,000.

- B. The water main can be extended from its current location in the malt plant driveway, north to a temporary terminus point at the end of Innovation Street. Service lines would be installed to the edges of the right-of-way.

Plans have been provided as a part of the amended Lot 5 development and are being reviewed. No upsizing is anticipated.

The estimated cost of the water main extension is \$75,000.

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INTER-OFFICE MEMORANDUM

- C. Paying for the pavement of Innovation Street from the malt plant driveway to the temporary north end cul d'sac may be proposed by the developer. Engineering plans have been provided as a part of the Lot 5 development and are being reviewed. The estimated cost of the pavement installation is \$170,000.
- D. As an extension of project 1C above, the trunk of the storm drainage system will be designed through amended Lot 5 and will run parallel to the sanitary sewer from project 3A above. Construction should occur as a part of the Lot 5 development but could also be deferred for some time, depending on the amount of time it takes to develop the upstream portion of the basin. Plans would be generated as a part of project 1C and will need to be integrated into the Lot 5 plans.

GROUP 4 PROJECTS. These projects will extend the district into new areas as industrial development and the district expand in the future. At this time, there are no projects that are certain to move forward.

- A. The "South Area" extended from the south boundary of ADF to approximately 32nd Avenue NE on the south, Black Eagle Road on the east, and Highway 87 on the west. The sanitary sewer mains serving ADF can be extended to serve this area. ADF water main can extend to loop into the existing mains in 33rd Avenue NE and along Highway 87. Engineering and cost estimates have not been prepared for this area, which covers roughly 200 acres. Most of this land has not been annexed.
- B. The "West Area" is located between Highway 87 and Bootlegger, and extends roughly from 36th Avenue NE on the south to 54th Avenue NE (proposed) on the north. The sanitary sewer main serving Lot 5 (project 3A above) can be extended under Highway 87 and then branched to serve this area. The water main currently in place can also be branched to serve this area. Engineering and cost estimates have not been prepared for this area, which covers roughly 190 acres. This land has not been annexed but is contiguous to the City.

City of Great Falls
Public Works/Engineering

INTER-OFFICE MEMORANDUM

- C. The “North Area” is located north of the malt plant and Lot 5. This land has not been annexed. It is owned mostly by Joe Stanek and the malt plant and covers roughly 100 acres.

- D. The “East Area” is east of Black Eagle Road and includes Great Bear Phase I, which has been approved by the City for annexation but not yet formally annexed. Additional land both north and south of Great Bear might also be included. While the northern part of Black Eagle Road has been paved, no other public infrastructure has been installed. A rail spur has been proposed. The financial feasibility of rail service to the area has not yet been proven. A couple thousand acres could be involved.

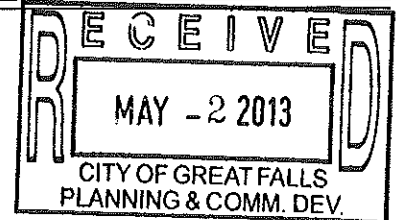


P.O. Box 5021, 59403-5021

May 1, 2013

Jennifer Reichelt
Deputy City Manager
City of Great Falls
P. O. Box 5021
Great Falls, MT 59403-5021

✓Jana Cooper
Planner II
City of Great Falls
P. O. Box 5021
Great Falls, MT 59403-5021



Re: Three Applications for Project Funding in the CMATP TIFID

Dear Ms. Reichelt and Ms. Cooper:

Enclosed please find three applications requesting approval to use Tax Increment Funds generated by the existing Central Montana Agri-Tech Park (CMATP) TIFID to install critical infrastructure that will allow the expansion of business and employment in this District.

The first application is for the extension of the sanitary sewer main from the lift station adjacent to Black Eagle Road, westward to the northeast corner of the ADF property and the southeast portion of Lot 5, which is owned by Dali LLC. Both of these properties will receive immediate benefit from this project. This main will serve industrial businesses within the existing TIFID, which will generate between 200 and 900 jobs in the immediate future. Future extensions to this main will serve hundreds of acres of additional land that could provide hundreds if not thousands of other jobs. The estimated cost of this project is \$271,200. It is requested that funds already available in the TIFID account be approved for use in this project.

The second application is for the paving of Great Bear Avenue from Highway 87 eastward to the MaltEurop gate. The current roadway is gravel and requires regular maintenance to remove washboard caused by grain trucks and other traffic servicing the malt plant. Greatly increased traffic generated by the ADF project and proposed businesses north of the Avenue requires that the roadway be paved. The paved roadway will benefit all members of the TIFID, including the malt plant, which to date has generated most of the available funds. The estimated cost of this project is \$429,800. It is requested that funds already available in the TIFID account be approved for use in this project.

The third application is for the preliminary design of storm drainage infrastructure to serve the existing TIFID. As the area develops, an urban storm drain system will be needed to safely convey storm runoff through the area and avoid damage to adjacent and downstream properties. The system of mains will be designed from the east side of Highway 87, through the CMATP, under Black Eagle Road, and to the existing holding pond. Pond upgrades may also be designed. The estimated cost of this preliminary design project is \$50,000. It is requested that funds already available in the TIFID account be approved for use in this project.

As the third project develops and cost estimates of constructing the storm drainage infrastructure become available, we must discuss funding methods for these improvements. It will be suggested that cash flow from existing TIFID be used to bond or in some way borrow money for this improvement.

I thank you in advance for your attention and assistance on these applications. Please feel free to contact me should any questions arise or additional information be required. We look forward to working with you to bring these important projects to fruition.

Sincerely,



David W. Dobbs, P.E.
City Engineer

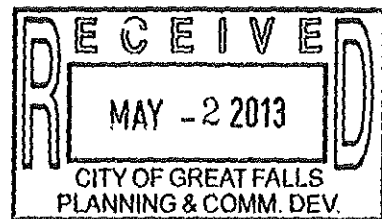
Encl. 3 TIF Application for Funds: 1. CMATP Sanitary Sewer Extension
2. CMATP Great Bear Avenue Paving
3. CMATP Preliminary Storm Drain Improvements
Design

CITY OF GREAT FALLS



**TAX INCREMENT FINANCING
(TIF)**

APPLICATION FOR FUNDS



**CITY OF GREAT FALLS
TAX INCREMENT FINANCING (TIF)
APPLICATION FOR FUNDS**

Project Name: CMATP Sanitary Sewer Extension, Phase 1 (Office File 1658.1)

Date Submitted: May 1, 2013

Name of TIF District Central Montana Agri-Tech Park

APPLICANT INFORMATION

Name: City of Great Falls Public Works Department

Address: P. O. Box 5021, Great Falls, MT 59403-5021

Telephone: 406-771-1258 (Dave Dobbs, P.E., City Engineer)

DEVELOPMENT INFORMATION

1. Building Address: Adjacent to MaltEurop, 2800 Great Bear Avenue, Great Falls, MT 59404; and ADF Group, 1900 Great Bear Avenue, Great Falls, MT 59404

2. Legal Description: Lots 2, 4, and 5, Block 1, International Malting Company, LLC Addition; Lot 1A, First Amendment to the International Malting Company, LLC Addition; and the undeveloped public right-of-way adjacent to the northern property lines of Blocks 4 and 5, First Broadway Addition to North Great Falls. The above parcels are located in Section 30, Township 21 North, Range 4 East, P.M.M., Cascade County, Montana.

3. Ownership: Lot 2 is owned by MaltEurop; Lots 4 and 5 are owned by Dali LLC; Lot 1A is owned by ADF Group; and the undeveloped right-of-way is owned by Cascade County

Address: Lot 2 is owned by MaltEurop, 2800 Great Bear Avenue, Great Falls, MT 59404; Lot 1A is owned by ADF Group, 1900 Great Bear Avenue, Great Falls, MT 59404; Lots 4 and 5 are owned by Dali LLC, P. O. Box 443, Holualoa, HI 96725; and the public right of way is owned by Cascade County, Courthouse Annex, 325 2nd Avenue North, Great Falls, MT 59401.

4. If property is not owned by the Applicant, list leasehold interests: (Attach evidentiary materials.)

Name: The City of Great Falls is entitled to easements from the owners of Lots 1A, 2, 4, and 5 as outlined in the annexation agreements for these parcels. The undeveloped right-of-way is open to use for the installation of publicly owned utilities with the consent of Cascade County.

Address: see above

5. Existing/Proposed Businesses: Lot 2 contains the MaltEurop barley malting facility. Lot 1A is currently being developed into a steel fabrication facility by ADF Group. Lot 4 is an access and utility easement created to serve the International Malting Company, LLC Addition subdivision. Lot 5 is proposed to be developed for heavy industrial uses as allowed in the I-2 Heavy Industrial zone of the City of Great Falls.

Business Description: see above

6. Employment: Existing FTE Jobs: MaltEurop currently employs approximately 50 people.

New Permanent FTE Jobs created by project: ADF states that their new facility will create 200 to 900 jobs; Dali LLC, 14 to 42 jobs in the first phase of Lot 5 development; plus many more potential jobs in future phases as the area grows. Construction FTE jobs: This sanitary sewer extension will provide approximately 8 jobs for the duration of the project, plus 2 technical jobs.

7. Architectural/Engineering Firm: City Public Works Department Engineering Division will manage the project. It is anticipated that a consultant will be hired to complete the construction plans.

Address: City of Great Falls, P. O. Box 5021, Great Falls, MT 59403-5021

Representative: Dave Dobbs, City Engineer

-1-

**CITY OF GREAT FALLS
TAX INCREMENT FINANCING (TIF)
APPLICATION FOR FUNDS**

8. Description of Total Development: (Attach narrative explanation.)

This sewer main extension will immediately serve the new ADF steel fabrication facility plus Dali LLC businesses on Lot 5, which are currently within or soon will be within the CMATP TIF district. Future extensions onto this sewer main will serve several hundred acres located to the south, west and north of the current boundaries of the CMATP district. This phase will install approximately 1,550 feet of 18-inch diameter sewer main; 250 feet of 15-inch diameter sewer main; 175 feet of 12-inch sewer main; 7 manholes; and 60 feet of bored casing under the Malt Plant railroad spur. Surface restoration and other minor items will be included. The project will be designed by a consultant. City Engineering Division will perform administrative, management, and construction inspection duties.

9. Rehabilitation/construction Plans (Attach schematics, site, and landscaping plans.)

See attached map of project area and preliminary plan sheets, attached.

10. Development Schedule: (Attach time line or schedule through completion.)

The project must be completed no later than October 1, 2013 in order to provide service to the ADF facility and possibly new businesses on Lot 5. In order to meet this deadline, TIF funding approval should be received no later than June 20.

11. Amount of Public Infrastructure Need and Proportion of Public Infrastructure Financed by TIF?

This application for tax increment funding requests that 100% of the project costs, including engineering, administration, construction management, and construction inspection be provided by available tax increment funds.

TOTAL DEVELOPMENT COSTS

Land and Site Improvements (Itemized)

- 1. Value of Land \$ _____
- 2. \$ _____
- 3. \$ _____
- 4. \$ _____
- 5. \$ _____

Subtotal

\$ 0 _____

Do you currently own all of the land or will you be purchasing some? _____

Easements are available per the annexation agreements or being on public right-of-way.

Construction/Rehabilitation Costs (Use general construction trade divisions)

(Total value of improvements)

- 1. \$ _____
- 2. \$ _____
- 3. \$ _____
- 4. \$ _____
- 5. \$ _____

Subtotal

\$ 0 _____

Total Project Development Costs \$ 0 _____

ELIGIBLE ACTIVITIES

Land Acquisition

1.	\$ _____	
2.	\$ _____	
3.	\$ _____	
Subtotal		\$ 0 _____

Demolition & Removal of Structures

1.	\$ _____	
2.	\$ _____	
Subtotal		\$ 0 _____

Relocation of Occupants

1.	\$ _____	
Subtotal		\$ 0 _____

Public Improvements

(acquisitions, construction and improvement of infrastructure which includes streets, roads, curbs, gutters, sidewalks, pedestrian malls, alleys, parking lots and off-street parking facilities, sewers, sewer lines, storm sewers, etc.)

1. Installation of sanitary sewer.	\$ <u>226,000</u>	
2.	\$ _____	
3.	\$ _____	
4.	\$ _____	
Subtotal		\$ <u>226,000</u>

Fees (associated with eligible activities)

1. A&E design/Supervision	\$ <u>45,200</u>	Includes professional services provided by private consultant and City Engineering staff.
2. Permits	\$ _____	
3. Other fees	\$ _____	
Subtotal of Costs of all Public Improvement		\$ <u>271,200</u>

Total Project Development Costs		\$ <u>271,200</u>
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PROJECT FINANCING

Please complete Sources of Funds detail and summarize below.

Developer Contribution

Cash Invested \$ _____
Land & Buildings \$ _____
In-kind (Specify) \$ _____
Other (Specify) _____ \$ _____

Subtotal \$ _____

Lender Commitments (Attach evidence i.e. Letters of Credit or other documentation.)

Lender	Loan Amount	Interest	Term	Payment/Period
_____	\$ _____	_____ %	_____ yrs	\$ _____/mo
_____	\$ _____	_____ %	_____ yrs	\$ _____/mo
Total Loan Amount				\$ _____

TIF Request

Eligible Improvements (See Narrative)

\$ _____
\$ _____
\$ _____
\$ _____
\$ _____

Subtotal \$ _____

CERTIFICATION

We, James Rearden and David W. Dobbs (please print), certify that the statements and estimates within this Application as well as any and all documentation submitted as attachments to this Application or under separate cover are true and correct to the best of my (our) knowledge and belief.

Signature *James Rearden*

Title Director of Public Works

Address City of Great Falls, P. O. Box 5021, Great Falls, MT 59403-5021

Date May 1, 2013

Signature *David W. Dobbs*

Title City Engineer

Address City of Great Falls, P. O. Box 5021, Great Falls, MT 59403-5021

Date May 1, 2013

HOW WOULD YOU LIKE TO RECEIVE YOUR TIF FUNDS?

- € Incrementally over time, as the TIF is generated.
- € I'd like to utilize a bonding mechanism and receive the funding in a one-time lump sum amount. I recognize the risk associated with this option.
- X → **City of Great Falls Public Works Department is requesting that the funds for this project be provided from TIF funds that are currently on hand.**



PROPOSED SANITARY SEWER SYSTEM

Central Montana Agri-Tech Park (CMATP) – Criteria for Review

Sanitary Sewer Main Extension, Phase 1 (Office File 1658.1)

The following information is provided as a supplement to this TIF Application to clearly indicate compliance with the Criteria for Review contained in the application instructions.

1. Public Infrastructure Improvements – The sewer main extension will immediately benefit the new ADF (Lot 1A) steel fabrication facility, and will serve Dali LLC (Lot 5) as it is developed. Additional extensions will serve several hundred acres to the south, west, and north of the current TIFID.
2. Economic Stimulus – This project has an estimated cost of \$271,200. The ADF project alone has an estimated cost of \$15,000,000. Thus, this TIF funding request is 1.8% of the larger project and well below the 10% maximum. Please note that this sewer main extension can serve a much broader area than just the ADF site, with a value much larger than the initial \$15,000,000.
3. Tax Generation – The value of the ADF project alone is around \$15,000,000. This sewer main extension will serve a much larger area that could have a value for tax purposes much higher than the initial \$15,000,000.
4. Employment Generation – ADF has stated that their new facility will create 200 to 900 new permanent, high paying jobs. Dali has estimated 14 to 42 new jobs in phase 1 of their development (Great Bear Phase 2, Lot 5). Many more new jobs will be supported by this improvement as the area grows. Also, around 10 construction jobs will be created during the installation of this improvement.
5. Elimination of Blight – No direct benefit, although the high paying jobs being created may indirectly have a positive impact on blight in the community.
6. Special or Unique Opportunities – This infrastructure improvement is critical to the industrial park and surrounding areas. Great Falls has a minimum amount of ‘shovel ready’ land zoned I-2 Heavy Industrial. Attracting high paying jobs in appropriate locations is a goal of the City, and this project advances this and related goals.
7. Impact Assessment – This project is compatible with the City’s growth plan. The community has supported industrial development in this area. The location is

some distance from all existing or planned residential areas. Good design standards now in place ensure that environmental impacts will be minimized.

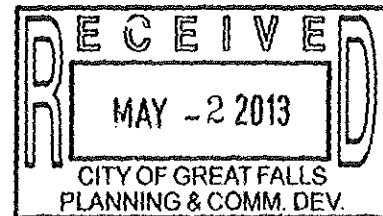
8. Financial Assistance – No other financial resource has been identified. The City's General Fund does not have available cash, and the Sewer Fund must borrow funds to pay for around \$18,000,000 in mandated environmental upgrades.
9. Development's Feasibility – The fact that a major company (ADF) is developing Lot 1A and others are working to develop an adjacent area (Dali) illustrates the strong market demand for development of the CMATP.
10. Developer Ability to Perform – The applicant (City of Great Falls Engineering Division) successfully handles from 30 to 50 projects annually with a total value of between \$6,000,000 and \$15,000,000. We are committed to successfully delivering this project.
11. Timely Completion – It is critical that the project be in service by October 1, 2013 in order to serve ADF. This is a tight schedule but feasible if TIF funding is approved in a timely manner.
12. Payment of Taxes – Not applicable.

CITY OF GREAT FALLS



**TAX INCREMENT FINANCING
(TIF)**

APPLICATION FOR FUNDS



**CITY OF GREAT FALLS
TAX INCREMENT FINANCING (TIF)
APPLICATION FOR FUNDS**

Project Name: CMATP Great Bear Avenue Paving, Phase 2 (Office File 1658.1)

Date Submitted: May 1, 2013

Name of TIF District Central Montana Agri-Tech Park

APPLICANT INFORMATION

Name: City of Great Falls Public Works Department

Address: P. O. Box 5021, Great Falls, MT 59403-5021

Telephone: 406-771-1258 (Dave Dobbs, P.E., City Engineer)

DEVELOPMENT INFORMATION

1. Building Address: Adjacent to ADF Group, 1900 Great Bear Avenue, Great Falls, MT 59404.

2. Legal Description: Lot 4, Block 1, International Malting Company, LLC Addition; located in Section 30, Township 21 North, Range 4 East, P.M.M., Cascade County, Montana.

3. Ownership: Lot 4 is owned by Dali LLC and is in the process of being deeded to the City of Great Falls.

Address: Dali LLC, P. O. Box 443, Holualoa, HI 96725.

4. If property is not owned by the Applicant, list leasehold interests: (Attach evidentiary materials.)

Name: Lot 4 is dedicated as a utility and access easement to serve adjacent parcels in the International Malting Company, LLC Addition. The City of Great Falls and the owner (Dali LLC) are negotiating the deeding of this property to the City as public right-of-way and easement.

Address: see above

5. Existing/Proposed Businesses (of adjacent properties): Lot 2 contains the MaltEurop barley malting facility. Lot 1A is currently being developed into a steel fabrication facility by ADF Group. Lot 4 is an access and utility easement created to serve the International Malting Company, LLC Addition subdivision. Lot 5 is proposed to be developed for heavy industrial uses as allowed in the I-2 Heavy Industrial zone of the City of Great Falls.

Business Description: see above

6. Employment: Existing FTE Jobs: MaltEurop currently employs approximately 50 people.

New Permanent FTE Jobs created by project: ADF states that their new facility will create 200 to 900 jobs; Dali LLC, 14 to 42 jobs in the first phase of Lot 5 development; plus many more potential jobs in future phases as the area grows. Construction FTE jobs: This road paving will provide approximately 20 jobs for the duration of the project, plus 2 technical jobs.

7. Architectural/Engineering Firm: City Public Works Department Engineering Division will manage the project. It is anticipated that a consultant will be hired to complete the construction plans.

Address: City of Great Falls, P. O. Box 5021, Great Falls, MT 59403-5021

Representative: Dave Dobbs, City Engineer

**CITY OF GREAT FALLS
TAX INCREMENT FINANCING (TIF)
APPLICATION FOR FUNDS**

8. Description of Total Development: (Attach narrative explanation.)

This paved roadway, Great Bear Avenue, will immediately serve the new ADF steel fabrication facility plus Dali LLC businesses on Lot 5, which are currently within or soon will be within the CMATP TIF district. This phase will install approximately 1,620 linear feet of 35 foot wide asphalt street on the approximate alignment of the existing graveled driveway; install gravel shoulders; install drainage pipe crossings; and restore / revegetate disturbed areas. The project will be designed by a consultant. City Engineering Division will perform administrative, management, and construction inspection duties.

9. Rehabilitation/construction Plans (Attach schematics, site, and landscaping plans.)

See attached map of project area.

10. Development Schedule: (Attach time line or schedule through completion.)

The project must be completed no later than October 1, 2013 in order to provide service to the ADF facility and possibly new businesses on Lot 5. In order to meet this deadline, TIF funding approval should be received no later than June 20.

11. Amount of Public Infrastructure Need and Proportion of Public Infrastructure Financed by TIF?

This application for tax increment funding requests that 100% of the project costs, including engineering, administration, construction management, and construction inspection be provided by available tax increment funds.

TOTAL DEVELOPMENT COSTS

Land and Site Improvements (Itemized)

- 1. Value of Land \$ _____
- 2. \$ _____
- 3. \$ _____
- 4. \$ _____
- 5. \$ _____

Subtotal \$ 0 _____

Do you currently own all of the land or will you be purchasing some? _____

Lot 4 is currently owned by Dali LLC. The City and Dali are working to have the lot deeded to the City as public right-of-way and easement.

Construction/Rehabilitation Costs (Use general construction trade divisions)

(Total value of improvements)

- 1. \$ _____
- 2. \$ _____
- 3. \$ _____
- 4. \$ _____
- 5. \$ _____

Subtotal \$ 0 _____

Total Project Development Costs \$ 0 _____

ELIGIBLE ACTIVITIES

Land Acquisition

1.	\$ _____	
2.	\$ _____	
3.	\$ _____	
Subtotal		\$ 0 _____

Demolition & Removal of Structures

1.	\$ _____	
2.	\$ _____	
Subtotal		\$ 0 _____

Relocation of Occupants

1.	\$ _____	
Subtotal		\$ 0 _____

Public Improvements

(acquisitions, construction and improvement of infrastructure which includes streets, roads, curbs, gutters, sidewalks, pedestrian malls, alleys, parking lots and off-street parking facilities, sewers, sewer lines, storm sewers, etc.)

1. Pavement of Great Bear Avenue.	\$ 358,200 _____	
2.	\$ _____	
3.	\$ _____	
4.	\$ _____	
Subtotal		\$ 358,200 _____

Fees (associated with eligible activities)

1. A&E design/Supervision	\$ 71,600 _____	Includes professional services provided by private consultant and City Engineering staff.
2. Permits	\$ _____	
3. Other fees	\$ _____	
Subtotal of Costs of all Public Improvement		\$ 429,800 _____

Total Project Development Costs **\$ 429,800 _____**

CERTIFICATION

We, James Rearden and David W. Dobbs (please print), certify that the statements and estimates within this Application as well as any and all documentation submitted as attachments to this Application or under separate cover are true and correct to the best of my (our) knowledge and belief.

Signature *James Rearden*

Title Director of Public Works

Address City of Great Falls, P. O. Box 5021, Great Falls, MT 59403-5021

Date May 1, 2013

Signature *David W. Dobbs*

Title City Engineer

Address City of Great Falls, P. O. Box 5021, Great Falls, MT 59403-5021

Date May 1, 2013

HOW WOULD YOU LIKE TO RECEIVE YOUR TIF FUNDS?

- € Incrementally over time, as the TIF is generated.
- € I'd like to utilize a bonding mechanism and receive the funding in a one-time lump sum amount. I recognize the risk associated with this option.
- €
- City of Great Falls Public Works Department is requesting that the funds for this project be provided from TIF funds that are currently on hand.



GREAT BEAR AVE PAVING PROJECT

Central Montana Agri-Tech Park (CMATP) – Criteria for Review

Great Bear Avenue Paving, Phase 2 (Office File 1658.1)

The following information is provided as a supplement to this TIF Application to clearly indicate compliance with the Criteria for Review contained in the application instructions.

1. Public Infrastructure Improvements – The pavement of Great Bear Avenue will immediately benefit the new ADF (Lot 1A) steel fabrication facility; will serve Dali LLC (Lot 5) as it is developed; and provide paved access to the MaltEurop barley malting plant (which has been in operation for around 7 years).
2. Economic Stimulus – This project has an estimated cost of \$429,200. The ADF project alone has an estimated cost of \$15,000,000. Thus, this TIF funding request is 2.9% of the larger project and well below the 10% maximum. Please note that this road pavement project will serve more than just the ADF project, with a value higher than the initial \$15,000,000. The MaltEurop facility was built at a cost of around \$60,000,000.
3. Tax Generation – The value of the ADF project alone is around \$15,000,000. The pavement of Great Bear Avenue will serve the Dali (Lot 5) development; and the existing MaltEurop facility, which may eventually expand.
4. Employment Generation – ADF has stated that their new facility will create 200 to 900 new permanent, high paying jobs. Dali has estimated 14 to 42 new jobs in phase 1 of their development (Great Bear Phase 2, Lot 5). Also, around 22 construction jobs will be created during the installation of this improvement. MaltEurop currently employs around 50 people.
5. Elimination of Blight – No direct benefit, although the high paying jobs being created may indirectly have a positive impact on blight in the community.
6. Special or Unique Opportunities – This infrastructure improvement is critical to this industrial park and surrounding areas. Great Falls has a minimum amount of 'shovel ready' land zoned I-2 Heavy Industrial. Attracting high paying jobs in appropriate locations is a goal of the City, and this project advances this and related goals.

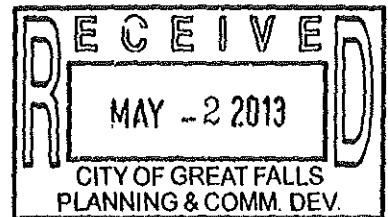
7. Impact Assessment – This project is compatible with the City’s growth plan. The community has supported industrial development in this area. The location is some distance from all existing or planned residential areas. Good design standards now in place ensure that environmental impacts will be minimized. The elimination of dust from the existing gravel roadway will be a positive environmental impact.
8. Financial Assistance – No other financial resource has been identified. The City’s General Fund does not have available cash, and Street Department Funds are fully committed to maintenance and repair of the existing street network.
9. Development’s Feasibility – The fact that a major company (ADF) is developing Lot 1A and others are working in an adjacent area (Dali) illustrates the strong market demand for development of the CMATP.
10. Developer Ability to Perform – The applicant (City of Great Falls Engineering Division) successfully handles from 30 to 50 projects annually with a total value of between \$6,000,000 and \$15,000,000. We are committed to successfully delivering this project.
11. Timely Completion – It is critical that the project be in service by October 1, 2013 in order to serve ADF. This is a tight schedule but feasible if TIF funding is approved in a timely manner.
12. Payment of Taxes – Not applicable.

CITY OF GREAT FALLS



**TAX INCREMENT FINANCING
(TIF)**

APPLICATION FOR FUNDS



**CITY OF GREAT FALLS
TAX INCREMENT FINANCING (TIF)
APPLICATION FOR FUNDS**

Project Name: CMATP Preliminary Storm Drain Improvements Design, Phase 3 (Office File 1658.1)

Date Submitted: May 1, 2013

Name of TIF District Central Montana Agri-Tech Park

APPLICANT INFORMATION

Name: City of Great Falls Public Works Department

Address: P. O. Box 5021, Great Falls, MT 59403-5021

Telephone: 406-771-1258 (Dave Dobbs, P.E., City Engineer)

DEVELOPMENT INFORMATION

1. Building Address: Adjacent to MaltEurop, 2800 Great Bear Avenue, Great Falls, MT 59404; and ADF Group, 1900 Great Bear Avenue, Great Falls, MT 59404

2. Legal Description: Lots 2, 4, and 5, Block 1, International Malting Company, LLC Addition; Lot 1A, First Amendment to the International Malting Company, LLC Addition; and the undeveloped public right-of-way adjacent to the northern property lines of Blocks 4 and 5, First Broadway Addition to North Great Falls. The above parcels are located in Section 30, Township 21 North, Range 4 East, P.M.M., Cascade County, Montana. Design will also occur on the proposed Great Bear Innovation Park Phase 1 subdivision, located in Section 29, Township 21 North, Range 4 East, P.M.M., Cascade County, Montana.

3. Ownership: Lot 2 is owned by MaltEurop; Lots 4, 5, and Great Bear Innovation Park Phase 1 are owned by Dali LLC; Lot 1A is owned by ADF Group; and the undeveloped right-of-way is owned by Cascade County.

Address: Lot 2 is owned by MaltEurop, 2800 Great Bear Avenue, Great Falls, MT 59404; Lot 1A is owned by ADF Group, 1900 Great Bear Avenue, Great Falls, MT 59404; Lots 4, 5, and Great Bear Innovation Park Phase 1 are owned by Dali LLC, P. O. Box 443, Holualoa, HI 96725; and the public right of way is owned by Cascade County, Courthouse Annex, 325 2nd Avenue North, Great Falls, MT 59401.

4. If property is not owned by the Applicant, list leasehold interests: (Attach evidentiary materials.)

Name: The City of Great Falls is entitled to easements from the owners of Lots 1A, 2, 4, and 5 as outlined in the annexation agreements for these parcels. The undeveloped right-of-way is open to use for the installation of publicly owned utilities with the consent of Cascade County. Easements will be needed across Great Bear Innovation Park Phase 1.

Address: see above

5. Existing/Proposed Businesses: Lot 2 contains the MaltEurop barley malting facility. Lot 1A is currently being developed into a steel fabrication facility by ADF Group. Lot 4 is an access and utility easement created to serve the International Malting Company, LLC Addition subdivision. Lot 5 is proposed to be developed for heavy industrial uses as allowed in the I-2 Heavy Industrial zone of the City of Great Falls. Great Bear Innovation Park Phase 1 is proposed for I-2 Heavy Industrial zoning when it is annexed.

Business Description: see above

6. Employment: Existing FTE Jobs: MaltEurop currently employs approximately 50 people.

New Permanent FTE Jobs created by project: ADF states that their new facility will create 200 to 900 jobs; Dali LLC, 14 to 42 jobs in the first phase of Lot 5 development; plus many more potential jobs in future phases as the area grows. Construction FTE jobs: The design of this project will employ approximately 3 technical personnel.

7. Architectural/Engineering Firm: City Public Works Department Engineering Division will manage the project. It is anticipated that a consultant will be hired to complete the construction plans.

Address: City of Great Falls, P. O. Box 5021, Great Falls, MT 59403-5021

Representative: Dave Dobbs, City Engineer

-1-

**CITY OF GREAT FALLS
TAX INCREMENT FINANCING (TIF)
APPLICATION FOR FUNDS**

8. Description of Total Development: (Attach narrative explanation.)

This storm drainage system will immediately serve the new ADF steel fabrication facility plus Dali LLC businesses on Lot 5, which are currently within or soon will be within the CMATP TIF district. The system will also protect property from damage and serve future developments well to the east of Black Eagle Road. Future extensions can serve several hundred acres to the west and north of the current CMATP. The project will be designed by a consultant. City Engineering Division will perform administrative duties and coordinate the consultant's activities.

9. Rehabilitation/construction Plans (Attach schematics, site, and landscaping plans.)

See attached map of project area.

10. Development Schedule: (Attach time line or schedule through completion.)

The project must begin at the soonest possible time. Hopefully, TIF funding approval can be received no later than June 20. An early start is necessary in order to start design so that the final phase, including construction, can start at the earliest possible time.

11. Amount of Public Infrastructure Need and Proportion of Public Infrastructure Financed by TIF?

This application for tax increment funding requests that 100% of the project costs, including engineering and administration, be provided by available tax increment funds.

TOTAL DEVELOPMENT COSTS

Land and Site Improvements (Itemized)

- 1. Value of Land \$ _____
- 2. \$ _____
- 3. \$ _____
- 4. \$ _____
- 5. \$ _____

Subtotal \$ 0 _____

Do you currently own all of the land or will you be purchasing some? n/a _____

Construction/Rehabilitation Costs (Use general construction trade divisions)

(Total value of improvements)

- 1. \$ _____
- 2. \$ _____
- 3. \$ _____
- 4. \$ _____
- 5. \$ _____

Subtotal \$ 0 _____

Total Project Development Costs \$ 0 _____

ELIGIBLE ACTIVITIES

Land Acquisition

1.	\$ _____	
2.	\$ _____	
3.	\$ _____	
Subtotal		\$ 0 _____

Demolition & Removal of Structures

1.	\$ _____	
2.	\$ _____	
Subtotal		\$ 0 _____

Relocation of Occupants

1.	\$ _____	
Subtotal		\$ 0 _____

Public Improvements

(acquisitions, construction and improvement of infrastructure which includes streets, roads, curbs, gutters, sidewalks, pedestrian malls, alleys, parking lots and off-street parking facilities, sewers, sewer lines, storm sewers, etc.)

1. Design of storm drain system.	\$ <u>50,000</u> _____	
2.	\$ _____	
3.	\$ _____	
4.	\$ _____	
Subtotal		\$ <u>50,000</u> _____

Fees (associated with eligible activities)

1. A&E design/Supervision	\$ <u>50,000</u> _____	Includes professional services provided by private consultant and City Engineering staff.
2. Permits	\$ _____	
3. Other fees	\$ _____	
Subtotal of Costs of all Public Improvement		\$ <u>50,000</u> _____

Total Project Development Costs		\$ <u>50,000</u> _____
--	--	-------------------------------

PROJECT FINANCING

Please complete Sources of Funds detail and summarize below.

Developer Contribution

Cash Invested \$ _____
Land & Buildings \$ _____
In-kind (Specify) \$ _____
Other (Specify) _____ \$ _____

Subtotal \$ _____

Lender Commitments (Attach evidence i.e. Letters of Credit or other documentation.)

Lender	Loan Amount	Interest	Term	Payment/Period
_____	\$ _____	_____ %	_____ yrs	\$ _____ /mo
_____	\$ _____	_____ %	_____ yrs	\$ _____ /mo
Total Loan Amount				\$ _____

TIF Request

Eligible Improvements (See Narrative – above)

\$ _____
\$ _____
\$ _____
\$ _____
\$ _____

Subtotal \$ 50,000

CERTIFICATION

We, James Rearden and David W. Dobbs (please print), certify that the statements and estimates within this Application as well as any and all documentation submitted as attachments to this Application or under separate cover are true and correct to the best of my (our) knowledge and belief.

Signature *James Rearden*

Title Director of Public Works

Address City of Great Falls, P. O. Box 5021, Great Falls, MT 59403-5021

Date May 1, 2013

Signature *David W. Dobbs*

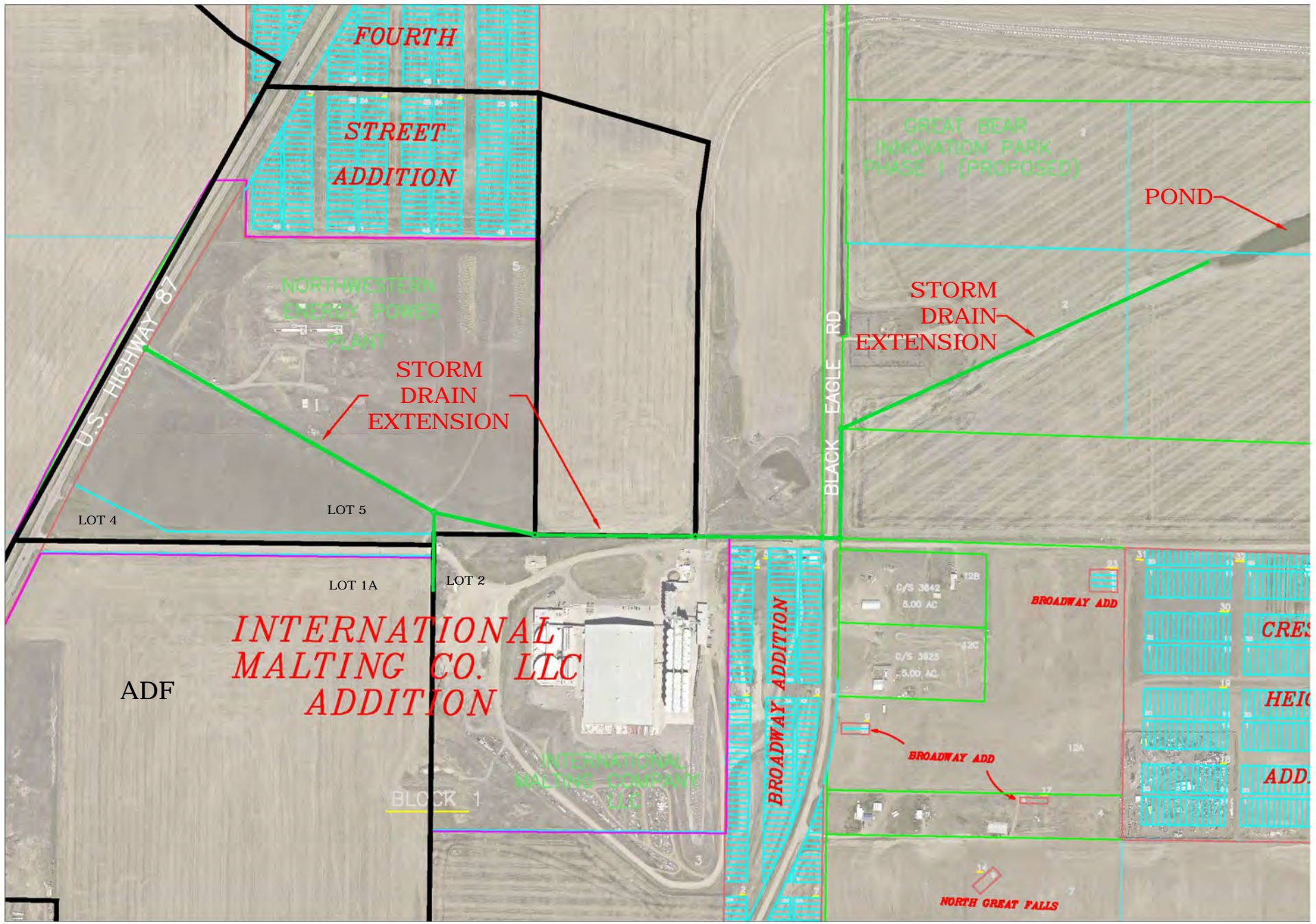
Title City Engineer

Address City of Great Falls, P. O. Box 5021, Great Falls, MT 59403-5021

Date May 1, 2013

HOW WOULD YOU LIKE TO RECEIVE YOUR TIF FUNDS?

- € Incrementally over time, as the TIF is generated.
- € I'd like to utilize a bonding mechanism and receive the funding in a one-time lump sum amount. I recognize the risk associated with this option.
- €
- X → **City of Great Falls Public Works Department is requesting that the funds for this project be provided from TIF funds that are currently on hand.**



PROPOSED STORM DRAIN SYSTEM

Central Montana Agri-Tech Park (CMATP) – Criteria for Review

Preliminary Storm Drain Improvements Design, Phase 3 (Office File 1658.1)

The following information is provided as a supplement to this TIF Application to clearly indicate compliance with the Criteria for Review contained in the application instructions.

1. Public Infrastructure Improvements – The Preliminary Storm Drain Improvements Design is the first step in an area wide storm drain system which will ultimately serve the existing CMATP plus surrounding areas. These infrastructure improvements will immediately benefit the new ADF (Lot 1A) steel fabrication facility, and will serve Dali LLC (Lot 5) as it is developed. The system will also protect the MaltEurop property plus land to the east of Black Eagle Road.
2. Economic Stimulus – This phase of the storm drain improvements will cost \$50,000. The ADF project alone has an estimated cost of \$15,000,000. Thus, this TIF funding request is 0.33% of the larger project and well below the 10% maximum. Please note that this project will help design a storm drainage system that will serve a much broader area than just the ADF site, with a value much larger than the initial \$15,000,000.
3. Tax Generation – The value of the ADF project alone is around \$15,000,000. These storm drain improvements will ultimately serve a much larger area that could have a value for tax purposes much higher than the initial \$15,000,000.
4. Employment Generation – ADF has stated that their new facility will create 200 to 900 new permanent, high paying jobs. Dali has estimated 14 to 42 new jobs in phase 1 of their development (Great Bear Phase 2, Lot 5). Many more new jobs will be supported by this improvement as the area grows. Also, around 3 technical jobs will be created during this phase in designing the improvements.
5. Elimination of Blight – No direct benefit is anticipated.
6. Special or Unique Opportunities – This infrastructure improvement is critical to the industrial park and surrounding areas. Great Falls has a minimal amount of ‘shovel ready’ of land zoned I-2 Heavy Industrial. Attracting high paying jobs in appropriate locations is a goal of the City, and this project advances this and related goals.

7. Impact Assessment – This project is compatible with the City’s growth plan. The community has supported industrial development in this area. The location is some distance from any existing or planned residential areas. Good design standards now in place ensure that environmental impacts will be minimized. The installation of a storm drain system will reduce erosion and improve surface water quality in the area.
8. Financial Assistance – No other financial resource has been identified. The City’s General Fund does not have available cash, and the Storm Drain Utility funds are committed to existing projects for at least the next 5 years.
9. Development’s Feasibility – The fact that a major company (ADF) in developing Lot 1A and others are working to develop an adjacent area (Dali) illustrates the strong market demand for development of the CMATP.
10. Developer Ability to Perform – The applicant (City of Great Falls Engineering Division) successfully handles from 30 to 50 projects annually with a total value of between \$6,000,000 and \$15,000,000. Engineering Division also manages consultant design projects such as this one on a routine basis. We are committed to successfully delivering this project.
11. Timely Completion – It is critical that the project get started with design as soon as possible. With this project, we will determine funding requirements for the actual construction, which must to be completed by the spring of 2014. This is a tight schedule but feasible if TIF funding is approved for the preliminary work in a timely manner.
12. Payment of Taxes – Not applicable.



Central Montana Agricultural & Technology Park Expanded Tax Increment Financing Industrial District Plan City of 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 created the Central Montana Agricultural and Technology Park Tax Increment Financing Industrial District (TIFID) on May 17, 2005 per City Ordinance 2911. The base taxable value of the District was established as the taxable value of all real and personal property within the boundaries of the district as of January 1, 2005.

The District boundaries were expanded in December of 2007 (Ordinance 2996) in order to support potential investment in energy generation facilities. Even with this expansion, however, the current district is not large enough to support any additional industrial development and a second boundary adjustment is necessary to accommodate potential growth. This boundary adjustment would enable the City to address critical



Figure 1. Central Montana Agriculture and Technology Park

infrastructure deficiencies to recruit new value adding industry and support the growth and retention of existing manufacturing businesses.

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 expanded Central Montana Agriculture and Technology Park TIFID, in support of value adding industry, will include road improvements, sewer and water main extension and storm drainage improvements, enabling 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 Cascade County, which is in north-central Montana. The County is bordered on the west by the Rocky Mountains, 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.

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.

Central Montana Agriculture and Technology Park Expanded Tax Increment Financing Industrial District

The City of Great Falls intends to expand the Central Montana Agriculture and Technology Park Tax Increment Financing Industrial District. The base year for the purposes of measuring any incremental value in the new portion of the District will be 2013 and the base value will be calculated as of January 1, 2013.

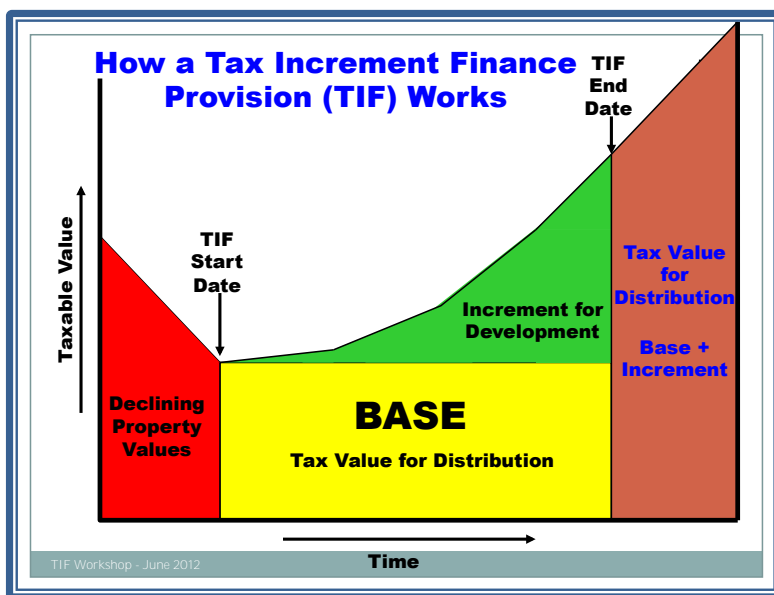


Figure 2. Schematic of Tax Increment Financing

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 2.) 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 an industrial development plan that addresses both the existing and new areas of the District, 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.

2. DISTRICT DESCRIPTION

The expanded TIFID, in its entirety, encompasses an area that is located at the northern edge of the City of Great Falls. The area is surrounded by agricultural land and is bounded by US Highway 87 on the west. The existing portion of the District is home to the Malteurop.



Figure 3. Malteurop

Legal Description

The expansion of the Central Montana District will require an amendment to the TIFID district, which will extend the boundaries of existing district to include:

Lot 1A, Block 1, of the Correctional Plat of the First Amendment to the International Malting Company, LLC Addition. This parcel is 100.00 acres in size according to official plat.

The new district boundary will be described as follows:

All of Lots 2, 4, & 5, Block 1, of the International Malting Company, LLC Addition ...and...All of Lot 1A, Block 1, of the Correctional Plat of the First Amendment to the International Malting Company, LLC Addition, totaling 200.22 acres in size.

This entire district is located in Section 30, Township 21 North, Range 4 East.

Metes and bounds description for the Revised Boundaries of Central Montana Agricultural and Technology Park Tax Increment Industrial District (TIF)

Property situated in Section 30, Township 21 North, Range 4 East, of the Principal Meridian Montana, Cascade County, Montana, described as follows:

Commencing at the East Quarter Corner of said Section 30; thence N89°28'41"W along the east-west mid-section line of said Section 30, a distance of 453.39 feet to the Northwest Corner of the First Broadway Addition to North Great Falls according to the official map on file in the records of Cascade County and Point of Beginning of the industrial tax increment district herein described: thence S00°37'48"W along the west line of said First Broadway Addition to North Great Falls, a distance of 1325.50 feet; thence N89°35'17"W, a distance of 1321.42 feet; thence S00°40'34"W, a distance of 949.63 feet; thence S89°37'42"W, a distance of 1673.41 feet; thence N00°03'09"E, a distance of 615.04 feet; thence N89°48'16"W, a distance of 850.56 feet to the southeasterly right-of-way of US Highway 87, Project Number FAP 149-F (3), according to the as-built right-of-way plans on file in the records of the Montana Department of Transportation; thence northeasterly along said right of way, N25°41'35"E, a distance of 243.87 feet; thence continuing along said right of way, N30°55'54"E, a distance of 131.85 feet; thence continuing along said right of way, N25°44'38"E, a distance of 1017.80 feet; thence continuing along said right of way, N37°01'29"E, a distance of 100.44 feet; thence continuing along said right of way, N28°18'36"E, a distance of 260.81 feet; thence continuing along said right of way, N26°35'47"E, a distance of 452.20 feet; thence continuing along said right of way along a curve with a radius of R=11,400.00 feet for a length of 852.19 feet; thence continuing along said right of way, N30°52'46"E, a distance of 599.71 feet; thence S00°43'23"W, a distance of 253.56 feet; thence S89°33'37"E, a distance of 1322.31 feet; thence S00°47'26"W, a distance of 1322.76 feet; thence S89°28'41"E, a distance of 867.34 feet to the true point of beginning.

All Parcels and Geocodes to be included in the expanded Central Montana Agriculture and Technology Park TIFID

Lot 1A, Block 1, Correctional Plat of the First Amendment to the International Malting Company, LLC Addition
County Parcel Number 1029650

Geocode: 02-3139-30-4-03-05-0000

Owner - ADF International, Inc.

Lot 2, Block 1, International Malting Company, LLC Addition

County Parcel Number 1029655

International Malting Company, LLC Addition

Geocode: 02-3139-30-4-03-09-0000

Owner - International Malting Company LLC

Lot 4, Block 1, International Malting Company, LLC Addition

County Parcel Number 1029670

Geocode: 02 3139-30-4-03-03-0000

Owner - DALI LLC

Lot 5, Block 1, International Malting Company, LLC Addition

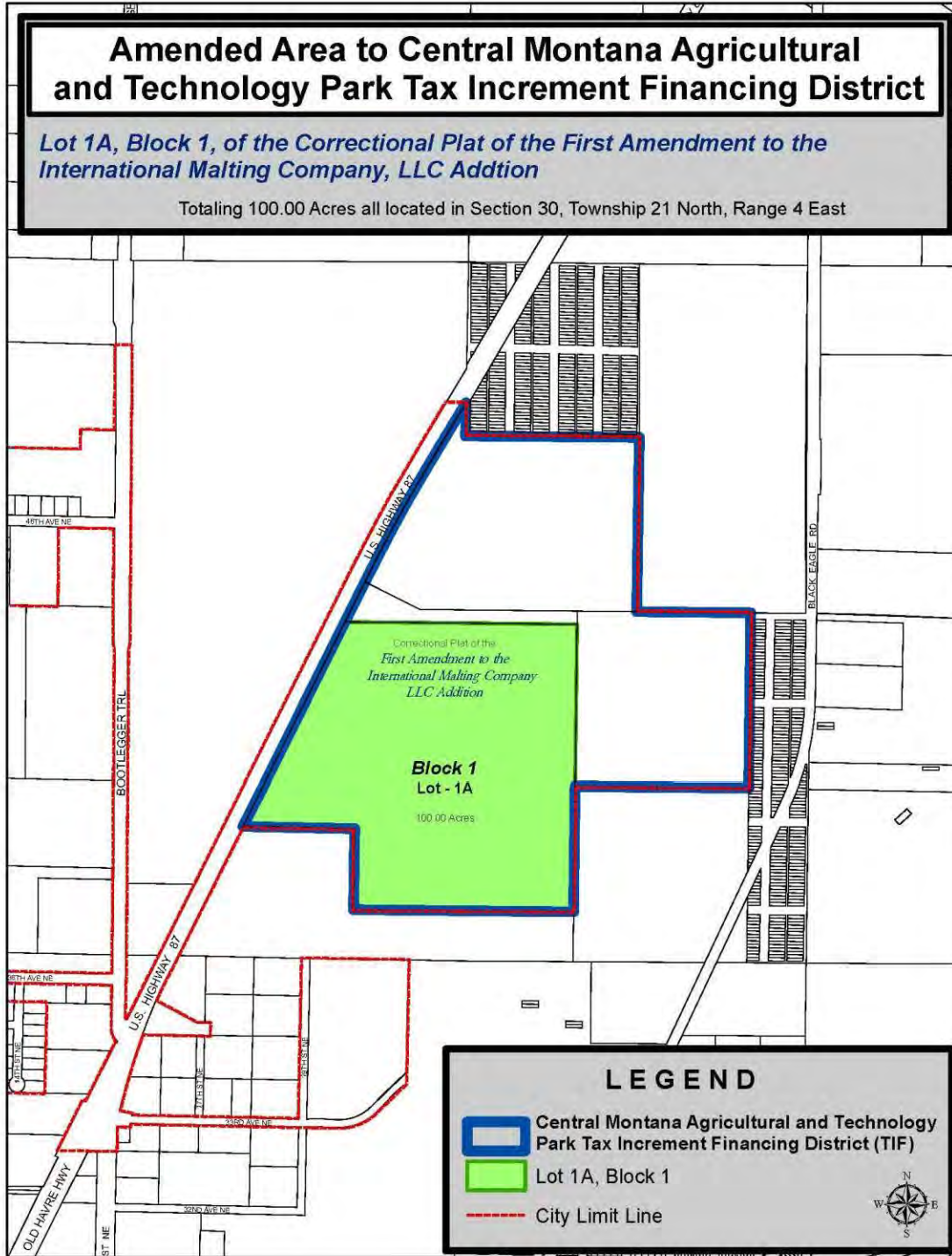
County Parcel Number 1029675

Geocode: 02-3139-30-4-03-01-0000

Owner - DALI LLC

Map of the TIF Industrial District

The following map shows the existing Central Montana Agricultural and Technology Park and the proposed addition.



3. GOALS OF THE CENTRAL MONTANA AGRICULTURE AND TECHNOLOGY 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, none more spectacular than the Missouri River corridor. Industrial development along the river has the potential to negatively impact the beauty of and access to the river currently enjoyed by the citizens of Great Falls. Therefore the City will continue to direct industrial development to specific locations on the urban fringe to protect and enhance the pristine environment along the river and the City’s residential neighborhoods.
- 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 Central Montana Agriculture and Technology 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 Central Montana Agriculture and Technology Park TIFID will require water and sewer services, transportation upgrades, stormwater collection and treatment and other improvements, depending on the types of industries that locate in the District. A review of the existing infrastructure reveals the following deficiencies:

Roads – As development occurs and traffic increases, access roadways should be paved to reduce dust and frequency of roadway maintenance. Egress routes for the heavy, wide loads should be constructed, based on carefully crafted designs that prevent roadway degradation or damage to any drainage facilities, ensure adequate turning radii, and alleviate any potential safety concerns.

Water and Sewer – There is an existing water transmission main located along the access roadway to Malteurop. There is an existing sanitary sewer trunk main and sewage lift station located on the east side of the Malteurop property adjacent to Black Eagle Road. An extension of the sewer main from this existing lift station, along the north side of the Malteurop property to the northeast corner of the proposed site for ADF, a Canadian steel fabrication company will be required.

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 District uses. Although these utilities are present, most of the property is not served. Therefore, in addition to upsizing current utility infrastructure, extensions of these facilities may be required to serve individual needs.

Stormwater – The Public Works Department is in the process of reviewing site requirements for stormwater discharge, storage, and conveyances and on-and off-site improvements. The review will consider upstream and downstream properties and future storm drain extensions will be part of the review. As properties are developed, storm water infrastructure requirements will be more accurately determined.

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, parking lots, and other improvements and services may be required. 7-15-4288 MCA provides an extensive list of eligible items that may be paid for with tax increment dollars.

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 or expansion within the expanded Central Montana Agriculture and Technology Park TIFID is presented in Table 1, by North American Industry Classification System (NAICS) code.

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 Construction	<p>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 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>
32311 Prefabricated Metal Building and Component Manufacturing	This U.S. industry comprises establishments primarily engaged in manufacturing prefabricated metal buildings, panels, and sections.
332812 Metal Coating, Engraving (except Jewelry and Silverware), and Allied Services to Manufacturers	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.
3112 Grain and Oilseed Milling 311224 Soybean and Other Oilseed Processing	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.
325193 Ethyl Alcohol Manufacturing	This U.S. industry comprises establishments primarily engaged in manufacturing nonpotable ethyl alcohol.
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 Central Montana Agriculture and Technology 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 Central Montana Agriculture and Technology 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 who make use of Montana’s mineral, agricultural, energy and timber resources will receive preferential treatment compared to those who 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 that 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 possible 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 Central Montana Agriculture and Technology Park TIFID 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.