

## RESOLUTION 10117

### RESOLUTION OF INTENTION TO APPROVE AN INDUSTRIAL DEVELOPMENT PROJECT (GREAT FALLS AGRITECH PARK PROJECT) AND ASSOCIATED INFRASTRUCTURE IMPROVEMENTS IN THE EAST INDUSTRIAL PARK TAX INCREMENT FINANCING INDUSTRIAL DISTRICT AND TO AUTHORIZE FINANCING CERTAIN INFRASTRUCTURE IMPROVEMENTS WITH TAX INCREMENT REVENUE; AND CALLING FOR A PUBLIC HEARING THEREON

BE IT RESOLVED by the City Commission of the City of Great Falls, Montana (the “City”), as follows:

#### Section 1. Recitals.

1.01. 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 No. 3105 to create and approve the East Industrial Park Tax Increment Financing Industrial District (the “District”) and the East Industrial Park Comprehensive Development Plan (the “Plan”), which contains a tax increment financing provision.

1.02. Great Falls AgriTech Park, LLC, a for-profit Montana limited liability company (the “Developer”), proposes to develop a 196-acre, multi-tenant, rail served, heavy industrial park (the “Project”), to be located in the District in the 5700 - 6300 blocks of 18th Avenue North (the “Project Site”). The Project Site is comprised of ten individual lots, which the Developer has an exclusive option to purchase. As of the date hereof, the Developer has purchased lots 1 and 2 and resold such lots to Pacific Steel & Recycling and Montana Specialty Mills, respectively.

1.03. The Developer has formed the Great Falls AgriTech Owners Association, LLC, a for-profit Montana limited liability company (the “Association”), whose members include the Developer and the owners of record of the ten individual lots comprising the Project Site (the “Property Owners”).

1.04. The Developer and the Association have submitted an application for tax increment financing assistance with respect to certain infrastructure improvements associated with the Project, consisting of road, water, sewer and rail improvements (the “Infrastructure Improvements”) at a total cost not to exceed \$6,789,867, together with interest thereon. The Developer and the Association propose that the Developer and certain current and future Property Owners finance the Infrastructure Improvements, the costs of which will be reimbursed by the City to the Association from tax increment revenues generated by the Project.

1.05. The City’s Fiscal Services, Planning, Community Development, Park and Recreation and Public Works department heads and the Deputy City Manager (the “City Staff”) have jointly reviewed and evaluated the Project and the Infrastructure Improvements and made a report and recommendation (the “City Staff Report”) to the effect that the Project and the

Infrastructure Improvements would be beneficial to the public and would result in the rehabilitation and redevelopment of the District, that the Infrastructure Improvements are eligible for tax increment financing in accordance with the Act and the purpose and goals of the District and Plan, and that the City enter into a Development Agreement with the Developer and the Association with respect to the Project and the Infrastructure Improvements (the “Development Agreement”).

1.06. Prior to the approval of an industrial development project, the Commission is required to conduct a public hearing and make certain findings as set forth in Montana Code Annotated, Section 7-15-4217.

## Section 2. Project and Infrastructure Improvements.

2.01. The Developer and the Association propose to install the Infrastructure Improvements in three phases as reflected on Exhibit A hereto, and it is proposed that the City reimburse the Association for the costs of the Infrastructure Improvements from Available Tax Increment (the “Reimbursement Obligation”) substantially as follows:

(a) costs of the Phase 1 Infrastructure Improvements in an amount equal to the lesser of \$4,635,922 and the actual amount of the Phase 1 Infrastructure Improvements, with interest accruing thereon from the date the Taxable Property in the Project Site has a market value, as certified by the Department of Revenue, of at least \$35.7 million and is generating tax increment of at least \$671,000 annually;

(b) costs of the Phase 2 Infrastructure Improvements in an amount equal to the lesser of \$570,566 and the actual amount of the Phase 2 Infrastructure Improvements, with interest accruing thereon from the date the Taxable Property in the Project Site has a market value, as certified by the Department of Revenue, of at least \$46.4 million and is generating tax increment of at least \$860,110 annually; and

(c) costs of the Phase 3 Infrastructure Improvements in an amount equal to the lesser of \$1,583,379 and the actual amount of the Phase 3 Infrastructure Improvements, with interest accruing thereon from the date the Taxable Property in the Project Site has a market value, as certified by the Department of Revenue, of at least \$71.4 million and is generating tax increment of at least \$1.2 million annually.

As used herein, “Available Tax Increment means” tax increment revenues generated by the Project in an amount equal to 85% of the tax increment revenues received by the City each year from the Project. The City’s Reimbursement Obligation shall not arise with respect to any phase of Infrastructure Improvements until completion and acceptance by the City of such phase of Infrastructure Improvements and approval of the costs thereof by the City. With respect to each phase of the Infrastructure Improvements, interest shall accrue at the rate of 4.00% per annum on the corresponding portion of the Reimbursement Obligation described above beginning on the date the taxable property in the Project Site has a market value, as certified by the Department of Revenue, in the corresponding amount described above.

2.02. Rail Improvements. Burlington Northern Santa Fe (“BNSF”) owns and operates over 3,000 miles of rail lines spanning the State of Montana (the “State”) and which run south of and parallel to 18<sup>th</sup> Avenue North in the City. The BNSF rail lines constitute the sole means of rail transportation in and out of the City, linking the City with the rest of the State and much of the rest of the United States. Given the proximity of the District to the BNSF rail lines, the Plan identifies the development of rail as an important infrastructure component within the District that will help encourage secondary value-adding industries that take advantage of the agricultural resources of the surrounding area. In order to develop the District in accordance with the Plan, a rail line needs to be extended northeasterly from the BNSF rail lines through the Project Site, reconnecting to the BNSF rail lines east of 67<sup>th</sup> Street North (the “Rail Improvements”). As set forth in the Act, tax increment revenues may be used to pay for, among other things, the costs of rail lines and to provide direct assistance to secondary value-adding industries to assist in meeting their infrastructure and land needs within the district.

It is proposed that the Association own the Rail Improvements; provided that:

(a) the Association shall own the Rail Improvements and shall not merge with or into, or consolidate with, or wind up into or undergo an arrangement with (whether or not the Association is the surviving entity), or sell, assign, convey, transfer, lease, encumber or otherwise dispose of the Rail Improvements, in one or more related transactions, without the prior written consent of the City;

(b) the Association shall not apply for tax-exempt status under State or federal law;

(c) prior to commencing construction of the Rail Improvements, each Property Owner shall grant to the Association, for the benefit of the Association, each other Property Owner, other rail users that are not Property Owners (the “Other Rail Users”) and the City, a perpetual, exclusive easement for railroad purposes upon which the Rail Improvements will be built (the “Rail Easements”);

(d) the Association shall allow other rail users that are not Property Owners (“Other Rail Users”) to construct switches and rail extensions that connect to the Rail Improvements and to use the Rail Improvements, subject to use and fee arrangements similar to those applicable to the Property Owners;

(e) the Association will maintain, insure, repair and keep the Rail Easement parcel, and any expansion thereof, and the Rail Improvements and any connections thereto, and the appurtenances and every part and parcel thereof, in good repair and condition at its own expense and in accordance with all applicable local, State and federal laws and regulations; and

(f) if the Association, the Developer or any Property Owner shall default in the performance of any of its obligations with respect to the Rail Improvements or if bankruptcy proceeds are commenced by or against the Association, then the City may declare a reversion to the City of the Rail Improvements, the connections thereto and all agreements permitting the connection of the Rail Improvements to the BNSF rail line.

Section 3. Preliminary Findings.

3.01. Findings with Respect to the Project and the Infrastructure Improvements. Based on the forgoing representations and subject to the recommendation of the Project by the City Planning Board and the public hearing called for herein, the Commission hereby finds, with respect to the Project and the Infrastructure Improvements, as follows:

- (a) no persons will be displaced from their housing by the Project or the Infrastructure Improvements;
- (b) the Project and the Infrastructure Improvements substantially satisfy the review criteria of the funding application process and meet the purpose and goals of the Act, the District and Plan;
- (c) the Plan, as modified to include the Project and the Infrastructure Improvements, conforms to the comprehensive plan or parts thereof for the City as a whole;
- (d) the Infrastructure Improvements (including the Rail Improvements which shall be subject to the terms and conditions set forth in Section 2.02 hereof) constitute public improvements in accordance with the Act;
- (e) the Plan, as modified to include the Project and the Infrastructure Improvements, will afford maximum opportunity, consistent with the sound needs of the City as a whole, for the rehabilitation or redevelopment of the District by private enterprise; and
- (f) a sound and adequate financial program exists for the financing of the Infrastructure Improvements, as more particularly described in Section 4 hereof.

Section 4. Plan of Financing. As described in Section 2.01 hereof, (i) the City's Reimbursement Obligation shall not arise with respect to any phase of Infrastructure Improvements until completion and acceptance by the City of such phase of Infrastructure Improvements and approval of the costs thereof by the City and (ii) interest shall not accrue on the City's Reimbursement Obligation with respect to any phase of Infrastructure Improvements until the taxable property in the Project Site has achieved a specified minimum market value. The Reimbursement Obligation shall be a limited obligation of the City payable solely from the Available Tax Increment. No other City funds will be available or used to pay the Reimbursement Obligation. The Reimbursement Obligation will not constitute a general obligation of the City and neither the general credit nor the taxing power of the City, Cascade County or the State shall be pledged to the payment of the Reimbursement Obligation or the interest, if any, thereon. The Reimbursement Obligation, including interest thereon, shall terminate on December 31, 2028 and any unreimbursed costs of the Infrastructure Improvements, including interest thereon, shall no longer be payable by the City. The City shall be under no obligation to extend the sunset date of the District and in the event the City elects to extend the sunset date of the District, the City shall be under no obligation to extend such termination date regardless of whether any costs of the Infrastructure Improvements, including interest thereon, remain unpaid.

Based on representations and estimates of the Developer and the Association regarding the market value of the Project, the timing for the development thereof and the Available Tax Increment to be generated thereby, the City expects that there will be sufficient Available Tax Increment to repay the Reimbursement Obligation, including interest thereon. Exhibit B hereto reflects the estimates of the Developer and the Association with respect to the repayment of the Reimbursement Obligation, including interest thereon. Notwithstanding anything herein to the contrary, the City has no control over the market value of the Project, the timing for the development thereof and the Available Tax Increment generated thereby and makes no representation with respect thereto.

Section 5. Conditional Approval. The findings and representations in this Resolution are preliminary and subject to testimony presented at the public hearing. In adopting the Resolution and making the preliminary findings contained herein, the City in no way assumes any liability or responsibility for the construction and financing of the Infrastructure Improvements or any other of the public infrastructure required to develop the Project.

Section 6. Public Hearing. A public hearing is hereby called and shall be held on July 21, 2015 at 7:00 p.m. in the Commission Chambers at 2 Park Drive South, Great Falls, Montana regarding the Project and the use of Available Tax Increment to finance the costs of the Infrastructure Improvements.

Section 7. Notice. Notice of the public hearing shall be published in the *Great Falls Tribune* on July 12 and July 19, 2015, in substantially the form attached as Exhibit C hereto (which is incorporated by reference and made a part hereof).

Section 8. Reading of Ordinance. The first reading of the Ordinance substantially in the form attached as Exhibit D hereto (the "Ordinance") shall occur at the Commission's regular meeting on July 7, 2015 and the second reading of the Ordinance shall occur at the Commission's regular meeting on July 21, 2015, and it is the Commission's intention that the Ordinance will be voted upon conclusion of such meeting.

Passed and adopted by the City Commission of the City of Great Falls, Montana, on this 7th day of July, 2015.

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Michael J. Winters, Mayor

Attest:

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Lisa Kunz, City Clerk

APPROVED FOR LEGAL CONTENT:

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Sara R. Sexe, City Attorney

## EXHIBIT A

### INFRASTRUCTURE IMPROVEMENTS

#### Agritech Industrial Park - Summary of TIF Related Construction Costs

<u>Work Description</u>	<u>Public Improvements</u>	<u>Fees</u>	<u>Total Estimated Construction Cost</u>
<i>Infrastructure Necessary for Lots 1-5A (No Rail)</i>			
Overlay 18th Ave North from 52nd St to end of Lot 5A	\$272,614	\$35,416	\$308,030.00
Extend Water from Existing Termination to end of Lot 5A	\$130,202	\$19,530	\$149,732.00
Extend Gravity Sewer and Force Main to end of Lot 5A	\$158,125	\$26,881	\$185,006.00
Stormwater Pond and 18th Ave Ditch Reconstruction	\$167,401	\$31,806	\$199,207.00
Private Utility Extensions to serve Lots 1 thru 10	\$129,030	\$0	<u>\$129,030.00</u>
<b>Subtotal</b>			<b>\$971,005.00</b>
 Construct Rail to Serve Lots 1 thru 8 except Lot 5A	 \$3,079,588	 \$585,329	 <b>\$3,664,917.00</b>
 <i>Infrastructure Necessary for Lot 6</i>			
Overlay 18th Ave North from end of Lot 5A to end of Lot 6	\$29,101	\$4,947	\$34,048.00
Water Main Extension from end of Lot 5A to end of Lot 6	\$83,026	\$14,114	\$97,140.00
Extend Gravity Sewer and Force Main to end of Lot 6	\$56,913	\$14,797	\$71,710.00
Wastewater Lift Station	\$291,800	\$75,868	\$367,668.00
<b>Subtotal</b>			<b>\$570,566.00</b>
 <i>Infrastructure Necessary for Lots 7-10 including Rail Improvements</i>			
Reconstruct 67th St N for Lots 7 thru 10	\$567,812	\$77,429	\$645,241.00
Water Main Extension for Lots 7 thru 10	\$106,260	\$26,565	\$132,825.00
Extend Gravity Sewer Main to serve Lots 7 thru 10	\$107,943	\$14,720	\$122,663.00
Construct Rail to Serve Lots 9 - 10	\$638,250	\$44,400	<u>\$682,650.00</u>
<b>Subtotal</b>			<b>\$1,583,379.00</b>
<b>Total</b>			<b>\$6,789,867.00</b>

**AGRITECH PARK - CONSTRUCTION COST ESTIMATE**

Overlay 18th Ave North from 52nd St to end of Lot 5A

ITEM	DESCRIPTION	ESTIMATED QUANTITY	UNIT	UNIT PRICE	ESTIMATED TOTAL PRICE
101	Mobilization	1	LS	5,000.00	5,000.00
102	2" TH Asphalt Overlay	21005	SY	10.40	218,452.00
103	Tack Coat	2521	GAL	4.00	10,084.00
104	Traffic Control	1	LS	7,000.00	7,000.00
105	Striping - White Paint	3467	SF	0.75	2,600.00
106	Striping - Yellow Paint	3437	SF	0.75	2,577.75
107	Stop Bar	2	EA	80.00	160.00
108	RR Crossing Symbol	2	EA	300.00	600.00
109	Helmeted Bicyclist Symbol	8	EA	40.00	320.00
110	Directional Arrow	8	EA	40.00	320.00
111	Signs - Sheet Alum Refl Sht IV	33	SF	60.00	1,980.00
112	Poles - Treated Timber Class 4	64	LF	55.00	3,520.00
113	Miscellaneous Work	20000	EA	1.00	<u>20,000.00</u>
				Subtotal	\$272,614.00
				Construction Engineering (4%)	10,905.00
				City Inspection (4%)	10,905.00
				Contingency (5%)	<u>13,631.00</u>
				<b>Total Estimated Construction Cost</b>	<b>\$308,060.00</b>



**AGRITECH PARK - CONSTRUCTION COST ESTIMATE**

**Extend Water from Existing Termination to End of Lot 5A**

ITEM	DESCRIPTION	ESTIMATED QUANTITY	UNIT	UNIT PRICE	ESTIMATED TOTAL PRICE
101	Mobilization (5% Max)	1	LS	5,000.00	5,000.00
104	16-Inch PVC Water Main	978	LF	60.00	58,680.00
106	16-Inch Valve and Valve Box	1	EA	4,500.00	4,500.00
107	Fire Hydrant Assembly	6	EA	4,500.00	27,000.00
108	Fittings	1090	LB	8.00	8,720.00
109	Type 2 Pipe Bedding	100	CY	25.00	2,500.00
110	Extend Open Cut 24" Encasement Pipe	30	LF	350.00	10,500.00
112	Connect to Existing Water Main	1	LS	5,000.00	5,000.00
114	Surface Restoration	895	LF	2.00	1,790.00
115	Miscellaneous Work	6512	EA	1.00	<u>6,512.00</u>
				Subtotal	\$130,202.00
				Construction Engineering (5%)	6,510.00
				City Inspection (5%)	6,510.00
				Contingency (5%)	<u>6,510.00</u>
				<b>Total Estimated Construction Cost</b>	<b>\$149,732.00</b>

**AGRITECH PARK - CONSTRUCTION COST ESTIMATE**

**Extend Gravity Sewer and Force Main to end of Lot 5A**

ITEM	DESCRIPTION	ESTIMATED QUANTITY	UNIT	UNIT PRICE	ESTIMATED TOTAL PRICE
101	Mobilization	1	LS	5,000.00	5,000.00
102	8-Inch Sanitary Sewer Main	1017	LF	50.00	50,850.00
104	Sewer Force Main Pipe Bend	3	EA	800.00	2,400.00
105	48" Sanitary Sewer Manhole	3	EA	3,200.00	9,600.00
106	Sewer Force Main Slipped into Existing	1221	LF	25.00	30,525.00
107	Sewer Force Main	1017	LF	50.00	50,850.00
108	Type 2 Pipe Bedding	30	CY	30.00	900.00
137	Miscellaneous Work	1	LS	8,000.00	<u>8,000.00</u>
				Subtotal	\$158,125.00
				Construction Engineering (5%)	7,906.00
				City Inspection (5%)	7,906.00
				Contingency (7%)	<u>11,069.00</u>
				Total Estimated Construction Cost	<b>\$185,006.00</b>

**AGRITECH PARK - CONSTRUCTION COST ESTIMATE**

**Lot 10 and 18th Ave N Storm Water Facilities**

<b><u>Work Item</u></b>	<b><u>Quantity</u></b>	<b><u>Units</u></b>	<b><u>Unit Cost</u></b>	<b><u>Total Cost</u></b>
Mobilization and Permits	1	LS	10,000.00	10,000.00
18th Ave Ditch Grading	1800	LF	11.00	19,800.00
18th Ave Ditch Check Dams	1030	LF	13.50	13,905.00
Pond Excavation and Embankment	3200	CY	12.00	38,400.00
24" RCP Culvert	72	LF	58.00	4,176.00
Drainage Swale w/ Check Dams	320	LF	30.00	9,600.00
Hydraulic Structures	2	EA	14,000.00	28,000.00
Access Road from 67th St	350	LF	44.00	15,400.00
Salvage and Replace Topsoil	850	CY	12.00	10,200.00
Seeding and Fertilizing	2.1	AC	5,200.00	10,920.00
Miscellaneous Work	7,000	EA	1.00	<u>7,000.00</u>
			Subtotal	\$167,401.00
			Design Engineering (6%)	10,044.00
			Construction Engineering (7%)	11,718.00
			Contingency (6%)	<u>10,044.00</u>
			Total Estimated Construction Cost	<b>\$199,207.00</b>

**AGRITECH PARK - CONSTRUCTION COST ESTIMATE**

**Private Utility Extensions to serve Lots 1 thru 10**

<u>Work Item</u>	<u>Quantity</u>	<u>Units</u>	<u>Unit Cost</u>	<u>Total Cost</u>
Communications (3 Rivers - Quote for Fiber)	1	LS	\$28,500.00	\$28,500.00
Natural Gas (Energy West)	1	LS	\$38,700.00	\$38,700.00
Electricity (Northwestern Energy)	1	LS	\$15,000.00	\$15,000.00
Communications (Optimum and Century Link to provide quotes)	1	LS	\$30,000.00	<u>\$30,000.00</u>
			Subtotal	\$112,200.00
			Contingency (15%)	<u>\$16,830.00</u>
			Total Estimated Construction Cost	<b>\$129,030.00</b>

**AGRITECH PARK - CONSTRUCTION COST ESTIMATE**

**Rail Serving Lots 1- 6 same cost as Lots 1- 8 (except Lot 5A)**

<u>Work Item</u>	<u>Quantity</u>	<u>Units</u>	<u>Unit Cost</u>	<u>Total Cost</u>
Mobilization	1	LS	\$30,000	\$30,000.00
Earthwork to Reroute Existing Track at Mainline Connection	1,400	LF	\$46	\$64,400.00
Relocate 16" Water Main at Track Realignment	500	LF	\$60	\$30,000.00
Extend Water Main Encasement Pipe	35	LF	\$350	\$12,250.00
Track (115 lb track)	6,350	LF	\$200	\$1,270,000.00
Runaround siding (2,000 LF capacity)	2,268	LF	\$200	\$453,600.00
No. 9-115 lb turnout (runaround, crossover switches)	4	EA	\$65,000	\$260,000.00
Road Crossing Surface	2	EA	\$72,000	\$144,000.00
Crossing Signals	1	EA	\$270,000	\$270,000.00
Double Switch Point Derail	1	EA	\$30,000	\$30,000.00
Culverts, Seeding	1	LS	\$18,000	\$18,000.00
Miscellaneous Work	1	LS	\$80,000	\$80,000.00
			Subtotal	\$2,662,250.00
				\$18,000.00
			Signal Design and Inspection	\$133,113.00
			Engineering (5%)	<u>\$266,225.00</u>
			Contingency (10%)	
			Subtotal	\$3,079,588.00

**Sole Source BNSF Railway Costs - Lots 1 thru 8 (except Lot 5A)**

<u>Work Item</u>	<u>Quantity</u>	<u>Units</u>	<u>Unit Cost</u>	<u>Total Cost</u>
BNSF Mainline Switch	1	LS	\$185,005	\$185,005.00
Mainline Switch Heater and Power	1	LS	\$62,000	\$62,000.00
BNSF Reroute of Existing Mainline at Connection	1,400	LF	\$242	<u>\$338,324.00</u>
			BNSF Subtotal	\$585,329.00
			<b>Total</b>	<b>\$3,664,917.00</b>

**AGRITECH PARK - CONSTRUCTION COST ESTIMATE**

**Overlay 18th Ave North for Lot 6**

<u>ITEM</u>	<u>DESCRIPTION</u>	<u>ESTIMATED QUANTITY</u>	<u>UNIT</u>	<u>UNIT PRICE</u>	<u>ESTIMATED TOTAL PRICE</u>
101	2" TH Asphalt Overlay	2002	SY	10.80	21,621.60
102	Tack Coat	240	GAL	7.00	1,680.00
103	Striping - White Paint	213	SF	0.75	159.75
104	Striping - Yellow Paint	213	SF	0.75	159.75
105	Stop Bar	1	EA	80.00	80.00
106	Helmeted Bicyclist Symbol	2	EA	40.00	80.00
107	Directional Arrow	2	EA	40.00	80.00
105	Stop Bar	1	EA	80.00	80.00
106	Helmeted Bicyclist Symbol	2	EA	40.00	80.00
107	Directional Arrow	2	EA	40.00	80.00
108	Miscellaneous Work	1	LS	5,000.00	<u>5,000.00</u>
				Rounded Subtotal	29,101.00
				Construction Engineering (5%)	1,455.00
				City Inspection (5%)	1,455.00
				Contingency (7%)	<u>2,037.00</u>
				Total Estimated Construction Cost	<b><u>\$34,048.00</u></b>

**AGRITECH PARK - CONSTRUCTION COST ESTIMATE**

**Water Main Extensions for Lot 6**

ITEM	DESCRIPTION	ESTIMATED QUANTITY	UNIT	UNIT PRICE	ESTIMATED TOTAL PRICE
101	Mobilization (5% Max)	1	LS	10,000.00	10,000.00
103	12-Inch PVC Water Main	120	LF	54.00	6,480.00
104	16-Inch PVC Water Main	335	LF	65.00	21,775.00
105	12-Inch Valve and Valve Box	1	EA	3,400.00	3,400.00
106	16-Inch Valve and Valve Box	1	EA	4,800.00	4,800.00
107	Fire Hydrant Assembly	2	EA	5,600.00	11,200.00
108	Fittings	1162	LB	8.00	9,296.00
109	Type 2 Pipe Bedding	30	CY	30.00	900.00
114	Surface Restoration	455	LF	5.00	2,275.00
115	Miscellaneous Work	12000	EA	1.00	<u>12,000.00</u>
				Subtotal	83,026.00
				Construction Engineering (5%)	4,151.00
				City Inspection (5%)	4,151.00
				Contingency (7%)	<u>5,812.00</u>
				Total Estimated Construction Cost	<b>\$97,140.00</b>

**AGRITECH PARK - CONSTRUCTION COST ESTIMATE**

**Wastewater Lift Station and Lot 6 Sanitary Sewer Main Extension**

ITEM	DESCRIPTION	ESTIMATED QUANTITY	UNIT	UNIT PRICE	ESTIMATED TOTAL PRICE
101	Mobilization	1	LS	20,000.00	20,000.00
102	8-Inch Sanitary Sewer Main	379	LF	55.00	20,845.00
103	48" Sanitary Sewer Manhole	1	EA	3,200.00	3,200.00
104	Sewer Force Main	360	LF	55.00	19,800.00
105	Type 2 Pipe Bedding	50	CY	30.00	1,500.00
106	Trench Surface Restoration	1	LS	1,500.00	1,500.00
107	Trench Plugs	3	EA	70.00	210.00
108	Trench Insulation	328	LF	6.00	1,968.00
109	Submersible Lift Station Equipment & Installation	1	LS	32,000.00	32,000.00
110	2" Sch 80 PVC Drain Pipe	12	LF	80.00	960.00
111	2" Curb Stop with Box	1	EA	460.00	460.00
112	9' Diameter Concrete Wet-Well	1	EA	24,000.00	24,000.00
113	Lift Station & Valve Vault Excavation	1	LS	32,000.00	32,000.00
114	Lift Station & Valve Vault Backfill	1	LS	8,500.00	8,500.00
115	4" Ductile Iron Pipe	1	LS	5,000.00	5,000.00
116	6" Ductile Iron Discharge Pipe & Fittings	48	LF	70.00	3,360.00
117	8" Ductile Iron Forcemain Pipe & Fittings	5	LF	180.00	900.00
118	4" Plug Valve	1	EA	1,500.00	1,500.00
119	6" Plug Valve	2	EA	2,000.00	4,000.00
120	6" Check Valve	2	EA	2,800.00	5,600.00
121	Pre-cast Concrete Valve Vault	1	EA	16,000.00	16,000.00
122	Miscellaneous Pipe Supports	1	LS	4,500.00	4,500.00
123	Aluminum Hatch	1	EA	3,200.00	3,200.00
124	Lift Station Site Grading & Restoration	1	LS	5,500.00	5,500.00
125	14" Gravel Access Road and Parking	480	SY	30.00	14,400.00
126	Geotextile Separation Fabric	400	SY	2.00	800.00
127	Bollard	3	EA	700.00	2,100.00
128	Electrical Service, Panels & Installation	1	LS	32,000.00	32,000.00
129	Lift Station Controls & Communication	1	LS	36,000.00	36,000.00
130	Miscellaneous Work	1	LS	50,000.00	50,000.00
Subtotal					\$351,803.00
Construction Engineering (6%)					21,108.00
City Inspection (10%)					35,180.00
Contingency (10%)					<u>35,180.00</u>
Total Estimated Construction Cost					<b>\$443,271.00</b>



**AGRITECH PARK - CONSTRUCTION COST ESTIMATE**

**Reconstruct 67th St N for Lots 7 thru 10**

ITEM	DESCRIPTION	ESTIMATED QUANTITY	UNIT	UNIT PRICE	ESTIMATED TOTAL PRICE
101	Mobilization	1	LS	8,000.00	8,000.00
102	Excavation and Embankment	3500	CY	14.00	49,000.00
103	Topsoil	700	CY	16.00	11,200.00
104	Special Borrow	3600	CY	32.00	115,200.00
105	Gravel Base Course	800	CY	38.00	30,400.00
106	Geotextile Fabric	8340	SY	2.00	16,680.00
107	5" Asphalt Surfacing	2350	TN	110.00	258,500.00
108	Striping - White Paint	2,900	SF	0.75	2,175.00
109	Striping - Yellow Paint	1,450	SF	0.75	1,087.50
110	Helmeted Bicyclist Symbol	4	EA	40.00	160.00
111	Directional Arrow	4	EA	40.00	160.00
112	Sign Panel - Aluminum Type IV	22	SF	60.00	1,320.00
113	Sign Post - 4" Timber	42	LF	55.00	2,310.00
114	Miscellaneous Work	1	LS	20,000.00	<u>20,000.00</u>
				Subtotal	\$516,192.50
				Contingency (10%)	51,619.00
				Construction Engineering (15%)	<u>77,429.00</u>
				<b>Total Estimated Construction Cost</b>	<b><u>\$645,241.00</u></b>

**AGRITECH PARK - CONSTRUCTION COST ESTIMATE**

**Water Main Extensions for Lots 7 thru 10**

ITEM	DESCRIPTION	ESTIMATED QUANTITY	UNIT	UNIT PRICE	ESTIMATED TOTAL PRICE
101	Mobilization (5% Max)	1	LS	5,000.00	5,000.00
102	6-Inch PVC Water Main	5	LF	32.00	160.00
103	12-Inch PVC Water Main	1200	LF	52.00	62,400.00
104	12-Inch Valve and Valve Box	2	EA	3,400.00	6,800.00
105	Fire Hydrant Assembly	3	EA	5,500.00	16,500.00
106	Fittings	500	LB	8.00	4,000.00
107	Type 2 Pipe Bedding	40	CY	25.00	1,000.00
108	Surface Restoration	1200	LF	2.00	2,400.00
109	Miscellaneous Work	8000	EA	1.00	<u>8,000.00</u>
				Subtotal	106,260.00
				Contingency (10%)	10,626.00
				Engineering and City Inspection (15%)	<u>15,939.00</u>
				<b>Total Estimated Construction Cost</b>	<b>\$132,825.00</b>

**AGRITECH PARK - CONSTRUCTION COST ESTIMATE**

**Extend Gravity Sewer Main to serve Lots 7 thru 10**

ITEM	DESCRIPTION	ESTIMATED QUANTITY	UNIT	UNIT PRICE	ESTIMATED TOTAL PRICE
101	Mobilization (5% Max)	1	LS	5,000.00	5,000.00
102	8-Inch Sanitary Sewer Main	1171	LF	55.00	64,405.00
103	48" Sanitary Sewer Manhole	3	EA	3,800.00	11,400.00
104	6" Sewer Service	4	EA	3,500.00	14,000.00
105	Type 2 Pipe Bedding	40	CY	30.00	1,200.00
106	Trench Surface Restoration	1	LS	3,500.00	3,500.00
107	Miscellaneous Work	1	EA	8,438.00	<u>8,438.00</u>
				Subtotal	\$107,943.00
				Engineering and City Inspection (8.5%)	9,323.00
				Contingency (5%)	<u>5,397.00</u>
				Total Estimated Construction Cost	<b>\$122,663.00</b>

**AGRITECH PARK - CONSTRUCTION COST ESTIMATE**  
**Rail Serving Lots 9-10**

<u>Work Item</u>	<u>Quantity</u>	<u>Units</u>	<u>Unit Cost</u>	<u>Total Cost</u>
<u>Construct Rail to Serve Lots 9 and 10</u>				
Track (115 lb track)	2,050	LF	200.00	410,000.00
Earthwork	1	LS	20,000.00	20,000.00
Road Crossing Surface	1	EA	65,000.00	65,000.00
Double switch point Derail	1	EA	30,000.00	30,000.00
Miscellaneous Work	1	LS	30,000.00	<u>30,000.00</u>
			Subtotal	\$555,000.00
			Construction Engineering (8%)	\$44,400.00
			Contingency (15%)	<u>\$83,250.00</u>
			<b>Total</b>	<b>\$682,650.00</b>

## EXHIBIT B

### Estimated tax increment revenues and principal and interest payments.

	Total Improvements	Phase 1	Principal Payment	Interest Payment (Once \$671,110 in yrly revenue reached)*	Phase 2	Principal Payment	Interest Payment (Once \$860,110 in yrly revenue reached)**	Phase 3	Principal Payment	Interest Payment (Once \$1,238,610 in yrly revenue reached)***
2015	\$4,635,922	\$4,635,922								
2016	\$5,170,453	\$4,599,887	\$36,035		\$570,566	\$2,606				
2017	\$6,638,887	\$4,499,961	\$99,927		\$555,547	\$12,413		\$1,583,379	\$27,213	
2018	\$6,298,183	\$4,314,541	\$185,420	\$87,694	\$521,622	\$33,925		\$1,462,020	\$94,146	
2019	\$5,827,737	\$4,041,973	\$272,568	\$170,456	\$476,460	\$45,162	\$9,868	\$1,309,305	\$152,716	
2020	\$5,137,865	\$3,593,685	\$448,288	\$158,784	\$419,737	\$56,722	\$18,686	\$1,124,443	\$184,862	\$24,403
2021	\$4,282,604	\$3,015,328	\$578,357	\$138,079	\$346,819	\$72,918	\$16,075	\$920,456	\$203,987	\$42,978
2022	\$3,352,627	\$2,386,265	\$629,063	\$114,714	\$267,559	\$79,260	\$13,129	\$698,804	\$221,653	\$34,737
2023	\$2,344,121	\$1,703,904	\$682,361	\$88,757	\$181,632	\$85,926	\$9,859	\$458,585	\$240,219	\$25,595
2024	\$1,295,071	\$994,123	\$709,780	\$61,338	\$92,250	\$89,382	\$6,403	\$208,697	\$249,887	\$15,927
2025	\$255,519	\$255,519	\$738,604	\$32,515	\$0	\$92,250	\$2,777	\$0	\$208,697	\$5,795
2026	\$0	\$0	\$255,519	\$5,152						
	\$7,873,589		\$4,635,922	\$857,489		\$570,566	\$76,797		\$1,583,379	\$149,436
Principal	\$6,789,867									
Interest	\$1,083,722									

\*GFDA and the Association expect that the Project will produce \$671,110 of increment in fiscal year 2018.

\*\*GFDA and the Association expect that the Project will produce \$860,110 of increment in fiscal year 2019.

\*\*\*GFDA and the Association expect that the Project will produce \$1,238,610 of increment in fiscal year 2020.

## EXHIBIT C

### NOTICE OF PUBLIC HEARING ON MODIFICATION OF GREAT FALLS EAST INDUSTRIAL PARK COMPREHENSIVE DEVELOPMENT PLAN TO APPROVE A PROJECT AS AN INDUSTRIAL DEVELOPMENT PROJECT

NOTICE IS HEREBY GIVEN that the City Commission (the “Commission”) of the City of Great Falls, Montana (the “City”) will hold a public hearing regarding approval of a development project proposed by Great Falls AgriTech Park, LLC (the “Developer”) and the Great Falls AgriTech Owners Association, LLC (the “Association”) and associated infrastructure improvements as an industrial development project and the financing of the infrastructure improvements with certain tax increment revenues on July 21, 2015 at 7:00 p.m. in the City Commission Chambers at 2 Park Drive South, Great Falls, Montana.

The Great Falls AgriTech Park Project as proposed by the Developer and the Association consists of a 196-acre, multi-tenant, rail served, heavy industrial park to be located in the East Industrial Park Tax Increment Financing District in the 5700 through 6300 blocks of 18th Avenue North. The Developer and the Association have identified certain infrastructure improvements to be constructed and undertaken with respect to the Great Falls AgriTech Park Project and have requested that tax increment revenues be made available to finance all or a portion of the costs of those infrastructure improvements.

The Commission has preliminarily determined that the infrastructure improvements associated with the Great Falls AgriTech Park Project, consisting of road, water, sewer and rail improvements, may be financed from tax increment revenues in an amount not to exceed \$6,789,867, together with interest thereon. It is proposed that the Association will own the rail component of the infrastructure improvements, subject to terms and conditions for the benefit of the public, including easements thereupon for the benefit of other future rail users and a right of reversion thereof to the City.

Any interested persons may appear and will be heard or may file written comments with the Clerk of the Commission prior to such hearing.

Dated: July 7, 2015.

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Lisa Kunz, City Clerk

Publication Dates: July 12, 2015  
July 19, 2015

**EXHIBIT D**

**CERTIFICATE AS TO ORDINANCE AND ADOPTING VOTE**

I, the undersigned, being the duly qualified and acting recording officer of the City of Great Falls, Montana (the "City"), hereby certify that the attached ordinance is a true copy of an ordinance entitled: "ORDINANCE APPROVING AN INDUSTRIAL DEVELOPMENT PROJECT (GREAT FALLS AGRITECH PARK PROJECT) AND ASSOCIATED INFRASTRUCTURE IMPROVEMENTS IN THE EAST INDUSTRIAL PARK TAX INCREMENT FINANCING INDUSTRIAL DISTRICT AND AUTHORIZING FINANCING THE INFRASTRUCTURE IMPROVEMENTS WITH TAX INCREMENT REVENUE" (the "Ordinance"), on file in the original records of the City in my legal custody; that the Ordinance was duly presented for first reading by the City Commission of the City at a regular meeting on July 7, 2015, and that the meeting was duly held by the City Commission and was attended throughout by a quorum, pursuant to call and notice of such meeting given as required by law; and that the Ordinance has not as of the date hereof been amended or repealed.

WITNESS my hand and seal officially this 7th day of July, 2015.

(SEAL)

\_\_\_\_\_  
Lisa Kunz, City Clerk

I further certify that the Ordinance was duly adopted on second reading by the City Commission of the City at a regular meeting on July 21, 2015, and that the meeting was duly held by the City Commission and was attended throughout by a quorum, pursuant to call and notice of such meeting given as required by law; and that the Ordinance has not as of the date hereof been amended or repealed.

I further certify that, upon vote being taken on the Ordinance at said meeting, the following Commission members voted in favor thereof: \_\_\_\_\_; voted against the same: \_\_\_\_\_; abstained from voting thereon: \_\_\_\_\_; or were absent: \_\_\_\_\_.

WITNESS my hand and seal officially this 21st day of July, 2015.

(SEAL)

\_\_\_\_\_  
Lisa Kunz, City Clerk

## ORDINANCE 3134

### ORDINANCE APPROVING AN INDUSTRIAL DEVELOPMENT PROJECT (GREAT FALLS AGRITECH PARK PROJECT) AND ASSOCIATED INFRASTRUCTURE IMPROVEMENTS IN THE EAST INDUSTRIAL PARK TAX INCREMENT FINANCING INDUSTRIAL DISTRICT AND AUTHORIZING FINANCING THE INFRASTRUCTURE IMPROVEMENTS WITH TAX INCREMENT REVENUE

BE IT ORDAINED by the City Commission (the “Commission”) of the City of Great Falls, Montana (the “City”), as follows:

#### Section 1. Recitals.

1.01. The Commission, pursuant to Ordinance No. 3105 (the “Ordinance”) adopted on May 7, 2013, created its East Industrial Park Tax Increment Financing Industrial District (the “District”) and adopted the East Industrial Park Comprehensive Development Plan for the District (the “Plan”). The Plan, as adopted, contains a tax increment financing provision all as set forth in the Ordinance in accordance with Montana Code Annotated, Title 7, Chapter 15, Parts 42 and 43, as amended (the “Act”).

1.01. 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 No. 3105 to create and approve the East Industrial Park Tax Increment Financing Industrial District (the “District”) and the East Industrial Park Comprehensive Development Plan (the “Plan”), which contains a tax increment financing provision.

1.02. Great Falls AgriTech Park, LLC, a for-profit Montana limited liability company (the “Developer”), proposes to develop a 196-acre, multi-tenant, rail served, heavy industrial park (the “Project”), to be located in the District in the 5700 - 6300 blocks of 18th Avenue North (the “Project Site”). The Project Site is comprised of ten individual lots, which the Developer has an exclusive option to purchase.

1.03. The Developer has formed the Great Falls AgriTech Owners Association, LLC, a for-profit Montana limited liability company (the “Association”), whose members include the Developer and the owners of record of the ten individual lots comprising the Project Site (the “Property Owners”).

1.04. The Developer and the Association have submitted an application for tax increment financing assistance with respect to certain infrastructure improvements associated with the Project, consisting of road, water, sewer and rail improvements (the “Infrastructure Improvements”) at a total cost not to exceed \$6,789,867, together with interest thereon. The Developer and the Association propose that the Developer and certain current and future Property Owners finance the Infrastructure Improvements, the costs of which will be reimbursed by the City to the Association from tax increment revenues generated by the Project.



1.05. Pursuant to the Act and Resolution No. 10117, adopted July 7, 2015, the City set forth its intention to designate and approve the Project and the Infrastructure Improvements as an industrial development project.

Section 2. Findings. The Commission hereby finds, with respect to the Project and the Infrastructure Improvements as follows:

- (a) no persons will be displaced from their housing by the Project or the Infrastructure Improvements;
- (b) the Plan, as modified to include the Project and the Infrastructure Improvements, conforms to the comprehensive plan or parts thereof for the City as a whole;
- (c) the Plan, as modified to include the Project and the Infrastructure Improvements, will afford maximum opportunity, consistent with the sound needs of the City as a whole, for the rehabilitation or redevelopment of the District by private enterprise;
- (d) a sound and adequate financial program exists for the financing of the Infrastructure Improvements, as more particularly described in the Resolution.

Section 3. Modification of Plan. This Commission hereby approves, ratifies and confirms modification of the Plan to designate the Project and the Infrastructure Improvements as an industrial development project within and under the Plan. All actions of this Commission heretofore taken with respect to the Project and the Infrastructure Improvements, to the extent not inconsistent herewith, are hereby ratified and confirmed.

Section 4. Modification of Project and Infrastructure Improvements. The Project and/or Infrastructure Improvements may be modified by the Commission if it determines by Resolution that an adjustment to the Project and/or Infrastructure Improvements is required and in the best interest of the City.

Section 5. Effect. This Ordinance shall take effect 30 days after second reading and final adoption by the City Commission.

Passed and adopted by the City Commission of the City of Great Falls, Montana, on this 21st day of July, 2015.

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Michael J. Winters, Mayor

Attest:

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Lisa Kunz, City Clerk

APPROVED FOR LEGAL CONTENT:

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Sara R. Sexe, City Attorney