

ORDINANCE 3022

AN ORDINANCE ESTABLISHING A TAX INCREMENT FINANCING INDUSTRIAL DISTRICT PROGRAM TO ASSIST IN FINANCING NECESSARY INDUSTRIAL INFRASTRUCTURE TO ENCOURAGE THE ATTRACTION, GROWTH AND RETENTION OF SECONDARY, VALUE-ADDING INDUSTRIES; PROVIDING FOR DEFINITION OF TERMS; ESTABLISHING THE COSTS WHICH MAY BE PAID BY TAX INCREMENT FINANCING INDUSTRIAL DISTRICTS; CREATING AND APPROVING THE GREAT FALLS INTERNATIONAL AIRPORT TAX INCREMENT FINANCING INDUSTRIAL DISTRICT; ESTABLISHING THE BOUNDARIES THEREOF AND APPROVING THE PLAN; ESTABLISHING JANUARY 1, 2008 AS THE BASE TAXABLE YEAR; PROVIDING FOR THE REPEAL OF ALL PARTS OF ORDINANCES AND RESOLUTIONS IN CONFLICT HEREWITH; AND PROVIDING FOR AN EFFECTIVE DATE HEREOF.

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WHEREAS, the Great Falls International Airport Authority is interested in fostering the development of secondary, value-adding industries in the City of Great Falls as part of its overall mission to promote aviation related economic development, to improve area employment opportunities and to expand the tax base; and,

WHEREAS, the creation of a Tax Increment Financing Industrial District, as authorized in Sections 7-15-4282 through 4293, MCA, will help fund the supportive public infrastructure needed for the development of secondary, value-adding industries at the Airport; and,

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

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

Section 1. Definitions. The following terms wherever used or referred to in this Ordinance shall have the following meanings:

- (1) "Tax increment financing industrial district" means a district designated as such by the City Commission in accordance with the provisions of this Ordinance, consisting of a continuous area within an accurately described boundary, zoned for light or heavy industrial use in accordance with the Great Falls *Growth Policy*, and is found to be deficient in infrastructure improvements for industrial development.
- (2) "Actual taxable value" means the taxable value of taxable property at any time, as calculated from the assessment roll last equalized.

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

Section 2. Findings. Based on representations made to the City Commission to date and taking into consideration all comments received, including those made at a public hearing duly held on November 5, 2008, after notice was given, the City Commission does hereby make the following findings, determinations and declarations regarding the Great Falls International Airport Tax Increment Financing Industrial District, which is hereinafter referred to as the District:

- (1) the property to be included in the District consists of a continuous area with an accurately described boundary;
- (2) the property to be included in the District was zoned “AI Airport Industrial” district by the City Commission upon approval of an amendment to Section 17.20.2.040.A.18 of the City of Great Falls Land Development Code on September 16, 2008, with an effective date of October 16, 2008;
- (3) the property to be included in the District was zoned for industrial use in accordance with the Great Falls *Growth Policy*;
- (4) the property to be included in the District does not contain property included within an existing urban renewal area district;

(5) the property to be included in the District is deficient in public infrastructure for industrial development and will likely not be developed to its potential, without the provision of public infrastructure improvements;

(6) the Act requires that prior to final adoption of this Ordinance, the Commission shall hold a public hearing on the creation of the proposed District. Pursuant to such authority, notice of a public hearing in substantially the form presented in, and attached hereto as, Exhibit "A" was advertised to be held on November 5, 2008, at 7:00 P.M., in the City Commission Chambers in the Civic Center Building, Great Falls, Montana.

Section 3. Establishment of the District. The Great Falls International Airport Tax Increment Financing Industrial District is hereby established.

Section 4. Boundaries. A legal description and map of the District are attached hereto as Exhibit "B".

Section 5. District Plan. A plan describing existing infrastructure, existing infrastructure deficiencies, and industrial development activities to be undertaken within the District is attached as Exhibit "C".

Section 6. Base Year. For the purpose of calculating the incremental taxable value for each year of the life of the District, the base taxable value shall be calculated as the taxable value of all real and personal property within the District, as of January 1, 2008.

Section 7. Tax Increment Provision. The City is hereby authorized to segregate, as received, the tax increment derived in the District, and use and deposit such increment into the District Fund for use as authorized by the Act and as authorized herein or by the City Commission from time to time.

Section 8. Costs That May be Paid From Tax Increments. The tax increments received from the District may be used to directly pay costs of approved industrial infrastructure development projects, or to pay debt service on bonds issued to finance industrial infrastructure development improvements as defined under the Act as may from time to time be approved by the City Commission. The City Commission hereby authorizes the use of tax increment in the District to be used to pay debt service on internal and bank financed loans issued to finance all or a portion of the costs of eligible improvements in compliance with the Act, and subject to any limitations imposed by the Montana Constitution.

Section 9. Term of the Tax Increment Financing Provision. The tax increment financing provision of the District will terminate upon the earlier of:

(a) the fifteenth year following the creation of the District; or

(b) the payment or provision for payment in full or discharge of all loans, and the payment of interest thereon, for which the tax increment has been pledged.

After termination of the tax increment financing provision, all taxes shall continue to be levied upon the actual taxable value of the taxable property in the District, but shall be paid into funds of the taxing bodies levying taxes within the District.

Section 10. Effect of Industrial Infrastructure Development Project. The creation of an industrial infrastructure development project or the approval of an industrial infrastructure development project does not affect, abrogate or supersede any rules, ordinances, or regulations of the City relating to zoning, building permits, or any other matters.

Section 11. Effective Date. This Ordinance shall be in full force and effect upon passage and adoption by the City Commission.

Section 12. Conflict with Other Ordinances and Resolutions. All parts of ordinances and resolutions in conflict herewith are hereby repealed.

PASSED BY THE CITY COMMISSION OF THE CITY OF GREAT FALLS, MONTANA, this 5<sup>th</sup> day of November, 2008.

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Dona R. Stebbins, Mayor

ATTEST:

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Lisa Kunz, City Clerk

(SEAL OF CITY)

APPROVED FOR LEGAL CONTENT:

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David V. Gliko, 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 hereby certify that the forgoing Ordinance 3022 was placed on its final passage and passed by the City Commission of the City of Great Falls, Montana, at a meeting thereof held on the 5<sup>th</sup> day of November, 2008.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the Seal of said City on the 5<sup>th</sup> day of November, 2008.

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

(SEAL OF CITY)

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

Lisa Kunz, being first duly sworn, deposes and says: That on the 5<sup>th</sup> day of November, 2008, and prior thereto, she was the City Clerk of the City of Great Falls, Montana; that as said City Clerk she did publish and post as required by law and as prescribed and directed by the City Commission, Ordinance 3022 of the City of Great Falls, 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

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Lisa Kunz, City Clerk

(SEAL OF CITY)

## **EXHIBIT "A"**

### **PUBLIC HEARING NOTICE**

Notice is hereby given that the City Commission of the City of Great Falls, Montana, will hold a public hearing on Ordinance 3022 on November 5, 2008, at 7:00 P.M., in the Commission Chambers of the Civic Center Building, #2 Park Drive South, Great Falls, Montana.

Said Ordinance was accepted for consideration on first reading and is to establish the Great Falls International Airport Tax Increment Financing Industrial District for the purpose of encouraging industrial growth by providing a financial mechanism to install necessary infrastructure improvements. The proposed District includes all of the incorporated properties of the Great Falls International Airport and contains 1979 acres.

The City is authorized by Title 7, Chapter 15, Part 42, Montana Code Annotated, to establish a tax increment financial industrial district and to use the tax increment generated within the district to finance the costs of certain infrastructure improvements in order to encourage the attraction, growth and retention of secondary value-adding industries.

Copies of said Ordinance, which contains a legal description and a map of the proposed District, can be obtained at the City Clerk's Office, Civic Center Building, Great Falls, Montana.

Any interested person may appear at the public hearing and speak in favor of or against Ordinance 3022 or submit in writing any comments to the City Clerk prior to or during said hearing.

If special accommodations for disabilities are needed, please call 771-1180, Ext 438 or TDD 454-0495.

/s/ Lisa Kunz, City Clerk

**PUBLICATION DATES:**    October 19 & 26, 2008



## Exhibit 2. Legal Description of the Great Falls International Airport TIFID

### Legal Description

The proposed Great Falls International Airport TIFID includes all that real property in the City of Great Falls, County of Cascade, State of Montana, which lies within the following described boundary, as of October 2008. The described boundary is coincidental to the legal description for the Great Falls International Airport.

“The POINT OF BEGINNING is at the southeast corner of Section 8, Township 20 North, Range 3 East; thence along the east line of said section, North 00°20'17" West, a distance of 1313.50 feet; thence North 89°49'00" West, a distance of 205.05 feet; thence North 89°49'52" West, a distance of 1130.62 feet; thence North 53°35'22" West, a distance of 237.30 feet; thence South 07°55'24" West, a distance of 472.63 feet; thence North 89°48'47" West, a distance of 1035.78 feet; thence South 00°13'51" West, a distance of 986.89 feet to the northwest corner of the Northeast Quarter of Section 17, Township 20 North, Range 3 East; thence along the west line of said Northeast Quarter of said section, South 00°31'52" West, a distance of 2642.24 feet to the northeast corner of the East Half of the Southwest Quarter of the above said Section 17; thence along the north line of said aliquot part, North 89°49'46" West, a distance of 1328.89 feet to the northwest corner of said aliquot part; thence along the west line of said aliquot part, South 00°19'55" West, a distance of 2630.17 feet to the north line of Section 20, Township 20 North, Range 3 East; thence along the north line of said Section 20, North 89°38'19" West, a distance of 738.21 feet; thence South 00°09'43" East, a distance of 2641.70 feet to the north line of the Southwest Quarter of the above said Section 20; thence along the north line of said Southwest Quarter, North 89°22'25" West, a distance of 580.06 feet to the northwest corner of said Southwest Quarter; thence along the west line of said Southwest Quarter, South 00°18'14" East, a distance of 821.55 feet; thence South 45°01'17" West, a distance 42.19 feet; thence South 45°00'59" West, a distance of 2417.04 feet to the north line of Section 30, Township 20 North, Range 3 East; thence along the north line of said Section 30, North 87°38'03" West, a distance of 905.29 feet to the northwest corner of the Northeast Quarter of said Section 30, Township 20 North, Range 3 East; thence along the west line of said aliquot part, South 00°46'52" East, a distance of 1630.31 feet to the southerly right-of-way line of Highway Project No. FAP 218-(6); thence along said southerly right-of-way line, South 69°25'46" West, a distance of 2152.03 feet to the west line of the above said Section 30; thence along said west line of said section, South 01°09'05" West, a distance of 182.26 feet to the northwest corner of the Southwest Quarter of said Section 30, Township 20 North, Range 3 East; thence along the west line of said aliquot part, South 01°04'33" West, a distance of 360.99 feet to the northwesterly right-of-way line of Interstate 15 (Project Number I15-5 (29) 259); thence along said northwesterly right-of-way line, North 84°59'39" East, a distance of



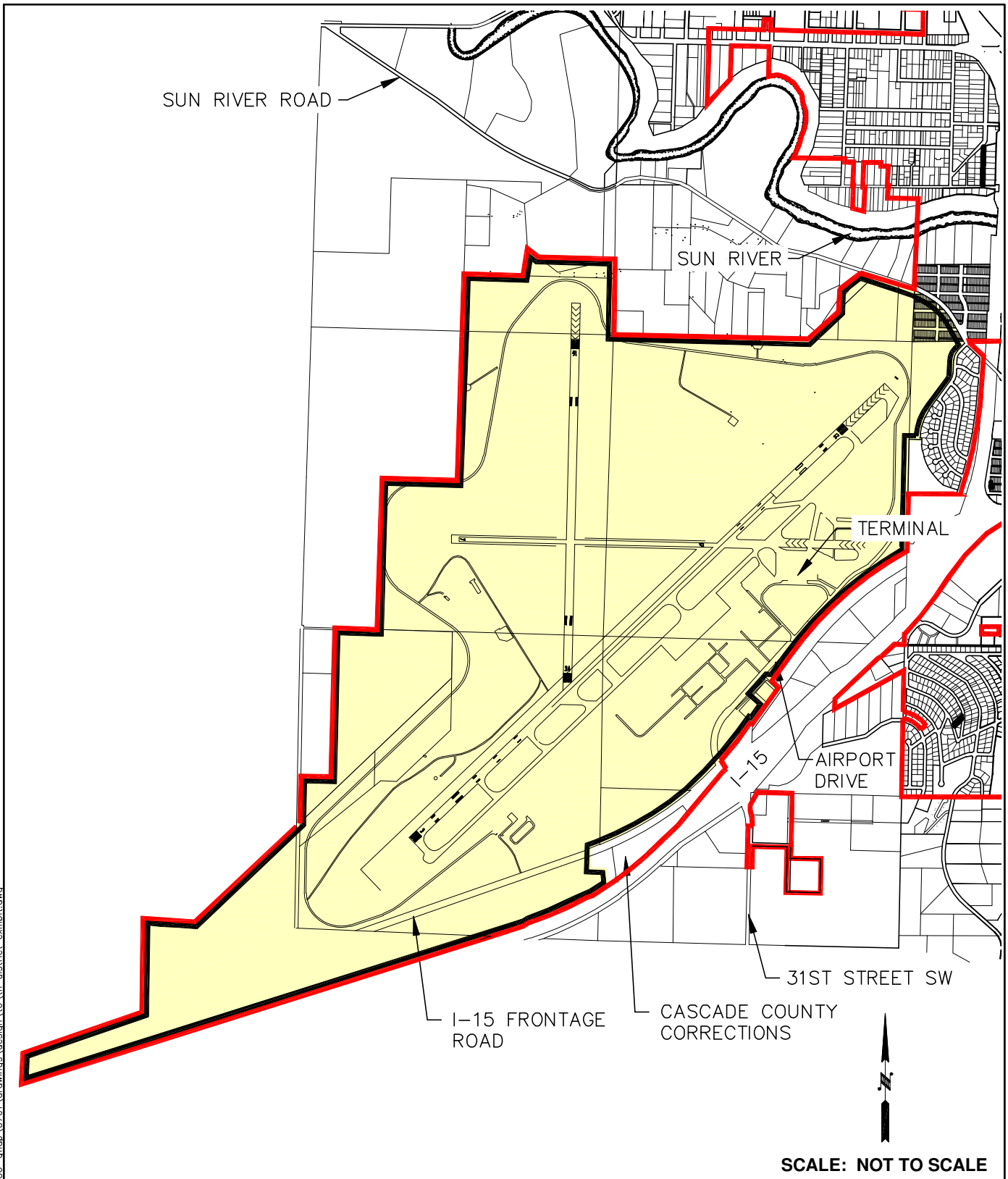
82.19 feet; thence continuing along said northwesterly right-of-way line, North 70°58'05" East, a distance of 9112.64 feet; thence continuing along said northwesterly right-of-way line, North 54°02'36" East, a distance of 88.14 feet to the beginning of a 5580.00 foot radius curve, concave northwesterly, having a radial bearing of North 19°53'25" West; thence continuing along said northwesterly right-of-way line and along said curve, through a central angle of 10°59'56", an arc length of 1071.17 feet; thence continuing along said northwesterly right-of-way line, North 72°53'03" East, a distance of 100.64 feet to the beginning of a 5605.00 foot radius curve, concave northwesterly, having a radial bearing of North 31°53'24" West; thence continuing along said northwesterly right-of-way line, along said curve and through a central angle of 5°10'01", an arc length of 505.45 feet; thence leaving said northwesterly right-of-way of Interstate 15, North 08°28'52" West, a distance of 555.23 feet; thence North 08°02'28" West, a distance of 14.62 feet to a point on the southeasterly right-of-way line of Highway Project No. FAP 218-(5), said point being on a 5790.00 foot radius curve concave northwesterly, having a radial bearing of North 24°34'19" West; thence northeasterly along said right-of-way line and along said curve, through a central angle of 18°17'38", an arc length of 1848.69 feet to the south line of the northwest quarter of Section 21, Township 20 North, Range 3 East; thence along said south line of said aliquot part, North 89°52'17" West, a distance of 206.72 feet to a point on the northwesterly right-of-way line of the above said Highway Project No. FAP 218-(5), said point being on a 5650.00 foot radius curve concave northwesterly, having a radial bearing of North 41°23'33" West; thence northeasterly along said right-of-way line and along said curve, through a central angle of 5°38'10", an arc length of 555.78 feet to the southeast corner of Montana Air National Guard Lease Tract A101-4; thence along the boundary of said lease tract for the following ten courses: North 89°35'45" West, a distance of 449.33 feet, North 00°00'37" West, a distance of 100.00 feet, North 89°26'05" West, a distance of 198.25 feet, South 00°53'29" West, a distance of 100.00 feet, North 89°39'46" West, a distance of 269.35 feet, South 00°40'38" West, a distance of 392.96 feet, North 89°52'17" West, a distance of 967.70 feet, North 08°38'53" West, a distance of 431.10 feet, North 00°28'25" West, a distance of 1214.58 feet, and North 45°00'56" East, a distance of 1007.13 feet to the southwest corner of Montana Air National Guard Lease Tract A101-1; thence along the northwesterly boundary of said lease tract for the following two courses: North 44°54'22" East, a distance of 430.02 feet, and North 44°59'13" East, a distance of 1338.04 feet to the southwest corner of Montana Air National Guard Lease Tract A101-5; thence along the boundary of said lease tract for the following four courses: North 45°00'30" East, a distance of 214.96 feet, South 44°26'54" East, a distance of 250.03 feet, North 45°32'51" East, a distance of 73.21 feet, and South 44°25'04" East, a distance of 173.20 feet; thence South 52°10'36" East, a distance of 21.49 feet, to a point on the above said Lease Tract A101-1; thence along the boundary of said lease tract for the following two courses: South 44°34'18" East, a



distance of 380.00 feet, and South  $45^{\circ}25'42''$  West, a distance of 554.17 feet to the northerly corner of Montana Air National Guard Lease Tract JKSE 20030012; thence along the boundary of said lease tract for the following four courses: South  $44^{\circ}56'17''$  East, a distance of 791.25 feet, South  $40^{\circ}33'56''$  West, a distance of 283.11 feet, North  $44^{\circ}34'18''$  West, a distance of 314.93 feet, and South  $44^{\circ}53'33''$  West, a distance of 460.42 feet to a point on the above\_said Lease Tract A101-4; thence along the boundary of said lease tract for the following two courses: South  $43^{\circ}57'15''$  East, a distance of 686.00 feet, and South  $00^{\circ}20'52''$  West, a distance of 181.47 feet to a point on the northwesterly right-of-way line of the above\_said Highway Project No. FAP 218-(5); thence along said right-of-way, South  $34^{\circ}22'30''$  West, a distance of 54.86 feet to the southwesterly line of that parcel denoted as Tract 1 on Certificate of Survey Number 2271, records of Cascade County, Montana; thence along said southwesterly line of said Tract 1, South  $49^{\circ}22'42''$  East, a distance of 40.60 feet to the southeasterly corner thereof; thence along the southeasterly line of said Tract 1, the following three courses: North  $34^{\circ}15'32''$  East, a distance of 156.30 feet; North  $34^{\circ}23'29''$  East, a distance of 208.58 feet; and North  $34^{\circ}24'09''$  East, a distance of 74.13 feet to the northeasterly corner thereof; thence along the northeasterly line of said Tract 1, North  $49^{\circ}18'30''$  West, a distance of 273.50 feet to the northwesterly corner thereof, said point being the southwesterly corner of that parcel denoted as Tract 2 on Certificate of Survey Number 2271, records of Cascade County, Montana; thence along the northerly line of said Tract 2, North  $40^{\circ}39'51''$  East, a distance of 251.54 feet to the northwesterly corner thereof; thence North  $40^{\circ}38'20''$  East, a distance of 87.15 feet to the north line of the Southwest Quarter of the Northwest Quarter of the Northeast Quarter of Section 21, Township 20 North, Range 3 East, as denoted on Certificate of Survey Number 1351, records of Cascade County, Montana; thence along said north line, South  $89^{\circ}17'57''$  East, a distance of 88.41 feet to the northwesterly right-of-way line of the now partially abandoned Highway Project No. FAP 218-(5); thence along said line North  $34^{\circ}19'05''$  East, a distance of 464.71 feet to the beginning of a 6450.48 foot radius curve, concave southeasterly, having a radial bearing of South  $55^{\circ}41'57''$  East; thence along said right-of-way line and along said curve through a central angle of  $24^{\circ}42'43''$ , an arc length of 2782.13 feet to the east line of Section 16, Township 20 North, Range 3 East; thence along the east line of said Section 16, North  $00^{\circ}09'45''$  West, a distance of 1011.66 feet, and North  $00^{\circ}07'19''$  West, a distance of 950.12 feet to the northwest corner of that area denoted as "Park" on the West Hill Subdivision, the copy of which is on file with Cascade County, Montana; thence along the north line of said "Park", South  $89^{\circ}48'05''$  East, a distance of 188.49 feet to a point on the westerly right-of-way line of 4th West Hill Drive; said point being on a 1015.00 foot radius curve, concave easterly, having a radial bearing of South  $89^{\circ}28'58''$  East, thence northeasterly along said westerly right-of-way and along said curve through a central angle of  $35^{\circ}06'22''$ , an arc length of 621.91 feet; thence continuing along said westerly right-of-way, North  $35^{\circ}23'00''$  East, a distance of 578.09 feet to the

beginning of a 200.00 foot radius curve, concave northwesterly, having a radial bearing of North 54°37'56" West; thence continuing northerly along said westerly right-of-way and along said curve through a central angle of 35°03'56", an arc length of 122.40 feet; thence continuing along said westerly right-of-way, North 00°16'15" East, a distance of 234.13 feet to the beginning of a 249.63 foot radius curve, concave southeasterly, having a radial bearing of South 89°52'12" East continuing northeasterly along said westerly right-of-way and along said curve through a central angle of 43°02'26", an arc length of 187.52 feet; thence continuing along said westerly right-of-way North 43°10'14" East, a distance of 172.45 feet to the southwesterly right-of-way line of the Sun River Highway; thence northwesterly along said southwesterly right-of-way line, North 48°34'36" West, a distance of 52.26 feet to the south line of Section 10, Township 20 North, Range 3 East; thence along said south line of Section 10, South 88°15'19" West, a distance of 36.95 feet to the southeast corner of Lot 17, Block 14 of Sun River Addition, the copy of which is on file with Cascade County, Montana; thence along the east line of said Lot 17, North 00°15'55" East, a distance of 26.32 feet; thence North 00°15'55" East, a distance of 16.00 feet to the southeast corner of Lot 16 of said Block 14 of Sun River Addition; thence along the east line of Lot 16, North 00°15'55" East, a distance of 120.00 feet to the northeast corner thereof; thence along the north line of Lots 16 through 13 of Block 14 of Sun River Addition; North 89°44'05" West, a distance of 100.00 feet to the northwest corner of said Lot 13; thence North 00°15'55" East, a distance of 60.00 feet to the southeast corner of Lot 21, Block 11 of Sun River Addition; thence along the east line of said Lot 21, North 00°15'55" East, a distance of 120.00 feet to the northeast corner thereof; thence along the north line of Lots 21 through 19 of Block 11 of Sun River Addition, North 89°44'05" West, a distance of 75.00 feet to the northwest corner of said Lot 19; thence North 00°15'55" East, a distance of 16.00 feet to the southeast corner of Lot 9, Block 11 of Sun River Addition; thence along the east line of said Lot 9, North 00°15'55" East, a distance of 120.00 feet to the northeast corner thereof; thence along the north line of Lots 9 through 3 of Block 11 of Sun River Addition, North 89°44'05" West, a distance of 174.94 feet to the Northwest corner of said Lot 3; thence North 00°09'32" East, a distance of 60.00 feet to the southeast corner of Lot 31, Block 8; thence along the east line of said Lot 31, North 00°09'32" East, a distance of 120.03 feet to the northeast corner thereof; thence along the north line of Lots 31 and 32, Block 8 of Sun River Addition; North 89°45'32" West, a distance of 50.03 feet to the northwest corner of said Lot 32; thence North 89°47'14" West, a distance of 60.00 feet to the northeast corner of Lot 16 of Block 9 of Sun River Addition; thence North 57°20'43" West, a distance of 29.80 feet to the southeast corner of Lot 14 of Block 9 of Sun River Addition; thence along the east line of said Lot 14, North 00°09'43" East, a distance of 3.07 feet to a point on the southwesterly right-of-way line of Sun River Road, said point being on a 1060.00 foot radius curve, concave southwesterly, having a radial bearing of South 35°08'31" West; thence northwesterly along said southwesterly right-of-way line and along said

curve through a central angle of  $03^{\circ}15'07''$ , an arc length of 60.17 feet to the east line of Lot 12 of Block 9 of Sun River Addition; thence along said east line of said Lot 12, North  $00^{\circ}11'29''$  East, a distance of 83.84 feet to the northeast corner thereof; thence along the north line of Lots 12 through 1, Block 9 of Sun River Addition, North  $89^{\circ}50'17''$  West, a distance of 301.23 feet to the northwest corner of said Lot 1; thence North  $89^{\circ}50'17''$  West, a distance of 12.67 feet to the west line of Section 10, Township 20 North, Range 3 East; thence along said west line North  $01^{\circ}15'30''$  East, a distance of 120.38 feet to the centerline of a 60.00 foot wide County Road, thence along said centerline of said County Road North  $64^{\circ}42'36''$  West, a distance of 1.41 feet; thence continuing along said centerline of said County Road, North  $74^{\circ}26'53''$  West, a distance of 288.60 feet and North  $73^{\circ}40'45''$  West, a distance of 426.62 feet; thence leaving said County Road centerline, South  $45^{\circ}20'37''$  West, a distance of 510.64 feet; thence South  $14^{\circ}17'23''$  West, a distance of 914.33 feet; thence South  $74^{\circ}13'45''$  West a distance of 258.66 feet; thence North  $61^{\circ}01'43''$  West a distance of 357.82 feet to the north line of Section 16, Township 20 North, Range 3 East; thence along said north line North  $89^{\circ}59'48''$  West, a distance of 793.10 feet, and North  $89^{\circ}59'12''$  West, a distance of 2612.01 feet to the POINT OF BEGINNING, and containing 1978.898 acres of land.

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	<b>DISTRICT BOUNDARY</b>
	<b>CITY LIMITS</b>

**PROPOSED GREAT  
FALLS AIRPORT TIFID  
DISTRICT**


 Phone: (406)452-8600 Fax: (406)452-8700
<b>FIGURE 1</b>

Exhibit "C"  
Great Falls International Airport  
Tax Increment Financing Industrial District Plan

**1. INTRODUCTION**

The Great Falls International Airport (GFIA) Authority is interested in fostering the development of secondary, value adding industries in the City of Great Falls as part of its overall mission to promote aviation related economic development, to improve area employment opportunities and to expand the tax base. This effort will be facilitated through the creation of a Tax Increment Financing Industrial District or TIFID, which will encompass the entire Airport property.

History of the Great Falls International Airport

The GFIA was developed in response to an initiative of the U.S. Department of Commerce in 1928. The City acquired 640 acres of land and construction was started on Runway 16/34, which was completed in June 1929. By 1939 the airport facilities included four runways, a large hangar, and an administration building.



*Early Air Mail Plane*

In 1939, the Great Falls Airport Commission appealed to Harry H. Woodring, Secretary of War, to locate an Air Corps squadron at Great Falls. In 1941, the Civil Aeronautics Authority provided money for the further development of the Great Falls Municipal Airport, which was known then as Gore Field.

During World War II, the airport was leased by the U.S. War Department and used as a base for the 7th Ferrying Command. During the war years, more than 7,500 bombers and fighter aircraft passed through Great Falls on their way to the war fronts in Europe and the Pacific. While using the airport as an airbase, the U.S. Army acquired an additional 740 acres of land and built many buildings and other facilities.



*First Terminal*

In June 1948, the U.S. War Department deeded the airport back to the City of Great Falls with the stipulation that the facility could revert to military control in the event of a



national emergency. The airport was released from this clause in 1961. In 1975, the terminal at the GFIA was replaced and all runways, aprons, and taxiways updated. With use of Federal Aviation Administration (FAA) matching funds, the Airport Authority performs annual operations, maintenance, and capital improvements.<sup>1</sup> In addition to commercial, freight and private air services, the GFIA houses the 120<sup>th</sup> Fighter Group of the Montana Air National Guard (MANG) on 138 acres just southwest of the Terminal area.

Today, the GFIA is governed by a Regional Airport Authority, which recognizes the economic influence that airports have on the areas they serve. To this end, the Great Falls International Airport Authority (Authority) has reconstructed 80% of its existing infrastructure and expanded its aviation infrastructure to support the development of 29 new hangars. FedEx Cargo has established a 79,000 square foot regional hub at the Airport and since 2000, the Authority has helped to foster the creation of 300 new jobs of which 200 are primary sector jobs.

In 2006, privately owned businesses located on airport property generated \$685,000 in property taxes that benefit city and county governments, as well as area schools. This amount represents a 78% increase since 2003. However, airport area infrastructure is near its capacity. As a result, the Authority is faced with limitations on new development due to a lack of developable sites with sufficient utilities, roads and general infrastructure improvements. Installing additional infrastructure would allow the Authority to continue growing the tax base for the community. However, there are no viable revenue sources to install the infrastructure necessary to leverage growth of secondary, value adding industries.

#### Tax Increment Financing for Industrial Development

At the request of and in concert with the Airport Authority, the City of Great Falls intends to establish a Tax Increment Financing Industrial District (TIFID) at the Great Falls International Airport. The base year for the purposes of measuring any incremental value will be 2008 and the base value will be calculated as of January 1, 2008.

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. 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

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<sup>1</sup> Great Falls International Airport History, [http://www.gtfairport.com/airport\\_info/history.html](http://www.gtfairport.com/airport_info/history.html)

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 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**

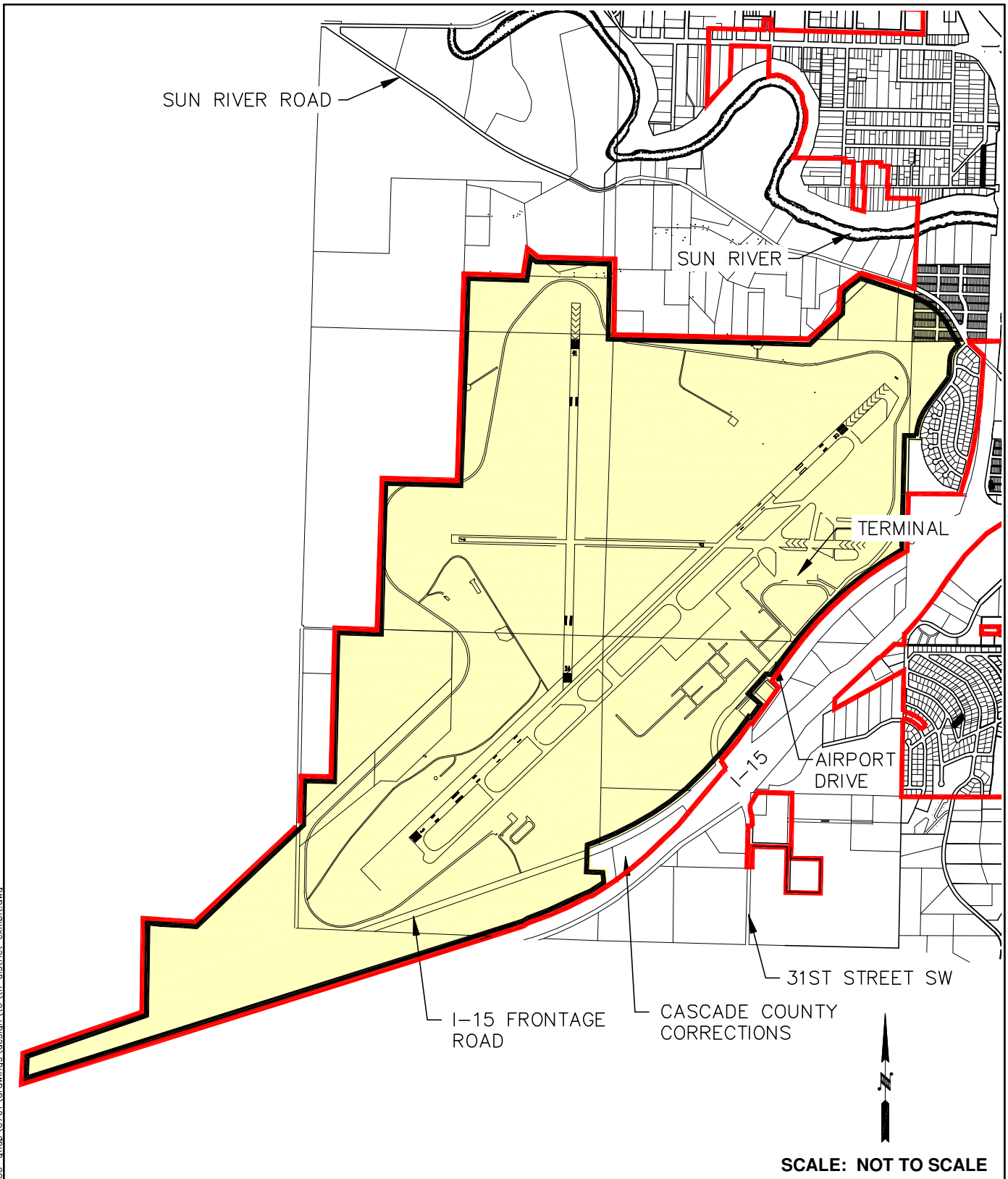
The GFIA is situated at the western limits of Great Falls, Montana in Cascade County and is located entirely within the Great Falls corporate limits.



### Location Map

Figure 1 illustrates the proposed area of the Great Falls International Airport TIFID. (A separate Exhibit B contains the legal description of the Airport).




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	<b>DISTRICT BOUNDARY</b>
	<b>CITY LIMITS</b>

**PROPOSED GREAT  
FALLS AIRPORT TIFID  
DISTRICT**

 Phone: (406)452-8600 Fax: (406)452-8700
<b>FIGURE 1</b>

### 3. EXISTING INFRASTRUCTURE ANALYSIS

The existing infrastructure at the GFIA includes a combination of public and private utility services built in response to growth and needs at the Airport. These are summarized in Figures 2-5.

Figure 2 shows current City water and sanitary sewer utilities. The Airport's location and elevation, well above all treatment facilities, dictates the location of lift stations and the distances required to service mains. Key water connections exist at three separate locations into the GFIA. All sanitary sewer lines are channeled into the single sewer main connection, just north of the Airport Interchange on Interstate 15.

Figures 3A and 3B show both the public roads and the City storm drain facilities. The Airport generally drains toward the north, and provides on-site storm water detention which is a permitted-industrial release site, through the Montana Department of Environmental Quality (DEQ). Storm water is discharged at the north end of the Airport into the Sun River. The single connection to the road network is at I-15 Interchange # 277 with Airport Drive.

As the sole access road into the GFIA, Airport Drive also provides traffic distribution for the majority of airside and all landside facilities. Airport Drive is primarily a two-lane, urban street with some supplemental turning lanes. Design and operating speeds are less than 35 miles per hour (mph). Airport Drive serves as the sole emergency access to and from the Airport and currently serves all vehicle types, with a mix ranging from large semi-trailers to passenger cars. The I-15 Frontage Road also provides access to the undeveloped, southern portion of the Airport lands, on a two-lane rural roadway. In an agreement with the City of Great Falls, the GFIA provides street maintenance on Airport Drive and other, public streets that serve the terminal and freight areas.

The Airport Perimeter Road circumnavigates the fenced (secured, airside of the Airport). Due to aviation security requirements, this roadway is considered a private roadway and has no public access. It is primarily a narrow, two-lane, paved surface with no signing, striping or shoulders.

Natural gas service lines provided by Energy West are shown in Figure 4. This current system extends along Airport Road from the Terminal/MANG areas to the north Airport boundary, terminating at the FedEx facility.

Figure 5 shows Northwestern Energy's electric lines and available communication service. Although numerous electric lines are shown along the runways, these service

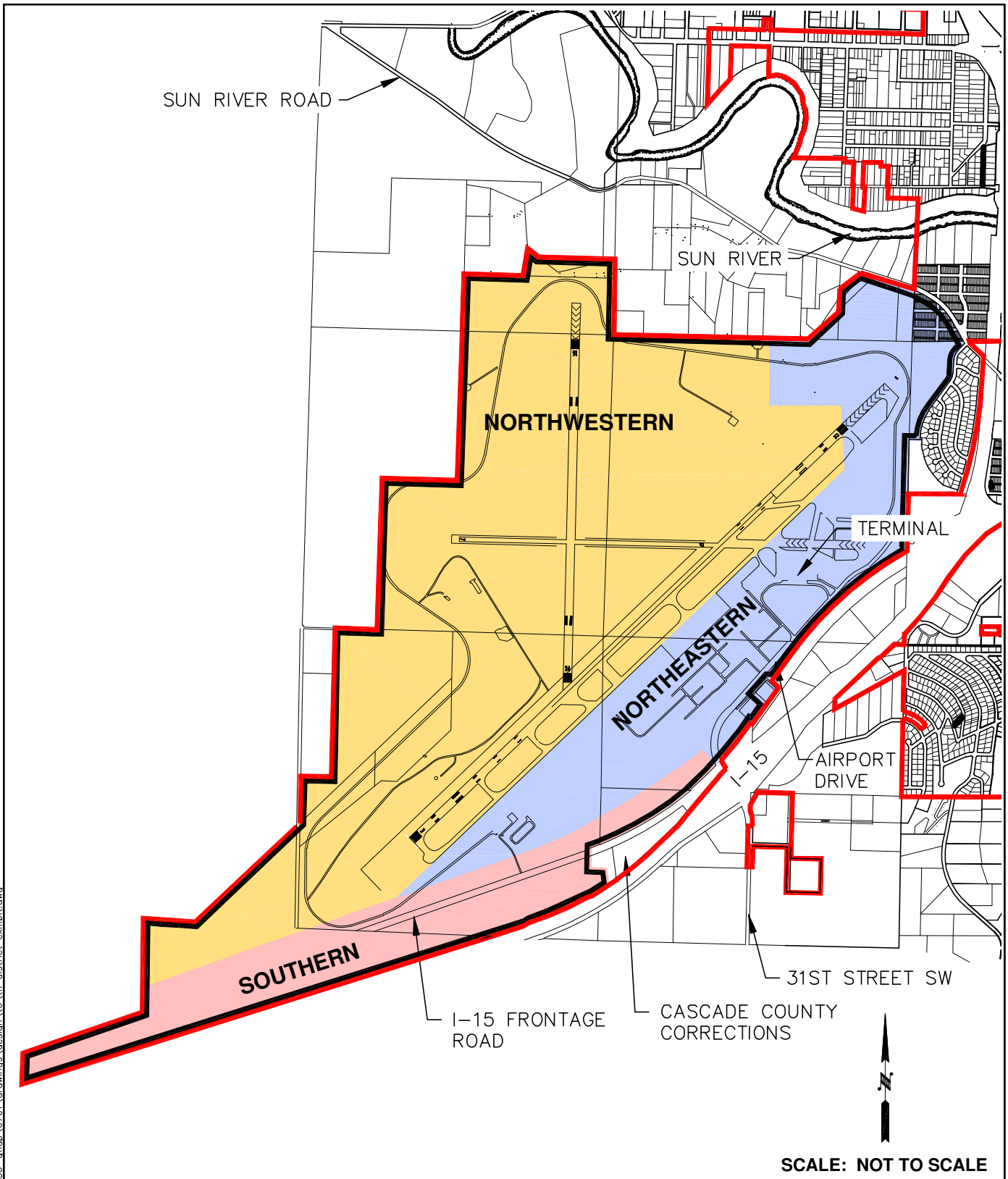
lines are not considered for extension to future development. Local and long-distance telephone connections are currently available at the Terminal and developed areas. Both fiber optic and cable connections exist on the east (non-airport) side of I-15 with some fiber lines extending to specific buildings (MANG, Federal Aviation Administration, etc) within the GFIA.



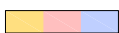
#### **4. INFRASTRUCTURE DEFICIENCIES FOR TARGETED SECONDARY, VALUE-ADDING INDUSTRIES**

The development of secondary, value-adding industries in the TIFID will require adequate infrastructure -- roads, sewer, water, electricity and communications. A review of the existing infrastructure and the infrastructure needed for the development of secondary, value-adding industries within the TIFID reveals the following deficiencies, which are presented by sub area within the proposed TIFID.

Figure 6 shows three geographic areas within the TIFID that currently provide similar infrastructure services. These areas were established to summarize the infrastructure deficiencies for the development of secondary, value adding industries within the TIFID.

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	DISTRICT BOUNDARY
	CITY LIMITS
	INFRASTRUCTURE DISCUSSION AREAS

**PROPOSED GREAT FALLS AIRPORT TIFID DISTRICT**

**SE** **Stalling Engineers, Inc.**  
 Phone: (406)452-8600 Fax: (406)452-8700

FIGURE 6

### Deficiencies by Area

The Northeastern Area (from the I-15 interchange, north to the FedEx complex) of the TIFID is well served by all infrastructure, except roads and communication infrastructure. The road infrastructure is limited by the lack of dual access and the capacity limits of a single, two-lane, low-speed road for all Airport access.

- Cable and fiber-optic service do not exist as services have not been extended across the Interstate to serve any of the Airport or TIFID areas at the time of this evaluation.

The Southern Area (generally south of Airport Drive and directly along the I-15 Frontage Road) has service connections at the east edge, but few extensions along the Frontage Road corridor.

- Electricity, telephone, water and sanitary sewer services are available at the east edge but would require main (or transmission line) extensions along the Frontage Road corridor.
- Gas and storm sewer would need to be connected to existing distribution systems. Gas would likely connect to existing systems in the Northeastern Area via an extension along the Frontage Road corridor. Storm systems could connect into either the Northeastern or Northwestern Areas, depending upon design needs.
- The road infrastructure provides reasonable access through this area but does not have intersection improvements (turn lanes, driveway approaches, traffic signals, lighting or roundabouts). Because the Frontage Road is under the Montana Department of Transportation (MDT) jurisdiction, additional access changes will be required to meet MDT access and design standards. The road infrastructure is also limited as Airport Drive provides the only emergency access (the Frontage Road does extend further south, but requires additional travel time that eliminates its feasibility as an emergency response route).
- Cable and fiber-optic service do not exist as services have not been extended across the Interstate to serve any of the Airport or TIFID areas at the time of this evaluation.

The Northwestern Area (all areas west of the main runway) essentially has no infrastructure suitable for industrial development. New connections to all infrastructure would be required for industry, including major extensions for:

- Water mains and service (including possible upgrading of Gore Hill systems for fire demand, which could include pump station, storage and distribution)
- Sanitary mains and distribution (including the possible addition of a lift station)
- Storm Drain Systems
- Roadway Systems (access to development and improvements to Frontage Road and/or Airport Drive)

- Gas (main and distribution lines)
- Electrical Service (transmission and distribution lines)
- Telephone Service
- Cable and fiber-optic service do not exist as services have not been extended across the interstate to serve any of the airport or TIFID areas at the time of this writing.

## 5. INDUSTRIAL DEVELOPMENT ACTIVITIES TO BE UNDERTAKEN

Once the TIFID is established, the Great Falls International Airport Authority, in concert with the City of Great Falls, will work to foster industrial economic development within the District. This program will be multifaceted and will include market analysis, capital improvement planning, industry recruitment, and project financing and implementation.

### Identification of secondary, value-adding industries

The Authority has identified industries that could be targeted for development within the proposed TIFID. This list of industries is based on the following analysis, as provided by the Authority:

*...industry groups, or clusters, have been identified as target industries for on-airport development. These industry clusters have a propensity to locate business activities on airports or immediately adjacent to airports, depending on airport land availability. Industry clusters were identified based on airport development trends throughout North America. It should be noted that these industry clusters are not specifically related to airport and aircraft services or visitor industry services. Rather, these industry clusters locate on an airport to take advantage of access to airside facilities such as air cargo facilities, aircraft aprons, taxiways and runways. By locating on the airport, these industries reduce, if not eliminate, time in trucking cross-city or –region, as well as being well positioned to receive air cargo and personnel.*

The list of potential industries is presented in Table 1, as follows.

Table 1. Potential Industries for Attraction

NAICS Code	Industry
334511	Search, Detection, Navigation, Guidance, Aeronautical, & Nautical System & Instrument Manufacturing
336411	Aircraft Manufacturing and Refurbishing
336412	Aircraft Engine and Engine Parts Manufacturing
336413	Other Aircraft Parts and Auxiliary Equipment Manufacturing
336414	Guided Missile and Space Vehicle Manufacturing
336415	Guided Missile and Space Vehicle Propulsion Unit and Propulsion Unit Parts Manufacturing
336419	Other Guided Missile and Space Vehicle Parts and Auxiliary Equipment Manufacturing
334111	Electronic Computer Manufacturing
334112	Computer Storage Device Manufacturing
334113	Computer Terminal Manufacturing
334119	Other Computer Peripheral Equipment Manufacturing
334210	Telephone Apparatus Manufacturing
334220	Radio and Television Broadcasting and Wireless Communications Equipment Manufacturing
334290	Other Communications Equipment Manufacturing
334310	Audio and Video Equipment Manufacturing
334412	Bare Printed Circuit Board Manufacturing
334413	Semiconductor and Related Device Manufacturing
334414	Electronic Capacitor Manufacturing
334418	Printed Circuit Assembly (Electronic Assembly) Manufacturing
334419	Other Electronic Component Manufacturing
333295	Semiconductor Machinery Manufacturing

Further research and analysis will be required to determine which of these industries can be actively recruited based on market conditions and Great Falls’ 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 Great Falls International Airport Authority will undertake the necessary planning required to identify more particularly 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, pedestrian ways, sewage pre-treatment, sewer lines, water mains, utilities, street lighting and buildings.

### TIFID Program Design

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

- Tax Increment Bonds – Tax increment revenues would be pledged to pay bond principal and interest annually. The size and term of the bond would depend on tax increment revenues available from private sector taxpayers within the TIFID. While Montana law provides that tax increment districts may only be authorized for 15 years, the time period may be extended to coincide with the term of a tax increment bond, but no longer than an additional 25 years. In most cases, it will 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 of Great Falls 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).
- Conventional Financing – The City of Great Falls may borrow funds from commercial lending institutions in order to finance public infrastructure improvements. Principal and interest on the loan will be paid by annual tax increment revenues. 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

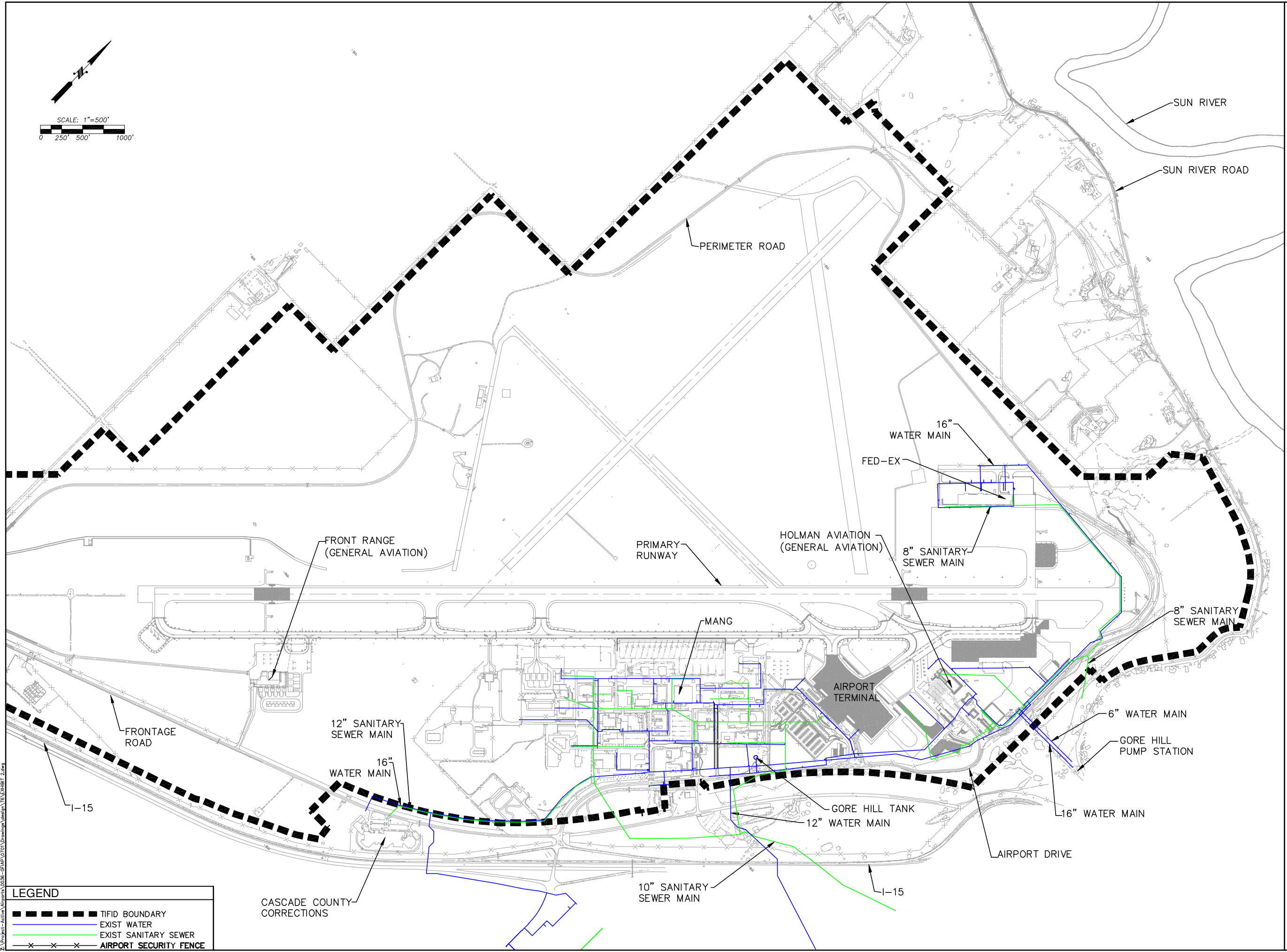
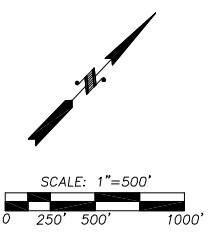
The TIFID program will rely on cooperative efforts among the City of Great Falls, the Airport Authority and other development organizations to achieve its goal of fostering industrial development. In many cases, these cooperative partners will work jointly on market analyses, business recruitment and 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.

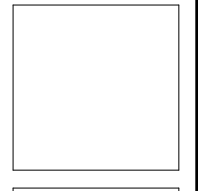
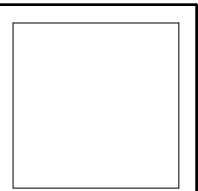
#### **Funding Mechanisms**

- 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 – Cities 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)



**LEGEND**

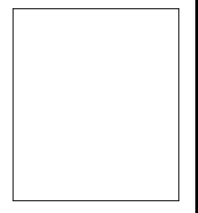
	TIFID BOUNDARY
	EXIST WATER
	EXIST SANITARY SEWER
	AIRPORT SECURITY FENCE



**SE**  
**Stalling**  
**Engineers, INC.**  
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 Fax: (406)452-8700

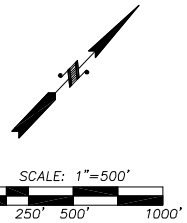
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**TIFID DISTRICT**  
 GREAT FALLS, MONTANA

**EXISTING**  
**INFRASTRUCTURE**  
**EXHIBIT**  
**WATER & SEWER**

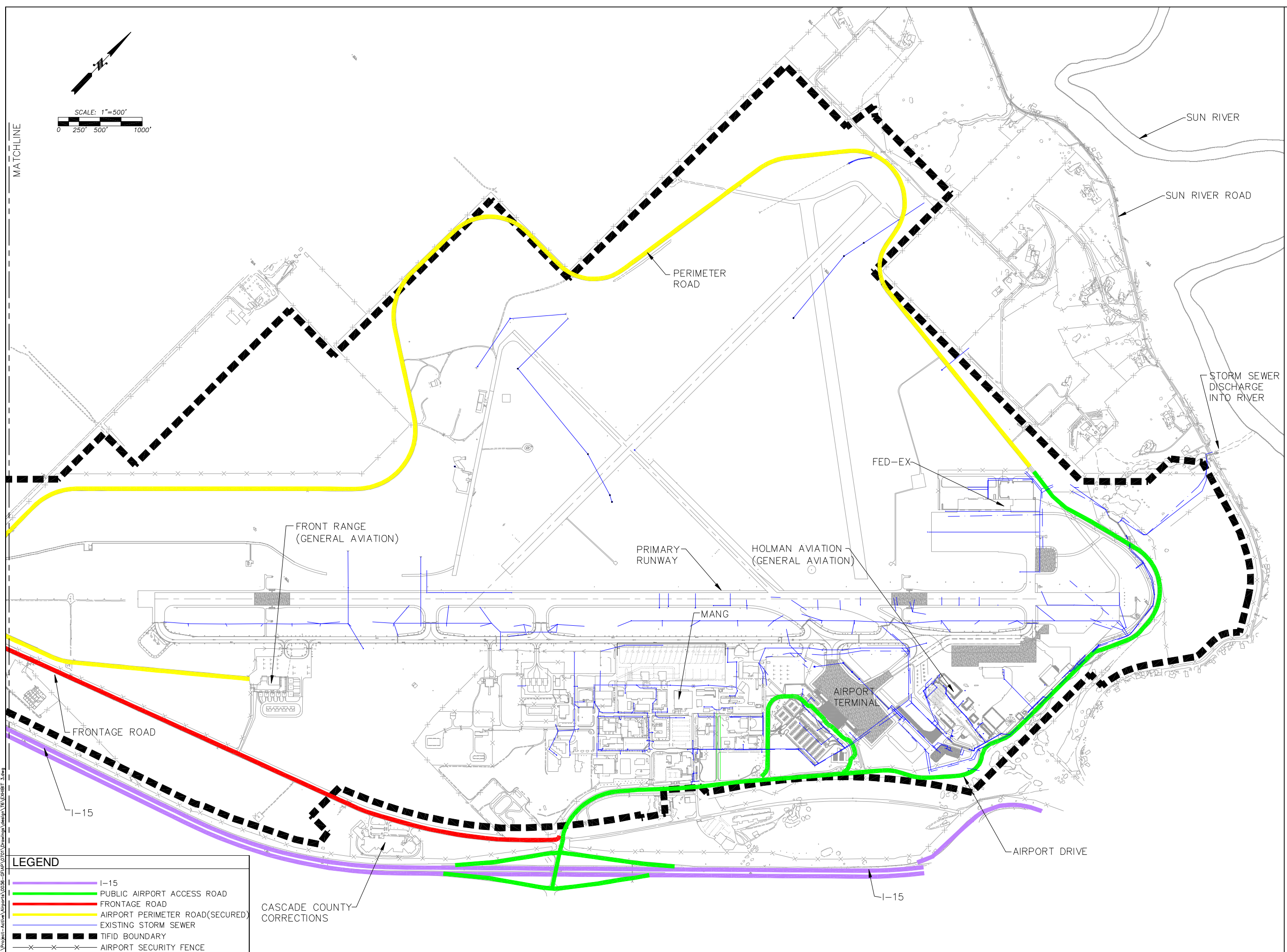


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 Civil Eng. & Surveying: [Blank] Drawn by: [Blank]  
 Design: [Blank] P.M. Checked by: [Blank]  
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 Sheet number  
**FIGURE 2**

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MATCHLINE



**LEGEND**

	I-15
	PUBLIC AIRPORT ACCESS ROAD
	FRONTAGE ROAD
	AIRPORT PERIMETER ROAD (SECURED)
	EXISTING STORM SEWER
	TIFD BOUNDARY
	AIRPORT SECURITY FENCE

CASCADE COUNTY CORRECTIONS

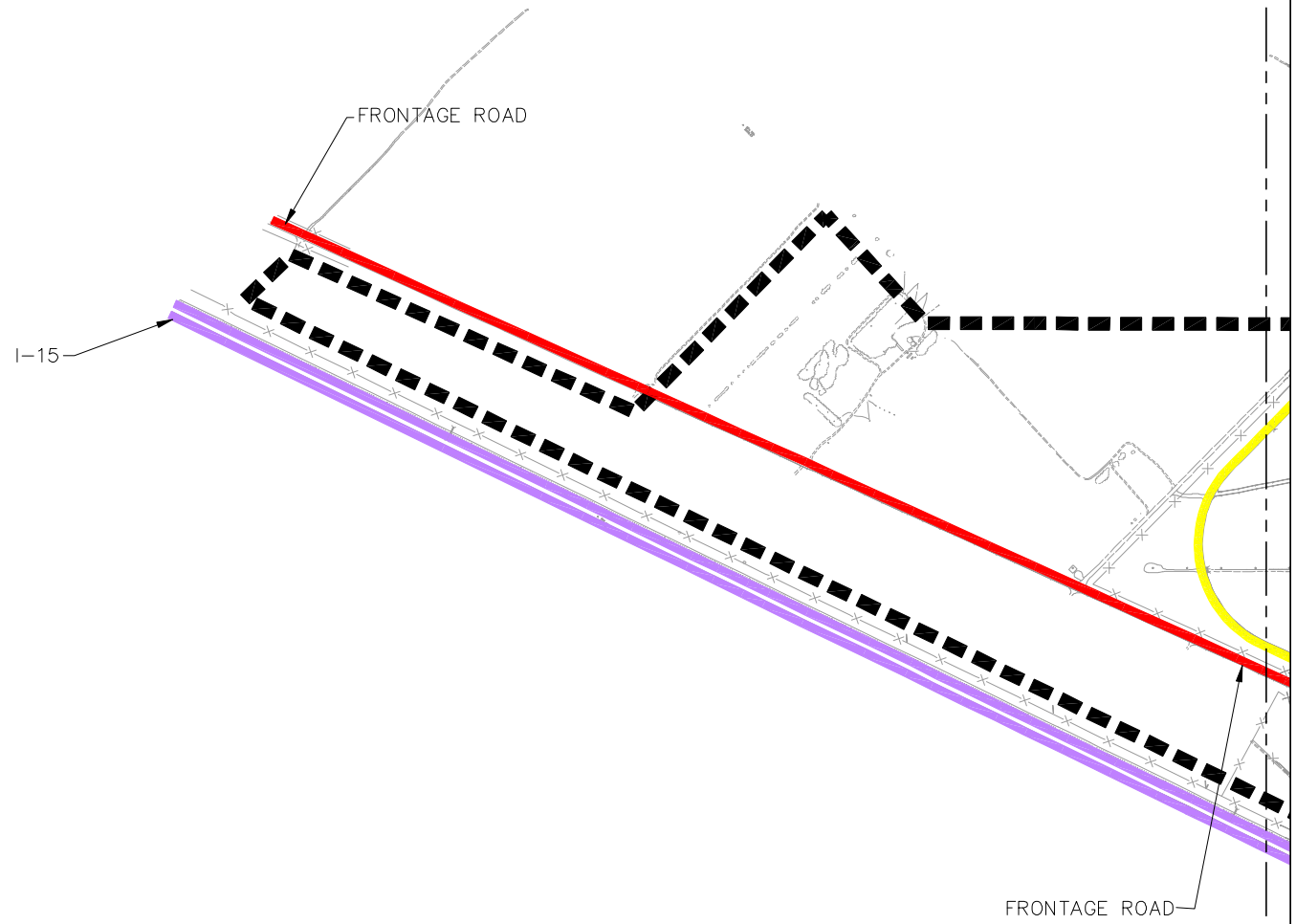
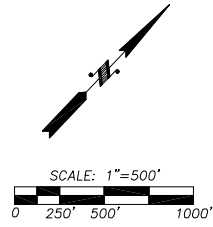
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**GREAT FALLS INTERNATIONAL AIRPORT**  
**TIFD DISTRICT**  
 GREAT FALLS, MONTANA

**EXISTING**  
**INFRASTRUCTURE**  
**EXHIBIT**  
**ROADS & STORM**  
**DRAINAGE**

Project Number: 0036-0701-T6  
 Cadd Date: 8/22/08  
 Exhibit: 3  
 Design: PWH  
 AS SHOWN  
 Date: 8/22/08  
 Sheet number: FIGURE 3A





LEGEND	
	I-15
	PUBLIC AIRPORT ACCESS ROAD
	FRONTAGE ROAD
	AIRPORT PERIMETER ROAD (SECURED)
	EXISTING STORM SEWER
	TIFID BOUNDARY
	AIRPORT SECURITY FENCE

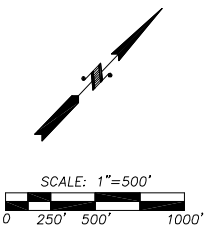
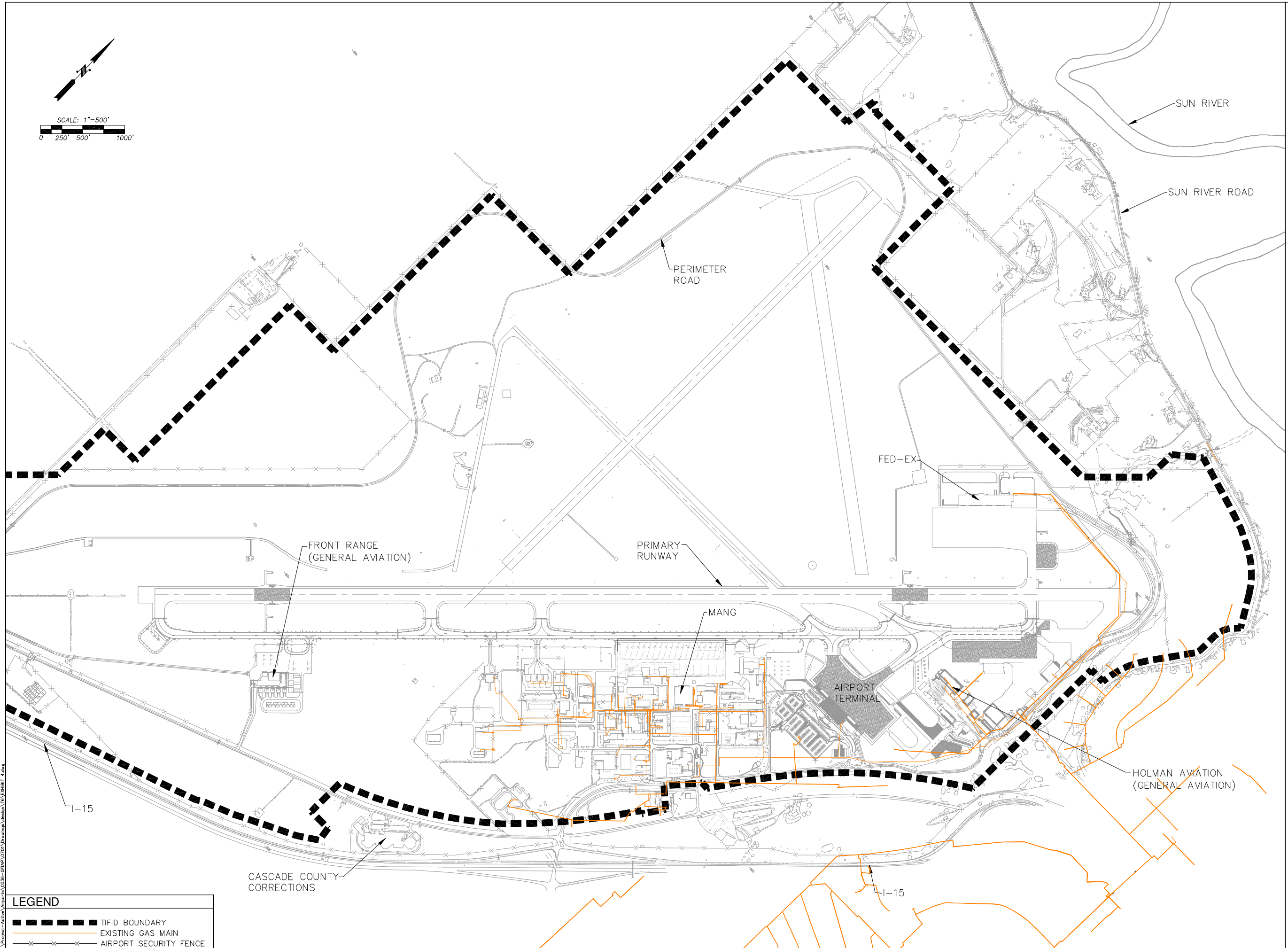
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**GREAT FALLS INTERNATIONAL AIRPORT**  
**TIFID DISTRICT**  
 GREAT FALLS, MONTANA

**EXISTING**  
**INFRASTRUCTURE**  
**EXHIBIT**  
**ROADS & STORM**  
**DRAINAGE**

Project Number: 0036-0701-T6  
 Code: 1000  
 Design: PWH  
 Date: 8/22/08  
 Sheet number: FIGURE 3B



**LEGEND**

	TIFD BOUNDARY
	EXISTING GAS MAIN
	AIRPORT SECURITY FENCE

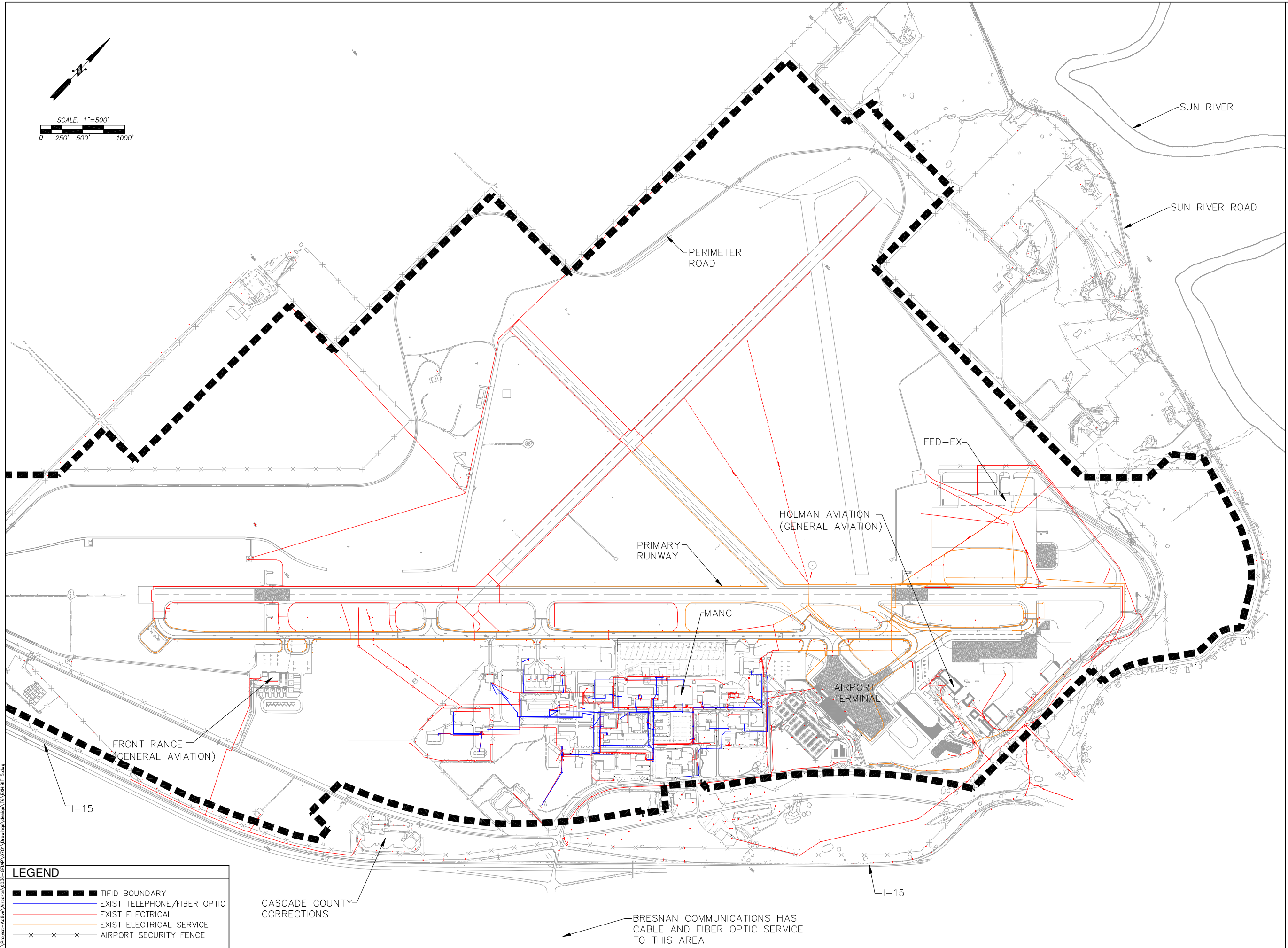
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**GREAT FALLS INTERNATIONAL AIRPORT  
 TIFD DISTRICT  
 GREAT FALLS, MONTANA**

**EXISTING  
 INFRASTRUCTURE  
 EXHIBIT  
 NATURAL GAS**

Project Number:	0036-0701-T6
Code des. #	0036-0701-T6
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Checked by:	XJH
Date:	8/22/08
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**LEGEND**

	TIFD BOUNDARY
	EXIST TELEPHONE/FIBER OPTIC
	EXIST ELECTRICAL
	EXIST ELECTRICAL SERVICE
	AIRPORT SECURITY FENCE

CASCADE COUNTY CORRECTIONS

BRESNAN COMMUNICATIONS HAS CABLE AND FIBER OPTIC SERVICE TO THIS AREA

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PROJECT TITLE  
**GREAT FALLS INTERNATIONAL AIRPORT  
 TIFD DISTRICT  
 GREAT FALLS, MONTANA**

**EXISTING  
 INFRASTRUCTURE  
 EXHIBIT  
 ELECTRICAL &  
 COMMUNICATIONS**

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**FIGURE 5**

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