

RESOLUTION 10272

A RESOLUTION TO APPROVE AN INDUSTRIAL DEVELOPMENT PROJECT AND ASSOCIATED INFRASTRUCTURE IMPROVEMENTS IN THE GREAT FALLS INTERNATIONAL AIRPORT TAX INCREMENT FINANCING INDUSTRIAL DISTRICT

* * * * *

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 City of Great Falls through the adoption of Ordinance 3022 on November 5, 2008 enacted and approved the Great Falls International Airport Tax Increment Financing Industrial District, and an associated District Plan and District Boundary which was amended by Ordinance 3043 which was adopted on September 1, 2009; 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 RESOLVED BY THE CITY COMMISSION OF THE CITY OF GREAT FALLS, STATE OF MONTANA AS FOLLOWS:

Section 1. Approval. The City Commission hereby approves the expenditure of the requested Tax Increment Financing Industrial District funds as requested by the Great Falls International Airport Authority in the amount of \$107,383.22.

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 properly noticed public hearing duly held on December 4, 2018, 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:

- (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, 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 constitute public improvements in accordance with the Act;

(e) the Plan, 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 3. Development Agreement. An agreement between the City of Great Falls and the Great Falls International Airport Authority is attached hereto as Exhibit "A".

Section 4. District Plan. A plan describing existing infrastructure, existing infrastructure deficiencies, and industrial development activities to be undertaken within the District is attached as Exhibit "B".

Section 5. Effective Date. This Resolution shall be in full force and effect upon passage and adoption by the City Commission.

Section 6. 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 4th day of December, 2018.

Bob Kelly, Mayor

ATTEST:

(SEAL OF CITY)

Darcy Dea, Deputy City Clerk

APPROVED FOR LEGAL CONTENT:

Sara R. Sexe, City Attorney

Exhibit A

DEVELOPMENT AGREEMENT

THIS DEVELOPMENT AGREEMENT is dated as of [_____], 2018, among the CITY OF GREAT FALLS, a municipal corporation of the State of Montana (the “**City**”) and GREAT FALLS INTERNATIONAL AIRPORT AUTHORITY, a regional airport authority created by the City and Cascade County, Montana (the “**Authority**”) for the operation of the Great Falls International Airport (the “**Airport**”).

WITNESSETH:

WHEREAS, under the provisions of the Montana Code Annotated, Title 7, Chapter 15, Parts 42 and 43, as amended (the “**Act**”), an industrial district may be established so that a municipality may undertake industrial infrastructure projects therein, provide for the segregation and collection of tax increment with respect to taxes collected in such district, and apply all or a portion of the tax increment derived from such district to the payment of costs of such industrial infrastructure projects; and

WHEREAS, the City Commission, pursuant to Ordinance No. 3022, duly adopted on November 5, 2008, and revised by Ordinance No. 3043, duly adopted on September 1, 2009 (as such may be further amended or supplemented in accordance with the Act, the “**Ordinance**”), created an industrial district known as the Central Montana Agriculture and Technology Park Tax Increment Financing Industrial District (the “**District**”) and adopted the Central Montana Agricultural and Technology Park Expanded Tax Increment Financing Industrial District Plan (the “**Plan**”) containing a tax increment financing provision; and

WHEREAS, as set forth in the Plan, the purpose of the District is to encourage the attraction, growth and retention of secondary, value-adding industries and the City has identified numerous infrastructure improvements necessary in order to further the objectives of the City and the Authority with respect to the development of the District and supporting infrastructure for public use, directly and indirectly benefitting the Authority and its customers; and

WHEREAS, the Authority proposes to undertake the construction of multiple aircraft hangar development sites in the District, known as the Southwest General Aviation Complex (the “**Project**”), as further described in an Application for City of Great Falls Tax Increment Financing (TIF) Application for Funds dated May 14, 2018 (the “**Application**”); and

WHEREAS, the purpose of the Project is to develop the 30-acre Southwest General Aviation Development Complex with private aviation related facilities. Included in this area and served by the Project infrastructure is Front Range Aviation which is a FAA-certified Aircraft Maintenance and Repair Operation (“**MRO**”). The Project will serve a planned 14,000 square foot expansion of Front Range Aviation. The Project infrastructure will also support development of a new 40,000 square foot hangar that will be the largest private hangar in Montana. This hangar is being developed by Eagle Jet Solutions, an aircraft sales and management company, which will create additional business for existing MRO operators, the

Avmax paint facility and other Secondary Industries already located at GTF. Further, the Project will serve a master planned area that contains two additional large hangar sites which have already been marketed to Secondary Industry companies, multiple small hangar sites and a warbird restoration operation that has been in discussions with GTF to relocate to Great Falls, all in furtherance of the objectives set forth in the Plan; and

WHEREAS, in connection with the Project, the Authority has requested tax increment financing assistance with respect to certain infrastructure improvements associated with the Project, consisting of public road and public utility improvements, including natural gas, water main, sewer main, electrical and fiber optic improvements, all as further described in the Application (the “**Infrastructure Improvements**”); and

WHEREAS, the City has determined that the Project is an industrial development project authorized under the Plan for the purpose of attracting secondary, value adding industries, that the Infrastructure Improvements are authorized by the Plan and that it is appropriate to reimburse the Authority for a portion of the costs of the Infrastructure Improvements with tax increment (as defined in the Act) of the District, subject to the terms and conditions set forth in this Agreement.

NOW THEREFORE, the City and the Authority, each in consideration of the representations, covenants and agreements of the other, as set forth herein, mutually represent, covenant and agree as follows:

Section 1. Authority Representations. The Authority hereby represents as follows:

- (a) The representations and warranties of the Authority in the Application are true and correct as of the date hereof, including with respect to the total investment to be made by the Authority with respect to the Project and the Infrastructure Improvements.
- (b) The Authority has good and marketable title to the land upon which the Project shall be developed (the “**Project Site**”).
- (c) The Authority has the financial capability or commitments to complete the Project and the Infrastructure Improvements.

Section 2. Authority’s Undertakings.

2.1 Construction and Maintenance of Project. The Authority hereby agrees and commits to the City that it will diligently undertake the Project in accordance with the site plan submitted to the City and all applicable federal, state and local laws, rules, regulations, ordinances and plans relating to or governing the development or use of the Project. The Authority and the private business locating in the Southwest General Aviation Development Complex agree to pay all costs of the Project. The Airport Authority is serving as the site developer and is constructing the utilities infrastructure of the Project including the water line that is the subject of this application. Private businesses and individuals will construct and maintain aviation-related facilities within the Southwest General Aviation Complex. For

example, the Project includes expansion of Front Range Aviation, an existing MRO and Secondary Industry use. In addition, the Project will serve several other regional industrial operations that require corporate aviation assets to do business including Loenbro and Torgenson's. The Airport also has two other MRO's, Avmax and Holman Aviation which are utilized by the aircraft in the Southwest General Aviation Complex.

In addition to existing tenants, the Southwest General Aviation complex contains two additional large hangar sites, numerous small hangar pads and a pad for a warbird restoration operation that is currently in discussions with the Airport Authority. Completion of the Project infrastructure including the waterline contained in this application is the subject of this application and will assist the Authority in recruiting Secondary Industries to the District by creating building ready pads for development.

The creation of two large hangar pads with close proximity to the runway, which will be created by the Project, represents a unique opportunity within Montana to pursue large aviation opportunities. The large hangar that is being built and the two remaining development pads can accommodate planes as large as the 737 or the C-130. Even within the broader Northwest, it is rare to find development pads that can accommodate such large aircraft despite the fact that this size of aircraft is one of the most frequently used in commercial aviation. In the past year, the Airport Authority has pursued several Secondary Industry opportunities related to these large hangar pads.

Further, attraction of additional based aircraft to the Airport supports the operation of the existing Secondary Industries that operate at the Airport such as our three existing MRO's. Thus attracting secondary value adding industries and providing infrastructure for public use, directly and indirectly benefitting the Airport Authority and its customers. "**Secondary Industries**" means those industries that use mechanical or chemical processes to transform materials or substances into new products in the manner defined as manufacturing in the North American Industry Classification System Manual.

2.2. Construction of the Infrastructure Improvements. The Authority will install, construct or otherwise provide the Infrastructure Improvements in accordance with all local, state and federal laws, rules and regulations. The Authority acknowledges and agrees that the City is not responsible for installing, constructing or otherwise providing the Infrastructure Improvements. The Authority agrees to pay all costs of the Infrastructure Improvements as the improvements directly and indirectly benefit to the Authority, the public and its customers. The Authority understands that the City is obligated to follow certain laws with respect to the expenditure of public funds, which includes tax increment of the District. The Authority agrees that in the awarding of contracts or subcontracts for the Infrastructure Improvements that (i) it will and it will cause its contractor to competitively bid the contracts and subcontracts for each of those components; (ii) its contractor and subcontractors will pay the Prevailing Wage Rates on such contracts or subcontracts related to the Infrastructure Improvements; (iii) its contractor and subcontractors will give preference to the employment of bona fide residents of the State of Montana (the "**State**"), as required by Montana Code Annotated Section 18-2-403 and as such term is defined by Montana Code Annotated Section 18-2-401(1) and the Administrative Rules of the State, including but not limited to A.R.M. 24.17.147, obliging its contractor and

subcontractors to hire 50% bona fide Montana residents with respect to the installation and construction of the Infrastructure Improvements; and (iv) when making assignments of work, its contractor and subcontractors will use workers both skilled in their trade and specialized in their field of work for all work to which they are assigned. The Authority will provide to the City all documentation requested to verify the compliance of the Authority, its contractor and subcontractors with the foregoing requirements. Failure of the contractor and subcontractors to pay the Prevailing Wage Rates on the Infrastructure Improvements shall be considered a breach of this Agreement and the City shall be entitled to exercise any and all measures to assure compliance and retroactive compensation plus interest to employees not paid in accordance with this Agreement, and recovery of any penalty or fine assessed by the State attributed to any failure to pay the Prevailing Wage Rates. Additionally, the Authority acknowledges that a violation of these requirements shall result the City not being able to pay or reimburse the Authority for costs of the Infrastructure Improvements. “Montana Prevailing Wage Rate for public works projects are published from time to time by and available from the Montana Department of Labor and Industry, Research and Analysis Bureau, P.O. Box 1728, Helena, Montana 59624, telephone number (800) 541-3904; applicable Federal Prevailing Wage Rates for public works projects are published from time to time by and available from <https://www.dol.gov/whd/govcontracts/PrevailingWageResources.htm>.”

2.3. Utilities. The Authority shall not interfere with, or construct any improvements over, any public street or utility easement without the prior written approval of the City. All connections to public utility lines and facilities shall be subject to approval of the City and any private utility company involved. The Authority at its own expense shall replace any public facilities or utilities damaged during the Project or the Infrastructure Improvements by the Authority, its agents or by others acting on behalf of or under the direction or control of the Authority.

2.4. Easements. To the extent that the Infrastructure Improvements are to be located on the Authority property, the Authority will grant to the City from time to time such easements, rights-of-way and similar licenses the City may reasonably request.

2.5. Permits; Environmental Laws. The Authority will obtain or cause to be obtained, in a timely manner, all required permits, licenses and approvals, and will meet all requirements of all local, state and federal laws, rules and regulations which must be obtained or met in connection with the acquisition and construction of the Project and the Infrastructure Improvements. Without limiting the foregoing, the Authority will request and obtain, or caused to be requested and obtained, from the City or other appropriate governmental authority, all necessary variances, conditional use permits and zoning changes with respect to the Project and the Infrastructure Improvements. The Authority will comply in all material respects with all Environmental Laws and Regulations (as hereinafter defined) applicable to the construction, acquisition and operation of the Project and the Infrastructure Improvements, will obtain any and all necessary environmental reviews, licenses or clearances under, and will comply in all material respects with, Environmental Laws and Regulations. “**Environmental Laws and Regulations**” means and includes the Federal Comprehensive Environmental Compensation Response and Liability Act (“CERCLA” or the “Federal Superfund Act”) as amended by the Superfund Amendments and Reauthorization Act of 1986 (“SARA”), 42 U.S.C. §§ 9601 et seq.;

the Federal Resource Conservation and Recovery Act of 1876 (“RCRA”), 42 U.S.C. §§ 6901 et seq.; the Clean Water Act, 33 U.S.C. § 1321 et seq.; and the Clean Air Act, 42 U.S.C. §§ 7401 et seq., all as the same may be from time to time amended, and any other federal, state, county, municipal, local or other statute, code, law, ordinance, regulation, requirement or rule which may relate to or deal with human health or the environment including without limitation all regulations promulgated by a regulatory body pursuant to any such statute, code, law or ordinance.

2.6. **Nondiscrimination.** The Authority agrees that all hiring by the Authority and its contractor and subcontractors and persons performing this Agreement will be on the basis of merit and qualification and will not discriminate on the basis of race, color, religion, creed, political ideas, sex, age, marital status, physical or mental disability, national origin, or other class protected by state and/or federal law.

2.7. **Worker’s Compensation Insurance.** The Authority shall provide in its construction contracts with its contractor and subcontractors that such contractor and subcontractors are to be covered by a Worker’s Compensation insurance program with the State, a private insurance carrier, or an approved self-insurance plan in accordance with State law.

Section 3. **Reimbursement.**

3.1 **Reimbursement Obligation.** Subject to the provisions of this Section 3, the City will reimburse the Authority for costs of the Infrastructure Improvements in an amount equal to the 100% of the actual cost of the Infrastructure Improvements; provided that such reimbursement amount shall not exceed \$107,383.22 in the aggregate. The obligation of the City to reimburse the Authority for costs of the Infrastructure Improvements will not arise until (i) the completion of the Project, including delivery by the City Public Works Department of a letter stating that the Project has been completed and (ii) the completion and acceptance by the City of the Infrastructure Improvements and the approval by the City of the costs thereof pursuant to Section 3.2 hereof. The City’s obligation to reimburse the Authority for costs of the Infrastructure Improvements will be payable solely from tax increment of the District. Notwithstanding anything herein to the contrary, if the conditions to reimbursement set forth in this Section 3.1 are not satisfied by December 31, 2019, the City shall have no obligation to reimburse the Authority for costs of the Infrastructure Improvements.

3.2. **Reimbursement Limitations and Conditions.** Reimbursement for costs of the Infrastructure Improvements will be based on actual paid invoices for incurred costs provided by the Authority. The City may reject any invoice amounts to the extent not related to Infrastructure Improvements. Notwithstanding Section 3.1, the parties agree that the City will not be required to reimburse the Authority for the Infrastructure Improvements unless:

(a) all of the representations of the Authority as set forth in Section 1 hereof are true and correct;

(b) the Authority is not in breach of any covenant or undertaking as set forth in Section 2 hereof as of the time of such reimbursement; and

(c) a certificate signed by the Authority in substantially the form attached as Exhibit A hereto shall accompany any requests for reimbursement by the City.

Section 4. Release and Indemnification.

(a) The Authority releases the City, and the City Commission members, officers, agents, servants and employees thereof (the “**Indemnified Parties**”) from, and covenants and agrees that the Indemnified Parties shall not be liable for and agrees to indemnify and hold harmless the Indemnified Parties against, any loss or damage to property or any injury to or death of any person arising out of or resulting from the construction, installation, operation, ownership or maintenance of the Project Site, the Project or the Infrastructure Improvements by the Authority or its officers, agents, contractors, consultants or employees or any other person or which is proximately caused by any act or omission of the Authority or its officers, agents, contractors, consultants or employees or any other person; provided that the indemnity shall not apply if and to the extent such loss or damage is caused by the gross negligence or willful misconduct of the City, its agents or employees.

(b) The Authority agrees to protect, indemnify and defend the Indemnified Parties and further agrees to hold the Indemnified Parties harmless from and against, any loss, damage, cost (including reasonable attorneys’ fees), claim, demand, suit, action or other proceeding whatsoever initiated by any Person whatsoever and arising or purportedly arising out of (i) violation by the Authority or its officers, agents, contractors, consultants or employees or any other person of any agreement or condition of this Agreement, (ii) the acquisition, construction, installation, ownership, maintenance and operation by the Authority or its officers, agents, contractors, consultants or employees or any other person of the Project Site, the Project or the Infrastructure Improvements or (iii) from the presence on any portion of the Project Site, of any dangerous, toxic or hazardous pollutants, contaminants, chemicals, waste, materials or substances, as defined in or governed by the provisions of any federal, state or local law, statute, code, ordinance, regulation, requirement or rule relating thereto, and also including urea formaldehyde, polychlorinated biphenyls, asbestos, asbestos containing materials, nuclear fuel or waste, radioactive materials, explosives, carcinogens and petroleum products, or any other waste, material, substance, pollutant or contaminant which would subject the owner of the Project Site to any damages, penalties, liabilities or expense of clean up under any applicable Environmental Laws and Regulations.

Section 5. (c) The Indemnified Parties shall not be liable for any damage or injury to the persons or property of the Authority or its officers, agents, contractors, consultants or employees or any other person; provided that such damage or injury is not caused by the gross negligence or willful misconduct of the City, its agents or employees.

5.1. Limitation on City Liability. No agreements or provisions contained in this Agreement nor any agreement, covenant or undertaking by the City contained in this Agreement or any other document executed by the City in connection with the Infrastructure Improvements will give rise to any pecuniary liability of the City or a charge against its general credit or taxing powers, or will obligate the City financially in any way except with respect to tax increment of the District. No failure of the City to comply with any term, condition, covenant or agreement

herein will subject the City to liability for any claim for damages, costs or other financial or pecuniary charge except to the extent that the same can be paid or recovered from tax increment of the District; and no execution on any claim, demand, cause of action or judgment will be levied upon or collected from the general credit, general funds or taxing powers of the City (except as such constitute tax increment of the District). Nothing herein will preclude a proper party in interest from seeking and obtaining specific performance against the City for any failure to comply with any term, condition, covenant or agreement herein; provided that no costs, expenses or other monetary relief will be recoverable from the City except as may be payable from tax increment of the District.

5.2. Notices. All notices, certificates or other communications required to be given to the City or the Authority hereunder shall be sufficiently given and shall be deemed given when delivered or deposited in the United States mail in certified form with postage fully prepaid and addressed as follows:

If to the City:	City of Great Falls P.O. Box 5021 Great Falls, Montana 59403 Attn: Finance Director
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If to the Authority:	Great Falls International Airport Authority Airport Director 2800 Terminal Drive Great Falls, Montana 59404
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The City and the Authority, by notice given hereunder, may designate different addresses to which subsequent notices, certificates or other communications should be sent.

5.3. Assignment. This Agreement is unique between the City and the Authority and no party may assign any rights or privileges or delegate any duties or obligations under this Agreement without first obtaining the written consent of the other parties.

5.4. Binding Effect. The right and obligations set forth in this Agreement shall inure to the benefit of and shall be binding upon the City and the Authority and their respective successors and assigns.

5.5. Severability. If any provision of this Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

5.6. Amendments, Changes and Modifications. This Agreement may be amended or any of its terms modified only by written amendment authorized and executed by the City and the Authority.

5.7. Governing Law. This agreement and the legal relations between the parties hereto will be governed by and construed in accordance with the laws of the State of Montana, without giving effect to any choice of law statutes, rules, or principles.

5.8. Execution Counterparts. This Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute one and the same instrument.

5.9. Captions. The captions or headings in this Agreement are for convenience only and in no way define, limit or describe the scope of intent of any provisions or Sections of this Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the ____ day of _____, 2018.

CITY OF GREAT FALLS, MONTANA

[SEAL]

By _____
Gregory T. Doyon, City Manager

Attest:

SEAL

Lisa Kunz, City Clerk

APPROVED FOR LEGAL CONTENT:

Sara R. Sexe, City Attorney

Great Falls International Airport Authority

Name:
Title:

STATE OF MONTANA)
 : ss.
County of Cascade)

This instrument was acknowledged before me on _____, 20__ by
_____ of Great Falls International Airport Authority, on behalf of said
Authority.

(Notarial Seal)

Printed Name: _____
Notary Public for the State of Montana
Residing at _____, Montana
My Commission Expires: _____

EXHIBIT A

AUTHORITY REQUISITION FORM

TO: City of Great Falls, Montana (the "City")
FROM: Great Falls International Airport Authority (the "Authority")
SUBJECT: Reimbursements for Infrastructure Improvements

This represents Authority Requisition No. ____ in the total amount of \$_____ for payment of the Infrastructure Improvements.

The undersigned, as Authorized Authority Representative, intends that this certificate will satisfy the requirements of Section 3 of the Development Agreement, dated as of [____], 2018 among the City and the Authority, and does hereby certify on behalf of the Authority that:

- (a) the expenditures for which reimbursement is requested are listed in summary form in the attached schedule;
- (b) the amounts requested have been paid by the Authority for property or to contractors, subcontractors, materialmen, engineers, architects or other persons who will perform or have performed necessary or appropriate services or will supply or have supplied necessary or appropriate materials for the acquisition, construction, renovation, equipping and installation of the Infrastructure Improvements, as the case may be, and that, to the best of my knowledge, the fair value of such property, services, or materials is not exceeded by the amounts requested to be paid;
- (c) the cost of work to be reimbursed has been competitively bid and the contractor or subcontractor has paid the Montana prevailing wage for such work;
- (d) no part of the several amounts requested to be reimbursed, as stated in such certificate, has been or is the basis for the reimbursement of any money in any previous or pending request; and
- (e) the reimbursement of the amounts requested will not result in a breach of any of the covenants of the Authority contained in the Agreement.

Dated: _____, 20__

Great Falls International Airport Authority

By: _____
Authorized Authority Representative

Schedule to Authority Requisition No. _____

Payee

Purpose

Amount

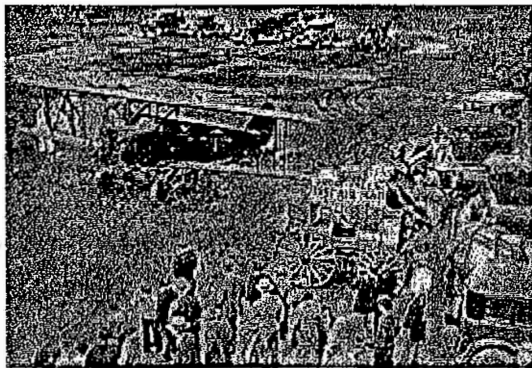
Exhibit "B"
Great Falls International Airport
Tax Increment Financing Industrial District Plan

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

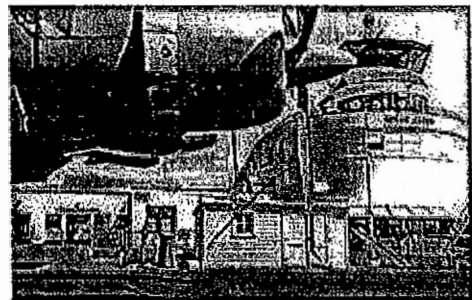
The GFIA was developed in response to an initiative of the U.S. Department of Commerce in 1928. The City acquired 640 acres of land and construction was started on Runway 16/34, which was completed in June 1929. By 1939 the airport facilities included four runways, a large hangar, and an administration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

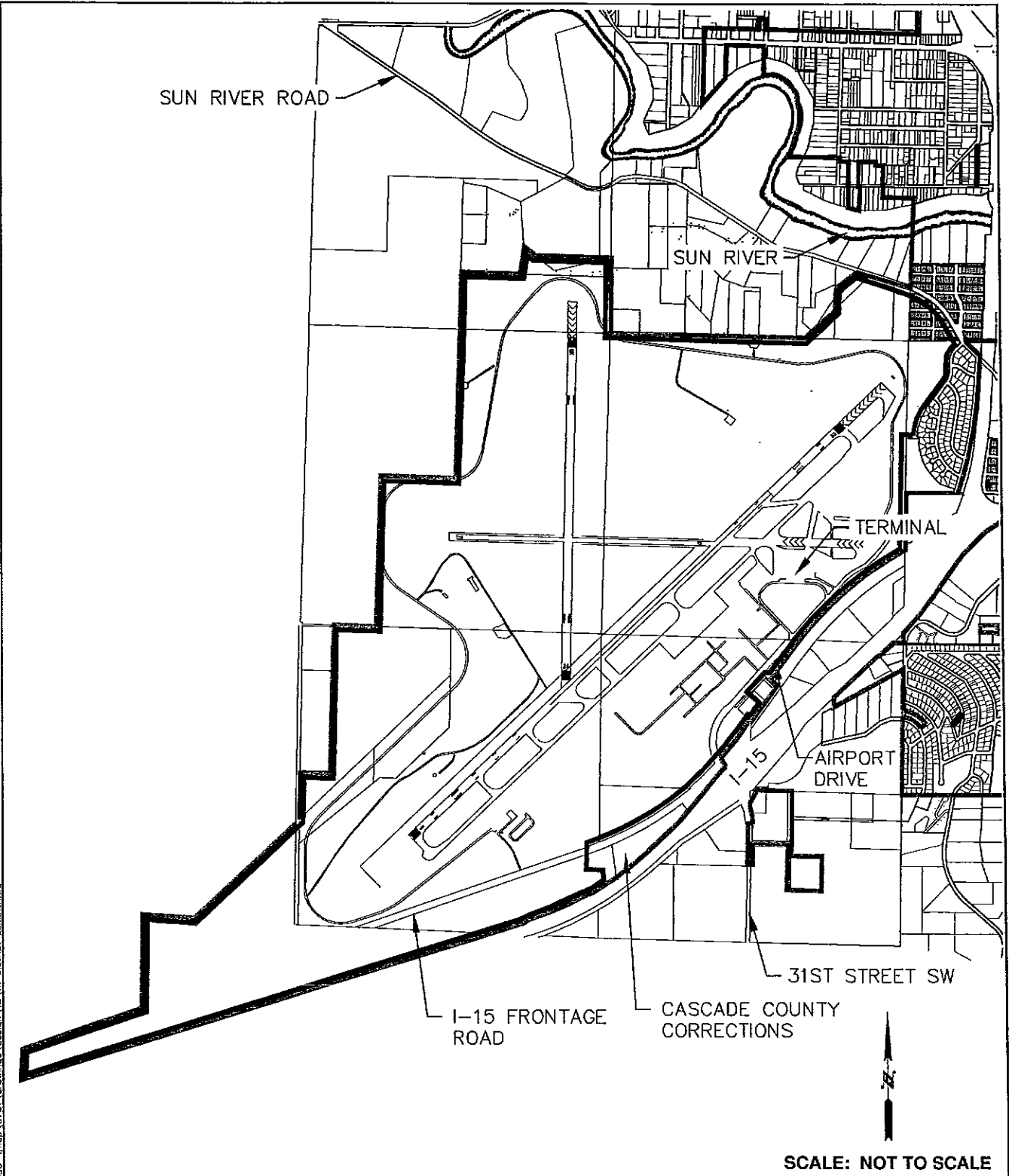
During World War II, the airport was leased by the U.S. War Department and used as a base for the 7th Ferrying Command. During the war years, more than 7,500 bombers and fighter aircraft passed through Great Falls on their way to the war fronts in Europe and the Pacific. While using the airport as an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

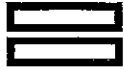


First Terminal


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

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	DISTRICT BOUNDARY CITY LIMITS
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PROPOSED GREAT FALLS AIRPORT TIFID DISTRICT
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 <small>Phone: (406) 452-2600 Fax: (406) 452-3700</small>
FIGURE 1

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

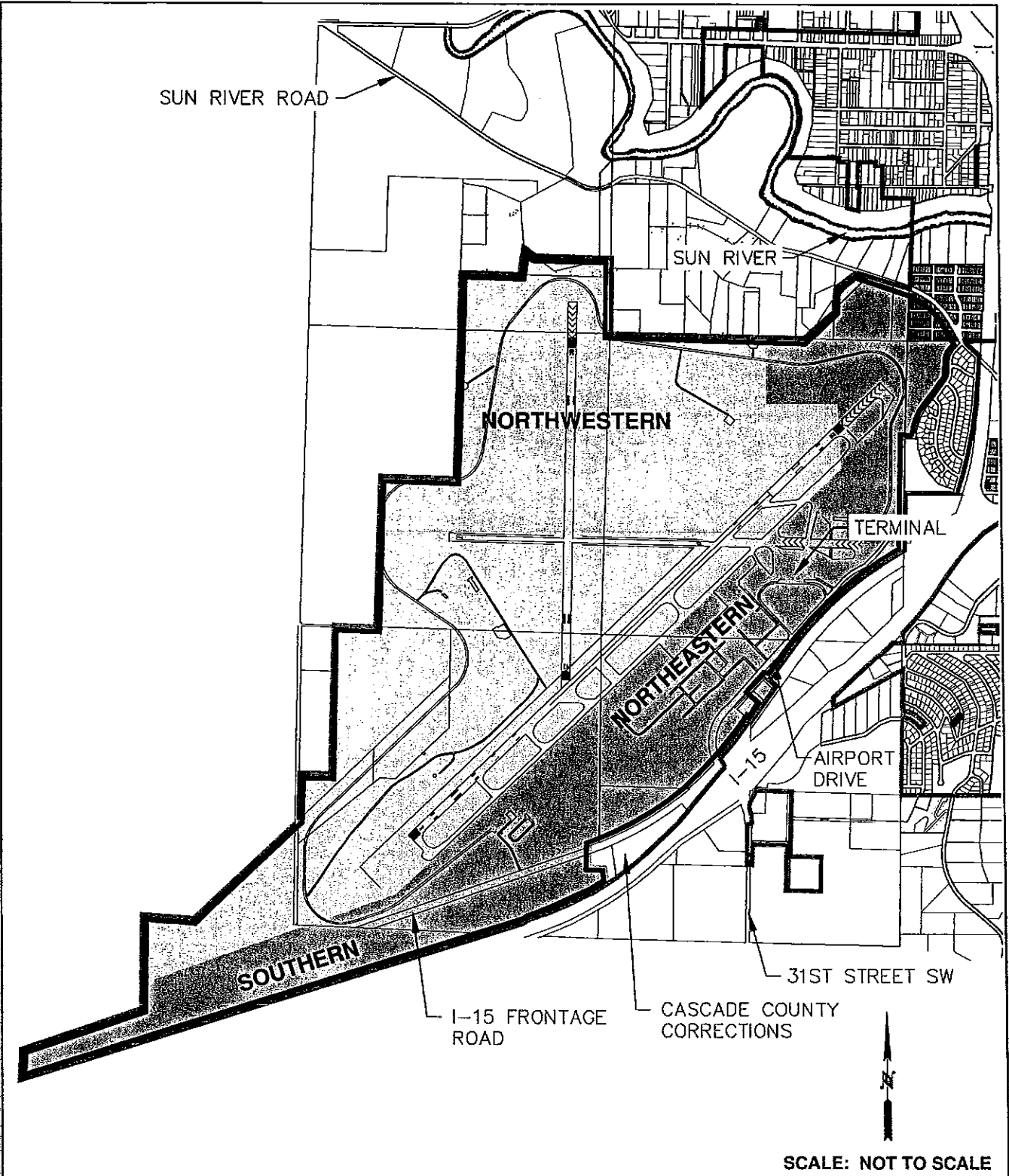
lines are not considered for extension to future development. Local and long-distance telephone connections are currently available at the Terminal and developed areas. Both fiber optic and cable connections exist on the east (non-airport) side of I-15 with some fiber lines extending to specific buildings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


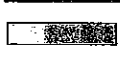

4. INFRASTRUCTURE DEFICIENCIES FOR TARGETED SECONDARY, VALUE-ADDING INDUSTRIES

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

 <small>Stelling Engineers, Inc. Phone (406) 452-8600 Fax (406) 452-8700</small>
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)