

**MINUTES OF THE MEETING  
OF THE  
GREAT FALLS PLANNING ADVISORY BOARD/ZONING COMMISSION  
July 14, 2015**

**CALL TO ORDER**

The regular meeting of the Great Falls Planning Advisory Board/Zoning Commission was called to order by Chair Nate Weisenburger at 3:00 p.m. in the Commission Chambers of the Civic Center.

**ROLL CALL & ATTENDANCE**

Planning Board Members present:

Nate Weisenburger, Chair  
Scot Davis, Vice Chair  
Peter Fontana  
Heidi Pasek  
Cheryl Patton  
Sophia Sparklin

Planning Board Members absent:

Anthony Houtz  
Mark Striepe

Planning Staff Members present:

Craig Raymond, Director P&CD  
Phyllis Tryon, Sr. Administrative Assistant

Other Staff present:

Jennifer Reichelt, Deputy City Manager  
Dave Dobbs, City Engineer

Mr. Raymond affirmed a quorum of the Board was present.

**MINUTES**

*\*\*Action Minutes of the Planning Advisory Board/Zoning Commission. Please refer to the audio/video recording of this meeting for additional detail.\*\**

Chair Weisenburger asked if there were any comments or corrections to the minutes of the regular meeting held on June 23, 2015. Seeing none, the minutes were approved as submitted.

## **BOARD ACTIONS NOT REQUIRING PUBLIC HEARING**

### **East Industrial Park TIFID AgriTech Park, LLC**

Jennifer Reichelt, Deputy City Manager, presented the staff report for the application by ArgiTech Park, LLC (the Developer) and the AgriTech Owners Association for the East Industrial Park Tax Increment Financing Industrial District Funding (TIFID). Ms. Reichelt said the applicant is requesting reimbursement from the East Industrial Park TIFID for eligible development expenses for road, water, sewer and rail improvements at a total cost not to exceed \$6,789,867. This project also includes the repayment of interest at a rate of 4%.

It is proposed that certain current and future property owners finance the infrastructure improvements, the costs of which will be reimbursed by the City to the Great Falls AgriTech Owners Association from tax increment revenues generated by the project. The subject property is ±196 acres and consists of 10 lots. Ms. Reichelt reviewed the TIF application process. She said that staff from Fiscal Services, Planning and Community Development, Park and Recreation, Public Works and herself, with advice from Dorsey & Whitney, LLP (bond counsel for the City), reviewed and evaluated the project. Their findings include that the infrastructure improvements would be beneficial to the public and result in development in the District, the infrastructure improvements are eligible for tax increment financing in accordance with State law and the purpose and goals of the District and Plan, and the City should enter into a development agreement with the Developer and the Association with respect to the project and the infrastructure improvements.

Ms. Reichelt reviewed basic elements of the Development Agreement as provided with the staff report. The infrastructure improvements are proposed in three phases, and the City will not accrue or pay interest until specific performance based tax increment levers are reached during each phase. The Developer will receive 85% of the tax increment revenues, and interest will accrue and begin being paid at a rate of 4% per year once the project site has reached its performance based market value for each phase of the project. The taxable property market value must be certified by the Department of Revenue. Ms. Reichelt reviewed further details of each of the three phases of the project. She said the interest will not be reimbursed until capstone amounts are reached in each phase. She also reviewed information on the rail improvements and the fiscal impact of the project. She said there have been a lot of questions on this project and about the fiscal impact, and the City Commission spent three work sessions on the information. There is no general obligation by the City and there will be no money from the City's General Fund to pay back this project; payments are solely from tax increment dollars. She noted that if this TIF district expires, there is a possibility that there would be owners who would not be reimbursed for some infrastructure improvements, and they understand this.

Ms. Reichelt explained that this project meets Montana Code Annotated (MCA) TIF regulations and the City's own TIF criteria and reviewed the Preliminary Findings for this project.

Ms. Reichelt concluded her review of the staff report and offered to answer any questions from the Board. Mr. Fontana asked if the market value for the phases is determined by the State Department of Revenue. Ms. Reichelt said that it is. Ms. Patton said this is the first time she has seen a TIF application for the City with a reimbursement as a percentage. She asked if the City would get the remaining 15% of the TIF. Ms. Reichelt said the percentage agreed upon was the result of a lot of discussion and the City's share will help the City cover such items as any legal

fees, professional counsel and City related infrastructure improvements. Ms. Patton asked the length of the TIF and how long before the City gets funds from this district. Ms. Reichelt said the TIF district was begun in 2013 and goes to 2028. Mr. Fontana asked what would happen with any leftover funds. Ms. Reichelt said any leftover funds would be distributed to the City General Fund and all other appropriate parties, such as the School District and the County, but she doubted there would be any leftover funds. Ms. Patton said this is also the first time she has seen interest being paid to the developers and asked if that is due to the fact there is no bond related to this project and therefore no interest being paid by the City. She asked if this establishes a precedent. Ms. Reichelt said she would defer to Mr. Doney on why the interest payment was important to the developers, but that it is correct that there is no bonding. Legal counsel advised not to bond due to the rail component of the project. Also the property owners are financing loans and accruing interest in order to move forward.

### **PETITIONER'S PRESENTATION**

Brett Doney, Great Falls Development Authority, 300 Central Avenue, thanked the Board and City staff, outside counsel and the City Commission for their efforts. He said GFDA has been working to develop a heavy industrial rail park in Great Falls for decades. He said this process has been difficult primarily because the community did not have money upfront to front an industrial park. He said there are two local and two global based companies that plan to start construction in the park this year. He said the primary focus is manufacturing and the motivation is economic development.

Mr. Doney said there is no risk to the City with this project, and if there isn't enough capital investment to generate enough taxes to get paid back, GFDA will not get paid back. He said GFDA has invested \$6.1 million in this park to date, and this project of just under \$6.8 million will build out the infrastructure for all 10 lots. So far, bids have come in under the TIF budget for the first 5 or 6 lots. Mr. Doney explained that the rail will be owned by the Association and tenants will be assessed an annual fee for insurance and upkeep. This rail will include a switch onto BNSF rail line, and when the ethanol plant is built on property outside of this 10-lot park, it will be served by a switch coming off the AgriTech Park switch.

Mr. Doney said the first 5 or 6 lots should be completed by this fall. Since there is no access to "free money" for this project, the 4% interest payment will give some return to companies putting up money with a long-term payback. GFDA is loaning funds to some of the companies and so is sharing in the risk of this project.

Mr. Doney said that Great Falls area has increased its manufacturing ratio since 2013 by 20% and manufacturing is now at 3% of the employment base. Nationally it is 10%, Billings is at 15%, and Missoula is at 9%.

Ms. Sparklin thanked GFDA for taking on this project. She asked Mr. Doney about other areas of impact this project may have on the community beyond the boundaries of this project. Mr. Doney said the improvements to 18<sup>th</sup> Avenue North will also serve other development beyond this project in that area. Indirectly, by building up the manufacturing base in the city, there will be other areas of employment growth. He said that 30% of the Great Falls economy is the primary sector and 70% is services and retail. The biggest challenge in Great Falls is that wages are at 71% of the national average while the cost of living is 90%. However, local wages grew at a rate of 60% faster last year than the national average, and 49% faster than the average in the state.

He also said they are working to provide shovel-ready lots in the I-2 industrial zoning district, which this park will provide.

### **PUBLIC COMMENT**

Dan Huestis, 2901 4<sup>th</sup> Avenue North, said his family have been wheat farmers for 73 years, and they farm the AgriTech Park land for the Loy family, which is owned by Loy Trust. He said the Loy family are community benefactors. The Loy Trust wants the highest and best use of this land for themselves and the community, and this park is that best use. He said it is inconceivable that the Loy family and his own family could do for the community what AgriTech Park and the support of the community and the GFDA is doing for agriculture. The \$6 million infrastructure on this land is outside of the ability of the private sector, and he encouraged support of this application.

### **PLANNING ADVISORY BOARD DISCUSSION AND ACTION**

Ms. Patton said that tax increment financing is a tool for the City, and there are few tools available. She is in support of this TIF, but she would have liked to have seen a little better split for the City, so the City could have seen some benefit before 15 years. She said the community has to wait a long time before receiving a benefit, other than the utilities. She is 100% in favor of this project.

**MOTION:** The Planning Advisory Board recommends to the City Commission that the City authorize the TIF Application submitted by the Great Falls AgriTech Park, LLC and all associated funding.

Made by: Mr. Fontana  
Second: Ms. Patton

VOTE: All being in favor, the motion passed.

### **COMMUNICATIONS**

#### Next Meeting Agenda – Tuesday, July 28, 2015

- Non Public Hearing – West Ridge Addition Phase VII Final Plat

#### Project Status:

- West Ridge Addition Phases VII-XI – Zoning and Preliminary Plat - City Commission Public Hearing August 18, 2015

#### Petitions & Applications Received:

- None

Mr. Raymond advised the Board that Dana Henkel has offered her resignation from the Planning Advisory Board, as she is relocating to Missoula. He encouraged the Board to thank her for her service if they see her in the community.

## **PUBLIC COMMENT**

Brett Doney, Great Falls Development Authority, 300 Central Avenue, said GFDA is able to receive Brownfield Assessment money from the EPA, and this fall will be able to help developers who are looking at projects, with the primary focus being downtown and areas along the riverfront. GFDA will be forming an advisory committee and wants to spread the word this will be available.

Ms. Patton asked if the ethanol plant project is still alive, and Mr. Doney said it is. He said there is good progress but also there is a fallback option on that property. However, if it does not come together and the AgriTech Park lots are successful, it will be cheaper and easier to subdivide the ethanol land area. He said there is a great team behind the ethanol project, and it is getting close once again. The project is a mixture of advanced biofuel and cellulosic.

## **ADJOURNMENT**

There being no further business, Chair Weisenburger adjourned the meeting at 3:48 p.m.

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CHAIRMAN

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SECRETARY