PLANNING ADVISORY BOARD ZONING COMMISSION

DECEMBER 11, 2012

Case Number

ANX2012-11 ZON2012-13

Applicant

ADF Group Inc.

Owners

Eugene Shumaker Joseph F. Aline

Property Location

North of City Limits on U.S. Highway 87

Parcel ID Number 2085200

Requested Action

Annexation of ± 100 acres from Cascade County to the City of Great Falls.

Rezone subject property from existing County I-2 Heavy Industrial to City of Great Falls I-2 Heavy industrial.

Neighborhood Council

Neighborhood Council #3

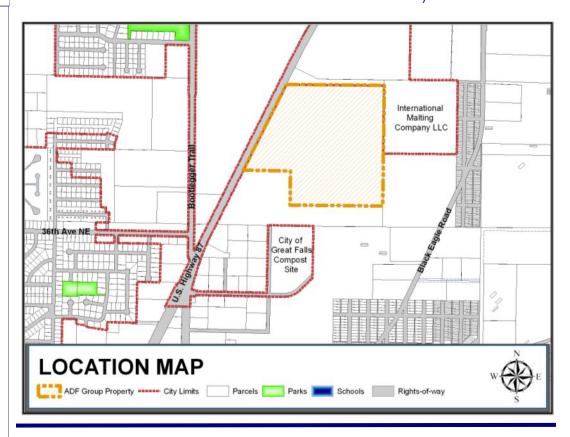
Recommendation

Approval of the request with Conditions.

Project Planner

Jana Cooper, RLA

ADF GROUP INC. - ANNEXATION/ZONING



Project Description

The subject property is generally located west of the malting plant and east of U.S. Highway 87, on the north side of Great Falls.

The applicant is requesting approval of annexation of ±100 acres into the City of Great Falls and establishing City zoning of an I-2 Heavy industrial zoning district. The applicant is requesting the annexation and zoning in order to develop a 100,000 square foot structural steel fabrication complex.

Background

- Legal Description: Lot 1A, International Malting Company, LLC Addition, located in Section 30, T21N, R4E, P.M.M. Cascade County, Montana.
- Property Area: ±100 acres

Agency Comment

Representatives from the City's Public Works, Fire Department, and Parks and Rec. have been involved in the review process for this application. All comments made by the above parties have been addressed by the applicant or in the conditions of this report.

Existing Conditions

The existing site information for the said property includes:

Existing Use: Vacant undeveloped land which is currently unutilized.

Existing Zoning: The subject property is located in Cascade County and is zoned I-2 Heavy Industrial District.

Adjacent Land Use: The subject property is a vacant tract of land located on the north side of Great Falls. The subject property is located east of U.S. Highway 87. South and west of the subject property is dry land grain fields in unincorporated Cascade County. The adjacent property to the east, consisting of ±40 acres, is the International Malting Company, LLC. malting plant. The adjacent property to the north, consisting of ±53 acres, is vacant land owned by the private developer Dali, LLC. See Exhibit A - Aerial Photo and Exhibit B - Vicinity/Zoning Map for the zoning of the surrounding properties.



View south along the fence line of International Malting Company, LLC and the subject property.



View west across the north edge of subject property along the road to the International Malting Company, LLC.



View north from the subject property, looking at the adjacent Dali, LLC property.



View looking southeast across subject property.

EXHIBIT A - VICINITY / ZONING MAP

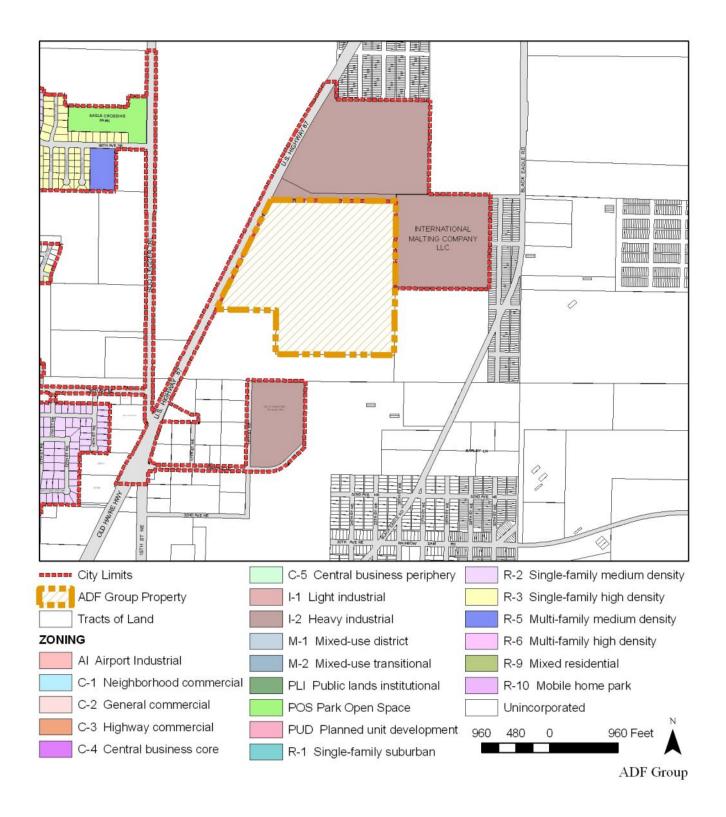
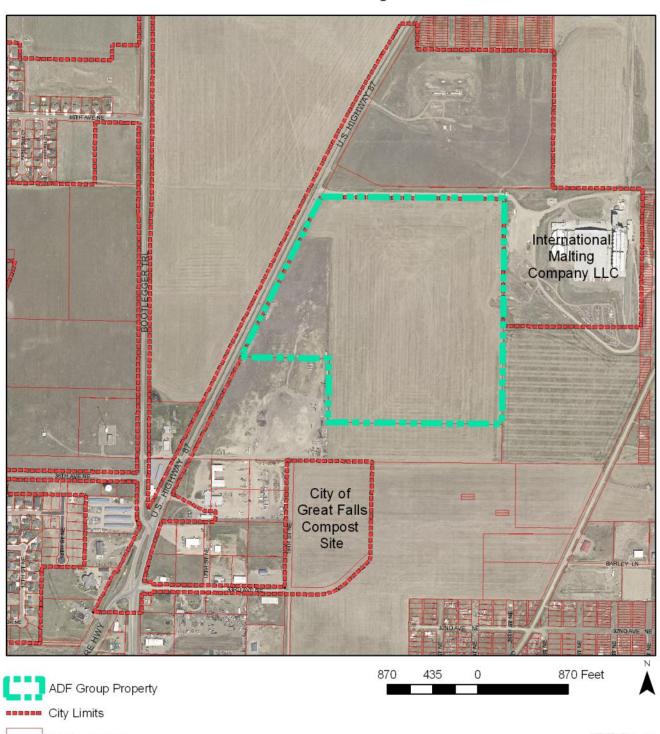


EXHIBIT B - AERIAL PHOTO



Tracts of Land ADF Group

Project Overview

The applicant, ADF Group Inc., is requesting annexation and initial City zoning of I-2 Heavy industrial in order to develop a steel fabrication complex to be located on the 100 acre subject property. (see Exhibit D - Conceptual Site Plan and Exhibit E - Proposed Building Renderings)

ADF's proposed development consists of a new 100,000 square foot structural steel fabrication complex. Adjacent to the new facility, ADF will set up a large structural steel fabrication and pre-assembly yard.

ADF's goal is to begin work on the yard's infrastructure and break ground on construction of the new facility in the spring of 2013. They plan to be operating the facility by the second half of 2013, with other expansion phases to be considered in future years, as demand grows.

The proposed development is in partnership with the Great Falls Development Authority and Great Falls College MSU. The College's role in the partnership is to fill the local workforce needs of ADF Group by providing training for high-quality fitters and welders.

About ADF Group Inc.

ADF Group Inc. began its operations in 1956 as a blacksmith shop named "Au Dragon Forge," founded and operated by Jacques Paschini; whose children became the principal shareholders and officers of the company in the early 1980's. ADF is located in Terrebonne (Quebec, Canada). The industrial complex houses the company's offices and fabrication plant.

ADF has become a North American leader in the design, engineering, fabrication and installation of complex steel superstructures, and architectural and miscellaneous metals for five key segments of the nonresidential construction market:

- High-Rise Buildings office towers, hotels, headquarters, public buildings
- Commercial and Recreational Complexes convention centers, museums, arts centers, sports and recreational facilities, stadiums
- Airport Facilities airport terminals, ramps and access ways, maintenance hangers, aerospatial complexes

- Industrial Complexes power stations, petrochemical complexes, automotive installations, processing facilities
- Transportation Structures bridges and overpasses, people transport systems, piers

A pioneer in the development and implementation of innovative solutions, ADF Group Inc. is recognized for its engineering expertise and is one of the few players in the industry capable of handling highly technically complex mega projects on fast track schedules in the commercial, institutional, industrial and public sectors. Its commitment to deliver every project in accordance with the industry's highest quality standards constitutes a core aspect of the company's mission.

Annexation Request

The applicant is requesting annexation of ± 100 acres from Cascade County into the City of Great Falls. The subject property is currently vacant undeveloped dry land grain fields. As stated, the applicant is making the request in order to develop a steel fabrication facility. A boundary line adjustment to the subject property was made in Cascade County to create the subject property. The amended plat was filed with the County Clerk and Recorder.

Rezone Request

The subject property, upon annexation, shall be zoned I-2 Heavy industrial zoning district. The proposed zoning is compatible with the existing zoning on the surrounding properties. According to the Land Development Code, I-2 Heavy industrial zoning classification is:

Intended to accommodate those activities associated with processing raw materials or other activities with potentially significant off-site impacts. Typically, the uses found in this district are not compatible with most types of non-industrial uses.

The proposed steel fabrication facility development is consistent with the I-2 zoning standards and is compatible with the existing neighboring uses.

Improvements

Street & Traffic Analysis

The developers of the proposed industrial development have indicated they will employ ±300 employees, arriv-

ing on shifts, with a peak arrival of ±100 employees. The Montana Department of Transportation (MDT) has constructed turning and acceleration lanes on US Highway 87 at the entrance to the roadway to be used by the proposed industrial development, and there appears to be ample capacity to safely accommodate the additional traffic. However, because this is a State route, the applicant is working with MDT and will comply with any requirements imposed by MDT.

Due to the increased traffic on the access roadway, it is recommended, although not required, that the roadway be paved to reduce dust and frequency of roadway maintenance. The egress route for the heavy, wide loads leaving the site should be carefully designed during site development to prevent roadway degradation or damage to any drainage facilities, ensure adequate turning radii, and alleviate any potential safety concerns. Public dedication of the access roadway is also recommended, although not required.

Utilities

There is an existing 16" water transmission main is located adjacent to the west and north sides of the site along U.S. Highway 87 and the access roadway to the International Malting Company (IMC). The applicant's engineer has prepared a preliminary overall site plan showing a water distribution main layout. The City Public Works Department and the Montana Department of Environmental Quality will be reviewing the preliminary and final water system design reports and plans for compliance with design requirements and regulations. Consideration of adjacent service areas and future main extensions will be part of the review. If deemed necessary by the City, the applicant may be required to extend additional water mains at a later time within the development.

There is an existing sanitary sewer trunk main and sewage lift station located on the east side of the IMC property adjacent to Black Eagle Road. A sewer main will be extended from this main along the north side of the IMC property to the northeast corner of the site. This extension is a requirement in IMC's annexation agreement. The funding or portion of funding for this extension may be derived from the Tax Increment District in this area. The applicant's engineer has prepared a preliminary overall site plan showing a sanitary sewer main layout. The City Public Works Department and the Montana Department of Environmental Quality will be reviewing the preliminary and final sewer system

design reports and plans for compliance with design requirements and regulations. Consideration of adjacent service areas and future main extensions will be part of the review. If deemed necessary by the City, the applicant may be required to extend additional sanitary sewer mains at a later time within the development.

Stormwater Management:

The applicant is working with the Public Works Department regarding requirements for stormwater discharge, storage, and conveyances and on and off site improvements. The applicant's engineer has prepared a preliminary overall site plan showing storm drainage system layout. The City Public Works Department will be reviewing the preliminary and final storm drainage system design reports and plans for compliance with the City's Storm Drainage Design Manual. Consideration of up and downstream properties and future storm drain extensions will be part of the review. If deemed necessary by the City, the applicant may be required to construct drainage improvements at a later time within the development.

Landscape

The developer shall fulfill the landscaping requirements as specified in the City of Great Falls Land Development Code. Landscape plans shall be reviewed by City staff before building permits are issued.

TIF Expansion

There is an existing Tax Increment Financing District (TIFD), Central Montana Technology and Agriculture Park, which includes properties to the north and east of the subject property. The applicant has stated their intent to request this existing TIFD be expanded to include the subject property.

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, usually blighted central business districts. In 1989, the Montana Legislature amended the Montana Urban Renewal Law to enable municipalities to create special industrial districts which could employ tax increment financing to assist in the development and retention of secondary, value-adding industries. In doing so, the Legislature noted that the State of Montana wishes to encourage secondary, value

-adding industrial manufacturing that uses Montana timber, mineral, oil and gas, coal and agricultural resources in the production of goods in the State. The legislation recognized that secondary, value-adding industries, in order to be competitive in today's world economy, require expensive infrastructure that is beyond the means of most Montana communities. Senate Bill 472 resulted in Section 7-15-4299 Montana Code Annotated (MCA), originally codified in 1989 and amended in 2007. This law enables communities to assist in industrial development in areas that are deemed to be infrastructure deficient. Tax increment financing may now be used for improvements as defined in 7-15-4288 MCA.

Expansion of the TIFD is processed under a separate application and is ultimately at the discretion of the City Commission.

2005 City of Great Falls Growth Policy:

The proposed development is compatible with the 2005 Growth Policy, as it advances specific Goals, Policies, and Action Strategies contained within the related plan elements, and it is also in line with the general themes and principles found in the document. The project builds on the City's unique industrial heritage, character and skilled industrial employee base. This development will further the City's economic development goals of diversifying the base economy, attracting new businesses, that raise the median income level, and encouraging existing businesses and industries that will utilize existing infrastructure. The proposed project will be located adjacent to a planned large industrial and employment center with potential access to complimentary and compatible land uses in the vicinity. Finally, additional Growth Policy goals are achieved by the creation of post-secondary and technical training opportunities in the City of Great Falls and increasing the number of available jobs in the City (as compared to housing) furthering the City's jobs to housing balance ratio (and its degree of self sufficiency).

Neighborhood Council Input

The applicant gave a presentation to Neighborhood Council #3 on December 5, 2012. The Neighborhood Council voted in support of the project and at the meeting had general questions for the applicant related to the project. At the time the Staff report was written there were no other citizen comments received.

Recommendation

The Planning Advisory Board has the responsibility to review and make recommendations on annexations. The Zoning Commission has the responsibility to review and make recommendations on rezoning requests. As such, each of the two recommendations presented below are to be considered and acted upon separately by the specified Board or Commission:

Recommendation I: It is recommended the Planning Advisory Board recommend the City Commission approve annexation of the subject property legally described as Lot 1A, International Malting Company, LLC Addition, located in Section 30, Township 21 North, Range 4 East, P.M.M. Cascade County, Montana, subject to the Zoning Commission adopting Recommendation II (below) and the applicant fulfilling the listed Conditions of Approval.

Recommendation II: It is recommended the Zoning Commission recommend the City Commission approve rezoning the subject property legally described as Lot 1A, International Malting Company, LLC Addition, located in Section 30, Township 21 North, Range 4 East, P.M.M. Cascade County, Montana from the existing County I-2 Heavy Industrial District to City of Great Falls I-2 Heavy industrial, subject to the Planning Advisory Board adopting Recommendation I (above) and the listed conditions being fulfilled by the applicant.

Conditions of Approval

1. Final build-out of the project shall be in substantial compliance with the final approved site plan documents, drawings and renderings dated 11/07/2012.

- 2. The final engineering drawings and specifications for the required public improvements to serve the subject property shall be submitted to the City Public Works Department for review and approval prior to any building permits being issued by the City.
- A Grading Plan, State Stormwater Discharges Associated with Construction Activities Permit, and Stormwater Management Plan shall be developed to City standards and shall be submitted to the City Public Works Department for review and approval prior to issuance of building permits.
- 4. A geotechnical investigation and report prepared by a Professional Engineer (and indemnifying the City) with recommended building foundation design shall be submitted to the Planning and Community Development department for review and approval prior to issuance of building permits.
- 5. An Annexation Agreement shall be prepared containing terms and conditions for development of the subject property including, but not limited to, agreement by application to:
 - A. Install within two years of the date of final City Commission approval, the public improvements reference in Paragraph Two above; and
 - B. Indemnify the City for any damages attributable to adverse soil or groundwater conditions.

Review/Approval Process

Next Steps

- 1. The Planning Advisory Board recommendation will be presented to the City Commission.
- 2. City Commission will approve or deny the Annexation and Zoning.
- 3. If approved, the applicant will submit any required documents for review and then file the required documents with the Cascade County Clerk and Recorder's Office.

Cc: Jim Rearden, Public Works Director

Dave Dobbs, City Engineer

Patty Cadwell, Neighborhood & Youth Council Coordinator

Joseph G. Aline, joe@shumakert-e.com

Spencer Woith, Woith Engineering Inc., spencerwoith@woithengineering.com

Talia Paschini, ADF Group, talia.paschini@adfgroup.com

EXHIBIT C - APPLICATION

CITY OF GREAT FALLS PLANNING & COMMUNITY D P.O. BOX 5021, GREAT FA 406.455.8415 • WWW DEVELOPME ADF Name of Project / Developme EUGENE SHUMAKE Owner Name: P.O. BOX 127 Mailing Address:	ILLS, MT, 59403-5021 GREATFALLSMT.NET N'T' APPLICA ment: ER, JOSEPH G. A	Application Paid (Office M Annex M Estab Condi Condi Plann Subdi Subdi Subdi Amen	Date: 11.16.12 In Number: ANX 2012-11 Ital Use ONLY): FOW 2012-13 Exation: \$400 Italian City Zoning: \$700 Italian Use Permit: \$700 Italian Use Permit: \$700 Italian Use Permit: \$700 Italian Use Permit: \$800 Italian Preliminary Plat: \$800 Ivision Preliminary Plat: \$300 Ivision Final Plat: \$300	
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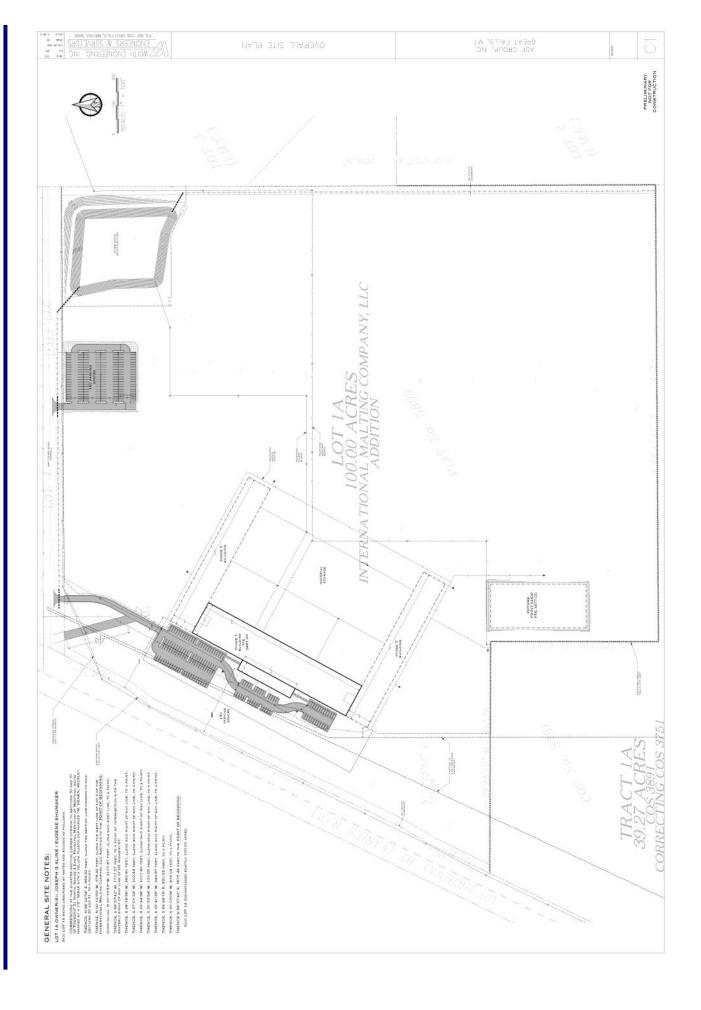


EXHIBIT E - PROPOSED BUILDING RENDERINGS







