



CITY OF GREAT FALLS APPLICATION AND PROCESS FOR TAX INCREMENT FINANCING FUNDS

IMPORTANT: The material included below outlines the Tax Increment Financing application process and the responsibilities of the Applicant and the City of Great Falls. The Planning and Community Development Department is charged with processing all applications and accomplishing the plans established with creation of each district. Private projects requesting Tax Increment financial assistance will be evaluated by the Great Falls Planning Advisory Board. The Board will prepare a recommendation to the City Commission concerning each individual request using the criteria outlined in this document. Please review this information carefully before submitting the application forms or finalizing your development plans.

Failure to receive approval of a completed application BEFORE construction begins may affect the Applicant's eligibility for Tax Increment Financing assistance from the City of Great Falls.

INTRODUCTION

The City of Great Falls is responsible for administering the urban renewal program in Great Falls, pursuant to Montana Urban Renewal Law (Title 7 Chapter 15 parts 42 and 43, Montana Code Annotated). Tax Increment Financing (TIF) is an important element of the program as it provides the City with a means to finance urban renewal, industrial, technology or aerospace activities. The TIF program operates by first establishing a base year taxable value for all properties within the appropriate district. All increases in property taxes in the district above this base valuation, due to new development or reappraisals, are assigned to the City to be used to finance eligible activities within the district.

The City has adopted four TIF districts:

Central Montana Agri-Tech Park

Boundaries Amended – May 7, 2013 (Ord. 3106)

Boundaries Amended – December 4, 2007 (Ord. 2996)

Original Adoption Date – May 17, 2005 (Ord. 2911)

Base Year – January 1, 2005

West Bank Urban Renewal District

Adopted – March 20, 2007 (Ord. 2967)

Base Year – January 1, 2007

Great Falls International Airport Tax Increment Industrial District

Boundaries Amended - September 1, 2009 (Ord. 3043)

Original Adoption Date – November 5, 2008 (Ord. 3022) and boundaries were amended

Base Year – January 1, 2008

Downtown Urban Renewal District

Adopted – May 15, 2012 (Ord. 3088)

Base Year – January 1, 2012

East Industrial Park Tax Increment Financing

Adopted – May 7, 2013 (Ord. 3105)

Base year: January 1, 2013

Applicants for TIF assistance are subject to program eligibility analysis and project review criteria listed below. In addition, project applications will be accepted and processed in the order in which they are received and approved based on the availability of funds in consideration of goals of the plan for the appropriate district.

ELIGIBLE TIF ACTIVITIES

7-15-4288, M.C.A defines how tax increments can be used by the municipality to pay costs of or incurred in connection with an urban renewal project, industrial infrastructure development project, technology infrastructure development project or aerospace transportation and technology infrastructure development project and includes:

1. Land acquisition, including acquisition of infrastructure-deficient areas and assemblage of land for development by private enterprise or public agencies, including sale, initial leasing, or retention by the municipality itself at fair value.
2. Demolition and removal of structures.
3. Relocation of occupants.
4. Public improvements such as the acquisition, construction and improvement of infrastructure which includes streets, roads, curbs, gutters, sidewalks, pedestrian malls, alleys, parking lots and off-street parking facilities, sewers, sewer lines, storm sewers, waterlines, waterways, sewage and water treatment facilities, natural gas lines, electrical lines, telecommunication lines, rail lines, rail spurs, bridges, publicly owned buildings and other public improvements.
5. Costs incurred in the exercise of urban renewal powers allowed under 7-15-4233, M.C.A.

APPLICATION PROCESS

Applicants seeking TIF assistance from the City must submit a written application for each TIF-assisted project.

The following procedure has been developed to allow for a thorough and public review of TIF funding requests.

1. Initial Contact. Contact the Planning and Community Development Department, Room 112 in the Civic Center, to discuss the project and determine eligibility for TIF assistance.
2. Prepare a Written Application. The Applicant must submit a complete written application for each funding request. Additional information may be required of Applicants by staff when deemed necessary for the evaluation process. City of Great Falls initiated and administered projects are required to complete an application. (City projects should complete the following sections of the application—Application for Funds, Eligible Activities and the Certification Page.)
3. Staff Review. Upon submittal of all necessary information, a staff group consisting of Fiscal Services, Planning and Community Development, Park & Recreation, and Public Works department heads and the Deputy City Manager will review the merits of the project and the need for funding. The Planning and Community Development Department staff will prepare a staff report and recommendation for the Planning Advisory Board and/or Downtown Development Partnership.
4. Advisory Board. The staff recommendation will be considered by the Planning Advisory Board or Downtown Development Partnership. The Downtown Development Partnership will consider all applications submitted for the Downtown Urban Renewal District, the Planning Advisory Board will consider all other TIF applications. The advisory boards, will in turn prepare a recommendation to the City Commission for final approval. At any point in the review process the staff, the Planning Advisory Board, Downtown Development Partnership or the City Commission may request more information of the Applicant or solicit comments on the project from other public agencies.
5. City Commission Review and Approval. The City Commission will review the project, will consider the recommendation from the Planning Advisory Board and/or Downtown Development Partnership will approve or reject the funding request or any part thereof along with any special terms of TIF assistance.
6. Development Agreement. If TIF assistance is approved, the City and the Applicant must execute a legally binding Development Agreement which establishes the terms and conditions of the TIF assistance. Among the terms and conditions, the Agreement shall specify the schedule for the start and completion of the project, may require the Applicant to guarantee repayment of TIF assistance

if the terms of the Agreement are violated by the Applicant and may require an agreement for payment of an annual tax deficiency fee pursuant to §7-15-4294, MCA. The Development Agreement shall also specify whether the Applicant or City will be responsible for bidding or obtaining cost estimates and selecting contractors for funded activities. If receiving TIF dollars, the applicant is required to follow requirements for public construction contracts as pertains to payment and performance bonding and standard prevailing rate of wages. The Development Agreement must be approved by the City Commission. Projects initiated and/or administered by the City of Great Falls are not required to complete a Development Agreement.

IMPORTANT NOTE: Costs to be paid with TIF monies may not be incurred by the Applicant prior to funding approval and the satisfaction of any conditions of such approval.

CRITERIA FOR REVIEW

Materials contained in TIF applications are used to assess the merits of projects in relation to the goals and objectives of the appropriate district plan. To measure the public benefit derived from the project, the City evaluates projects based on the following criteria. Each district development is judged on its own merit; therefore, no weight is given to any of the criteria. The City Commission may establish additional criteria per district that would provide specific funding priorities.

1. Public Infrastructure Improvements – Public infrastructure improvements have the benefit of improving and impacting an entire district. Each district may have its own Capital Improvement Plan, which may include things such as roadway improvements, storm drains, sewer and water lines, railroads, etc.
2. Economic Stimulus – The amount of economic activity to be generated within the district through the development is assessed, as well as the leverage ratio of public to private investment. In general, the maximum limit of participation in any one development is 10% of the construction/rehabilitation costs, exclusive of acquisition cost. Development projects clearly demonstrating extraordinary benefit to districts or the community may, at the discretion of the City Commission, receive additional TIF assistance for eligible items. All applications should contain credible, measurable information substantiating the project’s economic stimulus in the district and the community.
3. Tax Generation – The increase in taxable value due to new district development, including construction/rehabilitation, as estimated by the County Assessor’s office to determine tax increment generation.
4. Employment Generation – Total employment generated by the district development as assessed in terms of new permanent and part-time jobs, and

construction jobs.

5. Elimination of Blight (applies to Urban Renewal Districts) – The development’s direct and indirect impact on the physical and fiscal deterioration within the appropriate district and the community, as identified in the appropriate district plan.
6. Special or Unique Opportunities – The extent to which the district’s development represents a unique opportunity, meets a special need, or addresses specific district or community goals. The restoration of a historic property or the provision of an unmet community need is an example of special and unique opportunities.
7. Impact Assessment – The extent of both positive and negative environmental impacts, appropriateness of the development’s project design, and impact on existing businesses or residents.
8. Financial Assistance – Other forms of financing available to the Applicant. Lender participation, industrial development revenue bonds, and state and federal grant monies, for example, are examined to assess the need for TIF assistance.
9. Development’s Feasibility – A determination of feasibility is made based on the strength of the Applicant’s demonstration of market demand for the development in the district as contained primarily on the pro forma and financing commitments.
10. Developer Ability to Perform – An assessment of the Applicant’s capability to undertake the relative complexities of the development based on past performance on similar projects.
11. Timely Completion – The feasibility of completing the development according to the Applicant’s development schedule.
12. Payment of Taxes – All property taxes, special improvement district assessments, and other assessments on the project property must be paid to date.

CITY OF GREAT FALLS



**TAX INCREMENT FINANCING
(TIF)**

APPLICATION FOR FUNDS

**CITY OF GREAT FALLS
TAX INCREMENT FINANCING (TIF)
APPLICATION FOR FUNDS**

Project Name: _____

Date Submitted: _____

Name of TIF District: _____

APPLICANT INFORMATION

Name: _____

Address: _____

Telephone: _____

DEVELOPMENT INFORMATION

1. Building Address: _____

2. Legal Description: _____

3. Ownership: _____

Address: _____

4. If property is not owned by the Applicant, list leasehold interest: (*Attach evidentiary materials*).

Name: _____

Address: _____

5. Existing/Proposed Businesses: _____

Business Description: _____

6. Employment: Existing FTE Jobs: _____

New Permanent FTE Jobs created by project: _____ Construction FTE jobs: _____

7. Architectural/Engineering Firm: _____

Address: _____

Representative: _____

**CITY OF GREAT FALLS
TAX INCREMENT FINANCING (TIF)
APPLICATION FOR FUNDS**

8. Please provide a description of the Total Project Development (attach a narrative explanation).

9. Please provide rehabilitation/construction plans (attach schematics, site and landscaping plans).

10. What is the development schedule or estimated completion date for the Total Project Development? The Total Project Development is best defined as the entire development, not just the TIF improvements (please include project phasing if appropriate).

11. Do you plan on asking for any other tax abatements, grants, tax credits or other forms of relief? If so, what type?

12. Please describe your funding needs and the anticipated timing schedule for your identified Eligible TIF Activities (example: *I will be fronting the costs of all identified TIF improvements and would like to be reimbursed incrementally as TIF funds become available; I am interested in utilizing bond financing to complete the identified project improvements and would like to be reimbursed with TIF funds as they become available, I need TIF funds immediately to complete the identified TIF improvements, etc.*)

13. Please indicate the amount of Public Infrastructure Need and the amount of Public Infrastructure being requested to be financed by the TIF District.

TOTAL PROJECT DEVELOPMENT COSTS

*The total project development cost is the cost to develop the entire project/site,
and should include the cost of the TIF improvements.*

Land and Site Preparation Improvements (Itemized)

1. Value of Land	\$ _____	
2. _____	\$ _____	
3. _____	\$ _____	
4. _____	\$ _____	
5. _____	\$ _____	
Subtotal		\$ _____

Construction/Rehabilitation Costs (Use general construction trade divisions) (Total value of improvements)

1. _____	\$ _____	
2. _____	\$ _____	
3. _____	\$ _____	
4. _____	\$ _____	
5. _____	\$ _____	
6. _____	\$ _____	
7. _____	\$ _____	
Subtotal		\$ _____

Equipment Costs (Total value of equipment)

1. _____	\$ _____	
2. _____	\$ _____	
3. _____	\$ _____	
4. _____	\$ _____	
5. _____	\$ _____	
Subtotal		\$ _____

Total Project Development Costs **\$ _____**

ELIGIBLE TIF ACTIVITIES

Land Acquisition

	Total	Amount Requested from TIF	Timing for Funds
1.	_____	_____	_____

Demolition & Removal of Structures

1.	_____	_____	_____
2.	_____	_____	_____
3.	_____	_____	_____
Subtotal	_____	_____	_____

Relocation of Occupants

1.	_____	_____	_____
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Public Improvements

(acquisitions, construction and improvement of infrastructure which includes streets, roads, curbs, gutters, sidewalks, pedestrian malls, alleys, parking lots and off-street parking facilities, sewers, sewer lines, storm sewers, etc.)

1.	_____	_____	_____
2.	_____	_____	_____
3.	_____	_____	_____
Subtotal	_____	_____	_____

Fees (associated with eligible activities)

(A&E design/supervision, permits & other fees)

1.	_____	_____	_____
2.	_____	_____	_____
3.	_____	_____	_____

CERTIFICATION

I (we), _____ (please print),
certify that the statements and estimates within this Application as well as any and all documentation
submitted as attachments to this Application or under separate cover are true and correct to the best of
my (our) knowledge and belief.

Signature _____

Title _____

Address _____

Date _____

Signature _____

Title _____

Address _____

Date _____