

CITY OF GREAT FALLS, MONTANA

AGENDA# 5

AGENDA REPORT

DATE December 6, 2005

ITEM RESOLUTION NO. 9533, CALLING A PUBLIC HEARING TO APPROVE A PROPOSED PROJECT AS A TAX INCREMENT INDUSTRIAL INFRASTRUCTURE PROJECT AND TO FINANCE THE PROJECT THROUGH THE ISSUANCE OF TAX INCREMENT INDUSTRIAL INFRASTRUCTURE BONDS

INITIATED BY FISCAL SERVICES

ACTION REQUESTED ADOPT RESOLUTION 9533

PREPARED BY MARTHA CAPPIS, OPERATIONS SUPERVISOR

PRESENTED BY COLEEN BALZARINI, FISCAL SERVICES DIRECTOR

RECOMMENDATION: Staff recommends adoption of Resolution 9533

MOTION: "I move the City Commission adopt Resolution 9533, and call for a public hearing on December 20, 2005 to approve the Tax Increment Industrial Infrastructure Project."

SYNOPSIS:

The Tax Increment Industrial Infrastructure project proposed to acquire a newly constructed rail spur for the Central Montana Agricultural and Technology Park from International Malting Company ("IMC"). 7-15-4288 (4), MCA provides that the cost of acquiring a rail spur may be paid by tax increment financing. The City will issue Tax Increment Bonds for purchase of the rail spur, and bonds will be repaid with increments collected.

BACKGROUND:

International Malting Company ("IMC") has completed construction of a barley malting facility. IMC is also constructing a rail spur to service the facility. The IMC facility is located in an industrially zoned area with potential for future growth, and other industries that may locate in the area may require use of the rail spur. For these reasons, public ownership interest in the rail spur is considered necessary to current and future economic development potential in the area.

Ordinance 2911, approved May 17, 2005, established a Tax Increment Industrial/Agricultural District for the initial purpose of creating a financial package to enable the acquisition of a rail spur by the City from International Malting Company, with reimbursement from future tax increments. Other components of the financing package include a HUD Grant (approximately \$297,600) and a Montana Board of Investment Loan in the anticipated amount of \$583,310. The district may be expanded to accommodate future users and construction of future public infrastructure needs.