

CITY OF GREAT FALLS, MONTANA

AGENDA # 5

AGENDA REPORT

DATE 12/4/2007

ITEM: ORDINANCE 2996 AMEND THE CITY'S CENTRAL MONTANA AGRICULTURAL AND TECHNOLOGY PARK TAX INCREMENT INDUSTRIAL INFRASTRUCTURE DISTRICT PLAN TO INCLUDE LOT 5, BLOCK 1, INTERNATIONAL MALTING COMPANY, LLC ADDITION, IN SECTION 30, TOWNSHIP 21 NORTH, RANGE 4 EAST, P.M.M., CASCADE COUNTY, MONTANA AND THE ABUTTING SEGMENT OF U.S. HIGHWAY 87;

INITIATED BY: Ongoing economic development of the Industrial/Agricultural District

ACTION REQUESTED: Conduct public hearing and adopt Ordinance 2996

PREPARED BY: Martha Cappis, Operations Supervisor, Fiscal Services

APPROVED & PRESENTED BY: Coleen Balzarini, Fiscal Services Director

RECOMMENDATION: It is recommended the City Commission conduct the public hearing and adopt Ordinance 2996.

MOTION:

"I move the City Commission adopt Ordinance 2996."

SYNOPSIS: Ordinance 2996 will allow of the recently annexed Montana Megawatts I, LLC/Montgomery Energy (MT Megawatts) property to be included in the Tax Increment District. The City is continuing discussions to acquire the International Malting Company (IMC) rail spur with tax increment financing for the benefit of the entire district.

BACKGROUND: On May 17, 2005, the City Commission adopted Ordinance 2911, creating the Central Montana Agricultural and Technology Park Tax Increment Industrial Infrastructure District. The approved projects in the district include purchasing the IMC rail spur to attract other potential industrial facilities to the area, and providing the necessary infrastructure improvements. On November 6, 2007 the City Commission approved the annexation and zoning of the MT Megawatts property, to allow of the construction of a natural gas electric generator. The City entered into service agreements with the developer in regards to the potable and raw water and sanitary sewer services to the facility. Resolution 9717, adopted November 20, 2007, stated the City's intent to amend the boundaries of the Central Montana Agricultural and Technology Park Tax Increment Industrial Infrastructure District.

7-15-4288 (4), MCA provides that the cost of acquiring a rail spur and infrastructure improvements, including, but not limited to streets, roads, water and sewer systems, may be paid by tax increment financing. The City will issue Tax Increment Bonds for the needed projects, and bonds will be repaid with increments collected.