



**CITY OF GREAT FALLS  
COMMISSION AGENDA REPORT**

---

**Item:** Revised Memorandum of Understanding between the Great Falls Development Authority and the City of Great Falls regarding the use of Ag-Tech Industrial Tax Increment District funds for the purpose of preliminary road design work through the District connecting to Great Bear Innovation Park (OF 1552)

**From:** Coleen Balzarini, Fiscal Services Director

**Initiated By:** Brett Doney, President/CEO Great Falls Development Authority

**Presented By:** Coleen Balzarini, Fiscal Services Director

**Action Requested:** Approve Revised Memorandum of Understanding

---

**Suggested Motion:**

1. Commissioner moves:

“I move that the City Commission approve/deny the Revised Memorandum of Understanding between the Great Falls Development Authority and the City of Great Falls regarding the use of Ag-Tech Industrial Tax Increment District Funds for a preliminary engineering design and cost estimate for an access road from US 87 East to Black Eagle Road.”

2. Mayor calls for a second, discussion, inquiries from the public, and calls the vote.

---

**Staff Recommendation:** Staff recommends that the City Commission approve the Revised Memorandum of Understanding between the Great Falls Development Authority (GFDA) and the City of Great Falls regarding the use of Ag-Tech Industrial Tax Increment District Funds. The cost will not exceed \$24,200 and is for the GFDA to obtain a preliminary engineering design and cost estimate for an access road from US 87 East to Black Eagle Road. The purpose of the road is for the development of an industrial park east of Black Eagle Road.

**Background:** On May 17, 2005, the City Commission adopted Ordinance 2911, creating the Central Montana Agricultural and Technology Park Tax Increment Industrial Infrastructure District. On August 5, 2008, the City Commission approved a Memorandum of Understanding between the City and GFDA to complete preliminary engineering and design work. The original MOU indicated that NCI would be the consulting engineer. Due to the passage of time, change in ownership of the malting plant, Montgomery Energy’s expression of interest in participating in defining the scope of work, and a desire to revise the scope of work, GFDA reissued a RFP.

On November 6, 2007 the City Commission approved the annexation and zoning of the MT Megawatts property, now owned by Montgomery Energy, to allow 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. On December 4, 2007 Ordinance 2996 amended the Central Montana Agricultural and Technology Park Tax Increment Industrial Infrastructure District to include Lot 5, Block 1, International Malting Company, LLC addition, and the abutting segment of U.S. Highway 87.

Section 7-15-4288 (4), MCA provides that the cost of acquiring or installing infrastructure improvements, including, but not limited to streets, roads, water and sewer systems, may be paid by tax increment financing.

Design of the proposed road will benefit the existing Ag-Tech Industrial Tax Increment District. It is the intent of the City and GFDA to expand the boundaries of the existing Ag Tech Industrial Tax Increment District to encompass the proposed industrial park. The funds are available with the current district to pay the costs of the preliminary design and cost estimates for the access road.

**Concurrences:** The preliminary design and engineering of the access road is an eligible tax increment project under Section 7-15-4288(4), MCA. The City participated in the original and revised RFP/RFQ process and has accepted the revised proposal as submitted and agrees to allow GFDA to contract with a consulting engineer in an amount not to exceed \$24,200 for the services as proposed. GFDA agrees to provide project management and submit all payables in accordance with City requirements.

**Fiscal Impact:** The Ag-Tech Tax Increment District Fund will provide up to \$24,200 requested by the GFDA if approved. The funds are currently available for this project.

**Alternatives:** If the Memorandum of Understanding is not approved the GFDA would have to look for an alternative funding source for this project, which would delay the design and cost estimate of the access road.

**Attachments/Exhibits:**

1. Revised Memorandum of Understanding

REVISED MEMORANDUM OF UNDERSTANDING

This revised agreement, made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2008, by and between the City of Great Falls, Montana, a municipal corporation of the State of Montana hereinafter called the City, and the Great Falls Development Authority a registered non-profit development corporation in the State of Montana hereinafter called the GFDA,

WITNESSETH:

Whereas, there currently exists a partially un-platted undeveloped area of land approximately 1,100 acres in size, located in Cascade County and generally bounded on the west by Black Eagle Road, on the east by property owned by Archer Daniel's Midland, on the north by the Archer Daniel's Midland Rail Spur, and on the south by property owned by a variety of private owners and PPL Montana and,

Whereas, there exists an agreement between the GFDA and the owner of the described property to pursue development of an industrial park on a portion of the land, and,

Whereas, said industrial park development will require a public access road from US 87 to its entrance off Black Eagle Road, and

Whereas, the City and GFDA have acknowledged the need for the industrial park and wish to obtain preliminary design and cost estimates for the described access road in order to move forward with obtaining funding for the project, and

Whereas, it is the intent of the City and GFDA to expand the boundaries of the existing Ag-Tech Industrial Tax Increment District to encompass the proposed industrial park, and

Whereas, design of the proposed road will benefit the existing Ag-Tech Industrial Tax Increment District, and

Whereas, the City and GFDA approved the original MOU on August 5, 2008, and

Whereas, recent changes in ownership of various properties owners within the existing Ag-Tech Industrial Tax Increment District have resulted in an expression of interest by additional parties to participating in defining the scope of desired consulting services, and

Whereas, there are funds available within the Ag-Tech Industrial Tax Increment District to pay the costs of the preliminary design and cost estimates for the described access road, and

Now, therefore, it is hereby understood and agreed as follows:

The City agrees to use existing eligible tax increment funds to pay costs up to \$24,200 required for GFDA to obtain a preliminary engineering cost and design for an access road from US 87 east to Black Eagle Road for the purpose of developing an industrial park east of Black Eagle Road.

GFDA revised the original scope of services desired, and conducted a new public RFP/RFQ process for the revised design and cost estimates and selected a qualified consultant to provide the work.

The City participated in the original and updated RFP/RFQ process and has accepted the proposal as submitted and agrees to allow GFDA to contract with the successful consultant in the amount up to \$24,200 for the services as proposed.

GFDA agrees to provide project management and submit all payables in accordance with City requirements.

DATED this \_\_\_\_ day of \_\_\_\_\_, 2008.

GREAT FALLS DEVELOPMENT AUTHORITY

Brett Doney, President/CEO  
Great Falls Development Authority

By \_\_\_\_\_

CITY OF GREAT FALLS  
Greg Doyon, City Manager  
City of Great Falls

By \_\_\_\_\_  
City Manager

ATTEST:

\_\_\_\_\_  
City Clerk

I, \_\_\_\_\_, Clerk of the City of Great Falls, do hereby certify that the above Memorandum of Understanding was regularly adopted by the City Commission at a meeting thereof held on \_\_\_\_ day of \_\_\_\_\_, 2008 and that the City Commission of Great Falls authorized the City Manager to sign this Memorandum of Understanding on behalf of the Commission.

\_\_\_\_\_  
City Clerk