

Summary

Of

Great Falls Tax Increment Financing Districts

Compiled by MLCT

December 1, 2015

City of Great Falls

An Overview of the Tax Increment Districts

A tax increment district is created as a means for providing funds for community development and redevelopment. Improvements funded by the tax increment district should increase property values and expand the tax base in the district.

A property owner in a tax increment district DOES NOT pay additional taxes. A portion, or increment, of the regular tax amount is paid to the tax increment district and these funds are then channeled back into the district for needed public improvements or payback of debt issued to finance needed improvements.

Great Falls currently has five (5) active Tax Increment Districts: 1.) Central Montana Agricultural and Technology Park Tax Increment District; 2.) West Bank Urban Renewal Tax Increment District; 3.) Great Falls International Airport Tax Increment Financing Industrial District; 4.) East Industrial Park Tax Increment District, and; 5.) Great Falls Downtown Urban Renewal Tax Increment Financing District.

The Central Montana Agricultural and Technology Park Tax Increment District, which is located north of Great Falls along US Highway 89 approximately 5 miles, includes Lots, 1A, 2, 3 and 5, Block 1 of the International Malting Company LLC Addition.

The West Bank Urban Renewal Tax Increment District is bounded on the west by 3rd Street NW/SW, on the east by the center line of the Missouri River, on the north by a point just north of 14th Avenue NW and on the south by a point just south of 5th Avenue SW.

The Great Falls International Airport Tax Increment Financing Industrial District includes all real property in the City of Great Falls, County of Cascade, State of Montana which lie within the boundaries as outlined in Exhibit "A" of Ordinance 3043 adopted by the City Commission on September 1, 2009. The general area of the district consists of 1,972 acres.

The East Industrial Park Tax Increment Financing District is located northeast of Great Falls between Rainbow Dam and Malmstrom Air Force Base. It includes all real properties located within the Agritech Park Addition which consists of 196.55 acres and the American Agri-Technology Addition which consists of 198.64 acres.

The Great Falls Downtown Urban Renewal Tax Increment Financing District includes all real properties in the City of Great Falls, County of Cascade, State of Montana which lie within the boundaries as outlined in the attached Exhibit "B." Ordinance 3088 established the Urban Renewal District plan which was adopted by the City Commission on May 15, 2012.

Great Falls
Downtown Urban Renewal
Tax Increment Financing
District

ORDINANCE 3088

AN ORDINANCE TO ADOPT THE GREAT FALLS DOWNTOWN URBAN RENEWAL DISTRICT PLAN, INCLUDING A TAX INCREMENT FINANCING PROVISION PURSUANT TO SECTIONS 7-15-42 AND 43 MCA.

* * * * *

WHEREAS, the procedure provided in Title 7, Chapter 15 Parts 42 and 43 of the Montana Code Annotated (MCA) authorizes municipalities to exercise statutory Urban Renewal powers for redevelopment and rehabilitation through urban renewal plans and projects; and,

WHEREAS, the City Commission adopted Resolution 9961, which established the boundaries of the Downtown Urban Renewal District, and established that the area is "blighted" as defined in Section 7-15-4206 MCA; and,

WHEREAS, a Downtown Urban Renewal Plan, including a Tax Increment Financing provision, has been prepared to guide the rehabilitation and redevelopment of the blighted area established by Resolution 9961; and,

WHEREAS, in accordance with Section 7-15-4213 MCA the Downtown Urban Renewal Plan has been submitted to the Great Falls City Planning Advisory Board for review and the Board found the DURP to conform to the Great Falls Growth Policy.

NOW, THEREFORE, BE IT ORDAINED BY THE COMMISSION OF THE CITY OF GREAT FALLS, MONTANA:

That the City Commission of the City of Great Falls hereby adopts this ordinance adopting the Great Falls Downtown Urban Renewal Plan, pursuant to section 7-15-42 MCA.

APPROVED by the City Commission of the City of Great Falls, Montana, on first reading May 1, 2012.

PASSED, APPROVED AND ADOPTED by the City Commission of the City of Great Falls, Montana, on second reading May 15, 2012.

Michael J. Winters, Mayor

ATTEST:

Lisa Kunz, City Clerk

(CITY SEAL)

APPROVED FOR LEGAL CONTENT:

James W. Santoro, City Attorney

State of Montana)
County of Cascade : ss
City of Great Falls)

I, Lisa Kunz, City Clerk of the City of Great Falls, Montana, do hereby certify that I did post, as required by law and as prescribed and directed by the City Commission, Ordinance 3088 in three places within the limits of said City to-wit:

On the Bulletin Board, first floor, Civic Center Building
On the Bulletin Board, first floor, Cascade County Court House
On the Bulletin Board, Great Falls Public Library

Lisa Kunz, City Clerk

(CITY SEAL)

RESOLUTION 9961

A RESOLUTION DECLARING A BLIGHTED AREA EXISTS WITHIN THE CITY OF GREAT FALLS, MONTANA AND THAT THE REDEVELOPMENT OF THAT AREA IS NECESSARY FOR THE REVITALIZATION OF DOWNTOWN GREAT FALLS

WHEREAS, the State of Montana has provided for the redevelopment of those portions of its cities which constitute an economic and social liability; substantially impair the sound growth of a municipality; retards the provision of housing accommodations; and aggravates traffic problems; and,

WHEREAS, the procedure provided in Title 7, Chapter 15, Parts 42 and 43 of the Montana Codes Annotated authorizes municipalities to exercise statutory urban renewal powers for redevelopment and rehabilitation through urban renewal plans and projects, after the municipality has made a finding that a blighted area exists; and,

WHEREAS, Title 7, Chapter 15, Part 42 of the Montana Codes Annotated provides the definition of blight and identifies conditions that contribute to the existence of a blight; and,

WHEREAS, the City of Great Falls Downtown Master Plan identifies a Downtown Urban Renewal District with a provision to use Tax Increment Financing (TIF) as necessary to redevelop and revitalize Downtown and implement certain recommendations of the Plan; and,

WHEREAS, the City of Great Falls has conducted a study (attached as Exhibit "A" to this Resolution) to determine the existence of blight in the proposed Downtown Urban Renewal District described in the legal description and map identified in the study and in particular found:

1. Physical deterioration of buildings and properties
 - Vacancy, underutilization and a lack of maintenance has led to the physical dilapidation and deterioration of a number of buildings within the district. Not only does this have a negative impact on the aesthetic character of specific buildings and the district as a whole, it also produces conditions that are unsafe, unsanitary and not conducive to economic development.
2. Inappropriate or mixed uses of land or buildings.
 - A large amount of land within the District is currently used as surface parking for automobiles. While a certain amount of parking is necessary to support economic and residential activities within the District, an over-abundance of surface parking lots represents an inefficient use of land in the City's commercial core. Underutilized surface parking lots could potentially be redeveloped as commercial, office, residential or mixed use development with the potential to improve the vitality of the downtown and increase the taxable value of the District.

within the district. Additionally, over a third (34%) of all trespassing and a nearly a quarter (24%) of abandoned vehicles reports occurred in the district.

6. Conclusion

- Based on these findings, the proposed Downtown Urban Renewal District can be described as blighted per Montana Statute, with respect to physical deterioration of buildings and properties; inappropriate or mixed uses of land or buildings; defective or inadequate street layout; deterioration of site; and the existence of conditions that endanger life or property by fire or other causes.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF GREAT FALLS, MONTANA:

That the City Commission finds that blight exists within the City of Great Falls in the area described in Exhibit "B" of this Resolution under the definition contained in Section 7-15-4206 (2), M.C.A. and that rehabilitation and redevelopment of such area (pursuant to the Montana Urban Renewal Law) is necessary and desirable in the interest of the public health, safety, and welfare of the residents of the City of Great Falls and that this rehabilitation and redevelopment be made with a commitment to quality improvement and a commitment to property owner and community involvement in decision making.

BE IT FURTHER RESOLVED BY SAID CITY COMMISSION that this Resolution shall become effective immediately upon its passage and approval.

PASSED AND ADOPTED by the City Commission of the City of Great Falls, Montana, on March 6, 2012.

Michael J. Winters, Mayor

ATTEST:

Lisa Kunz, City Clerk

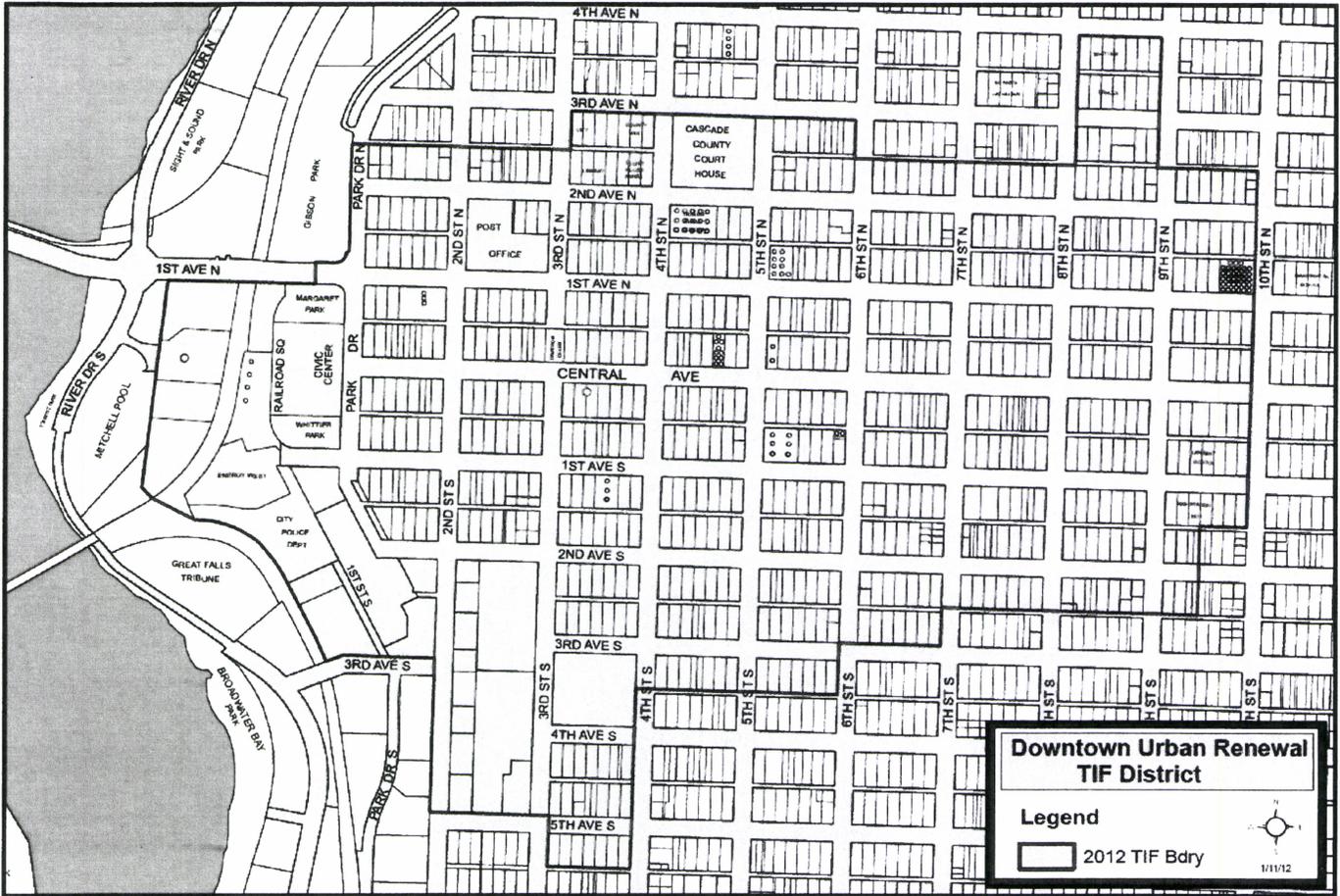
(SEAL OF CITY)

APPROVED FOR LEGAL CONTENT:

James W. Santoro, City Attorney

Downtown Urban Renewal Blight Study

District Boundary



Legal Description of the District:

Beginning at a point that is the southeast corner of Lot 1, Block 11, of the Broadwater Bay Business Park; thence south across 3rd Ave So to the northeast corner of Lot 6, Block 9, of the Broadwater Bay Business Park; thence south along the west right of way line of 2nd St So to a point that is directly west of the southwest corner of Lot 8, of the Amended Plat of Block 453, of the Great Falls Original Townsite (GFOT); Thence east across 2nd St So to the southwest corner of Lot 8, of the Amended Plat of Block 453, of the GFOT; thence east to the southwest corner of Lot 14, Block 452, of the GFOT; thence south to the southwest corner of Lot 1, Block 455, of the GFOT; thence east to the southeast corner of Lot 7, Block 455; of the GFOT; thence north along the west right of line of 4th St S to a point directly west from the southwest corner of Lot 1, Block 420, of the GFOT; thence east across 4th St So to the southwest corner of Lot 1, Block 420, of the GFOT; thence east to the southeast corner of Lot 7, Block 421, of the GFOT; thence north to the southeast corner of Lot 8, Block 413, of the GFOT; thence east across 6th St So to the southwest corner of Lot 14, Block 412, of the GFOT; thence east to the southeast corner of Lot 8, Block 412, of the GFOT; thence north to the southeast corner of Lot 7, Block 412, of the GFOT; thence east to the southwest corner of Lot 1, Block 411, of the GFOT; thence east to the southeast corner of Lot 3, Block 409, of the GFOT; thence north to the southeast corner of Lot 3, Block 376, of the GFOT; thence east to the southeast corner of Lot 7, Block 376, of the GFOT; thence north along the west right of way line of 10th St N to the northeast corner of Lot 8, Block 258, of the GFOT; thence west to the northeast corner of Lot 8, Block 257, of the GFOT; thence north to the northeast corner of Lot 7, Block 242, of the GFOT; thence west to the northwest corner of Lot 1, Blk 242, of the GFOT; thence south to the northwest corner of Lot 14, Blk 257, of the GFOT; thence west to the northeast corner of Lot 8, Blk 254, of the GFOT; thence north to the northeast corner of Lot 7, Blk 254, of the GFOT: thence west to the northwest corner of Lot 1, Blk 252, of the GFOT; thence south to the northwest corner of Lot 14, Blk 252, of the GFOT; thence west to the northwest corner of Lot 13, Blk 250, of the GFOT; thence continuing west to a point that is located on the west right of way of Park Dr N; thence south along the west right of way of Park Dr N to the corner of Park Dr N and 1st Ave N; thence around a curve to the left to a point of tangent thence continuing west eighty feet along the north right of way of 1st Ave N; thence south on a perpendicular line to the south right of way line of 1st Ave N; thence west along the south right of way line of 1st Ave N to the northwest corner of Lot 5, Blk 13, of the Broadwater Bay Business Park Addition (BBBP); thence southwesterly to the southwest corner of Lot 2, Blk 13, of the BBBP; thence southeasterly to the southeast corner of Lot 2, Blk 13, of the BBBP; thence continuing southeasterly to a point that is the intersection of the north railroad right of way line and the westerly boundary of Mark 22A (City of Great Falls Police Department); thence southeasterly along a curve to the right also being the north railroad right of way line to the southwest corner of Lot 1, Blk 12, of the BBBP; thence easterly along the north right of way line of 3rd Ave S to the point of beginning.

Downtown Urban Renewal Blight Study

Determination of Blight:

To establish an Urban Renewal District in Montana, it must be found that conditions of blight are present in the area. Section 7-15-4206 (2) MCA defines blight as "an area that is conducive to ill health, transmission of disease, infant mortality, juvenile delinquency, and crime, that substantially impairs or arrests the sound growth of the city or its environs, that retards the provision of housing accommodations, or that constitutes an economic or social liability or is detrimental or constitutes a menace to the public health, safety, welfare, and morals in its present condition and use, by reason of:

- the substantial physical dilapidation, deterioration, age obsolescence, or defective construction, material, and arrangement of buildings or improvements, whether residential or nonresidential;
- inadequate provision for ventilation, light, proper sanitary facilities, or open spaces as determined by competent appraisers on the basis of an examination of the building standards of the municipality;
- inappropriate or mixed uses of land or buildings;
- high density of population and overcrowding;
- defective or inadequate street layout;
- faulty lot layout in relation to size, adequacy, accessibility, or usefulness;
- excessive land coverage;
- unsanitary or unsafe conditions;
- deterioration of site;
- diversity of ownership;
- tax or special assessment delinquency exceeding the fair value of the land;
- defective or unusual conditions of title;
- improper subdivision or obsolete platting;
- the existence of conditions that endanger life or property by fire or other causes; or
- any combination of the factors listed in this subsection (2).

The substantial physical dilapidation, deterioration, age obsolescence, or defective construction, material, and arrangement of buildings or improvements, whether residential or nonresidential.

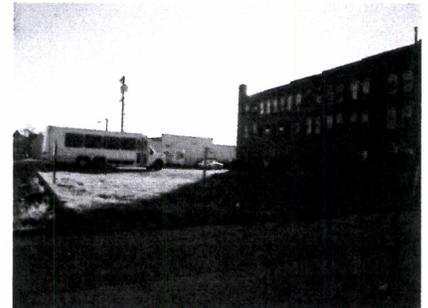
Vacancy, underutilization and a lack of maintenance has led to the physical dilapidation and deterioration of a number of buildings within the district. Not only does this have a negative impact on the aesthetic character of specific buildings



and the district as a whole, it also produces conditions that are unsafe, unsanitary and not conducive to economic development.

Inappropriate or mixed uses of land or buildings.

A large amount of land within the District is currently used as surface parking for automobiles. While a certain amount of parking is necessary to support economic and residential activities within the District, an over-abundance of surface parking lots represents an inefficient use of land in the City's commercial core. Underutilized surface parking lots could potentially be redeveloped as commercial, office, residential or mixed use development with the potential to improve the vitality of the downtown and increase the taxable value of the District.



In certain areas of the District, heavy industrial uses are adjacent to residential, retail and transitional uses. These areas present key locations for redevelopment within the District.

Defective or inadequate street layout.

Three one-way couplets currently traverse through the district. Although a complete, formal analysis of the impact of the one-way couplets is planned for the spring and summer of 2012, multiple studies and analysis conducted across the U.S. indicate that downtown access and circulation, customer parking and property values increase when downtown one-ways are restored to two-way streets.



A primary intersection within the district - Park Drive and 1st Avenue N - is unsafe and difficult to navigate for pedestrians. Additionally, the current configuration of the intersection produces congestion and inefficient automobile travel.

Deterioration of site.

Vacant, underutilized or unmaintained buildings and parcels concentrated within specific areas have created pockets of site deterioration throughout the district. The deterioration of site has often led private investment and development to move to outlying areas of the City, slowing redevelopment and infill efforts downtown. If site deterioration is not addressed, the exodus of commercial and residential development will continue and ultimately lead to further deterioration.

An analysis of building permits issued in the City of Great Falls from 2005 to 2010 illustrates the lack of investment within the District. Of the 1,760 building permits issued in the City over this five year period, only 96 were issued for construction in the District. The value of projects for which the building permits were issued resulted in a \$369,346,006.00 investment city-wide compared to \$13,553,878.00 in the proposed district. A statistical analysis of the valuation of the projects shows that the maximum value found city-wide is much larger (\$10,788,533.00) than found within the District (\$1,500,000). Additionally, the

Downtown Urban Renewal Blight Study

median value of city-wide projects (\$221,962) was approximately 65% greater than the median value of downtown investment (\$141,186). Exhibit C of this resolution displays a geographical depiction of investment and building activity in the City from 2005 to 2010.

The existence of conditions that endanger life or property by fire or other causes.

The existence of conditions that endanger life or property by fire or other causes is present. Multiple factors have contributed to these conditions including fire damage, the use of hazardous construction materials, negligence and extended vacancy among others. Properties that have reached this condition are often the target of trespassing, graffiti and other forms of vandalism.

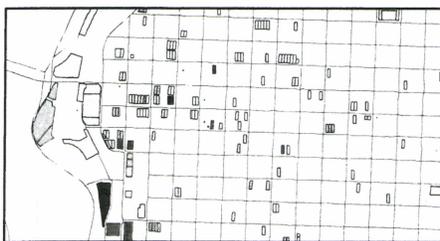
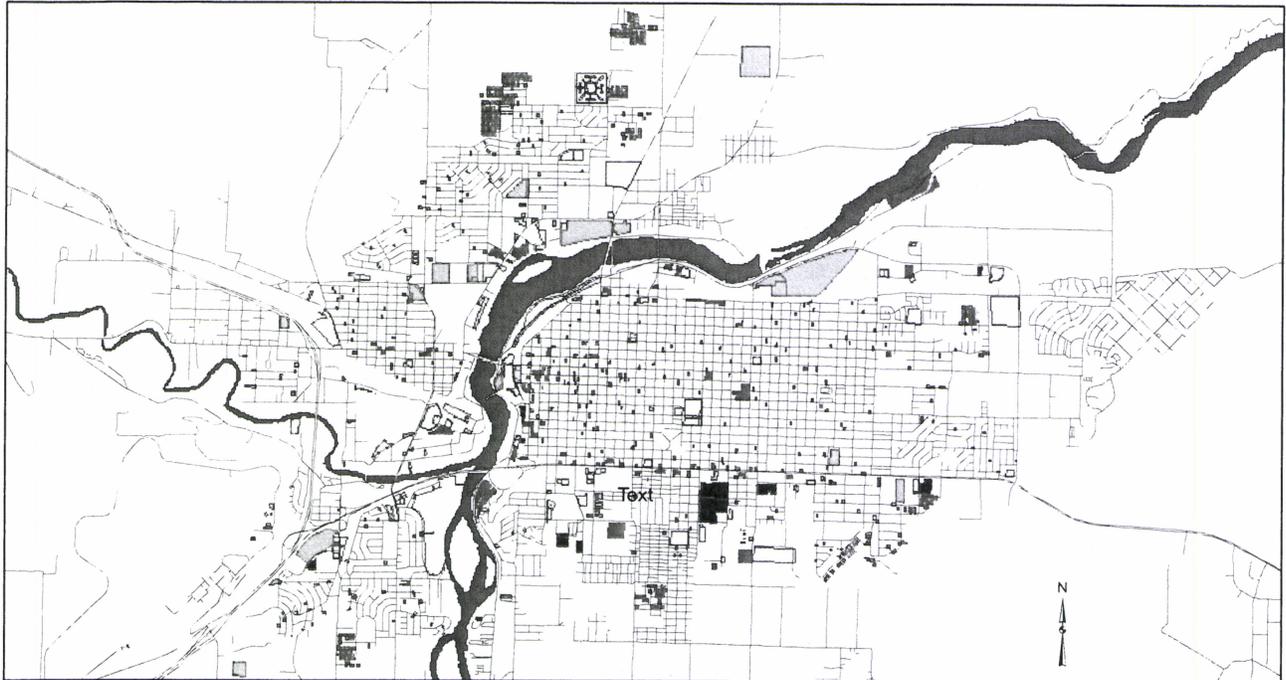
Although the district accounts for less than 2% of the geographic area of the City, certain crimes that endanger life or property occur within the district at a disproportionately high rate. According to Great Falls Police Department dispatch records, nearly half (47%) of all arson cases reported in 2011 occurred within the district. Additionally, over a third (34%) of all trespassing and a nearly a quarter (24%) of abandoned vehicles reports occurred in the district.

Conclusion

Based on these findings, the proposed Downtown Urban Renewal District can be described as blighted per Montana Statute, with respect to physical deterioration of buildings and properties; inappropriate or mixed uses of land or buildings; defective or inadequate street layout; deterioration of site; and the existence of conditions that endanger life or property by fire or other causes.

Exhibit B

Building Activity and Valuation 2005-2010



0 0.25 0.5 1 Miles

0 - \$25,000	\$250,001 - \$500,000
\$25,001 - \$100,000	\$500,001 - \$1,000,000
\$100,001 - \$250,000	

Great Falls Downtown Urban Renewal Area

 Tax Increment District

