



HJ 18: BOND PAYMENTS IN DISTRICTS THAT USE TIF

The following table compares estimated bond payments with estimated tax increment in districts that use tax increment financing for tax year 2017. The estimated tax increment is from Department of Revenue data to be published in the forthcoming Biennial Report. Unless otherwise noted, the estimated bond payment information is from bond offer statements available from the Electronic Municipal Market Access website.

Estimated Bond Payments Compared with Estimated Increments for Districts that Use TIF, 2017

County	District	Year Created	Year of Expected Expiration	2017 Total Taxable Value	Base Taxable Value	2017 Incremental Taxable Value	2017 Estimated Tax Increment	2017 Estimated Bond Payment	2017 Estimated Increment Less Estimated Bond Payment
Big Horn	Hardin Industrial	2004	2031	\$1,776,290	\$465,144	\$1,311,146	\$827,612	\$1,967,500	-\$1,139,888 (see additional detail below)
Cascade	Great Falls West Bank	2007	2034	\$946,789	\$292,536	\$654,253	\$442,167	\$211,461 ¹	\$230,706 (see additional detail below)
Chouteau	Fort Benton 1TID	1998	2029	\$218,255	\$160,843	\$57,412	\$42,845	\$15,362 ²	\$27,483

¹ City of Great Falls, Commission Agenda Report, Agenda #18, Aug. 2, 2016, p. 5.

² City of Fort Benton, Resolution No. 1207, Dec. 2, 2013.

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County	District	Year Created	Year of Expected Expiration	2017 Total Taxable Value	Base Taxable Value	2017 Incremental Taxable Value	2017 Estimated Tax Increment	2017 Estimated Bond Payment	2017 Estimated Increment Less Estimated Bond Payment
Deer Lodge	Mill Creek	2008	2032	\$8,394,371	\$909,339	\$7,485,032	\$4,753,854	\$138,950	\$4,614,904 ³
Flathead	Kalispell B	1995	2020	\$1,191,058	\$453,612	\$737,446	\$569,213	\$178,133	\$391,080
Flathead	Kalispell C	1997	2037	\$8,211,209	\$7,932,918	\$278,291	\$215,793	\$33,039 ⁴	\$182,754
Flathead	Kalispell G	2005	2026	\$107,277	\$390	\$106,887	\$73,919	\$347,758 ⁵	-\$260,864 (see additional detail below)
Flathead	Kalispell H	2005	2026	\$18,877	\$126	\$18,751	\$12,975		
Flathead	Whitefish A	1987	2020	\$14,358,289	\$4,185,352	\$10,172,937	\$6,049,411	\$1,812,386	\$4,237,025
Gallatin	Bozeman Downtown	1995	2032	\$5,098,612	\$1,328,695	\$3,769,917	\$2,611,400	\$425,488	\$2,185,912
Lake	Polson	2002	2025	\$1,706,868	\$1,436,002	\$270,866	\$184,938	\$79,817 ⁶	\$105,121

³ Excess tax increment from the Mill Creek district is remitted. In fiscal year 2016, \$2,032,330 was distributed to the state of Montana and Anaconda School District #10 and \$2,213,712 was transferred to Anaconda-Deer Lodge County to “help offset losses due to reduced property tax payments and set up capital reserves for future projects.” Anaconda-Deer Lodge County Comprehensive Annual Financial Report, Fiscal Year Ending June 30, 2016.

⁴ City of Kalispell Comprehensive Annual Financial Report, Fiscal Year 2016, p. 121.

⁵ City of Kalispell Comprehensive Annual Financial Report, Fiscal Year 2016, p. 106.

⁶ City of Polson Comprehensive Annual Financial Report, Fiscal Year 2016, p. 59.

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Lincoln	Riverside (Eureka)	2001	2035	\$470,092	\$347,928	\$122,164	\$76,921	\$40,243 ⁷	\$36,678
Missoula	Airport Industrial	1991	2027	\$2,889,101	\$176,605	\$2,712,496	\$1,837,354	\$524,400 ⁸	\$1,312,954
Missoula	Front St URD	2007	2041	\$1,915,446	\$1,413,035	\$502,411	\$450,219	\$515,975	-\$65,756 (see additional detail below)
Missoula	North Reserve – Scott St. URD	2015	2035	\$2,337,126	\$1,491,205	\$845,921	\$736,093	\$35,197 ⁹	\$700,896
Missoula	Technology District	2005	2027	\$298,444	\$0	\$298,444	\$202,156	\$98,516 ¹⁰	\$103,640
Missoula	URD II	1991	2031	\$4,742,939	\$1,859,823	\$2,883,116	\$2,570,297	\$676,428 ¹¹	\$1,893,869

⁷ Amount is maximum principal and interest on bonds. Eureka Town Council, Resolution No. 2015-718, Oct. 21, 2015, p. 7.

⁸ “Aggregate Debt Service,” D.A. Davidson & Co.

⁹ For 2019-2035, estimated principal and interest payments are about \$114,000 per year. Missoula City Council, Resolution No. 8031, Dec. 14, 2005, p. A-9.

¹⁰ “Debt Service Schedule,” D.A. Davidson & Co.

¹¹ City of Missoula Annual Comprehensive Annual Report and Audit For the Fiscal Year Ended June 30, 2016, p. 302.

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Missoula	URD III	2000	2040	\$11,202,692	\$8,172,844	\$3,029,848	\$2,715,096	\$834,771 ¹²	\$1,880,325
Park	West End Industrial	2004	2024	\$151,160	\$128	\$151,032	\$109,099	\$65,070 ¹³	\$44,029
Silver Bow	Butte Uptown	2014	2034	\$5,460,890	\$3,587,625	\$1,873,265	\$1,396,706	\$482,474 ¹⁴	\$914,232
Silver Bow	Ramsey TIFID	1994	2031	\$5,952,858	\$1,721,230	\$4,231,628	\$2,756,567	\$1,938,500	\$818,067
Toole	Shelby Industrial	2013	2055	\$305,388	\$75,464	\$229,924	\$177,036	\$32,074 ¹⁵	\$144,962
Yellowstone	2008 Expanded N 27 th St	2008	2038	\$7,978,142	\$4,112,238	\$3,865,904	\$2,678,476	\$340,556	\$2,337,920

¹² Total of maximum annual debt service for bonds issued for South Reserve Street Pedestrian Bridge and May Avenue East Infrastructure Projects. Missoula Redevelopment Agency Financial Report, June 30, 2016, p. 12-12.

¹³ City of Livingston Comprehensive Annual Financial Report For the Fiscal Year Ended June 30, 2016, p. II-42.

¹⁴ City-County of Butte-Silver Bow Council Resolution No. 16-33, July 20, 2016, p. A-1-1.

¹⁵ City of Shelby Annual Financial Report Part 2 of 2 Fiscal Year Ended June 30, 2016, p. 12-13.

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Hardin Industrial

The city of Hardin issued about \$12 million in bonds in 2006 to build infrastructure for a coal-fired power plant owned by Rocky Mountain Power. The agreement included a tax abatement for the power plant for 8 years but the power plant's parent company filed for bankruptcy during the abatement period. The value of the power plant dropped after the parent company emerged from bankruptcy and the tax increment in the district is not sufficient to cover bond payments. The problem is compounded because the power plant owes more than \$2 million in unpaid 2014 and 2016 property taxes.¹⁶

Great Falls West Bank District

The city of Great Falls also entered into a development agreement with a developer within the West Bank District. The agreement provides that the developer will pay the costs of a project up front and the district will bond after the tax increment increases sufficiently to issue \$3 million in bonds and provide coverage of 140% of the annual debt service requirements. The revenue from the bonds will reimburse the developer for costs including demolition, asbestos remediation, public infrastructure improvements, petroleum products remediation, and environmental consultants. These additional bonds will not (and may not under state law) extend the life of the district.

Kalispell G and Kalispell H

The tax increment does not appear to cover the bond payments because the city of Kalispell created Special Improvement District (SID) 344 encompassing Kalispell G and Kalispell H and pledged to the bond payments: special assessments payable by taxpayers in SID 344, tax increment from Kalispell G and Kalispell H, revenue in a bond reserve account, and revenue in the debt service revolving fund.¹⁷

Missoula Front Street URD

The Missoula Parking Commission issued bonds to refund the Commission's outstanding Parking Facilities Revenue Bonds. The bonds are payable from parking revenue and from the Front Street Urban Renewal District tax increment, which is why the tax increment does not appear to be sufficient to cover the bond payments.

¹⁶ Matt Hudson, "[Hardin Coal Plant Owes \\$2M in Taxes, Leaving Schools, Government Short](#)," July 20, 2017.

¹⁷ City of Kalispell Comprehensive Annual Financial Report, Fiscal Year 2016, p. 53.