

**ORDINANCE NO. 753**

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF COLUMBIA FALLS, MONTANA, DESIGNATING THE COLUMBIA FALLS INDUSTRIAL PARK TARGETED ECONOMIC DEVELOPMENT AREA, CREATING THE COLUMBIA FALLS INDUSTRIAL PARK TARGETED ECONOMIC DEVELOPMENT DISTRICT (TEDD) AND ADOPTING THE COLUMBIA FALLS INDUSTRIAL PARK TARGETED ECONOMIC DEVELOPMENT DISTRICT COMPREHENSIVE DEVELOPMENT PLAN WITH A TAX INCREMENT FINANCING PROGRAM PURSUANT TO TITLE 7, CHAPTER 15, PART 42 AND 43 OF THE MONTANA CODES ANNOTATED

WHEREAS, on July 20<sup>th</sup>, 2015, the Columbia Falls City Council secured professional services to assist the City in taking the steps to develop a Targeted Economic Development District (TEDD) for the Columbia Falls Industrial Park, and directed that a review of the infrastructure deficiencies in the Columbia Falls Industrial Park be conducted; and

WHEREAS, pursuant to 7-15-4278, MCA, the City of Columbia Falls concurs that infrastructure-deficient areas exist and constitute a serious impediment to the development of infrastructure-intensive, value-adding economic development in Columbia Falls and that the City of Columbia Falls lacks sufficient capital to rectify the infrastructure shortage in infrastructure-deficient areas, thus impeding its ability to achieve economic growth through the development of value-adding industries; and

WHEREAS, the City of Columbia Falls has had prepared a "Statement of Infrastructure Deficiencies" to provide the necessary foundation upon which Columbia Falls may establish a Targeted Economic Development District or "TEDD" to foster secondary, value adding economic development - generally located in an area formerly occupied by the Superior Building Company Lumber Mill known as the Columbia Falls Industrial Park, it is comprised of approximately 110 acres on the north side of downtown Columbia Falls at the northerly extension of 4<sup>th</sup> Avenue EN; and

WHEREAS, in accordance with 7-15-4280, MCA, on September 8<sup>th</sup>, 2015, the Columbia Falls City Council adopted Resolution No. 1704, which was a "Finding of Deficiency" that established the general boundaries of the Columbia Falls Industrial Park Targeted Economic Development District, identified the area as a TEDD, established that the area is "infrastructure deficient" per Montana Statute, and declared that infrastructure improvement of the area is necessary for the welfare of the residents of Columbia Falls and desirable as part of the City's overall goals to promote, stimulate, develop and advance the commerce, economic development and prosperity of the citizens of Columbia Falls, Flathead County, and the State of Montana; and

WHEREAS, the City of Columbia Falls intends to use Tax Increment Financing as a tool to foster targeted economic development and help fund the supportive public infrastructure for the growth of infrastructure intensive secondary, value adding

economic development at the Columbia Falls Industrial Park, therefore, pursuant to 7-15-4212, MCA, the City of Columbia Falls caused a TEDD comprehensive development plan to be prepared.

**NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF COLUMBIA FALLS, MONTANA AS FOLLOWS:**

**Section One. Definitions.** The definitions found throughout Title 7, Chapter 15, Parts 42 and 43, Montana Code Annotated apply unless otherwise provided or indicated by the context. The following terms wherever used or referred to in this Ordinance shall have the following meanings:

- (a) "Act" means Title 7, Chapter 15, Parts 42 and 43, Montana Code Annotated.
- (b) "Targeted economic development area" means an infrastructure deficient area that the Columbia Falls City Council has designated as appropriate for a targeted economic development project or projects.
- (c) "Targeted economic development district (TEDD)" means the area designated by the Columbia Falls City Council in accordance with the provisions of this Ordinance, and created in support of secondary value-adding economic development projects with the purpose of the district being the development of infrastructure to encourage the location and retention of secondary value-adding projects in the city, county and state.
- (d) "Targeted economic development district comprehensive development plan" means a plan for a TEDD area/district which describes potential projects or programs which was adopted by the Columbia Falls City Council in accordance with the provisions of this Ordinance in conformance with the *Columbia Falls 2013 Growth Policy*.
- (e) "TEDD project or program" means undertakings or activities of the City of Columbia Falls in a TEDD area that consists of any or all of the activities authorized by Section 7-15-4288, MCA, in accordance with the comprehensive development plan; a targeted economic development project may not include property that was condemned pursuant to Title 70, chapter 30, for anything other than a public use.
- (f) "Columbia Falls Industrial Park Targeted Economic Development District" means the TEDD area/district designated and created by this Ordinance, consisting of a continuous area within an accurately described boundary, zoned in accordance and planned in conformance with the *Columbia Falls 2013 Growth Policy*, and found to be deficient in infrastructure improvements for targeted economic development of secondary, value adding industry.

**Section Two. Findings.** Based on representations made to the City Council to date and taking into consideration all comments received, including those made at a public hearing duly held on October 5, 2015, after proper legal notice was given, the City

## First and Second Reading

Council does hereby make the following findings, determinations and declarations regarding the Columbia Falls Industrial Park Targeted Economic Development District, which is hereinafter referred to as the District:

- (a) This ordinance adopting the TEDD finds that the property within the TEDD consists of a continuous area with an accurately described boundary; see (k) below.
- (b) This ordinance adopting the TEDD finds that the area within the TEDD is large enough to host a diversified base of multiple independent tenants; see (h)(iii) below.
- (c) The City of Columbia Falls adopted the "*Columbia Falls Area Zoning Ordinance*" in accordance with and exercising the authority of the laws of the State of Montana, Title 11, Chapter 27, R.C.M., 1947, as amended, and in 1989 by Ordinance 523 pursuant to Section 76-2-301, M.C.A. This ordinance adopting the TEDD finds that the zoning within the TEDD is in accordance with the *Columbia Falls 2013 Growth Policy* as defined in 76-1-103, MCA. The Columbia Falls TEDD Comprehensive Development Plan was submitted to the Columbia Falls Planning Board for review, and on the 9th day of September, 2015, said Board executed a resolution that found the TEDD Area to be zoned for uses in accordance with the *Columbia Falls 2013 Growth Policy*.
- (d) The *Columbia Falls 2013 Growth Policy* was officially adopted by the City Council on January 22<sup>nd</sup>, 2013, and supersedes the Growth Policies dated 2005 and 2008. A copy of the *Columbia Falls 2013 Growth Policy* is available for public review. The Columbia Falls TEDD Comprehensive Development Plan was submitted to the Columbia Falls Planning Board for review, and on the 9th day of September, 2015, said Board executed a resolution that found the TEDD Comprehensive Development Plan to be in conformity with the *Columbia Falls 2013 Growth Policy*.
- (e) This ordinance adopting the TEDD finds that the property within the TEDD is not included within an existing tax increment financing district.
- (f) A resolution of deficiency, Resolution No. 1704, adopted by the City Council on August 17<sup>th</sup>, 2015, found that the District was deficient in infrastructure necessary to encourage and retain value-adding industry in accordance with the Montana Urban Renewal Law, as noted in the Statement of Infrastructure Deficiencies. Resolution No. 1704 was executed three months prior to the effective date of this ordinance adopting the Columbia Falls Industrial Park TEDD
- (g) The Statement of Infrastructure Deficiencies is the document upon which the Columbia Falls City Council based their finding of deficiency adopted in Resolution No. 1704.
- (h) A plan for the District prepared in accordance with the Montana Urban Renewal Law, the Columbia Falls Industrial Park TEDD Comprehensive Development Plan, a copy of which is attached as Exhibit "A", documents the following:

- (i) The Plan was adopted with the creation of the TEDD by this Ordinance.
  - (ii) The Plan identifies the use and purpose for which the TEDD was created as:
    - To foster economic vitality in the City of Columbia Falls and increase employment opportunities through infrastructure development in support of secondary value-adding industry.
    - To provide support for businesses and industries that enhance the quality of life for all residents.
    - To facilitate the creation of a diversified tenant base of multiple independent tenants within the TEDD.
    - To encourage secondary, value adding industries that take advantage of the state's resources for the purposes of engaging in interstate commerce.
    - To facilitate the re-use of the former Superior Building Company Lumber Mill, which constitutes an important resource for economic and community development.
    - To facilitate the reinvestment in a site that has historically been industrial due to its proximity to both rail and highway transportation infrastructure.
    - To foster public-private partnerships to facilitate the construction and maintenance of infrastructure in support of value-adding industrial development.
    - To provide a locally driven economic development resource for funding public infrastructure projects.
  - (iii) The district includes more than 100 acres, 9 parcels and currently 4 independent tenants occupy a portion of the district, which ensures that the area within the TEDD is large enough to host a diversified base of multiple tenants and was not designed to serve the need of a single tenant.
  - (iv) The Columbia Falls Industrial Park TEDD Comprehensive Development Plan was submitted to the Columbia Falls Planning Board for review, and on 9th day of September, 2015, said Board executed a resolution that found the TEDD Comprehensive Development Plan to be in conformity with the *Columbia Falls 2013 Growth Policy* and found the TEDD Area to be zoned for uses in accordance with the *Columbia Falls 2013 Growth Policy*.
- (i) A notice of the public hearing, in substantially the form required by and published in accordance with 7-1-4127, MCA, was published September 20 and 27, 2015. In addition, a notice of the public hearing was mailed by certified mail to all property owners in the district based on a list of the geocodes for all real property, the assessor codes for all personal property, and a description of all centrally assessed property located within the TEDD at the time of its creation.
- (j) Upon execution, this ordinance creating the TEDD and approving the tax increment financing provision pursuant to 7-15-4284, MCA will be certified.
- (k) The Columbia Falls Industrial Park is legally described as Tracts 1, IBA, 5,5A and 5BA, Section 4, Tract 4 Section 5, Tracts 10, 10B and 10CB, Section 8 and Tracts 1B, 1C, 1CA and 1E, Section 9, Township 30 North, Range 20 West, P.M.M., Flathead County, Montana, as found on file at the Flathead County Plat Room,

including all adjacent rights-of-way as well as the Burlington Northern Rail Road. A map representing the TEDD's boundary is found on Page 7 of the Columbia Falls Industrial Park TEDD Comprehensive Development Plan.

- (l) The name of the TEDD is Columbia Falls Industrial Park Targeted Economic Development District.
- (m) A list of the geocodes for all real property, the assessor codes for all personal property, and a description of all centrally assessed property located within the TEDD at the time of its creation has been compiled and is found on Page 8 of the Columbia Falls Industrial Park TEDD Comprehensive Development Plan.

**Section 3. Designation of the Area.** The Columbia Falls Industrial Park Targeted Economic Development Area is hereby designated.

**Section 4. Creation of the District.** The Columbia Falls Industrial Park Targeted Economic Development District is hereby created.

**Section 5. District Plan.** The Columbia Falls Industrial Park Targeted Economic Development District Comprehensive Development Plan, attached as Exhibit "A", is hereby adopted.

**Section 6. Base Year.** For the purpose of calculating the incremental taxable value for each year of the life of the District, the base taxable value shall be calculated as the taxable value of all real and personal property within the District, as of January 1, 2015.

**Section 7. Tax Increment Provision.** Flathead County is hereby authorized to segregate, as received, the tax increment derived in the District, and use and deposit such increment into the District Fund for use as authorized by the Act and as authorized herein or by the City Council from time to time.

**Section 8. Costs That May be Paid from Tax Increments.** The tax increments received from the District may be used to directly pay costs of approved infrastructure projects, or to pay debt service on bonds issued to finance infrastructure improvement projects as defined under the Act as may from time to time be approved by the City Council. The City Council hereby authorizes the use of tax increment in the District to be used to pay debt service on internal and bank financed loans issued to finance all or a portion of the costs of eligible improvements in compliance with the Act and subject to any limitations imposed by the Montana Constitution.

**Section 9. Term of the Tax Increment Financing Provision.** The tax increment financing provision of the District will terminate in accordance with state law. After termination of the tax increment financing provision, all taxes shall continue to be levied upon the actual taxable value of the taxable property in the District, but shall be paid into funds of the taxing bodies levying taxes within the District.

**Section 10. Effect of TEDD Project or Program.** The establishment of a TEDD project or program or the approval of a TEDD project or program does not affect, abrogate or supersede any rules, ordinances, or regulations of the City relating to zoning, building permits, or any other matters.

**Section 11. Conflict with Other Ordinances and Resolutions.** All parts of ordinances and resolutions in conflict herewith are hereby repealed.

**Section 12. Effective Date.** The effective date of this Ordinance is thirty (30) days after final adoption on second reading. This Ordinance shall be in full force and effect on November 18, 2015.

**INTRODUCED, PASSED AND PROVISIONALLY ADOPTED** BY THE CITY COUNCIL OF COLUMBIA FALLS, MONTANA, ON FIRST READING, AT A REGULARLY CONVENED MEETING THEREOF HELD ON THE 5TH DAY OF OCTOBER 2015, THE COUNCIL VOTING AS FOLLOWS:

AYES: Fisher, Karper, Lovering, Petersen, Plevel and Barnhart.

NOES: None.

ABSENT: Shepard.

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

APPROVED BY THE MAYOR OF COLUMBIA FALLS, MONTANA THIS 5th  
DAY OF OCTOBER, 2015.

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Mayor

ATTEST:

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City Clerk

**PASSED, APPROVED AND ADOPTED** BY THE CITY COUNCIL OF COLUMBIA FALLS, MONTANA, ON SECOND READING, AT A REGULARLY CONVENED MEETING THEREOF HELD ON THE 19TH DAY OF OCTOBER, 2015, THE COUNCIL VOTING AS FOLLOWS:

First and Second Reading

AYES: Fisher, Karper, Lovering, Plevel, Shepard and Barnhart

NOES: None

ABSENT: Petersen

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City Clerk

APPROVED BY THE MAYOR OF COLUMBIA FALLS, MONTANA THIS 19<sup>th</sup>  
DAY OF OCTOBER, 2015.

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Mayor

ATTEST:

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City Clerk

Exhibit A: Columbia Falls Industrial Park Targeted Economic Development District  
Comprehensive Development Plan