

ORDINANCE NO. 781

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

WHEREAS, on April 2nd, 2018, 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 Rising industrial area, and directed that a review of the infrastructure deficiencies in the Columbia Rising industrial area 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 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 Deficiency" 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 in the Columbia Rising industrial area. The Columbia Rising industrial area is generally described as approximately 54 acres located northwest of the truck route, and south and east of the railroad rights-of-way in Section 8, Township 30 North, Range 20 West, P.M.M., Flathead County, Montana; more specifically, the area is located west of 4th Avenue West and 6th Avenue West, north of 3rd Street West and 5th Street West, east of the extension of 12th Avenue West, and south of the Verville for Vets subdivision; and

WHEREAS, in accordance with 7-15-4280, MCA, on June 18th, 2018, the Columbia Falls City Council adopted Resolution No. 1773, which was a "Resolution of Necessity", the "Finding of Deficiency" that established the general boundaries of the Columbia Rising 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 Rising industrial area, 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 Rising 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 15th, 2018, after proper legal notice was given, the City Council does hereby make the following findings, determinations and declarations regarding the Columbia Rising 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 11th day of September, 2018, 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 22nd, 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 11th day of September, 2018, 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 necessity, Resolution No. 1773, adopted by the City Council on June 18th, 2018, 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. 1773 was executed five months prior to the effective date of this ordinance adopting the Columbia Rising TEDD
- (g) The Statement of Infrastructure Deficiency is the document upon which the Columbia Falls City Council based their finding of deficiency adopted in Resolution No. 1773.

- (h) A plan for the District prepared in accordance with the Montana Urban Renewal Law, the Columbia Rising 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 goals (the use and purpose) for which the TEDD was created as:
 - To foster economic vitality and resilience in the community through the development of public infrastructure in support of secondary value-adding industry.
 - To increase employment opportunities through locally driven, public-private partnerships.
 - To allow opportunities for innovation and creativity to advance and protect the public interest.
 - To facilitate the opportunity for a diversified economic base of multiple independent businesses.
 - To further the production of secondary, value-adding commodities that can be exported outside the state.
 - To facilitate the reinvestment in a site that has historically been industrial due to its proximity to transportation infrastructure as well as city utilities and services.
 - To support Columbia Falls' vision of the future through implementation of community-driven long-range planning.
 - (iii) The district includes more than 54 acres, 10 parcels and currently 1 independent tenant occupies 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 Rising TEDD Comprehensive Development Plan was submitted to the Columbia Falls Planning Board for review, and on 11th day of September, 2018, 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 23rd and September 30th, 2018. 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. Furthermore, a letter of invitation to the public hearing was mailed to all affected taxing jurisdictions, providing an opportunity to meet and consult in a public meeting per 7-15-4282 (2) (a) MCA.
- (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 boundary of the Columbia Rising TEDD is described as beginning at the intersection of 5th Street West and 6th Avenue West; thence northerly to 3rd Street West; thence easterly to 4th Avenue West; thence northerly to Railroad Street; thence northeasterly to the north-south centerline of Section 8, Township 30 North, Range 20 West; thence northerly to the municipal limits; continuing along the municipal limits westerly, thence southerly, thence arcing easterly and southerly to 5th Street West; thence easterly to the point of beginning; and including all adjacent rights-of-way. A map representing the TEDD's boundary is found on Page 8 of the Columbia Rising TEDD Comprehensive Development Plan.

(l) The name of the TEDD is Columbia Rising 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 beginning on Page 8 of the Columbia Rising TEDD Comprehensive Development Plan.

Section 3. Designation of the Area. The Columbia Rising Targeted Economic Development Area is hereby designated.

Section 4. Creation of the District. The Columbia Rising Targeted Economic Development District is hereby created.

Section 5. District Plan. The Columbia Rising 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, 2018.

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 December 5, 2018.

PASSED AND APPROVED BY THE CITY COUNCIL OF COLUMBIA FALLS, MONTANA THIS 5th DAY OF November, 2018, THE COUNCIL VOTING AS FOLLOWS:

AYES: Robinson, Shepard, Fisher, Karper, Lovering, Piper and Barnhart

NOES: None

ABSENT: None

City Clerk

APPROVED BY THE MAYOR OF COLUMBIA FALLS, MONTANA THIS 5th DAY
OF NOVEMBER, 2018

Mayor

ATTEST:

City Clerk