



*R. M. McGovern*

**ORDINANCE NO. 38**

**AN ORDINANCE OF THE BOARD OF COUNTY COMMISSIONERS OF RAVALLI COUNTY, MONTANA, CREATING THE RAVALLI COUNTY TARGETED ECONOMIC DEVELOPMENT DISTRICT (TEDD), AND ADOPTING THE RAVALLI COUNTY TARGETED ECONOMIC DEVELOPMENT DISTRICT DEVELOPMENT PATTERN AND ZONING REGULATIONS, WITH A TAX INCREMENT FINANCING PROGRAM PURSUANT TO TITLE 7, CHAPTER 15, PART 42 AND 43 OF THE MONTANA CODE ANNOTATED**

**Return: Commissioners**

WHEREAS, the Ravalli County Board of Commissioners is interested in targeted economic development and fostering the growth of infrastructure-intensive, value-adding economic development in the proposed Ravalli County Targeted Economic Development District, as part of the County's overall goals to promote, stimulate, develop and advance the general welfare, commerce, economic development and prosperity of the citizens of Ravalli County and the State of Montana; and

WHEREAS, on April 1, 2014, the Ravalli County Commissioners directed that a Preliminary Engineering Report of the infrastructure deficiencies in the proposed Ravalli County Targeted Economic Development District be conducted to document the existence of infrastructure deficiencies and resulting impediments to the development of infrastructure-intensive, value-added development in the area of the Ravalli County Airport and other contiguous parcels, including approximately 420 acres, more or less, generally located in Sections 19, 20, 29 & 30, T 6 N, R 20 W, S1/2SW1/4SW1/4 Section 20, T6N, R20W, S1/2N1/2SW1/4SW1/4 Section 20, T6N, R20W, Sections 19, 20, 29 & 30, T 6 N, R 20 W, Ravalli County, Montana; and

WHEREAS, in accordance with 7-15-4280, MCA, on August 5, 2015, the Ravalli County Board of Commissioners adopted Resolution 3267, a "Resolution of Necessity" that established the boundaries of the proposed Ravalli County Targeted Economic Development District (TEDD), identified the area as a proposed TEDD, recognized that the area is infrastructure deficient, and declared that infrastructure improvement in this area is necessary for the welfare of the residents of the County; and

WHEREAS, Ravalli County is interested in using Tax Increment Financing as a tool to foster economic and community development, therefore, pursuant to 7-15-4279, MCA, Ravalli County caused a development pattern and zoning regulations to be prepared.; and

WHEREAS the creation of a TEDD, as authorized in Sections 7-15-4277 through 4280, MCA, "Targeted Economic Development District Act," will help fund the supportive public infrastructure needed to encourage the location and retention of value-adding industries in the Ravalli County Targeted Economic Development District area.

**NOW THEREFORE, BE IT ORDAINED BY THE BOARD OF COMMISSIONERS OF RAVALLI COUNTY, MONTANA, THAT:**

**Section 1**

**Definitions.** 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) "Actual taxable value" means the taxable value of taxable property at any time, as calculated from the assessment roll last equalized.
- c) "Base taxable value" means the actual taxable value of all taxable property within an urban renewal area or targeted economic development district prior to the effective date of a tax increment financing provision. This value may be adjusted as provided in Sections 7-15-4287 or 7-15-4293, MCA.
- d) "Incremental taxable value" means the amount, if any, by which the actual taxable value at any time exceeds the base taxable value of all property within an urban renewal area or targeted economic development district.
- e) "Tax increment" means the collections realized from extending the tax levies, expressed in mills, of all taxing bodies which the urban renewal area or targeted economic development district or a part thereof is located, against the incremental taxable value.
- f) "Tax increment provision" means a provision for the segregation and application of tax increments as authorized by 7-15-4282 through 7-15-4299.
- g) "Taxes" means all taxes levied by a taxing body against property on an ad valorem basis.
- h) "Targeted Economic Development Area" means an infrastructure deficient area that the local governing body designates as appropriate for targeted economic development project or projects.
- i) "Targeted Economic Development District" means an established targeted economic development area.
- j) "Targeted Economic Development District Pattern Plan" means a development pattern and development plan for the TEDD adopted by the Ravalli County Board of Commissioners in accordance with the provisions of this Ordinance, and describes potential projects or programs. Ravalli County does not have a Growth Policy. The TEDD will be for uses in accordance with the development pattern and zoning regulations of the development district adopted under Title 76, chapter 2, part 1.
- k) "Targeted Economic Development project or program" means undertakings or activities of a municipality in a TEDD that consists of any or all of the activities authorized by Section 7-15-4288, MCA, in accordance with the development pattern plan; a targeted economic development project may not include using property that was condemned pursuant to Title 70, chapter 30, for anything other than a public use.

- l) "Ravalli County Targeted Economic Development District" means the TEDD established by this Ordinance, consisting of a continuous area within an accurately described boundary, planned in accordance with the development pattern and zoning regulations of the development district adopted under Title 76, chapter 2, part 1, and is found to be deficient in infrastructure improvements for targeted economic development of secondary, value adding industry.

## Section 2

**Findings.** Based on representations made to the Ravalli County Board of Commissioners to date, including public comments, the Board of Commissioners hereby makes findings, determinations and declarations, subject to the additional findings, determinations and declarations following the required public hearings, as follows:

1. There have been several Board of County Commissioner (BCC) public meetings and hearings leading up to and including for the reading of this ordinance, with legal notice thereof having been provided to the public, including:
  - a. a meeting to discuss requesting grants to create a TEDD on May 3, 2013;
  - b. the BCC letter of support to create a TEDD on June 10, 2013;
  - c. approval of Department of Commerce and Ravalli County contract on July 19 and continued on July 23, 2013;
  - d. opening of RFP and awarding contract to Community Development Services of Montana on September 9, 2013;
  - e. a planning session with the BCC and RCEDA on September 12, 2013;
  - f. a meeting for the first draw for the TEDD on October 23, 2013;
  - g. approval to continue with the TEDD on December 30, 2013;
  - h. an approval letter to the Department of Commerce on July 13, 2014;
  - i. a claim for the Preliminary Engineering Report on September 3, 2014;
  - j. a request for an extension of time on the grants on April 22, 2015;
  - k. a meeting with RCEDA on wastewater issues on July 21, 2015;
  - l. a working meeting with the BCC and Hamilton City Council on September 10, 2015;
  - m. approval of the boundary for the Zoning District on October 1, 2015;
  - n. a meeting with the BCC and RCEDA for an update on the TEDD on October 7, 2015;
  - o. a Planning and Zoning Commission meeting on October 22 and hearing on October 29, 2015;
  - p. a meeting to adopt the Zoning District regulations on November 2, 2015;
  - q. the first reading of the TEDD Ordinance on November 9, 2015;
  - r. a meeting on the adoption of the TEDD comprehensive development plan and preliminary engineering report on November 19, 2015; and
  - s. the 2<sup>nd</sup> reading and adoption of the TEDD ordinance on November 23, 2015.
2. The TEDD has as its purpose the development of infrastructure to encourage the location and retention of value-adding projects in the state.

3. The TEDD is the Ravalli County Airport and other contiguous parcels, including approximately 420 acres, more or less, generally located in Sections 19, 20, 29 & 30, T 6 N, R 20 W, S1/2SW1/4SW1/4 Section 20, T6N, R20W, S1/2N1/2SW1/4SW1/4 Section 20, T6N, R20W, Sections 19, 20, 29 & 30, T 6 N, R 20 W, Ravalli County, Montana.
4. The TEDD consists of a continuous area with an accurately described boundary, and consists of approximately 420 acres, more or less, that is large enough to host a diversified tenant base of multiple independent tenants.
5. The TEDD has been zoned for uses in accordance with the development pattern and zoning regulations of the development district adopted under Title 76, chapter 2, part 1, Montana Code Annotated.
6. The TEDD development pattern plan, to be adopted by this Ordinance, demonstrates that the TEDD is not designed to serve the needs of a single district tenant or group of non-independent tenants.
7. The TEDD does not comprise any property included within an existing tax increment financing district.
8. The TEDD was on August 5, 2015, prior to its creation, found to be deficient in infrastructure improvements as stated in the "Resolution of Necessity," Resolution 3267.
9. In the TEDD, infrastructure development will require the upgrade of water and sewer services, transportation and utility upgrades, and other facility and service improvements.
10. Prior to the creation of the TEDD, a comprehensive development plan has been put in place that ensures the district can host a diversified tenant base of multiple independent tenants. The use of and purpose for tax increment financing is specified in the comprehensive development plan.
11. The TEDD development pattern, to be adopted by this Ordinance, includes a provision to use tax increment financing in support of making infrastructure improvements. As revenues permit, Ravalli County may issue tax increment financing bonds in support of these activities.

### Section 3

**Findings.** Based on representations made to the Ravalli County Board of Commissioners to date and taking into consideration the previous findings, and all comments received, including those made at the public hearing duly held on November 23, 2015, after proper legal notice was given, the Ravalli County Board of Commissioners does hereby make the following additional findings, determinations and declarations regarding the Ravalli County Targeted Economic Development District:

1. A Targeted Economic Development District that includes the Ravalli County Airport and other continuous areas consisting of approximately 420 acres more or less would encourage the location and retention of value-added projects in support of the County's

overall goals to promote, stimulate, develop and advance the general welfare, commerce, economic development and prosperity of the citizens of Ravalli County, and the State of Montana.

2. The "Resolution of Necessity," passed on August 5, 2015, Resolution 3267, found the TEDD to be deficient in public infrastructure for targeted economic development, and that infrastructure improvement was necessary for the welfare of the residents of the County.
3. The purpose of the TEDD is to foster development of infrastructure to encourage the location and retention of value-adding projects.
4. On November 2, 2015, the Ravalli County Board of County Commissioners adopted a development pattern for the physical and economic development of the planning and zoning district.
5. The development pattern for the Ravalli County TEDD authorizes the use of tax increment financing in support of making infrastructure improvements. As revenues permit, Ravalli County may issue tax increment financing bonds in support of these activities.
6. The Act requires that prior to final adoption of this Ordinance; the Ravalli County Board of Commissioners shall hold a public hearing on the creation of the proposed TEDD. Pursuant to such authority, notice of a public hearing in substantially the form presented in, and attached hereto as, Exhibit "A" was published on October 21, 28, and November 4, 2015, and mailed by certified mail to all property owners in the district, giving notice of the public hearing held on Monday, November 23, 2015, at 9:00 a.m. at 215 South Fourth Street, Hamilton, Montana.

#### **Section 4**

**Establishment of the District.** The Ravalli County Targeted Economic Development District (TEDD) is hereby established.

#### **Section 5**

**Boundaries.** A legal description and map of the TEDD are attached hereto as Exhibit "B".

#### **Section 6**

**A Comprehensive Development Plan.** A Comprehensive Development Plan was approved and adopted by the BCC on November 19<sup>th</sup>, 2015 and attached hereto as Exhibit "C"

#### **Section 7**

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

**Section 8**

**Tax Increment Provision.** Ravalli County is hereby authorized to segregate, as received, the tax increment derived in the TEDD, and use and deposit such increment into the TEDD Fund for use as authorized by the Act and as authorized herein or by the Ravalli County Board of Commissioners from time to time.

**Section 9**

**Costs That May be Paid From Tax Increments.** The tax increments received from the TEDD may be used to directly pay costs of approved infrastructure projects, or to pay debt service on bonds or loans issued to finance infrastructure improvements as defined under the Act as may from time to time be approved by the Ravalli County Board of Commissioners. The Board of Commissioners hereby authorizes the use of tax increment in the TEDD 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 10**

**Term of the Tax Increment Financing Provision.** The tax increment financing provision of the TEDD will terminate upon the earlier of:

- a) the fifteenth year following the creation of the TEDD; or
- b) the payment or provision for payment in full or discharge of all loans, and the payment of interest thereon, for which the tax increment has been pledged. Bonds issued for which a tax increment is pledged must be designed to mature not later than 25 years from their date of issue.

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 11**

**Effect of TEDD Project.** The creation of a TEDD project or the approval of a TEDD project does not affect, abrogate or supersede any rules, ordinances, or regulations of the County relating to zoning, building permits, or any other matters.

**Section 12**

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

**Section 13**

**Effective Date.** The effective date of this Ordinance is thirty days after final adoption on second reading November 23, 2015. This Ordinance shall be in full force and effect on December 23, 2015.

INTRODUCED, PASSED AND ADOPTED BY THE RAVALLI COUNTY BOARD OF COMMISSIONERS OF RAVALLI COUNTY, MONTANA, ON FIRST READING, AT A REGULARLY CONVENED MEETING THEREOF HELD ON THE 9<sup>TH</sup> DAY OF NOVEMBER, 2015.

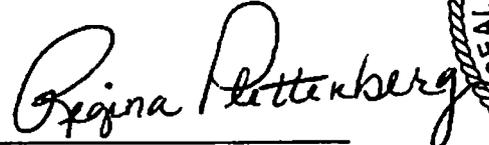
  
JEFF BURROWS, CHAIR

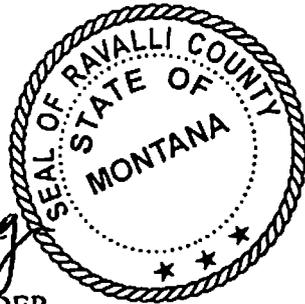
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GREG CHILCOTT, MEMBER

  
JR IMAN, MEMBER

  
RAY HAWK, MEMBER

  
DOUG SCHALLENBERGER, MEMBER

ATTEST:   
REGINA PLETTENBERG, CLERK & RECORDER





**PASSED, APPROVED AND ADOPTED BY THE RAVALLI COUNTY BOARD OF COMMISSIONERS OF RAVALLI COUNTY, MONTANA ON SECOND READING, AFTER PUBLICATION AND NOTICE OF PUBLIC HEARING THEREON, AT A REGULARLY CONVENED MEETING THEREOF HELD ON THE 23RD DAY OF NOVEMBER 2015.**

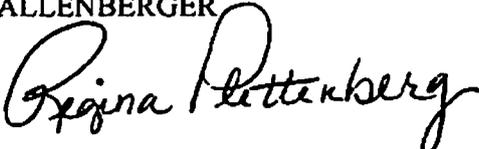
  
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JEFF BURROWS, CHAIRMAN

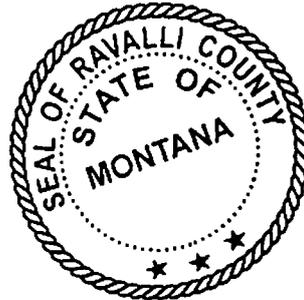
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GREG CHILCOTT, MEMBER

  
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JR IMAN, MEMBER

  
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RAY HAWK, MEMBER

  
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DOUG SCHALLENBERGER

  
ATTEST: \_\_\_\_\_  
REGINA PLETTENBERG, CLERK & RECORDER



**EXHIBIT "A"**

**NOTICE OF PUBLIC HEARING FOR THE SECOND READING OF AN ORDINANCE  
TO CREATE A  
TARGETED ECONOMIC DEVELOPMENT DISTRICT (TEDD) IN RAVALLI  
COUNTY**

The Ravalli County Board of Commissioners will hold a public hearing for the second reading of an Ordinance to create/establish a Ravalli County Targeted Economic Development District (TEDD) and adopting the Ravalli County Targeted Economic Development District Development Pattern Plan on, Monday, November 23, 2015 at 9:00 AM in the Commissioners Conference Room (3<sup>rd</sup> floor) located at 215 South Fourth Street, Hamilton, Montana.

Ravalli County has decided to embark on a program to encourage related, secondary, value-adding industrial growth at the Ravalli County Targeted Economic Development District (TEDD) by providing a financial mechanism to install necessary infrastructure improvements as authorized by Montana's Urban Renewal Law (7-15-4201 et. Seq.) The County plans to utilize Tax Increment Financing (TIF) in conjunction with other funding sources to foster the development of secondary, value adding industries within the proposed Ravalli County Targeted Economic Development District (TEDD) as part of its overall mission to promote economic development, to improve area employment opportunities and to expand the community's base. As revenues permit, Ravalli County may issue tax increment financing bonds in support of these activities.

The Ravalli County Targeted Economic Development District (TEDD) property is generally located on land that includes the Ravalli County Airport and other contiguous parcels, including approximately 420 acres, more or less, generally located in Sections 19, 20, 29 & 30, T 6 N, R 20 W, S1/2SW1/4SW1/4 Section 20, T6N, R20W, S1/2N1/2SW1/4SW1/4 Section 20, T6N, R20W, Sections 19, 20, 29 & 30, T 6 N, R 20 W, Ravalli County, Montana.

All interested persons will be given the opportunity to comment on the proposed ordinance. Comments may be given orally at the meeting, submitted electronically by emailing to [gwiles@rc.mt.gov](mailto:gwiles@rc.mt.gov), or submitted in writing mailed to County Commissioners Administrative Assistant, 215 South 4th St, Suite A, Hamilton, MT 59840.

For additional information, contact Julie Foster, Ravalli County Economic Development Authority, 274 Old Corvallis Rd. Suite A, Hamilton, MT 59840, 406-375-9416. The Ordinance may be reviewed at the Commissioner's Office at 215 South 4th Street, Suite A, Hamilton, Montana, or by contacting the Commissioner's Office at [gwiles@mt.gov](mailto:gwiles@mt.gov) or 406-375-6500.

**EXHIBIT "B"**

Legal Description and Map of the Ravalli County Targeted Economic Development District

The legal description of the Ravalli County TEDD is as follows:

Ravalli County Airport and certain contiguous parcels, described as beginning at the common section corner of Sections 19, 20, 29 & 30, T 6 N, R 20 W, said point being the true point of beginning; thence N. 00° 11' 01" E., along the common section line between Section 19 & 20, a distance of 925.95 feet; thence West, a distance of 1600.53 feet to a point on the Westerly edge of the Republican Ditch Easement as shown on Certificate of Survey (COS) 582497, thence fourteen (14) courses along the westerly edge of said easement, N. 17° 16' 07" W., a distance of 31.46 feet; thence N. 07° 02' 53" E., a distance of 165.18 feet; thence N. 33° 00' 53" E., a distance of 217.31 feet; thence N. 54° 19' 07" W., a distance of 19.32 feet; thence N. 03° 24' 02" W., a distance of 116.98 feet; thence N. 02° 40' 32" E., a distance of 180.87 feet; thence N. 25° 17' 44" E., a distance of 43.56 feet; thence N. 05° 05' 23" W., a distance of 148.38 feet; thence N. 04° 14' 47" E., a distance of 242.27 feet; thence N. 01° 57' 24" E., a distance of 194.12 feet; thence N. 14° 27' 24" E., a distance of 101.12 feet; thence N. 01° 31' 38" E., a distance of 111.93 feet; thence N. 00° 52' 46" W., a distance of 104.22 feet; thence N. 14° 43' 30" E., a distance of 22.19 feet; thence S. 89° 59' 50" W., a distance of 2529.57 feet; thence S. 00° 08' 07" W., a distance of 551.23 feet to the Northeast corner of Parcel A of COS 4343; thence two (2) courses along the Northerly boundary of said Parcel A, N. 89° 59' 50" W., a distance of 1177.23 feet; thence S. 68° 41' 43" W., a distance of 70.11 feet to a point on the West line of said Section 19; thence N. 00° 04' 12" E., along said West line of said Section 19, a distance of 1841.49 feet; thence S. 84° 20' 00" E., a distance of 1070.10 feet; thence S. 35° 00' 00" W., a distance of 328.00 feet; thence S. 03° 12' 54" E., a distance of 512.54 feet to a point on a non-tangent curve from which the radius bears S. 03° 12' 54" E, Easterly, Southeasterly and Southerly, being concave to the Southwest and having a radius of 318.50 feet, a distance of 518.81 feet to a point on a non-tangent line; thence N. 89° 59' 50" E., a distance of 3958.00 feet to a point on the Easterly line of said Section 19; thence S. 00° 11' 01" W., a distance of 1643.25 feet to the Northwest corner of the S1/2N1/2SW1/4SW1/4 of said Section 20; thence N. 89° 58' 49" E., a distance of 1326.55 feet to the Northeast corner of the S1/2N1/2SW1/4SW1/4 of said Section 20; thence N. 00° 07' 03" W., a distance of 328.23 feet to the Northwest corner of the SE1/4SW1/4 of said Section 20; thence N. 89° 57' 11" E., a distance of 1325.64 feet to the Northeast corner of the SE1/4SW1/4 of said Section 20; thence S. 00° 09' 22" E., a distance of 1315.49 feet to the Southeast corner of the SE1/4SW1/4 of said Section 20; thence S. 00° 29' 49" E., a distance of 4056.13 feet to a point on the northerly boundary of Parcel 1 of COS 488373; thence N. 89° 50' 10" E., a distance of 487.88 feet to the Northeast corner of said Parcel 1; thence S. 00° 21' 16" E., a distance of 28.00 feet; thence N. 89° 50' 10" E., a distance of 9.30 feet; thence S. 00° 00' 06" W., a distance of 2546.73 feet; thence S. 58° 00' 06" W., a distance of 79.28 feet; thence N. 85° 59' 54" W., a distance of 140.43 feet to a point on the Northerly right-of-way line of Golf Course Road; thence eight (8) courses along said Northerly right-of-way line, N. 66° 43' 33" W., a distance of 22.85 feet; thence N. 89° 33' 42" W., a distance of 147.62 feet to a point on a non-tangent curve from which the radius bears S. 07° 25' 32" W; thence Westerly, along said non-tangent curve, being concave to the South and having a radius of 1482.50 feet, a distance of 159.94 feet to a point on a tangent line; thence N. 88° 45' 21" W., a distance of 489.05 feet; thence S. 77° 15' 03" W., a distance of 41.04 feet; thence N. 88° 32' 50"

W., a distance of 194.92 feet; thence N. 80° 31' 25" W., a distance of 50.11 feet; thence N. 89° 29' 14" W., a distance of 40.26 feet; thence N. 00° 18' 39" W., a distance of 208.66 feet; thence N. 89° 17' 50" W., a distance of 417.37 feet; thence S. 00° 17' 17" E., a distance of 208.84 feet to a point on the Northerly right-of-way line of Golf Course Road; thence along said Northerly right-of-way line, N. 89° 18' 11" W., a distance of 60.05 feet; thence N. 00° 17' 08" W., a distance of 1300.42 feet; thence N. 00° 18' 32" W., a distance of 1258.27 feet to the Northwest corner of said Parcel 1; thence N. 89° 50' 10" E., a distance of 149.52 feet; thence N. 00° 29' 57" W., a distance of 3256.53 feet; thence S. 89° 52' 03" W., a distance of 1465.83 feet; thence N. 00° 27' 42" W., a distance of 806.17 feet to the true point of beginning, containing 420.28 acres more or less. Ravalli County, Ravalli County, Montana, as shown below.

CONTAINS 420.28+/-ACRES SUBJECT TO ALL EASEMENTS OR DEDICATIONS, EXISTING OR OF RECORD.

District Map

The following figure illustrates the proposed Ravalli County Targeted Economic Development District. The TEDD lies within the blue borders.

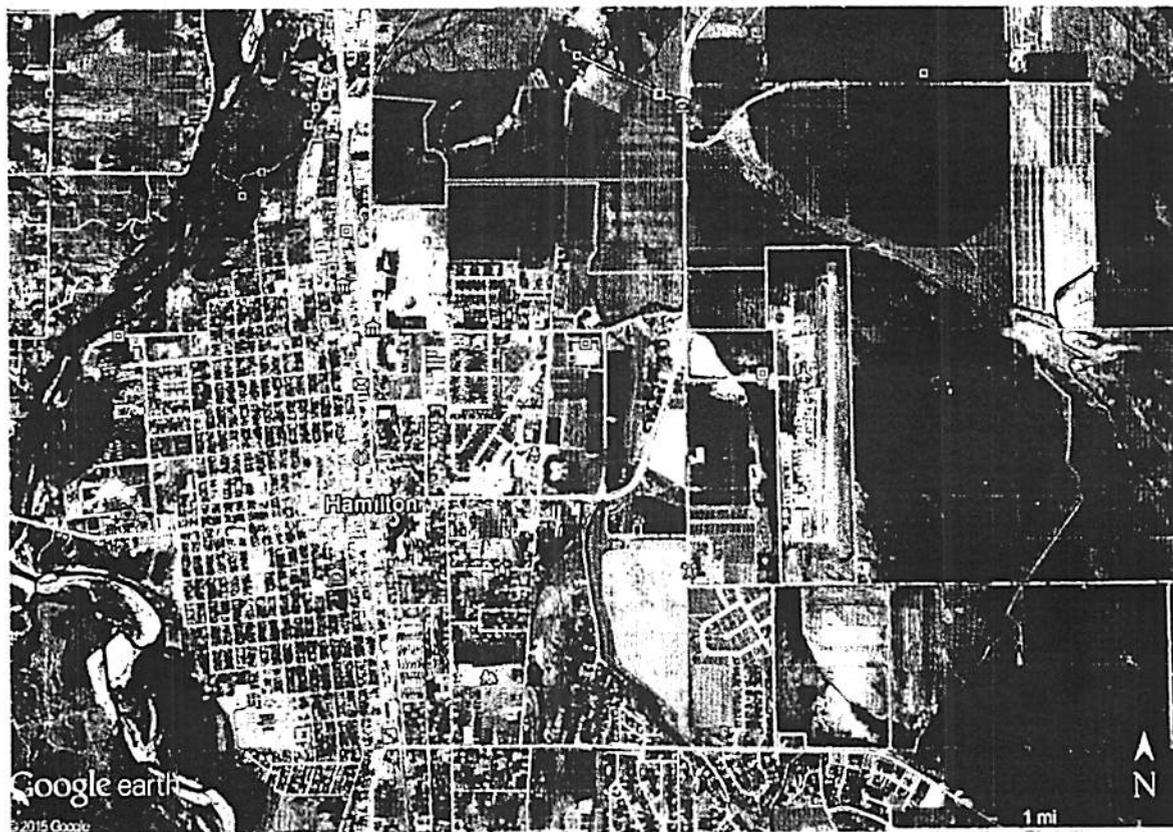


EXHIBIT "C"

**Comprehensive Development Plan  
Ravalli County  
Targeted Economic Development District  
Adopted November 19<sup>th</sup>, 2015**

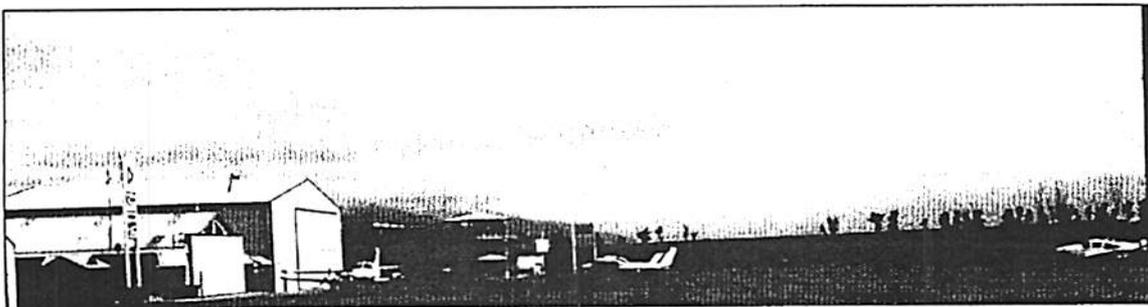
**Comprehensive Development Plan  
Ravalli County  
Targeted Economic Development District**

**1. INTRODUCTION**

Ravalli County in conjunction with the Ravalli County Economic Authority (RCEA) is interested in fostering the development of secondary, value adding industries in Ravalli County as part of its overall mission to promote economic development, to improve area employment opportunities and to expand the community's tax base. This effort will be facilitated through the creation of a Targeted Economic Development District or "TEDD" including the Ravalli Airport and other adjacent, contiguous areas. Ravalli County intends to use Tax Increment Financing as part of its overall strategy to provide infrastructure in support of value-adding industry per the 2013 Targeted Economic Development District Act, embodied in 7-15-4279, Montana Code Annotated (MCA).

Per MCA 7-15-4279 Ravalli County will zone the TEDD in accordance with the Development Pattern Plan, MCA 76-2-104, for the purpose of furthering the health, safety, and general welfare of the people of the county. The county planning and zoning commission is empowered to make and adopt a development pattern for the physical and economic development of the planning and zoning district.

A key role of the TEDD is to host a diversified tenant base of multiple, independent, tenants. The development pattern, with the accompanying maps, and descriptive materials, show the planning and zoning commission's recommendations for the development of the district. A preliminary engineering report for the district will examine the infrastructure deficiencies and provide possible solutions to infrastructure deficiencies. The preliminary engineering report will also provide initial documentation on environmental resources. The development pattern, the preliminary engineering report, and the comprehensive development plan will identify necessary components of supporting a diversified tenant base. These documents will also provide the opening planning documents to guide development of the TEDD for a diversified tenant base.



**Brief Overview of Ravalli County and the Proposed TEDD**

A brief history of Ravalli County and the Bitterroot Valley provides insight into the evolving and ongoing community. The historical economy of the county had been predominantly based on agriculture and natural resources. Timber was harvested in the county beginning in the 1880's when Marcus Daly needed lumber for his mines in Butte and continued as a thriving industry until the 1980's. Mining was also a thriving industry in the late 1800's until the 1930's.

Today, Ravalli is the state's seventh most populous county and contains 1,850 square miles of public forest lands, about 74% of which is public land. Public lands have played a significant role in the area's economic development. Today, these lands are considered an important draw for tourism and relocation to the area.

There are over 1,500 farms and 1,352 non-farm businesses in the county. Overall, wage and income growth has lagged behind both the state and federal numbers. The economic foundation changed from natural resource based industries and agriculture to a service and retail based economy. Higher paying jobs in the extraction and production industries were replaced by lower paying jobs in the retail and service sector. Household and per capita incomes declined in the county as a result of this shift.

In the 1970's the Ravalli County per capita income was in the top ten of the national average. Since the decline of the timber, mining and agricultural economy, Ravalli County per capita incomes have hovered between 47th and 48th. A significant portion of the workforce hold multiple, low wage jobs. Family income levels remain a chronic problem for many in the Bitterroot Valley. It takes time to recover from these changes and economic losses. In forty years Ravalli County's wages moved from the top 10 to nearly last. It makes sense that the resources and solutions to regaining a place in the top wage bracket will take at least as long. For example, two new generations of workforce must learn new skills. New businesses, using new technology must be the brain child of budding entrepreneurs.

As new industry sectors such as bio and life sciences, high tech manufacturing, professional services, and healthcare, begin to slowly, and with assistance from public and private investment, provide good paying jobs, we move toward a stronger economy.

Agriculture remains a key economic and social component to Ravalli County. Although the number of farms and the dollars contributed to the economy has declined significantly many blossoming, successful, efforts in agriculture now contain an innovative value-added element.

Ravalli County has many strong assets. Our economic base is diverse and includes high tech manufacturing, technology, value added agriculture, bio-science, value added forest products industry, and many cottage and life style businesses. 96% of our 1,400 businesses have fewer than 10 employees. The City of Hamilton, the County seat, is home to GlaxoSmithKline (GSK) and Rocky Mountain Laboratories (RML). GSK is the fourth largest pharmaceutical company in the world and RML is the only Level-4 bio lab in the Northwest. Our community has a two-year college, the Bitterroot College. The county is made up of four incorporated cities and towns; Stevensville, Pinesdale, Hamilton and Darby and five unincorporated areas; Florence, Victor, Corvallis, Conner, and Sula. We are located in a beautiful forested area of mountains with clean streams and a fertile valley floor that is transected by the Bitterroot River, our community is bordered by the largest wilderness area in the lower 48 states.

Ravalli County's 2014 population estimate is 40,212. The population estimate for 2014 is 41,030. According to the U.S. Department of Housing and Urban Development, about 19.8% of the population of Ravalli County lives below the poverty line. Poverty is up in Ravalli County from 14% in 2008.

#### History of the Ravalli County Airport

Ravalli County Airport (6S5) is located in Hamilton, Montana. The airport was built in 1934 the field was constructed in a "T" shape, with a north-south runway a quarter mile long and 400 feet wide and an east-west runway a quarter mile long and 400 feet wide, running along what was called "the airport road" (now called Tammany Lane). Ravalli County Airport is one of the busiest General Aviation airports in the state. The airport lies in the middle of some of the best recreation areas of Western Montana and Idaho and is the gateway to the back country. A few of the airport uses are wildlife management, corporate aviation, law enforcement, and medical evacuations. The airport also services as the fire fighting base for the Bitterroot National Forest (USFS).

In order to better understand the economic benefits of Montana's public-use airports to the statewide economy, the Montana Department of Transportation, Aeronautics Division completed and Economic Impact of Airports Study to quantify the value of aviation to the State. In 2008, there were ten aviation related tenants on the airport, plus airport management, who supported 57 employees. These tenants' direct first round employment, payroll and output impacts were derived from survey data. Direct output from all on-airport aviation related tenants is estimated at \$5.64 million annually. The estimated direct annual payroll of these tenants is \$2.21 million. Operations data indicated that approximately 7,300 visitors used the airport. Visitor related spending supported an additional 12.5 full time jobs for employees earning over \$243,800 annually. Indirect output from general aviation visitors is estimated at \$657,400. Construction is not included in this analysis. [[www.mdt.mt.gov/aviation/docs/economic-impact/print-quality-brochures/ravalli-county-airport.pdf](http://www.mdt.mt.gov/aviation/docs/economic-impact/print-quality-brochures/ravalli-county-airport.pdf)]

The Ravalli County Airport is operated by the County with direction and advice from a seven-person Airport Board, consisting of a combination of community members and airport users. An airport manager, employed by the County, oversees the daily operations at the airport.

#### Developing an Economic Development Strategy

Developing and maintaining industrial areas for key local industries that provide higher wage jobs is critical to the County's economic health. However, the county of Ravalli has no land with access to infrastructure. Water, waste water services, and broadband Internet are among the biggest barriers to attracting and retaining the industries that supply good wage jobs.

The TEDD will provide the local government with the ability to employ tax increment financing for appropriate public infrastructure projects in support of "secondary value-adding industry or secondary value-added products or commodities" at the Ravalli County Airport and other contiguous parcels located in the TEDD.

The Ravalli County TEDD is located adjacent to the City of Hamilton. This area around Hamilton is a desirable location where businesses want to locate. However, there is no clearly defined space with access to infrastructure for secondary value-adding business growth to occur.

The majority of the County and City of Hamilton tax base is made up of residential property taxpayers rather than higher paying industrial and commercial properties. The City's Growth Policy - Land Use Patterns, states, "Most of the land within the city limits is developed with limited opportunities for in-fill development." The city's Planning Area shows a large parcel of industrial land to the north of the city, however, this land is not currently annexed. The land is largely agriculture and residential with little infrastructure in place. It is not serviced by municipal waste water. The city's zoning map clearly shows what is in place for tax base revenue. (Appendix A and B: City Hamilton Zoning Districts and Planning Area)

The lower revenue generating tax base creates a financial hardship for the local government as it works to keep up with the high cost of providing services in the County. The airport land and the adjoining land is suitable for value-adding, light industrial and technology development. The land in the TEDD will support a diversified tenant base of multiple, independent, tenants if the proper infrastructure and public improvements can be provided.

The County sees the opportunity for a TEDD at the Airport and adjacent land to incentivize appropriate locations for a diverse tenant base of businesses. The TEDD will encourage economic development, the most efficient use of natural resources, and enable the development of expensive infrastructure at the most reasonable cost.

The TEDD will clearly define the appropriate, sustainable space in the County where secondary, value-adding business growth can occur. Its purpose will be to develop additional infrastructure to encourage the location, expansion and retention of value added industries suitable for location at an airport, compatible with Federal Aviation Agency (FAA) regulations for those businesses that locate on airport land. The district does include land that is not part of the airport. Businesses that are not compatible with FAA regulations, will be able to locate on land that is not part of the airport.

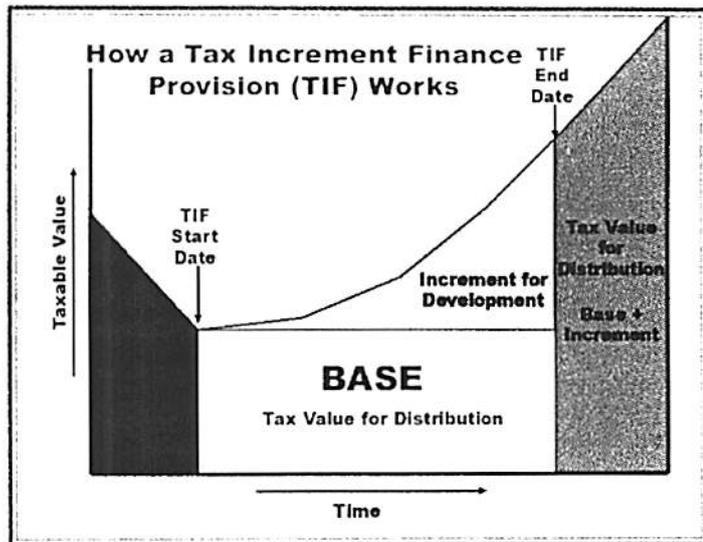
The County is aware of the need to work closely with the other taxing jurisdictions that will be affected by the creation of the TEDD. The County and RCEDA are working, and will continue to work, in concert with the other taxing jurisdictions that will be affected by the creation of a TIF provision, including the Hamilton School District. The Hamilton School District Board of Trustees in their September 22, 2015 letter to the County Commissioners stated that they believe economic development is good for the District's students and its taxpayers. The School Board requested that the Commissioners take action as appropriate throughout the lifetime of the TEDD to ensure that the District's taxpayers are not unfairly burdened in the event that enrollment increases, resulting from the TEDD, require the improvement or addition of school infrastructure.

Quality education systems are important to an area working to create an environment where economic development will flourish. Other significant elements include recreation, culture and the arts. Retaining young families and the new workforce are crucial to companies and communities that will succeed in the swiftly evolving tech based economy. Keeping those workers and their families happy will require investment and recognition of what is important to them.

Tax Increment Financing for Targeted Economic Development

The County intends to use Tax Increment Financing within the TEDD, which encompasses an area of approximately 420 acres. The TEDD zoning designation from the Development Pattern is Airport and Light Industrial and Technology. The base year for the purposes of measuring any incremental value will be 2015 and the base value will be calculated as of January 1, 2015.

Tax increment financing is a mechanism that allows communities to use new tax dollars resulting from increasing taxable value for reinvestment within the geographic area in which they are derived. Until 1989, tax increments could only be used for rehabilitation efforts within urban renewal areas within the municipal boundaries of cities or towns, which were usually blighted central business districts. In 1989 and again in 2013, the Montana Legislature amended the Montana Urban Renewal Law to enable cities,



towns and counties to create special districts which could employ tax increment financing to assist in the development and retention of secondary, value-adding industries. In doing so, the Legislature noted that the State of Montana wishes to encourage secondary, value-adding industrial manufacturing that uses Montana timber, mineral, oil and gas, coal and agricultural resources in the production of goods in the State. The legislation recognized that secondary, value-adding industries, in order to be competitive in today's world economy, require expensive infrastructure that is beyond the means of most Montana communities. The Targeted Economic Development District Act of 2013 enables communities to assist in secondary, value-adding industrial development in areas that are deemed to be infrastructure deficient. Tax increment financing can be used for improvements as defined in 7-15-4288 MCA.

Montana statutes define secondary value adding products and secondary value-adding industries as follows:

- (a) "secondary value-added products or commodities" means products or commodities that are manufactured, processed, produced, or created by changing the form of raw

materials or intermediate products into more valuable products or commodities that are capable of being sold or traded in interstate commerce;

- (b) "secondary value-adding industry" means a business that produces secondary value-added products or commodities or a business or organization that is engaged in technology-based operations within Montana that, through the employment of knowledge or labor, adds value to a product, process, or export service resulting in the creation of new wealth.

In order to make use of this innovative economic development strategy, the County must adopt a **development pattern and a comprehensive development plan**. The plan must outline those activities that the local government intends to undertake in order to successfully develop (or retain) value-adding industrial activity. Finally, the boundaries of the district must ensure that the district can host a diversified tenant base of multiple independent tenants.

## 2. DISTRICT DESCRIPTION

### Site Description

The TEDD is located at the site of the Ravalli County Airport, adjacent, contiguous parcels and contains 420 acres of land. The airport is a county-owned public use airport, located approximately 1.5 miles northeast of the central business district of Hamilton. According to the FAA's National Plan of Integrated Airport Systems for 2009-2013, the airport is categorized as a general aviation facility.

Ravalli County has established an "Airport Influence Area" (AIA) in accordance with MCA 67-4-311-314. This ordinance provides that no permit be granted which would allow the establishment of an airport hazard or that would allow a non-conforming use, structure or tree to become a greater hazard than it was on the day the AIA was established. Land owners within the airport influence area must apply for a permit and indicate the height of structures or describe any operations such as lights and smoke that might interfere with the airport. The ordinance also puts nearby land owners on notice of noise, vibration and dust that may result from the operation of aircraft.

### Legal Description

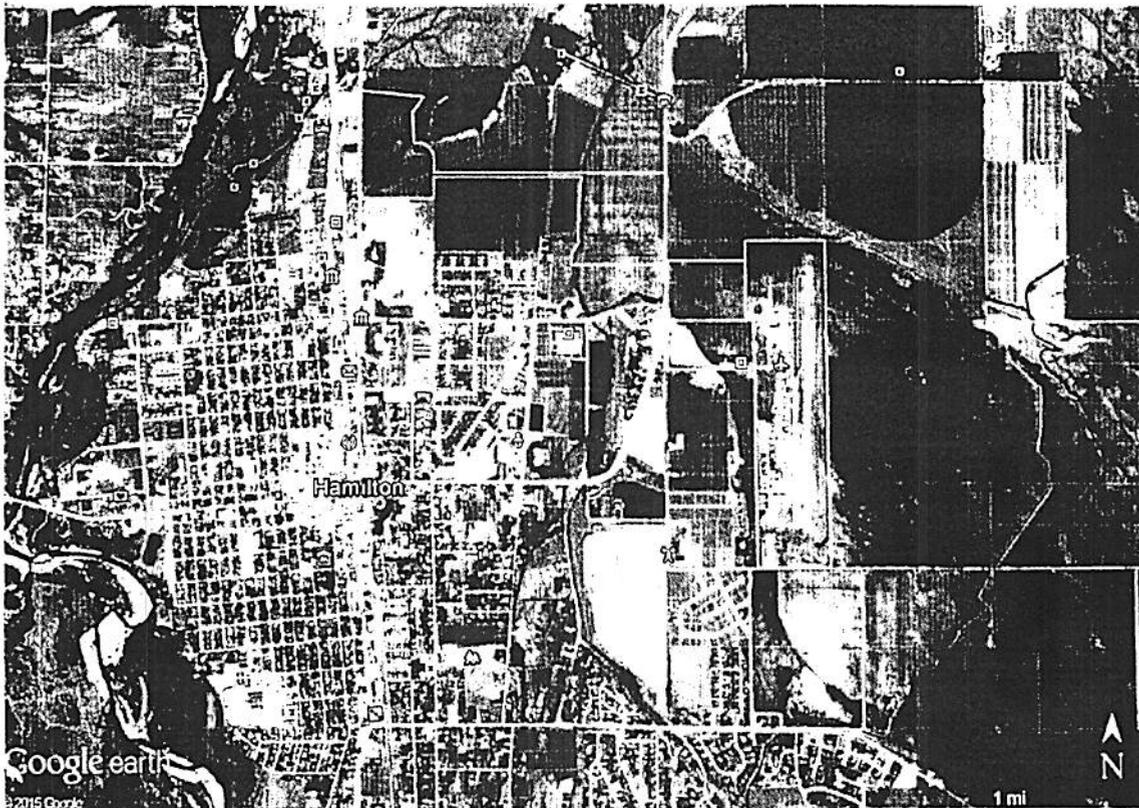
The legal description of the Ravalli County TEDD is as follows:

Described as beginning at the common section corner of Sections 19, 20, 29 & 30, T 6 N, R 20 W, said point being the true point of beginning; thence N. 00° 11' 01" E., along the common section line between Section 19 & 20, a distance of 925.95 feet; thence West, a distance of 1600.53 feet to a point on the Westerly edge of the Republican Ditch Easement as shown on Certificate of Survey (COS) 582497, thence fourteen (14) courses along the westerly edge of said easement, N. 17° 16' 07" W., a distance of 31.46 feet; thence N. 07° 02' 53" E., a distance of 165.18 feet; thence N. 33° 00' 53" E., a distance of 217.31 feet; thence N. 54° 19' 07" W., a distance of 19.32 feet; thence N. 03° 24' 02" W., a distance of 116.98 feet; thence N. 02° 40' 32" E., a distance of 180.87 feet; thence N. 25° 17' 44" E., a distance of 43.56 feet; thence N. 05° 05' 23" W., a

distance of 148.38 feet; thence N. 04° 14' 47" E., a distance of 242.27 feet; thence N. 01° 57' 24" E., a distance of 194.12 feet; thence N. 14° 27' 24" E., a distance of 101.12 feet; thence N. 01° 31' 38" E., a distance of 111.93 feet; thence N. 00° 52' 46" W., a distance of 104.22 feet; thence N. 14° 43' 30" E., a distance of 22.19 feet; thence S. 89° 59' 50" W., a distance of 2529.57 feet; thence S. 00° 08' 07" W., a distance of 551.23 feet to the Northeast corner of Parcel A of COS 4343; thence two (2) courses along the Northerly boundary of said Parcel A, N. 89° 59' 50" W., a distance of 1177.23 feet; thence S. 68° 41' 43" W., a distance of 70.11 feet to a point on the West line of said Section 19; thence N. 00° 04' 12" E., along said West line of said Section 19, a distance of 1841.49 feet; thence S. 84° 20' 00" E., a distance of 1070.10 feet; thence S. 35° 00' 00" W., a distance of 328.00 feet; thence S. 03° 12' 54" E., a distance of 512.54 feet to a point on a non-tangent curve from which the radius bears S. 03° 12' 54" E, Easterly, Southeasterly and Southerly, being concave to the Southwest and having a radius of 318.50 feet, a distance of 518.81 feet to a point on a non-tangent line; thence N. 89° 59' 50" E., a distance of 3958.00 feet to a point on the Easterly line of said Section 19; thence S. 00° 11' 01" W., a distance of 1643.25 feet to the Northwest corner of the S1/2N1/2SW1/4SW1/4 of said Section 20; thence N. 89° 58' 49" E., a distance of 1326.55 feet to the Northeast corner of the S1/2N1/2SW1/4SW1/4 of said Section 20; thence N. 00° 07' 03" W., a distance of 328.23 feet to the Northwest corner of the SE1/4SW1/4 of said Section 20; thence N. 89° 57' 11" E., a distance of 1325.64 feet to the Northeast corner of the SE1/4SW1/4 of said Section 20; thence S. 00° 09' 22" E., a distance of 1315.49 feet to the Southeast corner of the SE1/4SW1/4 of said Section 20; thence S. 00° 29' 49" E., a distance of 4056.13 feet to a point on the northerly boundary of Parcel 1 of COS 488373; thence N. 89° 50' 10" E., a distance of 487.88 feet to the Northeast corner of said Parcel 1; thence S. 00° 21' 16" E., a distance of 28.00 feet; thence N. 89° 50' 10" E., a distance of 9.30 feet; thence S. 00° 00' 06" W., a distance of 2546.73 feet; thence S. 58° 00' 06" W., a distance of 79.28 feet; thence N. 85° 59' 54" W., a distance of 140.43 feet to a point on the Northerly right-of-way line of Golf Course Road; thence eight (8) courses along said Northerly right-of-way line, N. 66° 43' 33" W., a distance of 22.85 feet; thence N. 89° 33' 42" W., a distance of 147.62 feet to a point on a non-tangent curve from which the radius bears S. 07° 25' 32" W; thence Westerly, along said non-tangent curve, being concave to the South and having a radius of 1482.50 feet, a distance of 159.94 feet to a point on a tangent line; thence N. 88° 45' 21" W., a distance of 489.05 feet; thence S. 77° 15' 03" W., a distance of 41.04 feet; thence N. 88° 32' 50" W., a distance of 194.92 feet; thence N. 80° 31' 25" W., a distance of 50.11 feet; thence N. 89° 29' 14" W., a distance of 40.26 feet; thence N. 00° 18' 39" W., a distance of 208.66 feet; thence N. 89° 17' 50" W., a distance of 417.37 feet; thence S. 00° 17' 17" E., a distance of 208.84 feet to a point on the Northerly right-of-way line of Golf Course Road; thence along said Northerly right-of-way line, N. 89° 18' 11" W., a distance of 60.05 feet; thence N. 00° 17' 08" W., a distance of 1300.42 feet; thence N. 00° 18' 32" W., a distance of 1258.27 feet to the Northwest corner of said Parcel 1; thence N. 89° 50' 10" E., a distance of 149.52 feet; thence N. 00° 29' 57" W., a distance of 3256.53 feet; thence S. 89° 52' 03" W., a distance of 1465.83 feet to the true point of beginning, containing 420.28 acres more or less. Ravalli County, Ravalli County, Montana, as shown below.

**District Map**

The following figure illustrates the proposed Ravalli County TEDD.



Land Owners, Addresses and Geocodes

Airport

- 13-1468-32-1-01-06-0000
- 13-1468-29-3-01-01-0000
- 13-1468-29-1-01-17-0000
- 13-1468-29-1-01-03-0000
- 13-1468-29-1-01-16-0000
- 13-1468-20-1-01-32-0000
- 13-1468-20-1-01-27-0000
- 13-1468-20-1-01-26-0000

Mildenberger

- 13-1468-20-1-01-25-0000
- 13-1468-20-1-01-24-0000

Bessenvey

- 13-1468-19-1-01-02-0000
- 13-1468-19-1-01-03-0000

### **3. GOALS OF THE RAVALLI County TEDD**

The Goals of Ravalli County in creating the Ravalli TEDD are as follows:

- To foster economic vitality in the County and increase employment opportunities through infrastructure development in support of secondary value-adding industry
- To provide support for businesses and industries that preserve 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 Montana's and area resources for the purposes of engaging in interstate commerce
- To encourage the orderly growth and development of the community

Ravalli County is intent on moving forward with economic development that is in the community's best interest. In light of this, the County's major economic goals are

- Provide a locally driven economic development resource for funding public infrastructure projects ;
- Demonstrate a well defined plan for economic growth and provide predictability for businesses by providing appropriate space for industrial and technology businesses that is readily available;
- Foster public-private partnerships to facilitate the construction and maintenance of infrastructure in support of value-adding industrial development.
- Assist in the development of necessary public infrastructure in support of economic development.
- Identify lands in the County where industrial and technology development are appropriate, including those areas adjacent to existing industrial sites which include, manufacturing and processing facilities.
- Promote secondary, value adding industry in Ravalli County through appropriate land use designations and development incentives.
- Implement land use plans and regulations such as zoning districts that support industrial development in appropriate areas.

Supporting entrepreneurship and small business is important to the economy of the Bitterroot Valley. Nationally 44% of new job creation comes from new business startups and small and medium size businesses create 80% of private jobs. Small and medium sized businesses create new jobs at a tenth of the cost of jobs created by Fortune 500 companies. 51% of Ravalli County businesses are Stage I employing 1 to 9 people. 45% of those making a living in Ravalli County are self employed. Ninety six percent of Ravalli County business establishments are made up of these small sized firms.

Approximately 25% of those in Ravalli County commute to Missoula for work. The percentage of workforce commuters to Missoula for higher paying jobs is something that the County and its

partners in economic development strive to reduce. The creation of the targeted economic development district will, over time, contribute to increasing the number of places where business can occur, closer to employees' residences.

Ravalli County has a limited amount of land suitable for targeted economic development due to the lack of water, wastewater, and broadband Internet infrastructure. Comprehensive planning within the TEDD, where technology and industrial economic development can take place, are important for industries that provide higher wage jobs.

#### **4. INFRASTRUCTURE ANALYSIS – STATEMENT OF INFRASTRUCTURE DEFICIENCY**

Ravalli County is one of the fastest growing counties in the State. Constructing infrastructure is expensive and challenging. Although the potential for economic development to occur in the proposed area is great, the lack of adequate infrastructure is a significant barrier that must be addressed.

To assist in defining the infrastructure deficiencies and researching solutions the Ravalli County Commissioners contracted with Professional Consultants Inc. to develop a Preliminary Engineering Report (PER) for the TEDD area. (Appendix C: PER)

Within the planning area and the potential service area of the TEDD, the PER will evaluate the feasibility of connecting to existing City of Hamilton water and waste water facilities. The document will provide an assessment of the existing water, sewer, utilities, broad band Internet, and road ways which the TEDD will utilize. The PER will analyze costs of providing infrastructure.

The PER will address the health & safety issues, such as capacity concerns with providing domestic water and sewer flows. Fire flow requirements and availability are examined. The PER will also examine the lack of, and affordability of, workforce housing due to lack of available land and infrastructure.

Finally the PER identifies service alternatives and screens each alternative for feasibility. Based on the results of the analysis, a recommended, preferred, alternative is included in the PER.

As part of the PER, information on the environmental resources present in the PER planning area/TEDD boundary were collected. Anticipated impacts to the resources due to the proposed project will be summarized in the Uniform Environmental Checklist (UEC). Included with the checklist will be a narrative summary of the proposed project which is further detailed in the PER. The infrastructure deficiencies outlined below are detailed in the PER.

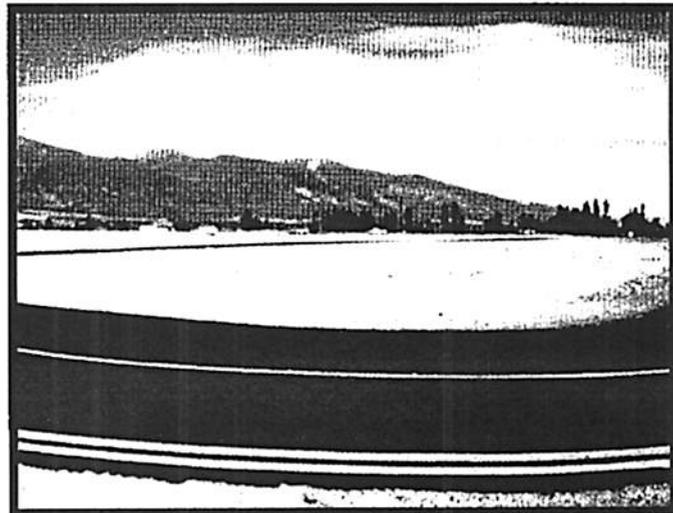
On August 5, 2015, the County passed a Resolution of Necessity, designating the Ravalli Airport and adjacent land as infrastructure deficient. This action establishes the need for the TEDD program and the rationale for investing public funds in economic development activities. The following infrastructure deficient conditions in the proposed Ravalli TEDD have been identified.

Water System – Where service exists, the Ravalli County TEDD is served by wells. A comprehensive water service plan is needed at the airport to meet this need and those of future industrial users.

Sewer System – The Ravalli Airport and the area within the Ravalli County TEDD has a high ground water table. Much of the developed land restricts any new septic systems from being installed in accordance with state and local regulations. Any commercial development is impacted and facilities are severely limited for new sewer facilities. Future site planning includes developing on site services and/or extending city sewer service to the airport area, which would ultimately eliminate the need for individual septic. Currently, there is no scheduled date or timeframe for the City to provide services. The County will need to create a central collection and disposal system to meet the needs of targeted economic development users.

Broadband Internet - Affordable, readily available, high speed broadband Internet is critical to the success of business, education, and public safety. Without broadband Internet economic development suffers. The FCC defines broadband as 25 Mbps x 3 Mbps. While large telecommunications providers have continued to collect Universal Service Fund fees to compensate large carriers (aka CenturyLink) to provide service in rural areas the companies have not lived up to their end of the bargain in rural America, rural Montana, and certainly not in the Bitterroot Valley. Working closely with local Internet Service Providers for innovative solutions is among options that the TEDD will explore.

Roadways – The Ravalli County TEDD area is in need of new roadways and taxi lanes to provide access for the construction of additional, airport-related industrial users and aircraft hangar facilities.



Utilities – Although telephone, natural gas and electrical utilities are available at the Ravalli County TEDD area, these services will need to be expanded in the future and may include upgrades to existing utilities to accommodate new targeted economic development and light industrial users.

General Improvements – Additional infrastructure and public service deficiencies will be identified over time. For example, improvements to security fencing, wildlife management/control and roadways for emergency/service vehicles, as well as upgrades to existing infrastructure, will need to be addressed.

## 5. TARGETED ECONOMIC DEVELOPMENT ACTIVITIES TO BE UNDERTAKEN

### Identification of secondary, value-adding industries

The County recognizes that economic development occurs in the private sector. The County's role will be to work with other public entities and private developers to establish an industrial and economic development framework to enable it to retain, target and recruit secondary, value-adding industries. Targeted industries will include aviation related businesses, manufacturers, technology, and value adding agriculture.

The types of industries the County plans to attract to the airport by developing and improving its infrastructure include:

- Aircraft Overhauls, Refurbishing and Repairs
- Aircraft Parts Manufacturing and Distribution
- Aircraft Experimental Kit Manufacturing, Testing and Distribution
- Aircraft Annual Inspections and Certifications
- Aircraft Engine Repair
- Aircraft Engine Parts Manufacturing and Distribution
- Avionics Repair, Component Manufacturing and Distribution
- Other Auxiliary Equipment Manufacturing and Distribution

Additionally, the proximity of the TEDD to a variety of agricultural and timber resources, enhances the County's potential for general manufacturing and other value adding industries.

### Bio Mass Heating District for Ravalli County Targeted Economic Development District (TEDD)

For thirty years traditional wealth building jobs (agriculture, timber, extractive) have been on a rapid decline in the Bitterroot Valley. During that same thirty years growth in knowledge based industries and value-adding opportunities have been on the incline.

Changing a region's economy does not happen by accident nor does it happen overnight. We expect positive change from establishment of the TEDD. The county will work to generate opportunities through the development of public infrastructure in the TEDD. One such opportunity being explored is a biomass heating district.

The traditional timber industry in the Bitterroot Valley has waned. Technology, such as heating districts, are a new way to use a traditional resource. Fuels reduction and woody biomass utilization can be economic development. These activities can help reduce wildfires and help sustain our vibrant rural communities.

A biomass heating district located in the County's TEDD could:

- Reduce heating costs for those in and surrounding the district
- Keep fuel dollars stay in the local economy

- Create job opportunities

Value added agricultural and industrial opportunities that aim for zero waste could be developed. For example, BudWood Cooperative, whose mission is in part to revitalize the western Montana apple industry, is working to evaluate the potential costs, logistics and benefits of a dried fruit processing plant powered by wood waste.

Value added agriculture is once again on the rise in Ravalli County as local producers utilize new technology and work to meet the growing demand of consumers that desire more locally produced foods. For years the farmers share of the of farm income has shrunk. It is important to put more of the revenue from the farm in to the producers bottom line.

#### Light Industrial, Technology, and Manufacturing

Ravalli County will work to improve the competitiveness of Ravalli County as a place to do business in Montana, among neighboring states, and in the world. Access to excellent public infrastructure, technical assistance to businesses, capital, and state and local government support are key elements to supporting this critical sector of the local economy. Ravalli County's TEDD aims to provide an environment with a competitive advantage for businesses. This advantage could extend to businesses located outside of the TEDD as well.

The TEDD may facilitate a center for manufactures to locate, network, assist with the development and implementation of workforce training, and workforce courses, materials, and programs. Outreach with small manufacturing enterprises, including women and minority owned manufacturing enterprises can occur. Ravalli County, through their support of the Ravalli County Economic Development Authority (RCEDA) already supports technical assistance to business. RCEDA operates as a sub-center for Procurement and Technical Assistance (PTAC) to aid businesses that seek to do business with the federal and state government. RCEDA is also a sub-center of the Montana Women's Business Center and provides one-on-one counseling to businesses of all sizes.

The role of the County is to provide a fertile area for businesses to grow and prosper. It is the private sector responsibility to provide creative ideas for new business growth. Further research and planning will be required to determine which industries could be recruited based on market conditions and the Ravalli County TEDD's unique position in the market place. Issues such as energy costs related to operations and transportation, distance from markets and overall industry trends, as well as infrastructure requirements will help determine industries to be targeted.

#### Workforce Housing

The need for affordable workforce housing in the Hamilton area is unmet. In Ravalli County rent is 42% to 62% of an individual's gross wage. Only 4 counties share this high rent rate, Ravalli, Missoula, Petroleum, and Prairie. This situation is an ongoing problem for our businesses and local government as they work to attract top talent. If job creation in the TEDD further diminishes affordable homes for working families some workforce housing in the District may be pursued. It is important for our community and our economy to have housing that a working family can afford. Paying a reasonable percentage of gross income as rent will help citizens to lead a healthier and higher quality life.

#### Capital Improvements Planning and Implementation

The County will undertake the necessary planning required to more specifically identify the infrastructure required to support the development of targeted secondary, value-adding industries. This planning effort will address necessary capital improvements and the associated costs. Infrastructure design and development could include roads, pedestrian ways, water and waste water systems, biomass heating district(s), utilities, street lighting, communication infrastructure such as cell towers and additional fiber cable and buildings. The Preliminary Engineering Report will add information to infrastructure planning and decisions.

#### TEDD Program Criteria

The County will use tax increment financing in conjunction with other funding mechanisms to support the development of secondary value-adding industry within the Ravalli County TEDD. Infrastructure projects selected for funding will be required to meet certain criteria, based on the goals of this Development Pattern. Suggested eligibility criteria for reviewing both publicly and privately initiated requests for public infrastructure improvements projects might include the following:

1. The project must be located within the authorized TEDD (or provide connecting services to the TEDD).
2. Additional specific criteria which will be used to evaluate applications for assistance will include but are not limited to:
  - a. Job Creation – Developments will be evaluated based upon the number of direct jobs created. Advantage will be given to developments where the wages and benefits for the jobs meet or exceed the current average county wage.
  - b. Taxable Valuation – In most cases, developers who contribute more to the community's tax base will be eligible for greater assistance.
  - c. Value-adding – Developers must be engaged in "secondary industries", defined as those industries that use mechanical or chemical processes to transform materials or substances into new products in the manner defined as manufacturing in the North American Industry Classification System Manual.

d. Leverage-Ratios – Tax increment funds will be used to construct infrastructure in support of secondary value adding economic development. Those investments of tax increment financing which result in a larger infusion of private or other public capital will generally be viewed more favorably, compared to those which result in smaller infusion of private or other public capital.

Each project will be analyzed individually to determine the amount of financial assistance available based upon the factors stated above. Final criteria will be approved by the Ravalli County Commissioners, based on the advice of the TEDD Advisory Board (see Section 6, Program Administration on page 17 of this plan).

#### Development Pattern

The Ravalli County Airport Area Voluntary Zoning District development pattern and land use regulations were recommended for adoption by the Ravalli County Planning & Zoning Board on November 2, 2015. The Ravalli County Commissioners subsequently adopted the Ravalli County Airport Area Voluntary Zoning District.

It is the intent of the property owners of the Ravalli County Airport Area Voluntary Zoning District to protect the functionality of the Airport while creating an opportunity for an industrial area to utilize a targeted economic development district and accommodating appropriate development and growth.

All land located in and owned by Ravalli County under the designation of the Ravalli County Airport shall be bound by the Rules and Regulations for the Airport as currently described in Resolution 2530, Dated March 31, 2010 and recorded as Document 629454. The Development Pattern for the Airport Property shall be subject to amendments to said Resolution 2530, and allowed under FAA rules and restrictions.

All other properties in the District shall have the following Development Pattern:

#### **LAND USE: Airport and Light Industrial and Technology**

This district provides land for a wide range of activities, including Airport and associated activities, manufacturing, technology, value-added agriculture, services, trade, and transportation and utilities. (Appendix D: Development Pattern)

#### Financing

Once targeted industries and required capital improvements have been more clearly identified, the next step will be to develop the mechanisms to implement the overall TEDD program. Given that private industrial development will generate the property taxes necessary to finance a portion of the infrastructure development, recruitment and infrastructure development must occur hand in hand. In some cases, the construction of public infrastructure will be financed through the sale of Tax Increment Bonds in combination with other state and federal funding programs. Tax increment financing mechanisms can include:

- **Tax Increment Bonds** – Tax increment revenues would be pledged to pay bond principal and interest annually. The size and term of the bond would depend on tax increment revenues available from private sector taxpayers within the TEDD. While Montana law provides that tax increment districts may only be authorized for 15 years, the time period may be extended to coincide with the term of a tax increment bond, but no longer than an additional 25 years. It may be necessary for the private taxpayer(s) to enter into an agreement with Ravalli County to assure, for the term of the bond, the annual payment of all property taxes due or an equivalent amount if the taxpayer no longer holds property in the district. The amount of tax increment realized each year must exceed the amount of the bond payment to be made each year, by as much as two times and the County must maintain an adequate reserve account.
- **Annual Tax Increment Appropriations** – The County may finance smaller public infrastructure improvements from its annual tax increment receipts by appropriation. Funds available each year would be determined by the size of the annual increment and any prior commitments (such as bond debt service requirements and administrative costs).
- **Tax Increment Financing Revolving Loans** – The Montana TIF statutes provide for the establishment of loan programs, whereby TIF funds may be loaned for the construction of private infrastructure or other activities in support of the goals of the TIF district. As principal and interest payments are made, the funds may be loaned again, even after the TIF District sunsets. Ravalli County may establish a revolving loan program, based the availability TIF funds as well as other financial resources.
- **Conventional Financing** – Ravalli County may borrow funds from commercial lending institutions in order to finance public infrastructure improvements. Annual tax increment revenues will pay principal and interest on the loan. A conventional loan agreement will not, however, extend the authorized 15 year\*time period for a TEDD.

Per 7-15-4291 MCA, Ravalli County may enter into agreements with the other affected taxing bodies to remit to such taxing bodies any portion of the annual tax increment not currently required for the payment of the costs listed in 7-15-4288 MCA or pledged to the payment of the principal of premiums, if any, and interest on bonds.

#### Industry Recruitment

Once the District is established, local staff and resources and/or consultant services could be used to assist in the development of business plans, market studies and general research to recruit secondary, value-adding industries to the TEDD. Once the District starts generating TIF revenue, these funds may be directed to these activities as well.

### Partnership Development

The TEDD program will rely on cooperative efforts among Ravalli County, property owners, and economic development organizations to achieve its goal of fostering industrial development. In many cases, these cooperative partners will work jointly on market analyses, business recruitment and capital improvements planning. Also, as noted above, it will be necessary to work with other local, state and federal entities in providing additional financing and matching funds to build industrial infrastructure in the TEDD. Potential partnerships can be forged using a variety of programs and funding mechanisms.

For example the County may choose to combine whatever financial resources it generates from a TEDD tax increment financing program with funding from the FAA and Montana Aeronautics as well as funds from the Community Development Block Grant Program (CDBG), the Economic Development Administration (EDA), the Treasure State Endowment Program (TSEP), the Rural Development Program (RD), and other agencies. Additional funding strategies and funding and technical assistance resources include:

### State and Federal Sources

- The Montana Intercep Program, which provides loans to local governments through the Board of Investments
- *Water, Wastewater and Solid Waste Action Coordinating Team* (a group of professionals from state, federal, and non-profit organizations that finance, regulate, or provide technical assistance for community water and wastewater systems)
- Community Transportation Enhancement Program – Under 23 USC 133 (d) (2) (Federal Code), 10 percent of the Surface Transportation Program monies are awarded to each state for transportation enhancements.

### Local Funding Mechanisms

- Local mill levies for transportation infrastructure (7-14-4101 MCA)
- Transportation Improvement Authority (7-14-1001, MCA)
- Special Improvement Districts (7-12-4101 MCA)
- Debt Financing – Counties can make use of various kinds of debt financing to fund industrial development projects. These include general obligation bonds, special improvement district bonds and revenue bonds as well as Tax Increment Financing Bonds.
- State Fuel Tax (15-70-101MCA)

## **6. PROGRAM ADMINISTRATION**

The Ravalli County TEDD program will be managed by the Ravalli County TEDD Advisory Board to the Ravalli County Commissioners. All decisions regarding budgeting, program design and related actions will be made directly by the Ravalli County Commissioners. No later than April of each year the Ravalli County Board of Commissioners, in conjunction with TEDD Advisory Board, will prepare an annual TEDD budget and work plan for the following fiscal year (July 1<sup>st</sup> to June 30<sup>th</sup>). Each annual work plan will include the following elements:

- Anticipated Increment Revenue for the Year
- Project Priorities and Associated Costs

- **Financing Strategies Anticipated**
  - Direct Increment Revenue
  - Debt Financing
  - Other Sources of Funding
- **Administrative Budget including staff and consulting services**

The Ravalli County Board of Commissioners will review the work plan and determine whether any changes are necessary before setting the budget. Once the budget is set, the TEDD Advisory Board, in conjunction with the County, will be responsible for:

- **Developing financing strategies**
- **Working with the County, property owners and developers to identify public infrastructure projects for the future**
- **Reviewing proposed infrastructure development projects for the future**
- **Following all local government procurement rules with respect to:**
  - Preparing bid and proposal requests
  - Reviewing proposals from engineers, contractors and other vendors
  - Making recommendations to the Ravalli County Board of Commissioners regarding contractor selection
- **Monitoring projects**
- **Conducting market analyses, engineering studies and project feasibility analyses**

## **7. PLAN AMENDMENTS**

The plan provides flexibility to accommodate a variety of approaches. However, changes over time may necessitate more formal amendments to the Development Pattern. If required, amendments will be made by ordinance.

## Appendix D

# Establishment of the Ravalli County Airport Area Voluntary Zoning District development pattern and land use regulations.

### Authority:

This district is enacted pursuant to and consistent with the requirements and authority of Section 76-2-101 and 76-2-205 MCA.

### Purpose of the District:

It is the intent of the property owners of the Ravalli County Airport Area Voluntary Zoning District to protect the functionality of the Airport while creating an opportunity for an industrial area to utilize a targeted economic development district and accommodating appropriate development and growth.

### Enforcement:

- (a) County Enforcement. The County shall enforce the provisions of this district.
- (b) Private Enforcement. A property owner within the district or anyone with standing may enforce the provisions of this district.
- (c) Effect of Non-enforcement. Failure to immediately enforce any of these provisions shall not in any event be construed or held to be a waiver thereof or consent to any further or succeeding breach or violation,

### Variances:

(a) Generally: The Board of County Commissioners (BCC) may grant a variance from the strict application of any provision of this Code.

### Amendments:

(b) Landowner Initiated: The County may amend the district boundary or any provision that applies to this district provided either sixty (60) percent of the landowners within said district submit a signed petition to the Board of County Commissioners.

(c) County Initiated: The County may amend the regulations and standards, or any other provision of the district when done in the context of a comprehensive plan revision.

The uses and standards that shall be permitted throughout the district follow in the "Rules".

### Ravalli County Airport Area Voluntary Zoning District Comprehensive Development Plan and Pattern:

All land located in and owned by Ravalli County under the designation of the Ravalli County Airport shall be bound by the Rules and Regulations for the Airport as currently described in Resolution 2530, Dated March 31, 2010 and recorded as Document 629454. The Development Pattern for the Airport Property shall be subject to amendments to said Resolution 2530, and allowed under FAA rules and restrictions.

All other properties in the District shall have the following Development Pattern:

- 1) LAND USE: Airport and Light Industrial and Technology

This district provides land for a wide range of activities, including Airport and associated activities, manufacturing, technology, value-added agriculture, services, trade, and transportation and utilities.

### **Permitted Principal Uses**

1. Ambulance services
2. Accessory Parking, Park and ride lots.
3. Agriculture.
4. Agricultural Manufacturing, Processing and Storage Facilities.
5. Airport.
6. Airport Related and Support Facilities.
7. Aviation Related and Support Production, Repair and Manufacturing Facilities.
8. Communications services - cellular telephone towers
9. Computer and data processing.
10. Education Facilities.
11. Electric Production, Manufacturing and Generation Facilities.
12. Essential Services.
13. Food Processing and Production.
14. Forest Resource Development.
15. Forest Resource Manufacturing, Processing and Storage Facilities.
16. Foundries.
17. Furniture Manufacturing.
18. Gas Production, Manufacturing and Generation Facilities.
19. Government Facilities and Services.
20. Heavy Equipment Sales, Rental and Service.
21. Laboratories, Research and Diagnostic.
22. Land and building development, construction and maintenance
23. Local and regional utilities.
24. Manufacturing.
25. Mineral Resource Development.
26. Mineral Resource Manufacturing, Processing and Storage Facilities.
27. Motor Vehicle transportation
28. Non-motorized transportation - sidewalks and bike paths
29. Parcel Delivery Services.
30. Professional and Technical Service Contractors.
31. Radio and TV broadcasting relay towers, satellite dishes.
32. Rail Transportation.
33. Rental and Leasing.
34. Security Operations.
35. Solar Power Generation Collectors and Facilities.
36. Technology Research, Development and Manufacturing.
37. Telecommunications Towers and Facilities.
38. Truck, Bus and Rail Terminal Facilities.
39. Vehicle/boat service, repair and washing
40. Veterinary Clinic.
41. Repair Services.
42. Warehousing.
43. Wind Power Generation Turbines and Facilities.

### **Wholesale trade and Retail Trade**

1. Automobile supplies
2. Farm supplies and equipment
3. Eating and drinking establishments. (eating establishments as subordinate use only – a use which is secondary or incidental to a permitted use, located on the same lot or in the same structure as the permitted use and which is functionally related to the permitted use, and which is generally limited in size to 25 percent of the floor area devoted to the related permitted use.)
4. Garden Supplies and Nurseries
5. Gasoline stations
6. Hardware, paint, tile wallpaper.
7. Lumber and building products
8. Trucks, motorcycles, RV's boats
9. Wholesale trade

#### **Accessory Uses**

1. Day Care Center, Accessory.
2. Dwelling, Accessory.
3. Hazardous Waste Generated On-Site Disposal.
4. Incidental uses customarily and necessarily related to and included in principal uses.
5. Offices, Accessory.
6. Parking, Accessory.
7. Related Interpretive Facilities.
8. Retail Sales of goods produced or warehoused on-site, not to exceed 40% of gross floor area or 10,000 square feet, whichever is less.
9. Signs, Identification.
10. Signs, Subdivision Identification.
11. Storage Yard.

#### **Conditional Uses (Must be approved by BCC)**

1. Structures over 45 feet in Height.
2. Convenience Retail; limited to one (1) in entire district. Dwelling(s), Work Force Housing (number of units can be up to 35% of total number of jobs created by any one business).
3. Expansion of a Non-Conforming Structure.
4. Hazardous Waste Disposal Facility.
5. Medical Waste Disposal Facility.
6. Personal Services.
7. Restaurants; limited to three (3) in entire district.
8. Warehousing; Residential Storage Facility (mini warehousing)

#### **Prohibited Uses**

1. Adult Use.
2. Bars.
3. Casinos.
4. Dwellings (other than Work Force Housing).
5. Residential uses to include manufactured and mobile homes for any use;
6. Auto wrecking and salvage yards; and

**Minimum area regulations.**

1. Minimum lot area: Twenty thousand (20,000) square feet.
2. Minimum frontage: One hundred fifty (150) feet.
3. Minimum yards:
  - a. Front yard: Twenty (20) feet measured from the front property line.
  - b. Rear yard: None.
  - c. Side yard: None for interior lots.
  - d. Corner lots: Twenty (20) feet from the side yard facing a secondary street.
4. Maximum height regulations.
  - a. Three stories or forty-five (45) feet, whichever is less.
  - b. None established for smokestacks, air pollution equipment, water towers and wireless communication facilities.

2) **BUILDING TYPE:** All buildings must be built in accordance with Montana Building Codes, in accordance with Title 50, Chapter 60 and Title 50, Chapter 74 Montana Code Annotated and the codes that are adopted and amended through Title 24, Chapter 301, Administrative Rules of Montana.

3) **WASTE DISPOSAL:** All properties must maintain suitable garbage disposal facilities such as to prevent escape of noxious odors and provide for removal and disposition of same in manner and place other than in or upon said lots (compost piles are exempt).

4) **ACCUMULATIONS:** It shall not be permitted to conduct or operate a junkyard on said lots nor shall the accumulation of unsightly objects, used and wrecked automobiles, or parts thereof, be permitted to remain thereon.

**Variances.**

**Procedures for Variance Requests**

1. Applications for a variance to the Board of County Commissioners may be submitted by any person by filing an Application for Variance with the Ravalli County Planning Department. Fees shall be required to be paid by the applicant in the amounts established in a fee schedule adopted by the Ravalli County Commissioners.
2. The Application for Variance must identify the applicant, identify the property at issue, identify the owner of the property and explain the relationship between the applicant and owner (if different), describe the factual background and particulars of the variance requested, set forth the specific reasons for requesting the variance, and explain how the applicant believes the variance criteria set forth herein are satisfied. Applications for variances shall be reviewed by staff for completeness, and shall be returned to the applicant without further processing if determined not to meet the requirements of this section.
3. The Ravalli County Planning Department shall fix a reasonable time for the Board of County Commissioners hearing of the variance request.

4. The Ravalli County Planning Department shall publish two(2) notices, one (1) week apart in a newspaper of general County circulation, the first of which shall appear at least fifteen (15) days prior to the public hearing. The notice shall contain a brief description of the variance request; the location of the property; the date, time and place of the public hearing; and the statement that the application is on file for public inspection at the Planning Department.
5. The Ravalli County Planning Department shall send written notification of the variance request to the property owners according to the following procedures:
  - a. Mailing lists shall include all persons listed in the most current available data in County Records who own the subject property(s) and property in the Ravalli County Airport Area Voluntary Zoning District.
  - b. The mailing shall be made at least fifteen (15) days prior to the public hearing.
  - c. The notice shall contain a brief description of the nature of the application; the time, place and date of the public hearing; and the phone number and address of the Planning Department.
6. At the hearing any party may appear in person or be represented by an agent or attorney.

**Requirements for Granting a Variance**

1. To grant a variance the Board of County Commissioners must make findings that:
  - a. granting the variance will not be contrary to the public interest or injurious to the district; and
  - b. owing to special conditions, a literal enforcement of the provisions of these regulations will result in unnecessary hardship if the variance is not granted; and
  - c. the spirit of the regulations shall be observed and substantial justice done; and
  - d. the variance granted is the minimum variance that will make possible the reasonable use of the land, building or structure; and
  - e. the special conditions and circumstances do not result from the action of the applicant or prior owners of the parcel at issue.
2. Neither the permitted nor nonconforming use of other lands, structures or buildings in the jurisdiction is grounds for the issuance of a variance.
3. "Hardship" refers to circumstances peculiar to the particular property. Financial or economic difficulties or consequences of actions by the property owner are not "hardships" for variance purposes.

**Severability.** The provisions of these regulations are severable. If any provision or portion thereof is adjudged by a court of competent jurisdiction to be invalid, the decision shall not affect the validity of the remaining provisions, all of which shall remain in full force and effect.