



**Planning Advisory Board/Zoning Commission
September 9, 2025 Agenda
2 Park Drive South, Great Falls, MT
Commission Chambers, Civic Center
3:00 PM**

In order to honor the Right of Participation and the Right to Know (Article II, Sections 8 and 9 of the Montana Constitution), the City of Great Falls and Planning Advisory Board/Zoning Commission are making every effort to meet the requirements of open meeting laws: • The agenda packet material is available on the City's website: <https://greatfallsmt.net/meetings>. The Public may view and listen to the meeting on government access channel City-190, cable channel 190; or online at <https://greatfallsmt.net/livestream>. • Public participation is welcome in the following ways: • Attend in person. Please refrain from attending in person if you are not feeling well. • Provide public comments via email. Comments may be sent via email before 12:00 PM on Tuesday, September 9, 2025 to: jnygard@greatfallsmt.net. Include the agenda item or agenda item number in the subject line, and include the name of the commenter and either an address or whether the commenter is a city resident. Written communication received by that time will be shared with the Planning Advisory Board/Zoning Commission and appropriate City staff for consideration during the agenda item and before final vote on the matter; and, will be so noted in the official record of the meeting.

OPENING MEETING

1. Call to Order - 3:00 P.M.
2. Roll Call - Board Introductions

Tory Mills - Chair

Julie Essex - Vice Chair

Michael Bicsak

David Cantley

Michael Gorecki

Joe McMillen

Jim Wingerter

3. Staff Recognition
4. Approval of Meeting Minutes - August 12, 2025

CONFLICT DISCLOSURE / EX PARTE COMMUNICATION

BOARD ACTIONS REQUIRING PUBLIC HEARING

BOARD ACTIONS NOT REQUIRING PUBLIC HEARING

5. Great Falls International Airport Tax Increment Financing Funding Application

COMMUNICATIONS

PUBLIC COMMENT

Public Comment on any matter and that is within the jurisdiction of the Planning Advisory Board/Zoning Commission. Please keep your remarks to a maximum of five (5) minutes. Speak into the microphone, and state your name and address for the record.

ADJOURNMENT

(Please exit the chambers as quickly as possible. Chamber doors will be closed 5 minutes after adjournment of the meeting.)

Assistive listening devices are available for the hard of hearing, please arrive a few minutes early for set up, or contact the City Clerk's Office in advance at 455-8451. Wi-Fi is available during the meetings for viewing of the online meeting documents.

Planning Advisory Board/Zoning Commission meetings are televised on cable channel 190 and streamed live at <https://greatfallsmt.net>. Meetings are re-aired on cable channel 190 the following Thursday at 7 p.m.

**MINUTES OF THE MEETING
GREAT FALLS PLANNING ADVISORY BOARD/ZONING COMMISSION
August 12, 2025**

CALL TO ORDER

Chair Mills called the regular meeting of the Great Falls Planning Advisory Board/Zoning Commission to order at 3:00 p.m. in the Commission Chambers at the Civic Center.

ROLL CALL & ATTENDANCE

Planning Board Members present:

Tory Mills, Chair
Julie Essex, Vice Chair
David Cantley
Michael Gorecki
Joe McMillen
Jim Wingerter

Planning Board Members absent:

Michael Bicsak

Planning Staff Members present:

Lonnie Hill, Deputy Director of Planning and Community Development
Kayla Kryzsko, Assistant City Planner
Kalaysha McWilliams, Permit Technician
Jamie Nygard, Sr. Administrative Assistant

Other Staff present:

Rachel Taylor, Deputy City Attorney

Mr. Hill affirmed a quorum of the Board was present.

MINUTES

Chair Mills asked if there were any comments or corrections to the meeting minutes from June 24, 2025. Seeing none, Mr. Cantley motioned to approve the minutes as written. Seconded by Mr. McMillan. All in favor, the minutes were approved.

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Conflict Disclosure/Ex Parte Communications

None.

BOARD ACTIONS REQUIRING A PUBLIC HEARING

Annexation of Lot 4A, Block 7, University Addition, and the adjoining right-of-way of 18th Alley Southwest; establishing the City zoning classification of R-3 Single-family High Density upon the described property.

Kayla Kryzsko, Assistant City Planner, addressed the Board and stated that the applicants, Joseph and Jessica Boso, were seeking to annex and connect their residence at 1420 17th Avenue Southwest to the City water and sewer system via the main on 17th Avenue Southwest. Their property spans 0.34 acres.

Ms. Kryzsko explained that state law requires annexing the nearby right-of-way, so part of 18th Alley Southwest will be included. She mentioned that 17th Avenue Southwest was annexed by the City under resolution 9774 in 2008. She also stated that property owners have agreed to pay all connection and construction costs and to decommission and abandon any current septic system and drain field. They have secured a signed utility letter for early connection, which does include a stipulation that if the annexation is not completed, the property owners will be responsible for the full cost of disconnecting from City utilities.

Ms. Kryzsko presented a location map, zoning map, and site photo.

Ms. Kryzsko presented the Basis of Decision for Annexation.

1. The subject property is contiguous to City limits
 - The project is contiguous to the City limits from the north border.
 - There is direct access from the 17th Avenue Southwest right-of-way.
2. The request is consistent with the City's Growth Policy
 - Soc. 1.4.12 – When annexing land for residential development, consider the timing, phasing, and connectivity of housing and infrastructure development.
 - Phy. 4.2.5 – Promote orderly development and the rational extension of infrastructure and City services.
 - Phy. 4.3.2 – Plan for the provision of appropriate infrastructure improvements, where needed, to support development.
3. The City can provide public services.
 - City Services: The City has the capacity to serve the subject property.
 - Emergency Services: The subject property is within the area served by the Great Falls Fire Rescue and the Great Falls Police Department.
 - Infrastructure: Water and sewer mains already exist within 17th Avenue Southwest, supporting service extension.

Ms. Kryzsko presented the Basis of Decision for Zoning.

1. The request is consistent with the City's Growth Policy
 - Soc. 1.4.12 – When annexing land for residential development, consider the timing, phasing, and connectivity of housing and infrastructure development.
 - Phy. 4.2.5 – Promote orderly development and the rational extension of infrastructure and City services.
 - Phy. 4.3.2 – Plan for the provision of appropriate infrastructure improvements, where needed, to support development.
2. The proposed R-3 Single-family High Density zoning aligns with the existing city code.
3. The subject property is consistent with adjacent zoning and land use.
4. The existing residential use supports the established neighborhood character.
5. No evidence suggests adverse impacts on property values or the enjoyment of neighboring properties.

Ms. Kryzsko stated that Neighborhood Council #1 is on summer recess, but the Council has received information about the request, and to date, staff have not received any comments from them.

Ms. Kryzsko stated that Staff recommended approval of the annexation and assignment of R-3 Single-family High Density zoning with the following Conditions of Approval;

1. General Code Compliance - Any future development or use of the subject property shall comply with the conditions outlined in the report, as well as all applicable codes and ordinances of the City of Great Falls, the State of Montana, and any other relevant regulatory authorities.
2. Annexation Agreement – The applicant shall fully comply with all terms and conditions set forth in the Annexation Agreement associated with the subject property, including payment of any required fees. The Annexation Agreement must be executed by the applicant and recorded with the Cascade County Clerk and Recorder prior to the annexation becoming effective.
3. Land Use and Zoning – Future development of the property shall be consistent with the permitted uses and applicable development standards of the R-3 Single-family High Density zoning district, in accordance with the City's zoning regulations and comprehensive plan.

APPLICANT PRESENTATION

Joseph Bozo addressed the Board and thanked them for allowing him to present his request and also thanked City Staff for going above and beyond.

PUBLIC QUESTIONS

None.

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PROPONENTS

None.

OPPONENTS

None.

BOARD QUESTIONS

None.

BOARD DISCUSSION AND ACTION

Mr. Gorecki thanked Staff for their preparation and for making it easy for them to make decisions based on the thorough presentations.

MOTION: That the Planning Advisory Board recommend the City Commission approve the annexation of Lot 4A, Block 7, University Addition, and the adjoining right-of-way of 18th Alley Southwest, and the accompanying Findings of Fact, subject to the Conditions of Approval being fulfilled by the applicants.

Made by: Mr. Cantley

Second by: Mr. McMillen

VOTE: 6-0; Motion passed.

MOTION: That the Zoning Commission recommend the City Commission approve the establishment of R-3 Single-family High Density zoning of Lot 4A, Block 7, University Addition, and the adjoining right-of-way of 18th Alley Southwest, and the accompanying Findings of Fact, subject to the Conditions of Approval being fulfilled by the applicants.

Made by: Mr. Gorecki

Second by: Mr. Wingerter

VOTE: 6-0; Motion passed.

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COMMUNICATIONS

Mr. Hill mentioned that instructional videos about training were shared with the Board members and asked if they found them helpful. He also said there will be upcoming training from MSU around the New Year and encouraged the Board Members to engage with the Planning and Community Development office if there are any questions.

PUBLIC COMMENT

None.

ADJOURNMENT

There being no further business, Chair Mills adjourned the meeting at 3:13 p.m.

CHAIRMAN TORY MILLS

SECRETARY BROCK CHERRY



Meeting Date: 9/16/2025

CITY OF GREAT FALLS
PLANNING ADVISORY BOARD / ZONING COMMISSION AGENDA REPORT

Item: Great Falls International Airport Tax Increment Financing Funding Application

Initiated By: Great Falls International Airport Authority

Presented By: Lonnie Hill, Deputy Director, Planning and Community Development Department

Action Requested: Recommendation to the City Commission to approve the request for Great Falls International Airport Tax Increment Financing Industrial District funds for infrastructure improvements and the accompanying Development Agreement.

Suggested Motion:

1. Board Member moves:

“I move that the Planning Advisory Board recommend the City Commission (approve/deny) the Great Falls International Airport Authority’s request to allow the use of up to \$300,000 in Great Falls International Airport Tax Increment Financing Industrial District funds for the cost of Phase II of the Industrial Development Project and approve the accompanying Development Agreement.”

2. Chairman calls for a second, public comment, board/commission discussion, and calls for the vote.

Request Summary: The Great Falls International Airport Authority is requesting \$300,000 in TIF funding for Phase II of the Industrial Development Project. The phased development plans to develop the 300-acres west of the Cascade County Detention Center for aviation-compatible, manufacturing and industrial-commercial use. The area is owned by the Airport and was identified in the Airport Authority Master Plan Update for aviation commercial development.

In 2021, the City Commission approved Resolution 10399, which awarded funding for Phase I, which included installation of water, sewer, stormwater, electric and data infrastructure, as well as the construction of a stormwater pond and two site entrances along North Frontage Road. Phase I construction was completed in June 2024 – the infrastructure installed now supports three 2,400 square foot bays that are leased for a Peterbilt dealership.

GFIA TIFID Background: Prior to 1989, tax increments could only be used for rehabilitation efforts within urban renewal areas, but Montana legislature amended the Montana Urban Renewal Law to enable municipalities to create industrial TIF districts to assist in the development and retention of secondary, value-adding industries. Since then, Montana has defined “secondary, value-adding industries” as those industries that transform raw resources into processed substances from which industrial or consumer

products may be manufactured.

The Great Falls International Airport Tax Increment Financing Industrial District Plan (GFIA TIFID) was adopted by the Great Falls City Commission on November 5, 2008. The boundaries were amended on September 1, 2009. The purpose of creating the GFIA TIFID was to meet the needs and interests of GFIA which included fostering the development of secondary, value adding industries in the City of Great Falls as part of its overall mission to promote aviation related economic development, to improve area employment opportunities, and expand the tax base.

Tax Increment Financing Request: The Great Falls International Airport Authority is now ready to move forward with Phase II of the Industrial Development Project, which will include electrical and data lines, as well as water and sewer line extension. The water and sewer will run along the Ulm Frontage Road to existing dry extensions that were constructed in 2015. This project will complete a waterline loop that serves the west side of the Frontage Road. The electrical and gas lines will also be extended to serve the same parcels. The Airport is requesting \$300,000 of TIF funding to complete the project. Once infrastructure is complete, the Phase II Condos will begin construction – four to six additional 2,400 square foot bays marketed for manufacturing use.

Review Criteria:

Preliminary Findings

After thorough review and evaluation of the Project as represented by the applicant's written proposal, City staff has determined:

- No persons will be displaced from their housing by the Project or the infrastructure improvements.
- The Project and the infrastructure improvements substantially satisfy the review criteria of the funding application process and meet the purpose and goals of the State Law and the Great Falls International Airport Tax Increment Financing Industrial District Plan.
- If the applicant is able to follow through on leasing/selling buildings to value-added manufacturing users, the Project would constitute an industrial infrastructure development project in accordance with the Act.
- The infrastructure improvements constitute infrastructure improvements for the purpose of encouraging the growth and retention of secondary, value-adding industries in accordance with the Act.
- A sound and adequate financial program exists for the financing of the infrastructure improvements.

Montana Code Annotated (MCA) TIF Regulations

The creation and administration of TIF districts are governed by State Law. According to Montana Code Annotated (MCA) Section 7-15-4298 (2013), provides as follows:

(1) infrastructure-deficient areas exist in the municipalities of the state and constitute a serious impediment to the development of infrastructure-intensive, secondary, value-adding economic development in Montana;

(2) municipalities lack sufficient capital to rectify the infrastructure shortage in infrastructure-deficient areas, thus impeding the ability of municipalities to achieve economic growth through the development of secondary, value-adding industries;

(3) the creation of industrial infrastructure is a matter of state policy and state concern because the state and its municipalities will continue to suffer economic dislocation due to the lack of secondary, value-adding industries; and

(4) the state's tax increment financing laws should be used to encourage the creation of areas in which needed industrial infrastructure for secondary, value-adding industries could be developed.

MCA Section 7-15-4288 (2013), provides that tax increment with respect to industrial development districts can only be used for the following purposes: The tax increment may be used by the local government to pay for the following costs of or incurred in connection with an industrial infrastructure development project:

1. land acquisition;
2. demolition and removal of structures;
3. relocation of occupants;
4. the acquisition construction, and improvement of infrastructure and industrial infrastructure, including streets, roads, curbs, gutters, sidewalks, pedestrian malls, alleys, parking lots and off-street parking facilities, sewers, sewer lines, sewage treatment facilities, storm sewers, waterlines, waterways, water treatment facilities, natural gas lines, electrical lines, telecommunication lines, rail lines, rail spurs, bridges, spaceports for reusable launch vehicles with associated runways and launch, recovery, fuel manufacturing, and cargo holding facilities, publicly owned buildings, and any public improvements authorized by Title 7, chapter 12, parts 41 through 45; Title 7, chapter 13, parts 42 and 43; and Title 7, chapter 14, part 47, and items of personal property to be used in connection with improvements for which the foregoing costs may be incurred;
5. costs incurred in connection with the redevelopment activities allowed under 7-15-4233;
6. acquisition of infrastructure-deficient areas or portions of areas;
7. administrative costs associated with the management of the industrial district;
8. assemblage of land for development or redevelopment by private enterprise or public agencies, including sale, initial leasing, or retention by the local government itself at its fair value;
9. the compilation and analysis of pertinent information required to adequately determine the needs of the infrastructure needs of secondary, value-adding industries in the industrial district;
10. the connection of the industrial district to existing infrastructure outside the area or district;
11. the provision of direct assistance, through industrial infrastructure development projects, to secondary value-adding industries to assist in meeting their infrastructure and land needs within the district; and
12. the acquisition, construction, or improvement of facilities or equipment for reducing, preventing, abating, or eliminating pollution.

City of Great Falls TIF Review Criteria

In order for the Planning Advisory Board and eventually the City Commission to approve any TIF funding request, the request must also meet the criteria recommended in the GFIA TIFID Plan, as well as be eligible for TIF participation in accordance with MCA guidelines noted in this report. To aid in this determination, the City of Great Falls' Tax Increment Application Process established twelve specific criteria to assess the merits of projects against the Plan. Those criteria are:

1) **Public Infrastructure Improvements** – Public infrastructure improvements have the benefit of improving and impacting an entire district. Each district may have its own Capital Improvement Plan, which may include things such as roadway improvements, storm drains, sewer and waterlines, railroads, etc.

***Staff Analysis** – Staff finds that the proposed improvements will benefit and positively impact the GFIA TIFID. By funding these infrastructure improvements, the City will not only support the*

applicant's current development request but lay the foundation for future development within the Airport's property.

2) Economic Stimulus – The amount of economic activity to be generated within a district through the development is assessed, as well as the leverage ratio of public to private investment. In general, the maximum limit of any one development is 10% of the construction/rehabilitation costs, exclusive of acquisition costs. Projects demonstrating extraordinary benefit to Districts or the community may, at the discretion of City Commission, receive additional TIF assistance for eligible items. All applications should contain credible, measurable information substantiating the project's economic stimulus in the District and the community.

Staff Analysis – The proposed project will generate measurable economic activity within the District by introducing new industrial warehouse bays designed to accommodate multiple tenants. These bays will provide flexible space for light industrial, logistics, and manufacturing businesses that are currently underserved in the local market. By facilitating the creation and expansion of these businesses through infrastructure improvements, the project will support economic growth in the District.

3) Tax Generation – The increase in taxable value due to the new district development, including construction/rehabilitation, as estimated by the County Assessor's office to determine tax increment generation.

Staff Analysis – The Great Falls International Airport is a property tax exempt entity, but the potential of the buildings to be leased or owned by other entities does create the potential for increased assessed valuation. With the improvement of public infrastructure, future development within the GFIA TIFID will continue to become more feasible and potentially create additional assessed property tax and beneficial use tax valuation for the GFIA TIFID.

4) Employment Generation – Total employment generated by the district development is assessed in terms of permanent and part-time jobs, and construction jobs.

Staff Analysis – The Airport Authority has estimated that twelve construction jobs will be created with the Project. An additional 40 permanent and part-time jobs will be created with new development; each tenant within the proposed buildings will create new employment opportunities.

5) Elimination of Blight – The development's direct and indirect impact on the physical and fiscal deterioration within the appropriate district and the community, as identified in the appropriate district plan.

Staff Analysis – The purpose of an Industrial TIF district is to attract and retain secondary-value adding, manufacturing industries through the development of industrial infrastructure. The applicant's proposal to add utility service lines, electric, and fiber infrastructure will fulfill the objectives of the TIF district to providing supporting infrastructure to encourage industrial development.

6) Special or Unique Opportunities – The extent to which the district's development represents a unique opportunity, meets a special need, or addresses specific district or community goals. The restoration of a

historic property or the provisions of an unmet community need is an example of special or unique opportunities.

Staff Analysis – *The GFIA TIFID provides many unique challenges and opportunities. Because of the proximity to active runways, commercial development can be difficult, thus it is an ideal area for industrial users. Such users could naturally benefit from the proximity to I-15, the Canadian border, and the FedEx hub. The development will also give necessary access to air freight and related opportunities that other properties cannot provide.*

7) Impact Assessment – The extent of both positive and negative environmental impacts, appropriateness of the developer's project design, and impact on existing businesses or residents.

Staff Analysis – *The proposed project is anticipated to have minimal negative environmental impacts. Development will occur on land already zoned and designated for industrial use, and all construction will comply with City regulations. No wetlands, sensitive habitats, or other critical environmental resources will be disturbed. The availability of flexible industrial space will complement existing businesses by meeting a gap in the local real estate market. No residential properties are directly adjacent to the site; therefore, no displacement or adverse impacts to residents are anticipated.*

8) Financial Assistance – Other forms of financing available to the Applicant, Lender participation, industrial development revenue bonds, and state and federal grant monies, for example are examined to assess the need for TIF assistance.

Staff Analysis – *The Airport Authority will not be asking for any tax abatements, grants, tax credits, or other financial assistance.*

9) Development's Feasibility – A determination of feasibility is made on the strength of the Applicant's demonstration of market demand for the development in the district and is contained primarily on the pro forma and financing commitments.

Staff Analysis – *The Authority anticipates that there will be market demand for the next units. They have been actively working with potential tenants, including a local food manufacturer, trailer manufacturer, and aircraft fabricator. As found in the attached application, the applicant has had successful marketing outreach and has attracted significant interest in the industrial spaces.*

10) Developer Ability to Perform – An assessment of the Applicant's capability to undertake the relative complexities of the development based on past performance on similar projects.

Staff Analysis – *The Airport regularly completes several million dollars of capital projects each year based on facility master plan needs. The Airport also received and recently executed a TIF funded project in 2021 involving infrastructure construction to support Phase I of the proposed development.*

11) Timely Compensation – The feasibility of completing the development according to the Applicant's development schedule.

Staff Analysis – *Staff believes that the applicant will be able to meet the development schedule as noted within the application. The Airport Authority plans to commence development of infrastructure in Summer 2025 and Phase II building construction in Summer 2026.*

12) Payment of Taxes – All property taxes, special improvement district assessments and other assessments on the project property must be paid to date.

Staff Analysis – *There are currently no outstanding tax issues within the district.*

Concurrences: The Applicant's request for TIF funding has been reviewed by the City's Planning and Community Development Department, Public Works Department, and Finance Department, as well as the City's outside legal counsel from Dorsey & Whitney LLP.

Fiscal Impact: The Airport is requesting to use the funds that currently exist in the GFIA TIFID to reimburse construction costs as they are incurred. Staff has determined that adequate funding is available to fulfill the request.

Staff Recommendation: City staff has assessed the request in relation to State Law, the GFIA TIFID Plan, and evaluated the project based on the evaluation criteria, and determined that expenditure of TIF funds in the amount of \$300,000 is warranted for the purpose of paying for the proposed project which will further support industrial economic development in the Great Falls International Airport Tax Increment Financing Industrial District.

Alternatives: The Planning Advisory Board could recommend denial of the TIF funding request to the City Commission, in which case alternative findings would need to be provided.

Attachments/Exhibits:

- Development Agreement
- TIF Application
- Great Falls International Airport Tax Increment Financing Industrial District Plan

DEVELOPMENT AGREEMENT

THIS DEVELOPMENT AGREEMENT is dated as of _____, 2025 , between the CITY OF GREAT FALLS, a municipal corporation of the State of Montana (the “**City**”), and the GREAT FALLS INTERNATIONAL AIRPORT AUTHORITY, a regional airport authority created by the City and Cascade County, Montana (the “**Authority**”) for the ownership and operation of the Great Falls International Airport (the “**Airport**”).

WITNESSETH:

WHEREAS, under the provisions of the Montana Code Annotated, Title 7, Chapter 15, Parts 42 and 43, as amended (the “**Act**”), an industrial district may be established so that a municipality may undertake industrial infrastructure projects therein, provide for the segregation and collection of tax increment with respect to taxes collected in such district, issue its bonds to pay the costs of such projects, and pledge to the repayment of the bonds all or a portion of the tax increment derived from such district; and

WHEREAS, the City Commission, pursuant to Ordinance No. 3022, duly adopted on November 5, 2008, and revised by Ordinance No. 3043, duly adopted on September 1, 2009 (as such may be further amended and supplemented, the “**Ordinance**”), created an industrial district known as the Great Falls International Airport Tax Increment Financing Industrial District (the “**District**”) and adopted the Great Falls International Airport Tax Increment Financing Industrial District Plan (the “**Plan**”) containing a tax increment financing provision; and

WHEREAS, as set forth in the Plan, the purpose of the District is to attract, grow and retain secondary, value-adding industries and the City has identified numerous infrastructure improvements necessary in order to further the objectives of the City and the Authority with respect to the development of the District; and

WHEREAS, the Authority is undertaking a multi-year, multi-phase development project on a 300-acre site in the District located at 4201 Ulm North Frontage Road Great Falls, Montana 59404, which consists of the construction of large metal warehouse buildings (the “**Warehouse Buildings**”) to be initially owned by the Airport and a private investment partner and which will be subdivided into smaller bays (the “**Warehouse Bays**”), converted into condominium units and leased and/or sold primarily to third parties engaged in Secondary Industries (as defined herein) in furtherance of the purposes of the District as set forth in the Plan (the “**Project**”); and the second phase of the Project will consist of the construction of a single Warehouse Building for such purposes (the “**2025 Project**”).

WHEREAS, the Authority submitted a City of Great Falls Tax Increment Financing (TIF) Application for Funds dated July 25, 2025 (the “**Application**”) for tax increment financing assistance with respect to certain qualified improvements associated with the Project, consisting of design and construction of electric and gas lines, water lines, sewer lines, storm sewer improvements as further described on Exhibit A hereto (the “**Infrastructure Improvements**”); and

WHEREAS, the City has determined, based on representations of the Authority, that the Project and the Infrastructure Improvements constitute an industrial development project (as defined in the Act) under the Act and the Plan and that the Infrastructure Improvements are authorized by the Plan, and pursuant to Resolution No. 10601, duly adopted on [____], 2025, the City is authorized to enter into this Agreement which sets forth the obligations of the City and the Authority with respect thereto.

NOW THEREFORE, the City and the Authority, each in consideration of the representations, covenants and agreements of the other, as set forth herein, mutually represent, covenant and agree as follows:

Section 1. Definitions; Rules of Interpretation; Exhibits.

1.1. Definitions. For all purposes of this Agreement, except as otherwise expressly provided or unless the context clearly requires otherwise, the following terms have the meanings assigned to them, respectively:

“**Act**” has the meaning given such term in the recitals.

“**Actual Taxable Value**” means the taxable value (as defined in the Act) of the Taxable Property as shown on or calculated from the assessment roll last equalized before the date of reference.

“**Agreement**” means this Agreement, including any amendment hereof or supplement hereto entered into in accordance with the provisions hereof.

“**Authority**” has the meaning given such term in the preamble.

“**Base Taxable Value**” means the Actual Taxable Value as of January 1, 2008, as such value is adjusted from time to time in accordance with the Act.

“**Bond Resolution**” means a resolution to be adopted by the Commission pursuant to which the Bonds shall be issued.

“**Bonds**” means the Tax Increment Industrial Infrastructure Development Revenue Bonds (Great Falls International Airport Tax Increment Financing Industrial District) to be issued by the City pursuant to this Agreement and the Bond Resolution.

“**City**” means the City of Great Falls, Montana, or any successors to its functions under this Agreement.

“**Commission**” means the City Commission or any successor governing body of the City, however denominated by statute.

“**Department of Revenue**” means the State of Montana Department of Revenue.

“**District**” has the meaning given such term in the recitals.

“Environmental Laws and Regulations” means and includes the Federal Comprehensive Environmental Compensation Response and Liability Act, as amended by the Superfund Amendments and Reauthorization Act of 1986, 42 U.S.C. §§ 9601 et seq.; the Federal Resource Conservation and Recovery Act of 1976, 42 U.S.C. §§ 6901 et seq.; the Clean Water Act, 33 U.S.C. § 1321 et seq.; and the Clean Air Act, 42 U.S.C. §§ 7401 et seq., all as the same may be from time to time amended, and any other federal, State, county, municipal, local, or other statute, code, law, ordinance, regulation, requirement, or rule which may relate to or deal with human health or the environment including without limitation all regulations promulgated by a regulatory body pursuant to any such statute, code, law, or ordinance.

“Fiscal Year” means the period commencing on the first day of July of any year and ending on the last day of June of the next calendar year, or any other twelve-month period authorized by law and specified by the Commission as the City’s fiscal year.

“Incremental Taxable Value” means the amount, if any, by which the Actual Taxable Value, as of the date of reference, exceeds the Base Taxable Value.

“Indemnified Parties” has the meaning given such term in Section 6.1 hereof.

“Infrastructure Improvements” means those improvements in the District described on Exhibit A hereto.

“Land Use Regulations” means all federal, State and local laws, rules, regulations, ordinances and plans relating to or governing the development or use of the Project Site or the Project, including under the Act with respect to Secondary Industries.

“Ordinance” has the meaning given such term in the recitals.

“Person” means any individual, corporation, partnership, joint venture, association, committee, limited liability company, limited liability partnership, joint stock company, trust, unincorporated organization, or any government or any agency or political subdivision thereof.

“Plan” has the meaning given such term in the recitals.

“Prevailing Wage Rates” has the meaning given such term in Section 3.3 hereof.

“Project” has the meaning given such term in the recitals.

“Project Site” has the meaning given such term in Section 2.2 hereof.

“Secondary Industries” means those industries that transform raw resources into processed substances from which industrial or consumer products may be manufactured.

“State” means the State of Montana.

“Tax Increment” means the amount received by the City pursuant to the Act from the extension of levies of Taxes against the Incremental Taxable Value of the Taxable Property and

will include all payments in lieu of Taxes or beneficial use taxes attributable to the Incremental Taxable Value.

“Taxable Property” means all real and personal property located in the District and subject to Taxes.

“Taxes” means all taxes levied on an ad valorem basis by any Taxing Jurisdiction against the Taxable Property and includes all payments in lieu of taxes or beneficial use taxes received by the City with respect to the Incremental Taxable Value of the Taxable Property.

“Taxing Jurisdiction” means the State, the City, any school district, local government, municipal corporation, political subdivision, or other government entity that levies, during any Fiscal Year during which the tax increment provision of the District is effective under the Act, ad valorem taxes against real or personal property in the District.

“2025 Project” has the meaning given such term in the recitals.

“Unavoidable Delay” means a delay resulting from a cause over which the party required to perform does not have control and which cannot or could not have been avoided by the exercise of reasonable care, including but not limited to acts of God, accidents, war, civil unrest, embargoes, strikes, unavailability of raw materials or manufactured goods, litigation and the delays of the other party or its contractors, agents, or employees in the performance of their duties under or incident to this Agreement.

1.2. Rules of Interpretation.

(a) The words “herein,” “hereof” and words of similar import, without reference to any particular section or subdivision, refer to this Agreement as a whole rather than to any particular section or subdivision hereof.

(b) References herein to any particular section or subdivision hereof are to the section or subdivision of this Agreement as originally executed unless otherwise indicated.

(c) “Or” is not exclusive but is intended to contemplate or encompass one, more, or all of the alternatives conjoined.

1.3. Exhibits. The following Exhibits are attached to and by reference made a part of this Agreement:

Exhibit A—Infrastructure Improvements

Exhibit B—2025 Project Costs and Sources of Funds

Exhibit C—Form of Authority Requisition

Section 2. Representations, Covenants and Agreements.

2.1. City Representations. The City hereby represents, covenants and agrees as follows:

(a) Subject to the terms and conditions of this Agreement, the City is committed to paying or reimbursing the Authority \$300,000 with respect to the costs of design, engineering, construction and installation of the Infrastructure Improvements as set forth on Exhibit A hereto.

(b) The City is authorized by law to enter into this Agreement, apply Tax Increment funds on hand and, upon adoption of the Bond Resolution, issue Bonds in order to carry out its commitments hereunder.

(c) The State Department of Revenue has advised the City that as of January 1, 2008 the Base Taxable Value of the District was \$107,149.

2.2. Authority Representations. The Authority hereby represents, covenants and agrees as follows:

(a) The Authority is a regional airport authority created by the City and Cascade County, Montana pursuant to Joint Resolution No. 7451 (City) and 80-1 (County) (the “**Joint Resolution**”) for the operation of the Great Falls International Airport pursuant to the provisions of Section 67-11-103, Montana Code Annotated.

(b) The representations and warranties of the Authority in the Application are true and correct as of the date hereof, including with respect to the total investment to be made by the Authority and its private investment partner with respect to the Project and the Infrastructure Improvements.

(c) The Project and the Infrastructure Improvements constitute an industrial development project (as defined in the Act) under the Act and the Plan. Development of the Project will assist the Authority in attracting, growing, and retaining Secondary Industries by providing flexible, cost-effective, industrial buildings that can be subdivided into 1,250 to 30,000+ square foot Warehouse Bays sharing common infrastructure. The industrial buildings will include high ceilings, welding-capable electric, oil -water separators and other industrial features. This type of industrial space is underserved in the City. The Warehouse Bays will be leased and/or sold primarily to third parties engaged in Secondary Industries in furtherance of the purposes of the District as set forth in the Plan.

(d) The Authority has good and marketable title to the land upon which the Project and the Infrastructure Improvements shall be constructed and installed (the “**Project Site**”), free and clear of all liens, encumbrances and defects except such as do not materially affect the value of the Project Site or materially interfere with the use made and proposed to be made of the Project Site by the Authority.

(e) The Authority estimates the total cost of the Infrastructure Improvements is \$650,000 as described in Exhibit A hereto, and the total cost of the 2025 Project is \$28,500,000 as described in Exhibit B hereto.

(f) The Authority is not aware of any facts the existence of which would cause the Authority to be in violation of any Environmental Laws and Regulations applicable to the Project Site, the Project, or the Infrastructure Improvements. The Authority has not received from any local, State, or federal official any notice or communication indicating that the activities of the Authority may be or will be in violation of any Environmental Laws and Regulations applicable to the Project Site, the Project or the Infrastructure Improvements.

(g) Neither the execution and delivery of this Agreement, the consummation of the transactions contemplated hereby, nor the fulfillment of or compliance with the terms and conditions of this Agreement is prohibited or limited by, conflicts with or results in a breach of the terms, conditions or provisions of the Joint Resolution or any other resolution of the Authority or any evidence of indebtedness, agreement or instrument of whatever nature to which the Authority is now a party or by which it is bound, or constitutes a default under any of the foregoing.

(h) There is no action, suit, investigation or proceeding now pending or, to the knowledge of the Authority, threatened against or affecting the Authority or its business, operations, properties or condition (financial or otherwise) before or by any governmental department, commission, board, authority or agency, or any court, arbitrator, mediator or grand jury, that could, individually or in the aggregate, materially and adversely affect the ability of the Authority to complete the Project.

(i) The representations and warranties of the Authority in the Development Agreement, dated May 19, 2021, as amended by Amendment No. 1 to Development Agreement, dated November 28, 2022 (together, the “**2021 Development Agreement**”), between the City and the Authority are true and correct in all respects, in each case on and as of the date hereof as though such representations and warranties were made on and as of the date hereof. The Authority has performed and complied in all respects with each of the covenants and agreements of the Authority in the 2021 Development Agreement that are to be performed or complied with prior to the date hereof.

Section 3. Authority’s Undertakings.

3.1. Construction of Project and Infrastructure Improvements. The Authority hereby agrees and commits to the City that it will diligently prosecute to completion the construction of the Project and the Infrastructure Improvements in accordance with the Application, this Agreement, the plans submitted to the City and all applicable federal, State and local laws, rules, regulations and ordinances relating to or governing the development or use of the Project and the Infrastructure Improvements, including applicable Land Use Regulations and Environmental Laws and Regulations. The Authority agrees and commits to the City that construction of the Infrastructure Improvements shall be completed by December 31, 2026 and the 2025 Project shall be completed by December 31, 2027, subject in each case to Unavoidable Delays. The

total costs of the Infrastructure Improvements and the 2025 Project are shown on Exhibit A and Exhibit B hereto, respectively. The Authority has the financial capacity to complete the Infrastructure Improvements and the 2025 Project, and the Authority agrees to pay all such costs thereof. If there is an increase in the costs of the Infrastructure Improvements or the 2025 Project from that shown on Exhibit A and Exhibit B hereto that cannot be covered by the contingency amount, the Authority shall notify the City of the increase and submit additional evidence in a form acceptable to the City that the Authority has the financial capacity and/or financial commitments to cover such additional costs and complete the Infrastructure Improvements and the 2025 Project. The Authority acknowledges and agrees that the City is not responsible for installing, constructing or otherwise providing the Project or the Infrastructure Improvements.

3.2. Preparation, Review and Approval of Construction Plans. In connection with the Project, the Authority, at its sole expense, shall prepare and submit construction plans, drawings, and related documents for each portion of the Project and the Infrastructure Improvements to the appropriate City officials for architectural, engineering or land use review and written approval or permits. The Authority acknowledges that no review or approval by City officials may be in any way construed by the Authority to replace, override or be in lieu of any required review, inspection, or approval by the City Planning and Community Development Office, the City Public Works Department, or any other building construction official review or approvals required by any State laws or local ordinances or regulations.

3.3. Competitive Bidding; Prevailing Wage Rates; and Preference for Montana Residents. The Authority and the City are each obligated to follow certain laws with respect to the expenditure of public funds, which includes Tax Increment funds. The Authority agrees that in the awarding of contracts or subcontracts for the Infrastructure Improvements that (i) it will and it will cause its contractors to competitively bid the contracts and subcontracts for each component of the Infrastructure Improvements; (ii) it will and it will cause its contractors and subcontractors to pay the Prevailing Wage Rates on such contracts or subcontracts related to the Infrastructure Improvements; (iii) it will and it will cause its contractors and subcontractors will give preference to the employment of bona fide residents of the State, as required by Montana Code Annotated Section 18-2-403 and as such term is defined by Montana Code Annotated Section 18-2-401(1) and the Administrative Rules of the State, including but not limited to A.R.M. 24.17.147, obliging the Authority and its contractors and subcontractors to hire 50% bona fide Montana residents with respect to the installation and construction of the Infrastructure Improvements; and (iv) when making assignments of work, it will and it will cause its contractors and subcontractors to use workers both skilled in their trade and specialized in their field of work for all work to which they are assigned. The Authority will provide to the City all documentation requested to verify the compliance of the Authority, its contractors and subcontractors with the foregoing requirements. Failure of the contractors and subcontractors to pay the Prevailing Wage Rates on the Infrastructure Improvements shall be considered a breach of this Agreement and the City shall be entitled to exercise any and all measures to assure compliance and retroactive compensation plus interest to employees not paid in accordance with this Agreement, and recovery of any penalty or fine assessed by the State attributed to any failure to pay the Prevailing Wage Rates. Additionally, the Authority acknowledges that a violation of these requirements shall result in the City not being able to pay or reimburse the Authority for

costs of the Infrastructure Improvements. “**Prevailing Wage Rates**” means (i) Montana Prevailing Wage Rate for public works projects published from time to time by and available from the Montana Department of Labor and Industry, Research and Analysis Bureau, P.O. Box 1728, Helena, Montana 59624, telephone number (800) 541-3904; and (ii) applicable Federal Prevailing Wage Rates for public works projects are published from time to time by and available from <https://www.dol.gov/whd/govcontracts/PrevailingWageResources.htm>.

3.4. **Ownership.** The Project will initially be owned by the Airport and a private investment partner. The Warehouse Bays will be leased and/or sold primarily to third parties engaged in Secondary Industries in furtherance of the purposes of the District as set forth in the Plan. Notwithstanding the foregoing, at all times during the term of this Agreement the Authority shall own the Project Site and the Infrastructure Improvements and shall not sell, assign, convey, transfer, lease, encumber or otherwise dispose of the Project Site or the Infrastructure Improvements without the written consent of the City, subject in each case to ownership of any of the Infrastructure Improvements by the applicable utility service.

3.5. **Operation and Maintenance.** At all times during the term of this Agreement, the Authority will operate and maintain, preserve and keep the Project Site, the Project and the Infrastructure Improvements, or cause the Project Site, the Project and the Infrastructure Improvements to be operated, maintained, preserved and kept, for the purposes for which it was constructed, and with the appurtenances and every part and parcel thereof, in good repair and condition.

3.6. **Utilities.** The Authority shall not interfere with or permit interference with, or construct or permit construction of any improvements over, any public street or utility easement without the prior written approval of the City. All connections to public utility lines and facilities shall be subject to approval of the City and any private utility company involved. The Authority at its own expense shall replace any public facilities or utilities damaged by the Authority, its agents or by others acting on behalf of or under the direction or control of the Authority or its agent, or by any tenant or other owner of all or any portion of the Project.

3.7. **Easements.** To the extent that the Infrastructure Improvements are to be located on Authority property, the Authority will grant, and will cause all tenants and other owners of all or any portion of the Project to grant, to the City from time to time such easements, rights-of-way and similar licenses the City may reasonably request.

3.8. **Permits; Environmental Laws and Regulations.** The Authority will obtain or cause to be obtained, in a timely manner and at the Authority’s sole cost and expense, all required permits, licenses and approvals, and will meet and will cause all tenants and other owners of all or any portion of the Project to meet all requirements of all local, State and federal laws, rules, regulations and ordinances which must be obtained or met, in each case in connection with the acquisition and construction of the Project and the Infrastructure Improvements. Without limiting the foregoing, the Authority will request and obtain, or caused to be requested and obtained, from the City or other appropriate governmental authority, all necessary variances, conditional use permits and zoning changes with respect to the Project and the Infrastructure Improvements. The Authority will comply and will contractually obligate all

tenants and other owners of all or any portion of the Project to comply in all material respects with all Environmental Laws and Regulations (as hereinafter defined) applicable to the construction, acquisition and operation of the Project and the Infrastructure Improvements, will obtain and will cause all tenants and other owners of all or any portion of the Project to obtain any and all necessary environmental reviews, licenses or clearances under, and will comply and will cause all tenants and other owners of all or any portion of the Project to comply in all material respects with, Environmental Laws and Regulations.

3.9. Nondiscrimination. The Authority agrees that all hiring by the Authority and its contractors and subcontractors and persons performing this Agreement will be on the basis of merit and qualification and will not discriminate on the basis of race, color, religion, creed, political ideas, sex, age, marital status, physical or mental disability, national origin, or other class protected by State and/or federal law.

3.10. Worker's Compensation Insurance. The Authority shall provide in all construction contracts and subcontracts with respect to the Project and the Infrastructure Improvements that each contractor and subcontractor is to be covered by a Worker's Compensation insurance program with the State, a private insurance carrier, or an approved self-insurance plan in accordance with State law.

Section 4. Reimbursement.

4.1. Reimbursement Obligation. Subject to the terms and conditions of this Agreement, the City agrees to reimburse the Authority for costs of the Infrastructure Improvements with Tax Increment funds on hand *provided, however*, that the reimbursement for the Infrastructure Improvements shall not exceed \$300,000 in the aggregate. The obligation of the City to reimburse the Authority for costs of the Infrastructure Improvements shall be subject to (i) the completion of the Infrastructure Improvements in their entirety and approval of the costs thereof pursuant to Section 5, and (ii) the availability, in the sole discretion of the City, of sufficient Tax Increment for purposes of such reimbursement. The City will not have any obligation to issue bonds, notes or other obligations in order to finance the reimbursement of the Infrastructure Improvements.

4.2. Subordination. The Developer understands and agrees that the City currently has, and may in the future have, one or more series of bonds payable from Tax Increment and the reimbursement obligations of the City pursuant to this Agreement is hereby subordinated in right of payment to any and all of such bonds and shall be payable only from and to the extent of Tax Increment available after payment of all amounts then due and owing with respect to the bonds and any necessary reserves therefor, as determined in the sole discretion of the City.

Section 5. Payment or Reimbursement for Infrastructure Improvements.

5.1. In addition to the conditions set forth in Section 4, payment or reimbursement by the Authority with respect to the Infrastructure Improvements shall be subject to the following conditions and in accordance with the following procedures:

(a) The City shall have delivered to the Authority written acceptance of such completed categories of Infrastructure Improvements (which may be in the form of a Certificate of Completion or such other format as required by the City).

(c) Any payment or reimbursement by the City for costs of the Infrastructure Improvements will be based on paid or outstanding invoices for costs incurred by the Authority, its contractors and subcontractors or utility companies. The City may reject, in its sole discretion, any invoice to the extent it is not part of the Infrastructure Improvements.

(d) All of the Authority's representations as set forth in this Agreement shall be true and correct and the Authority shall not be breach of any covenant or undertaking as set forth in this Agreement.

(e) The request for payment or reimbursement must be accompanied by a signed draw request substantially in a form attached as Exhibit C hereto and acceptable to the City, accompanied by the invoices and lien waivers (if relevant) from the contractors or subcontractors performing the work to be paid or reimbursed.

(f) The City will cause payment or reimbursement for all properly submitted and allowable expenses to be paid within 30 days of satisfaction of the requirements of Section 4 and this Section 5, subject to compliance with City accounts payable procedures.

5.2. The Authority acknowledges that the City's commitment to pay or reimburse the Authority for costs of the Infrastructure Improvements is a limited obligation of the City payable solely from the Tax Increment. Such commitment is not a general obligation of the City and neither the general credit nor the taxing power of the City, Cascade County or the State is pledged to the payment thereof. Neither the Ordinance, this Agreement nor any other agreement or obligation of the City contained herein or therein shall be construed to constitute an indebtedness of the City, Cascade County or the State within the meaning of any constitutional or statutory provisions whatsoever. The Authority understands that the City has no control over the amount of Tax Increment that may be available to pay such commitment and that no other City funds will be available or used to pay such commitment.

Section 6. Release and Indemnification; Insurance.

6.1. Release and Indemnification. The Authority releases the City and all Commission members, officers, agents, servants and employees thereof (the "**Indemnified Parties**") from, and covenants and agrees that the Indemnified Parties shall not be liable for, and agrees to indemnify, defend and hold harmless the Indemnified Parties against, any loss, damage, cost (including reasonable attorneys' fees), claim, demand, suit, action or other proceeding whatsoever (i) arising or purportedly arising out of, or resulting or purportedly resulting from, any breach or violation by the Authority of any representation, agreement, condition or covenant of this Agreement, the construction and installation of the Project and the Infrastructure Improvements, the ownership, maintenance and operation of the Project Site, the Project and the Infrastructure Improvements, or the presence on any portion of the Project Site of any dangerous, toxic or hazardous pollutants, contaminants, chemicals, waste, materials or substances or (ii) which is caused by the Authority or its officers, agents, contractors, subcontractors, consultants

or employees or any tenant or other owner of all or any portion of the Project; except that such indemnification shall not apply to the extent that the loss, damage or cost is determined by a court of competent jurisdiction to have been caused by the negligence, willful misconduct or bad faith of the Indemnified Party.

6.2. Insurance. The Authority shall keep, or cause its private investment partner and/or the applicable owner or lessee of the Warehouse Bays to keep, the Warehouse Bays insured against such risks and in such amounts, with such deductible provisions, as are customary in connection with facilities of the type and size comparable to the unit.

Section 7. General Provisions.

7.1. Conflicts of Interest; City's Representatives Not Individually Liable. No member, officer, agent, servant or employee of the City or the Authority shall have any personal interest, direct or indirect, in this Agreement, the Project or the Infrastructure Improvements, nor shall any such member, officer or employee participate in any decision relating to this Agreement that affects his or her personal interests or the interests of any corporation, partnership or association in which he or she is, directly or indirectly, interested. No member, officer or employee of the City shall be personally liable to Authority in the event of any default under or breach of this Agreement by the City, or for any amount that may become due to Authority for any obligation issued under or arising from the terms of this Agreement.

7.2. Rights Cumulative. The rights and remedies of the parties hereto, whether provided by law or by this Agreement, shall be cumulative, and the exercise by any party hereto of any one or more of such remedies shall not preclude the exercise by such party, at the same or different times, of any other remedy for the same default or breach or of any of its remedies for any other default or breach of the party subject to the limitation of remedies provided herein. No waiver made by such party with respect to the performance or the manner or time thereof, of any obligation under this Agreement, shall be considered a waiver with respect to the particular obligation of the other party or a condition to its own obligation beyond those expressly waived in writing and to the extent thereof, or a waiver in any respect in regard to any other rights of the party making the waiver of any obligations of the other party. Delay by a party hereto instituting or prosecuting any cause of action or claim hereunder shall not be deemed a waiver of any rights hereunder.

7.3. Injunction; Specific Performance. The parties hereto agree that, in the event of a breach of this Agreement by any party or its successors or assigns, the non-breaching party would suffer irreparable harm. Therefore, in the event any party or its successors or assigns fails to comply with the provisions of this Agreement, the parties expressly agree that the non-breaching party may pursue any remedy at law or in equity, including without limitation, the remedies of injunction and specific performance. In addition, in the event of a breach of this Agreement by the Authority, including the failure of the Authority and/or its private investment partner to sell or lease the Warehouse Bays primarily to third parties engaged in Secondary Industries, the City may require that the Authority return all amounts paid by the City to or for the benefit of the Authority hereunder.

7.4. Term of Agreement. If all conditions precedent for the reimbursement by the City of the costs of all Infrastructure Improvements have not been satisfied by December 31, 2027, this Agreement will terminate and the City will have no obligation to reimburse the Developer for costs of the Infrastructure Improvements. Otherwise, this Agreement will terminate when all obligations hereunder have been satisfied or discharged. Notwithstanding, Sections 6.1 and 7 shall in all events survive the termination of this Agreement.

7.5. Limitation on City Liability. No agreements or provisions contained in this Agreement nor any agreement, covenant or undertaking by the City contained in this Agreement or any other document executed by the City in connection with the Infrastructure Improvements will give rise to any pecuniary liability of the City or a charge against its general credit or taxing powers, or will obligate the City financially in any way except with respect to Tax Increment. No failure of the City to comply with any term, condition, covenant or agreement herein will subject the City to liability for any claim for damages, costs or other financial or pecuniary charge except to the extent that the same can be paid or recovered from Tax Increment; and no execution on any claim, demand, cause of action or judgment will be levied upon or collected from the general credit, general funds or taxing powers of the City (except as such constitute Tax Increment). Nothing herein will preclude a proper party in interest from seeking and obtaining specific performance against the City for any failure to comply with any term, condition, covenant or agreement herein; provided that no costs, expenses or other monetary relief will be recoverable from the City except as may be payable from Tax Increment.

7.6. Notices. All notices, certificates or other communications required to be given to the City or the Authority hereunder shall be sufficiently given and shall be deemed given when delivered or deposited in the United States mail in certified form with postage fully prepaid and addressed as follows:

If to the City:	City of Great Falls P.O. Box 5021 Great Falls, Montana 59403 Attn: Financial Director
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If to the Authority:	Great Falls International Airport Authority 2800 Terminal Drive Great Falls, Montana 59404 Attn: Airport Director
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The City and the Authority, by notice given hereunder, may designate different addresses to which subsequent notices, certificates or other communications should be sent.

7.7. Assignment. This Agreement is unique between the City and the Authority and no party may assign any rights or privileges or delegate any duties or obligations under this Agreement, including to any tenant or other owner of all or any portion of the Project, without first obtaining the written consent of the other parties hereto.

7.8. Binding Effect. The right and obligations set forth in this Agreement shall inure to the benefit of and shall be binding upon the City and the Authority and their respective successors and assigns.

7.9. Prior Agreements. This Agreement supersedes, merges and voids any and all prior discussions, negotiations, agreements and undertakings between the parties hereto with respect to the subject matter of this Agreement. The parties waive and release each other from any claims, actions, or causes of action that relate in any manner to any prior discussions, negotiations, agreements and undertakings between the parties with respect to the subject matter of this Agreement.

7.10. Severability. If any provision of this Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

7.11. Amendments, Changes and Modifications. This Agreement may be amended or any of its terms modified only by written amendment authorized and executed by the City and the Authority.

7.12. Governing Law. This Agreement and the legal relations between the parties hereto will be governed by and construed in accordance with the laws of the State of Montana, without giving effect to any choice of law statutes, rules, or principles. All legal actions arising from this Agreement shall be filed in the District Court of the State of Montana in and for Cascade County, Montana.

7.13. Further Assurances and Corrective Instruments. The City and the Authority agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonably be required or advisable for correcting any inadequate or incorrect description of the Project or the Infrastructure Improvements or for carrying out any of the provisions of this Agreement.

7.14. Execution Counterparts. This Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute one and the same instrument.

7.15. Captions. The captions or headings in this Agreement are for convenience only and in no way define, limit or describe the scope of intent of any provisions or Sections of this Agreement.

[remainder of page left intentionally blank]

IN WITNESS WHEREOF, the parties hereto have caused this Development Agreement to be executed as of the ____ day of _____, 2025.

CITY OF GREAT FALLS, MONTANA

[SEAL]

By _____
Gregory T. Doyon, City Manager

Attest:

Lisa Kunz, City Clerk

APPROVED FOR LEGAL CONTENT:

David Dennis, City Attorney

*By law, the City Attorney may only advise or approve contract or legal document language on behalf of the City of Great Falls, and not on behalf of other parties. Review and approval of this document was conducted solely from the legal perspective, and for the benefit, of the City of Great Falls. Other parties should not rely on this approval and should seek review and approval by their own respective counsel.

GREAT FALLS INTERNATIONAL
AIRPORT AUTHORITY

Name: John Faulkner
Title: Airport Director

STATE OF MONTANA)
 : ss.
COUNTY OF CASCADE)

 This instrument was acknowledged before me on _____, 2025 by
_____ of Great Falls International Airport Authority, on behalf of said
Authority.

(Notarial Seal)

Printed Name: _____
Notary Public for the State of Montana
Residing at _____, Montana
My Commission Expires:

EXHIBIT A INFRASTRUCTURE IMPROVEMENTS

Estimated Expense

Electric and Gas	\$[_____]
Waterlines	\$[_____]
Sewer	\$[_____]
Storm sewer	\$[_____]

EXHIBIT B

2025 PROJECT COSTS AND SOURCES OF FUNDS

TOTAL PROJECT DEVELOPMENT *The total project development cost is the and should include the cost*

COSTS *cost to develop the entire project/site, of the TIF improvements.*

Land and Site Preparation Improvements

Value of Land	
Infrastructure Design	96,000
Electrical Extension	100,000
Gas Extension	100,000
Water Extension	494,000
Sanitary Sewer	\$ 60,000
Stormwater	25,000
Data/Communication	25,000
Subtotal: \$	900,000

* Gas and Electrical costs being determined by utility provider.

** Stormwater costs included with Construction/Rehabilitation costs.

*** Data/Communication costs to be determined at later date.

Construction/Rehabilitation Costs (Use general construction trade divisions) (Total value of improvements)

Entrance Flatwork	
Truck Circulation Pavement	1,500,000
Private Building #1 (\$32,700 SF)	6,500,000
Phase II Condo Building (6 units)	4,800,000
Phase II Condo Expansion (6 units)	4,800,000
Phase III Condo Building (10 units)	10,000,000

Subtotal: \$ 27,600,000

EXHIBIT C

AUTHORITY REQUISITION FORM

TO: City of Great Falls, Montana (the “City”)

FROM: Great Falls International Airport Authority (the “Authority”)

SUBJECT: Reimbursements for Infrastructure Improvements

This represents Authority Requisition No. ____ in the total amount of \$_____ for payment of the Infrastructure Improvements.

The undersigned, as Authorized Authority Representative, intends that this certificate will satisfy the requirements of Section 3 of the Development Agreement, dated as of [____], 2025 between the City and the Authority, and does hereby certify on behalf of the Authority that:

- (a) the expenditures for which reimbursement is requested are listed in summary form in the attached schedule;
- (b) the amounts requested have been paid by the Authority for property or to contractors, subcontractors, materialmen, engineers, architects or other persons who will perform or have performed necessary or appropriate services or will supply or have supplied necessary or appropriate materials for the acquisition, construction, renovation, equipping and installation of the Infrastructure Improvements, as the case may be, and that, to the best of my knowledge, the fair value of such property, services, or materials is not exceeded by the amounts requested to be paid;
- (c) the cost of work to be reimbursed has been competitively bid and the contractor or subcontractor has paid the Montana prevailing wage for such work;
- (d) no part of the several amounts requested to be reimbursed, as stated in such certificate, has been or is the basis for the reimbursement of any money in any previous or pending request; and
- (e) the reimbursement of the amounts requested will not result in a breach of any of the covenants of the Authority contained in the Agreement.

Dated: _____, 20__

Great Falls International Airport Authority

By: _____
Authorized Authority Representative

Schedule to Authority Requisition No. _____

Payee

Purpose

Amount

CITY OF GREAT FALLS



TAX INCREMENT FINANCING (TIF)

APPLICATION FOR FUNDS

**CITY OF GREAT FALLS
TAX INCREMENT FINANCING (TIF)
APPLICATION FOR FUNDS**

Project Name: Airport Light Industrial Park Utility Extension and Looping
 Date Submitted: 7/25/2025
 Name of TIF District: Great Falls International Airport Tax Increment Industrial District

APPLICANT INFORMATION

Name: Great Falls International Airport Authority
 Address: 2800 Terminal Drive, Great Falls, MT 59404
 Telephone: 406-727-3404

DEVELOPMENT INFORMATION

1. Building Address: 4201 Ulm N Frontage Rd Great Falls, Mt 59404
2. Legal Description: Geocode:02-3015-20-4-01-01-0000
Legal Description: S20, T20 N, R03 E, PARCEL 2 OF COS #5051 SEC 20, 29 & 30 MK 6A
3. Ownership: Airport -Owned
Address: 2800 Terminal Drive, Great Falls Montana 59404
4. If property is not owned by the Applicant, list leasehold interest: (*Attach evidentiary materials*).
Name: N/A
Address: N/A
5. Existing/Proposed Businesses:

Peterbilt Trucking is an existing use in the first three units built. They are operating a repair and fabrication shop in the current units. Their industrial activities include semitruck modification and customization work including a welding shop for custom hitch and suspension systems. Peterbilt is routinely serving trucks used by industrial and agricultural users from all over the area. They intend to occupy this building for five years and then build a full dealership location along the frontage road. This use highlights the ability of the condo's to provide a flexible short-term space that allows Great Falls to capture light-industrial tenants that might otherwise not locate in our market due to the shortage of space. Peterbilt would be entirely unwelcome in many areas of the community like the Central Ave corridor because of the extensive amount of large truck traffic and noise created use of air tools. However, they are precisely the type of user one would expect to find in a light-industrial park such as ours.

The infrastructure that is partially TIF funded in this application will complete the looping of the water line that was extended with a past TIF application and serves EagleJet, a large 40,000 square foot hangar. EagleJet was the tallest hangar in Montana at the time of construction with capacity for two 737's. Avmax recently used the hangar for a large contract with MESA airlines for C-checks on their regional jets.

Aircraft are taken out of airworthy certification and remanufactured during a C-check. A C-check involves removing panels, fairings and interior components of a commercial aircraft so that all structural elements of the aircraft can be inspected, measured for tolerance, repaired, and remanufactured. Systems are examined for fatigue and refurbished with new parts as necessary. Non-destructive including ultrasonic, eddy current, radiography, or dye penetrant testing is conducted on stressed components to recertify their airworthiness. Any corrosion is repaired and treated with anti-corrosive lubricants. ailerons, elevators, and rudders are realigned. Critical fasteners are replaced and torque specifications are checked throughout the aircraft. This work can only be performed by technicians certified on the particular aircraft type. Final certifications must be completed by an inspector with FAA certification that a frame is airworthy. In jurisdictions with Business and Occupancy tax, aircraft undergoing a C-check are typically taxed as inventory rather than an aircraft asset while the C-check rehabilitation process is complete.

The current TIF funded infrastructure, once looped with the proposed TIF infrastructure expansion, can support two more large 737-size hangars. Because of their large size and adjacency to a large aircraft taxiway, these sites are being preserved for a future large aviation related project like a major aircraft manufacturing, a rehabilitation hanger or other heavy industrial use that needs airfield access.

Three small hangars are currently under construction next to EagleJet. One is utilized by a small two-person operation that manufactures custom “sport aircraft”. They are building light aircraft like the Zenith CH 750 STOL model from commercially available plans. They purchase commercially available engines and manufacture the frames and exterior panels out of composite materials and aluminum sheet metal, which they fabricate and machine into required parts.

The new condo units constructed will be mixed-use light industrial units like the first ones built and are currently being marketed for manufacturing and light-industrial users via CoStar/Loopnet. About 25 acres of additional land will have access from the existing stubs. The additional 25 acres will include a mixed use of light industrial and manufacturing park users.

The Authority has been working with a local food manufacturer since the first phase of condo development, and we have made a proposal to them to be the primary tenant in Phase II. They would be converting local agricultural products into food products for direct-to-consumer use.

In addition to our prime target, during 2025, the Authority has experienced a significant upsurge in calls on our condo sites and light-industrial land from companies that are currently conducting some form of trans-border manufacturing operations. Typically, they are looking for a northern US location to mitigate tariff exposure. A recent example is a company that makes work trailers in southern Alberta. They use US made springs and axels, but currently manufacture their trailers in Canada. About 40% of their current business is in the US, so from a tariff mitigation strategy, it makes sense to build some of their units here and house spring/axel inventory until it is needed for production in Canada.

The Authority has also made an offer to another small aircraft fabricator that manufactures several types of small specialized private planes. As currently envisioned their operation would be split between the Phase II light-industrial condos, a new hangar near EagleJet that will be served by first phase of TIF infrastructure and an old airport maintenance bay at the opposite end of the airfield. They would be manufacturing aircraft components onsite and may possibly occupy space at GTF as early as this fall.

Our current marketing outreach is proving successful in delivering a consistent stream of manufacturing interest in the condo project. However, what we have experienced in the past year since completing Phase I is that most of the user interest we receive wants immediate occupancy so we plan to build a larger building Phase II. In addition, if demand continues, the Phase II building can also be doubled in size from the planned six units to accommodate additional demand.

6. Employment: Existing FTE Jobs: 14 Airport employees, 12 Peterbilt employees, 5 General Aviation employees in hangar area

New Permanent FTE Jobs created by project: Estimated at 40 Construction FTE jobs: 12

7. Architectural/Engineering Firm: Morrison-Maierle
Address: 21 3rd St N, Unit 4B, Great Falls Montana 59401

Representative: = Steve Brown

8. Please provide a description of the Total Project Development.

Site Overview:

The Great Falls International Airport Authority (“Authority”) plans to develop approximately 300 acres along I-15 for aviation-compatible, manufacturing and industrial-commercial use. This site, identified in the Airport Master Plan Update, lies within FAA height-restricted zones and is subject to aircraft noise. Buildings under 75 feet tall and non-noise-sensitive commercial uses are appropriate.

The parcel generally lacks any utility infrastructure and road access. TIF funds were used to install essential utilities (water, sewer, stormwater, electric, and data), construct a stormwater pond, and build two site entrances along MDT’s North Frontage Road for Phase I of the development on the site

Project Description:

Phase I development, including constructing a large-span metal building (approx. 80' x 90'), subdividable into three 2,400 square foot bays. When Phase I construction was completed in June of 2024, the entire site was leased to The Jackson Group for a Peterbilt dealership.

The Phase II Condos are planned to include four to six additional 2,400 units marketed for manufacturing use.

Market Need & Economic Impact:

The regional market lacks modern, small industrial spaces for small industrial spaces. In particular, small manufacturing space with City utilities don’t currently exist currently. This development fills that gap for small-scale manufacturing space that needs access to amenities like heavy 440 electrical for welding, oil water separators for industrial coatings and high-bay floor space with large doors for fabrication of large items like a truss. We have spoken multiple times to Northrup Grumman about their needs in the upcoming missile-field upgrade which we know will involve intensive work to fabricate communication and electronic components.

Tenants in the Light Industrial condos will benefit from access to I-15, Montana’s only FedEx hub, and U.S. Customs at the Airport. Similar developments near airports in cities like Bozeman, Missoula and Billings have proven successful and host diverse manufacturing tenants—from industrial pump fabricators to FlaskKap that makes liquor measuring devices for reusable water bottles.

Long-Term Vision:

This flexible, scalable development positions the airport as a light-manufacturing, logistics and industrial hub for north-central Montana. The full build-out of the Light Industrial Condos is expected to include three buildings and about 100,000 square feet of high-bay space that will be service by the TIF utilities. This multi-tenant park is expected to house a dozen or more businesses providing them with industrial facilities that are immediately adjacent to transportation infrastructure without burdening residents with incompatible traffic or neighbors.

For Great Falls, 100,000 square feet will be a sizable light manufacturing hub. We envision a

development that can accommodate everything from integrated manufacturing and distribution like our food prospect to the owner-occupied computer numerical control (CNC) machine operation fabricating components for area industry.

The TIF-funded infrastructure will complete a loop of utilities that serves the EagleJet Hangar which was the first TIF funded infrastructure built at the Airport. The Authority owns 250-acres of development land along I-15 to the south of the current utilities. Extending the utilities will help to develop this land also. The Authority anticipates development of the broader 250-acres will be a mixed-used employment center with light-industrial, retail and even hospitality uses.

9. Please provide rehabilitation/construction plans (attach schematics, site and landscaping plans).

See the attached conceptual civil plans.

10. What is the development schedule or estimated completion date for the Total Project Development? The Total Project Development is best defined as the entire development, not just the TIF improvements (please include project phasing if appropriate).

Infrastructure construction will begin in the summer 2025. Phase II light-industrial building development will start in the summer of 2026. First tenant building in mixed use parcels south of Phase II will start spring 2026 (Full development in 20 years)

11. Do you plan on asking for any other tax abatements, grants, tax credits or other forms of relief?

No

12. Please describe your funding needs and the anticipated timing schedule for your identified Eligible TIF Activities:

Utility Construction – Phase II

The Airport plans to commence development of utilities, site preparation (grading, etc.) in the summer of 2025 to meet the scheduling demands of a current end user.

Current construction estimates indicate that infrastructure investments of \$650,000 need to be made prior to the development of the Phase II light-industrial building or any building to the south of that. The \$650,000 will build electrical and data lines and extend the water and sewer lines along the Ulm Frontage Road to the existing dry extensions that were constructed under the Frontage Road in 2015. This will complete a waterline loop that serves the EagleJet Hangar on the west side of the Frontage Road. The budget also includes extending the electrical and gas lines to serve the same parcels. In total, about 25 acres of new utility-served development sites will be created with this extension.

The Airport would like to use the funds that currently exist in the TIF District to reimburse a portion of the construction costs of the utilities as the costs are incurred. The Airport is requesting remaining funds in the TIF district be used to reimburse the Airport for a portion of the cost of the utility infrastructure investment. City staff has advised us that \$300,000 is currently available in the TIF fund.

TOTAL PROJECT DEVELOPMENT COSTS

*The total project development cost is the cost to develop the entire project/site,
and should include the cost of the TIF improvements.*

Land and Site Preparation Improvements (Itemized)

1. Value of Land	\$	-
2. Infrastructure Design	\$	96,000
3. Electrical Extension	\$	100,000
4. Gas Extension	\$	100,000
5. Water Extension	\$	494,000
6. Sanitary Sewer	\$	60,000
7. Stormwater	\$	25,000
8. Data/Communication	\$	25,000

Subtotal: \$ 900,000

* Gas and Electrical costs being determined by utility provider.

** Stormwater costs included with Construction/Rehabilitation costs.

*** Data/Communication costs to be determined at later date.

Construction/Rehabilitation Costs (Use general construction trade divisions)

(Total value of improvements)

1. Entrance Flatwork	\$	-
2. Truck Circulation Pavement	\$	1,500,000
3. Private Building #1 (\$32,700 SF)	\$	6,500,000
4. Phase II Condo Building (6 units)	\$	4,800,000
5. Phase II Condo Expansion (6 units)	\$	4,800,000
6. Phase III Condo Building (10 units)	\$	10,000,000

Subtotal: \$ 27,600,000

Equipment Costs (None)

(Total value of improvements)

1.	\$	-
2.	\$	-
3.	\$	-
4.	\$	-
5.	\$	-

Subtotal: \$ -

Total Project Development Costs: \$ 28,500,000

ELIGIBLE TIF ACTIVITIES

Land Acquisition- None

	Total	Amount Requested from TIF	Timing for Funds
1.	_____	_____	_____

Demolition & Removal of Structures

1.	_____	_____	_____
2.	_____	_____	_____
3.	_____	_____	_____
Subtotal	_____	_____	_____

Relocation of Occupants - None

1.	_____	_____	_____
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Public Improvements

(acquisitions, construction, and improvement of infrastructure which includes streets, roads, curbs, gutters, sidewalks, pedestrian malls, alleys, parking lots and off-street parking facilities, sewers, sewer lines, storm sewers, etc.)

1. Electric and Gas – Costs to be determined by utility provider and have not been determined.
2. Waterlines
3. Sewer
4. Storm sewer improvement – Costs included in infrastructure.

Subtotal: **\$650,000**

Fees (associated with eligible activities)

(A&E design/supervision, permits & other fees)

1. Morrison Maierle – Water and Sewer main Extension Design, Bidding, and CA \$96,000
2. City of GF – Water and Sewer Main Extension Design Review \$13,500 (estimated)
3. City of GF – Water and Sewer Main Extension Inspection \$12,000 (estimated)
4. MT DEQ – Water and Sewer Main Extension Design Review \$1,500 (estimated)
5. Local Newspaper – Bidding Advertisements \$1,000 (estimated)
6. Other A&E Fees for Site Development and Building Design TBD

Subtotal: **\$124,000**

CERTIFICATION

I (we), John Faulkner, certify that the statements and estimates within this Application as well as any and all documentation submitted as attachments to this Application or under separate cover are true and correct to the best of my (our) knowledge and belief.

Signature _____

Title _____

Address 2800 Terminal Drive, Great Falls, Mt 59404

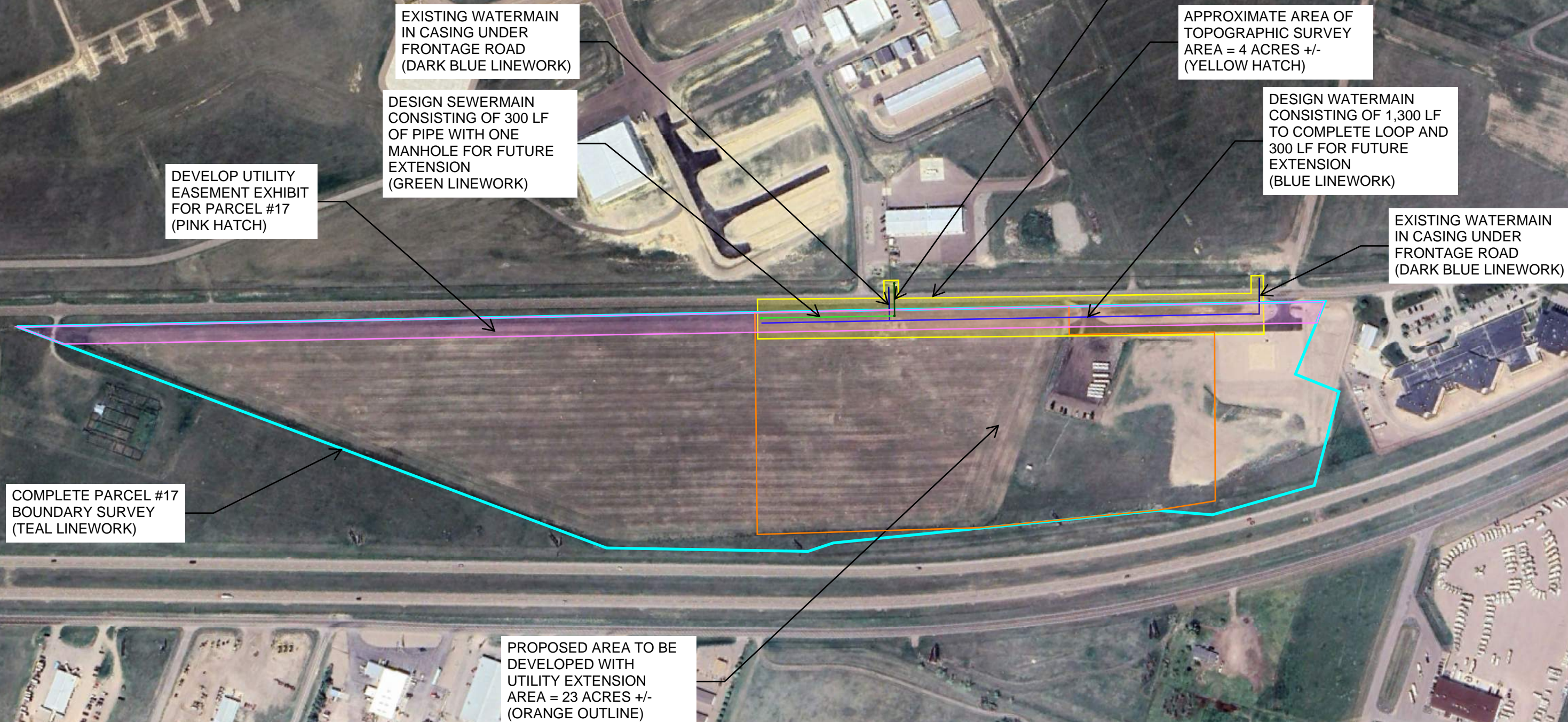
Date _____

Signature _____

Title _____

Address _____

Date _____



SCOPE OF WORK EXHIBIT FOR UTILITY EXTENSIONS

Note: All linework shown is approximate for visualization purposes only and is subject to change.

Image © 2025 Airbus

1153 ft

GREAT FALLS INTERNATIONAL AIRPORT (GTF)

LIGHT INDUSTRIAL AREA DEVELOPMENT - UTILITY EXTENSIONS



PRELIMINARY SOFT AND CONSTRUCTION COST ESTIMATES

WATER AND SEWER MAIN IMPROVEMENT SOFT COSTS

DESCRIPTION	UNIT	QUANTITY	UNIT COST	EXTENDED COST
Engineering Design, Bidding, and Construction Administration	LS	1	\$96,000	\$96,000
City of GF Inspection (Estimated)	LS	1	\$12,000	\$12,000
City of GF Review Fees (Estimated)	LS	1	\$13,500	\$13,500
MDEQ Review Fees (Estimated)	LS	1	\$1,500	\$1,500
			<i>Subtotal:</i>	<i>\$123,000.00</i>
			<i>Contingency:</i>	<i>\$0.00</i>
			Estimated Total:	\$123,000.00

SCHEDULE 1, BASE BID - CONSTRUCT WATERMAIN EXTENSION IMPROVEMENTS

ITEM #	SPEC	DESCRIPTION	UNIT	QUANTITY	UNIT COST	EXTENDED COST
1		Mobilization/Demobilization, Taxes, Bonds, Insurance and General Requirements	LS	1	\$19,500	\$19,500
2		16" C900 PVC Water Main	LF	300	\$200	\$60,000
3		Fire Hydrant	LS	1	\$15,000	\$15,000
4		16" Butterfly Valve	LS	1	\$15,000	\$15,000
5		Connection to Existing Water System	EA	1	\$8,000	\$8,000
6		Surface Restoration	LS	1	\$1,100	\$1,100
					<i>Subtotal:</i>	<i>\$118,600</i>
					<i>Contingency:</i>	<i>\$21,400</i>
					Estimated Total:	\$140,000

SCHEDULE 2, BASE BID - CONSTRUCT SEWER MAIN EXTENSION IMPROVEMENTS

ITEM #	SPEC	DESCRIPTION	UNIT	QUANTITY	UNIT COST	EXTENDED COST
1		Mobilization/Demobilization, Taxes, Bonds, Insurance and General Requirements (15%)	LS	1	\$10,000	\$10,000
2		12" SDR 25 Sanitary Sewer Main	LF	300	\$100	\$30,000
3		Sanitary Sewer Manhole	LS	1	\$8,000	\$8,000
4		18" Tapping Sleeve	EA	1	\$2,500	\$2,500
5		Connection to Existing Sewer System	EA	1	\$2,000	\$2,000
6		Surface Restoration	LS	1	\$1,100	\$1,100
					<i>Subtotal:</i>	<i>\$53,600</i>
					<i>Contingency:</i>	<i>\$13,400</i>
					Estimated Total:	\$67,000

SCHEDULE 3, BASE BID - CONSTRUCT WATER MAIN LOOP IMPROVEMENTS

ITEM #	SPEC	DESCRIPTION	UNIT	QUANTITY	UNIT COST	EXTENDED COST
1		Mobilization/Demobilization, Taxes, Bonds, Insurance and General Requirements	LS	1	\$30,000	\$30,000
2		16" C900 PVC Water Main	LF	1300	\$200	\$260,000
3		Connection to Existing Water System	EA	1	\$8,000	\$8,000
4		Surface Restoration	LS	1	\$4,800	\$4,800
					<i>Subtotal:</i>	<i>\$302,800</i>
					<i>Contingency:</i>	<i>\$17,200</i>
					Estimated Total:	\$320,000

Estimated Water and Sewer Main Loop and Extension Project Total:	\$650,000.00
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Exhibit "C"

Great Falls International Airport

Tax Increment Financing Industrial District Plan

1. INTRODUCTION

The Great Falls International Airport (GFIA) Authority is interested in fostering the development of secondary, value adding industries in the City of Great Falls as part of its overall mission to promote aviation related economic development, to improve area employment opportunities and to expand the tax base. This effort will be facilitated through the creation of a Tax Increment Financing Industrial District or TIFID, which will encompass the entire Airport property.

History of the Great Falls International Airport

The GFIA was developed in response to an initiative of the U.S. Department of Commerce in 1928. The City acquired 640 acres of land and construction was started on Runway 16/34, which was completed in June 1929. By 1939 the airport facilities included four runways, a large hangar, and an administration building.



Early Air Mail Plane

In 1939, the Great Falls Airport Commission appealed to Harry H. Woodring, Secretary of War, to locate an Air Corps squadron at Great Falls. In 1941, the Civil Aeronautics Authority provided money for the further development of the Great Falls Municipal Airport, which was known then as Gore Field.

During World War II, the airport was leased by the U.S. War Department and used as a base for the 7th Ferrying Command. During the war years, more than 7,500 bombers and fighter aircraft passed through Great Falls on their way to the war fronts in Europe and the Pacific. While using the airport as an airbase, the U.S. Army acquired an additional 740 acres of land and built many buildings and other facilities.



First Terminal

In June 1948, the U.S. War Department deeded the airport back to the City of Great Falls with the stipulation that the facility could revert to military control in the event of a

national emergency. The airport was released from this clause in 1961. In 1975, the terminal at the GFIA was replaced and all runways, aprons, and taxiways updated. With use of Federal Aviation Administration (FAA) matching funds, the Airport Authority performs annual operations, maintenance, and capital improvements.¹ In addition to commercial, freight and private air services, the GFIA houses the 120th Fighter Group of the Montana Air National Guard (MANG) on 138 acres just southwest of the Terminal area.

Today, the GFIA is governed by a Regional Airport Authority, which recognizes the economic influence that airports have on the areas they serve. To this end, the Great Falls International Airport Authority (Authority) has reconstructed 80% of its existing infrastructure and expanded its aviation infrastructure to support the development of 29 new hangers. FedEx Cargo has established a 79,000 square foot regional hub at the Airport and since 2000, the Authority has helped to foster the creation of 300 new jobs of which 200 are primary sector jobs.

In 2006, privately owned businesses located on airport property generated \$685,000 in property taxes that benefit city and county governments, as well as area schools. This amount represents a 78% increase since 2003. However, airport area infrastructure is near its capacity. As a result, the Authority is faced with limitations on new development due to a lack of developable sites with sufficient utilities, roads and general infrastructure improvements. Installing additional infrastructure would allow the Authority to continue growing the tax base for the community. However, there are no viable revenue sources to install the infrastructure necessary to leverage growth of secondary, value adding industries.

Tax Increment Financing for Industrial Development

At the request of and in concert with the Airport Authority, the City of Great Falls intends to establish a Tax Increment Financing Industrial District (TIFID) at the Great Falls International Airport. The base year for the purposes of measuring any incremental value will be 2008 and the base value will be calculated as of January 1, 2008.

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, which were usually blighted central business districts. In 1989, the Montana Legislature amended the Montana Urban Renewal Law to enable municipalities to create special industrial districts which could employ tax

¹ Great Falls International Airport History, http://www.gtfairport.com/airport_info/history.html

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. Senate Bill 472 resulted in Section 7-15-4299 Montana Code Annotated (MCA), originally codified in 1989 and amended in 2007. This law enables communities to assist in industrial development in areas that are deemed to be infrastructure deficient. Tax increment financing may now be used for improvements as defined in 7-15-4288 MCA.

In March of 2008, the Montana Department of Revenue, under its administrative rule making authority, more specifically defined "secondary industries" as those 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. These industries engage in the:

- processing of raw materials, such as minerals, ore, oil, gas, coal, agricultural products, and forestry products; or
- processing of semi-finished products that are used by the industry as a raw material in further manufacturing.

"Value-added" is defined as an increase in the worth of the raw or semi-finished product that results from a mechanical or chemical transformation and may not be attributable to a mere increase in existing production.

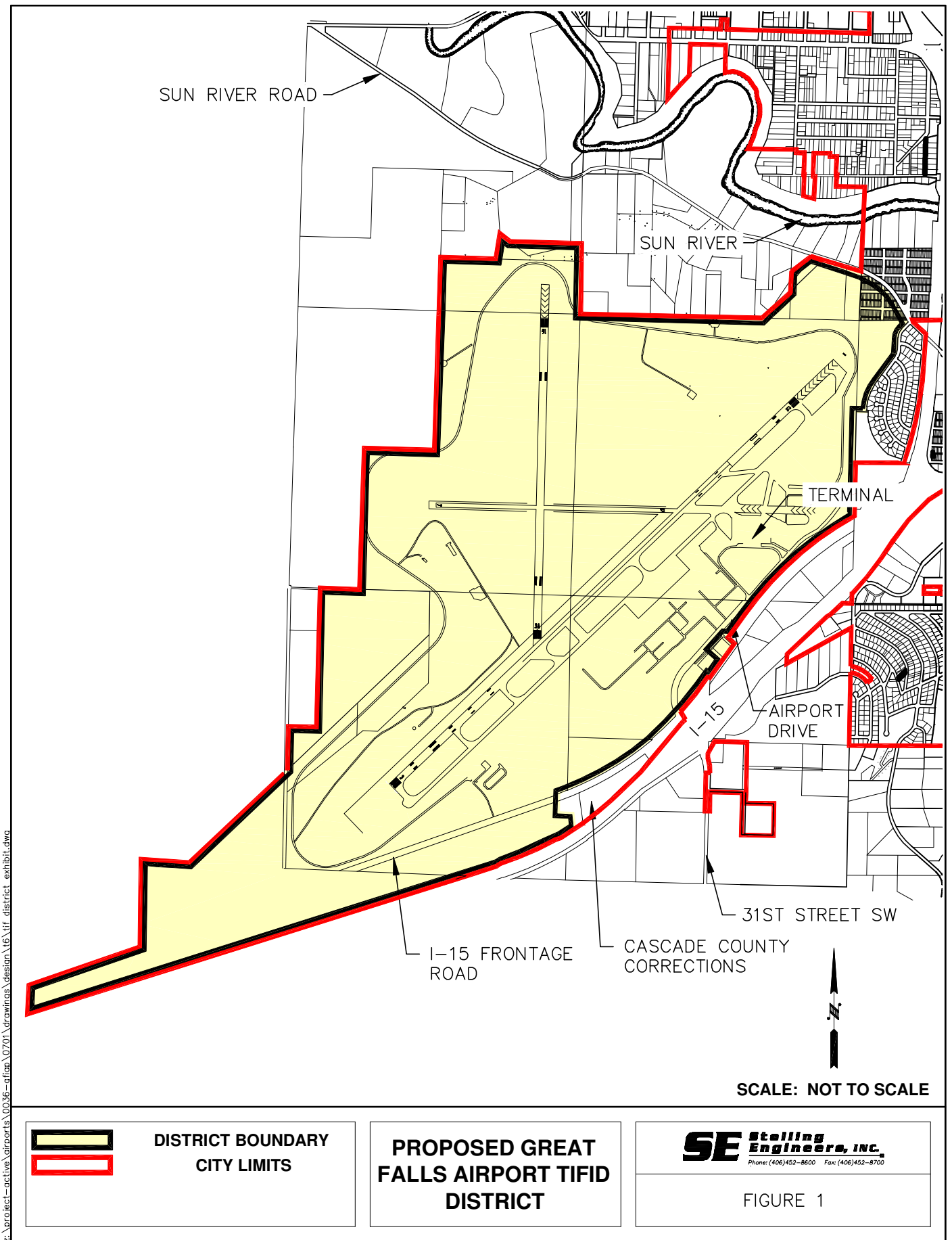
In order to make use of this innovative economic development strategy, the City of Great Falls must adopt an industrial development plan which defines the specific geographic area within which the tax increment will be measured and reinvested. Further, the plan must outline those activities that the local government intends to undertake in order to successfully develop (or retain) value-adding industrial activity.

2. DISTRICT DESCRIPTION

The GFIA is situated at the western limits of Great Falls, Montana in Cascade County and is located entirely within the Great Falls corporate limits.

Location Map

Figure 1 illustrates the proposed area of the Great Falls International Airport TIFID. (A separate Exhibit B contains the legal description of the Airport).



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3. EXISTING INFRASTRUCTURE ANALYSIS

The existing infrastructure at the GFIA includes a combination of public and private utility services built in response to growth and needs at the Airport. These are summarized in Figures 2-5.

Figure 2 shows current City water and sanitary sewer utilities. The Airport's location and elevation, well above all treatment facilities, dictates the location of lift stations and the distances required to service mains. Key water connections exist at three separate locations into the GFIA. All sanitary sewer lines are channeled into the single sewer main connection, just north of the Airport Interchange on Interstate 15.

Figures 3A and 3B show both the public roads and the City storm drain facilities. The Airport generally drains toward the north, and provides on-site storm water detention which is a permitted-industrial release site, through the Montana Department of Environmental Quality (DEQ). Storm water is discharged at the north end of the Airport into the Sun River. The single connection to the road network is at I-15 Interchange # 277 with Airport Drive.

As the sole access road into the GFIA, Airport Drive also provides traffic distribution for the majority of airside and all landside facilities. Airport Drive is primarily a two-lane, urban street with some supplemental turning lanes. Design and operating speeds are less than 35 miles per hour (mph). Airport Drive serves as the sole emergency access to and from the Airport and currently serves all vehicle types, with a mix ranging from large semi-trailers to passenger cars. The I-15 Frontage Road also provides access to the undeveloped, southern portion of the Airport lands, on a two-lane rural roadway. In an agreement with the City of Great Falls, the GFIA provides street maintenance on Airport Drive and other, public streets that serve the terminal and freight areas.

The Airport Perimeter Road circumnavigates the fenced (secured, airside of the Airport). Due to aviation security requirements, this roadway is considered a private roadway and has no public access. It is primarily a narrow, two-lane, paved surface with no signing, striping or shoulders.

Natural gas service lines provided by Energy West are shown in Figure 4. This current system extends along Airport Road from the Terminal/MANG areas to the north Airport boundary, terminating at the FedEx facility.

Figure 5 shows Northwestern Energy's electric lines and available communication service. Although numerous electric lines are shown along the runways, these service

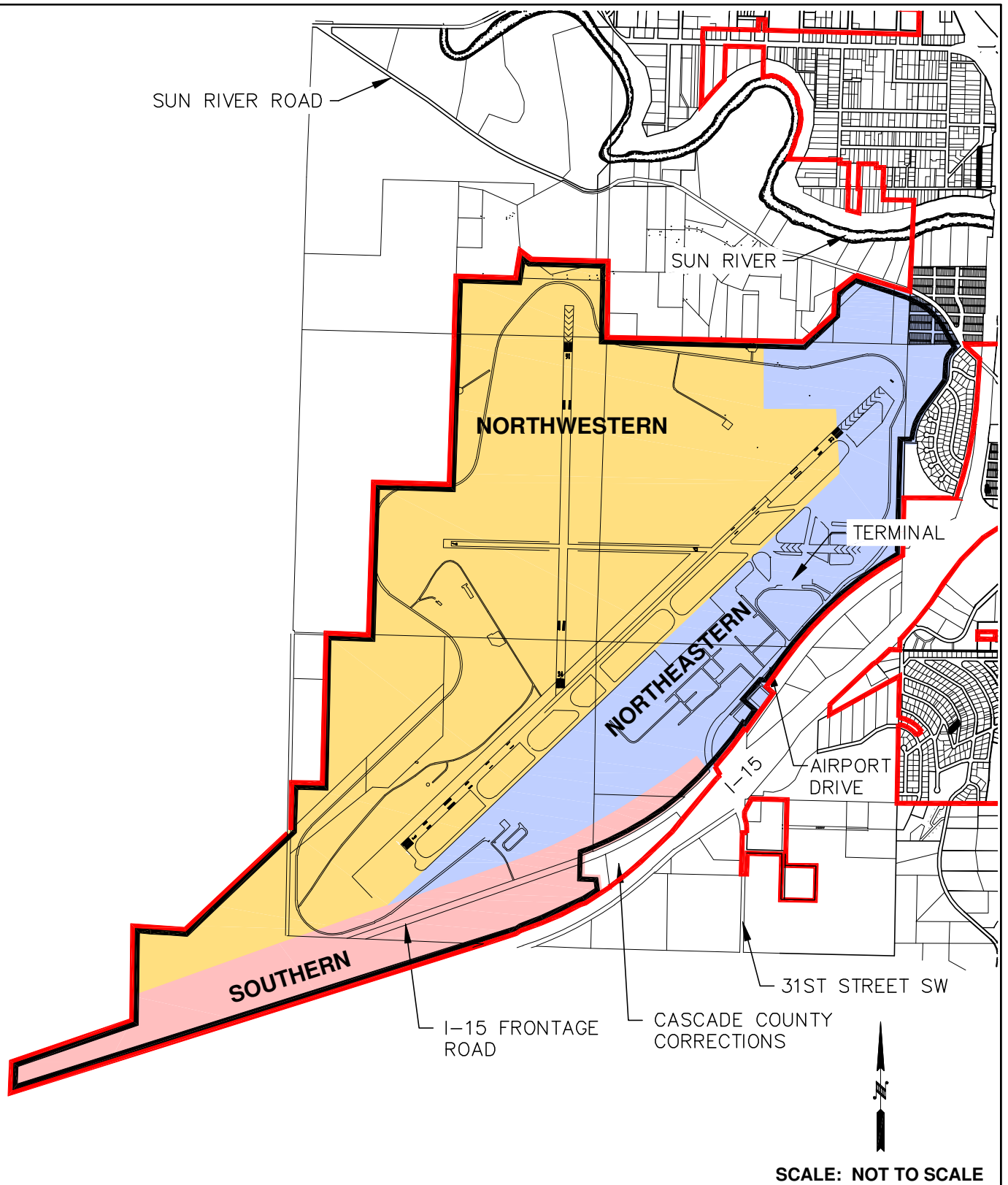
lines are not considered for extension to future development. Local and long-distance telephone connections are currently available at the Terminal and developed areas. Both fiber optic and cable connections exist on the east (non-airport) side of I-15 with some fiber lines extending to specific buildings (MANG, Federal Aviation Administration, etc) within the GFIA.

4. INFRASTRUCTURE DEFICIENCIES FOR TARGETED SECONDARY, VALUE-ADDING INDUSTRIES

The development of secondary, value-adding industries in the TIFID will require adequate infrastructure -- roads, sewer, water, electricity and communications. A review of the existing infrastructure and the infrastructure needed for the development of secondary, value-adding industries within the TIFID reveals the following deficiencies, which are presented by sub area within the proposed TIFID.

Figure 6 shows three geographic areas within the TIFID that currently provide similar infrastructure services. These areas were established to summarize the infrastructure deficiencies for the development of secondary, value adding industries within the TIFID.

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	DISTRICT BOUNDARY
	CITY LIMITS
	INFRASTRUCTURE DISCUSSION AREAS

PROPOSED GREAT FALLS AIRPORT TIFID DISTRICT

 SE Stalling Engineers, Inc. <small>Phone: (406)452-8600 Fax: (406)452-8700</small>

Deficiencies by Area

The Northeastern Area (from the I-15 interchange, north to the FedEx complex) of the TIFID is well served by all infrastructure, except roads and communication infrastructure. The road infrastructure is limited by the lack of dual access and the capacity limits of a single, two-lane, low-speed road for all Airport access.

- Cable and fiber-optic service do not exist as services have not been extended across the Interstate to serve any of the Airport or TIFID areas at the time of this evaluation.

The Southern Area (generally south of Airport Drive and directly along the I-15 Frontage Road) has service connections at the east edge, but few extensions along the Frontage Road corridor.

- Electricity, telephone, water and sanitary sewer services are available at the east edge but would require main (or transmission line) extensions along the Frontage Road corridor.
- Gas and storm sewer would need to be connected to existing distribution systems. Gas would likely connect to existing systems in the Northeastern Area via an extension along the Frontage Road corridor. Storm systems could connect into either the Northeastern or Northwestern Areas, depending upon design needs.
- The road infrastructure provides reasonable access through this area but does not have intersection improvements (turn lanes, driveway approaches, traffic signals, lighting or roundabouts). Because the Frontage Road is under the Montana Department of Transportation (MDT) jurisdiction, additional access changes will be required to meet MDT access and design standards. The road infrastructure is also limited as Airport Drive provides the only emergency access (the Frontage Road does extend further south, but requires additional travel time that eliminates its feasibility as an emergency response route).
- Cable and fiber-optic service do not exist as services have not been extended across the Interstate to serve any of the Airport or TIFID areas at the time of this evaluation.

The Northwestern Area (all areas west of the main runway) essentially has no infrastructure suitable for industrial development. New connections to all infrastructure would be required for industry, including major extensions for:

- Water mains and service (including possible upgrading of Gore Hill systems for fire demand, which could include pump station, storage and distribution)
- Sanitary mains and distribution (including the possible addition of a lift station)
- Storm Drain Systems
- Roadway Systems (access to development and improvements to Frontage Road and/or Airport Drive)

- Gas (main and distribution lines)
- Electrical Service (transmission and distribution lines)
- Telephone Service
- Cable and fiber-optic service do not exist as services have not been extended across the interstate to serve any of the airport or TIFID areas at the time of this writing.

5. INDUSTRIAL DEVELOPMENT ACTIVITIES TO BE UNDERTAKEN

Once the TIFID is established, the Great Falls International Airport Authority, in concert with the City of Great Falls, will work to foster industrial economic development within the District. This program will be multifaceted and will include market analysis, capital improvement planning, industry recruitment, and project financing and implementation.

Identification of secondary, value-adding industries

The Authority has identified industries that could be targeted for development within the proposed TIFID. This list of industries is based on the following analysis, as provided by the Authority:

...industry groups, or clusters, have been identified as target industries for on-airport development. These industry clusters have a propensity to locate business activities on airports or immediately adjacent to airports, depending on airport land availability. Industry clusters were identified based on airport development trends throughout North America. It should be noted that these industry clusters are not specifically related to airport and aircraft services or visitor industry services. Rather, these industry clusters locate on an airport to take advantage of access to airside facilities such as air cargo facilities, aircraft aprons, taxiways and runways. By locating on the airport, these industries reduce, if not eliminate, time in trucking cross-city or –region, as well as being well positioned to receive air cargo and personnel.

The list of potential industries is presented in Table 1, as follows.

Table 1. Potential Industries for Attraction

NAICS Code	Industry
334511	Search, Detection, Navigation, Guidance, Aeronautical, & Nautical System & Instrument Manufacturing
336411	Aircraft Manufacturing and Refurbishing
336412	Aircraft Engine and Engine Parts Manufacturing
336413	Other Aircraft Parts and Auxiliary Equipment Manufacturing
336414	Guided Missile and Space Vehicle Manufacturing
336415	Guided Missile and Space Vehicle Propulsion Unit and Propulsion Unit Parts Manufacturing
336419	Other Guided Missile and Space Vehicle Parts and Auxiliary Equipment Manufacturing
334111	Electronic Computer Manufacturing
334112	Computer Storage Device Manufacturing
334113	Computer Terminal Manufacturing
334119	Other Computer Peripheral Equipment Manufacturing
334210	Telephone Apparatus Manufacturing
334220	Radio and Television Broadcasting and Wireless Communications Equipment Manufacturing
334290	Other Communications Equipment Manufacturing
334310	Audio and Video Equipment Manufacturing
334412	Bare Printed Circuit Board Manufacturing
334413	Semiconductor and Related Device Manufacturing
334414	Electronic Capacitor Manufacturing
334418	Printed Circuit Assembly (Electronic Assembly) Manufacturing
334419	Other Electronic Component Manufacturing
333295	Semiconductor Machinery Manufacturing

Further research and analysis will be required to determine which of these industries can be actively recruited based on market conditions and Great Falls' 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.

Capital Improvements Planning and Implementation

The Great Falls International Airport Authority will undertake the necessary planning required to identify more particularly 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 and other transportation infrastructure, pedestrian ways, sewage pre-treatment, sewer lines, water mains, utilities, street lighting and buildings.

TIFID Program Design

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 TIFID 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. It is likely that 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 TIFID. 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. In most cases, it will be necessary for the private taxpayer(s) to enter into an agreement with the City of Great Falls 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 be enough to cover all bond payments due, as well as an adequate reserve.
- Annual Tax Increment Appropriations – The City of Great Falls 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).
- Conventional Financing – The City of Great Falls may borrow funds from commercial lending institutions in order to finance public infrastructure improvements. Principal and interest on the loan will be paid by annual tax increment revenues. A conventional loan agreement will not, however, extend the authorized 15 year time period for a TIFID.

Per 7-15-4291 MCA, the City of Great Falls 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 TIFID. Once the District starts generating revenue, TIFID funds may be directed to these activities as well.

Partnership Development

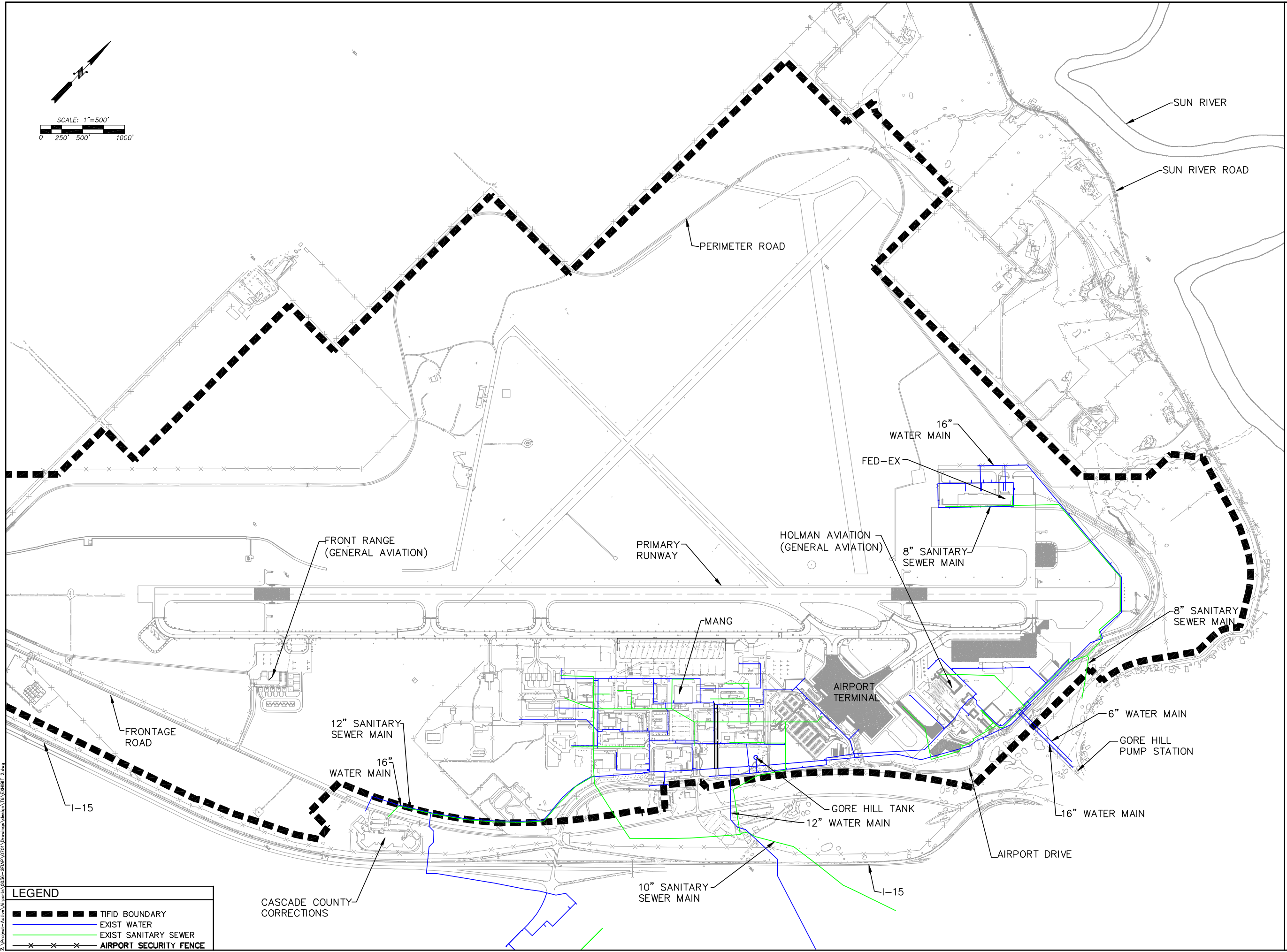
The TIFID program will rely on cooperative efforts among the City of Great Falls, the Airport Authority and other development organizations to achieve its goal of fostering industrial development. In many cases, these cooperative partners will work jointly on market analyses, business recruitment and 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 TIFID. Potential partnerships can be forged using a variety of programs and funding mechanisms. A sampling of these includes:

Programs

- The Treasure State Endowment Program (Montana)
- Community Development Block Grant (U.S. Department of Urban Development)
- The Montana Intercap Program
- Economic Development Administration (U.S. Department of Commerce)
- *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.

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 – Cities 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)

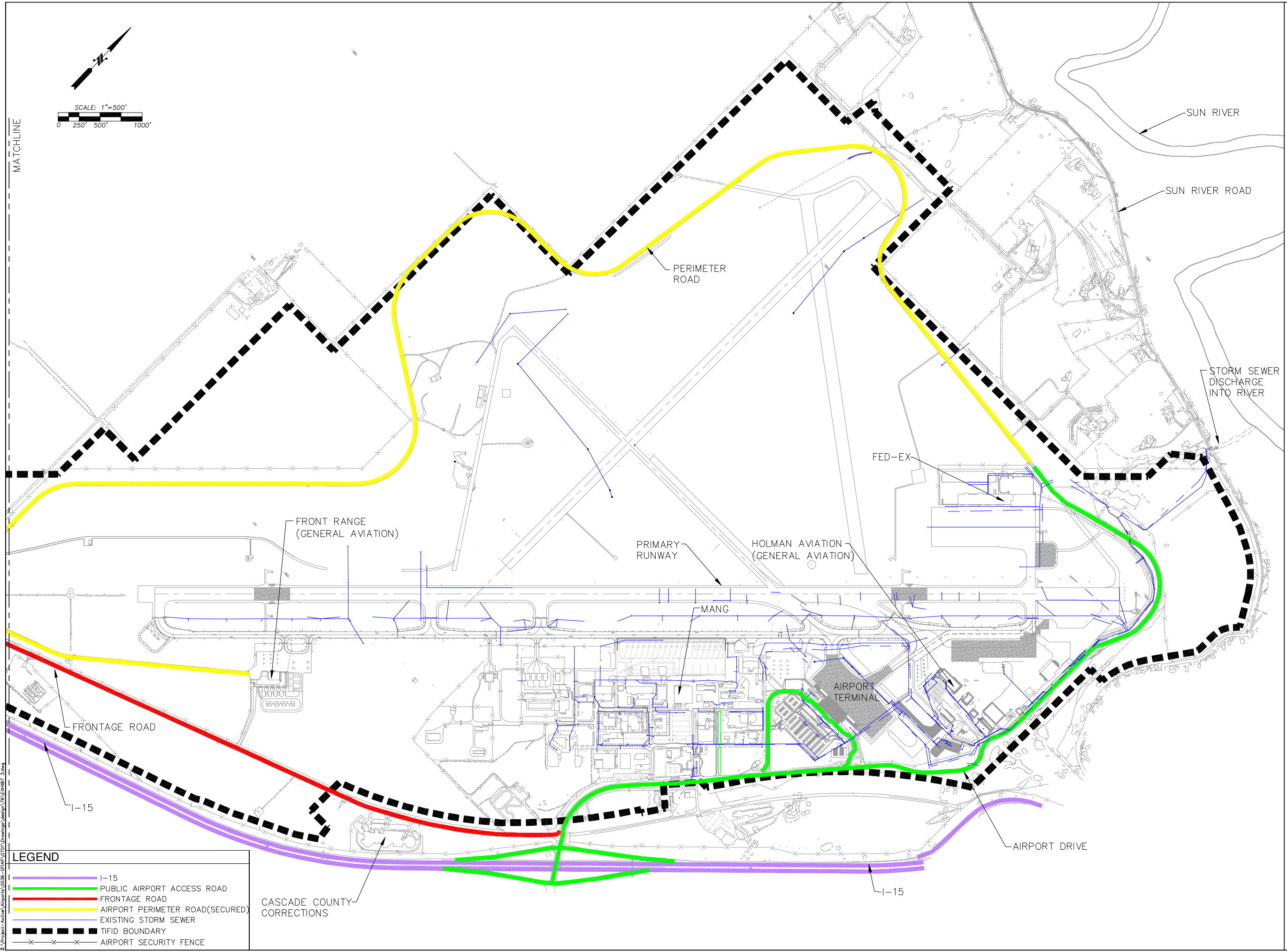


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PROJECT TITLE
**GREAT FALLS INTERNATIONAL AIRPORT
TIFID DISTRICT
GREAT FALLS, MONTANA**

**EXISTING
INFRASTRUCTURE
EXHIBIT
WATER & SEWER**

Project Number:	0036-0701-T6
Drawn by:	EXHIBIT 2.dwg
Designed by:	PWH
Plot scale:	AS SHOWN
Sheet number	FIGURE 2



LEGEND

- I-15
- PUBLIC AIRPORT ACCESS ROAD
- FRONTAGE ROAD
- AIRPORT PERIMETER ROAD (SECURED)
- EXISTING STORM SEWER
- TIFD BOUNDARY
- AIRPORT SECURITY FENCE

CASCADE COUNTY CORRECTIONS

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PROJECT TITLE
**GREAT FALLS INTERNATIONAL AIRPORT
TIFD DISTRICT
GREAT FALLS, MONTANA**

**EXISTING
INFRASTRUCTURE
EXHIBIT
ROADS & STORM
DRAINAGE**

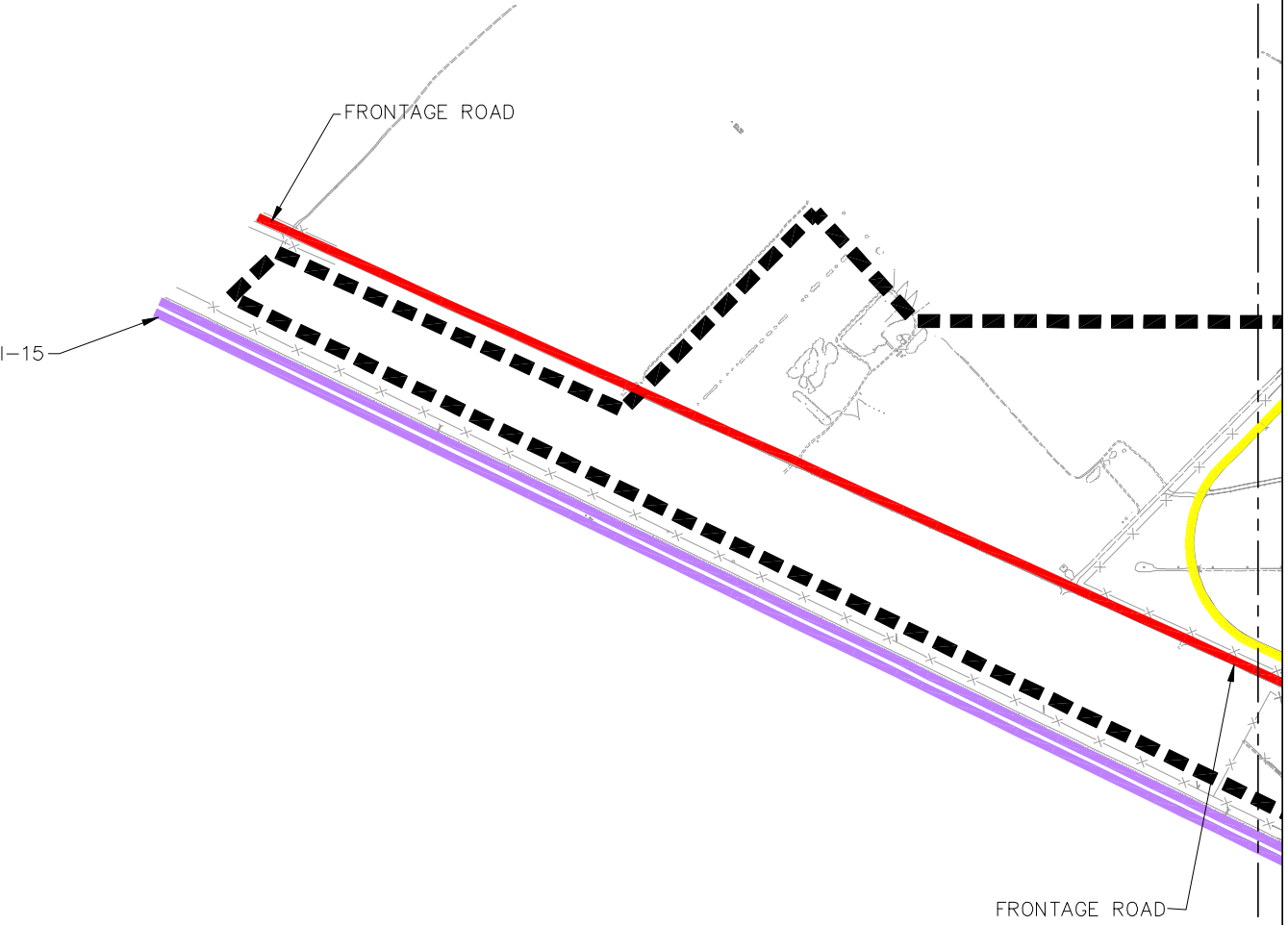
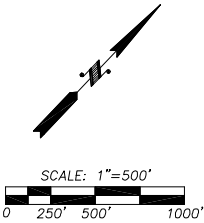
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Sheet number: 57
FIGURE 3A

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GREAT FALLS INTERNATIONAL AIRPORT
TIFID DISTRICT
GREAT FALLS, MONTANA

EXISTING
INFRASTRUCTURE
EXHIBIT
ROADS & STORM
DRAINAGE

Project Number:
0036-0701-T6
Cadd Draw #
Exhibit 3.DWG
Designed by:
PWH
Plot scale:
AS SHOWN
Date :
8
Sheet number
FIGURE 3B



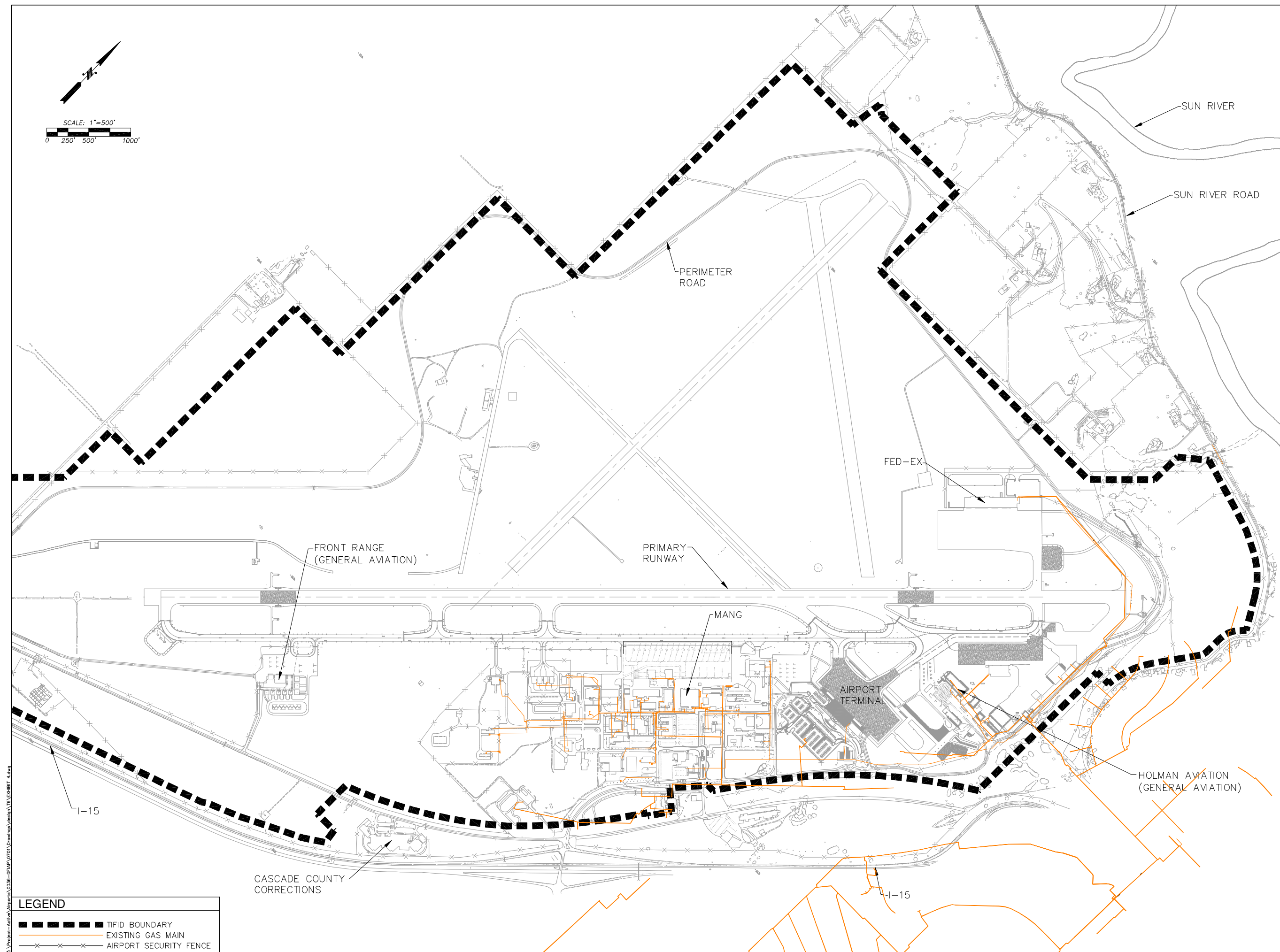
LEGEND	
	I-15
	PUBLIC AIRPORT ACCESS ROAD
	FRONTAGE ROAD
	AIRPORT PERIMETER ROAD(SECURED)
	EXISTING STORM SEWER
	TIFID BOUNDARY
	AIRPORT SECURITY FENCE

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PROJECT TITLE

**GREAT FALLS INTERNATIONAL AIRPORT
TIFID DISTRICT
GREAT FALLS, MONTANA**

**EXISTING
INFRASTRUCTURE
EXHIBIT
NATURAL GAS**

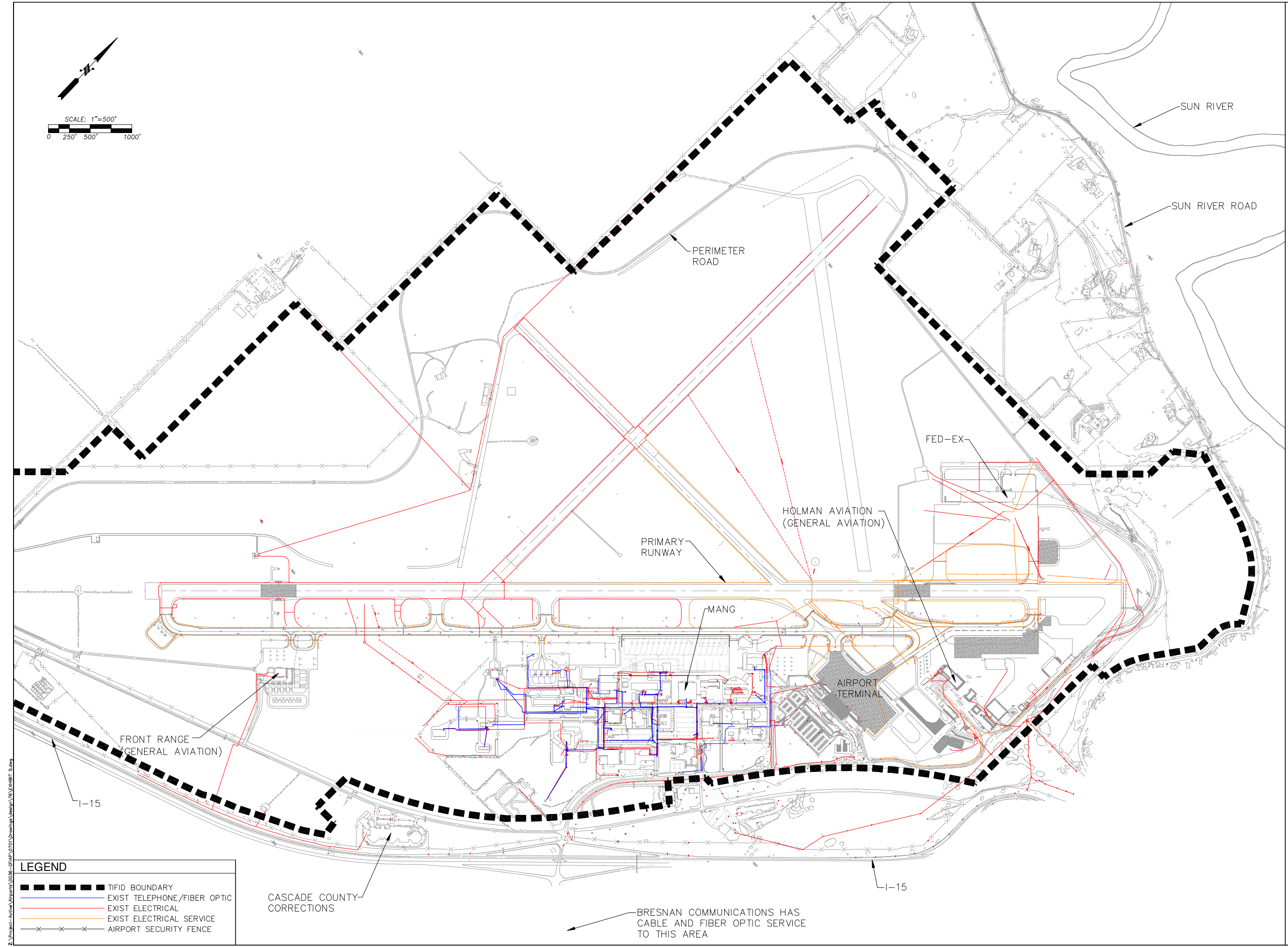


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PROJECT TITLE
**GREAT FALLS INTERNATIONAL AIRPORT
TIFID DISTRICT
GREAT FALLS, MONTANA**

**EXISTING
INFRASTRUCTURE
EXHIBIT
ELECTRICAL &
COMMUNICATIONS**

Project Number: 0036-0701-T6
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FIGURE 5



LEGEND
- - - - - TIFID BOUNDARY
- - - - - EXIST TELEPHONE/FIBER OPTIC
- - - - - EXIST ELECTRICAL
- - - - - EXIST ELECTRICAL SERVICE
x x x x x AIRPORT SECURITY FENCE

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