

**ORDINANCE NO. 17-57**

**AN ORDINANCE ESTABLISHING THE LEWISTOWN TARGETED ECONOMIC DEVELOPMENT DISTRICT (TEDD) 2017, CREATING THE LEWISTOWN TEDD 2017, AND ADOPTING THE LEWISTOWN TEDD COMPREHENSIVE DEVELOPMENT PLAN WITH A TAX INCREMENT FINANCING PROGRAM PURSUANT TO TITLE 7, CHAPTER 15, PART 42 AND 43 OF THE MONTANA CODE ANNOTATED**

WHEREAS, in the City of Lewistown there is an area that has great potential for economic development, hereafter referred to as the "Lewistown Targeted Economic Development District" or "Lewistown TEDD 2017".

WHEREAS, the area within the proposed Lewistown TEDD 2017 is zoned either Airport, Residential (R-1, R-1B) or Commercial (C-3).

WHEREAS, In accordance with MCA § 7-15-4210, on November 6, 2017, the Lewistown City Commission passed Resolution No. 3950 (Resolution of Necessity), declaring the District described below as "infrastructure deficient" as described in MCA § 7-15-4279.

WHEREAS, Resolution 3950 generally established boundaries of the Lewistown TEDD 2017, as described in attached Exhibits "A" and "B" and determined the existence of infrastructure deficiencies in the area.

WHEREAS, the City of Lewistown is interested in fostering redevelopment, growth and retention of secondary, value adding industries as part of the City's overall goal to promote, stimulate, develop, and advance the general welfare, commerce, economic development, and prosperity of the citizens of Lewistown and the State of Montana. Therefore, pursuant to MCA § 7-15-4212, the City of Lewistown caused a Comprehensive Development Plan to be prepared.

WHEREAS, the City of Lewistown is interested in using Tax Increment Financing as authorized in MCA §§ 7-15-4282 through 7-15-4294, to help fund the supportive public infrastructure needed for the development of secondary, value-adding industries in the proposed Lewistown TEDD 2017 area.

WHEREAS, pursuant to § 7-15-4279, a local government may, by ordinance and following a public hearing, authorize the creation of a TEDD in support of value-adding economic development.

WHEREAS, the TEDD Comprehensive Development Plan for the Lewistown targeted area, including tax incentive provision, has been prepared to guide the industrial development program and public infrastructure projects in the infrastructure deficient area established by Resolution No. 3950.

NOW, BE IT ORDAINED THE LEWISTOWN CITY COMMISSION AS FOLLOWS:

SECTION 1: The Lewistown TEDD 2017 encompasses an area generally at the Lewistown Airport and across U.S. Highway 87 to the north of the Airport. In addition to airport uses, the area contains agriculture uses, governmental entities, commercial businesses and an industrial district with some residential areas. The area is approximately 645 acres.

SECTION 2: The legal description and map of the TEDD are attached as Exhibits "A" and "B."

- a. The property to be included in the District consists of a continuous area with an accurately described boundary.
- b. The TEDD includes about 41 separately described parcels, more than large enough to afford maximum opportunity, consistent with the sound needs of City of Lewistown as a whole, for the rehabilitation or redevelopment.
- c. The TEDD is not comprised of any property included within an existing Tax Increment Financing District.

SECTION 3: The area was zoned in accordance with the Lewistown Growth Policy as provided for in MCA § 7-15-4279.

SECTION 4: A plan for the Lewistown TEDD 2017 was prepared according to the Montana Code Annotated and is attached as Exhibit "C."

SECTION 5: The Lewistown TEDD plan was submitted to the Lewistown City/Fergus County Planning Board for review, and on November 16, 2017, the Planning Board determined the Lewistown TEDD Plan to be in conformity with

the Lewistown Growth Policy and found that the TEDD was zoned for uses in accordance with the growth policy.

SECTION 6: Definitions. The following terms wherever used or referred to in this Ordinance shall have the following meanings:

1. "Act" means Title 7, Chapter 15, Parts 42 and 43 of the Montana Code Annotated.
2. "Actual taxable value" means the taxable value of taxable property at any time, as calculated from the assessment roll last equalized.
3. "Base taxable value" means the actual value of all taxable property within an urban renewal area prior to the effective date of a tax increment financing provision. This value may be adjusted as provided in MCA §§ 7-15-4287 or 7-15-4293.
4. "Incremental taxable value" means the amount, if any, by which the actual taxable value at any time exceeds the base taxable value of all property within a TEDD.
5. "Tax increment" means the collections realized from extending the tax levies, expressed in mills, of all taxing bodies which the TEDD area or a part thereof is located, against the incremental taxable value.
6. "Tax increment provision" means a provision for the segregation and application of tax increments as authorized by MCA §§ 7-15-4282 through 7-15-4294.
7. "Taxes" means all taxes levied by a taxing body against property on an ad valorem basis.
8. "Targeted Economic Development District" means a defined area that supports value-adding economic development and may utilize tax increment financing.
9. "Targeted economic development project" means a project undertaken within or for a TEDD that consists of any or all of the activities authorized by MCA § 7-15-4288.

SECTION 7: It is the desire of the Lewistown City Commission to exercise, within the defined area, the powers conferred by Title 7, Chapter 15, Parts 42 and 43 of the Montana Code Annotated.

SECTION 8: A notice of the public hearing in substantially the form presented in, and attached hereto as Exhibit "D," was published on November 22 and November 29, 2017. A notice of the public hearing was mailed by certified

mail to all property owners in the District based on a list of the geocodes for all real property, the assessor codes for all personal property, and a description of all centrally assessed property located within the TEDD at the time of its creation.

SECTION 9: The Lewistown TEDD 2017 is hereby established.

SECTION 10: The Lewistown TEDD Comprehensive Development Plan, attached as Exhibit "C," is hereby adopted.

SECTION 11: For the purpose of calculating the incremental taxable value for each year of the life of the District, the base taxable value shall be calculated as the taxable value of all real and personal property within the District as of January 1, 2018.

SECTION 12: Fergus County is hereby authorized to segregate, as received, the tax increment derived in the TEDD, and use and deposit such increment into the TEDD fund for use as authorized the Montana Code Annotated and as authorized herein or by the Lewistown City Commission from time to time.

SECTION 13: The tax increments received from the TEDD may be used to directly pay costs of approved targeted economic development projects, or to pay debt service on bonds issued to finance targeted economic development projects as defined in the Montana Code Annotated as may from time to time be approved by the Lewistown City Commission. The City Commission hereby authorizes the use of tax increment in the TEDD to be used to pay debt service on internal and bank financed loans issued to finance all or a portion of the costs of eligible improvements in compliance with the Montana Code Annotated and subject to any limitations imposed by the Montana Constitution.

SECTION 14: The tax increment financing provision of the TEDD will terminate in accordance with the Montana Code Annotated. After termination of the tax increment financing provision, all taxes shall continue to be levied upon the actual taxable valuation of the taxable property within the TEDD, but shall be paid into funds of the taxing bodies levying taxes within the TEDD.

SECTION 15: The creation of a targeted economic development project or program or the approval of a targeted economic development project or program does not affect, abrogate or supersede any rules, ordinances, or regulations of the City of Lewistown relating to zoning, land use regulations or other applicable state, local or federal laws or regulations.

SECTION 16: All parts of ordinances and resolutions in conflict with the subject matter or this ordinance are hereby repealed.

SECTION 17: Should any part of this ordinance be found to be illegal or unenforceable by a Court of Competent Jurisdiction, the remaining portions that are not illegal or unenforceable shall remain in full force and effect.

SECTION 18: This Ordinance shall be in full force and effect thirty days after final passage and adoption by the Lewistown City Commission.

Passed on first reading this 4<sup>th</sup> day of December, 2017.

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Dave Byerly  
Chairman of the Commission

ATTEST:

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Nikki Brummond,  
City Clerk

PASSED on second reading this 18<sup>th</sup> day of December, 2017, and effective thirty (30) days hereafter.

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Dave Byerly  
Chairman of the Commission

ATTEST:

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Nikki Brummond  
City Clerk