

# **Glacier Rail Park Development Plan for Targeted Economic Development District (TEDD)**

## **I. Introduction:**

The Glacier Rail Park Development Plan embraces a 104 acre area under multiple ownerships located in the heart of Flathead County in and adjacent to the City of Kalispell. The City of Kalispell in conjunction with the Flathead County Economic Development Authority (FCEDA) is seeking to foster the development of secondary, value adding industries within the Glacier Rail Park Plan Area as part of the City's overall mission to meet its needs of promoting economic development, improving area employment opportunities and expanding the community's tax base. This effort would be made possible through the creation of a Targeted Economic Development District (TEDD) on 49 acres of land within the larger Glacier Rail Park Plan Boundary. The City of Kalispell would need to utilize Tax Increment Financing as part of the overall strategy to provide infrastructure in support of value-adding industry pursuant to the 2013 Targeted Economic Development District Act, embodied in 7-15-4279, Montana Code Annotated (MCA). The TEDD would provide the City of Kalispell with the ability to employ tax increment financing as provided in 7-15-4282, MCA for appropriate public infrastructure projects in support of "value-adding industry or secondary value-added products or commodities" within the Glacier Rail Park Plan Boundary.

There is an opportunity here to utilize an effective economic tool, as envisioned by the state legislature, through the creation of a TEDD at the Glacier Rail Park. A TEDD would allow the City to appropriately marshal tax revenues to help fund the public infrastructure that will spur a diverse private business base to invest there. It is the primary focus of the Glacier Rail Park TEDD proposal to develop the necessary infrastructure to encourage the location, expansion and retention of diverse value added industries suitable for an industrial Rail Park.

## **II. Project Summary:**

The Glacier Rail Park project, occupying 49 acres within the larger Glacier Rail Park Plan boundary, is a transformative project for northwest Montana, creating economic opportunities to spark community revitalization. The project is designed to incentivize private investment to create jobs and position the region for sustained economic growth into the 21<sup>st</sup> century by converting an underutilized gravel pit into a thriving rail-served industrial park. The Rail Park is

centrally located on a vacant gravel pit which was purchased by FCEDA for the specific purpose of developing a rail-served industrial park. The Rail Park Project can transform this reclaimed EPA Brownfields site to a multi-modal long-term use, create jobs and increase freight movement via rail. It will shift rail use to a location that matches rail access with highway access. The property has been zoned to meet the requirements for sustained industrial growth. The TIGER 2015 grant funds awarded to this project may be used to leverage local, state, federal and private dollars to assist with the construction of \$4.3 million of rail (13,724 lineal feet) and \$2.6 million in road (6,600 lineal feet) and safety infrastructure for a rail-served industrial park to serve existing and new prospective businesses. A \$10 million investment of TIGER funds will leverage over \$11 million in private and public local, non-federal match and encourage additional private investment in the Glacier Rail Park. Without the benefit of a TEDD the City of Kalispell may not be able to adequately assist in the match requirements to derive the most leverage possible for the TIGER 2015 grant funds.

Construction of the project will contribute to the long-term growth of the economy by fostering jobs in Northwest Montana. The City of Kalispell works to attract new and expanding businesses to the region and assist existing companies to grow in order to foster job creation in the northwest region of Montana which has been designated as an Economically Distressed Area in part due to a decline in the traditional industries of timber, mining and aluminum production. A Rail Park designed to modern standards will meet today's manufacturing and industrial requirements. The Rail Park will also assist existing business to expand as their ability to reach new markets is improved. Businesses moving into the Rail Park will create new jobs paying wages estimated to be at or above the county average wage.

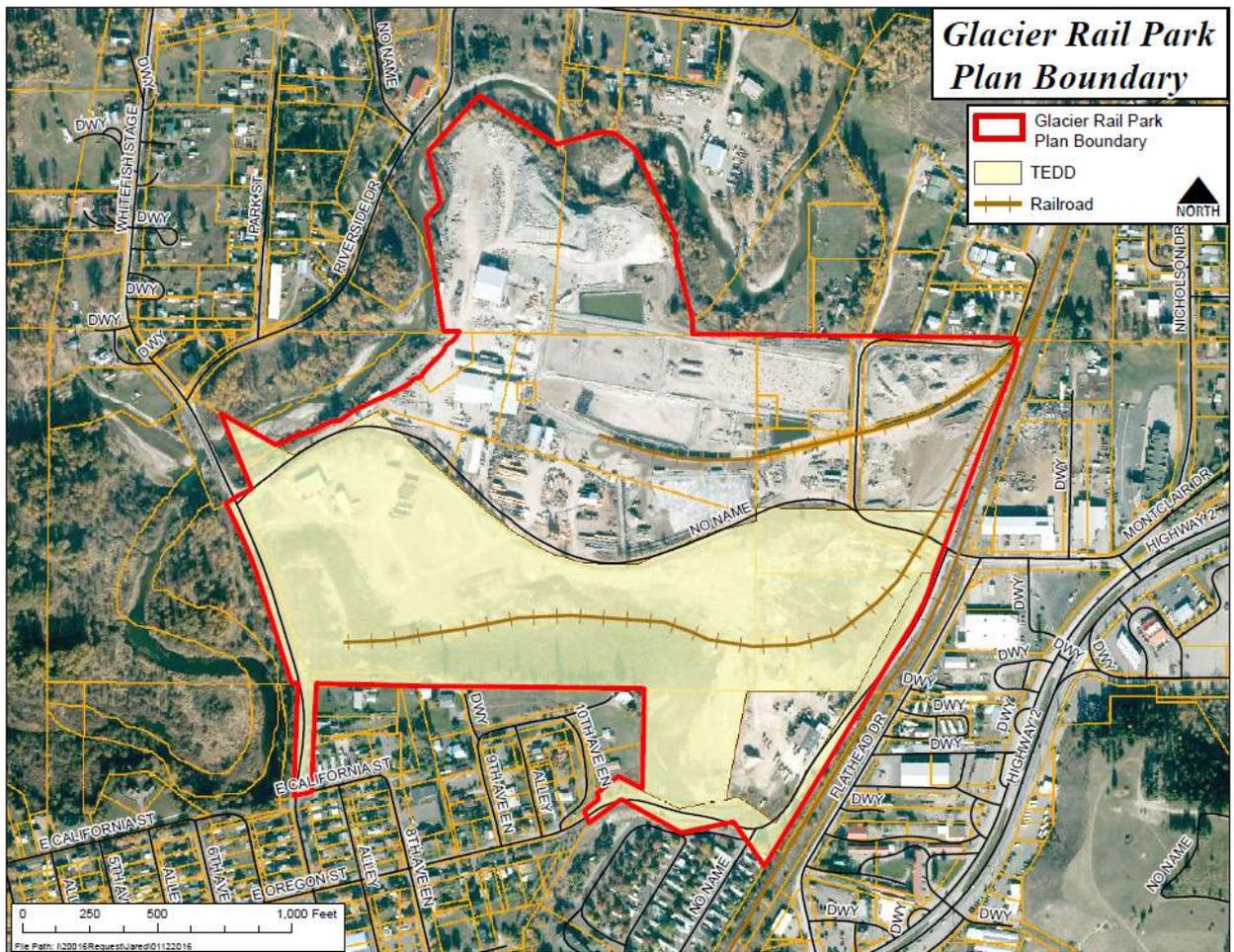
### **III. Goals of the Glacier Rail Park TEDD:**

The goal of the Glacier Rail Park TEDD would be to assist the Flathead Valley to recover from being an Economically Distressed Area by accomplishing the following:

1. To foster economic vitality in the Valley and increase employment opportunities through infrastructure development in support of secondary value-adding industry;
2. To provide support for business and industries that preserve the quality of life for all residents;
3. To facilitate the creation of a diversified tenant base of multiple independent tenants within the TEDD;
4. To encourage secondary, value-adding industries that take advantage of the Valley's resources for the purpose of engaging in interstate commerce; and
5. To encourage the orderly growth and development of the community.

#### IV. Overall Glacier Rail Park Development Plan Boundary Site Description:

The Glacier Rail Park Plan Boundary shown by FIGURE 1 below is generally bound by Whitefish Stage Road to the West, Stillwater River to the north, BNSF tracks to the east and Oregon Street to the south. The Glacier Rail Park Plan Boundary totals approximately 104 acres. The TEDD boundary (within city limits) is approximately 49 acres and the properties outside of the TEDD boundary are approximately 55 acres in size.



**FIGURE 1: Glacier Rail Park Plan Boundary**

Note the 55 acres of adjacent land currently within Flathead County. This 55 acres will not be located within the TEDD; however, this plan is taking into account this 55 acre area due to the likelihood of the property owners petitioning to annex into the City. It is anticipated that the development of the infrastructure within the TEDD will catalyze redevelopment of industrial land adjacent to the TEDD, which will benefit from the improved infrastructure and increased visibility. In order for these properties within the County to fully develop, infrastructure will need to be provided. Accordingly, if at a

future date properties outside of the designated TEDD would like to be included in the Rail Park, this plan would leave open the possibility of the TEDD being expanded into those properties.

**V. Overall Plan Current Land Use:**

The general land use character of the overall Glacier Rail Park Development Plan Area can be described as industrial. The active land uses in the area are a trucking company, a landscape stone supply company, a post and pole wood products manufacturing operation, and a commercial truck repair business. There are residential properties adjacent to the site on its southern boundary, but there is a significant topographic difference between the residential properties and the industrial area, with the residential properties sitting 20 to 30 feet above the industrial zone.

**VI. Glacier Rail Park Development Overall Development Plan Development Pattern:**

Zoning:

The portion of the Glacier Rail Park Plan Boundary within City limits is within the City I-2 (Heavy Industrial) Zoning District. This portion of the Glacier Park Plan boundary is where the TEDD is proposed to be initially implemented. The Kalispell Zoning Regulations state that the I-2 zoning district is;

*“intended to provide areas for heavy industrial uses to accommodate heavy manufacturing, processing, fabrication and assembling of products or materials. It is also intended that the encroachment of non-industrial uses within the district be prevented. This zoning district would typically be restricted to areas designated as industrial on the Kalispell Growth Policy Future Land Use Map.”*

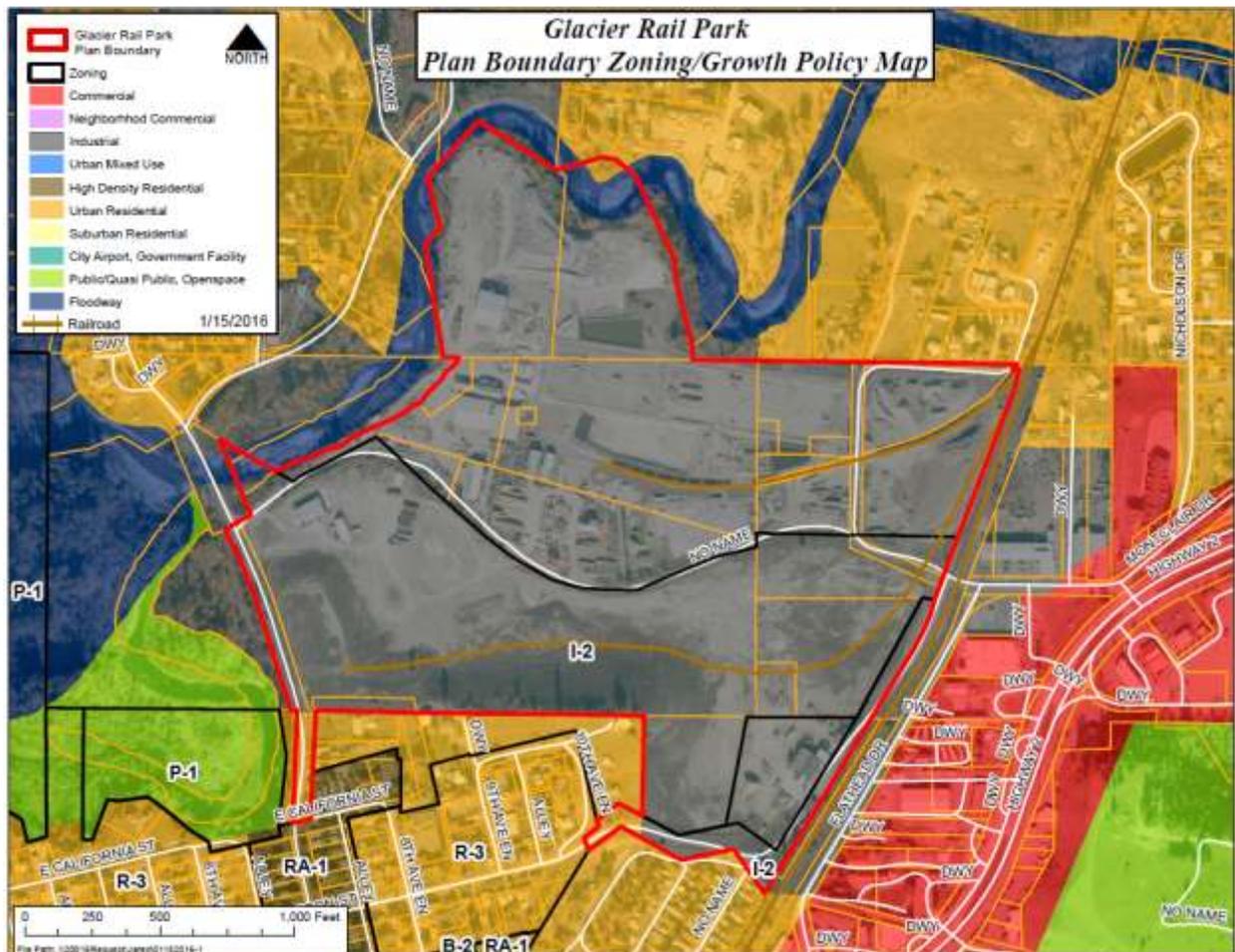
The portion of the Glacier Rail Park Boundary located within Flathead County is within the County I-2 (Heavy Industrial) Zoning District. If any of these properties were to annex into the City of Kalispell they would be given a City I-2 zoning designation, as described above. The Flathead County Zoning Regulations state that the I-2 Zoning District is;

*“a district to provide for industrial uses to accommodate heavy manufacturing, processing, fabrication, and assembly of parts or materials. It is also intended that the encroachment of non-industrial or unspecified commercial uses within the district be prevented.” Permitted uses in this district include a variety of heavy industrial uses, including a railroad yard. The county’s zoning code conditionally permits additional heavy industrial uses that tend to deal with handling or manufacture of dangerous or toxic materials, or produce excessive noise, such as an airport or motor vehicle race track.”*

Chapter 27.17 (I-2 – Heavy Industrial) of the Kalispell Zoning Ordinance outlines the zoning district regulations that will be applicable to the plan boundary. The I-2 zoning designation of the Glacier Park Plan Boundary anticipates rail-served industrial uses. The I-2 zoning district is consistent with the surrounding industrial character of the area and its location adjacent to the BNSF right-of-way. The I-2 zoning district gives due consideration of the suitability of this property for the permitted uses in the zoning district. Setback, height, and lot coverage standards for development occurring on this site are established in the Kalispell Zoning Ordinance to insure adequate light and air is provided.

Growth Policy:

The Glacier Rail Park Plan Boundary is designated by the Kalispell Growth Policy Future Land Use Map as “Industrial” (including the County properties) which anticipates the I-2 zoning district. The I-2 zoning district is consistent with the industrial designation in the growth policy.



**FIGURE 2: Zoning/ Growth Policy Map**

**VI. City of Kalispell Demographics:**

Population (2014 estimate)	21,518
Median Household Income:	\$41,009
Personal Per Capita Income:	\$22,557
Unemployment Rate Kalispell:	10.4%
Unemployment Rate Flathead County 2012:	8.6%
Persons below poverty level in Kalispell:	16.5%

Note: The project is located within the northwest region of Montana which is an Economically Distressed Area.

**VII. Planning Completed:**

*Fall 2010-Spring 2015*

- 1) US EPA Brownfields Phase I and Phase II Environmental Site Assessments and Updates at Rail Park site (former gravel pit)
- 2) Flathead County 2012 Community Economic Development Strategies (CEDs) adopted
- 3) Property acquisition using US EDA Economic Trade Adjustment grant funds
- 4) Rail Park Environmental Narrative accepted by US EDA
- 5) Glacier Rail Park Market Analysis
- 6) Rail Park Site (TEDD Boundary) Annexed and Zoned Industrial
- 7) Preliminary Plat of Rail Park Approved
- 8) Rail Park Categorical Exclusion Worksheet completed and reviewed by Federal Railroad Administration

**VIII. Participation:**

The City of Kalispell and FCEDA have worked diligently to include public and private sector stakeholder participation in the project. BNSF has played a pivotal role in the planning and design of the proposed Rail Park. Watco provided engineering expertise to the design of the rail and Rail Park Operations Plan. Both railroad companies have brought significant staff expertise, time and effort toward executing the many steps required to properly plan and appropriately design this project. Montana Department of Transportation has worked extensively with project engineers to determine the best location and design for highway access and road improvements for increased Rail Park traffic and fully recognize the benefits of this multi-modal transportation improvement plan for northwest Montana.

## **IX. Tax Increment Financing for Targeted Economic Development:**

The City of Kalispell could create a TEDD on portions of the site within the Plan Boundary that are within the city limits of Kalispell for the purpose of using tax increment financing as a development tool. Tax Increment Financing is a procedure that allows municipalities to “capture” the additional, or incremental, taxes from the district as it increases in value. There is no increase in property taxes to owners, but all of the incremental ad valorem tax otherwise paid to the various taxing entities is available for eligible development activities. In 2013, the Montana Legislature amended the Montana Urban Renewal Law to enable local governments to create special districts which could employ tax increment financing to assist in the development and retention of secondary, value-adding industries. The legislation recognized that secondary value-adding industries, in order to be viable, require public infrastructure that is beyond the means of most local Montana governments. The Targeted Economic Development Act of 2013 enables local governments to develop the necessary public infrastructure in areas that are deemed to be infrastructure deficient to assist in secondary, value adding industrial development. Tax increment financing can be used for improvements defined in 7-15-4288 MCA.

Montana statute defines “secondary value-adding industry” as follows:

1. “Secondary value-adding industry” means an industrial process that engages in mechanical or chemical transformation of materials or substances into new products in the manner defined as manufacturing in the North American Industry Classification System Manual prepared by the United States Office of Management and Budget and engages in the:
  - a. Processing of raw materials, such as minerals, ore, oil, gas, coal, agriculture products, and forestry products; or
  - b. Processing semi-finished products that are used by the industry as a raw material in further manufacturing.

## **XI. Economic Benefits:**

Northwest Montana needs improved rail access for freight movement to diversify and strengthen the economy. This Glacier Rail Park allows Flathead County and Northwest Montana to truly capitalize on a valuable asset: it’s location on the Great Northern Corridor along the BNSF Railway (BNSF) mainline connecting to national and international markets from the Great Lakes to the Pacific Northwest. Creation of a rail-served industrial park is identified as an economic development priority in the 2012 Flathead County Community Economic Development Strategy (CEDS).

Private companies are considering establishing or expanding operations in the Rail Park to access rail service. These new and growing businesses expected to locate in the Rail Park will invest in new facilities and create new, well-paid jobs. Companies have expressed interest in

locating in the park once infrastructure upgrades are complete include; value-added wood product manufacturers, value-added agricultural and food product manufactures and steel fabrication companies. It is anticipated that approximately 200 direct jobs will be retained or created at full build out of the Glacier Rail Park.

It is further anticipated that the development of the infrastructure within the TEDD will catalyze redevelopment of industrial land adjacent to the TEDD, which will benefit from the improved infrastructure and increased visibility. These improvements and other economic development tools such as a Targeted Economic Development District will incentivize additional developers and manufacturers to invest in facilities on the adjacent 55 rail-served acres zoned for heavy industry creating further economic growth in the community over the coming decade.

## **XII. Market Analysis:**

KLG Engineering prepared a detailed industrial Rail Park market analysis for the project. The Rail Park Market Analysis and Feasibility Study identified potential users of the new Rail Park as the regions' traditional wood products industry, agricultural industry, and businesses shipping machinery. It also forecast growth in shipment of electronics and pharmaceuticals into and out of Montana over the next 30 years based on data from the Freight Analysis Framework (FAF). Shipments of agriculture products, precision instruments, mixed freight, as well as primary and fabricated metal products are potential areas of growth for transload operations in the Rail Park. Non-metallic minerals (sand, gravel, cement, stone, and clay) and metallic ores comprise the majority of exports from Montana to Canada. The Market Analysis indicates expected enhancement of Canadian trade by attracting these types of industries.

The ultimate purpose of the Rail Park is to attract new business requiring rail access and foster job growth. The Market Analysis and Feasibility Study for the Rail Park indicated the Rail Park will connect businesses within a 100-mile radius of Kalispell to the Great Northern Corridor as well as Canadian ports. Marketing of the Rail Park began in March 2015. Three out-of-state businesses, three Montana businesses, and one Canadian business have contacted FCEDA for Rail Park information. These companies are manufacturers of wood or metal value-added products, agricultural value-added businesses or businesses shipping product to Canada. Additionally, a number of businesses interested in transload services have contacted FCEDA for information.

## **XIII. Enhanced Economic Competitiveness:**

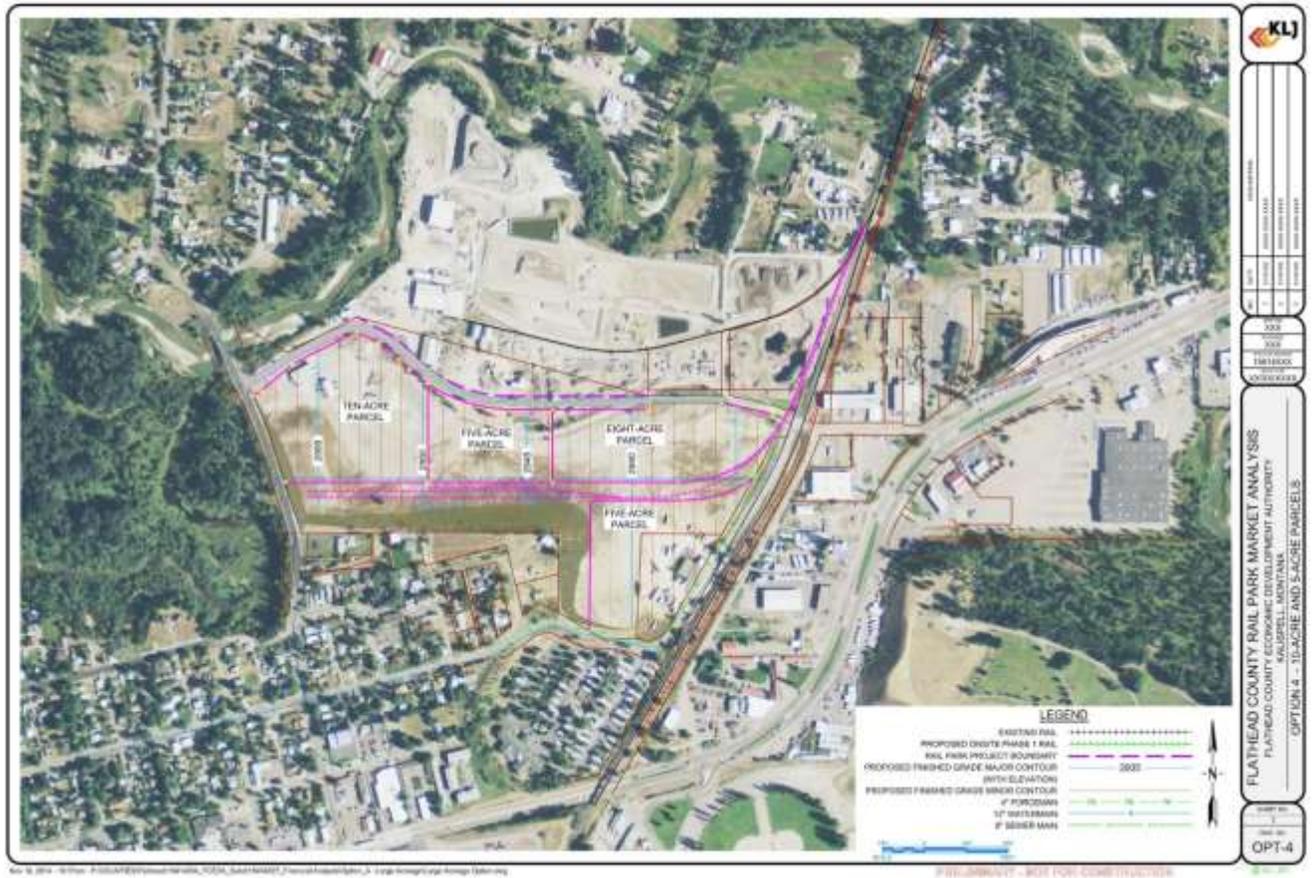
The current Kalispell rail served parcels are simply too small to attract new industrial rail users. This project will create a larger and more viable and appropriate location for industry to access rail connecting it to the Great Northern Corridor. Rail access, such as will be provided by this

rail park is a valuable and currently underutilized resource that will create new opportunities for businesses in this remote region.

**XIV. Design:**

Rail layout/engineering was conducted in collaboration with BNSF and Watco Companies/ Mission Mountain Rail (Watco/MMR). BNSF and Watco Companies (Watco) were instrumental in designing the plan with multiple lots to serve rail users’ needs in the Rail Park as well as the Operations Plan for Glacier Rail Park. In 2014 the Rail Park (TEDD boundary) was annexed by the City of Kalispell and the preliminary plat approved.

Engineering design for roads, water, waste water, stormwater and utilities for the Rail Park is complete. The Montana Department of Transportation has approved the location of a signal on US Hwy. 2 East. BNSF has accepted the preliminary rail layout and operations plan. The cost of this engineering work was shared between FCEDA and the City of Kalispell.



**XV. Infrastructure Analysis – Statement Of Infrastructure Deficiency:**

The City of Kalispell is one of the fastest growing cities in the state. Constructing infrastructure is expensive and challenging for business. Although the potential for development within the Rail Park is good, the lack of adequate infrastructure is a significant barrier that must be addressed. As shown in the engineer’s cost estimates shown below, infrastructure can be costly and prohibitive in many instances. Through the preliminary design process a number of infrastructure deficient conditions were identified as possible road blocks within the proposed Glacier Rail Park TEDD:

- 1) Water System – The Glacier Rail Park Plan boundary either does not have water service, or is served by private water wells. Fire suppression is not capable without adequate fire flow being provided. Future site planning includes extending City of Kalispell water service into the plan boundary in order to meet state and local guidelines for fire suppression and general water needs.

Engineer’s cost estimate for water infrastructure:

<b>Water Infrastructure</b>				
12" PVC Water Main	8,600	LF	\$ 65.00	\$ 559,000
Valves and Fittings	1	LS	\$ 78,000.00	\$ 78,000
Fire Hydrant Assembly	17	EA	\$ 6,000.00	\$ 102,000
2" Service	4	EA	\$ 1,000.00	\$ 4,000
Rail road crossing (steel sleeve)	1	EA	\$ 25,000.00	\$ 25,000
Temporary service & 20 service	1	EA	\$ 60,000.00	\$ 60,000
Pavement Surface Restoration	5,156	SY	\$ 28.00	\$ 144,356
			<b>Subtotal</b>	<b>\$ 972,356</b>

- 2) Sewer – State and local regulations limit the ability for septic systems onsite due to proximity to the Stillwater River and past use as a gravel pit. Any potential industrial development is impacted because development cannot occur without sewer service. Currently, no sewer service is being provided; therefore, future site planning includes extending City of Kalispell sewer service into the plan boundary. The City of Kalispell wastewater plant has adequate capacity for the development of the properties within the plan boundary.

Engineer’s cost estimate for sewer infrastructure:

<b>Wastewater Infrastructure</b>				
8" PVC Sewer Main	2,200	LF	\$ 55.00	\$ 121,000
4" PVC Forcemain	2,400	LF	\$ 25.00	\$ 60,000
Basic Manhole	12	EA	\$ 4,000.00	\$ 48,000
Manhole Additional Depth	60	VF	\$ 200.00	\$ 12,000
Lift Station	1	LS	\$ 300,000.00	\$ 300,000
Sanitary Sewer Service	4	EA	\$ 1,000.00	\$ 4,000
Rail road crossing (steel sleeve)	1	EA	\$ 25,000.00	\$ 25,000
Pavement Surface Restoration	0	SY	\$ 24.00	\$ -
			<b>Subtotal</b>	<b>\$ 570,000</b>

- 3) Roads – There is currently no internal road system within the plan boundary. An internal road system needs to be constructed that can provide adequate emergency access to proposed developments within the plan boundary. Additionally, the road system leading into the plan boundary is not sufficient. Significant upgrades need to be done to the road system connecting the development to U.S. 2. Upgrades include realignment of the intersection at Flathead Drive and U.S. 2 and new signal.

Engineer's cost estimate for road infrastructure:

<b>Road Improvements to E. Oregon, Flathead Dr &amp; Inside Rd</b>				
Removal of existing asphalt	11,200	SY	\$ 3.50	\$ 39,200
Geotextile	26,400	SY	\$ 1.25	\$ 33,000
Geogrid	26,400	SY	\$ 2.50	\$ 66,000
Road Gravel Base Course (6") & Subbase (12")	11,496	CY	\$ 25.00	\$ 287,407
Sidewalk Gravel Base Course (4")	230	CY	\$ 35.00	\$ 8,037
Asphalt Pavement (4")	22,933	SY	\$ 24.00	\$ 550,400
Asphalt Concrete binder	299	ton	\$ 650.00	\$ 194,532
RR xing safety equipment (2 crossings)	2	EA	\$ 400,000.00	\$ 800,000
Signs (monument)	1	LS	\$ 5,000.00	\$ 5,000
Boulevard	2.00	AC	\$ 2,500.00	\$ 5,000
Curb and Gutter	7,270	LF	\$ 32.00	\$ 232,640
Sidewalk (5' Wide One Side of Road)	15,500	SF	\$ 7.00	\$ 108,500
Gravel interior road after grading	1,175	CY	\$ 35.00	\$ 41,136
			<b>Subtotal</b>	<b>\$ 2,370,852</b>
<b>Flathead Drive Traffic Signal</b>				
Install Signal at Flathead Dr. and US 2	1	LS	\$ 250,000.00	\$ 250,000
			<b>Subtotal</b>	<b>\$ 250,000</b>

- 4) Stormwater – Stormwater storage and treatment devices are not provided for onsite. New development must provide adequate stormwater retention and treatment facilities prior to building permit issuance.

Engineer's cost estimate for stormwater infrastructure:

<b>Storm Water</b>				
48" Manhole	8	EA	\$3,800.00	\$30,400.00
60" Manhole	4	EA	\$6,800.00	\$27,200.00
72" Manhole	1	EA	\$8,500.00	\$8,500.00
30" Curb Inlet	15	EA	\$2,600.00	\$39,000.00
48" Curb Inlet	3	EA	\$3,500.00	\$10,500.00
60" Curb Inlet	2	EA	\$6,800.00	\$13,600.00
72" Curb Inlet	1	EA	\$8,500.00	\$8,500.00
12" RCP Irr. (CL. 5)	310	LF	\$43.25	\$13,401.36
18" RCP Irr. (CL. 3)	903	LF	\$61.00	\$55,094.59
24" RCP Irr. (CL. 3)	995	LF	\$106.50	\$105,937.25
24" RCP Irr. (CL. 5)	114	LF	\$110.00	\$12,493.14
30" RCP Irr. (CL. 3)	702	LF	\$126.25	\$88,597.20
30" RCP Irr. (CL. 5)	223	LF	\$135.00	\$30,138.35
Pond Excavation	2,989	CY	\$6.00	\$17,931.36
Pond Embankment	1,493	CY	\$3.00	\$4,477.53
Concrete Dig Out Excavation	3,309	CY	\$10.00	\$33,086.20
Filter Sand	476	CY	\$30.00	\$14,291.10
Riprap	133	CY	\$85.00	\$11,290.55
Lagoon Site Seeding and Fertilizing	1.0	ACRE	\$800.00	\$815.34
Hydromulch	4,933	SY	\$0.70	\$3,452.95
Tackifier	4,933	SY	\$0.25	\$1,233.20
			<b>Subtotal</b>	<b>\$ 529,940</b>

- 5) Rail – Limited rail access is provided to the main rail line owned by BNSF. Additional spur lines will need to be constructed within the Rail Park to provide access to the main line.

Engineer's cost estimate for rail infrastructure:

<b>Onsite Rail Construction (from spur into the park including rail to nonCHS lots)</b>				
Geotextile	41,844	SY	\$ 1.25	\$ 52,305
Geogrid	41,844	SY	\$ 2.50	\$ 104,610
Subballast	20,922	CY	\$ 35.00	\$ 732,270
Ballast, Ties & Rail	8,069	TF	\$ 175.00	\$ 1,412,075
No. 9 Turnout	13	EA	\$ 60,000.00	\$ 780,000
Retaining wall	1	LS	\$ 50,000.00	\$ 50,000
			<b>Subtotal</b>	<b>\$ 3,131,260</b>

- 6) Utilities – Telephone, natural gas, lighting, internet and electric services are not readily accessible within the plan boundary. These services will need to be installed for new businesses choosing to operate within the Rail Park TEDD.

Engineer's cost estimate for utilities:

<b>Misc. Utilities</b>				
Lighting, telephone, & fiber	1	LS	\$ 100,000.00	\$ 100,000
Power & Electrical	1	LS	\$ 110,000.00	\$ 110,000
Natural Gas	1	LS	\$ 100,000.00	\$ 100,000
			<b>Subtotal</b>	<b>\$ 310,000</b>

- 7) General – Additional infrastructure and public service deficiencies will be identified over time. For example, grading, demolition, traffic control, security fencing, etc.

Engineer’s cost for some “general” infrastructure:

<b>Grading</b>				
Demolition	1	LS	\$ 75,000.00	\$ 75,000
Hydroseed slopes & slope stabilization	8.0	AC	\$ 25,000.00	\$ 200,000
Cut and Onsite Fill	164,229	CY	\$ 4.50	\$ 739,031
Cut and Waste Fill Offsite	192,713	CY	\$ 12.00	\$ 2,312,556
			<b>Subtotal</b>	<b>\$ 3,326,587</b>

**XVI. Environmental:**

The project will NOT negatively impact the natural, social or economic environment. Phase I and Phase II assessments were conducted in 2011 on the Glacier Rail Park site. The project falls under the purview of the FRA as it is primarily a rail project. As such, the FRA has already reviewed and commented on the NEPA document. Environmental studies and other documents demonstrate no negative environmental impacts and therefore no mitigation needed. Properties outside of the proposed TEDD district, but within the proposed Glacier Park Plan Boundary, will obtain the appropriate environmental documentation prior to infrastructure being extended to the property.

**XVII. TEDD Program Criteria:**

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

- 1) The project must be located within the authorized TEDD.
- 2) Additional specific criteria which will be used to evaluate applications for assistance will include but are not limited to:
  - a) Job creation – Developments will be evaluated based upon the number of jobs created. Advantage will be given to developments where the wages and benefits for jobs meets or exceeds the current average County wage.
  - b) Taxable valuation – In most cases, developers who contribute more to the community’s tax base will be eligible for greater assistance.

- c) Value-adding – Developers must be engaged in secondary industries, defined as those industries that use a process to transform materials or substances into new products.
- d) Leverage ratios – Tax increment funds will be used to construct infrastructure in support of secondary value-adding economic development. Those investments of tax increment financing which result in larger infusion of private or other public capital will generally be viewed more favorable, compared to those which result in smaller infusion of private or other public capital.

### **XVIII. Management:**

The City of Kalispell TEDD program would be managed by the City of Kalispell Urban Renewal Agency advisory to City Council. Additionally, the City of Kalispell’s Community Development and Finance Departments have the capacity to manage the Glacier Rail Park TEDD. The City of Kalispell currently has four TIF Districts located within its boundary and is well versed in the state regulations pertaining to management of TIF’s.

### **XIX. Amendments:**

The plan provides the ability for the tax increment finance district (TIFD), of which a TEDD is a subset, to be extended into adjacent properties within the Flathead County. If the boundaries of the TEDD are amended to include new properties, the provisions of Title 7, chapter 15, parts 42 and 43, MCA, shall submit the information described in ARM 42.19.1410 to the department manner described in ARM 42.19.1402.

Property that is removed from a TEDD as a result of an amendment or change shall be considered newly taxable property pursuant to 15-10-420, MCA.

### **XX. Proposed Findings of Fact**

In the event that the Kalispell City Council determines that it wishes to create a TEDD to overlay the Glacier Rail Park, it must first pass a resolution of necessity setting forth its findings that certain facts exist to support the creation of such a tax increment district. Based upon the evidence presented in this report the following findings would be appropriate:

- a. The document entitled the “Glacier Rail Park Development Plan” is hereby adopted by the City of Kalispell as its comprehensive development plan as such plan identifies the use and purpose for which a Targeted Economic Development District [TEDD] may be created for this land area; and;

- b. The property upon which the Glacier Rail Park will be developed is deficient in the infrastructure necessary to encourage and retain value-adding industry within the rail park; and
- c. The property upon which the Glacier Rail Park will be developed has been designated to be within an Economically Distressed Area in part due to a decline in the traditional industries of timber, mining and aluminum production; and
- d. The property upon which the Glacier Rail Park will be developed is annexed within the City of Kalispell, is zoned for purposes consistent with the Glacier Rail Park Development Plan and said zoning is consistent with the City of Kalispell Growth Policy; and
- e. The property upon which the Glacier Rail Park will be developed consists of a continuous area with an accurately described boundary and is not included within an existing tax increment financing district; and
- f. The Glacier Rail Park Development Plan is specifically of the size and design to host a diversified base of multiple independent tenants; and
- g. The property upon which the Glacier Rail Park will be developed meets the state statutory criteria for the creation of a TEDD.

**XXI. Conclusion:**

Taken as a whole, the Glacier Rail Park is transformative. Investment in this project transforms an old gravel pit into an active industrial rail park creating a long term boon to the local economy. The Glacier Rail Park will transform acres and decades of disinvestment and decay into a robust and vibrant economic hub. Even with the infusion of funds from the TIGER grant, such funds must be properly focused and leveraged with such economic development tools as a TEDD to bring the project of the Glacier Rail Park to a successful completion.