

RESOLUTION NO. 322

A RESOLUTION DECLARING AN INFRASTRUCTURE DEFICIENT AREA EXISTS WITHIN THE TOWN OF STEVENSVILLE, MONTANA IN AN AREA KNOWN AS THE STEVENSVILLE AIRPORT AND THAT THE INVESTMENT IN INFRASTRUCTURE IN THAT AREA IS NECESSARY IN THE INTEREST OF PUBLIC HEALTH, SAFETY, OR WELFARE OF THE RESIDENTS OF STEVENSVILLE AND TO DETERMINE THE BOUNDARIES OF THAT AREA

WHEREAS, the State of Montana has recognized that portions of its cities, towns and counties are deficient in infrastructure improvements for targeted economic development and therefore constitute an impediment to the growth of infrastructure intensive value-adding economic development; and

WHEREAS, the creation of infrastructure in support of value-adding economic development is a matter of state policy and state concern because the state and its local governments have continued to suffer economic dislocation due to the lack of value-adding industries; and

WHEREAS, municipalities lack sufficient capital to rectify the infrastructure shortage in infrastructure-deficient areas, thus impeding their ability to achieve economic growth through the development of value-adding industries; and

WHEREAS, the procedure provided in Title 7, Chapter 15, Part 42 and 43 of the Montana Codes Annotated authorizes municipalities to exercise statutory development powers through comprehensive targeted economic development plans and projects, after the municipality has made a finding that an infrastructure deficient area exists that substantially impairs or arrests the sound growth of the city or its environs; inhibits the development of new and expanded value adding industry; constitutes an economic or social liability and/or is detrimental to the financial wellbeing of the community and its citizens; and

WHEREAS, on August 22nd, 2013, the Stevensville Town Council directed that an analysis of the infrastructure deficiencies at the Stevensville Airport be conducted; and

WHEREAS, the Town of Stevensville has determined the existence of infrastructure deficiencies at the Stevensville Airport, which encompasses an area of 174.0+/- acres, generally located south of the intersection of Airport Road and Flying Lane, in Section 13 and 24, Township 9 North, Range 20 West, Section 19 and 30, Township 9 North, Range 19 West, PMM; Town of Stevensville, Ravalli County, Montana and in particular found:

1. **Water System** – The Stevensville Airport lacks a potable public water supply that is safe for human consumption and does not have a sufficient supply of water for fire suppression. As a result, buildings erected on the airport are required to have

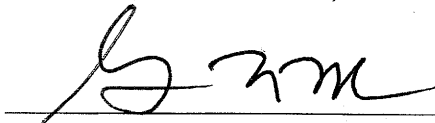
extra physical separation for fire safety, thereby using more land than would normally be required for development. A comprehensive water service plan is needed at the airport to meet this need and those of future industrial users.

2. **Sewer System** – The Stevensville Airport currently has a series of septic systems on its 174+ acres serving some individual hangers and has no public restroom facilities. It will, over time, need to create a larger, central collection and disposal system if it is going to meet the needs of more and larger industrial users.
3. **Roadways** – The Stevensville Airport is in need of new roadways and taxi lanes to provide access for the construction of additional, airport-related industrial users and aircraft hangar facilities.
4. **Utilities** – Although telephone, natural gas and electrical utilities are available at the Stevensville Airport, these services will need to be expanded in the future to include fiber optics and may include upgrades to existing utilities to accommodate new industrial users.
5. **General Improvements** – Additional infrastructure and public service deficiencies will be identified over time. For example, improvements to security fencing, wildlife management/control and roadways for emergency/service vehicles, as well as upgrades to existing infrastructure, will need to be addressed.

NOW, THEREFORE, BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF STEVENSVILLE, MONTANA:


That the Town Council finds that infrastructure deficiencies exist within the Town of Stevensville in the area depicted in Exhibit "A" to this Resolution and that infrastructure investment of this area (pursuant to the Montana Urban Renewal Law) is necessary and desirable in the interest of the public health, safety, and welfare of the residents of the Town of Stevensville and that this investment in infrastructure be made with a commitment to quality improvement and a commitment to property owner and community involvement in decision making.

PASSED by the Town Council of the Town of Stevensville, Montana, this the 10th day of October, 2013.



Gene Mim Mack, Mayor

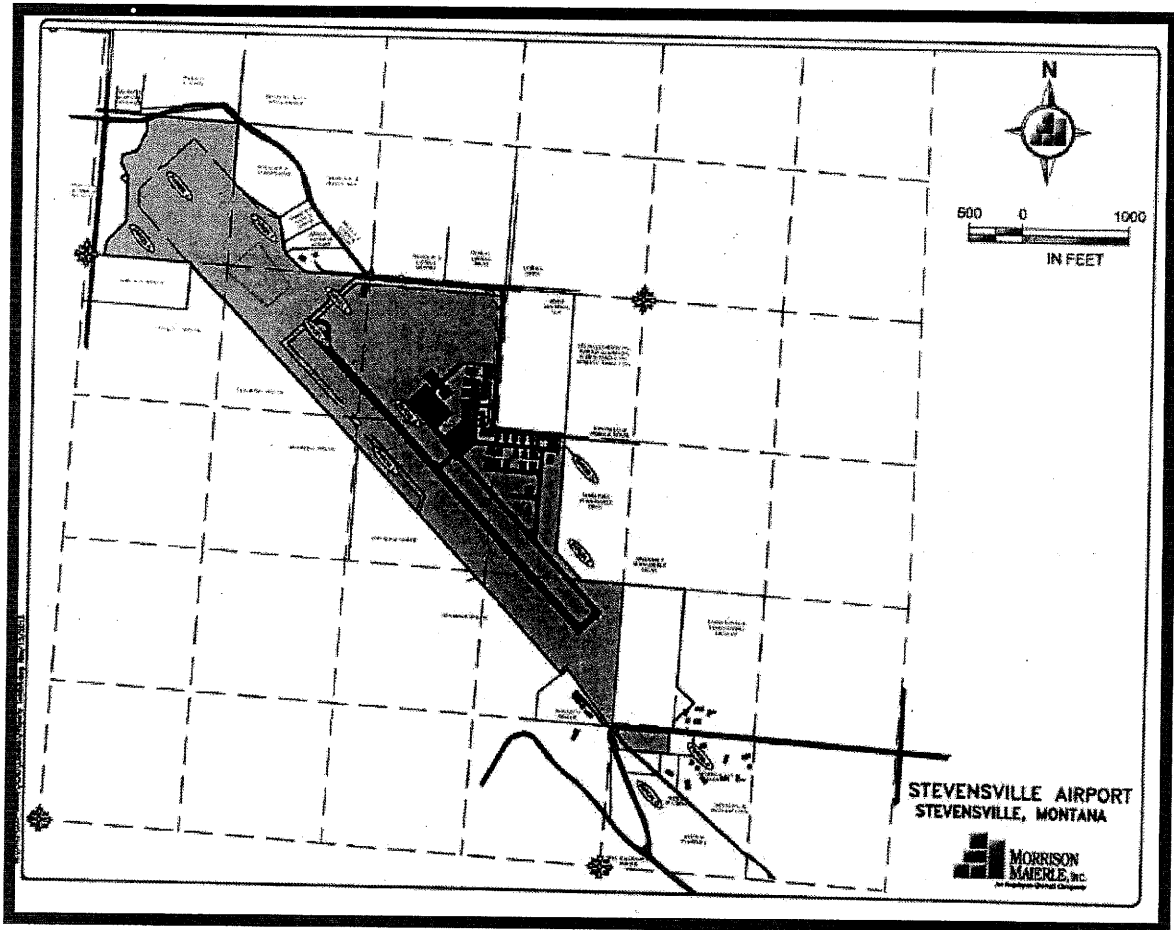
ATTEST:



Stacy Bartlett, Town Clerk

(SEAL OF TOWN)

Exhibit A

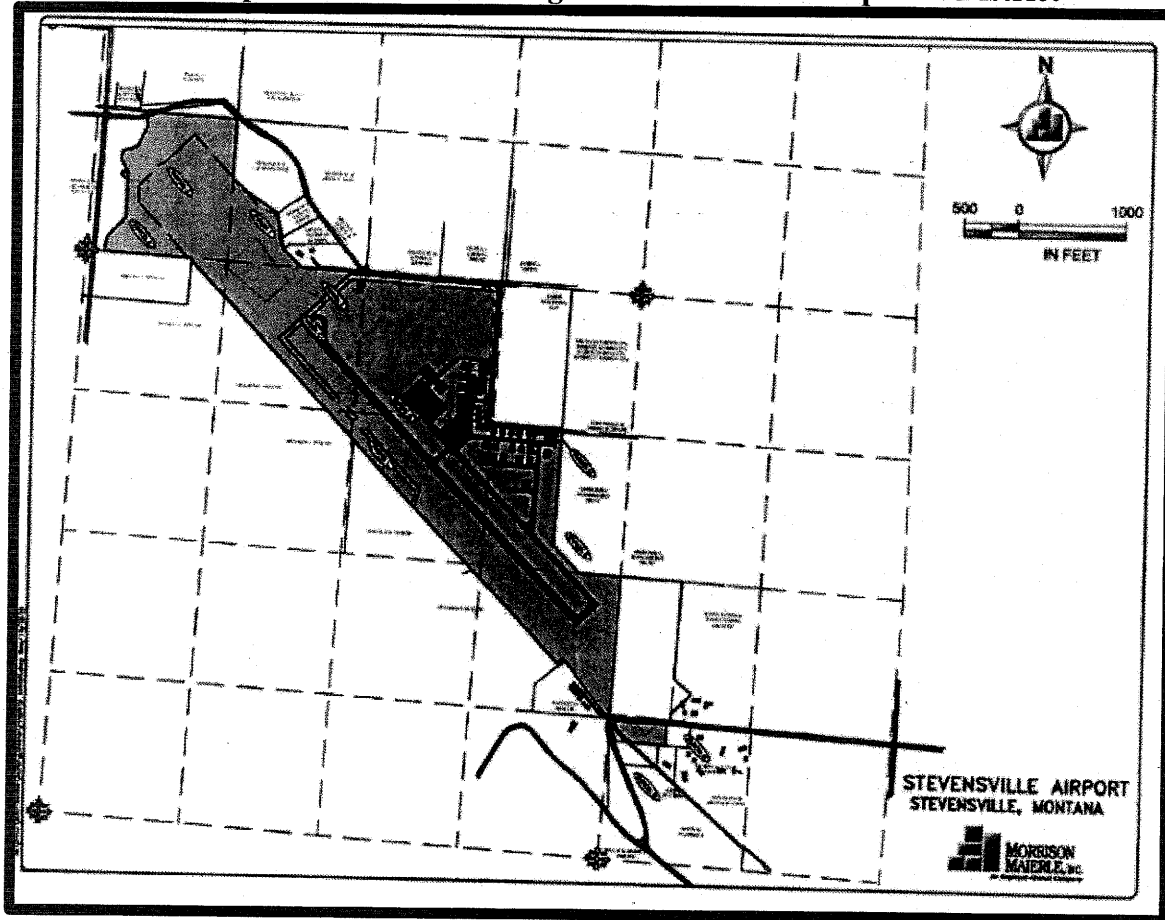


Proposed Stevensville Targeted Economic Development District Statement of Infrastructure Deficiency

Introduction

The Town of Stevensville is embarking on a program to foster secondary, value adding economic development at the Stevensville Airport in an area consisting of 174.0+/- acres generally located south of the intersection of Airport Road and Flying Lane, in Section 13 and 24, Township 9 North, Range 20 West, Section 19 and 30, Township 9 North, Range 19 West, PMM; Town of Stevensville, Ravalli County, Montana, as shown below.

Proposed Stevensville Targeted Economic Development District



The Town of Stevensville plans to create a Targeted Economic Development District (TEDD) at the Stevensville Airport, in accordance with 7-15-4279 Montana Code Annotated (MCA) and to establish a tax increment financing (TIF) program to help fund its efforts. The first step in creating the District will be to prepare a Comprehensive Development Plan, which will guide the investment of resources in addressing critical issues. As stated in 7-15-4279 MCA, a local government may authorize the creation of a targeted economic development district in support of value-adding economic development projects. The purpose of the district is the development of infrastructure to encourage the location and retention of value-adding projects in the state. The local government may use tax increment financing for the TEDD.

If the local government plans to use tax increment financing, the use of and purpose for tax increment financing must be specified in the Comprehensive Development Plan.

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

- (a) "secondary value-added products or commodities" means products or commodities that are manufactured, processed, produced, or created by changing the form of raw materials or intermediate products into more valuable products or commodities that are capable of being sold or traded in interstate commerce;
- (b) "secondary value-adding industry" means a business that produces secondary value-added products or commodities or a business or organization that is engaged in technology-based operations within Montana that, through the employment of knowledge or labor, adds value to a product, process, or export service resulting in the creation of new wealth.

The proposed TEDD must, prior to its creation, be found to be deficient in infrastructure improvements as stated in the resolution of necessity adopted under 7-15-4280 MCA. This Statement of Infrastructure Deficiency provides the finding of deficiencies in support of the Resolution.

Background

Stevensville, in Ravalli County is located in the Bitterroot Valley, between the Bitterroot and Sapphire Mountains. The Town has been officially recognized as the first permanent settlement in the state of Montana. Forty-eight years before Montana became the nation's 41st state, Stevensville was settled by Jesuit Missionaries at the request of the Bitterroot Salish Indians. The name of the settlement was changed from St. Mary's to Stevensville in 1864 to honor territorial governor Isaac Ingle Stevens.

Today, Ravalli is the state's seventh most populous county and contains 1,850 square miles of public forest lands, which have played a significant role in the area's economic development. Historically, these lands have primarily contributed to the economy through lumber and wood products manufacturing. Today, these lands are considered an important draw for tourism and relocation to the area. There are over 1,500 farms and 1,352 non-farm businesses in the county, but overall, employment growth has lagged behind both the state and federal numbers. The population of Stevensville grew from 1,553 in 2000 to 1,809 in 2010, according to the US Census. About 14% of the population of Ravalli County lives below the poverty line.

Maintaining industrial areas for key local industries that provide higher wage jobs is critical to the Town's economic health. However, the Stevensville area has a limited amount of land suitable for industrial development. Much of this land is to the north of the urban center, and is without the necessary infrastructure, particularly water and sewer services, to support new or expanding industries.

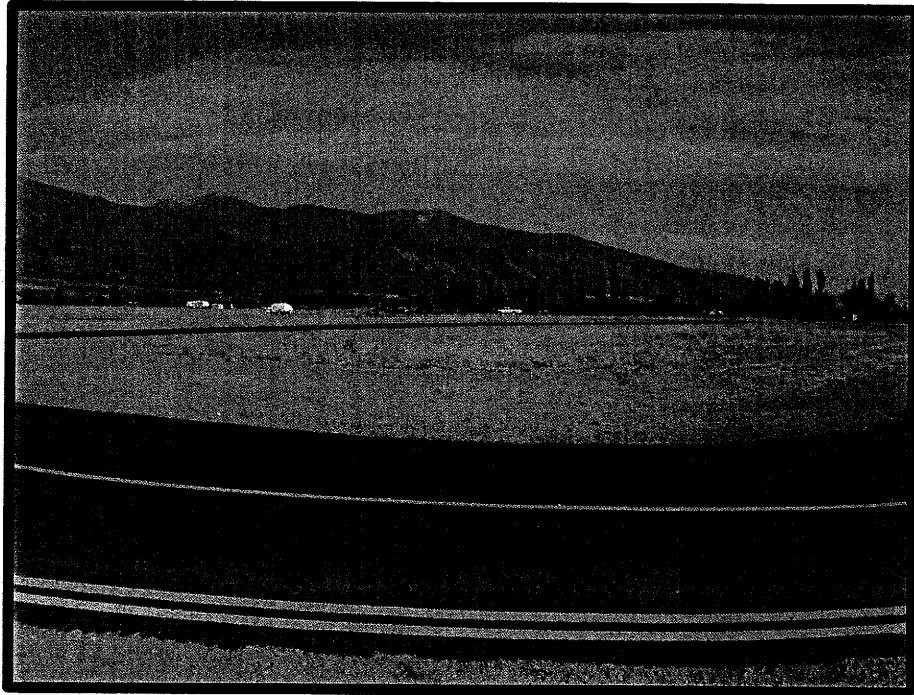
Establishing Infrastructure Deficiency

As stated above, prior to establishing a TEDD, the Town Council must adopt a Resolution of Necessity designating the proposed district as infrastructure deficient. This action establishes the need for TEDD program and the rationale for investing public funds in economic development activities. In meeting this requirement, the following infrastructure deficient conditions in the proposed Stevensville TEDD have been identified.

Water System – The Stevensville Airport lacks a potable public water supply that is safe for human consumption and does not have a sufficient supply of water for fire suppression. As a result, buildings erected on the airport are required to have extra physical separation for fire safety, thereby using more land than would normally be required for development. A comprehensive water service plan is needed at the airport to meet this need and those of future industrial users.

Sewer System – The Stevensville Airport currently has a series of septic systems on its 174+ acres serving some individual hangars and has not public restroom facilities. It will, over time, need to create a larger, central collection and disposal system if it is going to meet the needs of more and larger industrial users.

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



Utilities – Although telephone, natural gas and electrical utilities are available at the Stevensville Airport, these services will need to be expanded in the future to include fiber optics and may include upgrades to existing utilities to accommodate new industrial users.

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

Conclusion

Based on these findings, the proposed Stevensville TEDD can be described as infrastructure deficient per Montana Statute and that this deficiency impedes the ability of the Town to engage in the development of secondary-value added industries.