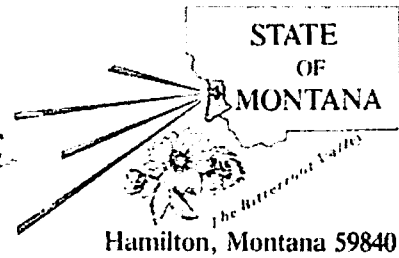
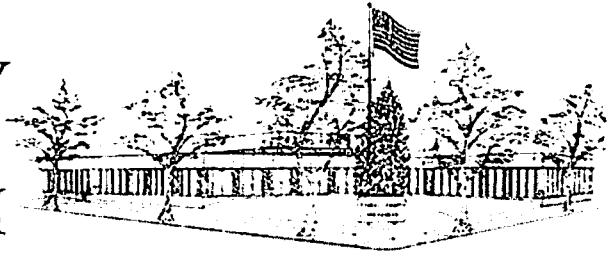


COUNTY  
OF  
RAVALLI



Ravalli County Commissioners  
215 S. 4<sup>th</sup> Street, Suite A  
Hamilton, MT, 59840  
406-375-6500  
commissioners@rc.mt.gov

April 22, 2015

Meg O'Leary  
Director's Office  
Montana Department of Commerce  
Po Box 200501  
Helena, MT 59620-0501

**RE: Extension of Time Request for MT-BSTF Planning Grant 2-13-38  
Preliminary Engineering Report for proposed Targeted Economic Development District  
(TEDD)**

Dear Director O'Leary,

This letter is to request a one year extension of time for the MT-BSTF Planning Grant 2-13-38, Ravalli County Targeted Economic Development District Project, Preliminary Engineering Report (PER).

A successful start to gathering the information necessary for the PER and establishing a Targeted Economic Development District (TEDD) in Ravalli County took place in September of 2013. Shortly after that meeting we found that there were two significant obstacles to creating a TEDD in Ravalli County. One was a local resolution that stated in part, any county initiated zoning must go before a majority of the registered voters.

The second obstacle was language in state statute that was not clear regarding zoning. TEDD statute says that a tax increment district must be "zoned in accordance with the growth policy" - for some this meant that Part 2 zoning must be used as that is the only zoning that goes before the Planning Board where a decision could be made that it was in fact in "accordance with the growth policy." However, the statute did not say that only Part 2 zoning could be used.

Ravalli County does not have a Growth Policy. Our intent with this project was always to develop a "growth policy" over just the tax increment district. We were going to use Part 1 zoning though, and not Part 2 zoning.

There were differing opinions on how and if a district could be created in Ravalli County. To create a tax increment district in Ravalli County that would not be challenged both the obstacles needed to be resolved. Resolving either obstacle would not be easy. Resolving an obstacle that required a legislative modification was monumental.

On November 18, 2014 a public small business celebration was held that that included a presentation on tax increment financing. Approximately 90 attended. Attendees included the public, businesses, County Commissioners, Legislators, Town and City government and more. One purpose of this event was to provide information to the public on tax increment finance and describe the needed local revision to the resolution that prevented a Targeted Economic Development District in Ravalli County.

On February 4, 2015 the Ravalli County Commissioners unanimously modified the local resolution to enable tax increment finance to be utilized in Ravalli County. The amended resolution reads in part:

NOW THEREFORE, BE IT RESOLVED, that the Board of County Commissioners hereby amends Resolution 2369 as follows:

An act of the Ravalli County Board of Commissioners creating a Growth Policy, Zoning Map, or Regulation under 76-2-2 MCA or an amendment to either, shall not be effective until and unless:

- (i) it is placed on the next regular election ballot and a majority of qualified electors at that election approve it, or
- (ii) the purpose is specifically for a Targeted Economic Development District and all the landowners within the growth policy area or zoning district approve it.*

In December of 2014, local legislator, Ed Greef for House District 90, began working on the legislative modification. This took the form of HB 289. On April 1st, after a great deal of hard work from many, Governor Bullock signed HB 289. In part the bill reads:

- (2) A targeted economic development district:
  - (a) must consist of a continuous area with an accurately described boundary that is large enough to host a diversified tenant base of multiple independent tenants;
  - (b) must be zoned: ~~for use in accordance with the area growth policy, as defined in 76-1-103;~~
    - (i) for uses by a local government under Title 76, chapter 2, part 2 or 3, in accordance with the area growth policy, as defined in 76-1-103; or

*(ii) if a county has not adopted a growth policy, then for uses in accordance with the development pattern and zoning regulations or the development district adopted under Title 76, chapter 2, part 1;*

The original and the amended local resolution and HB 289 are attached to this request for an extension of time.

The Department of Commerce has been a very understanding partner in this project. It has taken a lot of perseverance to continue forward when it seemed difficult, if not impossible, to make the necessary amendments. We are now able to move forward to create this district and others in Ravalli County. By solving our own problem we have likely paved the way for other rural Montana communities with some of the same challenges. We will need and are requesting, the Departments continued understanding and support for a 1 year extension of time in which to complete the project.

We always expected the project to take at least 1 year. However, after the first step for our project in September of 2013 we found that we couldn't move forward with confidence until the obstacles were cleared. That occurred on April 1 of 2015 when Governor Bullock signed HB 289.

We could have spent money on the Preliminary Engineering Report (PER). However, we all agreed that was not the responsible thing to do with public funds or the local funds. If we could not form a TEDD that could use tax increment finance there was no way that we would be able to implement a plan for infrastructure improvements.

#### **EXISTING PROJECT IMPLEMENTATION SCHEDULE**

Data gathering and analysis for proposed TEDD/TIFD	9/2013 – 11/2014
Finding of Eligibility	Prelim - Final
Describe area proposed	4/2014 - 6/1/2014
Prepare visuals with maps	
Written legal description	
Show evidence of deficient infrastructure	
Prepare proper zoning in accordance with TEDD/TIFD Ordinance	11/2014 – 02/2015
Prepare a TIFD Ordinance	04/2015
Notice of Public Hearing on Proposed Ordinance	05/2015
Submit certified copy of the District containing the tax increment provision to be provisioned to the MT Dept of Revenue	06/2015

Submit final draw down to MT DOC

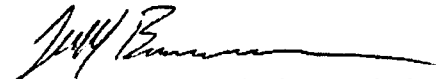
06/2015

**REQUESTED MODIFICATION OF PROJECT IMPLEMENTATION SCHEDULE**

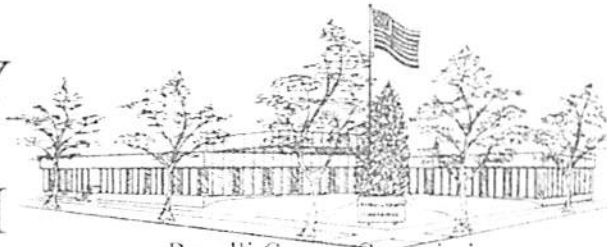
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Sincere thanks to the Montana Department of Commerce for recognizing this situation took a great deal of time and effort to accomplish properly. Thank you for considering our request for an extension of time to complete this important economic development project for Ravalli County.

Sincerely,

  
Ravalli County Board of Commissioners Chairman  
Jeff Burrows

# COUNTY OF RAVALLI



Ravalli County Commissioners  
215 S. 4<sup>th</sup> Street, Suite A  
Hamilton, MT. 59840  
406-375-6500  
commissioners@rc.mt.gov

April 22, 2015

Meg O'Leary  
Director's Office  
Montana Department of Commerce  
Po Box 200501  
Helena, MT 59620-0501

**RE: Ravalli County - MT-CDBG-EDPG13-03  
Proposed Targeted Economic Development District (TEDD)**

Dear Director O'Leary,

This letter is to request a one year extension of time for the MT-CDBG-EDPG13-03, Ravalli County Targeted Economic Development District Project, and Preliminary Engineering Report (PER).

A successful start to gathering the information necessary for the PER and establishing a Targeted Economic Development District (TEDD) in Ravalli County took place in September of 2013. Shortly after that meeting we found that there were two significant obstacles to creating a TEDD in Ravalli County. One was a local resolution that stated in part, any county initiated zoning must go before a majority of the registered voters.

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**EXISTING PROJECT IMPLEMENTATION SCHEDULE**

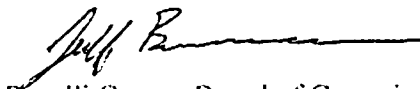
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**REQUESTED MODIFICATION OF PROJECT IMPLEMENTATION SCHEDULE**

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Ravalli County Board of Commissioners Chairman  
Jeff Burrows