

ORDINANCE NO. 212 - B

TAX INCREMENT FINANCING INDUSTRIAL DISTRICT

AN ORDINANCE CREATING AND APPROVING ANACONDA-DEER LODGE COUNTY TAX INCREMENT FINANCING INDUSTRIAL DISTRICT NO. 2; ESTABLISHING THE BOUNDARIES THEREOF; APPROVING THE INDUSTRIAL DISTRICT PLAN FOR TAX INCREMENT FINANCING INDUSTRIAL DISTRICT NO. 2; ESTABLISHING JANUARY 1, 2008, AS THE BASE TAXABLE YEAR FOR TAX INCREMENT FINANCING INDUSTRIAL DISTRICT NO. 2; ESTABLISHING THE TERM OF TAX INCREMENT FINANCING INDUSTRIAL DISTRICT NO. 2; DEFINING THE COSTS WHICH MAY BE PAID FROM TAX INCREMENTS; PROVIDING FOR THE CREATION OF A BOARD TO BE KNOWN AS THE ANACONDA-DEER LODGE COUNTY TAX INCREMENT FINANCING INDUSTRIAL DISTRICT NO. 2 BOARD; ESTABLISHING THE PURPOSE AND INTENT FOR CREATING THE BOARD; PROVIDING FOR THE DEFINITION OF TERMS; PROVIDING FOR THE POWERS AND DUTIES FOR THE BOARD; PROVIDING FOR APPOINTMENT AND TERMS OF BOARD MEMBERS PROVIDING FOR REGULAR MEETINGS AND ELECTION OF OFFICERS; PROVIDING FOR ANNUAL REPORTS; PROVIDING FOR THE REPEAL OF ALL PARTS OF ORDINANCES AND RESOLUTIONS IN CONFLICT HEREWITH AND PROVIDING FOR AN EFFECTIVE DATE HEREOF.

WHEREAS, The City and County of Anaconda-Deer Lodge County wishes to encourage the growth and retention of secondary value-adding industries; and

WHEREAS, secondary, value-adding industries, in order to be competitive in today's world economy, require expensive infrastructure that is beyond the means of Anaconda-Deer Lodge County at the present time; and

WHEREAS, Montana Code Ann. §7-15-4297, et. seq. (the "Act"), enables local governing bodies to create tax increment financing industrial districts for the purpose of financing industrial infrastructure; and

WHEREAS, Anaconda-Deer Lodge County has determined that the area proposed for Tax Increment Financing Industrial District No. 2 consists of a continuous area with an accurately described boundary, is not contained within the boundaries of another industrial district or urban renewal district with a tax increment provision, is zoned for industrial use in accordance with the Anaconda-Deer Lodge County Growth Policy, and is determined to

be deficient in infrastructure improvements for industry development as outlined in the Industrial District Plan.

NOW, THEREFORE, BE IT ORDAINED BY THE ANACONDA-DEER LODGE COUNTY COMMISSIONERS OF THE CONSOLIDATED CITY AND COUNTY OF ANACONDA-DEER LODGE COUNTY, STATE OF MONTANA, AS FOLLOWS:

Section 1: Definitions. The following terms are provided for the sole purpose of proper interpretation and administration of this ordinance:

- (1) "Available Tax Increment" means the tax increment of the District, exclusive of the Limited Tax Increment.
- (2) "Board" means the Anaconda-Deer Lodge County Tax Increment Financing Industrial District Board for TIFID No. 2
- (3) "Board Members" means the appointed members of the Anaconda-Deer Lodge County Tax Increment Financing Industrial District Board for TIFID No. 2.
- (4) "Bonds" means any tax increment revenue bonds issued in accordance with Section 7-15-4299 and 7-15-4282-7-15-4293, Montana Code Annotated, for projects approved pursuant to this Ordinance.
- (5) "Chief Executive" means the Chief Executive of Anaconda-Deer Lodge County.
- (6) "Commissioners" means the Anaconda-Deer Lodge County Commissioners.
- (7) "District" means the Anaconda-Deer Lodge County Tax Increment Financing District No. 2 created in this Ordinance.
- (8) "Governing Body" means the Board of County Commissioners of Anaconda-Deer Lodge County.
- (9) "Government or County" means the consolidated local government of Anaconda-Deer Lodge County and includes all that area within its jurisdictional boundaries.
- (10) "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 tax increment financing industrial district.

- (11) "Limited Tax Increment" means the Tax Increment derived solely from the Mill Creek natural gas-fired electric generating station and related facilities to be constructed by Northwestern Energy on the parcels of land shown on Exhibit B hereto (the "Mill Creek Generating Station").
- (12) "Ordinance" means Ordinance No. 212, as may be amended and supplemented from time to time.
- (13) "Mill Creek Bonds" means the tax increment revenue bonds to be issued by the County to pay the costs of the Mill Creek Project and to pay costs associated with the sale and security of the Bonds in an amount not to exceed \$5,000,000.
- (14) "Mill Creek Project" means the design, construction and installation of water and sanitary sewer system trunk lines necessary to facilitate the development of the Mill Creek Generating Station in the District.
- (15) "Plan" means the Industrial Infrastructure District Plan attached hereto as Exhibit C, as may be amended from time to time.
- (16) "Tax Increment" means the collections realized from extending the tax levies, expressed in mills, of all taxing bodies in which the tax increment financing industrial district or a part thereof is located against the Incremental Taxable Value.

Section 2:

Creation of the Anaconda-Deer Lodge County Tax Increment Financing Industrial District No. 2. The Commission, in accordance with the public law on the creation of Tax Increment Financing Industrial Districts, and after having conducted a public hearing, duly called and noticed, in accordance with the provisions of Section 7-15-4299, MCA, does hereby create Tax Increment Financing Industrial District No. 2 (TIFID No. 2) in Anaconda-Deer Lodge County. The purpose of creating the TIFID No. 2 is the development of infrastructure and other activities as allowed by law to encourage the growth and retention of secondary, value-adding industries.

Section 3:

Boundaries of Anaconda-Deer Lodge County TIFID No. 2. The boundaries of TIFID No. 2 shall be defined as the property having the legal description set forth and as shown on the map entitled "Boundaries of the Anaconda-Deer Lodge County Tax Increment

Financing Industrial District No. 2," included as Exhibit A hereto and incorporated herein.

Section 4: **Approval of the Industrial District Plan.** The Commission hereby approves the Industrial District Plan for TIFID No. 2, which, is attached hereto and incorporated herein and marked as Exhibit C. This Industrial District Plan for TIFID No. 2, describes the types of projects to be undertaken in TIFID No. 2, the need for such projects, and the provisions for employing tax increment financing.

Section 5: **Establishment of Base Taxable Year.** For the purpose of calculating the Incremental Taxable Value each year for the life of TIFID No. 2, the base taxable value shall be calculated as the taxable value of all property within TIFID No. 2 as of January 1, 2008.

Section 6: **Term of Tax Increment Financing Industrial District.** TIFID No. 2 will terminate upon the later of: (1) the fifteenth year following the creation of the District; or, (2) the payment or provision for payment in full or discharge of all bonds from which the tax increment has been pledged and the interest thereon. After termination of the tax increment financing provision, all taxes shall be levied upon the actual taxable value of the taxable property in the District and shall be paid into funds of the taxing bodies levying taxes within the District.

Section 7: **Cost Which May be Paid from Tax Increments.** The Available Tax Increment may be used to pay the costs of an approved industrial infrastructure project in accordance with the Plan and Section 7-15-4288, MCA, and shall be pledged for the payment of the principal of, premium, if any, and interest on loans or bonds which the County may issue for the purpose of providing funds to pay allowable costs of approved infrastructure projects as authorized by Section 7-15-4299, MCA. The Limited Tax Increment shall be pledged to the payment of the Mill Creek Bonds. In the event Available Tax Increment is not sufficient to meet the principal of and interest requirements of the Mill Creek Bonds, the Limited Tax Increment shall be used to pay the principal of and interest on the Mill Creek Bonds. Any Limited Tax Increment not required to pay the principal of and interest on the Mill Creek Bonds shall be remitted to the affected taxing bodies in accordance with 7-15-4291, MCA. The County shall enter into an agreement with the other affected taxing jurisdictions regarding the remittance of the Limited Tax Increment.

Section 8: Creation of Tax Increment Financing Industrial District No. 2 Board

- 8.1 Purpose and Intent.** The purpose and intent of this section is to provide for an appointed board of citizens of Anaconda-Deer Lodge County to advise the County in the growth and retention of secondary, value-adding industries and in particular to advise the County with respect to the industrial infrastructure needs, projects and development of TIFID No. 2 as provided in the Plan.
- 8.2 Board Created – Membership – Team.** The Anaconda-Deer Lodge County Tax Increment Financing Industrial District Board for TIFID No. 2 is hereby created. The Board shall consist of seven members to be appointed by the Governing Body. All members of the Board must be qualified electors of Anaconda-Deer Lodge County. The members of the Board shall hold office for four years and shall serve until their successors are appointed. The terms of members shall be staggered so that no more than four members shall need to be appointed any year except in case of resignation or removal. The initial Board shall consist of one member appointed for 1 year, one for 2 years, one for 3 years and four for 4 years. When possible the members of the Board should consist of: a representative of the County, a representative of the Anaconda Public Schools (School District 10), a representative of an economic development agency, a representative of the banking industry, a representative of the engineering or construction industry, a representative of the business accounting or financial industry, and a citizen at large. A Board member may be removed for inefficiency, neglect of duty or misconduct in office.
- 8.3 Organization of Board.** The Board shall organize by electing one of its members chair, and one of its members vice-chair. The County shall provide a staff member to serve as secretary to the Board. The Board shall adopt bylaws to govern the conduct of its operations. The Board shall hold meetings as it deems necessary to execute its powers and duties as provided for in herein.
- 8.4 Powers and Duties of Board.**
- 8.4.1 To assist the County with the dissemination of industrial development information for the District.
- 8.4.2 To perform such duties as the Commissioners or Chief Executive may direct or request.

8.4.3 To advise the County with respect to the adoption of plans, regulations and guidelines as may be necessary to carry out the purposes of this ordinance and the Plan.

8.4.4 To make recommendations for projects to be undertaken in the District and recommendations for the allocation of District Available Tax Increment revenues.

8.4.5 To perform such duties as are identified in the Plan.

Section 9: Implementation and Administration of District and Plan

9.1. The County shall exercise all of its governmental powers, including all those granted under the Act, as necessary and desirable to implement the purposes and goals of the Governing Body in creating the District and approving the Plan.

9.2. The County will allocate staff and provide other support in its judgment as may be required to enable the Board to perform its obligations.

9.3. The County will allocate staff as required to implement the District, the Plan and any projects approved in accordance with the Plan.

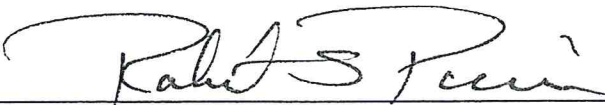
9.4. The Governing Body will allocate tax increment funds for projects approved in accordance with the Plan, subject to the limitations in this Ordinance.

9.5. Nothing herein shall preclude the County from entering into contracts with one or more entities to undertake specific services for the County in the administration of the District, the construction and oversight of projects or perform any other services in the implementation of the Plan.

Section 10: Conflict with Other Ordinances and Resolutions. All parts of ordinances and resolutions in conflict herewith are hereby repealed.

Section 11: Effective Date. This Ordinance shall be in full force and effect from and after thirty (30) days after passage and approval.

PASSED this 16 day of JUNE, 2009



Chairman of Commission

ATTEST:

Wendy J. Edwards
Clerk of Commission

APPROVED AS TO FORM:

Joan S. Borneman
COUNTY ATTORNEY

Introduced: MAY 12, 2009

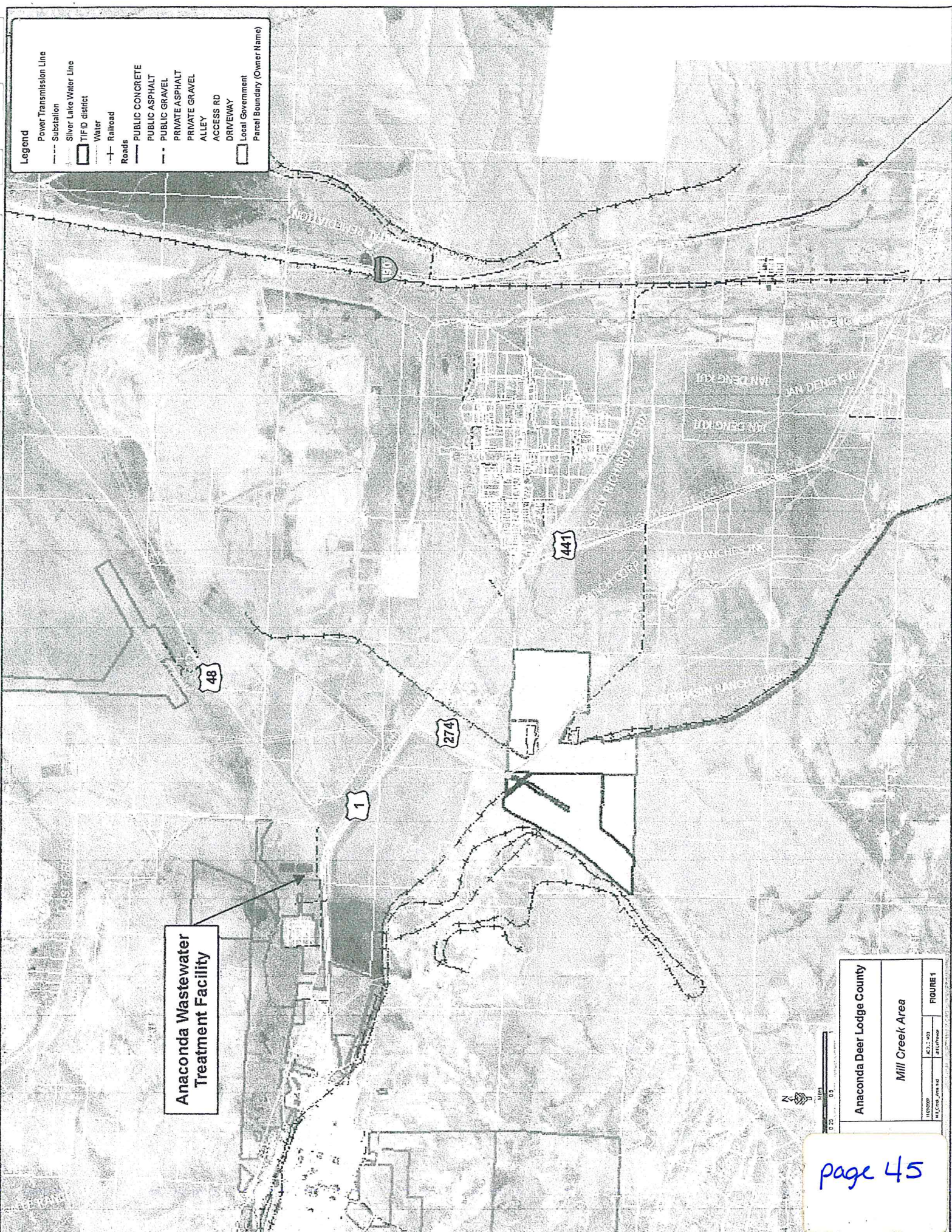
Public Hearing: JUNE 2, 2009

Passed: JUNE 16, 2009

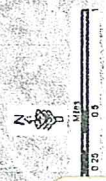
EXHIBIT A

Boundaries of the Anaconda-Deer Lodge County Tax Increment Financing Industrial District No. 2

- Legend**
- Power Transmission Line
 - Substation
 - Silver Lake Water Line
 - TIFID district
 - Water
 - Railroad
 - Roads
 - PUBLIC CONCRETE
 - PUBLIC ASPHALT
 - PUBLIC GRAVEL
 - PRIVATE ASPHALT
 - PRIVATE GRAVEL
 - ALLEY
 - ACCESS RD
 - DRIVEWAY
 - Local Government
 - Parcel Boundary (Owner Name)



Anaconda Wastewater Treatment Facility



Anaconda Deer Lodge County	
Mill Creek Area	
11/20/2009	42.1.103
MAL/CSH/ JAH/ KLD	ART/PHOTO
FIGURE 1	

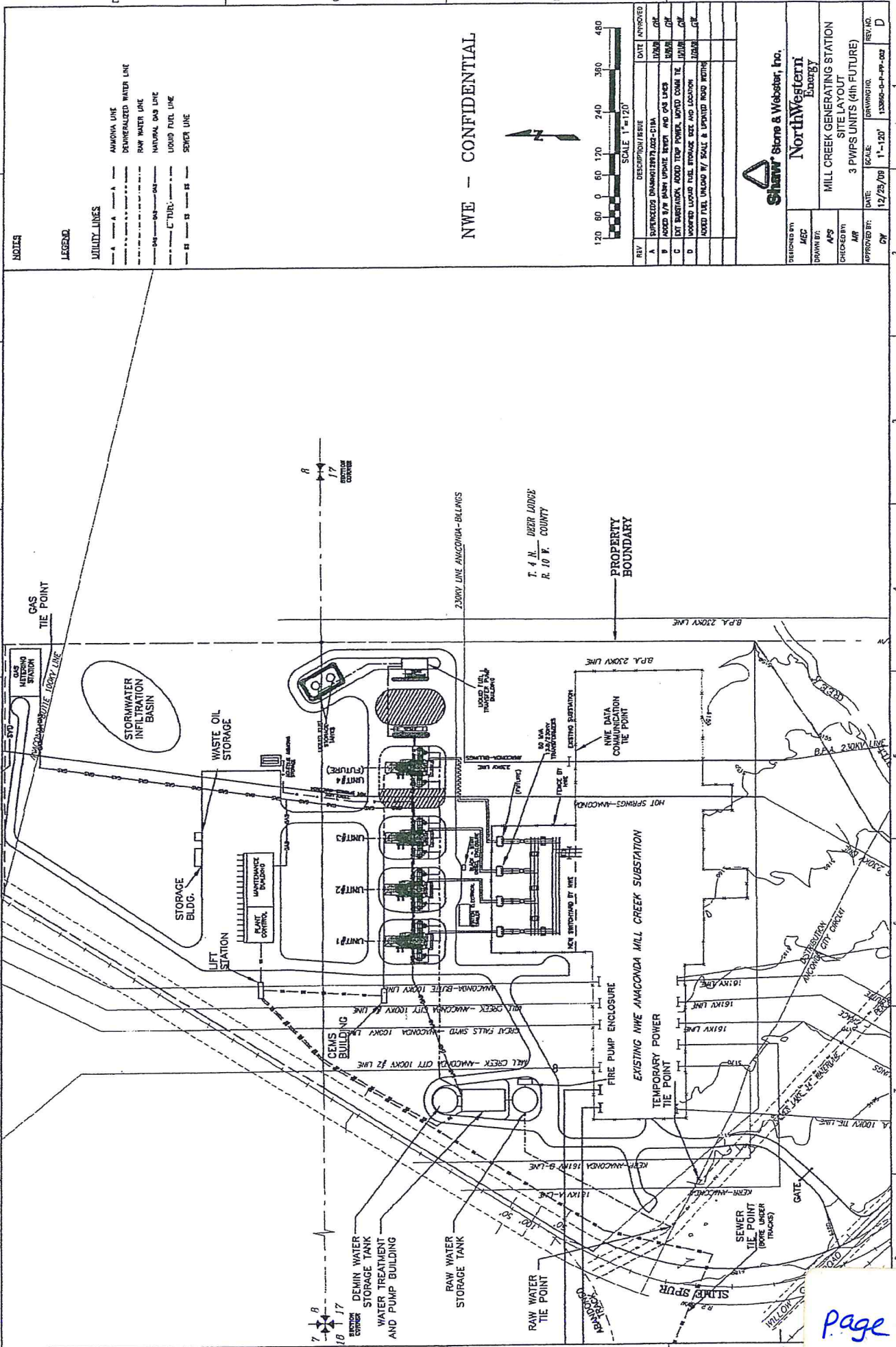
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EXHIBIT B

Mill Creek Power Plant Property

**EXHIBIT A to Special Use Application
Mill Creek Generation Station**

1. **Legal Description:** The plant site is located in Township 4 North, Range 10 West, on portions of Sections 8 and 17 as depicted on:
 - a. A portion of Certificate of Survey No. 389 (Mill Creek Substation Tract), shown as attachment A-1 to this Exhibit, and;
 - b. A tract of land adjacent to and north of Certificate of Survey No. 389 that has been surveyed, but not yet recorded, referred to as "Optioned Tract" and shown as Attachment A-2 to this Exhibit.
2. **Owner:**
 - a. North Western Corporation (NWE) owns Certificate of Survey No. 389, 40 East Broadway, Butte, MT 59701;
 - b. ARCO Environmental Remediation (ARCO) owns the Option Tract, which NWE has optioned to purchase.
3. **Contractor:** Shaw Stone and Webster, Inc. 9201 E. Dry Creek Road, Centennial, CO 80112
4. **Engineer:** See No. 3 above.
5. **Description of Activity:** Construction of a natural gas fired electric generation station and related facilities. Proposed site plan is shown as Attachment A-3.



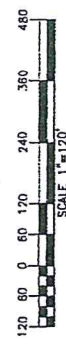
NOTES

LEGEND

UTILITY LINES

- AMCONDA LINE
- DEIONIZED WATER LINE
- RAW WATER LINE
- NATURAL GAS LINE
- LIQUID FUEL LINE
- SEWER LINE

NWE - CONFIDENTIAL



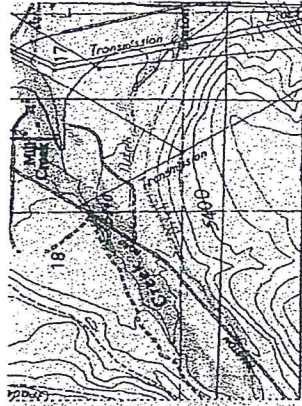
REV	DESCRIPTION / REVISION	DATE APPROVED
A	REVISIONS DRAWING/ISSUE-CIA	DATE
B	ADDED 3/78 RAW WATER TIE POINT AND GAS LINES	DATE
C	DOT REWORKS ADDED TIE POINTS, LIQUID FUEL TIE POINT	DATE
D	ADDED LIQUID FUEL STORAGE TANK AND LOCATION	DATE
E	ADDED LIQUID FUEL STORAGE TANK & LIQUID FUEL TIE POINT	DATE

Shaw Stone & Webster, Inc.
NorthWestern Energy

DESIGNED BY: MEC
 DRAWN BY: AFS
 CHECKED BY: MP
 APPROVED BY: CY

MILL CREEK GENERATING STATION
 SITE LAYOUT
 3 PWPS UNITS (4th FUTURE)

SCALE: 1"=120'
 DRAWING NO. 133860-0-P-P-002
 REV. NO. D



VICINITY MAP
SCALE: 1" = 2000'

CERTIFICATE OF CLERK & RECORDER

STATE OF MONTANA)
County of Deer Lodge)

I hereby certify that the CERTIFICATE OF my office on the ___ day of _____

By _____
Clerk & Recorder

CERTIFICATE OF SURVEYOR

I the undersigned, DAVID A. STRAND, pro hereby certify that this land was surveyed and the accompanying certificate of survey and a the provisions of the Montana Subdivision act through 76-3-614, M.C.A. and the county subdivision

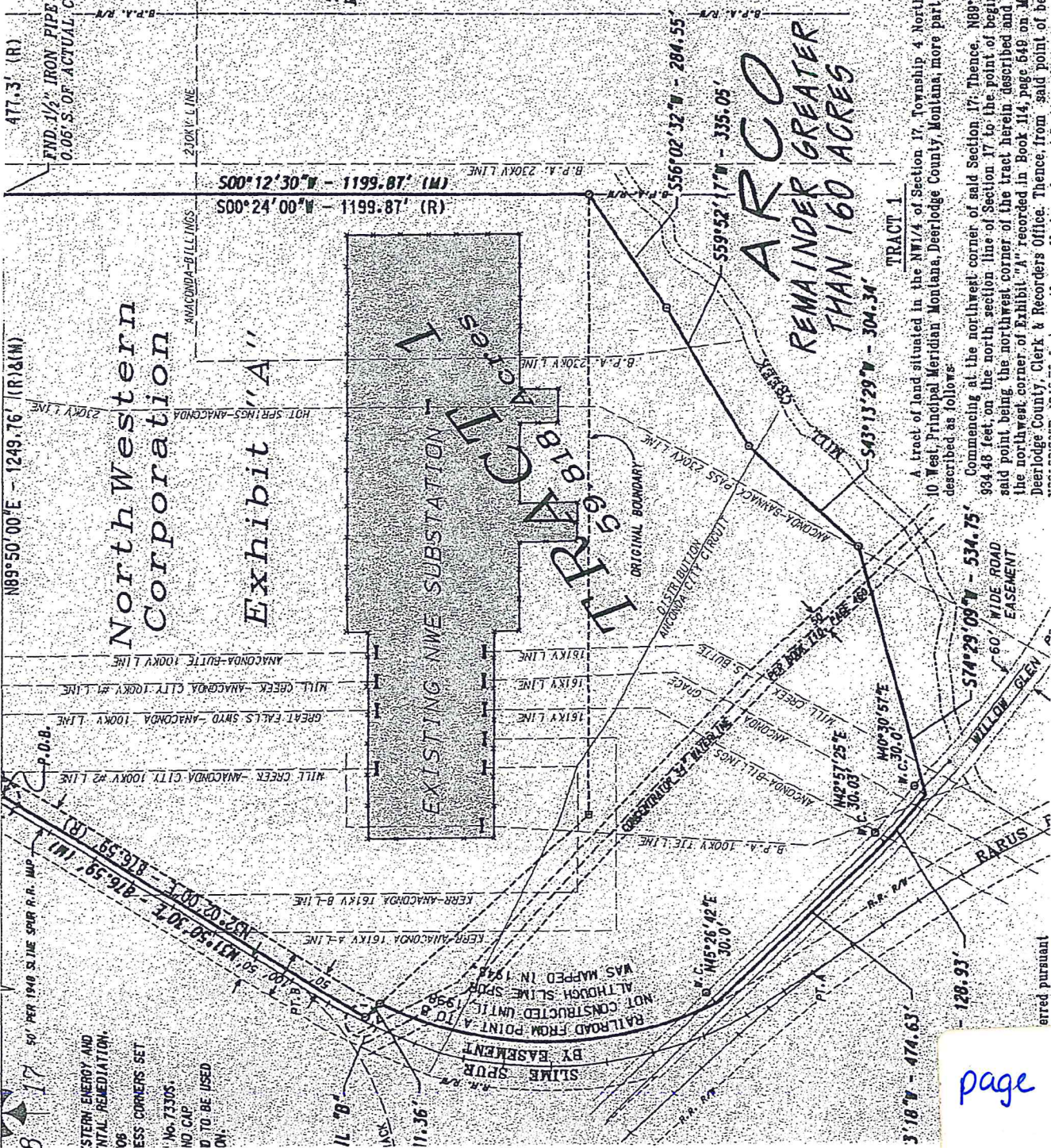
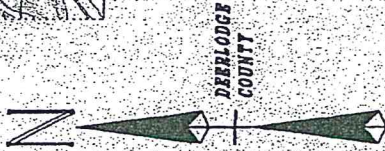
Dated this ___ day of _____

Montana Registration No. 73306

CERTIFICATE OF COUNTY TREASURER

I, the Treasurer of Deer Lodge County, Montana d section 76-3-207-(9), M.C.A., that all real property assessed and levied on the land included in th PIN No. _____

477.3' (R)
FIND 1/2 IRON PIPE
0.06' S. OF ACTUAL CORNER



North Western Corporation
Exhibit "A"

EXISTING NINE SUBSTATION

ARCO
REMAINDER GREATER THAN 160 ACRES

TRACT 1

A tract of land situated in the NW1/4 of Section 17, Township 4 North, Range 10 West, Principal Meridian Montana, Deer Lodge County, Montana, more particularly described as follows:

Commencing at the northwest corner of said Section 17; Thence, N89°38'30"E-- 934.48 feet, on the north section line of Section 17 to the point of beginning and said point being the northwest corner of the tract herein described and also being the northwest corner of Exhibit "A" recorded in Book 114, page 548 on March 7, 1972 Deer Lodge County, Clerk & Recorders Office. Thence, from said point of beginning,

STERN ENERGY AND
NITAL REMEDIATION,
ESS CORNERS SET
No. 73306
NO CAP
D TO BE USED
ON

page 49

PERMITS

A TRACT OF LAND BEING TRACT 1 OF CERTIFICATE OF SURVEY NO. 234-A LOCATED IN E NORTH, RANGE 10 WEST, PRINCIPAL MERIDIAN MONTANA, DEER LODGE COUNTY, MONTANA

TRACT 1A (UTILITY PARCEL)

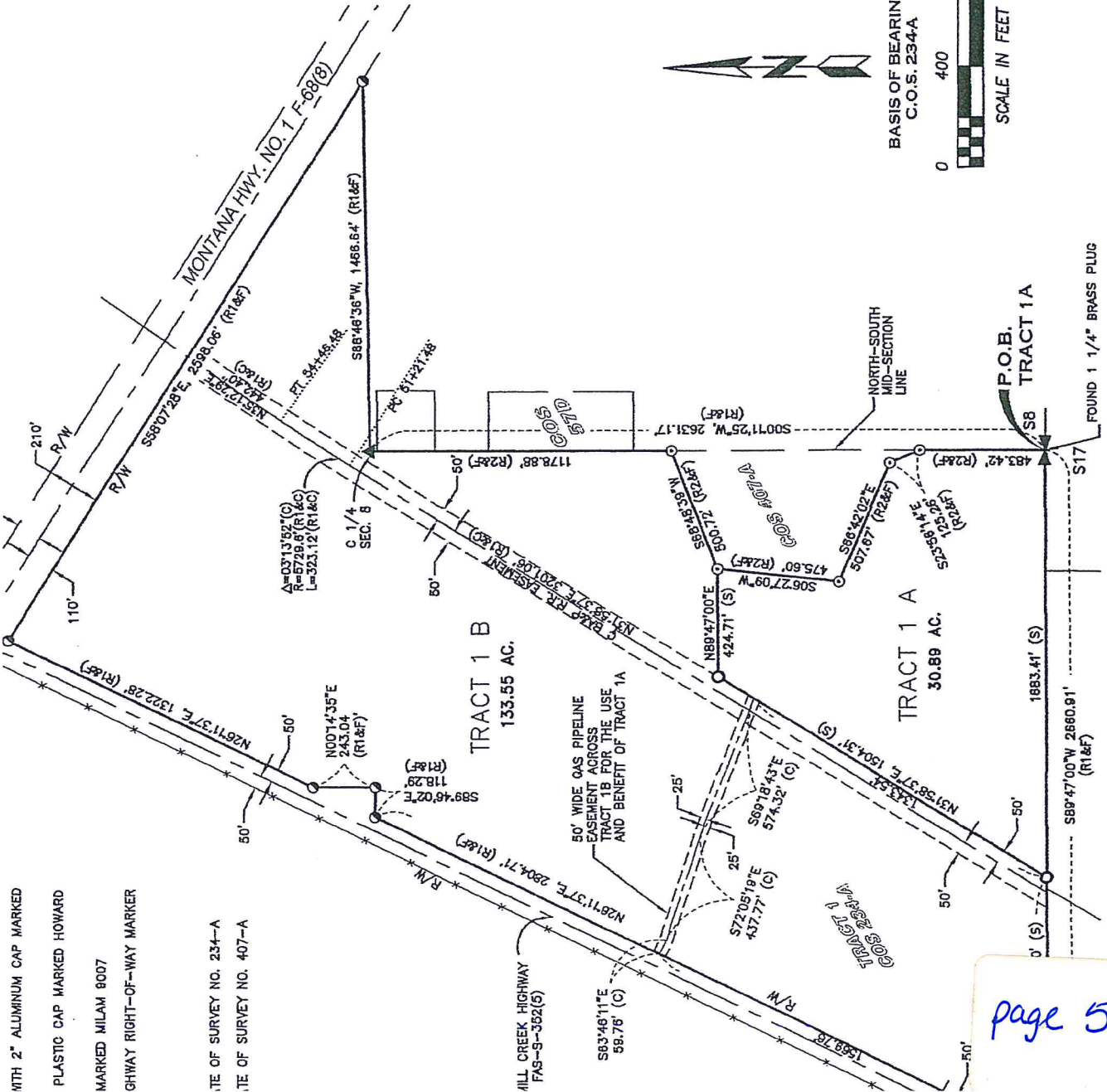
A TRACT OF LAND BEING A PORTION OF TRACT 1 OF CERTIFICATE OF SURVEY NO. 234-A TOWNSHIP 4 NORTH, RANGE 10 WEST, PRINCIPAL MERIDIAN MONTANA, DEER LODGE COUNTY, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE ONE QUARTER SECTION CORNER COMMON TO SECTIONS 17 AND 8, SOUTHEASTERLY MOST CORNER OF SAID CERTIFICATE OF SURVEY NO. 234-A; THENCE SAID CERTIFICATE OF SURVEY NO. 234-A S89°47'00"W, 1663.41 FEET TO A POINT ON THE B&P RAILROAD EASEMENT; THENCE ALONG SAID SOUTHEASTERLY EASEMENT LINE N 78°46'00"E, 424.71 FEET TO THE NORTHWESTERLY MOST CORNER OF CERTIFICATE OF SURVEY NO. 407-A; THENCE ALONG THE WESTERLY AND SOUTHERLY BOUNDARIES OF SAID CERTIFICATE OF SURVEY NO. 407-A FOLLOWING THREE (3) COURSES: 1) S89°47'00"W, 475.60 FEET 2) S89°42'02"E, 507.67 FEET TO THE SOUTHERLY MOST CORNER OF SAID CERTIFICATE OF SURVEY NO. 234-A; THENCE ALONG SAID EASTERLY LINE OF SAID CERTIFICATE OF SURVEY NO. 234-A; THENCE ALONG SAID EAST 483.42 FEET TO THE POINT OF BEGINNING, CONTAINING 30.89 ACRES, SUBJECT TO ALL RESERVATIONS AND/OR DEDICATIONS EXISTING, SHOWN OR OF RECORD.

TRACT 1B (REMAINDER)

A TRACT OF LAND BEING A PORTION OF TRACT 1 OF CERTIFICATE OF SURVEY NO. 234-A AND 8 OF TOWNSHIP 4 NORTH, RANGE 10 WEST, PRINCIPAL MERIDIAN MONTANA, DEER LODGE COUNTY, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE SECTION CORNER COMMON TO SECTIONS 7, 8, 17, AND 18; THENCE BOUNDARY OF SAID CERTIFICATE OF SURVEY NO. 234-A N88°16'54"W, 56.97 FEET TO THE CORNER OF SAID CERTIFICATE OF SURVEY NO. 234-A; SAID CORNER BEING ON THE EAST SIDE OF MILL CREEK HIGHWAY, SAID CORNER ALSO BEING A POINT ON A NON-TANGENT CURVE SOUTHEASTERLY AND HAVING A RADIUS OF 2815.00 FEET; SAID CURVE BEING ON THE SOUTHEASTERLY BOUNDARY OF SAID CERTIFICATE OF SURVEY NO. 234-A; THENCE ALONG SAID NORTHEASTERLY BOUNDARY SAID CURVE THROUGH A CENTRAL ANGLE OF 2°10'58" AN ARC THENCE ALONG SAID WESTERLY BOUNDARY AND SAID EASTERLY RIGHT-OF-WAY LINE COURSES: 1) N26°11'37"E, 2804.71 FEET 2) S89°46'02"E, 118.29 FEET 3) N00°14'35"E, 243.04 FEET TO THE NORTHERLY MOST CORNER OF SAID CERTIFICATE OF SURVEY NO. 234-A; THENCE ALONG SAID CERTIFICATE OF SURVEY NO. 234-A; SAID BOUNDARY SOUTHWESTERLY RIGHT-OF-WAY LINE OF MONTANA HIGHWAY NO. 1 S58°07'28"E, 2598.11 FEET TO THE SOUTHWESTERLY MOST CORNER OF SAID CERTIFICATE OF SURVEY NO. 234-A; THENCE ALONG THE BOUNDARY OF SAID CERTIFICATE OF SURVEY NO. 234-A; THENCE ALONG THE EASTERLY BOUNDARY OF SAID CERTIFICATE OF SURVEY NO. 234-A S00°11'25"W, 1178.88 FEET TO THE NORTHERLY MOST CORNER OF SAID CERTIFICATE OF SURVEY NO. 407-A; THENCE ALONG THE NORTHERLY BOUNDARY OF SAID CERTIFICATE OF SURVEY NO. 407-A; THENCE LEAVING SAID CERTIFICATE OF SURVEY NO. 407-A S89°47'00"W, 424.71 FEET TO THE SOUTHWESTERLY CORNER OF SAID CERTIFICATE OF SURVEY NO. 407-A; THENCE SOUTHWESTERLY ALONG SAID CERTIFICATE OF SURVEY NO. 407-A S31°58'37"W, 1504.31 FEET TO THE SOUTH LINE OF SAID CERTIFICATE OF SURVEY NO. 234-A; THENCE ALONG SAID CERTIFICATE OF SURVEY NO. 234-A S89°47'00"W, 977.50 FEET TO THE POINT OF BEGINNING, CONTAINING 133.55 ACRES AND/OR RESERVATIONS AND/OR DEDICATIONS EXISTING, SHOWN OR OF RECORD.



BASIS OF BEARING
C.O.S. 234-A



- WITH 2" ALUMINUM CAP MARKED
- PLASTIC CAP MARKED HOWARD
- MARKED MILAM 8007
- GHWAY RIGHT-OF-WAY MARKER

ITE OF SURVEY NO. 234-A
ITE OF SURVEY NO. 407-A

TRACT 1 B
133.55 AC.

TRACT 1 A
30.89 AC.

EXHIBIT C

Industrial Infrastructure District Plan

EXHIBIT C

Amended Tax Increment Financing Industrial District #2

Industrial District Plan

Anaconda is located at the hub of highway, utility, and rail transportation systems. All of these resources point to opportunities for growth.

The Mill Creek Tax Increment Financing Industrial District #2 (TIFID#2) is a specific district that will help further our community goals of economic development, job creation, and tax base enhancement.

The following sections constitute the Industrial District Plan for TIFID#2 in Anaconda-Deer Lodge County (A-DLC). It includes a description of the district, a tax increment financing provision and projects to be undertaken to assist in the development of secondary, value-adding industries.

Terms used herein but not defined shall have the meanings ascribed in Anaconda-Deer Lodge County Ordinance No. 212.

I. Anaconda-Deer Lodge County Tax Increment Financing District #2

A. *General Description*

The A-DLC TIFID#2 consists of approximately 817 acres and is located in the Mill Creek area. A District Map and legal description is attached as Exhibit A to Ordinance No. 212, as amended.

Since 1993, the Mill Creek area has been recognized as the premier heavy industrial site in A-DLC. Service with rail, major utility lines and a 36" industrial water line are on-site, however, potable water, natural gas, and wastewater trunk lines and service lines as well as roads, curbing, and stormwater control systems must be developed.

The major access road is the Mill Creek Highway, also known as State Secondary Highway 274, from Montana Highway 1 and offers easy truck access.

B. *Infrastructure Deficiencies*

The lack of a heavy industrial site which provides "spade-ready" infrastructure has had a detrimental direct effect in attracting, retaining, and expansion of secondary, value-adding industries in A-DLC. In order to facilitate development of these industries, the following infrastructure deficiencies have been identified:

1. Transportation
 - a. Access Roads and Streets
 - b. Pedestrian Walkways
 - c. Parking Facilities
 - d. Rail Spurs

2. Utilities
 - a. Electrical Service
 - b. Natural Gas Service
 - c. Telecommunication Systems
3. Water and Sewer
 - a. Potable Water Systems
 - b. Waste and Stormwater Systems
 - c. Fire Suppression Systems, including hydrants
4. Other Public Improvements
 - a. Lighting
 - b. Curbing and Gutter Systems
5. Industrial Infrastructure
 - a. Publicly owned buildings
 - b. Industrial machinery and equipment

II. Tax Increment Financing Provision

To promote and assist the development of secondary, value-adding industrial activities within the TIFID#2, A-DLC will provide for the utilization of tax increment financing within the district as provided for in A-DLC Ordinance #212 which established January 1, 2008 as the Base Taxable Year for the purposes of calculating the increment. A-DLC, upon approval of Ordinance #212, will file any and all necessary documentation with the Montana Department of Revenue in order to certify and establish the Base Taxable Value of the TIFID#2.

A. *Secondary Value Added Industries*

“Secondary valued added industries” as defined by the Department of Revenue of the State of Montana means an industrial process that engages in the 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 that engages in the: (a) processing of raw materials, such as minerals, ore, oil, gas, coal, agricultural products, and forestry products; or (b) processing of semi-finished products that are used by the industry as a raw material in further manufacturing.

B. *Infrastructure Development*

A-DLC intends to implement infrastructure development and provide assistance to address the infrastructure deficiencies with the TIFID#2 area for those items identified under Section I.B and other eligible industrial infrastructure under Section 7-15-4288(4) Montana Code Annotated (MCA).

Costs associated with industrial infrastructure improvements may include:

1. Land acquisition
2. Demolition and removal of structure

3. Relocation of occupants
4. Infrastructure
5. Preparation of an industrial infrastructure plan
6. Conducting appraisals, title searches, surveys, studies, and other preliminary plans and work necessary to prepare for the undertaking of infrastructure development projects
7. The acquisition of infrastructure-deficient areas or portions thereof
8. The administrative costs associated with the management of TIFID#2
9. The assemblage of land for development or redevelopment by private enterprise or public agencies, including sale, initial leasing, or retention by the County itself at its fair value
11. The installation of infrastructure improvements necessary to connect the TIFID#2 to existing infrastructure outside the TIFID#2
12. The tax increments received may be pledged for the payment of the principal of, premiums, if any, and interest on bonds which the County may issue for the purpose of providing funds to finance approved industrial infrastructure improvements and projects.

Industrial infrastructure improvements or projects to be financed from tax increment revenue bonds must be approved by the Board of Commissioners. Prior to the approval of any industrial infrastructure project, the Commissioners shall have:

1. received a recommendation from the Board that the Project is an Industrial Infrastructure Project identified in the Plan and is in the best interest of the District and that it qualified under the Act.
2. conducted a Public Hearing on the proposed project.
3. determined that a feasible program exists for funding the infrastructure improvements.

IV. Amendments

This plan may be amended at any time by the A-DLC Board of County Commissioners after holding a public hearing that has been legally and properly advertised in a newspaper having general circulation once weekly for two weeks.

RESOLUTION NO. 09-20

RESOLUTION CALLING A PUBLIC HEARING ON THE PROPOSED ORDINANCE AMENDING ANACONDA-DEER LODGE COUNTY'S TAX INCREMENT FINANCING INDUSTRIAL DISTRICT NO. 2 AND INDUSTRIAL DISTRICT PLAN TO ALLOW FOR USE OF TAX INCREMENT DERIVED FROM NORTHWESTER ENERGY POWER PLANT, TO PROVIDE THAT THE COUNTY SHALL ADMINISTER THE DISTRICT, TO ESTABLISH THE INDUSTRIAL INFRASTRUCTURE DISTRICT BOARD AS AN ADVISORY BOARD AND TO PROVIDE A PROCEDURE FOR APPROVING INDUSTRIAL INFRASTRUCTURE PROJECTS

BE IT RESOLVED by the Board of Commissioners (the "Board") of Anaconda-Deer Lodge County, Montana (the "County"), as follows:

Section 1. Recitals.

1.01. Pursuant to Title 7, Chapter 15, Part 42 and 43 (the "Act") and Ordinance No. 212 (the "Ordinance"), the County has created its Tax Increment Financing Industrial District No. 2 (the "Industrial District") and has adopted an industrial district plan for the District (the "Industrial District Plan").

1.02. The Act provides that a local governing body may amend its plan by ordinance pursuant to the procedures set forth in Sections 7-15-4212 through 7-15-4219, M.C.A. of the Act or the procedure set forth in the Industrial District Plan.

1.03. The Industrial District Plan provides that it may be amended by the Board of Commissioners, after a public hearing and notice of such hearing being given by publication in the newspaper once weekly for two weeks.

1.04. The County proposes to amend the Ordinance and the Industrial District Plan: to allow for use of tax increment derived from Northwester Energy Power Plant; to provide that the County shall administer the Industrial District; to establish the Industrial Infrastructure District Board as an advisory board; and to provide a procedure for approving Industrial Infrastructure Projects, subject to the terms and conditions as set forth in the Ordinance attached hereto as Exhibit A.

Section 2. Intention to Adopt, First Reading.

2.01. Intention to Adopt. The Board hereby declares its intention to adopt the Ordinance in substantially the form as shown on Exhibit A hereto.

2.02. First Reading. The adoption of this Resolution of Intention shall constitute the first reading of the Ordinance.

Section 3. Public Hearing. A public hearing is hereby called and shall be held on JUNE 2, 2009 at 7:00 p.m. on the proposed modification of the County's Industrial District Plan.

Section 4. Notice. Notice of the public hearing shall be published in the *Anaconda Leader* on MAY 20 and MAY 29, 2009, in substantially the form attached as Exhibit B hereto (which is incorporated by reference and made a part hereof).

PASSED AND APPROVED by the Board of Commissioners of Anaconda-Deer Lodge County, Montana, this 16th day of June, 2009.


Chairman of the Commission

Attest:

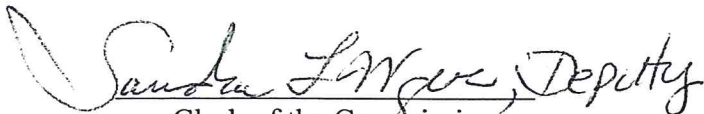

Clerk of the Commission

EXHIBIT A

FORM OF THE ORDINANCE

AN ORDINANCE AMENDING ANACONDA-DEER LODGE COUNTY'S TAX INCREMENT FINANCING INDUSTRIAL DISTRICT NO. 2 AND INDUSTRIAL DISTRICT PLAN TO ALLOW FOR USE OF TAX INCREMENT DERIVED FROM NORTHWESTER ENERGY POWER PLANT, TO PROVIDE THAT THE COUNTY SHALL ADMINISTER THE DISTRICT, TO ESTABLISH THE INDUSTRIAL INFRASTRUCTURE DISTRICT BOARD AS AN ADVISORY BOARD AND TO PROVIDE A PROCEDURE FOR APPROVING INDUSTRIAL INFRASTRUCTURE PROJECTS

EXHIBIT B

NOTICE OF PUBLIC HEARING ON THE PROPOSED ORDINANCE AMENDING ANACONDA-DEER LODGE COUNTY'S TAX INCREMENT FINANCING INDUSTRIAL DISTRICT NO. 2 AND INDUSTRIAL DISTRICT PLAN TO ALLOW FOR USE OF TAX INCREMENT DERIVED FROM NORTHWESTER ENERGY POWER PLANT, TO PROVIDE THAT THE COUNTY SHALL ADMINISTER THE DISTRICT, TO ESTABLISH THE INDUSTRIAL INFRASTRUCTURE DISTRICT BOARD AS AN ADVISORY BOARD AND TO PROVIDE A PROCEDURE FOR APPROVING INDUSTRIAL INFRASTRUCTURE PROJECTS

NOTICE IS HEREBY GIVEN that the Board of Commissioners (the "Board") of Anaconda-Deer Lodge County, Montana (the "County") will hold a public hearing on the proposed modification of the County's Industrial District Plan for ax Increment Financing Industrial District No. 2 (the "Industrial District Plan") on JUNE 2, 2009 at 7 p.m., M.T., at 800 S. MAIN, ANACONDA, Montana.

The proposed modifications are the amendment of the Industrial District Plan to _____.

A copy of the Ordinance and the proposed modification of the Industrial District Plan are in file in the office of the Clerk of Commission of Anaconda-Deer Lodge County, at 800 S. Main Street, Anaconda, Montana.

Any interested persons may appear and will be heard or may file written comments with the Clerk of the Commission prior to such hearing.

Dated: MAY 19, 2009.


Clerk of the Commission

Publication Dates: MAY 20, 2009
MAY 29, 2009