

First Amendment to Resolution No. 2025-01R

A RESOLUTION TO FUND CERTAIN NEW CAPITAL IMPROVEMENT PROJECTS AND NEW INFRASTRUCTURE PROJECTS IF APPROVED BY THE GENERAL ELECTORATE AND SUBJECT TO CERTAIN TERMS AND CONDITIONS.

WHEREAS, the electorate of the Big Sky Resort Area District in Gallatin County, Montana and Madison County, Montana, originally approved a resort tax of three percent (3%) in April, 1992 for a period of twenty years, and extended the resort tax for another twenty years on November 2, 2006; and

WHEREAS, the electorate of the Big Sky Resort Area District in Gallatin County, Montana and Madison County, Montana, approved an additional one percent (1%) resort tax for infrastructure projects in May 2020 for two water and sewer infrastructure projects;

WHEREAS, on October 4, 2023, the District adopted a Capital Improvement Plan (the "2023 CIP") in which specific capital improvement and infrastructure projects needed within the District were identified; and

WHEREAS, since the adoption of the 2023 CIP, the Board has worked to analyze and prioritize capital improvement and infrastructure projects identified therein; and

WHEREAS, following discussion and comments in public meetings duly noticed and held on August 14, 2024, September 11, 2024, October 9, 2024, November 14, 2024, December 5, 2024, January 2, 2025, and January 9, 2025, the Board considered whether to fund projects from the 2023 CIP.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE BIG SKY RESORT AREA DISTRICT AS FOLLOWS:

1. Upon discussion, the Board of the District desires to fund and hereby approves funding from the issuance of bonds payable from collections of the a combination of 3% and 1% resort taxes to pay or finance applicable costs for (1) the acquisition of land by the Big Sky Community Housing Trust for development of the Cold Smoke workforce housing project and (2) the design, construction, acquisition or installation of infrastructure related thereto, including water, wastewater, storm water, sewer, and utility systems, fire protection, and roads, bridges and other transportation needs ("Cold Smoke Project") pursuant to the following terms and conditions:
 - a. BSRAD's funding of the Cold Smoke Project shall only be permitted upon approval of the majority of the general electorate at an election to be conducted on May 6, 2025, authorizing the District to issue bonds payable from collections of the 3% resort tax in the District, in principal amounts not to exceed the maximum amount authorized by law and upon terms and

interest rates to be determined by the Board, and to impose an additional 1% resort tax for infrastructure, commencing when the costs of the Water Resource Recovery Facility Phase 1 project approved by voters at the May 2020 election are paid or accounted for, and to issue bonds payable from collections of the 1% additional resort tax in principal amounts not to exceed the maximum amount authorized by law and upon terms and interest rates to be determined by the Board, in each case to pay or finance applicable costs of the acquisition of land by the Big Sky Community Housing Trust for development of the Cold Smoke workforce housing project and the design, construction, acquisition or installation of infrastructure related thereto, including water, wastewater, storm water, sewer, and utility systems, fire protection, and roads, bridges and other transportation needs; and to pay related costs of issuance or other financing costs.

- b. BSRAD's funding of the land acquisition portion of the Cold Smoke Project shall not exceed \$45,000,000;
- c. BSRAD's funding of the design, construction, acquisition or installation of infrastructure at the Cold Smoke Project shall not exceed \$15,000,000; and
- d. The Cold Smoke Project shall not be eligible for additional Resort Tax funds prior to July 1, 2028; and
- e. The Cold Smoke Project Sponsor shall not be eligible to request funding for any other capital improvement projects prior to July 1, 2028; provided however, this limitation shall not serve to prevent the sponsor from asking for BSRAD funding assistance through the District's emergency reserve funding sources for any capital improvement project that might otherwise qualify for emergency funding or from seeking BSRAD funding for any non-capital improvement projects; and
- f. The Cold Smoke Project Sponsor shall provide public recognition of use of BSRAD funding; and
- g. The Cold Smoke Project Sponsor shall provide regular status updates to the BSRAD Board throughout the duration of the development and completion of the Cold Smoke Project; and
- h. A "not to exceed" appreciation cap shall be placed on the units for re-sale as deemed appropriate by the Cold Smoke Project Sponsor; and
- i. Appropriate deed restrictions or ground lease requirements shall be placed on each unit within the Cold Smoke Project requiring full-time occupancy only (no short-term rentals); and
- j. Appropriate deed restrictions or ground lease requirements shall be placed on each unit within the Cold Smoke Project requiring owners and occupants to meet workforce requirements; and

- k. The Cold Smoke Project Sponsor shall require an appraisal for each unit sold to ensure the unit sales price does not exceed the value of the unit as determined by an independent appraiser; and
 - l. The Cold Smoke Project Sponsor shall require an appraisal for the land to be acquired to ensure the purchase price does not exceed the appraised value of the land as determined by an independent appraiser; and
 - m. The infrastructure development at the Cold Smoke Project may be funded prior to or coterminously with the Gallatin Canyon Water and Sewer District project approved by the voters at the May 2020 election.
2. Upon discussion, the Board of the District desires to fund and hereby approves funding for a capital improvement project known as the Big Sky Community Organization's Community Park Renovation Project ("Community Park Renovation Project") pursuant to the following terms and conditions:
- a. BSRAD's funding of the Community Park Renovation Project shall only be permitted upon approval of the majority of the general electorate at an election to be conducted on May 6, 2025 authorizing the District to issue bonds payable from collections of the 3% resort taxes in a principal amount not to exceed the maximum amount authorized by law and upon terms and interest rates to be determined by the Board, for the purpose of financing all or a portion of the costs of public facilities, improvements and capital projects serving the District comprising the Big Sky Community Organization's Community Park Renovation project, and to pay related costs of issuance or other financing costs; and
 - b. BSRAD's funding shall not exceed \$6,000,000 if 2025 BSRAD 1% legislative efforts are not successful in the 2025 legislative session and \$6,800,000 if 2025 BSRAD 1% legislative efforts are successful in the 2025 legislative session; and
 - c. The Board is authorized to issue one or more bonds to fund the Community Park Renovation Project upon terms and conditions the Board deems appropriate; and
 - d. The Community Park Renovation Project shall not be eligible for additional Resort Tax funds prior to July 1, 2028; and
 - e. The Community Park Renovation Project Sponsor shall not be eligible to request funding for capital projects prior to July 1, 2028; provided however, this limitation shall not serve to prevent the sponsor from asking for BSRAD funding assistance through the District's emergency reserve funding sources for any capital improvement project that might otherwise qualify for emergency funding or from seeking BSRAD funding for any non-capital improvement projects; and

- f. The Community Park Renovation Project Sponsor shall provide public recognition of use of BSRAD funding for the project; and
 - g. The Community Park Renovation Project Sponsor shall provide regular status updates to the BSRAD Board throughout the duration of the completion of the Community Park Renovation Project; and
3. Upon discussion, the Board of Directors decided not to fund the Big Sky Water and Sewer District's Phase 2 Water Resource Recovery Facility (WRRF) project to expand wastewater treatment facilities at this time; *provided, however*, the Board is open to reconsidering funding this project in the future.
4. Upon discussion, the Board of Directors decided not to fund the Gallatin County Canyon Water and Sewer District project to provide central sewer, collection and treatment for the canyon area project at this time (other than to the extent that funds were approved by voters in the May 2020 1% resort tax election); *provided, however*, the Board is open to reconsidering funding this project in the future.
5. Upon discussion, the Board of Directors decided not to fund the Arts Council of Big Sky's Community Arts Center project at this time; *provided, however*, the Board is open to reconsidering funding this project in the future.
6. Upon discussion, the Board of Directors decided not to fund the Big Sky Community Organization's Community New Park Development Project at this time; *provided, however*, the Board is open to reconsidering funding this project in the future.

ORIGINAL PASSED BY THE BOARD OF DIRECTORS OF THE DISTRICT ON FEBRUARY 4, 2025 BY A VOTE OF 4 IN FAVOR and 0 OPPOSED.

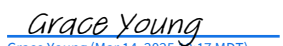
FIRST AMENDMENT PASSED BY THE BOARD OF DIRECTORS OF THE DISTRICT ON MARCH 13, 2025 BY A VOTE OF 4 IN FAVOR and 0 OPPOSED.


Kevin Germain (Mar 14, 2025 10:40 MDT)


Kevin Germain, Chair


Sarah Blechta (Mar 14, 2025 10:51 MDT)

Sarah Blechta, Vice Chair


Grace Young (Mar 14, 2025 10:17 MDT)

Grace Young, Secretary & Treasurer


Michelle Kendziorski (Mar 14, 2025 09:56 MDT)

Michelle Kendziorski, Director


John Zirkle (Mar 14, 2025 13:08 MDT)

John Zirkle, Director











Resolution 2025-01R on CIP Projects_First Amendment

Final Audit Report

2025-03-14

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 Agreement completed.

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