

Lockwood TEDD Advisory Board Minutes
Wednesday, June 20, 2018 – 2:30
Yellowstone Conference Room, 2nd Floor – Granite Tower

Board Members Present: Woody Woods, Tim Miller, Kelly Wilson, Mike Ariztia, Vu Pham, Frosty Erben, Terry Seiffert, Nick Pancheau, Josh Starr

Board Member Absent: John Ostlund, Pam Ask

Staff and Guests: Steve Arveschoug, (BSED), Dianne Lehm (BSED), Matt Corcoran (KLJ) Debbie Singer (Northwestern Energy), Jerry Ellis (YVEC), Todd Cormier (DOWL), Stefan Streeeter (MDOT), Dan Schwarz (YC Attorney’s office), Taj Mukadam (CMG), Ed Walker (CMG), Brian Kondracki (JDW), Jennifer Kondracki (JDW), Becky Weekes (LC), Bryce Glen (Rocky Mountain Compost) , Thom MacLean (BSED)

1. Welcome and Introductions

Woody Woods called the meeting to order at 2:30.

2. Approval of Minutes

Frosty moved to approve the minutes of the May 2, 2018, meeting. Vu seconded. Minutes approved unanimously.

3. Utilities Panel

Jerry Ellis of Yellowstone Valley Electric Cooperative gave a summary of the electrical infrastructure in the Lockwood TEDD. They have recently added a second feed in to the area and he described the system in the area as robust and redundant with a “healthy backbone” and plenty of capacity.

Dianne advised that Doug Hansen of MDU had recently called to say he would be unable to attend this meeting. Doug relays that MDU can and will provide the necessary natural gas service to the TEDD. His team at MDU is reviewing the TEDD area.

Debbie Singer of Northwestern Energy describe their operations “upstream” of YVEC. She advised that there may be some distribution issues and there needs to be some load left on the line. Knowledge of what potential load businesses will need in the area is necessary to plan for adequate distribution. The 69K line at Johnson Lane does not currently have a lot of remaining capacity. Jerry offered that customers needing 10 megawatts or more normally want a dedicated substation. Steve asked about

costs for these types of upgrades. Jerry said a dedicated substation like the one just built for Pacific Steel runs around \$2 million. Debbie said that distribution lines run about \$1 million per mile.

There was some discussion about Bitcoin/Blockchain companies. Montana is a hotspot for this technology due to several factors including low energy prices. Northwestern Energy has received numerous inquiries, but no orders to date. There is some concern about the amount of energy required by these businesses and the effect it would have on available capacity.

4. TEDD Updates

Thom advised the board that we are in the process of expanding the county's zoning jurisdictional boundary as a first step to add twelve new parcels into the TEDD by the end of the year.

Dianne discussed the possibilities of a BUILD (formerly TIGER) grant in the future. Use of a consultant for preparation and submission of a BUILD would likely cost \$25,000 - \$30,000. These grants are highly competitive, and the application process is very complex and time-consuming. The required match is 20 percent, but a much higher match is generally required to be competitive. Dianne suggested that portions of MDOT's Bypass project could possibly be used as match as well as customer upgrades of infrastructure. Stefan said that MDOT may apply next year for a BUILD and could possibly partner with the TEDD to present a good package, particularly with the TEDD infrastructure that will dovetail with the Bypass project. Several suggested it is important to have the portions included in a BUILD grant planned in greater detail to be "ready-to-go" to increase our odds of success with the grant application. Vu stated that, compared to the other TIGER grants recently awarded in Montana, the Lockwood TEDD offers much greater potential for job creation and should present a good grant opportunity.

Frosty asked about other funding besides BUILD. Dianne advised tax increment can be used as it develops as well as bonding against future increment and repayment agreements if private developers incur TIF eligible expenses before increment has accumulated sufficiently. The increment is currently negative, but Robin Rude at the Dept of Revenue suggests that will change this year. By August, she will have a better idea of the amount of increment available. A portion of that increment will be due to improvements made by Town & Country. Josh indicated that Town & Country will be protesting the assessment. Therefore, those numbers may change. Frosty also asked if documents and information developed for a BUILD grant could be used for other grant applications. Dianne advised that those documents could be used on multiple applications.

5. Other Business

Stefan described the five stages of the Bypass project – starting with Five Mile Road north of the river and finishing with the Johnson Lane interchange at the southern end of the project. Ed Walker suggested that, because the TEDD infrastructure is best developed from south to north, perhaps it would have been better to develop the southern sections of the Bypass first. Stefan provided MDOT's reasoning for the progression of the stages and Todd Cormier of DOWL indicated that it is better to have the TEDD infrastructure in place first so that the Bypass can be built over it rather than trying to run sewer and water lines under a newly built Bypass.

Vu suggested contact with Vision Net regarding buildout of fiber infrastructure in the TEDD. They have federal money to complete this process. Josh advised that Charter already provides Broadband to the TEDD, including American Steel and Peterbilt.

6. Public Comment

None.

7. Adjourn

Meeting adjourned at 3:40.

Next Meeting: July 18, 2018 at 2:30 – Yellowstone Conference Room, Granite Tower

Future Meeting Topics:	Annual Workplan
	Future Tax Increment
	Lockwood Water and Sewer and Billings Public Works
	MDT Bypass update
	Vision Net