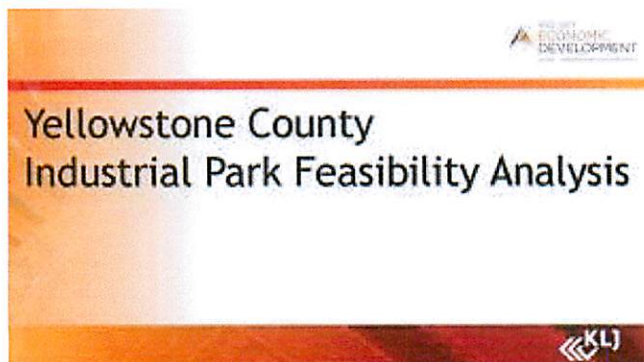




New study identifies potential industrial sites in Yellowstone County



OCTOBER 03, 2014 4:08 PM • BY TOM HOWARD
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A new study that aims to encourage development of a business-friendly industrial park in Yellowstone County has focused on three potential sites: one west of Laurel, a site in southwest Billings and a third in the Lockwood area.

Officials from Big Sky Economic Development and its consultant, KLJ, released details of the

\$40,500 Yellowstone County Industrial Park Feasibility Analysis on Friday.

Steve Arveschoug, executive director of Big Sky Economic Development, said the study fits in with the agency's strategic priorities.

"We want to be able to present business an opportunity and not a challenge," Arveschoug said.

The study, conducted during the past 18 months, was prepared because the supply of industrially zoned parcels with favorable access to rail and highways is in short supply. Yet demand for that type of property is strong, in part because of an expanding energy sector.

Developing an industrial park might cost tens of millions of dollars and would likely take several years, officials said.

Yellowstone County parcels that received most of the attention in the study were:

- The 150-acre Spurling Siding site west of Laurel is located near a proposed West Laurel interchange on Interstate 90. It's bounded by Shay Road on the east, Frank Road on the south and the railroad tracks to the north. Its proximity to the proposed highway interchange is seen as an advantage, and so is its proximity to the existing Montana Rail Link yard. However, property owners have said they aren't interested in selling at this time.
- The 230-acre BN Industrial Subdivision in southwestern Billings near Monad Road and South 20th Street W. has an existing rail siding and a number of rail spurs. The site is a potential candidate for infill redevelopment, but nearby residential areas and incompatible land uses within the subdivision could complicate development plans.
- The site generating the most interest includes 320 acres located near the interchange of Interstate 90 and Interstate 94, the authors noted. The area includes the Trailhead Commerce Park, Montana Peterbilt, Pacific Steel and Recycling's new recycling center and several other businesses. The site's location near the proposed Billings Bypass route is also seen as an advantage.

- “The fact that the private sector has initiated the development of an industrial park in this area is certainly indicative of the demand for sites,” the report says. “However, each business has individually shouldered the cost burdens of infrastructure deficiencies. It is quite likely that these burdens have constrained the pace of industrial development currently underway.”

Arveschoug mentioned that economic development is becoming increasingly competitive.

“Is Yellowstone County competitive within our broader regional market? We want to be in a position to where we remain that way,” Arveschoug said.

Investing in key public infrastructure is seen as a catalyst for private investment. The Shiloh Road improvement is one example of how using taxpayer dollars on road improvements has spurred millions of dollars in private investment, Arveschoug said.

Jeremy Vannatta, director of new business recruitment and marketing at BSED, said the industrial park study fits in with a targeted industry analysis, released in May 2013, which identified the types of businesses that Billings should recruit. Those include transportation, back-office operations centers, manufacturing, data centers, health care-oriented companies, and upstream and midstream energy companies.

Billings has experienced a number of missed opportunities when it comes to economic development. Companies looking at industrial sites in Billings ended up locating in other communities because the available property didn’t fit their needs, Vannatta said.

Arveschoug said a new industrial park would potentially benefit existing businesses within the community. One example is Highland Products, a company that manufactures tanks used in the energy sector. “They would like to find a new location, but it’s difficult to find a site ready for their transportation needs that has water and sewer,” he said.

Sara Hudson, community development project manager for BSED, said the consultants were asked to study existing industrial parks in the region as part of the project.

“We wanted to not reinvent the wheel,” she said. “We wanted to find which industrial park projects are doing well, what are the configurations of ownership, and what are the funding mechanisms that seem to work.”

The consultants recommended that BSED should begin the process of establishing a Targeted Economic Development District within the Lockwood area. TEDD is a new economic development strategy approved by the 2013 Legislature. It uses tax increment financing to encourage the development of value-added industry.

The study also recommends that the city of Billings and BSED should open discussions with property owners within the BN Industrial Subdivision to discuss the best approach to redeveloping the area.

As part of the study, the consultants investigated different ownership strategies for developing an industrial park.

They recommended against a park owned by a public entity such as BSED, in part because such a park might compete unfairly with the private sector and would create a financial risk for BSED.

If BSED were to develop an industrial park on its own, it would create concerns among board members and civic leaders, Arveschoug said.

"They would like to see the private sector involved," he said.

An industrial park that's owned entirely by the private sector would offer little risk for BSED, but funding could present challenges because a private developer couldn't access grants to help pay for infrastructure.

A public-private partnership, the preferred strategy, would match grants with private capital, would reduce BSED's financial risk and would allow the private sector to participate financially, the study says.

To read the full study

Go to <http://www.bigskyeconomicdevelopment.org>



County backs plan for industrial taxing district in Lockwood

NOVEMBER 25, 2014 3:30 PM • BY CLAIR JOHNSON

The Yellowstone County Commission took the first step on Tuesday toward creating a new rural taxing district to encourage industrial development in Lockwood.

The commission voted 2-1 to approve a scope of work plan by Big Sky Economic Development to develop a proposal for establishing a Targeted Economic Development District.

Known as a TEDD, the new economic development strategy was approved by the 2013 Legislature and uses tax increment financing to encourage development of value-added industry in unincorporated areas. A TEDD would earmark property taxes from new development to improve infrastructure, like sewer, water and power.

Commissioners John Ostlund and Bill Kennedy supported proceeding with BSED's proposal, saying they wanted more information that would be provided in the project.

Commission Chairman Jim Reno voted no, saying the school district would be the biggest loser of new tax dollars that would go into developing a TEDD. Reno also said industry is coming anyway and that creating a TEDD unnecessarily expands government.

"We don't need the expansion of government," he said.

Steve Arveschoug, executive director of BSED, said a TEDD would create additional planned industrial space as identified in its Yellowstone County Industrial Park Feasibility Analysis.

The analysis identified an area of Lockwood as one of three possible industrial parks. The Lockwood area includes about 320 acres located near the interchange of Interstates 90 and 94. The location also is near the proposed Billings Bypass route.

"We want to be a community that's ready when business is ready to go," Arveschoug said.

Proceeding with the proposal, Arveschoug said, also would help the community compete regionally and offer opportunities.

"Infrastructure investment is very critical to the private sector. They can't do it on their own," Arveschoug said.

The scope of work will cost BSED about \$25,000. The agency will hire a consultant to do the work in two phases with completion by Sept. 30, 2015, Arveschoug said.

The first phase will draft TEDD boundaries and identify infrastructure deficiencies.

The second phase will be to adopt a comprehensive development plan for the Lockwood

TEDD.

Arveschoug said the scope of work process will work with the public, government agencies and board, like the City/County Planning Board, Lockwood property owners, taxing jurisdictions and other stakeholders.



Development authorities plan tour of proposed industrial park in Lockwood



JANUARY 09, 2015 6:00 AM • BY [MIKE FERGUSON](#)

Economic development officials want to know what residents think about a proposal to help construct an industrial park in Lockwood.

Big Sky Economic Development has scheduled two public meetings next week on the Lockwood Targeted Economic Development District proposal. The first is at 7:30 p.m. Monday at the Lockwood Middle School Commons Area, 1932 Old U.S. Highway 87; the second will be held at noon Tuesday at

Weave Management, 2348 N. Frontage Road in Lockwood.

At both meetings, Janet Cornish, a recognized expert on the targeted districts, will present information, answer questions and facilitate a discussion on a potential boundary for the Lockwood proposal, called the Trailhead Commerce Park.

In addition to the two public meetings, participants will take a site tour Monday morning and then meet with the Yellowstone County Board of Commissioners Monday afternoon. At 4 p.m. Monday, they'll meet with utility providers.

On Tuesday morning, they'll meet with Lockwood taxing entities and then later that afternoon with the Lockwood School Board. On Tuesday evening, the group will meet with the Yellowstone County Planning Board.

"Creating a TEDD is an open public process," said Steve Arveschoug, executive director of Big Sky Economic Development. "The decision whether or not to create it rests with the Yellowstone County commissioners. This is a very strategic step to strengthen our regional competitiveness, and we're in a very competitive region. Without planned industrial space, it is a handicap to us."

The district is an economic development tool and an expansion of urban planning law that was approved by the Montana Legislature in 2013. While similar to tax increment financing and designed for rural areas, this proposal will also involve private investment and federal grants, Arveschoug said.

"It is a tool to help industry grow and to attract more industry," he said.

On Monday, the Billings City Council heard a presentation about the possibility of extending water and/or wastewater service to three entities outside the city limits, including the Lockwood TEDD site between the Yellowstone River and the railroad north of Interstate 94. Several City Council members made favorable comments about the proposal.

"Council gets that part of the opportunity," Arveschoug said. "It can't develop to the extent it needs to without water and sewer. Just like we plan for subdivisions and retail development, we should be planning industrial development."

In the first phase studying the proposal — work that should be completed by March 31 — a consultant will use public input and other sources to draw the proposed boundaries and identify any infrastructure deficiencies, including road, railroad, stormwater, electricity, gas, fiber optics and communications.

"We think they'll need additional rail spurs and improvement to roadways as well as power and fiber needs," Arveschoug said. "There's a whole suite of infrastructure deficiencies we get to address, but water and sewer are the fundamental ones. You've got to be able to drink water and flush toilets."

Sara Hudson, the project manager for the TEDD proposal who works in Big Sky Economic Development's community development program area, said that while the program "isn't for every opportunity," it exists to help produce value-added products and improve infrastructure "when that's impeding economic growth." She said the U.S. Economic Development Administration "has been very supportive" of the project so far; the federal agency will be a key funder moving forward, according to Arveschoug.

"I see our project as unique because of the nature of the partnership that needs to come together," Arveschoug said. "This project will have communitywide benefit to it," because some of the employees of the firms that locate at the park will live in Billings, while others will choose Lockwood or other communities.

Said Hudson: "If we can synergize what is occurring in the private sector anyway, we stand to have big benefits."

Before TEDD became available, Hudson said, the only tool counties had to help businesses offset the costs associated with public infrastructure was tax abatements. The downside to that arrangement, she said, is that tax abatements represent lost revenue to the local taxing bodies. "Since the taxes are abated, they are never collected, and therefore the revenue is truly lost," she wrote in an email.

With a targeted district, a base year is established on the current taxable value of the properties within the district. That assures that taxing jurisdictions continue to receive the same amount of tax revenue they got when the base was created. In addition, the taxes that businesses inside the TEDD pay on new growth stay in Lockwood for the life of the district.

Unlike a tax abatement, Hudson wrote, where a county can help only one business at a time, with this proposal all of the businesses inside the district benefit by reinvesting the taxes that they pay on new growth back into the district.

"So," Hudson concluded, "it's a vitally important economic development tool for communities like Lockwood that we hope to be able to use."



County hears pitch for proposed industrial park in Lockwood



JANUARY 12, 2015 6:00 PM • BY CLAIR JOHNSON

A proposal by economic development officials for an industrial park in Lockwood drew questions from Yellowstone County commissioners during a presentation Monday.

The presentation by Big Sky Economic Development representatives and Janet Cornish, an economic development consultant from Butte, was part of a road show of meetings this week with city and county officials, Lockwood residents and utility

companies to discuss a potential boundary for the proposed Trailhead Commerce Park.

The industrial park would be created as a so-called targeted economic development district, or TEDD, which is a tool for economic development and an expansion of an urban-planning law approved by the 2013 Montana Legislature. The districts are similar to tax increment districts and are for value-added business and industrial development in rural areas.

In a TEDD, a taxable valuation is established with a base year for the life of the district. Taxes paid on any increase in valuation over the life of the district stay within the district to fund improvements or projects.

Steve Arveschoug, executive director of BSED, said a feasibility study last year identified the need for "planned, ready-to-go, industrial space in Yellowstone County."

An area between the Yellowstone River and the railroad north of Interstate 94 has been identified as a site for a potential industrial park, Arveschoug said.

If Yellowstone County commissioners decide to approve the creation of TEDD, it would be the state's fourth district, said Cornish.

County commissioners would have management and budget authority over a TEDD.

Commissioners Jim Reno and John Ostlund and county officials raised several questions about the district during the presentation, which lasted more than an hour. County officials, Lockwood representatives and others also attended. Commissioner Bill Kennedy was away.

Reno said the private sector historically has provided the infrastructure for its own development. "They did not need government help," he said.

Cornish responded that industries now are looking for "shovel ready" areas in which to develop and that targeted districts are a way to create jobs.

Reno also asked who pays for bonds or financing created through a TEDD if a project fails or a business goes bankrupt.

Cornish initially responded that such a failure would not reflect on the county but said she'd have to look into the matter.

Arveschoug said he'd research a "worst-case scenario" but said bond issuers for such projects are "ultra conservative" now.

Scott Turner, the county's finance manager, responded he didn't think BSED could say that a failure wouldn't hurt the county's financial rating or taxpayers. "I believe it would," he said.

Turner and Reno referred to a city of Billings downtown tax increment district that had problems after losing value in a reappraisal, which caused the city to have to use the base taxable valuation of the district to pay for financial obligations.

Turner summed up the idea by saying the study shows a need for heavier industrial sites than what the county has available and that a TEDD has the potential to raise money for improvements like sewer and water service. Without site preparation, the county may not get "those big players," he said.

Cornish agreed and added that the business or industry also would have to add value to Montana resources, which would create "wealth in the state."

BSED officials also have meetings on Tuesday with Lockwood's taxing jurisdictions, a second public meeting at noon at Weave Management, 2348 N. Frontage Road, to present information and answer questions; and a 6 p.m. meeting with the Yellowstone County Planning Board.

BSED is in the first phase of drafting boundaries and identifying infrastructure deficiencies, work that should be done by March 31. A second phase would be to adopt a comprehensive development plan. The county commission would need to approve creating such a district.



Is Lockwood ready for TEDD?

FEBRUARY 01, 2015 12:15 AM • BY TOM HOWARD

Is Lockwood ready for TEDD?

While the county commissioners will have the final say, local officials have been busy gathering public comments on a proposal to create a targeted economic development district, a plan that could lead to a new industrial development in the Lockwood area.

TEDD is a redevelopment tool that relies on tax increment financing to pay for new infrastructure, such as water and sewer lines, within the designated district. It's a similar strategy that has been used to encourage development in urban areas through the creation of tax increment financing, or TIF districts.

Steve Arveschoug, executive director of Big Sky Economic Development, said the proposal to create a TEDD aims to build on a recent consultant's study that identified potential industrial areas for new industry.

In the study, released last November, consultant KLJ identified three areas for potential development:

- The 150-acre Spurling Siding site west of Laurel is located near a proposed West Laurel interchange on Interstate 90. It's bounded by Shay Road on the east, Frank Road on the south and the railroad tracks to the north. Its proximity to the proposed highway interchange is seen as an advantage, and so is its proximity to the existing Montana Rail Link yard. However, property owners have said they aren't interested in selling at this time.
- The 230-acre BN Industrial Subdivision in southwestern Billings near Monad Road and South 20th Street West. has an existing rail siding and a number of rail spurs. The site is a potential candidate for infill redevelopment, but nearby residential areas and incompatible land uses within the subdivision could complicate development plans.
- The site generating the most interest includes 320 acres located near the interchange of Interstate 90 and Interstate 94, the authors noted. The area includes the Trailhead Commerce Park, Montana Peterbilt, Pacific Steel and Recycling's new recycling center and several other businesses. The site's location near the proposed Billings Bypass route is also seen as an advantage.

"There's a need for existing industry to have somewhere to grow that has infrastructure that can support that growth," Arveschoug said at a recent meeting in Lockwood. "We also wanted to make sure that if a new industry came to town, there was a place to point them to."

Developing a TEDD could help Billings remain regionally competitive by having space that's designed, planned and ready for development, Arveschoug said.

Last year, Arveschoug met with officials from Burlington Northern Railroad in Fort Worth, Texas. "We wanted them to know what we are planning," Arveschoug said. "At the end of

the discussion they said we're doing what we need to do," by pursuing the TEDD, he said.

Janet Cornish, a consultant who is working on the TEDD project, said the purpose of the TEDD is to help communities address deficiencies in public infrastructure such as water or sewer service where those deficiencies create an obstacle or challenge to locating or retaining industries that add value to the economy.

"The Montana Legislature recognizes the importance of value-added industries. The U.S. has lost a lot of key manufacturing jobs to other countries, and that has been a drain to our economic resources," Cornish said.

A TEDD district uses a financing system that's similar to what's used to encourage development in Tax Increment Financing districts that are used to spur development in downtown areas or other places that have been underdeveloped.

In both instances, a base taxable value for an area is established. When new development comes in, the property taxes generated by that development are diverted to pay for improvements.

"If a developer comes in and builds a factor, a research lab or a distribution center, the taxes from new development will be used for infrastructure development," Cornish said.

One opponent of TIF financing voiced his concerns during the Lockwood meeting. Kevin Nelson contends that taxes paid by other property owners increase to make up for the taxes that are diverted to pay for the infrastructure within the district.

Developing industry is best left up to the free market, Nelson said.

Cornish disagrees. "It's my experience that the overall effect of TIF districts has been positive," she said. Over the years, TIF districts in Montana have generated more than \$20 million in new taxable value. "We have found all over that communities have done well," when TIF districts have been created, she said.

Lockwood residents voiced some concerns, but also had plenty of questions. Many issues, such as where the boundaries would be located, have yet to be addressed.

Cornish said the concept behind TEDD requires taking a long-term view of economic development.

If Yellowstone County commissioners decide to approve the creation of TEDD, it would be the state's fourth district, Cornish said.

"In general businesses look at where they can come in where infrastructure is either in place or there's a path to it," Cornish said.

Industrial Park could mean new growth for Lockwood



FEBRUARY 01, 2015 12:15 AM • BY TOM HOWARD
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Two local firms hope to spur job opportunities in the Lockwood area by developing an industrial park that would include a transloading facility designed to boost transportation efficiency.

The proposed Trailhead Commerce Park is a partnership between Weave Management Group and MCL Holdings. The site appears to be well situated for a transportation-oriented business. It's adjacent to Montana Rail Link tracks and is near Interstate 90 and Interstate

94. The area is also within the corridor of the proposed Billings Bypass, a \$111 million project that would connect Interstate 90 with Highway 312.

Weave Management Group, founded by Jim and Diane Weaver, operates a family of affiliated companies. They include: Warrant Transport, a trucking company that operates a fleet of more than 90 trucks and 140 trailers; Environmental Materials Inc., which handles and stores fly ash, lime kiln dust and other materials; Enviroworks, which specializes in soil stabilization, concrete and asphalt pulverizing; Quarry Services Inc., which specializes in aggregate mining and hauling; and Weave Consulting, which provides environmental consulting services to private and public agencies.

MCL Holdings owns property adjacent to land controlled by Weave Management. The two firms own a combined 600 acres, although about 180 acres of the parcel aren't being proposed for development because they are located within a designated floodway of the Yellowstone River. About 379 acres of the property is within the 100-year Flood Fringe area of the Yellowstone. New development is permitted within this area, with proper permitting.

Vu Pham, operations manager and general counsel for Weave Management Group, said the partners recognize the need for developing a transloading facility with adjoining warehousing. Transloading increases efficiency by transferring cargo — usually in standardized containers — between trucks and railcars.

Pham said the developers would like to break ground next year, but plans are contingent on whether water and sewer service become available.

The developers have been approached a number of times by companies interested in the industrial park, Pham said.

The Port of Northern Montana in Shelby features a transloading facility, but research has shown that the Billings market would benefit from a similar operation. A recent study that analyzed inbound and outbound truck traffic found that many trucks enter Montana full but leave empty. Such inefficiency could be reduced with the construction of a transloading

facility.

"That's a huge issue from a trucking standpoint, when everything is brought in by truck and the trucks go back empty," Pham said.

The developers have held discussions with officials from Montana Rail Link, and also with other businesses that would benefit from the development of transloading and warehouse facilities, Pham said.

"MRL recognizes that, at present, there is no commercial-sized facility in the Billings area, much less one that includes a commercial warehousing component," according to a feasibility study for the Trailhead Commerce Park.

Sewer and water service are essential to the development of the park, Pham said. The developers have had preliminary discussions with the Lockwood Water and Sewer District. In early January, the Billings City Council expressed support for a proposal to extend water and sewer services to the proposed industrial park, to the ExxonMobil refinery and to Meadowlark Properties, formerly known as Blaine's Trailer Court.

Meanwhile, Yellowstone County officials have been gathering public comment on the development of a proposed Targeted Economic Development District. A TEDD which is an economic development tool that's an urban-planning law approved by the 2013 Montana Legislature.

A TEDD uses tax-increment financing to encourage value-added business and industrial development in rural areas.

Pham said the Trailhead Industrial Park would benefit if the TEDD is created, but the developers would continue to pursue development of the industrial park if local officials decide not to pursue the TEDD, he said.



Boundary drawn for proposed Lockwood development

FEBRUARY 02, 2015 12:00 AM • BY [MIKE FERGUSON](#)

Based on community and stakeholder input during public meetings held earlier this month in Lockwood, a preliminary boundary has been identified for a proposed Targeted Economic Development District.

CDS of Montana, consultants to Big Sky Economic Development, will present the proposed boundary at a public meeting set for 6:30 p.m. Thursday, Feb. 12, at Sturdevant Gym at Lockwood School, 1932 Old U.S. 87.

The proposed TEDD, an economic development tool that helps pay for infrastructure deficiencies to help spur business development, encompasses about 1,000 acres of land located off Interstate 90 and 94, south and east of the Yellowstone River, with the majority east of Johnson Lane.

Big Sky Economic Development is Yellowstone County's economic development arm. Learn more by visiting www.bigskyeconomicdevelopment.org.



County should not be in the business of development

FEBRUARY 16, 2015 12:00 AM

Yellowstone County is considering creating a TEDD (Targeted Economic Development District) for Lockwood. This would take property taxes from the district and keep those taxes for development. Property taxes pay for services like roads, police, firefighters and schools. If you take that money away from the county, who is going to pay for these services? We will, you and me, the taxpayers.

Many of Yellowstone County's residents can't afford the burden of someone else's taxes on top of our own. This district would develop a 1,000-acre industrial park, that could last 25 to 40 years. A lot can happen in that much time. Who will benefit from this TEDD? The land owners, the real estate developers and the businesses in that area.

A TEDD is such a bad idea because it takes so much money to run a county government, and that money comes from taxpayers. When the city was planning to create more special taxing districts, the county commissioners pointed out that Yellowstone County needed those operating taxes. We currently need funds to relieve jail overcrowding, and Lockwood will soon need a new high school. Yellowstone County and the Lockwood School district will need these taxes.

If this area is not made into a TEDD, it will not prevent the area from being developed. Our current growth rate has already created a shortage of skilled workers. If a business wants to relocate to Billings, it will find property and develop it. Billings is the largest city in Montana offering the best development opportunities without needing to give it all away. Big Sky EDA should assist businesses in their relocation to Yellowstone County but not at taxpayers' expense. The county should not be in the development business, competing with private enterprise. Leave development up to the developers.

Lloyd Reimann

Shepherd



Commissioners squabble over bypass, bike paths, industrial park



MARCH 03, 2015 6:37 PM • BY CLAIR JOHNSON

A proposal for an industrial development district in Lockwood screeched to a stop Tuesday after a Yellowstone County commissioner said he first wanted consensus on a controversial pedestrian pathway issue that's arisen in the Billings Bypass highway project.

The commission clashed over the two separate projects, which now are linked together.

Commissioner John Ostlund said he would not proceed with an industrial park in Lockwood until the Lockwood Pedestrian Safety District board, Big Sky Economic Development and businesses supporting the industrial district agreed that the bypass as approved was the community's No. 1 priority.

"I don't want to see this project delayed," Ostlund said, referring to the bypass. Recent concerns about bike and pedestrian safety with the bypass have put "a cloud" over the project, he said.

Ostlund called the industrial district "a very, very good idea" after listening to a presentation by BSED and supporters from Lockwood. But he moved to table a resolution that would have been the next step in creating the special taxing district, called a targeted economic development district.

Commissioner Jim Reno joined Ostlund in tabling the resolution, saying he opposed the TEDD concept.

Commission Chairman Bill Kennedy accused Ostlund of blackmail and voted against tabling the resolution.

'Almost blackmail'

Kennedy said he supported a TEDD and called Ostlund's move "almost blackmail" to hold up creating an industrial park after citizens and groups last week voiced concern that the bypass plan failed to provide a safe bike and pedestrian pathway.

Without naming Ostlund, Kennedy said it appeared everything would stop until "a commissioner" got what he wanted. "I have a problem with that," he said.

Ostlund suggested that a TEDD address a bike and pedestrian trail system on the Lockwood side of the bypass project. Bicycles don't belong on restricted highways, and bike paths are more efficient when built privately, he said.

Also Tuesday, the Yellowstone River Parks Association, which is developing a major riverfront park that will be crossed by the bypass, said it would do everything it could to stop the bypass project until its safety issues are addressed.

Steve Arveschoug, BSED executive director, said later he was surprised the resolution got tabled but would work to try to resolve the issues. BSED has not weighed in on the bypass bike path issue, he said.

"Our focus is creating planned industrial space," Arveschoug said.

While the resolution's tabling is a delay, Arveschoug said he was encouraged by support from Lockwood community members and leaders. "I'm still hopeful and encouraged we'll be able to work through whatever issues are lingering out there and keep this on track," he said.

Large project

Costing an estimated \$120 million, the bypass will be the biggest transportation project ever done in the community.

The plan by the Montana Department of Transportation is to build a new, four-lane, 5.15-mile principal arterial across the Yellowstone River, connecting Interstate 90 east of Billings in Lockwood with Old Highway 312.

The bypass will be constructed in two phases, with the first phase having two lanes and two more lanes being added as growth and demand occur. The design speed is 55 mph.

The bypass will have no separate bike lanes or sidewalks along the roadways but will provide for bicyclists and pedestrians with an eight-foot shoulder along the new roadway.

MDT and local government started work on the bypass 14 years ago, and went through an extensive environmental and public review process that culminated last July with a final, record of decision selecting the preferred alternative.

While boundaries for an industrial district have not been set, the general area being considered is near the bypass, which is seen as an advantage for industrial development. A study area for the proposed district would be about 1,000 acres located north of Interstates 90 and 94, south and east of the Yellowstone River, with most of the land east of Johnson Lane.

Path for pedestrians?

At last week's commission meeting, a number of people and groups voiced concerns that MDT did not address the safety of bicyclists and pedestrians using the bypass and supported having a separated non-motorized pathway.

Nic Talmark, chairman of the Lockwood Pedestrian Safety District board, asked commissioners to write a letter to the federal highway department expressing concern with the bypass design.

"We don't feel that the proper attention was paid toward the health and safety of individuals using non-motorized means of transportation, and we question whether the current design even meets the minimum regulations for bicycle and pedestrian facilities on projects that

utilize federal funding,” he said.

Representatives from BikeNet, Our Montana and others also supported safer access for bicyclists and pedestrians along the bypass.

Darryl Wilson, president of YRPA, took MDT to task in a letter to the Federal Highway Administration for the lack of a separate non-motorized trail in the bypass plan. MDT, he told commissioners last week, failed to address the health and safety concerns of pedestrians.

YRPA is developing John H. Dover Memorial Park, a large park with riverfront property in the Billings Heights. The bypass route would go through the park.

On Tuesday, after learning of the commission’s action tabling the resolution, Wilson said the commission was trying to pit YRPA against the TEDD and that “was not right.”

YRPA, Wilson said, will “do anything we possibly can to stop the bypass” until the safety issue is addressed with a separate path.

“We will do everything in our power to stop this project, legally and everything, because we think safety is our No. 1 priority and not just moving traffic,” Wilson said.

YPRA members, Wilson said, believe MDT ignored its safety concerns and did the “bare minimum” even though a 2010 federal transportation policy on bicycle and pedestrian accommodations says transportation agencies should “go beyond the minimum design standards to create safe, attractive, sustainable, accessible and convenient bicycling and walking networks.”

MDT will need right-of-way access through the parkland for the bypass. Wilson said he’s told the agency “to stay off our property until the safety issues are addressed.”

Opposition to delays

The commission also received a letter late last week on behalf of Weave Management Group, CMG Construction, Pacific Steel and Montana Peterbilt, all Lockwood companies opposed to any re-opening of the bypass’ final decision or a delay of the project.

Vu Pham, general counsel for Weave Management Group, said in his letter that MDT complied with environmental regulations, took public comment and considered bicycle and pedestrian use within the bypass corridor.

“The industries that we support would greatly benefit from the construction and availability of this bypass as soon as it is reasonably possible,” Pham said.

Stefan Streeter, MDT’s district manager, said at last week’s commission meeting and in an interview that the agency has never “said no to the addition of a separated path” on the bypass.

To add a separated path now, after the record of decision has been issued, would require several steps, Streeter said.

The county would need to ask MDT to look into adding a separated path, and the county would need to agree to maintain such a pathway, Streeter said.

In addition, a separated pathway would have to fit within the "footprint" in the existing environmental analysis and an additional funding source to pay for the pathway would have to be identified, Streeter said.

Streeter estimated that a separated pathway would cost from \$5 million to \$9 million depending on design and that there is no design. "It's a big number. This isn't a small request," he said.

Streeter also said he didn't think the record of decision or environmental analysis would have to be re-opened if a separated pathway were within the project's existing footprint but that he would have to review that to be sure.

Streeter called a separated pathway a community enhancement. "The community should have to fund that part of it," he said.

Meanwhile, Streeter said, the agency believes the environment analysis for the project is "complete and correct" and that a record of decision was issued after reviews for legal compliance.

"We believe we met the requirements," Streeter said.

The environmental review process, Streeter said, did "not identify a separated path as necessary for the construction of the project between the Billings Heights and Lockwood."

MDT is negotiating an engineering contract with Dowl and expects to begin designing the project in a few months. The agency hopes to be under construction by 2017 or 2018 and to have the first phase completed by 2022 or 2023.

Commissioner Reno, a member of BikeNet, said he supports having a separated pathway for bike and pedestrians on the bypass "up to the point that it would kill the project. This is a vital project. I don't want to lose it."

Reno said he was surprised the final decision for the bypass did not have a separated pathway, especially for the bridge over the Yellowstone River. "That's a freaking long bridge," he said. Reno questioned having pedestrians crossing along with semi tractor trailers and oil tankers. "Come on," he said.

Commissioner Kennedy said earlier that it did not make sense not to have a separated pathway, especially after projects like Shiloh Road included one. "We should all work together for a solution on this," he said.



Gazette opinion: County Commission deadlocked in Lockwood

MARCH 07, 2015 12:00 AM • [GAZETTE EDITORIAL BOARD](#)

In one confusing meeting, Yellowstone County commissioners each displayed that they could be wrong — for their own reasons.

Republican John Ostlund decided to hold up economic progress and an important transportation project because he apparently hates bike paths.

Republican Jim Reno doesn't like tax districts.

And when it came to mingling these two important county projects together, Democrat Bill Kennedy called Reno and Ostlund's vote "almost blackmail."

Well, Kennedy is wrong. It's not almost blackmail. It is.

Apparently, Reno and Ostlund want to stymie business development in the county as well as not consider the best safety option for one of the fastest growing parts of the county, Lockwood.

Both Ostlund and Reno point to their Republican bonafides, but business savvy flew out the window Tuesday when commissioners shot down a proposed — and we'd add necessary — industrial business park until Big Sky Economic Development agreed to help with bike paths on an Interstate bypass project.

The only problem with that logic is that there is no logic. In other words, neither project has anything to do with each other.

Instead, holding up much needed economic development, and making an economic development agency figure out a bike path is a misuse of the County Commission.

It is the worst example of what government can do.

It's hard to imagine that Reno, who is running for re-election, could even claim a Republican position by opposing industrial development. This is economic development. Moreover, Billings and Yellowstone County have shown repeatedly that if they want to compete for business expansion and relocation that there must be more industrial park options. So much for good business sense. So much for investing money to make money.

Moreover, Ostlund's one-man war against bike paths continues to flummox us. Here's a man willing to spend tens of thousands of dollars for a horse barn that a small percentage of county residents will use. And yet, he's also unwilling to consider a better, county-funded safety option when it comes to what will be a very well used county thoroughfare.

[OK industrial tax district](#)

Both of these projects should be no-brainers for a man who likes to tout his conservative political views. There are few things more conservative than public safety and business.

Approving an industrial park will grow the tax base and attract more business to the county. What could be more pro-business than that?

And, being concerned about public safety as well as realizing that bike paths help recruit and attract top-notch talent are both ideas that should sell easily to voters.

We support a strong trails system. We don't support the concept solely because it's a nice quality-of-life feature. We don't just support it because more exercise options in a community make sense. We support it also because we will be judged by those looking to relocate by the kind of opportunities we have to offer.

Add bike/walking path

Ostlund is correct: A highway shoulder on a 55-mph road is no place for pedestrians. But he's equally wrong when he says that separated bike-pedestrian paths are more efficient when privately built. That seems to be an assertion that sounds great, but is nearly impossible to test.

Instead, Ostlund should be more concerned about the rapidly growing Heights and Lockwood areas. The Yellowstone County Commission should be taking a leadership role when it comes to necessary government services that go along with growth, like safe places for pedestrians to walk and ride bikes. Lockwood safety concerns aren't just the byproducts of overactive imaginations. Kids have been injured and killed there. It's kind of odd that two county commissioners wouldn't be doing more to ensure the safety of such an integral — ahem, county — population.

The Montana Department of Transportation should reconsider the safety issue.

What has to change isn't just places like Lockwood. It's the commissioners who seem to regard good ideas that will help move this county forward as some kind of conspiracy.

Do the right thing: Get both of these projects done and done right. Commissioners, move the county forward.



Efforts to revive Lockwood industrial area underway



MARCH 12, 2015 5:30 PM • BY CLAIR JOHNSON AND TOM HOWARD THOWARD@BILLINGSGAZETTE.COM

County officials are moving forward with efforts to revive a proposed industrial park district tabled last week by the county commission.

Steve Arveschoug, executive director of Big Sky Economic Development, said Thursday that he has been meeting with parties from the Lockwood area in hopes of reviving Trailhead Commerce Park.

The commission tabled the proposed district over concerns about the nearby Billings Bypass Highway Project. Advocates of cycling and pedestrian travel warned that the bypass project, which includes a nearly half-mile long bridge over the Yellowstone River, would be unsafe because there is no design to separate cyclists and pedestrians from vehicular traffic.

In the wake of this controversy, the commissioners tabled the industrial park until safety concerns can be resolved.

Not only were commissioners concerned about potential delays to the bypass project, they also expressed concerns about the cost of providing a design to accommodate cyclists and pedestrians.

Meanwhile, numerous meetings are occurring with community leaders and government officials to address safety concerns involving the bypass.

The proposed industrial park would be a targeted economic development district, or TEDD, which is a tool for economic development and an expansion of an urban-planning law approved by the 2013 Montana Legislature.

Speaking during Thursday's meeting of the Big Sky Economic Development board of directors, Arveschoug said he has held about eight meetings with interested parties that would be affected by the proposal, including property owners, taxing entities, the Montana Department of Transportation and the project engineers.

So far, those involved with the project have said there would be no need to reopen the record of decision or an environmental impact statement on the bypass project, potentially creating delays, Arveschoug said.

Although the bypass and the TEDD had been progressing along separate paths, they have now become interwoven in the wake of the safety concerns.

"We will continue to have discussions with folks involved and see if we can help facilitate a

win-win," Arveschoug said.

Commissioner Jim Reno said the Lockwood School District hasn't issued an official opinion regarding the creation of the industrial district, although individual school board members have expressed concerns that the school district could lose future tax revenues if the district is created.

A TEDD uses an economic development tool known as tax increment financing to spur development. When a district is formed, property tax revenues from any new development are used to pay for improvements such as streets, water and sewer. While overall tax revenues to traditional taxing entities remain unchanged, this "increment" from new development is used to pay for infrastructure.

Reno said the commissioners want to know whether Lockwood's taxing entities support forming the TEDD.

"There is not consensus from Lockwood Public Schools on having their taxes redirected to the TEDD," Reno said.

In response, Arveschoug said it's important to note that the current tax base would remain stable. It's only taxes from new development that would go toward paying for infrastructure.

"I don't want to create an impression that we're giving tax money to somebody else," Arveschoug said. While tax revenues from new development are diverted to pay for infrastructure such as water and sewer, there is no reduction in what goes to traditional taxing entities, he said.

Debbie Singer, a board member for BSED, said she attended a recent economic development conference that included a presentation from industrial site selectors who look for development opportunities.

A proposed industrial development that has no water or sewer service will almost always be rejected by site selectors, Singer said.

Meanwhile, talks are underway on how to address bike and pedestrian safety concerns on the bypass project.

Costing an estimated \$120 million, the bypass will be a new, four-lane 5.15-mile route across the Yellowstone River, connecting Interstate 90 in Lockwood with Old Highway 312 in the Heights.

The current plan calls for a bike and pedestrian path in an 8-foot-wide shoulder along the roadway. MDT has estimated that a separated pathway could cost from \$5 million to \$9 million depending on design and that there is no design. Design for the overall project is expected to begin in a few months, with construction for phase one beginning in 2017 or 2018.

Reno, who supports a separated pathway, is circulating a draft letter to MDT offering ideas for consideration.

"I need a walking path," Reno said this week.

Reno's letter asks MDT to look at the possibility of a separated trail along the bypass route

and to consider bidding the trail project as an alternative to the current design. The alternative, his letter said, would be considered only if it doesn't delay or reopen the environmental review of the project or affect its funding.

Reno also suggested using two lanes of the proposed four-lane bridge for a separated pedestrian pathway. Full build-out calls for four lanes, but the first phase is for two lanes.

"That would buy us time to find some money to build a trail across the bridge. That's truly where the problem is. There's no place to hide," he said.

The county, Reno said, also has \$20,000 in a trail maintenance fund. If a pathway is in the county's right-of-way, the county has a responsibility to maintain it, he said.

Reno said he also believes that the bypass project is so important that "a trail deal will happen."

Commissioner Bill Kennedy said he has met with Stefan Streeter, MDT's district manager, and Montana Transportation Commissioner Barb Skelton on the bypass pathway issue and has meetings planned with trail groups.

Ideas are under consideration, Kennedy said, that would provide for a separated pathway in both the first and second phases of the bypass and be safer alternatives than the current plan.

The proposals also could be done without reopening or jeopardizing the highway project because it already encompasses such a large "swath" of land, he said.

As for funding a pathway, Kennedy suggested a partnership among a number of groups and local and state government agencies, including the county, the city, the MDT, the proposed TEDD in Lockwood and trail organizations.

"We all need to buy in," he said. "I think everybody is working toward coming up with a workable solution on it. Money is the big thing. And it is people working together, saying we can do this."

Commissioner John Ostlund said the issue isn't a bike trail issue. "It's a money issue. Where is the money going to come from?" he said. The county, which is asking voters to pass a mill levy to expand the jail, does not have the money, he said.

The bypass is "the most important thing" in the community's future, Ostlund said. "What is crucial is that we do not delay the process or open up the study again," he said.

Vu Pham, general counsel for Weave Management Group, which supports a TEDD and is proposing developing Trailhead Commerce Park in Lockwood, said he has been meeting with the MDT, city-county planning and BSED officials on the bypass issues.

A feasibility study for Trailhead Commerce Park included a park in an area that could not be developed, Pham said. With the latest interest in a pedestrian pathway, the company is looking more closely at the park area, he said.

"All parties are collaborating to find a win-win solution for the bypass as well as the pedestrian bicycle path," Pham said.



Lockwood resident calls commissioner 'a liar' over trails



MARCH 17, 2015 4:55 PM • BY [CLAIR JOHNSON](#)

Controversy over bike paths and a proposed industrial park for Lockwood erupted Tuesday at the Yellowstone County commissioner board meeting, with a Lockwood resident accusing one of the commissioners of lying.

"Commissioner (John) Ostlund, you are such a liar," said Don Reed, a Lockwood resident and community activist. Visibly angry and with a

raised voice, Reed told Ostlund: "You do not support trails. You never have. And then you try to tell us that you do."

Ostlund made no response.

Reed's accusations came during the public comment portion at the end of the board meeting in response to statements Ostlund made a few minutes earlier.

"You guys make me sick," Reed told the commission as he walked out.

The bike trails issue came up during a discussion about a proposed targeted economic development district, known as a TEDD, for a portion of Lockwood.

The TEDD, which is being proposed by Big Sky Economic Development, would create a special taxing district for a planned industrial park. A portion of taxes from the district would fund development of services like water and sewer and other infrastructure improvements.

The commission recently tabled proceeding with the creation of a TEDD until cycling and pedestrian safety concerns that arose in another project, the Billings Bypass Highway Project, could be addressed.

Trail advocates have warned that the bypass project, which would link the Heights and Lockwood with a four-lane highway and include a nearly half-mile long new bridge over the Yellowstone River, would be unsafe because there is no design to separate cyclists and pedestrians from vehicular traffic.

Commissioners, and Ostlund in particular, were concerned about potential delays to the \$120 million bypass project and the cost of designing a pathway to accommodate cyclists and pedestrians.

In the wake of the TEDD and bypass projects becoming intertwined, community leaders and government officials, including the Montana Department of Transportation, have been meeting informally to try to address the safety issues.

On Tuesday, Commissioner Jim Reno, who has questioned the need for a TEDD, proposed

sending a letter from the commission to the Lockwood School Board and the Lockwood Fire District. Reno said he wanted the districts' positions on a TEDD because both would see a portion of their future tax revenues redirected to the special taxing district.

Reno's proposed letter included estimates on the amount of taxes that could be transferred based on a taxable market value of \$10 million.

The commission approved sending the letter but amended it to reflect that the tax estimates were only examples.

Ostlund, however, used the TEDD discussion to bring up the bike path issue.

"I want to take this opportunity to set the record straight on the bike trails because there's been a number of articles in the paper that said I was against bike trails and nothing could be further from the truth," Ostlund said.

"The truth is neighborhood sidewalks and safe routes to schools are something I've always supported. And the trails system is something I've always supported with one exception, 'how will it be funded?' " he continued.

The bypass "has never been about bike trails. The discussion about the bypass project has been about funding," Ostlund said. "I don't have a problem with a grade separated bypass, but Yellowstone County can't fund it," he added.

The county is asking voters to fund a mill levy for a jail expansion, Ostlund continued. "I find it very difficult to go to the voters to ask them for more money. So the issue has been and will continue to be how we will fund a trail system if we put it in," he said.

Ostlund added that he's heard from people who are working to find "a private solution" to the problem.

So far, there has been no proposal for the county or voters to fund a bike path.

Before blasting Ostlund, Reed began his comments to the commission with a written statement about the TEDD. Reed, who is a Lockwood school board member, said he was speaking for himself.

While calling the TEDD a "tremendous idea," Reed said local government would have to change before he could support it. Although the proposal calls for having an advisory board, Reed said the county commission would be the ultimate authority for managing a TEDD.

And the commissioners, he continued, "aren't bound by anything they don't personally desire."

Reed criticized the commissioners as not wanting "any advice from those of us in Lockwood who must live under their authority. This has been the case for several years. The perpetually deplorable condition of our roads is the prime example of how citizen efforts to influence public policy has been uncompromisingly thwarted."

People in Lockwood, Reed said, must "be granted — and willing to assume — responsibility and authority if this project is to become an integral part of Yellowstone County and Montana."



TEDD is the wrong way to help Lockwood

MARCH 23, 2015 12:00 AM

Business planning is needed in Lockwood, but the TEDD is the wrong tool.

42 percent of the property taxes supporting the Lockwood School District comes from one business, the Exxon refinery. We need to diversify our business tax base.

The TEDD will freeze the tax base in the area at its present level. While expenses continue to increase for Lockwood's school, water and fire districts, no additional revenue will be available from new businesses in the TEDD area.

Shortfalls that may occur from revenue not generated by the TEDD will place additional tax burdens on other business and residential properties in Lockwood. It has been suggested that trickle-down economics resulting from the TEDD will bring additional residential growth to Lockwood. TEDD will limit the resources to provide services for these additional families.

Not enough data. When the TEDD was originally proposed, a specific boundary area was stated. Now, we are told that the TEDD boundary area has not been determined. We are being asked to support a project that will affect our taxes for the next 15 to 25 years before the boundary and its financial impact on our community has even been established. Will resources available from the county for other areas of Lockwood be reduced because of TEDD?

How TEDD money will be spent will be determined by the county, not by Lockwood.

Establishing a TEDD is a shortsighted way to accomplish community planning. Too much is unknown; it limits the tax base available to provide services for too long a time.

Peter Freivalds

Billings



Big Sky Economic Development

APRIL 01, 2015 12:00 AM • BY STEVE ARVESCHOU

Recently, the Yellowstone County Commissioners linked two very important projects together for Big Sky Economic Development (BSED) to navigate: the Lockwood Targeted Economic Development District (TEDD) project and the Billings Bypass (Bypass) project.

While perhaps surprising to many, the linkage does make sense. The Bypass will bisect the planned industrial park, known as the Trailhead Commerce Park (one of the anchor tenants for the proposed TEDD), which lies generally north of Coulson Road, south of the Yellowstone River and east of Johnson Lane.

Since that momentous County Commission meeting on March 6, BSED has facilitated a number of meetings with the projects' stakeholders in an effort to reach consensus among those who insist on separated pedestrian facilities along the Bypass and those who vehemently resist any effort that might result in the opening of the Record of Decision. To many on both sides of the issue, opening the ROD would be the death knell of the Bypass.

BSED's ongoing meetings include conversations with Montana Department of Transportation representatives, pedestrian advocates, Lockwood's taxing entities, Lockwood's civic groups, and various elected officials. Already, the initial "zero-sum gridlock" is gradually giving way to a common interest in industry, community, safety, connectivity and accessibility.

Two major projects dawn on Lockwood's horizon: the Trailhead Commerce Park and the Bypass. Together, they hold incredible promise for economic prosperity, enhanced quality of life, and renewed independence for this rugged-no-nonsense-kind-of place. These projects align well with BSED's three pillars: support services for existing businesses, new business recruitment, and community development. We remain focused on sustaining and growing our region's vibrant economy and outstanding quality of life. We do so by providing leadership and resources for business creation, expansion, retention, new business recruitment and community development. We were designed to be steadfast in our commitment to the Lockwood community and the proposed TEDD. Toward that end, we will continue our efforts to reach consensus among the projects' stakeholders.

Confident that we will be successful, we will return to the county commissioners with a request to move forward to Phase II of our planning process. That process will allow us to continue working with our consultants and the Lockwood community to develop a Comprehensive Development Plan for the TEDD. This process will give the Lockwood community the opportunity to plan for its own growth, to identify the projects that are most important to them, to rank order those projects, and to participate in the management of the TEDD, should the commissioners elect to create it. Currently, we are designing a website to help answer the community's questions about the TEDD tool and BSED's planning process. Please check back often: www.lockwoodtedd.com.



Concept emerges for Bypass highway pedestrian pathway



APRIL 08, 2015 6:30 PM • BY [CLAIR JOHNSON](#)

In what could be a breakthrough in addressing pedestrian and bicycle safety concerns for the Billings Bypass Highway Project, local officials on Wednesday outlined a concept for a separate trail system.

During an informal meeting with Yellowstone County commissioners, Steve Arveschoug, executive director of Big Sky Economic Development, and Stefan Streeter, district manager for the Montana Department of

Transportation, presented an idea born from a flurry of meetings in recent weeks with numerous park, pedestrian safety and trail organizations, businesses and others.

What has emerged is “a workable option, I think,” Arveschoug said. The concept has “some pretty good support” from the parties, he added.

The concept has a ways to go before it becomes plan, Arveschoug cautioned, but he asked to be on the commission’s April 21 board meeting agenda to present a more formal update.

The commissioners agreed to an April 21 presentation and praised Arveschoug and Streeter for their efforts.

“You’ve done a very good job,” Commissioner John Ostlund said.

Streeter credited the commission with helping to bring together differing interests on the matter.

In March, the commission tabled BSED’s efforts to create a planned industrial park in Lockwood until concerns about pedestrian safety with the bypass project were addressed. The two projects are separate but have related interests.

The industrial park would be developed by creating a targeted economic development district, or TEDD, which is a tool to use a portion of property taxes within the district for improvements, like sewer and water service.

The industrial park would be near the bypass, which is a \$120 million plan to build a new, four-lane 5.15-mile route across the Yellowstone River. The new highway would connect Interstate 90 at Johnson Lane in Lockwood with Old Highway 312 in the Heights.

Trail supporters have called the bypass plan unsafe because there is no design to separate bicycles and pedestrians from vehicular traffic.

The concept as outlined by Arveschoug and Streeter appears to address those safety concerns.

The idea is to have a separate pedestrian trail begin at the Johnson Lane interchange. The trail would follow along Johnson Lane and across private property to connect with the bypass bridge, Arveschoug said.

MDT, Streeter said, will work with bridge design engineers to look at low-cost options for a separated pedestrian path across the half-mile long bridge. One idea could be a trail under the bridge, he said.

MDT also is working with the Yellowstone River Parks Association, which is developing John H. Dover Memorial Park along the river in the Heights, Streeter said. The bypass will cut through a portion of the river-front park, which is currently 170 acres but could eventually expand to another 500 acres.

YRPA has said it wants either overpasses or underpasses for trails, rather than crosswalks on the new roadway. The group also told MDT it would deny bypass officials access to the park until it addressed a separated bike and pedestrian route along the entire project.

After recent meetings with YRPA on the concept and an underpass, the group rescinded its letter putting MDT on notice about park access, Streeter said.

Both Streeter and Arveschoug said there is much work still to do on the concept.

Arveschoug said he will be talking to private landowners about the trail system on the Lockwood side. BSED also is working to identify potential funding sources for the construction and maintenance of such a trail, he said.

MDT, Streeter said, is working on completing the design contract for the bypass project, which will be designed all at once even though the highway will be constructed in phases. The department won't know what the options may be available for the bridge until engineers can consider designs, he added.



County proceeds proposal to create industrial park in Lockwood



APRIL 21, 2015 3:40 PM • BY [CLAIR JOHNSON](#)

Satisfied with community efforts to address trail safety concerns for the Billings Bypass Highway Project, the Yellowstone County commission on Tuesday gave the go-ahead to continue the process to create an industrial park in Lockwood.

The commission's approval of a resolution proposed by Big Sky Economic Development does not create the so-called targeted economic development district or TEDD, but it

allows BSED to take the next step in the process.

The commission voted 2 to 1 to approve the resolution, with Commission Chairman Bill Kennedy and Commissioner John Ostlund voting yes. Commissioner Jim Reno voted no.

While Reno thanked parties for working on the trail issue, he maintained his opposition to the industrial park plan saying development should be done by the private sector.

Reno said it wasn't the board's role to be land developers. "That's not our business," he said. Private business normally asks government to "stay out of the way," he added.

Commissioners Kennedy and Ostlund commended the cooperative efforts of private and public officials to work together to find possible solutions to address safety concerns for bicyclists and pedestrians along the Bypass route.

"The community appreciates it," Kennedy said. Addressing safety for nonmotorized travel is "essential for growth in a community," he added.

While the Bypass and TEDD are separate projects, they have related interests. The Bypass route would go through the area being considered for an industrial park in Lockwood.

The Bypass is a \$120 million plan to build a new, four-lane 5.15-mile route across the Yellowstone River. The highway will connect Interstate 90 at Johnson Lane in Lockwood with Old Highway 312 in the Heights and include a half-mile-long bridge over the river.

The highway route also will go through a portion of Dover H. Memorial Park, a large riverfront park under development by the Yellowstone River Parks Association in the Heights. The first phase of the Bypass will be two lanes, with an additional two lanes to be built some time in the future.

In March, the commission tabled BSED's work on the industrial park until concerns about

pedestrian safety with the highway project were addressed. Trail supporters had called the Bypass plan unsafe because there was no design to separate nonmotorized travel from vehicular traffic.

Since March, BSED officials and Stefan Streeter, district manager for the Montana Department of Transportation, have been meeting with numerous community groups, businesses and others to address trail safety.

What emerged is a concept to have a separate trail that would connect the Johnson Lane interchange with the Bypass bridge.

Streeter said MDT is committed to looking at trail options for the bridge when engineers begin designing the span, a process that will take from 12 months to 18 months.

BSED will now prepare a comprehensive development plan for the proposed industrial district. The plan will be presented to the commission for final approval in about six months for the creation of the TEDD, officials said.

A TEDD is an economic development tool for rural communities to use a portion of property taxes within the district for infrastructure improvements. The district is similar to tax implement districts used by cities, like Billings, to improve blighted areas and to encourage development.

BSED's Sara Hudson, the community development project manager who will be leading the TEDD's next phase, said the public can track the progress and review documents on the website www.lockwoodtedd.com.

The plan development will involve a number of public meetings with community members, she said.

The comprehensive plan will include a proposed boundary for the industrial district, identify infrastructure projects needed for the district, such as water and sewer service, utilities, transportation and broadband connectivity, and have a management plan. The study also will address the Johnson Lane trail concept, BSED officials said.

Getting the TEDD process back on track after the commission tabled it last month drew strong support Tuesday from local and state government officials, parks organizations, Lockwood officials and business representatives.

Tobin Novasio, Lockwood's school superintendent; John Staley, Lockwood's fire chief and Nic Talmark, chair of the Lockwood Pedestrian Safety District, all said their boards unanimously supported proceeding with the TEDD. Bob Riehl, chair of the Lockwood Steering Committee, said the committee backed the process.

YRPA President Darryl Wilson also backed the TEDD as a way to create jobs.

Dale Anderson, from Our Montana, said he was encouraged by efforts to address Bypass safety for pedestrians and cyclists and said his organization and YRPA want to be involved with trail safety on Bypass' bridge.

Vu Pham, an attorney who represents Weave Management Group, which is proposing developing Trailhead Commerce Park in Lockwood, also backed the industrial park planning and trail safety. The commerce park, which has always contemplated having park space,

supports pedestrian safety and making areas along the Bypass attractive, he said.

Billings resident Kevin Nelson, a frequent critic of tax increment districts at Billings City Council and county commission meetings, voiced concerns about creating an industrial park district.