WHY SHOULD WE HAVE A TEDD?

Yellowstone County lacks planned ready-to-go Industrial Sites

Competition from Bismarck, Great Falls, and Shelby for job creating industries
THE ECONOMIC IMPACT OF TRAILHEAD COMMERCE PARK

Final Report

January 2015

Trailhead Commerce Park

3,600 jobs across a spectrum of industries and occupations

$255 million in recurring annual household income

$862 million in recurring gross sales

Need public/private partnerships to build the infrastructure that will create this economic impact
WHAT IS A TEDD?

TAX INCREMENT FINANCING DISTRICT

Creation of infrastructure to support value-adding economic development.

Partnership with private development to build infrastructure to support value-adding and secondary value-adding industries.
PROJECT TIMELINE

Pre-work
- Targeted Industries
- Industrial Park Feasibility

Phase 1
- Infrastructure Deficiencies Identified
- Resolution of Necessity Adopted

Phase 2
- Comprehensive Development Plan
- Creation of TEDD

District Set-up
- Strategic Plan
- Organization
- Finance Strategies
PROJECT ACTIVITIES

Boundary
- Property Owners
- Boundary Continuity

Zoning
- Petition
- Public Hearings

Market Analysis
- Future Demand
- Estimated Tax Revenue

Trail Connection
- Connect Lockwood to Dover Park
- Alignment Options

Infrastructure Analysis
- Service Extensions
- Cost Estimates
HOW A TEDD IS CREATED

A local government may, by ordinance and following a public hearing, authorize the creation of a targeted economic development district.

A. Must consist of a continuous area with an accurately described boundary that is large enough to host a diversified tenant base of multiple independent tenants;

B. Must be zoned for uses in accordance with the area growth policy;

C. May not comprise any property included within an existing TIF;

D. Must, prior to its creation, be found to be deficient in infrastructure improvements;

E. Must have in place a comprehensive development plan adopted by the local government; and

F. May not be designed to serve the needs of a single tenant or group of non-independent tenants.
PUBLIC MEETINGS

Lockwood Meetings

- March 23
- May 12
- Oct. 3

Planning Board Review

- October 12
- October 25

County Commission

- November 7
- November 22

Additional Meetings: Lockwood School Board Steering Committee Property Owners
STEERING COMMITTEE

- Mike Aritzia - Lockwood Water and Sewer District
- Kevin Gustainis - property owner
- Marshall Knick - property owner
- Tim Miller - Yellowstone County Public Works
- Cory Moore – BSED Board Member
- Tobin Novasio - Lockwood Schools
- Vu Pham - property owner
- Bob Riehl - Lockwood Steering Committee
- Robin Rude - MT Dept. of Revenue
- Terry Seiffert - property owner
- John Staley - Lockwood Fire Department
- Nic Talmark – Lockwood Pedestrian Safety District
- Scott Walker - City-County Planning
- Woody Woods - Lockwood Pedestrian Safety District
TRAIL STAKEHOLDER GROUP

- Vu Pham - property owner
- Bob Riehl - Lockwood Steering Committee
- Woody Woods – LPSD
- Daryl Wilson, YRPA/Dover Park
- Kristi Drake, TrailNet
- Roger Williams, YRPA/Dover Park
- Jolene Rieck, Peaks to Plains (LPSD)
- Todd Cormier, Dowl (Bypass Design)
- Gary Neville, MDT
- Dan Carter, Exxon
COMPREHENSIVE DEVELOPMENT PLAN

PLAN ELEMENTS:

BOUNDARY

COMPLIANCE WITH THE GROWTH POLICY

COMPLIANCE WITH ZONING

GOALS OF THE DISTRICT

INFRASTRUCTURE ANALYSIS

TARGETED INDUSTRIES AND RECRUITMENT

FINANCING AND USE OF TIF
LOCKWOOD TEDD STRATEGIC PLAN

PLAN ELEMENTS:

MARKET ANALYSIS

DEVELOPMENT FORECAST

RECRUITMENT STRATEGY

SITE ANALYSIS

INFRASTRUCTURE ANALYSIS

DEVELOPMENT STRATEGIES

ADMINISTRATION

INITIAL WORK PLAN
Study Area: 1,850 acres
Total Area: 570 acres
Development Areas: 293 acres
Properties: 20
Owners: 11
BOUNDARY

INFLUENCING FACTORS

- Market analysis estimates 50-60 acres of industrial land will develop every year in Yellowstone County
- Lockwood TEDD can capture 25% of that demand
- Property owner interest
"A Targeted Economic Development District (TEDD) may be used to foster secondary, value adding economic development. Properties within the general area of the TEDD may be initially zoned as agriculture with the intent to rezone to an industrial zoning district when and if the TEDD is implemented."
Zoning with the TEDD complies with the Growth Policy statement and future land use map.
GOALS

• Facilitate the provision and development of planned, ready-to-go industrial space
• Provide a locally-driven funding tool with the private sector for construction of key infrastructure
• Foster economic and employment opportunities
• Create a planned industrial area in Lockwood that attracts industry and leads to additional private investment
• Implement a development plan centered around the growth of industrial businesses while providing the basis for alternative transportation elements around the Billings Bypass project
INFRASTRUCTURE

Infrastructure Elements:
Roads, Water, Sewer, Fiber, Stormwater, Rail

Lockwood TEDD
Board of County Commissioners
November 7, 2016
VALUE-ADDING ECONOMIC DEVELOPMENT

A TEDD may be created in support of value-adding economic development projects.

Secondary value-added products or commodities: manufactured, processed, produced, or created by changing the form of raw materials or intermediate products into more valuable products or commodities that are capable of being sold or traded in interstate commerce.

Secondary value-adding industry: business that produces secondary value-added products or commodities or a business that is engaged in technology-based operations that through employment of knowledge or labors adds value to a product, process, or export service.

MCA 7-15-XXXX
## TARGETED INDUSTRIES FRAMEWORK

<table>
<thead>
<tr>
<th>Industry Category</th>
<th>Examples</th>
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<tbody>
<tr>
<td>Upstream and Midstream Oil and Gas</td>
<td>oil and gas exploration and production field services</td>
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<tr>
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<td>pipeline companies</td>
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<td></td>
<td>petroleum marketing companies</td>
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<tr>
<td>Health Care Services and Supply Chain</td>
<td>laboratories</td>
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<tr>
<td></td>
<td>medical supply wholesaling and distribution</td>
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<tr>
<td></td>
<td>medical equipment manufacturing</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>value added food products</td>
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<tr>
<td></td>
<td>machinery and equipment</td>
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<td></td>
<td>chemicals, and guns</td>
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<tr>
<td>Warehousing and Distribution</td>
<td>distribution hubs to the region</td>
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<td></td>
<td>shipping and logistics companies</td>
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<td>distribution and warehousing</td>
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### BEST OPPORTUNITIES

#### AGRIBUSINESS/FOOD PROCESSING
- Pea Processing Facility
- Malting Plant
- Feed Pellet Manufacturing
- Pulse Crop Processing/Packaging
- Value-added Food Production

#### DISTRIBUTION
- Bulk Commodity Distribution
- Transloading Operation
- Co-Packer for Regional Manufacturers
- Shipping and Labeling Companies

#### MANUFACTURING
- Catalytic Converters
- Bolt/fasteners
- Shingles
- Asphalt
- Fertilizer
- Ceramic Capacitors (for laptops/cell phones)
- Galvanizing Plant
- Steel Painting/Powder-coating Facilities
- Fly Ash Operations

#### MEDICAL DEVICES
- Prosthetic manufacturing
- New to market medical device manufacturing
PUBLIC/PRIVATE FINANCING

Financing Options

• Developer Investment

• Grants and Loans
  o CDBG
  o TIGER
  o TA
  o TSEP
  o Montana CDBG

• Tax Increment Financing
DEVELOPER INVESTMENT

CATALYST PROJECT
Trailhead Commerce Park

Off-Site Infrastructure Improvements of $14.2 million

Economic Impact of $62 million in tax and fee revenue to state

TIF Revenue of $12 million in first 15 years

Public/Private Partnership is key for success
GRANTS AND LOANS

• GRANT PROGRAMS
  CDBG – Public facilities, economic development and planning
  TSEP – Water and sewer improvements
  TIGER – Road, rail, and other transportation facilities

• LOAN PROGRAMS
  INTERCAP - Infrastructure
**BASE ASSESSED VALUE (AV)**

BELONGS TO ALL OTHER TAXING ENTITIES IN PROJECT AREA

**INCREMENT**

BELONGS TO TEDD TO PAY PROJECT COSTS

**NEW POST PROJECT AV**

ENTIRE AV NOW BELONGS TO ALL TAXING ENTITIES IN PROJECT AREA

<table>
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<tr>
<th>Total Market Value</th>
<th>$10,000,000</th>
<th>$50,000,000</th>
<th>$100,000,000</th>
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<tr>
<td>Taxable Value</td>
<td>1.89%</td>
<td>$189,000</td>
<td>$945,000</td>
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<td>Annual Property Tax</td>
<td>$101,406</td>
<td>$507,030</td>
<td>$1,014,061</td>
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<td>Tax</td>
<td>536.54 mills</td>
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**PROGRAM ADMINISTRATION**

**Recommended Advisory Board Membership**
- District Property Owners (4-5)
- Yellowstone County Commission (1)
- Lockwood Water and Sewer District (1)
- Yellowstone County Staff Representative (1)
- Lockwood Schools Representative (1)
- Lockwood Fire District (1)
- Lockwood Pedestrian Safety District (1)
- Lockwood Representative (1-3)

Total Board Membership: 11-14 Members
TRAIL CONNECTION
CONCLUSION

NEED
• Planned Industrial Space

TOOL
• TEDD is one tool to keep us relevant
• Public Private Partnership

BENEFIT
• Ability to plan for Lockwood’s future

OUTCOME
• Spur additional development within Lockwood