**Lockwood TEDD 3rd PublicMtg\_02-12-15**

Steve Arveschoug: What is the TEDD? We’ll have a little refresher on that. We really want to focus here on what those maps will look like. We’re going to have break out discussion tables, so if you can get closer to a map, and help us make notes on things, (couldn’t decipher) and what those values are going to look like. I want to spend just a second and give you a little background on why we’re here. What are we really trying to accomplish, so I’ll do that. Then I’ll turn it over to Janet and she’ll explain how a TEDD works and then we’ll focus our discussion on the boundaries, what makes sense, and then all this information, we’re going to put together and present to the County Commissioners on March 3, boundaries and (couldn’t decipher) and then see where we go through the process from there. I don’t see any of the County Commissioners here tonight. We may have some of them moving in and out, make sure you recognize them when they come in. But they have been a part of our process. Commissioner Ostlund was at our 4:30 meeting with the taxing entities, Commissioner Kennedy was at some of our meetings earlier, and Commissioner Reno was as well. When they come in, we’ll refer to them and just be a part of the dialogue because they (couldn’t decipher) and the process where we’re at.

So let me explain to you why we are here. Big Sky Economic Development commissioned an Industrial Park feasibility Analysis several months ago to look at how do we address the need in Yellowstone County for planned industrial space, industrial space that would be ready to go for industry that would have infrastructure either fully in place or ready to be expanded (couldn’t decipher). Because what we were realizing in our work to execute our mission on behalf of Yellowstone County and new economic development, industry was telling us we have particular needs. We need space and public infrastructure and we need it quickly especially in the context of industrial development. We want to take advantage of market opportunity and they didn’t have time to wait around for us to figure out what we’re doing with infrastructure to be ready for that, so we commissioned a feasibility analysis to look at where in Yellowstone County might be the best place for industrial development. We looked at three concept areas.

One, West of Laurel, because of the rail infrastructure and open lands in that particular area would be a potential area for industrial development. We looked at an area kind of in the center part of the central business district of Billings, just off Monad Road area, that’s what’s called the old Burlington Northern Subdivision area and there’s and old rail system there, an old train floor facility there, so it’s very much underutilized. We looked at that as a potential area for redevelopment, how can we bring some of that infrastructure back and, at least, serve as a platform for distribution. Then we looked at the Lockwood concept area and we were very intrigued by that. KLJ did this work for us, because of its proximity to interstate transportation, because of the rail infrastructure that is in place, because of the bypass that would allow transport into and out of Yellowstone County and beyond but in addition to that, there was some private sector interest in that area, that we’re saying hey, that land, we think this would be a good place to support development. The concept of Industrial Park, as many of you may have heard about what’s called the Trailhead Commerce Park concept. So we looked at the location, the potential bypass, the fact that there was already a private sector interest in place, the Lockwood concept area really rose to the top in KLJ’s analysis. We went to our Board of Directors and presented the findings in October. They asked us to do a little more homework, as they usually do, so at our November Board meeting we came back to them and talked about this whole concept of creating a targeted economic development district. (couldn’t decipher) resources to build infrastructure. We could look at any particular area, but if you don’t have the funding tool to build the infrastructure, it’s going to be pretty hard to convince industry to be all in all by themselves to make those things happen. So that’s kind of the background and that’s why we’re here as we look at taking those initial studies we’ve done, looking at the Lockwood concept area for a targeted economic development district as a tool to purchase infrastructure. Moreover, and I used this with my Board this morning, and they didn’t get the color version, but I’ll just pass this around. This is a handout we got from the Economic Development folks in Great Falls. They are able to tell their business community that they have 1,100 acres of shovel ready industrial space with all the services in place. That’s the tool they use to help industry expand in their community and to attract new industry. In Yellowstone County we have pockets of industrial development all up and down our valley, but it’s really kind of been one man on his own (couldn’t decipher) and you have to do your own thing and I’m the next guy in (couldn’t decipher) location.

We have a plan to create new industrial space in the community that can serve the platform for additional economic development. Yet we’re in an area that is very competitive, communities like Great Falls, Bismarck, Casper, all in our area that have to make that commitment publicly and otherwise to create that space to give industry a platform. So our goal is not to create a TEDD necessarily. Our goal is to create planned industrial space and TEDD is the tool that we can use to do that (couldn’t decipher) so that is what we’re here for and to say Steve, why are you doing this, it’s really to get to a position where we can have requirements like that and we can (couldn’t decipher) industry that says Yellowstone County is ready to roll and we got space ready to go with infrastructure in place that can support your needs, business that can create jobs and that can create more economic activity in the community here and throughout Yellowstone County. That’s what we’re here for. With that said I’m going to let Janet explain again, just to refresh all of our memories, how the TEDD tool works and then we’ll get into the discussion on how that works. I just want to say thank you for spending some time with us tonight to talk about this again.

Janet Cornish: Thank you, Steve and thank you not only Steve and all of you for coming here tonight, and again my name is Janet Cornish and my company, Community Development Services of Montana. We’re located in the (couldn’t decipher). My colleague, Lynnette Windemaker is a Claims Consultant out of Bozeman and we work together around the state to help communities create districts in which they can use what is called tax increment financing. But I’d like to step back and before I even do that I have, Dianne has asked me to let everyone know that if you haven’t had a chance to sign the sign in sheet over on the table or if you’d like us to keep in touch with you about future meetings as this project moves along, we can do that. We’d love to get your information.

So in the State of Montana we have, through our Montana urban renewal law, we’ve identified two types of districts that are worthy of investing in public funds to address critical issues. The first, is urban renewal and that is in areas that got blighted or in many of our older downtowns, and here in Yellowstone County if you’ve seen that, in downtown Billings and in Laurel, we’ve created urban renewal districts to address issues related to deterioration and blight that is associated with (couldn’t decipher). The other type of district that the law identifies are infrastructure deficient or targeted economic development areas and these are areas that are deficient in infrastructure, generally we’re talking about public infrastructure, roads, sewer, water, and it even includes public utilities which are not necessarily publicly owned like a road might be, but they are still considered part of the public district.

What the law says is that when these areas, these are blighted downtowns or infrastructure deficient areas, it’s a matter of state policy to invest in those areas to better the condition of the people of the state. Urban renewal districts can only be created inside cities and towns, but the second type, the targeted economic development districts can be created either in a county or in a state. Steve mentioned that he was looking at a study that the Commission looked at areas which made sense for development, but that were, in fact, infrastructure deficient in some way and the tool this targeted economic development districts enable the use of common funds to improve infrastructure in those areas in order to draw industries that add value to Montana properties.

When we say add value, we mean changing wood to furniture, or changing agricultural products to biofuels, or any kinds of processing where you are adding value. We have a district that we’ve worked with where they’re repairing and improving aeronautics, airplanes, so you’re adding value. And the message here is that this old home Montana has served as a place, while we produce a great deal of resources, we haven’t always been able to capture that added value that comes from manufacturing processes. It also means, not just manufacturing value, but the law says we can also use targeted economic development districts to help technology based businesses, businesses that improve the application of knowledge and add value to a process. It could be medical, energy related research, anything that takes a process and applies knowledge to it, increases the value. So when we say targeted economic development, we’re talking about value added industries and value added industries include both manufacturing processing as well as added knowledge.

So what the law says is that if you create a targeted economic development district or an urban renewal district, you are able to use a specific funding mechanism and that funding mechanism is called tax increment financing. What tax increment financing does is it enables a local government that takes tax revenue that comes from new development and in a particular area and reinvest it in that area. No new additional taxes are charged. The taxes that a property owner would pay anyway on improvements made to the property.

So let’s give you an example. If you have a piece of land, let’s say this yellow mark here, piece of land that was currently generating $100.00 a year of taxes, that $100.00 gets divided, some to the county, some goes to the state, some goes to the school district, some goes to the fire district, some goes to water, and so forth. If you create a tax increment financing district, and let’s say, a year after in the district, you have a building on that piece of land, now that property is generating $500.00 a year. That original $100.00 continues to go down all these different pathways, how it’s distributed, to the school, to the county, and the fire district, and so forth, but that additional increment, $400.00 additional, is set aside in a special fund that is used to make those infrastructure improvements in that area, within that area that you created the targeted economic development district. And those funds are then used for infrastructure improvements, planning funds, you can use it for training and education, you can build sidewalks, sewer systems, you can help with emergency services equipment, as long as all the improvements shall benefit that district. When that district (couldn’t decipher) which is at least a 15 year period or it can be longer if the local (couldn’t decipher). Once that distract has all of that new tax revenue, now is available for the schools and the county, and so forth. But without this, it would be hard to say, how can we encourage industrial development here if we (couldn’t decipher). This gives us a tool (couldn’t decipher). Does anyone have any questions?

Yes.

You know (couldn’t decipher) but all the other taxes are still supplying fire and all this stuff (couldn’t decipher) I don’t believe this whole thing.

I understand what you’re saying. Again what you’re doing is you’re (couldn’t decipher) and without that investment, the taxpayer is still paying.

I know (couldn’t decipher)

They’re still paying, the guy in the square is still paying.

Keep the money from this whole area

The money is going to the local government, the local government is paying for that investment in the area. But that doesn’t mean in the short term, that guy (couldn’t decipher) his company here, but his house is going to be outside the industrial area. He’s going to totally build his house in the development and the guy that has companies here, he’s going (couldn’t decipher) to open a shoe store outside the district.

(couldn’t decipher)

Audience breaks in to groups.

TRANSCRIPTION ENDS