**Lockwood TEDD\_Taxing Entities\_02-12-15**

(couldn’t decipher very beginning) Our Industrial Park feasibility analysis several months ago, finished it in October of this year, sent it to our Board in November. The whole purpose behind that was to kind of move Yellowstone County into a stronger position for business expansion and recruitment and create planned industrial space. We plan residential development, you know, we know where we want homes to be located. We position the infrastructure to get ready to meet those roof tops. But we haven’t as a community, a broader community, really planned our industrial growth. It’s just kind of happened and each individual business kind of make their own decision on what is the best location for them and what is the best location that meets their needs, as long as it is zoned industrial. Let me make it kind of fit and if we want to be in a strong position long term, we have to do as much or more planning about where our industrial growth should be and that was really the impetus behind the feasibility analysis, because frankly we felt we were at a disadvantage not having a plan ready to go industrial space so I know many of you have seen our feasibility analysis. It identified three concept areas – West Laurel, an area called the Burlington Northern subdivision area, and Billings proper, and the Lockwood area. What really set Lockwood apart was just the strategic location of that area both in terms of the existing interstate system, also the rail line that’s there, the proposed bypass, but moreover than that was the fact that there was a private interest saying, hey, we have land, and we are wanting to do some industrial development and that really kind of took that proposal in our minds to the next level because we’re always encouraged by our policy leaders to look at a public/private partnership approach. Don’t go out and do it yourself Steve. You can find a private sector partner that is interested in making this happen. That’s the best (couldn’t decipher) So that’s what took the Lockwood concept area to the top – strategically located, private partner telling us hey we want a partnership that helps make this project happen. It can’t happen without infrastructure and it’ll happen like its happened before and that is one piece at a time or piecemeal but it won’t happen in the way we want it to happen unless there is a commitment to infrastructure and that’s where the tech tool comes in and that we will have some more conversation about. It’s critical that we are able to talk to industry about the fact that we are not going to have them hanging on their own, that they do have a partner and we will find a way to invest in infrastructure and TEDD has a tool to help us do that. I was at my board meeting this morning and I passed out copies of this and I’ll just pass this around. That is a brochure that I got when I was talking to an Ag Development Officer as I mentioned earlier with the Department of Agriculture who was in contact with some folks in Great Falls. It is a piece from the Great Falls Development Authority. They have a plan ready to go, an 1100 acre industrial site they’re promoting that is ready for industry when industry is ready. I can’t claim to have that and Billings is the largest industrial business hub in the region and we want to be in a much stronger position to help out existing industry grow and to help attract new industry. So it’s not about the TEDD itself, it’s about trying to create this opportunity for Yellowstone County. TEDD is just a tool to help us do that a little bit further down the road. It’s not about Economic Development. It’s not about me, Sarah, Janet, it’s not about us, it’s about creating that opportunity for our community to put us in a stronger position. So we think the TEDD concept makes sense in terms of the tool. It’s not the goal in and of itself, it’s the goal to be able to say we’re shovel ready for industry. That’s kind of a backdrop. We also know that it’s an important decision because there are tax revenue issues that really just have to be on the table and understood as a part of that process, so that’s why we’re having a second follow up discussion with you guys to talk about what that really looks like. So I’ll just stop there and maybe turn it over to Janet and go from there.

Thanks Steve. It sounds good. Just as a bit of an overview of what we’d like to talk about this evening. Steve explained what brings us here and we met with most of you, I think, when we were here in January. I’d like to talk about what tax increment financing district looks like, how it works, and how it’s applied to secondary value added industries (couldn’t decipher) in the district. So what we’re going to do today is Robin Rude with the Department of Revenue and Sarah Hudson with the Big Sky Economic Development have looked at some of the numbers and how a tax increment district or I should say better how each taxing jurisdiction plays into the calculation and the formula and then how those funds are reinvested and redirected and what does that look like with respect to each of (couldn’t decipher) So Robin is going to provide that information. And then what I’d like to do is kind of go around the room and to give everyone an opportunity to either ask a question or make a comment or perhaps debunk some myths or misunderstandings or if I’ve not been clear in any of my presentations or if any of us have left out any key information we’d like to be able to remedy that and give you an opportunity to do that. I think we know everyone, but could we just start by going around the room one more time and everyone introduce you. I’ll start.

I’m Bob Riehl and I think I’m representing the Irrigation District.

You are. And a lot of folks in between.

Steve Arveschoug, Big Sky Economic Development.

I’m Nick Talmarck. I’m Chairman of the Pedestrian Safety Advisory District Advisory.

(couldn’t decipher) Lockwood schools

Zelmer (couldn’t deciper)

What is your first name again?

Zelmer.

Woody (couldn’t decipher)

John (couldn’t decipher), Lockwood Fire (?)

Sara Hudson, Big Sky Economic Development

Lynnette Windemaker, consultant

Robin Rude, Department of Revenue

Janet Cornish, consultant for Big Sky Economic Development

Dianne Lehm, Big Sky Economic Development

Thanks Diane. With that I’ll turn it over to Robin(?)

Okay.

I’ve mixed all my sheets up in the packet so I’m not really sure what order they’re in so that’s advancement. Sarah gave me a little lowdown of the order I should probably go. Okay so this is, of course, a map of what the proposed boundary lines are and they’re all in red, purple is infrastructure assessment area, and it’s pretty much enlarged of what we saw before at the public meetings last time. There were other people who said yeah, I want in so we went through and identified all the parcels so there’s your new (couldn’t decipher). Then this big packet of information is all the parcels that are in that boundary. There’s 51 parcels that are in there. There are real property so real taxpayers that include land and buildings. There are also three properties within the boundary that are personal property taxpayers with business equipment. Those are not included in this. Sarah now does have a copy, packet of those. So on this particular tax roll it gives us all kinds of information about the property, what it’s use is, what its current use is, how it’s being taxed what its value is, how much taxes they pay, any kind of specials including any specials they paid. Sarah then has from this big packet of information all of this hand out here so for instance there are 185 acres currently within this boundary that is tillable irrigated land, that’s what its use is and is being assessed and taxed for. Now it’s important to remember that no matter if this is created or not, if the use stays tillable, irrigated by the property owner that’s how they’ll continue to be taxed, whether this is in existence or not. It’s not until that land owner decides, hey, you know what, I want to subdivide my property now and start selling off the pieces that we’re going to change the valuation of it at all. So altogether we know. So if we look at the levied subtotal that’s going to tell us what our total market value is. Keep in mind that this market value that shows up on here is actually taxable market value. It’s not real appraisal value. The difference is when we value properties we have reappraisal cycles. The last one was 2009. We’re putting on all new values for 2015. Now the past two cycles they were six year cycles. The legislature has created some mitigation strategy so that the taxpayer sees a fairly new tax roll change in their property taxes based on their increase in value over that six year cycle. So there’s phase in, there’s exemptions, there’s tax related adjustments that go along with that process. So as part of that taxable market value is different than total real appraised value because it addresses the phased in part It also gives an exemption for a homestead for any residential property and a (couldn’t decipher) for any commercial properties. So that’s included in what this category of market value is. Again it’s different than what, if you were going to sell it on the open market, what it would be worth. So in this $17 million taxable market value and $371,500 of total taxable value and what you guys see as far as your taxable jurisdictions and what we certify to you, the number at the bottom, the bottom number that you’re looking at and feel is important is that taxable value. So no matter what kind of market value or reappraisal value the property has, what you’re really looking at is taxable value and when we calculate how much increment one of these districts generates, it’s based on taxable value as well. So this is 2014 value, so if it’s created we’re looking at a base value of 2015 which is after the reappraisal so it will be 2015 value rather than this 371 but it gives us a ballpark. Now to put some things into perspective Pacific property out there has a reappraisal value of $18 million, their taxable value is $463,000 so if another company similar to that were to move in, they would be generating $463,000 of taxable value. Peterbilt, on the other hand they have a reappraisal value of $4 million, their taxable value which includes an abatement is $21,000 of taxable dollars. So if you’re looking at trying to see the size of the business, you’re looking at somebody as big as Pacific, they’re almost half a million dollars of taxable value, you’re looking at someone smaller like Peterbilt, if Peterbilt didn’t have the tax abatement for expanding industry, their taxable value would be $77,000. So that kind of just gives you perspective.

How long is the abatement cycle?

It depends on which one they apply for, but typically it’s a 10 year abatement. The first five years they get a 50% reduction and that is a 50% reduction of their taxable value and then the sixth year, it’s only a 40 percent reduction, 30 percent, 20 percent, until the tenth year, they’re paying at 100 percent.

But it sounds like right now they’re sitting at 30 percent.

Well.

From the numbers you just threw out.

They’re… they didn’t have the tax abatement, and the tax abatement is only on the building, not on the land, so they would be $77,000, without it, they’re at 21 now. I’m pretty sure they’re in the 10 year with the first five years.

Yeah.

The difference is not cut in half exactly because the land still pays full value.

But, Robin, the appraisals are only done every six years right?

Yes.

Unless something triggers it. Unless you have a new building.

The reappraisal is every six years. We appraise property and adjust property every year for new construction. If something gets built, absolutely, we’re gonna go out there and grab it and add it on.

I’m still speaking of Peterbilt.

Yes.

I know there’s a legislative bill that may reduce it to two years. I haven’t heard where it’s at.

I’m still confused cause you have 21,000.

Yes.

And you’re saying the land pays full. That’s only 50 percent on the building. How does that reconcile with $77,000 in half.

Let’s find them on our big book.

I still have trouble reconciling that in my head. Do you know what the number is?

I do know what the number is. I just need to find the page. It’s on page 25 of 30. Okay, so I said 21. I lied. It’s actually $39,000 roughly. So if we look at page 25.

G2 properties?

Yeah, G2 properties is it. You’ve got three class codes, so under value information, you have three class codes. The first one is the land. Then you‘ve got commercial improvements that you’ll see has no value on it at all. That’s because the whole project is receiving the new and expanding industry benefit. So then the second class code, the 3807 is where it sits, their market value, the taxable market value is at 2.9 so that’s after phase in and exemption. Their actual reappraisal value is 4.8, so that kind of gives you an idea where reappraisal value to taxable market value goes. Their taxable value is $36,862. Now the next one down there is STML. That’s state mandated levy, so even though they’re getting their abatement, they still have to pay the state mandated levies. So you’ll see that number is approximately half of the 36. Okay.

So could you go back to that middle line there, the commercial on the sub tracts. You said the first line was the property, the second was the building, but you said there was some other.

Yes. The first 2107, that’s the land, the 3307, now the class code dictates the tax rate, so the 3307 if they weren’t getting any kind of abatement, that’s where that full $2.9 million would go and they would get the 2.47 percent tax rate but because they are receiving the new and expanding industry benefit, we have to move all of their value to that 3807 (couldn’t decipher)

So there’s not two different incentives? There’s just the one incentive. It’s just reclassified.

Correct.

You could see in some of these, you could see multiple incentives, you know, so if Peterbilt for an example added on, they could have this one that started in last year and then they could have another one and so they would have two different ones, so then it gets convoluted (couldn’t decipher)

We’ll blame Steve for that.

I’ve been blindsided before.

So the rate

The rate actually doesn’t print on this.

But in this case this rate is derived from applying the abatement. This taxable value.

So instead of using 2.47 percent to this market value, we’re using half of that. So 1.

I got you. Okay then using that as a levy.

Okay. Any other questions on that part? So then also on this summarization sheet down below that are all of the specials and what has been collected off of those 51 parcels as far as specials for their 2014 taxes. So you got things like road maintenance, county refuse, loss of irrigation, the bond payments for lack of water, (couldn’t decipher) fire, and, of course, soil conservation.

But on this we don’t have the actual number of mills it generates.

No

Nick, when do you start?

We’re done. 2015. Irrigation. We don’t have access to the money until November. So we’ll have access to the first half of 2015

Couldn’t decipher – several people talking at one time)

If it’s not a (couldn’t decipher) in other words, a percentage of the property value which is what a mill is, then it is not calculated as part of the increment, so if the irrigation district does not levy mills, if you just charge a fee, it’s not calculated into the…

Okay. I didn’t understand it that way before. Thanks.

Let me ask you one more question.

Sure.

Does this basically just look at the taxing jurisdiction and see what’s there and then if they’re not being taxed to it, they put a zero on it? The reason I ask is because if you look it says LCK2, Lockwood bond payment.

Yeah.

It says present zero as an amount and then it says zero again, because they’re not actually being assessed for the bond payment because they’re outside our boundary.

It’s interesting that it’s showing up there, is what likely, a couple of things could happen. It could have been on there at one point in time in error and it’s been removed, but we, it’s been removed on your sheet because you send us every year a list of tax codes and how much you want us to charge them. We upload those into the system.

I think I probably have another explanation for it. Originally we had two assessments. One was for the treatment plant and I believe it was under LCK2 and when the treatment plant was paid off then, you know, it was no longer, but it would still show up in the records, so when we started our sewer and I asked them for a code to be able to, you know, get the DOR as to what we were going to be assessing, all of a sudden it came back up again and they tried to put it on their and I said no no no, we don’t want to use that one. We want a new one. Give us a new one because there’s too much confusion.

And that very well could be.

So that could be where it’s coming from.

And we just haven’t gone through the system and cleaned those old ones up. Very likely.

Okay. I just wondered because in your synopsis over here you have those listed and we don’t show up.

Yeah.

In the case of Lockwood the LCKB, there is only one property here that’s being assessed that $40?

Yeah that’s what it says.

And that’s, is that your sewer bond?

Which one are you looking at?

LCKB not LCK2.

And why would there be any?

I don’t see any D.

B as in boy, bravo.

Bravo.

I’m not seeing it on that if we’re still looking on G2 property.

No, not on G2, on the summary.

On the summary, if you look at that, what the bond payment is, you will see that there is one property down there that would need to be looked at to make sure that that is right.

That’s got to be wrong, doesn’t it?

Yeah. Well. We still have three bond payments. We have one that is a $25.00 assessment that everybody within our district boundary pays. We have another that is a $40.00 assessment that covers our reserve capacity fee to the city with our agreement and in the third one we have is the phase one sewer which is only being paid by a boundary that is not included in this tab.

Robin, I’m a little sensitive with time.

Yeah.

Just because I know we have that public meeting coming up.

Yeah.

Do you want to walk us through the rest of the handouts? The beautiful color.

Nick, I apologize. I don’t have you on here.

Oh, it’s alright.

So I think it was Sara that asked how we can calculate out if there were new values coming on board, what kind of revenue reinvestment would the increment or TEDD get rather than the local taxing (couldn’t decipher) so if somebody came on and built $5 million property, $10 million, $15 million, etc., is how I was calculating this information. Then I broke it down by the mill levies that you’re charging for 2014 and what you would have received if it hadn’t been going in the TEDD instead. Lockwood Elementary, as an example, I just took the reappraisal value and then also included a comp stead exemption, cause that is currently what’s on the system to get a taxable market value, took it by the tax rate to get a taxable value and multiplied it by the mill levy. So if a new Peterbilt came in, for example, that has $5 million worth of value, then you would be foregoing in Lockwood Elementary $22,000 worth of taxes. Same with Billings High School would have some and Lockwood Fire would forego $20,000, Lockwood sewer $22,000 for that $5 million, and so on. So then if another, Pacific came on, then you would look at the $20 million line to see what kind of dollars you would be foregoing.

So Robin, I’m sorry Janet.

No go ahead.

I’m just looking at the table up above in the top and saying. Let’s say we had another company that we were able to recruit and they said, you know, we’re going to do a $20 million project and we need water and sewer and we need whatever and the infrastructure would be from a $20 million project that would generate 5.3 million in increment to invest in the infrastructure that company might need.

Over the 15 year period.

Over that 15 year period.

Not annually.

Not upfront, but over that period.

I have another question, kind of similar to Steve’s. That a new investment, and I’m looking at now at the aggregate of the total district, when you say total new reappraisal value, why are you using reappraisal rather than just total new value, because we are assuming this is not stuff that is here now. It will be new.

Well, it isn’t here now and so the reason I use, with these numbers that Sarah gave me, $5 million, $10 million, $15 million and knowing that Pacific’s taxable value is $500,000.00, that’s going to be a whole lot of businesses coming in at $5 million, if I use $5 million taxable as opposed to appraised dollars.

I mean reappraisal, the re part.

The term.

That’s just terminology that’s going to be on the record.

That’s Department of Revenue lingo. Even though…

What you’re doing now.

Yes. I could say market value.

(couldn’t decipher – several people talking at once)

It’s technically market value and the market value, you’re using the same term you did before, the taxable market value. In other words, with the constant put in, with, you know, putting in all the exemptions.

No this is full market value at $5 million and this is generated yearly, so the first one is $5 million across all taxing jurisdictions that would generate $1 million worth of increment taxes, but Lockwood’s portion of that is 22, Fire is 20, and so forth. But that is for one year not for 15 years.

Which one, the 20?

This number at the very bottom.

This is one year.

At the far right, the top.

(couldn’t decipher – several people talking at once)

The very top chart, that’s the one I did over 15 years.

It’s $100,000, that’s all it adds up to.

That’s just one year (couldn’t decipher)

I did the top chart.

Sarah messed it up.

On an annual basis $89,000 would only reduce $5,600 of taxes.

So, Robin, again this is based on present legislation which is…

Yes.

Appraisals every 6 years without changing anything or making any changes, where if it went every two years, this could change?

The way I calculated this, is I calculated it with no phase in using a constant still an exemption and the 2014 tax rate and the 2014 mill levy, so depending on what the legislature does, they might get rid of the exemption altogether and just change tax rates which we’re all praying for.

There’s still some ifs and ands.

Absolutely yes.

And again this 721, I’m still at the top, this 721 is all of the mills that are levied minus the $6 million?

Yes, including the specials.

Including the specials.

Robin, this might be a question that you might not even be ready for, but just in your experience as far as dealing with tax abatements versus like the two that we’re talking about, the TIF, how do those numbers kind of relate to each other over the short term and over the long term?

Well, the example that I…

Or is that way too complicated?

The example that I brought is Peterbilt. I have a little (couldn’t decipher) somewhere. Peterbilt’s taxable value was the $21,000 something as opposed to the $77,000 that it could have been, so the $10,000 in taxes that could have been reinvested with the TEDD actually are gone. Nobody ever claims those. They don’t know where.

And that goes back into the business rather than going into the investment income?

Correct.

(couldn’t decipher)

Where with the TEDD and no abatement, then that money, that $10,000 or whatever the case may be, would go back in to help build the infrastructure to bring more in.

How about the impact on the taxing entities over the, say that 10 year period? I know we’re talking 10 years versus 15 or probably 25, over that 10 year period how much difference is the effect to us, as taxing entity at that time? I agree that we would rather have that money going into the ground than into the pocket of the businesses.

Right.

But how does that affect us?

It depends on the district and how fast it’s growing, some of the ones. We have five in Yellowstone County and for an example, some of them only have a $500,000 increment. The biggest one that we have, there are two actually that are significant. The downtown east (couldn’t decipher) its got a $2.5 million increment and then the South Billings Boulevard one has a $2.5 million increment. So it depends on where its at when you set the base and what you have coming right off the bat. This particular one, I think the base would be low because you have a whole lot of ag land out there and you don’t have a lot of business out there. So the base value is going to be fairly low, however, depending upon what you have in your sights, if you’ve got people in mind to come in and start a business right away, you could see growth right away. The (couldn’t decipher) didn’t have any growth for the first couple of years and Laurel’s was really slight for the first couple of years. It wasn’t until they came, that it grew enough to build much of an increment.

So I’d like to just say, yeah I think, one of the, way you phrased it in your question is really more of the answer, it’s that in terms of cash, yes, starting with year five, the school district on an abatement program, it’s a 10 year abatement program, you’d start realizing a percentage of that in taxes, and then at the end, by year 10, you would be getting 100 percent of that back. So you’d get money faster, sooner, than you would with a tax increment district, but in the first, but then (couldn’t decipher) it’s more value statement than with a tax increment district, the community benefits because the money is being invested in the infrastructure which would in the long run benefit everyone. With tax abatement you will be getting some taxes, as one could argue that without the abatement the industry may not have come at all. You’ll get the jobs in both cases, but in terms of the long term benefit, both to the industry and to the community, the tax increment program doesn’t allow you to have that investment in infrastructure. Even though you are putting money in that business’ pocket with that abatement, you’re not then able to provide that infrastructure. So I think, Tobin, in actual dollars, you would start recognizing money sooner with the abatement program, but with a tax increment program, you have a longer benefit that is longer term and more sustainable.

And for us in Lockwood, at least for my Board, that is one of the important things that I think we need to stress and Steve and I talked about this, is that there’s a mentality out here that we pay these taxes and then the projects go to the west end, you know, the far west end of Billings and so the idea that that money that comes from this TEDD district would have to stay in Lockwood. It’s not going anywhere else in the county and that’s…

Or stay in the TEDD.

Or in the TEDD, yeah, but it would still be in Lockwood and that’s where I think, that’s a big part for those on my Board that support the TEDD, is that that money is staying.

And the other thing to think of

Robin, I know we said this before, but would you clarify this, the question was asked the last time we got together, using Peterbilt as an example, they’re already on an abatement program.

Yes.

But because they would be within the borders of the TEDD, the money that is presently being collected would continue to be collected.

Yes.

Now with the declining abatement when the TEDD is formed, let’s say it’s year 8 of their 10 year, does the entire 100 percent at the end of 10 go in or does it stop at 8?

Actually none of it goes in.

The abatement program stays the same as it was, that money goes there, they’re totally separate. You could have a tax abatement that was previously in the TEDD and when the tax abatement is over, it’s simply over and you gotta establish the face value that whatever Peterbilt is or whoever so they’re in there and that’s face value outside. What’s inside the footprint of the TEDD is outside the tax.

So at the end of 10 years, the whole thing still is going back?

Yeah the 10 years

Doesn’t go in the TEDD.

All the tax money goes to where it is.

I think you had said that before, but I wanted to make sure.

Well, and they

Cause that came up in our business meeting.

Yes.

That hasn’t been challenged through our Legal Department either, as far as if the base year for this is 2015 and they’re only in their second year of the abatement so that they’re still at 50 percent, so they’re still at only half the taxable value what they could be. After 10 years can we adjust at all that base value to include that in the base instead of giving it all to the TEDD as that percentage increases throughout the year. That’s not been challenged through our Legal Department to rule one way or the other.

So you’re saying that there’s some conflict between that statement and what I’m hearing.

Yes.

The other.

Bob, I didn’t know there was a conflict with Robin.

With due respect to everyone, what the law says is that any increment that’s derived from an increase in taxable value stays in the district.

After you set the base?

After you set the base. So if you, and this is the discussion we had, because your’re not increasing, you’re adjusting the taxable value in order to get them to the abatement. But the other complicating factor to me would be, you have an abatement on a portion of Peterbilt. Let’s say they put on a new wing of their plant and is that also subject to the abatement or are they going to do a separate, or would that all be increment.

That would not be subject to the abatement.

Janet, what I was thinking is similar to where I have been steering Robin all night. If in, this is year two, excuse me, if in year 10 as the abatement is supposed to reach its maximum, and we’re in, let’s say year 7 of the TEDD, if in year 10 that $77,000 taxable value we are at today, which they are only paying $34,000 of, if that’s at 81 because of reappraisal, my question was does the extra above 77 because the base is set right now and that when the TEDD is being formed, does the extra above the 77 go in the TEDD?

It does right now.

Because of the reappraisal?

Because of the base value, is set and the tax value (couldn’t decipher)

That’s what I think we were saying.

I agree with Robin.

Now the taxable value is set but that has nothing to do with the abatement coming back online right?

The abatement.

So the 50 percent gap between what they are paying now and what they would be paying if they were paying 100 percent, that would come back to the taxing jurisdictions to make us (couldn’t decipher) before

That goes to the TEDD. Anything, you draw a line in the sand on the base year and if the abatement is at 50 percent.

That’s a double whammy.

Then that’s what the base for that property gets set at. So now they’re only paying at 40 percent.

That’s a whole new wrinkle.

Yes. And like I said, that’s not been challenged through Legal Department, so if you are interested and curious about that I think Peterbilt is the only one, because Pacific doesn’t have one.

But that’s because of the abatement not because of the TEDD?

Right. Because of the abatement.

American Steel has one too.

I don’t think my Board would support that at all, that we are going to give up value that is already sitting there because of the abatement.

Like I said that’s something that needs to be, it needs to be challenged. The question needs to be asked what can we do.

So, Robin, how do us at procedure ask that question and get an answer to it?

I would go have Sarah or Janet go through our Legal Department, Michelle, to get an answer to it.

I’ll get an answer. And the other thing that I would like to, as an alternative make (couldn’t decipher) feel a little better.

The county, the TEDD, can remit, Tobin, any portion of the increment in a particular year to aeffect the tax jurisdictions, so you could calculate like what that amount was and then remit it back (couldn’t decipher). That might be one way to do it.

The other point you need to be aware of is Peterbilt, yes, it’s out there, it’s a bird in hand, you know what it is, but all of this investment, so that’s what you might get for 25 years is Peterbilt, but with this, when this ends 25 years from now or whenever, you might get 10 Peterbilts, because the infrastructure was put in to get them out there.

And I understand that, but I’m trying to sell this to a Board that’s saying what good is that going to do us? We’re going to be gone, our kids are going to be out of school, and I’m going to be hopefully in Arizona playing golf at that point.

Really.

If we focus the discussion that that value is there, it’s only through the abatement that we’re pretending essentially, but it’s not, so if we say, you know, if you didn’t have the abatement, this is what the taxable value would be, that’s really the base, but we would need a legal opinion. But without, even without the legal opinion, you could choose to remit a portion of that to the taxing jurisdictions.

I think what’s important to note is that we use the tax abatement tool and it’s an effective tool. Commissioners have used, city uses it, and it works in certain situations. It doesn’t give you a tool to invest in infrastructure. Investing in infrastructure primes the pump for the next opportunity and I can’t say if we don’t invest in infrastructure, you’re gonna see no development out there, but you also can’t say you’re going to see development out there if you don’t invest in infrastructure. So we want to find a tool to invest in infrastructure that’s going to prime that pump. And, you know, you’re kind of really making the commitment. It’s revenue you might not even have. We could. Somebody told me one time the biggest argument you could have is over money that you don’t even have yet. And so we’re all arguing over potential dollars that we don’t know will be there, which likely won’t be there if you’re not priming the pump with some sort of infrastructure investment. You’re not going to see another Pacific Steel necessarily make the kind of financial commitment they had to make to put in power lines and everything else. Those companies come along very rarely who are willing to make that sizeable of commitment all by themselves and accept all that responsibility by themselves. So we have to find some mechanism to prime that pump or we’re not going to realize any of these dollars that we’re tugging, having a tug of war over.

I would suggest that, given, this is, and I think Tobin called it a wrinkle, but I think it’s an important point to recognize that the abatement has one particular effect, the TIF has another particular effect, and so what we need to do (couldn’t decipher) I think we would all like to know, is Peterbilt the only parcel, the only property owner in the district that’s getting abatement? Are there any others?

There is one more.

Yeah, American Steel.

Then I think we should probably have a handle on what that financial effect of that is, just with respect, I’m assuming there’s no additions built, but just what is the tax base with the abatement, I mean the taxable value with the abatement, what is the taxable value without the abatement, what is the cash difference in those, and how do we mitigate, that would be a negative impact to the school district if they don’t get to realize, because no one’s built anything. There’s no change. It’s just the way we’re calculating it. I think we need to know that number and then I can find out.

So Janet, can you make that kind of representation in the comprehensive development plan? In other words, can you figure out this issue with American Steel, Pacific, or with American Steel and Peterbilt and if it has a negative impact as you develop the comprehensive development plan, can you acknowledge that given that condition, that remittance of value would take place? I mean, is that something you do up front?

I would rather, also, I think, you don’t want to put things into the comprehensive plan, let me give you an example. Anaconda(?) Deer Lodge County.

Very familiar with that.

They put something like that in adopting (couldn’t decipher)

I was also, they put some of these things, I would rather that that become something that the county commissioners, you know, have to do, but I don’t think, what you can put into the plan is noting that annual remittances are, should be, can be considered by the commissioners.

And then here is one that should be under consideration, or the basis for saying that.

Here is an example of how that decision would be.

But I think that needs to be an annual decision of the county commissioners.

Through the budget process, through the budgeting process.

If you tie yourself in to tightly, you’re going to open yourself up either for situations where you don’t get the flexibility that you want, and secondly, maybe the school district in a particular year, that you’ve also seen happens, you know, that this additional amount of money would mean that we would have to lower our mill levy. We don’t want to do it. So you don’t want to be tied into something either.

No.

And I think we want to be part of that where we write something into an agreement where, you know, up to a certain amount, 25 percent might be able to go into reserves, but the other 75 percent would be used to reduce the impact on the taxpayers.

Right, and there is actually a bill to do some of that. House Bill 114. So that, what I would like to see, it would be my recommendation not to put yourself in too tight a box and to let the county commissioners make that decision.

Definitely.

(couldn’t decipher)

It’s not right when you start writing the language that reimburses the whole governments out of the tax increment bond. It makes the bond people very nervous.

You got it.

 So, and very difficult to sell. You know, Steve’s right, both sides are right in this, both sides of the issue, because if you create a TEDD and you put most of the money or all or most of the money back in the structured development, you’ll get a different type, a faster, development, but you have tied up the taxing revenue for a long time into the infrastructure in your local area. The bonus is you get buildings. Now there are some offshoot from them that the businesses here hire people, they’ll buy houses in your neighborhoods, they’ll be other growth outside of that, with a tax increment financing district, that’s what you get. If you give tax relief like we do for new and expanding businesses, the districts get half of the money to start with and then a graduating scale, they get the rest over 10 years and that reduces the impact for businesses that come and the intent of that is to encourage business development. One thing we probably know for certain, with or without a TEDD and with or without tax relief we give new and expanding business, you got $140 million interstate (couldn’t decipher, you’re gonna get business one way or another. Now you can direct the kind of business, you know, change the kind of development you have with a TEDD, but requesting isn’t whether or not businesses will come because they will come here.

And that’s why, that’s why the district is supporting the TEDD, quite honestly, because we don’t have the funds, we don’t have the ability, if Lockwood continues to develop like it has in the past, you know, helter skelter when somebody goes somewhere, when the bypass goes in, it’ll happen, you know, it’ll happen over time, yeah how many we get, and they need infrastructure and, you know, we can’t afford to put it out there. So it’s important to us to have the mechanism to be able to do that. We just have to be able to handle it (couldn’t decipher) and that type of thing. The other thing is, I’m looking at your example down here.

Yes.

At the bottom, I know this is just for talking purposes.

Sure.

But this needs to go away.

Which one?

The last one, for us, and the reason for it is I can never expand that boundary that exists there. We purposely talked a lot about where the boundary should fall, that I didn’t want it overlapping into this.

Right.

So the boundary that you have will not overlap into this, so as a taxing entity this is not going to have an effect on us as far as taxes. It will have an effect on us as far as infrastructure, supplying it, you know, water, taking waste water back, so if you are going to, you know, use it as an example in the future, I would take it out, and then if somebody asks how come Lockwood Water and Sewer District isn’t in here, we can add it, because this is all new.

Well, and currently, you don’t have any. We purposely eliminated that little chunk you did have out of there. None of the taxpayers in that district now have that.

And we can never add to it like our phase two sewer is strictly different from the mechanism and assessment. It’s going to be an assessment rather than a, this was a GO(?) bond, so it’s based on taxable value. Our next one is an equal assessment and neither one of these has an effect on the other and neither one will have an effect on the TEDD areas.

I’m going to jump on to what Commissioner Austin said a little bit here and this is one of the concerns that came out of our conversation with our school board the other day, is this is an area that’s, we do think is going to grow in Lockwood. It’s one of the few areas in Lockwood is where there’s, I won’t say guaranteed, but there’s pretty sure to have that growth and I think the concern is now that this TEDD has grown so much, it’s taken up all that potential business area that would be going in and I mean if you look right there as far as the, at the, you know, the bypass, you know, all of that frontage of that bypass that’s in Lockwood is now almost 100 percent inside that TEDD and I think that’s where some of our Board has concerns. I think if it was a smaller footprint and, you know, I know the Trailhead Commerce Park is kind of the anchor on this and, you know, maybe even just drawing a line across there where the railroad goes horizontal, it might be something that we would feel better about, that I could get my Board behind, if it was more of a meet in the middle type thing rather than the TEDD is going to take up this entire area over there.

Tobin, what you should be aware of is that virtually no properties will have access to the bypass unless somebody pays for those accesses.

Yeah I understand that.

And

But people drive by those businesses and there’s a lot of value that being on the frontage like that.

Not without access there isn’t.

But I think, Tobin, the point is well taken. That’s part of the dialogue today really was we wanted to make sure you had the numbers, but also, as we talk to the community here in an hour or so, it’s looking at that map, what really makes sense, so we can certainly have that discussion about what that footprint needs to look like.

Help me understand something then, you know, I’m going to throw the water on the fire so to speak, no pun intended, six months, 27 plus years with Fire in Billings, where are your sidewalks?

(couldn’t decipher)

And how are you going about getting them? And is it through an infrastructure program? No we had to get grants, but right now, where are our street lights? Where are out traffic lights? We have a pedestrian safety district that was established with the help of the commissioners and it encompasses the school district boundary. We have the taxing for the .10. This area will have an effect and that’s why we’ve been visiting with MET about this bypass. How do people get from here at Johnson Lane and the interstate over to the new park. You’re talking about putting them on an eight foot recovery shelter walking or riding a bicycle, yet as a pedestrian committee, we’re back here on 87 East, that’s 55 miles an hour, you know, you got Old Hardin Road, it’s 35, we’ve got problems there, you go over to 87 East, that’s 45, we have to have separation with sidewalk there to put it in, so why don’t you have separation of sidewalk through here or can it be incorporated into the TEDD as an infrastructure improvement to help solve that problem.

We don’t answer that.

Well, wait, now one of the things were, you know, I think goes back to the boundary question. If you’re looking at pedestrian safety and access, one of the things that you can use TEDD for is connecting infrastructure so, you know, no you can’t build a park on the other side of town, but you can certainly build, you know, you could improve pedestrian and vehicular access into the district if you can show that you’re making some connecting.

If there was a bus stop

Right

On the other side of the interstate.

Or people could walk to work.

I guess what I’m trying to say is what this really comes down to with my Board and probably with the commissioners and everybody else, we talked about that imaginary money is what we’re talking about, there’s people that believe this area is going to boom and it’s going to blow up and it doesn’t matter if there’s abatements or a TEDD or anything like that, we’re going to have all this extra taxable value that’s going to go in here once that bypass goes through and to try and balance that with those of us that are saying no we need to find a way to control that. We need to find a way to get the right businesses. We don’t want certain businesses in there. We want businesses that bring added value that I’ve talked about time and time again. You know, so I’m a supporter of the TEDD. I don’t want to sound, that’s what I’m telling you, some of the arguments that I’m hearing from my Board is how do we balance the fact that I have some people that think there’s, I have some people that think there’s going to be 25 or 30 million dollars of taxable value in this area in the next 25 years regardless if there’s a TEDD or not. How do we balance that? I think by having the footprint get bigger and bigger and bigger, I think it takes away, it gives them more of a fuel to their fire, I guess.

Well, and my question is can we do something with a smaller footprint, you know, I’m going blank now, the Industrial Park (couldn’t decipher) some of that other stuff, and if it’s successful five years down the road or ten years down the road, maybe we look at expanding and growing the TEDD or putting an additional TEDD on there, but to go all or nothing, I think is going to be a very hard sell.

John, again you were going down the road I was going anyway. All I was suggesting, and we’ve said it here twice tonight, the thing I liked about the TEDD versus anything else we’ve discussed, whether they come in on their own or whether we bring them here with abatement, is the money has to go in to that area. As I said very selfishly, being the public safety person, it means sidewalks, it means paved roads, it means lighting. I hope based on what I heard you say, that means that’s going to attract business as well. We don’t have that here. We don’t have that anywhere. We’re working on our only sidewalks right now.

The thing about what we’re working on is our language is strictly for pedestrian safety, you know, to improve things on crappy roads that people are dying on versus we need lights and infrastructure that has to do with motor vehicle safety and maintenance and things like that where ours is strictly going to focus on non-motorized travel safety improvement.

All I’m suggesting

We need real actual

That’s going to bring a lot of traffic. If it happens the way Tobin just described, 25 million in 25 years, it’s a lot of traffic. That’s not going to change, that road is not going to change without somebody kicking it up a step. We can’t keep going to the commissioners, because we know their well is getting dry. And so the only thing I liked about this and I keep harping on it is the money has to go into that versus 50 percent of it the business gets to keep and 50 percent of it we all get to divide up for 10 years. Now I will tell you I have one fear and again having been living in and spending most of my career in Billings, when they passed that TIF on the downtown area, no doubt, it improved that Montana Avenue area and all that immensely. You all remember what it was like. But then they were able to turn it around and vote it in again and so my fear would be if after whatever this timeframe is, 15 or 25 years, yeah, we all will be gone, but the people taking our place are going to be saying wait a minute, Tobin and Staley told us that after 15 years, we were going to get all this money.

However, if they, if they vote for another one, that base changes to a new base year.

You’re starting again from ground zero.

Yeah that would be good to know.

You still get all the, at the end of the cycle you still get all of the (couldn’t decipher)

Whatever the value is, you start

That’s right.

But it does go back.

John, your fear, I understand your fear, but again you’re not, all of that money now goes back to the taxing jurisdictions and what happened in downtown Billings in talking to the folks that worked on that district, there was still a lot to be done. We just redid our district in Butte as well, but now we sent two million, not taxable value, tax dollars back into, when our district Sunset ended in 2013. All of that money goes to the school, to the state, and to the county, and now they’re starting from zero again.

Let me just throw this out quickly. Our goal is not to be in the business of managing a TEDD. The TEDD is again a tool to create planned industrial space for Yellowstone County, so we can help industry grow and attract new industry. If we just let things happen on their own, we’ll have more of what we have today up and down our ballot and it doesn’t give us that, it doesn’t necessarily give us what we want, and it absolutely doesn’t give us a platform to go to industry and say, we’re ready to partner with you because we have infrastructure in place, because it’s just going to happen one parcel, one piece at a time. One of the things about a TEDD that we really haven’t talked about yet, and that is on day one if the commissioners were to make a decision on a TEDD, you don’t have increment. You’re looking at an empty well until somebody shows up and says, hey, I want to do something, and then you start the discussion about what infrastructure do you need, so we’re going to have to get really creative about how I used this expression before prime that pump. If you have a TEDD in place, it allows us to use that TEDD as a match against federal grants like a tiger grant or a federal EEA grant and right now as we go into those kinds of grants, we’re not competitive like a Shelby was. Shelby was competitive with a tiger grant, because they created an industrial TIF district first and then they used that in their discussion with the feds and said look we got a commitment here for tax increment finance revenue. We’re going to match that as our match against this tiger grant. So a TEDD gives us the ability to leverage that to go out and seek additional dollars where an abatement is what it is. It helps that business accomplish what that business needs to do and many times that’s the smart thing for us to do. In this particular case, if we want planned industrial space, this is going to be a tapestry of things you’re going to have to piece together. Even the TIF itself isn’t going to get it all done. It will take a lot of other things, but the TIF gives us leverage to bring other resources to the table.

You know, I wanted to, that whole notice about leverage, one of the conversations we haven’t told them that last time is we have to think a little outside the box. While we’ve been focused on pipes and streets and so forth, we also talked about training and education and the opportunities, for example, to have training for job force training or workforce training in order to also use that as an incentive for businesses to come in. And that doesn’t dictate the size of the district, but what we don’t want to do is limit our thinking to the extent that we won’t have the resources. You know these numbers, the one danger of these numbers, and I know you were asked to put these together, is that, you know, getting even five million dollars of new value is going to be, that takes a lot and I don’t I know, I know people at Big Sky Economic Development, Diane and Steve and Sarah are working really hard to create that kind of investment, but that takes a lot. And what we don’t, again I always, what we don’t want to miss opportunities, so, you know, if we decide a smaller boundary makes better sense or is more palatable, Scott, we have to make sure we have some reasonable reasons, how much of that is really development and I think Woody’s statement about how many acres are not developable for any number of reasons is important to keep in mind. What are the kinds of things in your industrial site study, Steve, that led up to this, you know, what are the qualities of land that make a site attractive, so just responding to someone, oh, it’s so big, we gotta make it smaller, it has to be a recent decision, and I’m not disagreeing, we, it may be that it makes all the sense in the world to make it smaller, but we want to make sure we don’t limit opportunities and that we do have the sites available.

An argument that I’m hearing is twofold, it’s not really the size, but it’s also taking up all the frontage along the bypass which some people assume is going, I have one person on my Board that doesn’t think that’s ever going to go through. They still don’t think the bypass is ever going to go through and I have other people that are saying as soon as that goes through, all that value, that land is going to skyrocket in value.

What we heard today, we’re looking at up to 10 years before that bypass is constructed.

Where did you hear that?

From (couldn’t decipher) Stefan was here.

I have a question. That’s not what I heard. I think Stefan

Well, I’m going to be having lunch with Stefan Streeter next week. All of the stuff, I have been involved with the bypass for 21 years and it’s a fun new project. They’ve identified the corridor, they’ve got the record decision, and they’re going to move forward. The rest of the funding will come from the new highway bill (couldn’t decipher). It’s supposed to start in 2018, this is 2015, and finish in 2020 or 2021 at the latest. If there’s been a change in that agenda, Ward County commissioners haven’t been noticed and this project, this bypass project, started in the Yellowstone County Public Works office when I was a superintendent. So I mean from day one, I have been involved with the bypass project and I have not heard that.

Well, even this falls in his timeframe, 5 to 10 years.

That’s the time for completion?

That I’m aware of too, John.

I guess, I know, what I’m trying to say is that the bypass may indeed generate businesses, but that, you’re still talking about it happening almost halfway through the time, the life of this district.

(couldn’t decipher) I think Commissioner Reno’s in that same spot. He believes we’re going to have that growth out here regardless.

Regardless.

But again, this gives you the opportunity and I, but I would hope that, you know, you can come to the boundary meeting tonight and kind of show us it might be, where you might suggest.

I’m not sure any of these smaller property owners down here really have expressed any interest in being in it.

Well, they did.

They also complained about the bypass taking their property.

These did here.

I would like to reframe this, Tobin, because I’m very sensitive to you and your Board. I’ve had two sisters live out here in Lockwood for 20 years. One is still living here. She understands the School Board’s concerns. I think it’s a very real issue. If I were on the School Board and you told me that tax revenue would be used to put pipes in the ground, I really wouldn’t see the direct link to the School. I would feel irresponsible. But when we talking to these businesses that are coming to us for help, like Pacific Steel, who came out here because they couldn’t locate on the west end. The westenders didn’t want them there. In fact, they lined up at the County Commissioners’ meeting to tell them, “We don’t want them here. Tell them to go somewhere else.”

Even Montana Peterbilt. Kevin put a quarter of a million dollars into the infrastructure in Lockwood because of his sense of community. You’ve got businesses that are committed to the Lockwood community out of their own sense of loyalty and sense of community. This is an incredible economic driver for you that you could use to drive community assets. Recently, my role at Big Sky Economic Development in the Community Development Department was our involvement with a MEDA community assessment. I had a chance to sit down and talk to your kids. We talked about their performance. These kids are the top performers in the entire state until they go to Billings for high school. Then they’ve got the highest dropout rate of any other group. I asked your kids, “What’s going on with you?” I said, “You’re the top performers in the state. Why are you dropping out of high school? They said they didn’t have any connection to Billings. They said they don’t know those kids. They said everything revolves around Lockwood School and when they’re not here, they’re just not connected, they’re lost.

From my point of view, industry drives community and community drives industry. If Lockwood really wants independence and autonomy and to thrive and have that sense of community where you’re not the redheaded step-child of the County, then you must take control of your economic drivers. I truly believe this tool could be used to support the school. It brings jobs. It brings tax revenue. It grows your tax base. It can take the burden of growth off your homeowners over time. I think Lockwood has long said they pay more taxes than anyone else. From my viewpoint, you need more businesses to pay more taxes. When I look at it from that framework, I want as many businesses in the TEDD paying taxes as possible. And, honestly, I don’t know how anyone can sell your School Board an Industrial Park. I don’t want to sell them an industrial park. We must figure out how that industrial park can serve your school and your kids. And I think it can. I think we can be creative. So, maybe it is not about remitting tax revenue, per se, but about challenging all of us to answer your question, “How does this help our kids?”

I’m as pro Lockwood as anybody. I don’t want you guys to think that I’m, I’m just giving you guys some of the arguments that we’re hearing from the naysayers and, you know, like I said that might be a middle of the road type thing, because I do think there’s people (couldn’t decipher) trying to capture, we’re going to capture all that land along that bypass and there’s a lot of people out there that think that as soon as that bypass goes through that the value of that property is going to skyrocket.

If we can get some access roads on there because I don’t think the way it’s designed right now, I think you’re just going to send the traffic right through and, you know, you’re going to see

Put the access roads in even if the commercials come in there, they’re going to do it themselves if nothing else, because they can see the high visibility and so forth. Now one thing that hasn’t been brought up, Tobin, I understand his position and so forth (couldn’t decipher) what I’m looking at, as a Lockwood Fire board member, is we’re getting extra responsibility, it’s costing us more to operate in that area, because there’s going to be a lot more coal in that area and I’m losing revenue because of it. I have a problem with that, because realistically if we’re expanding into an area we need more money which we need more personnel, more equipment, whatever we need, but right at the moment, we’re losing part of what we already have gained to put into the TEDD now. I’m very pro Lockwood. I wouldn’t be here if I wasn’t. You know, we

We wouldn’t be putting into what we already gained.

Okay so I was under the, just like Peterbilt, my understanding was that we would lose the money we already have.

No.

The base would be the same, but you would not get is taxable value (couldn’t decipher) somebody looks at a $100 million refinery, that money would go back into the TEDD. You would get what the base was (couldn’t decipher).

Right. I want to go back to something and Robin can help me. I want to be able to better address Tobin’s question and others about commercial development that went along the bypass areas. We really aren’t talking here about commercial, we’re talking about industrial development and while I’m not saying those businesses wouldn’t benefit, we’re, you know, in manufacturing businesses don’t need frontage.

No. I understand it’s going to be controlled access and there’s gonna be limited numbers of access.

So one thing that controls what happens in this district is what TEDDs are for. They are intended for manufacturing or technology businesses. The second is going to be the zoning and what kinds of businesses can locate and that might be I don’t know if we’re looking at any, you know, what those issues are, you know, it may be that again the boundary is going to be decided based on where manufacturing businesses are most likely to want to locate and that’s another issue that, you know, I’m sorry, this is Lynette’s area of expertise in terms of land use, but I meant pick up from this, but I want, I think we also have to remember that the kind of development that might occur anyway may very well be likely retail.

It could be a blend of anything. You don’t know.

I suppose. Generally speaking, retail is more likely to follow.

What’s these taxing entities? We don’t really care if it’s retail.

But the TEDD isn’t for retail.

I know, but I’m saying for us.

Yeah it doesn’t matter.

It doesn’t matter to me if a $5 million industrial site goes in there or a $5 million mini mall goes in there. We’re going to get the same tax value for, to run our organization.

But in terms of you’re talking about going halfway and what you’re, you know, it seems like this district should be focused on the industrial piece.

But the connection, I think, is this overall impetus and drive toward stamina and education. We’re training these kids to know science, technology, engineering, mathematics, and who best has those high paying jobs, Exxon, Peterbilt, Pacific Steel and Recycling. These are the folks, these are good jobs for these kids.

And I understand that. I see the big picture, but I’m just saying, there’s a lot of people that are going to say, you know, there’s going to be this value’s gonna go in there regardless if we have a TEDD or not.

Yeah.

I think by not taking all that frontage, it might help with that issue.

And I could easily

Steve, I know you gotta go. I think you probably got some closing comments. I just want to leave you with a couple of ideas. It’s been a healthy discussion (couldn’t decipher) because I like to hear what the taxing jurisdictions think and the questions they have and they’re not dissimilar to what we have. The bypass with or without the TEDD is going to create a lot of changes in Lockwood, because it’s going to remodel Johnson Lane with much longer stacking lanes and better traffic flow and a wider street and on the interstate, big overpasses which is going to be huge. But, Nick, for when you and your committee look at recommendations for sidewalks around here because of the way Lockwood was developed, one of the things I think is important to keep in mind is that you place them somewhere if you’re on Old Hardin Road or Highway 87 or Johnson, you set way off to the side. There’s good reason for that. Everybody that comes to Lockwood either comes off of Lockwood (couldn’t decipher) or Johnson Lane and development out here on this side of the interstate is going to be completely constricted by the amount of traffic flow. You’re not going to get, we’ve asked to put another access off the interstate, you’re not going to get it, because of the stacking capability. They wouldn’t even let us put one up on Emerald Hill (couldn’t decipher) so the only option for more traffic flow in Lockwood are more lanes so at some point Johnson Lane will need to be five lanes wide, two lanes north and south, and a center stack lane. Same with the Old Hardin Road and even Highway 87 in order to move that traffic or you become so constricted from traffic that development will stop, because you can’t get in and out of there. So when you plan your bike routes.

Well, that’s part of the problem with MDT’s proposed Billings bypass right now is, in my opinion, is uneducated, but it’s my opinion. They’re taking the bypass and they’re putting eight foot shoulders on each side and they’re calling that pedestrian or non-motorized traffic facilities. Well we already have problems with people getting run over and killed on 35 mile an hour roads, so like what he said, they’re calling these eight foot paths when you come across the bridge it’s just actually a recovery lane. That’s what they called it and that’s what it is. So if a car is broken down there what are you going to do, walk around it, jump off the bridge, swim through the river.

The shoulder, or otherwise

It’s called a recovery lane.

It’s not realistic, so it’s my understanding this is basically the minimum or just over the minimum of how much extra space they need on the side of the road to get qualified for a bike/ped access and then they have to have that to access federal funding, so it doesn’t – Have you driven your car down the road and went past a semi when you’re going 55 miles an hour? A lot of times your car (couldn’t decipher) which is not realistic to call it non-motorized facility when it’s really just fulfilling the minimums so I know there’s a lot of extra associated cost in making a separated facility like that, like the commissioner was talking about, and he’s just talking about interchanges within Lockwood and on Johnson Lane, we’re not talking about the actual bypass where you’re going 55 miles an hour and if the Industrial Park comes in what kind of traffic is going to be coming in, truck driving more than anything, it will be all sorts of other cars, but trucks don’t move or stop or react as fast as somebody in a car. Is there any way to get, at least within the district, to get relief as part of that TIF money to help for these?

Yeah that’s what it’s for.

Since there’s been a record decision and since our Board didn’t exist two years ago or whenever they had all these public meetings for this and said so why didn’t you raise your hand and say something then? Well, it didn’t exist then. Well, I know people did. But as a Board we didn’t exist, so their main concern is we’ve already made the record decision so we can’t go back and change it since it’s going to cost $25 billion to put another four feet under the bridge or whatever their ridiculous numbers were. So they said unless you guys are willing to step up or get the counties or whoever, municipalities or wherever you get the funding, you’ve gotta step up and help build these roads, build your separated facilities, pay for the bridge improvements, and provide maintenance. Well, we can find creative ways to do all sorts of things, but if you’re going to call it a bike/ped facility, it needs to be one or take it out. Don’t give me this lip service that it’s there for that. It’s not. It’s there to meet the minimum so you can get your federal funding.

As Steve mentioned, and this they’ve done it in Missoula, I know, and other places have looked at it too. They used TIF to manager tiger grants or those kinds of improvements.

At least like with being creative, at least within the boundaries, you know, if it’s within our boundaries, we already have matrixes to pay over years for maintenance and snow removal and all sorts of stuff to do that, so we have a vehicle to do that, but actual pay to expand the road, if maybe MET would meet us half way.

Or help figure out ways to do it.

Even to expand the roads, you know, as you said, it could be a separate path.

It has to be a separate path.

I agree.

And my understanding is that can go beyond just the boundaries of the TEDD.

It can go beyond the boundaries.

As long as you can show that people are going to walk to work.

Absolutely. Connectivity as well as safety, because the other thing we talked about was even installing better traffic signals at certain points. If there is traffic going into the TEDD.

YRPA is on our side and we’re on their side and you know where the Billings bypass has to go through to get to the Heights? Yellowstone River Park has a whole lot of acreage that this can’t be built without having that.

You’ve got to understand, 21 years ago long before that park was ever donated, to the Parks and Recreation, process started and the record decision was two thirds of the way through before the park was even donated. Guys if we don’t build bypasses and infrastructure because we’re going to cross a park land, you’re never going to get anywhere from point A to point B. It is absolutely impossible. I don’t support that decision or that thought process. You know, if you start a highway anywhere in the country going from one point to another and along the route someone changes the land use or donates something to the public, if that stops the project given the fact that it took 20 years to make this, you will never build one. You really got to kind of think about that process.

Yeah. I don’t think anybody wants to stop the process. We just want to have an answer other than no. When we ask a question, work with us here.

I think what Nick is also saying is we’re looking at this TEDD as a means to get some of that infrastructure pedestrian built in that area so that all the taxpayers in Lockwood don’t have to pay to build that across and the same thing

You can build inside the TEDD whatever you need help with the infrastructure.

And that’s why we’re interested in that, you know, from the service industry, like John and I are in, we don’t have the ability, if there’s not a planning tool or a vehicle to be able to get services to them, if he has to respond to something down there as it comes in, his budget increases, where does he get that increase from? He gets it from the entire community when he does his budget by a mill levy and so you’re just putting more onus on the people that live there already and that’s why we would like to see the TEDD be the tool to do that and get us – I agree with John 100 percent. That money stays there. It builds the infrastructure they need, that we can service, it gives him possibly a building for, you know, an ambulance to sit in, so they’ve got quick response time.

Or if you can say that the TEDD is contributing 20 percent of the calls. I mean I know you get mostly medical calls, but if you could show that there’s been an increase in fire calls because of the district, there’s a way to do that. Do you have one more thing that you wanted to say?

No.

I’m going to wrap us up, because in 20 minutes we’ve (couldn’t decipher)

(couldn’t decipher) law enforcement tonight.

We thought you were going to be.

Thank you commissioner.

(couldn’t decipher) I came here to hear what you had to say, because it’s important to us. The decision was easy. You know what I mean. We’re trying to gather the information. Everybody’s right. Steve’s right. It could add a lot of economic development, could target it, put the infrastructure in and draw people. On the other hand, it’s going to add to the (couldn’t decipher) services (couldn’t decipher) schools and it does provide funding (couldn’t decipher) take too much out of the TEDD and the services you’re taking, you can’t sell the bonds I mean it’s not an easy decision, but I certainly appreciate the input from everybody.

Thank you.

I just wanted to thank you. You’ve been so helpful in helping us with the series of meetings. We don’t take your thoughts and ideas as criticism or anti this or anti that. This is just a good productive dialogue on something that is a serious opportunity that we ought to pick apart and really make sure it’s going to fit together the way that it needs to, so in terms of take away, things that we need to make sure we cover, we’re going to look at the Peterbilt and American Steel issue as it relates to the abatement and we’re really going to get clarity on how that works so we can answer that question, want to make sure we do that before March 4 so we have that answer.

The first thing I’m going to do when I get back is call the Legal Department and I’m actually maybe try to have Robin on the line with me.

And the second thing I had as a take away, John, thank you, we’re going to have a discussion, broader discussion tonight about that boundary, and so any other thoughts on boundary, want to make sure we get that adequately represented before we go to the commissioners on March 3. There was also a discussion about making sure we really define in this TEDD, what’s the developable acres.

That’s right. I think that’s the key.

So everybody has, it may be this big, but when you really talk about development, you’re only talking about that big, so we should define that going in.

And I think that informs the concerns. I’m interrupting you Steve, but I think that what Tobin’s Board has these concerns (couldn’t decipher).

That we really talk about. In terms of development we’re really only talking this square footage, because you got flood plain or other kinds of things going on, you got a bypass that’s not going to accommodate what you want to do so you really want to be smart about what the real footprint might be and then the fourth thing was just this very important issue of pedestrian access and the amenities that the community is wanting. We can’t put sidewalks and lights over here but to what extent can you make the right kind of connections in that area that start to provide those amenities as it relates to the bypass.

We’re dealing with.

I’m sorry go ahead.

Because I hope I’m saying this right. We can run them up Johnson Lane to a point.

Yes.

Because it directly affects (couldn’t decipher)

As Tobin mentioned if you can show that people are using them to walk to work.

We can run them up Frontage Road to a point as long as they directly affect the TEDD.

So this issue though in terms of how it gets developed and the priorities for infrastructure improvement won’t be decided between now and the 3rd of March. Some of that would be better articulated if we have the opportunity to look at the comprehensive development plan process.

Not only for that committee, but whatever committee (couldn’t decipher)

The three of us are all on the Safety Committee and what we’re, I think where we’re coming from on some of this, we’re working so hard to try to retrofit sidewalks and lights into our community.

Seems like such a waste to miss out on an opportunity just because

Build it right

Yeah.

Make sure anything you do is done with that in mind.

And what I really think and Commissioner (couldn’t decipher) comment about backfilling, I think our strategy rather has to be is what can the TEDD do to address pedestrian safety, water and sewer, public safety, and, you know, fire (couldn’t decipher)

Response

And the school district.

This is how can the TEDD help all of you while sticking to its primary purpose which is to create value, secondary value, adding industry, and so, rather than this whole notion with what everyone keeps struggling with, we’re all not saying it, but everyone saying we’re not going to get this money for, you know, we’re being punished by this district rather than saying what’s our vested interest and how can we benefit from this. That’s the way I think in talking about it with each other and to others, we need to make it that. That is the discussion we need to have.

It’s good for the whole.

Not just him, me,

Exactly.

It’s what good for the whole community.

Don’t forget the residuals, because we haven’t even brought up, said that tonight and that’s all we talked about last night. If the businesses come and the residual development is creating more residential development and so on.

Commissioner said that.