

**Lockwood TEDD Advisory Board Minutes**  
**Wednesday, October 17, 2018 – 2:30**  
**Yellowstone Conference Room, 1<sup>st</sup> Floor – Granite Tower**

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

**Board Member Absent:** Pam Ask

**Staff and Guests:** Dianne Lehm (BSED), Dan Schwarz (YC Attorney's office), Becky Bey (KLJ), Stefen Streeter (MDT) Ed Walker (CMG), Thom MacLean (BSED)

1. Welcome and Introductions

Woody Woods called the meeting to order at 2:30. Terry Seiffert moved to approve Agenda; Vu Pham second; Agenda approved.

2. Approval of Minutes

Frosty Erben moved to approve the minutes of the September 19, 2018, meeting. Vu Pham seconded. Minutes approved.

3. TEDD Status Updates

Thom provided a status of the proposed expansion of the TEDD. BSED was before the Planning Board on September 25 (presentation) and October 10 (public hearing). At the October 10 public hearing, three people spoke against the expansion – Tobin Novasio (Lockwood Schools superintendent), Pam Ask (Lockwood School Board); and Kevin Nelson. There were also two people who spoke in favor of the expansion – Tom Lewellen (representing the Hertz property) and Becky Weekes (LC Properties, LLC). The Planning Board voted unanimously that the amended Comprehensive Development Plan was compatible with the Lockwood and Yellowstone County Growth Policies. On October 3, BSED held a community meeting on the proposed Lockwood TEDD expansion at the Lockwood Fire Station. On October 16, the Board of County Commissioners passed a Resolution of Intent to Expand the Lockwood TEDD. This set two public hearings – October 30 and November 13 – to take public input on the proposed expansion. After the second public hearing on November 13, the BOCC will vote on whether to expand the TEDD to incorporate the properties currently requesting inclusion.

At the last board meeting, it was decided to ask the county and BSED for an amendment to the schedule of repayment of debt owed to BSED for the Infrastructure Master Plan and the Comprehensive

Development Plan amendment. The total owed is \$81,800. The current repayment agreement requires that no less than 50% of the increment be used each year to pay down that debt. It was decided to request repayment in four equal annual installments. Since that decision, BSED has taken that idea before the BOCC at discussion for their thought. County Attorney Dan Schwarz will rewrite that agreement, and we will take it before BSED's board for approval. If approved, we will take it before the BOCC for their approval.

#### 4. 2018 TEDD Annual Work Plan

Dianne reviewed the TEDD Annual Work Plan. The first six pages discuss a lot of the information contained in the Comprehensive Development Plan: goals; targeted industries; tax increment financing fundamentals; possible grants available; program administration; and TEDD program criteria. The last pages address many of the variables the TEDD Advisory Board will need to determine annually. Board discussion touched on many topics:

**Increment Available and Upcoming Expenses** – The current increment is approximately \$80,000. Those funds will be available after tax payments are collected in November 2018 and May 2019. Woody mentioned the possible decrease of increment next year, discussed at a previous meeting, *IF* the proposed expansion is approved. Even without development, the TEDD should have at least \$80,000 of increment in succeeding years, with or without the expansion, barring any tax protest, decreases in tax value, or non-payment of taxes.

Mike asked about anticipated expenses. In addition to the approximately \$20,000 repayment to BSED if the revised repayment schedule is approved (approx. \$40,000 if it is not), the estimated cost to have KLJ study the feasibility of applying for a BUILD grant could run up to \$11,000. Becky Bey of KLJ advised that Infrastructure Master Plan completed in 2017 is a high-level view of infrastructure needs in the area. More detailed engineering document will be needed before any construction projects can be considered. That will require additional funds that may be paid with increment. Stefan Streeter of MDT suggested at least some preliminary engineering that would note elevations of water and sewer infrastructure will be important for the coordination with the Bypass project. Woody noted that, given increment of \$80,000 and estimated expenses of around \$31,000 (\$20,000 – BSED; \$11,000 – KLJ), the TEDD would have around \$49,000 available for additional expenses.

**Learn from an Existing TEDD – Butte** – Nick said that he has been in contact with Todd Tregidga of the Montana Connections Business Development Park in Silver Bow County. This Tax Increment Financing Industrial District (the precursor to TEDDs) has been in existence for a while and will be sunsetting soon. He suggested that we communicate with Todd to give us some insight and answer some of our questions. It would be worthwhile to draw from their experience.

**Possible Development** – Dan Schwarz asked if any industrial businesses have recently expressed interest in the TEDD. Dianne explained that some commercial realtors have advised they have clients interested in property in the TEDD and in some properties located in the proposed expansion. These realtors indicated their clients are waiting to see what happens with the expansion. Dan asked if they would be interested if the expansion is not approved. BSED does not have that information.

**Coordination of a BUILD grant application with MDT** – The board discussed the possibility of cooperating with MDT in the submission of a BUILD grant associated with the Billings Bypass project. Stefan Streeter of MDT advised it is too early for them to commit to any sort of joint application. Mike asked how it would work if MDT partnered with the Lockwood TEDD. Stefan said there would be a coordination meeting beforehand to explore the possibilities and work out the details. Stefan suggested a lot of what the TEDD brings to the table would help with many of the criteria, goals, and outcomes that BUILD grants look for, including economic development, alternative modes of transportation, multi-jurisdictional cooperation, and incorporation of parks and pedestrian paths.

Becky Bey stated that coordination is very important, especially with MDT. Successful BUILD grants need the blessing, input, and cooperation of the state transportation department. For the TEDD's purposes, the partnership would be doubly important as the TEDD will not be in a position, by itself, to provide enough matching funds to make the application nationally competitive. BUILD grants generally need a match of 40% or more to be competitive. Partnership with MDT would allow the state's investment in the Bypass project to be considered as match for the overall grant project. As noted before, the board has discussed hiring KLJ to explore whether the Lockwood TEDD is in a position to even participate in such a partnership. Regardless of their finding, the information collected by their process will be useful and important in other possible grant applications the TEDD may pursue.

**Infrastructure Development (Water/Sewer)** – Mike stated that the Lockwood Water and Sewer District will approach the City of Billings about expanding the sewer boundary. A timeline for this has not been determined.

**Infrastructure Development (Roads/Bypass)** – Stefan Streeter provided an update on the Bypass timeline. There has been some delay with the initial Five Mile Road portion of the project as they are still in the process of buying right of way. MDT hopes to begin construction in 2019, but, if that is not possible, they will likely work on Five Mile and the bridge section at the same time in 2020. Bridge construction is scheduled for 2020 and 2021. That will be followed by construction of the railway overpasses. The timeline for the Johnson Interchange has changed. It was scheduled for 2025, but has been moved up to 2022. That portion will take two seasons to complete.

**Infrastructure Development (Rail)** – Dianne had spoken to Justin Pearson of BNSF. He says that the Lockwood TEDD is on their radar as one of the few sites along their line with available land. He suggested we work with MRL to get a rail spur to the TEDD, using the Exxon switch to the south. Josh advised not to expect any engineering or design work from either BNSF or MRL. He stated that KLJ is the only engineering firm to use for such purposes and they are preferred by MRL.

**Floodplain** – Dianne said BSED has received many questions from property owners about changes in the flood maps because of the Billings Bypass project. Some are under the impression that the project will change the floodplain or at least result in updated maps. Dianne has referred inquiries to MDT. Stephan said the project is not far enough along to answer any of these questions. There have been no floodplain map revisions. The goal of the project itself is to have zero impact on the water level. He suggested that BSED file a FOIA form so information can be funneled through BSED to the property owners rather than having various individual landowners requesting the same information.

**Legislative Priorities** – the Board discussed legislative issues which may affect the TEDD. These include possible legislation related to Tax Increment Financing, the gas tax, a local option tax, and a push for an infrastructure bill. It was suggested that we reach out to legislators after election day to let them know our thoughts.

The board ask that BSED develop a preliminary Annual Work Plan based on these discussions for the Board to review and amend at the next meeting.

The board agreed to move November’s meeting back a week to November 28<sup>th</sup> at 2:30 since the scheduled date of November 21<sup>st</sup> is the day before Thanksgiving.

#### 5. Public Comment

None.

#### 6. Adjourn

Meeting adjourned at 3:25.

Next Meeting: November 28<sup>th</sup>(date changed due to Holiday) at 2:30 – Yellowstone Conference Room, Granite Tower

Future Meeting Topics:           Annual Workplan