YELLOWSTONE COUNTY BOARD OF COUNTY COMMISSIONERS

Ordinance No. 18-94

An Ordinance Expanding the Lockwood Targeted Economic Development District (TEDD) and Adopting the Lockwood TEDD Plan as Amended with a Tax Increment Financing Program Pursuant to Title 7, Chapter 15, Part 42 and 43 of the Montana Code Annotated

WHEREAS, in Yellowstone County there is an unincorporated area of urban development commonly referred to as “Lockwood.”

WHEREAS, a portion of Lockwood is zoned Industrial or Agricultural Open in accordance with the Lockwood Growth Policy.

WHEREAS, in accordance with MCA § 7-15-4280, on August 3, 2018, the Yellowstone County Board of Commissioners passed Resolution No. 18-62 (Resolution of Necessity), declaring the Lockwood TEDD described below as “infrastructure deficient” as described in MCA § 7-15-4279.

WHEREAS, Resolution 18-78 generally established expanded boundaries of the Lockwood TEDD, as described in the following attached Exhibits “A” and “B” and determined the existence of infrastructure deficiencies in the area.

WHEREAS, on October 16, 2018, the Yellowstone County Board of Commissioners passed Resolution No. 18-93, a Resolution of Intent Expanding the Lockwood TEDD and Adopting the Lockwood TEDD Plan (as Amended) with a Tax Increment Financing Program Pursuant to Title 7, Chapter 15, Part 42 and 43 of the Montana Code Annotated.

WHEREAS, Yellowstone County is interested in fostering redevelopment, growth and retention of secondary, value adding industries as part of the County’s overall goal to promote, stimulate, develop and advance the general welfare, commerce, economic development and prosperity of the citizens of Yellowstone County and the State of Montana. Therefore, pursuant to MCA § 7-15-4279, Yellowstone County caused a Comprehensive Development Plan to be prepared.

WHEREAS, Yellowstone County is interested in using Tax Increment Financing as authorized in MCA §§ 7-15-4282 through 7-15-4294, to help fund the supportive public infrastructure needed for the development of secondary, value-adding industries in the Lockwood TEDD area.

WHEREAS, pursuant to § 7-15-4279, a local government may by ordinance and following a public hearing authorize the expansion of a TEDD in support of value-adding economic development.

WHEREAS, the TEDD Plan for the Lockwood targeted area, including tax incentive provision, has been prepared to guide the industrial development program and public infrastructure projects in the infrastructure deficient area established by Resolution No. 18-62.
NOW, BE IT ORDAINED THE YELLOWSTONE COUNTY BOARD OF COUNTY
COMMISSIONERS, AS FOLLOWS:

SECTION 1: The expanded Lockwood TEDD encompasses an area of primarily agricultural use
with some industrial sites. The expanded area is approximately 624 acres and is located north of
Interstate 90 and 94 and south of the Yellowstone River. The BNSF railroad bisects the area and
has a rail spur with access to the Pacific Recycling facility, located within the TEDD boundary.

SECTION 2: The legal description and map of the expanded TEDD are attached as Exhibits “A”
and “B.”
   a. The property to be included in the expanded District consists of a continuous area with an
      accurately described boundary.
   b. The expanded TEDD includes about 13 separately described parcels, more than large
      enough to afford maximum opportunity, consistent with the sound needs of Yellowstone
      County as a whole, for the rehabilitation or redevelopment. The expanded TEDD is
      therefore large enough to host a diversified base of multiple independent tenants.
   c. The expanded TEDD is not comprised of any property included within an existing Tax
      Increment Financing District.

SECTION 3: The area was zoned in accordance with the Lockwood Growth Policy as provided
for in MCA § 7-15-4279.

SECTION 4: An amended plan for the Lockwood TEDD was prepared according to the
Montana Code Annotated and is attached as Exhibit “C.”

SECTION 5: The Lockwood TEDD plan was submitted to the Yellowstone County Planning
Board for review, and on October 10, 2018, the Planning Board executed a resolution that found
the Lockwood TEDD Plan (as amended) to be in conformity with the Lockwood Growth Policy
and found that the TEDD was zoned for uses in accordance with the growth policy.

SECTION 6: Definitions. The following terms wherever used or referred to in this Ordinance
shall have the following meanings:
   1. “Act” means Title 7, Chapter 15, Parts 42 and 43 of the Montana Code Annotated.
   2. “Actual taxable value” means the taxable value of taxable property at any time, as
      calculated from the assessment roll last equalized.
   3. “Base taxable value” means the actual value of all taxable property within an urban
      renewal area prior to the effective date of a tax increment financing provision. This
      value may be adjusted as provided in MCA §§ 7-15-4287 or 7-15-4293.
   4. “Incremental taxable value” means the amount, if any, by which the actual taxable
      value at any time exceeds the base taxable value of all property within a TEDD.
   5. “Tax increment” means the collections realized from extending the tax levies,
      expressed in mills, of all taxing bodies which the TEDD area or a part thereof is
      located, against the incremental taxable value.
   6. “Tax increment provision” means a provision for the segregation and application of
      tax increments as authorized by MCA §§ 7-15-4282 through 7-15-4294.
7. "Taxes" means all taxes levied by a taxing body against property on an ad valorem basis.
8. "Targeted Economic Development District" means a defined area that supports value-adding economic development and may utilize tax increment financing.
9. "Targeted economic development project" means a project undertaken within or for a TEDD that consists of any or all of the activities authorized by MCA § 7-15-4288.

SECTION 7: It is the desire of the Yellowstone County Board of Commissioners to exercise, within the defined area, the powers conferred by Title 7, Chapter 15, Parts 42 and 43 of the Montana Code Annotated.

SECTION 8: A notice of the public hearing in substantially the form presented in, and attached hereto as Exhibit "D," was published on October 19, 2018 and October 26, 2018. A notice of the public hearings was mailed by certified mail to all property owners in the District based on a list of the geocodes for all real property, the assessor codes for all personal property, and a description of all centrally assessed property located within the TEDD at the time of its creation.

SECTION 9: The Lockwood TEDD is hereby expanded.

SECTION 10: The Lockwood TEDD Plan (as amended), attached as Exhibit "C," is hereby reaffirmed.

SECTION 11: For the purpose of calculating the incremental taxable value for each year of the life of the District, the base taxable value shall be calculated as the taxable value of all real and personal property within the District as of January 1, 2019.

SECTION 12: Yellowstone County is hereby authorized to segregate, as received, the tax increment derived in the TEDD, and use and deposit such increment into the TEDD fund for use as authorized the Montana Code Annotated and as authorized herein or by the Board of County Commissioners from time to time.

SECTION 13: The tax increments received from the expanded TEDD may be used to directly pay costs of approved targeted economic development projects, or to pay debt service on bonds issued to finance targeted economic development projects as defined in the Montana Code Annotated as may from time to time be approved by the Board of County Commissioners. The Board of County Commissioners hereby authorizes the use of tax increment the expanded TEDD to be used to pay debt service on internal and bank financed loans issued to finance all or a portion of the costs of eligible improvements in compliance with the Montana Code Annotated and subject to any limitations imposed by the Montana Constitution.

SECTION 14: The tax increment financing provision of the expanded TEDD will terminate in accordance with the Montana Code Annotated. After termination of the tax increment financing provision, all taxes shall continue to be levied upon the actual taxable valuation of the taxable property within the TEDD, but shall be paid into funds of the taxing bodies levying taxes within the TEDD.
SECTION 15: The creation of a targeted economic development project or program or the approval of a targeted economic development project or program does not affect, abrogate or supersede any rules, ordinances, or regulations of Yellowstone County relating to zoning, land use regulations or other applicable state, local or federal laws or regulations.

SECTION 16: All parts of ordinances and resolutions in conflict with the subject matter or this ordinance are hereby repealed.

SECTION 17: Should any part of this ordinance be found to be illegal or unenforceable by a Court of Competent Jurisdiction, the remaining portions that are not illegal or unenforceable shall remain in full force and effect.

SECTION 18: This Ordinance shall be in full force and effect thirty days after final passage and adoption by the Yellowstone County Board of Commissioners.

Passed first reading this 30th day of October, 2018.

BOARD OF COUNTY COMMISSIONERS
YELLOWSTONE COUNTY, MONTANA

_____________________________________________
John Oslund, Chairperson

_____________________________________________
Robyn Driscoll, Member  __________________________
Attest:

_____________________________________________
Denis Pitman, Member  __________________________

Jeff Martin
Yellowstone County Clerk and Recorder

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Ordinance No. 18-94
An Ordinance Expanding the Lockwood Targeted Economic Development District (TEDD) and Adopting the Lockwood TEED Plan as Amended with a Tax Increment Financing Program Pursuant to Title 7, Chapter 15, Part 42 and 43 of the Montana Code Annotated
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PASSED second reading this 13th day of November, 2018.

BOARD OF COUNTY COMMISSIONERS
YELLOWSTONE COUNTY, MONTANA

[Signatures]

John Ostlund, Chairperson

Robyn Driscoll, Member

Denis Pitman, Member

Attest:

Jeff Martin
Yellowstone County Clerk and Recorder
YELLOWSTONE COUNTY BOARD OF COUNTY COMMISSIONERS

Resolution No. 18-78

Resolution of Intent to Change Boundary of Jurisdictional Zoning Area of Yellowstone County

WHEREAS, pursuant to Sections 76-2-201 of the Montana Code Annotated, a board of county commissioners has the authority to establish a county jurisdictional zoning area. Pursuant to Section 76-2-205 of the Montana Code Annotated, a board of county commissioners has the authority to change the jurisdictional zoning area. To change the jurisdictional zoning area, a board of county commissioners has to set a public hearing, provide notice of the public hearing through posting and publication, hold a public hearing, pass a resolution of intent, publish notice of the resolution of intent, receive protests and pass a resolution if enough property owners have not protested.

WHEREAS, Town & Country Supply Association owns property located at Section 8, Township 1 North, Range 27 East, Certificate of Survey 1225, Tracts 5 and 6 and the remainder of Certificate of Survey AM Tract 3A1 (All Heavy Industrial) is located adjacent to the jurisdictional zoning area of Yellowstone County; Todd M. & Trina G. Bressler (legal owners) and Gerald and Linda Green (equitable owners) owns property located at Section 8, Township 1 North, Range 27 East, Certificate of Survey 1225, Tract 2 (Heavy Industrial) is located adjacent to the jurisdictional zoning area of Yellowstone County; Todd Allyn a/k/a Todd Allen Krause & Elizabeth Ann Krause owns property located at Section 8, Township 1 North, Range 27 East, Certificate of Survey 3092, Tract 1 (Agricultural/Open Space) is located adjacent to the jurisdictional zoning area of Yellowstone County; Emily Lou Watson owns property located at Section 8, Township 1 North, Range 27 East, Certificate of Survey 1225, Tract 1B, as amended (Agricultural/Open Space) is located adjacent to the jurisdictional zoning area of Yellowstone County; James T. and Lucy A. Schmid own property located at Section 8, Township 1 North, Range 27 East, Certificate of Survey 1225, Tract 1A1 as amended and Section 8, Township 1 North, Range 27 East, Certificate of Survey 1225, Tract 1A2 as amended (All Agricultural/Open Space) is located adjacent to the jurisdictional zoning area of Yellowstone County; LC Properties, LLC owns property located at Section 17, Township 1 North, Range 27 East, NE4NE4 (Less Hwy. and Certificate of Survey 1409) 37.79 acres and Section 17, Township 1 North, Range 27 East, Certificate of Survey 1409 (Both Controlled Industrial) is located adjacent to the jurisdictional zoning area of Yellowstone County; and James Todd Hertz, et al. owns property located at Section 17, Township 1 North, Range 27 East, Certificate of Survey 632, Tracts 1-9, 2nd amended (Controlled Industrial) is located adjacent to the jurisdictional zoning area of Yellowstone County. A copy of the request can be obtained from the Yellowstone County Clerk and Recorder. The general character of the zoning regulations is to establish zoning of these properties in either Controlled Industrial Zoning, Heavy Industrial Zoning or Agricultural Open Zoning. The proposed zoning regulations are on file for public inspection at the office of the County Clerk and Recorder. Attached is a copy of the request. The Yellowstone County Board of County Commissioners have reviewed the request and believe that it may be in the best interest of the public to expand the jurisdictional zoning area of the County as requested by Town & Country Supply Association, et al.

WHEREAS, on July 3, 2018, the Yellowstone County Board of County Commissioners passed a resolution to initiate the process to change the boundary of the jurisdictional zoning area of Yellowstone County and set a public hearing on the change for August 21, 2018. On July 3, 2018, the Yellowstone County Clerk and Recorder posted notice of the public hearing at five locations in the County. On July 6, 2018 and July 13, 2018, the Yellowstone County Clerk and Recorder published notice of the hearing. On August 1, 2018, the Yellowstone County Planning Board provided the Board with a recommendation on the change. On August 21, 2018, the Board held a public hearing on the change. The Board considered the matter and believed it would be in the best interest of the County to expand the jurisdictional zoning area of the County as proposed by Town & Country Supply Association, et al.

NOW THEREFORE, BE IT RESOLVED,

The Yellowstone County Board of County Commissioners intends to expand the jurisdictional zoning area of the County as requested by Town & Country Supply Association, et al. The Board orders the Yellowstone County Clerk and Recorder to publish notice of the resolution of intent and accept protests as to the intended expansion until September 25, 2018. On September 25, 2018, at its regularly scheduled meeting, the Board will consider any

Resolution No. 18-78
Resolution of Intent to Change Boundary of Jurisdictional Zoning Area of Yellowstone County
1 of 2
protests filed with it. If not enough property owners have protested the expansion, the Board will pass a resolution that approves the expansion.

Passed and Adopted on the 21st day of August, 2018.

BOARD OF COUNTY COMMISSIONERS
YELLOWSTONE COUNTY, MONTANA

John Oslund, Chairman

Denis Pitman, Member

Robyn Procell, Member

Attest:

Jeff Maddox
Yellowstone County Clerk and Recorder

Resolution No. 18-78
Resolution of Intent to Change Boundary of Jurisdictional Zoning Area of Yellowstone County
2 of 2
YELLOWSTONE COUNTY BOARD OF COUNTY COMMISSIONERS

Notice of Passage of Resolution of Intent on Proposed Boundary Change of Jurisdictional Zoning Area of Yellowstone County and Request for Protests on Expansion

On August 21, 2018, the Yellowstone County Commission held a public hearing to determine whether to expand the Jurisdictional Zoning Area of Yellowstone County to the following properties: Town & Country Supply Association owns property located at Section 8, Township 1 North, Range 27 East, Certificate of Survey 1225, Tract 5 and Tract 6 and the remainder of Certificate of Survey AM Tract 3A1 (All Heavy Industrial) is located adjacent to the jurisdictional zoning area of Yellowstone County; Todd M. & Trina G. Bressler (legal owners) and Gerald and Linda Green (equitable owners) owns property located at Section 8, Township 1 North, Range 27 East, Certificate of Survey 1225, Tract 2 (Heavy Industrial) is located adjacent to the jurisdictional zoning area of Yellowstone County; Todd Allyn a/k/a Todd Allen Krause & Elizabeth Ann Krause owns property located at Section 8, Township 1 North, Range 27 East, Certificate of Survey 3092, Tract 1 (Agricultural/Open Space) is located adjacent to the jurisdictional zoning area of Yellowstone County; Emily Lou Watson owns property located at Section 8, Township 1 North, Range 27 East, Certificate of Survey 1225, Tract 1B, as amended (Agricultural/Open Space) is located adjacent to the jurisdictional zoning area of Yellowstone County; James T. and Lucy A. Schmid own property located at Section 8, Township 1 North, Range 27 East, Certificate of Survey 1225, Tract 1A1 as amended and Section 8, Township 1 North, Range 27 East, Certificate of Survey 1225, Tract 1A2 as amended (All Agricultural/Open Space) is located adjacent to the jurisdictional zoning area of Yellowstone County; LC Properties, LLC owns property located at Section 17, Township 1 North, Range 27 East, NE4NE4 (Less Hwy. and Certificate of Survey 1409) 37.79 acres and Section 17, Township 1 North, Range 27 East, Certificate of Survey 1409 (Both Controlled Industrial) is located adjacent to the jurisdictional zoning area of Yellowstone County; and James Todd Hertz, et al. owns property located at Section 17, Township 1 North, Range 27 East, Certificate of Survey 632, Tracts 1-9, 2nd amended (Controlled Industrial) is located adjacent to the jurisdictional zoning area of Yellowstone County. A copy of the request can be obtained from the Yellowstone County Clerk and Recorder. The general character of the zoning regulations is to establish zoning of these properties in Controlled Industrial Zoning, Heavy Industrial Zoning or Agricultural Open Zoning. The proposed zoning regulations are on file for public inspection at the office of the County Clerk and Recorder.

At the hearing, the Board took testimony and received comments on the proposed expansion and considered the recommendation of the Yellowstone County Planning Board on the proposed expansion. Following the hearing, the Board passed the Resolution of Intent to expand the jurisdictional zoning boundary of the County as being in the best interests of the public.

The public has 30 days from the first publication of the Resolution of Intent to protest the expansion of the zoning jurisdictional area from persons owning real property within the district whose names appear on the last-completed assessment roll of the County. If you would like to submit a protest of the proposed expansion, please send it to the Yellowstone County Clerk and Recorder, Attn: Public Protest on Proposed Expansion of Jurisdictional Zoning Area, P.O. Box 35001, Billings, Montana 59107. If you would like more information about the proposed expansion or the right to protest, please contact Daniel L. Schwarz, Yellowstone County Chief Civil Deputy Attorney, P.O. Box 35025, Billings, Montana 59102, Telephone Number (406) 256-2830.
WHEREAS, pursuant to Sections 76-2-201 of the Montana Code Annotated, a board of county commissioners has the authority to establish a county jurisdictional zoning area. Pursuant to Section 76-2-205 of the Montana Code Annotated, a board of county commissioners has the authority to change the jurisdictional zoning area. To change the jurisdictional zoning area, a board of county commissioners has to set a public hearing, provide notice of the public hearing through posting and publication, hold a public hearing, pass a resolution of intent, publish notice of the resolution of intent, receive protests and pass a resolution if enough property owners have not protested.

WHEREAS, Town & Country Supply Association owns property located at Section 8, Township 1 North, Range 27 East, Certificate of Survey 1225, Tract 5 and Tract 6 and the remainder of Certificate of Survey AM Tract 3A1 (All Heavy Industrial); Todd M. & Trina G. Bressler (legal owners) and Gerald and Linda Green (equitable owners) owns property located at Section 8, Township 1 North, Range 27 East, Certificate of Survey 1225, Tract 2 (Heavy Industrial); Todd Allyn a/k/a Todd Allen Krause & Elizabeth Ann Krause owns property located at Section 8, Township 1 North, Range 27 East, Certificate of Survey 3092, Tract 1 (Agricultural/Open Space); Emily Lou Watson owns property located at Section 8, Township 1 North, Range 27 East, Certificate of Survey 1225, Tract 1B, as amended (Agricultural/Open Space); James T. and Lucy A. Schmid owns property located at Section 8, Township 1 North, Range 27 East, Certificate of Survey 1225, Tract 1A1 as amended and Section 8, Township 1 North, Range 27 East, Certificate of Survey 1225, Tract 1A2 as amended (All Agricultural/Open Space); LC Properties, LLC owns property located at Section 17, Township 1 North, Range 27 East, NE4NE4 (Less Hwy. and Certificate of Survey 1409) 37.79 acres and Section 17, Township 1 North, Range 27 East, Certificate of Survey 1409 (Both Controlled Industrial); and James Todd Hertz, et al. owns property located at Section 17, Township 1 North, Range 27 East, Certificate of Survey 632, Tracts 1-9, 2nd amended (Controlled Industrial). Town & Country Supply Association, et al. has submitted a request to the Yellowstone County Board of County Commissioners to have their property placed in the jurisdictional zoning area of the County. Attached is a copy of the request. The Yellowstone County Board of County Commissioners have reviewed the request and believe that it may be in the best interest of the public to expand the jurisdictional zoning area of the County as requested by Town & Country Supply Association, et al.

WHEREAS, on July 3, 2018, the Yellowstone County Board of County Commissioners passed a resolution to initiate the process to change the boundary of the jurisdictional zoning area of Yellowstone County and set a public hearing on the change for August 21, 2018. On July 3, 2018, the Yellowstone County Clerk and Recorder posted notice of the public hearing at five locations in the County. On July 6, 2018 and July 13, 2018, the Clerk and Recorder published notice of the hearing. On August 21, 2018 the Yellowstone County Planning Board provided the Board with a recommendation on the change. On August 21, 2018, the Board held a public hearing on the change and passed a resolution of intent to expand the jurisdictional zoning area of the County as proposed by Town & Country Supply Association, et al. On July 6, 2018 and July 13, 2018, the Clerk and Recorder published notice of the resolution of intent. The Clerk and Recorder received ___ protests. Attached are copies of the protests it received.

NOW THEREFORE, BE IT RESOLVED,

The Yellowstone County Board of County Commissioners expands the jurisdictional zoning area of the County as requested by Town & Country Supply Association, et al. The Board orders the Yellowstone County Planning Department to amend the County’s zoning regulations and maps to acknowledge the expansion.

III

Resolution No. 18-79
Resolution to Change Boundary of Jurisdictional Zoning Area of Yellowstone County
1 of 2
Passed and Adopted on the 25th day of September, 2018.

BOARD OF COUNTY COMMISSIONERS
YELLOWSTONE COUNTY, MONTANA

John Ostlund, Chairman

Dennis Pitman, Member

Robyn Driscoll, Member

Attest:

Jeff Martin
Yellowstone County Clerk and Recorder
measuring any incremental value, the base year is 2018 for the added properties, with values as of January 1, 2018.

5. TARGETED ECONOMIC DEVELOPMENT ACTIVITIES

Targeted Industries

A local government may create a TEDD in support of value-adding economic development, by development of infrastructure within the district that would encourage the location and retention of value-adding projects. The Lockwood TEDD will target businesses that produce products defined in MCA 7-15-4279 (a):

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

Additionally, the Lockwood TEDD will also support secondary value-adding industry, defined in MCA 7-15-4279 (b):

"secondary value-adding industry" means a business that produces secondary value-added products or commodities or a business or organization that is engaged in technology-based operations within Montana that, through the employment of knowledge or labor, adds value to a product, process, or export service resulting in the creation of new wealth.

The addition of these lands to the Lockwood TEDD will increase its ability to host multiple tenants producing secondary value-added products or commodities and better support secondary value-added industry by increasing the amount of available land and the number of potential access points and therefore the ability of the site to accommodate users with varying space and access needs.

6. PLAN AMENDMENTS

This amendment to the Lockwood TEDD and its plan are to be made by resolution of the Yellowstone County Board of County Commissioners at the request of interested property owners.
Response: The area to be added to the Lockwood TEDD is lacking sufficient infrastructure. The resolution of necessity created for the designation of the Lockwood TEDD notes deficiencies in several areas of infrastructure. Additionally, the Yellowstone County Board of County Commissioners adopted Resolution 18-62 to reaffirm the resolution of necessity specifically for the areas included in this amendment. The resolution was adopted on July 3, 2018. The additional properties to be added to the TEDD share the same infrastructural deficiencies. Further discussion of the infrastructure deficiencies and the costs associated with remedying them is included in the Lockwood TEDD Comprehensive Development Plan.

Water: A public water system is not available within the existing TEDD boundaries and the additional lands to be added to it do not improve this situation. The Lockwood Water and Sewer District does not have the Lockwood TEDD within their service boundaries.

Sewer: A public sewer system is not available within the existing TEDD boundaries and additional lands to be added to it do not improve this situation. Development on the additional lands will increase the need for treatment capacity.

Transportation: The resolution of necessity indicates that the road network in the TEDD will need to be improved to Commercial Collector standards. The lands to be added to the TEDD include some additional road frontage along Johnson and Coulson Roads that will improve access to parcels but also increase the amount of roadway that needs to be brought up to the required standard.

Other utilities: The addition of these lands to the Lockwood TEDD does not improve access to other utilities such as gas and broadband.

(e) must, prior to its creation, have in place a comprehensive development plan adopted by the local governments that ensures that the district can host a diversified tenant base of multiple independent tenants; and

Response: There is a Comprehensive Development Plan in place for the Lockwood TEDD. These lands to be added to the Lockwood TEDD would further the goals of the Comprehensive Development Plan.

(f) may not be designed to serve the needs of a single district tenant or group of non-independent tenants.

Response: The current boundaries of the Lockwood TEDD are designed to serve the needs of multiple independent tenants and the addition of these properties will increase the TEDD's ability to host multiple tenants.

(3) The local government may use tax increment financing pursuant to the provisions of 7-15-4282 through 7-15-4294 for the targeted economic development district. If the local government uses tax increment financing, the use of and purpose for tax increment financing must be specified in the comprehensive development plan required in subsection (2)(e). The plan must also describe how the expenditure of tax increment will promote the development of infrastructure to encourage the location and retention of value-adding projects in the targeted economic development district.

Response: The lands to be added to the Lockwood TEDD will be part of the same tax increment financing program that the exiting Lockwood TEDD lands are. For the purposes of
4. FINDINGS

Montana State Statutes 7-15-4279 contains a set of findings that must be made for a local government to establish a Targeted Economic Development District. This Section lists these findings and the justification for making them as related to the expansion of the TEDD boundaries proposed here.

7-15-4279. Targeted economic development districts. (1) A local government may, by ordinance and following a public hearing, authorize the creation of a targeted economic development district in support of value-adding economic development projects. The purpose of the district is the development of infrastructure to encourage the location and retention of value-adding projects in the state.

(2) A targeted economic development district:

(a) must consist of a continuous area with an accurately described boundary that is large enough to host a diversified tenant base of multiple independent tenants;

Response: The area to be added to the Targeted Economic Development District is contiguous to the existing District and increases the ability of the district to accommodate a diversified tenant base of multiple independent tenants. The expanded area provides greater flexibility in terms of parcel size and makes it easier to accommodate tenants with varying parcel size, configuration and access needs.

(b) must be zoned:

(i) for uses by a local government under Title 76, chapter 2, part 2 or 3, in accordance with the area growth policy, as defined in 76-1-103; or

(ii) if a county has not adopted a growth policy, then for uses in accordance with the development pattern and zoning regulations or the development district adopted under Title 76, chapter 2, part 1;

Response: The property to be added to the Lockwood TEDD are zoned one of the following: Agricultural / Open Space, Controlled Industrial and Heavy Industrial. Completion of the zoning process is anticipated in September 2018. Figure 2 above depicts the zoning of the properties. Areas with agricultural zoning can be rezoned to allow industrial and secondary economic uses when required. Such rezoning would be consistent with the Lockwood Community plan.

(c) may not comprise any property included within an existing tax increment financing district;

Response: No property included within the proposed expansion area is located within an existing tax increment financing district.

(d) must, prior to its creation, be found to be deficient in infrastructure improvements as stated in the resolution of necessity adopted under 7-15-4280;
Compatibility with Growth Policy and Zoning

As required by MCA 7-15-4279, the TEDD must be zoned in accordance with the area growth policy. The entirety of the Lockwood TEDD, including the areas proposed to be added, is located within the Lockwood Planning Boundary.

The Lockwood Growth Policy was adopted by the Yellowstone County Commission on May 17, 2016 and is intended to reflect public values within Lockwood. The document should be considered when land use applications and infrastructure investment proposals are presented.

In creating the growth policy, the Lockwood community contemplated the development of the Lockwood TEDD. Of the 11 growth guidelines identified in the document, one specifically addresses the TEDD:

A Targeted Economic Development District (TEDD) may be used to foster secondary, value adding economic development. Properties within the general area of the TEDD may be initially zoned as agriculture with the intent to rezone to an industrial zoning district when and if the TEDD is implemented.

--Lockwood Growth Policy, 2016

The Lockwood Growth Policy noted two previous planning documents, from which specific goals are still applicable to the Lockwood community. These documents are the Lockwood Community Plan (2006) and the Yellowstone County & City of Billings Growth Policy (2008). The City of Billings Growth Policy (2016) updates the City elements of the 2008 Growth Policy, therefore elements related to the unincorporated portions of the County are still applicable.

Goals from the 2006 Lockwood Community Plan that apply to the Lockwood TEDD, include the following:

Infrastructure: Continue to research and support the improvement and INSTALLATION of community infrastructure that will better serve Lockwood.

--Lockwood Community Plan, 2006

Goals from the 2008 Yellowstone County Growth Policy that apply to the Lockwood TEDD include the following:

Economic Development: Coordinated economic development efforts that target business recruitment, retention, and expansion.

--Yellowstone County & City of Billings Growth Policy, 2008

In accordance with the Lockwood Growth Policy, the properties currently within the Lockwood TEDD are zoned Agricultural, Controlled Industrial, or Heavy Industrial. See Figure 2 below for a depiction of properties to be added and their proposed zoning classifications.
## Parcels

Land owners and property descriptions for the properties to be added to the Lockwood TEDD are listed below.

<table>
<thead>
<tr>
<th>Owner Last Name</th>
<th>Legal Description</th>
<th>Geocode/Tax ID</th>
<th>Property Address</th>
<th>Mailing Address</th>
<th>Zoning</th>
<th>Acres</th>
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</thead>
<tbody>
<tr>
<td>Town &amp; Country Supply Assoc.</td>
<td>S08, T01 N, R27, E C.O.S. 1225, Tracts 4A1 &amp; S</td>
<td>03103408403186002 D12261 -</td>
<td>3737 Coulson Rd</td>
<td>PO BOX 367 Laurel, MT 59044</td>
<td>Heavy Industrial</td>
<td>33.9</td>
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<td>Green, Linda Bressler, Todd M &amp; Trina G</td>
<td>S08, T01 N, R27, E C.O.S. 1225, Parcel 2</td>
<td>03103408403050000 D06335</td>
<td>2611 Watson Rd</td>
<td>2611 Watson Rd Billings MT 59101</td>
<td>Heavy Industrial</td>
<td>24.5</td>
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<td>Watson, Emily Lou</td>
<td>S08, T01 N, R27, E C.O.S. 1225, Parcel 18, AMD</td>
<td>03103408403010000 D06333</td>
<td>3803 Coulson Rd E</td>
<td>3803 Coulson Rd E Billings, MT 59101</td>
<td>Agricultural Open Space</td>
<td>6.5</td>
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<td>Schmid, James T &amp; Lucy A</td>
<td>S08, T01 N, R27, E C.O.S. 1225, Parcel 1A2, AMD</td>
<td>03103408403020000 D06333A</td>
<td>3925 Coulson Rd</td>
<td>3925 Coulson Rd Billings, MT 59101</td>
<td>Agricultural Open Space</td>
<td>15</td>
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<td>Schmid, James T</td>
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</tbody>
</table>
Subdivision; thence northwesterly along the southerly line of said Lot 1 to the southwesterly corner of said Lot 1, said corner also being on said easterly right-of-way line of Coulson Road; thence northeasterly along said right-of-way line to the intersection of said right-of-way line with the south line of said Section 18; thence westerly along said section line, crossing the Coulson Road right-of-way and the Burlington Northern Santa Fe Railroad right-of-way to the intersection of said section line with the westerly right-of-way line of said BNSFRR; thence northeasterly along said BNSFRR right-of-way line to the southerly corner of Lot 5 of Johnson Lane Materials Subdivision; thence northwesterly along the westerly line of said Lot 5 to the northwest corner of said Lot 5, said corner also being on the southerly line of Lot 2, Block 1 of Weaver Flats Subdivision; thence westerly along said southerly line to the southwesterly corner of said Lot 2; thence northerly along the west line of said Lot 2 to the northwest corner of said Lot 2, said corner also being the northwesterly corner of Tract 2 of Certificate of Survey No. 3477; thence northeasterly along the westerly line of said Tract 2 to the northwesterly corner of Tract 1 of said COS No. 3477; thence northeasterly and easterly along the northerly line of said Tract 1 to the northeasterly corner of said Tract 1; thence southeasterly along the easterly line of said Tract 1 to the S1/16th corner common to said Sections 7 & 8; thence easterly along the north line of the SW1/4SW1/4 of said Section 8 to the SW1/16th corner of said Section 8, said corner also being the southeasterly corner of Tract 1A of Certificate of Survey No. 2807; thence northerly, easterly and southerly along the westerly, northerly and easterly lines of said Tract 1A to the intersection of said easterly line with said westerly right-of-way line of the BNSFRR; thence southerly, crossing said BNSFRR right-of-way to a point on the easterly right-of-way line of BNSFRR, said point also being the northerly corner of Tract 3A of Certificate of Survey No. 2807; thence southwesterly along the westerly line of Tracts 3A and 3B of said COS No. 2807 to the southwest corner of said Tract 3B; thence easterly along the south line of said Tract 3B to the southeast corner of said tract 3B; thence northerly along the east lines of said Tracts 3B and 3A to said northerly corner of Tract 3A, said corner also being the northwesterly corner of Tract 6B of Amended Tract 6, Certificate of Survey No. 1225; thence northeasterly along the northwesterly line of said Tract 6B to the northeasterly corner of said Tract 6b, said corner also being the southerly corner of said Tract 5, C.O.S No. 1225; thence northeasterly along the westerly line of said Tract 5 to the northwesterly corner of said Tract 5; thence easterly along the north line of said Tract 5 to said northeast corner of Tract 5, being the Point of Beginning; said described tract containing 1,213.1 acres or 1.895 square miles, more or less, and being subject to any existing easements and/or rights of way, whether of record or apparent on the ground.
The BNSF railroad bisects the Lockwood TEDD. There are two rail spurs within the Lockwood TEDD boundary: one with access to the Pacific Recycling facility and another within the property of the Town & Country Supply Association. Access to the area is provided by local roads, including Johnson Lane, Coulson Road and the Frontage Road. The Interstate 90 interchange at Johnson Lane connects the TEDD to the greater transportation network.

The Montana Department of Transportation is currently in the planning and design phase for the Billings Bypass project. This project will provide a 5-mile long, two lane limited access roadway connection across the Yellowstone River between Interstate 90 and Old Highway 312. There are several roadway improvements within Lockwood that are associated with this project. The Interstate 90 interchange at Johnson Lane will be reconstructed to accommodate the new Bypass. Alternative alignments are still under consideration. Additionally, a new intersection with the Bypass and Coulson Road will be constructed, which will create direct access to the southern portion of the Lockwood TEDD. An additional access point to the Bypass from the TEDD area will be considered as the design progresses.

Legal Description

The legal description of the full Lockwood TEDD after expansion is as follows:

A tract of land situated in Sections 7, 8, 17, 18, 19 and 20, Township 1 North, Range 27 East,
P.M.M., Yellowstone County, Montana; more particularly described as follows:

Beginning at the northeast corner of Tract 5, Certificate of Survey No. 1225, said corner also being the northeast corner of said Section 8; thence southerly along the east line of said section 8 to the southeast corner of said Section 8, said corner also being the northeast corner of said Section 17; thence southerly along the east line of said Section 17 to the intersection of said east line with the westerly right-of-way line of Interstate No. 94; thence southwesterly along said right-of-way line of I-94 to the I-94 & I-90 interchange; thence westerly along the northerly right-of-way line of said interchange to the intersection of said northerly right-of-way line with the west line of Seiffert Industrial Park; thence northerly along said west line to the northwest corner of said Seiffert Industrial Park; thence easterly along the north line of said Seiffert Industrial Park to the northeast corner of said Seiffert Industrial Park, said corner also being on the west line of Certificate of Survey No. 1734; thence northerly along said west line to the northwest corner of said COS No. 1734, said corner also being the southwest corner of Certificate of Survey No. 632, 2nd Amended; thence northerly along the westerly line of said COS No. 632, 2nd Am. to the intersection of said west line with the east line of Certificate of Survey No. 2009; thence southerly along said east line of COS No. 2009 to the southeast corner of said COS 2009; thence west along the south line of said COS 2009 to the southwest corner of said COS 2009, said corner also being on the easterly right-of-way line of Coulson Road; thence southwesterly along said right-of-way line to the northeast corner of Lot 1, Block 1, Great Plains Subdivision; thence southerly along the east line of said Lot 1 to the northwest corner of Certificate of Survey No. 3376; thence easterly along the north line of said COS No. 3376 to the northeast corner of said COS No. 3376; thence southerly along the easterly line of said COS No. 3376 to the southeast corner of said COS No. 3376; thence westerly along the south line of said COS No. 3376 to the southwest corner of said COS No. 3376; thence northerly along the west line of said COS No. 3376 to the southeast corner of said Lot 1, Block 1 of Great Plains Subdivision; thence southerly along the west line of said COS No. 3376 to the southeast corner of said COS No. 3376; thence westerly along the south line of said COS No. 3376 to the southwest corner of said COS No. 3376; thence northerly along the west line of said COS No. 3376 to the southeast corner of said Lot 1, Block 1 of Great Plains Subdivision.
Figure 1 – Existing and Proposed TEDD Boundaries
• Provide a locally-driven funding tool that can be used to partner with private industry and developers to fund the construction and maintenance of key infrastructure investments that are needed to foster the growth of value-added industry.

• Foster economic and employment opportunities within the Lockwood community and Yellowstone County through the development of secondary value-adding industries.

• Create a planned industrial area in Lockwood that attracts industry and leads to additional private investment in the Lockwood area.

• Implement a development plan centered around the growth of industrial businesses, while supporting non-motorized transportation facilities with the Billings Bypass.

Tax Increment Financing

Yellowstone County uses tax increment financing within the Lockwood TEDD and that would be extended to the additional lands. For the purposes of measuring any incremental value, the base year is 2018, with values as of, January 1, 2018. Tax Increment Financing is explained in detail in the Lockwood TEDD Comprehensive Development Plan.

2. SITE ANALYSIS

Site Description

The Lockwood TEDD is located north of Interstate 90 and 94 and south of the Yellowstone River and currently contains about 570 acres.

The areas proposed to be added are located on the west, north and east sides of the existing TEDD boundaries and total approximately 624 acres in thirteen parcels. Of that, it is estimated that approximately 175 acres would be the development area. Therefore, as amended, the District will be approximately 1,213 acres.

Like the properties currently located within the TEDD, the current uses are a mix of extraction, low density residential, light industrial, agriculture, and vacant. See Figure 1 for a depiction of the existing TEDD boundaries and the property to be added.
1. INTRODUCTION

Overview

In 2016, Yellowstone County, in conjunction with Big Sky Economic Development (BSED), seeking to enhance and expand economic activities through the development of planned, ready-to-go industrial space that supports secondary, value adding industries, created the Lockwood Targeted Economic Development District (TEDD). The Lockwood TEDD is intended to provide planned industrial space in order to attract and retain industrial and manufacturing businesses in Yellowstone County. Currently, it covers 570 acres of land in the Lockwood area and in accordance with MCA 7-15-4279, it will host a diversified tenant base of multiple, independent tenants.

Recognizing that the ability of the TEDD to achieve its goals will be strengthened by increasing its size, and therefore ability to house a diverse tenant base, at the request of the property owners, Yellowstone County is proposing an expansion of the District boundaries. This report addresses the findings and rationale for the expansion of the TEDD boundaries.

This report has been prepared in accordance with Montana Code Annotated, Title 7, Chapter 14, Parts 42 and 43. Other reports used as references for this report are the Lockwood TEDD Comprehensive Development Plan which lays the framework to guide the development of the TEDD and the Lockwood TEDD Strategic Plan which contains information regarding market analysis, targeted industries, development and implementation strategies.

Purpose

When creating the state statutes for the provision for a TEDD, the Montana Legislature noted that the lack of infrastructure is an impediment to development of value-adding economic development and that local governments often lack the financial resources to expand infrastructure that would serve such development.

In response to these issues, the needs of the community and recommendations of the Yellowstone County Industrial Park Feasibility Study (2014), the Big Sky Economic Development Authority identified a site for planned industrial space that could accommodate the demand. This site has been identified as the Lockwood TEDD, established by ordinance and approved by the Yellowstone County Commissioners on December 27, 2016.

Goals of the Lockwood TEDD

The goals of Yellowstone County in creating the Lockwood TEDD are listed below. Each of these goals is furthered by the expansion of the Lockwood TEDD boundaries. Adding additional land to the Lockwood TEDD increases its ability to provide multiple sites of varying shapes and sizes to accommodate users and tenants creating secondary value-added products or commodities.

- Support the expansion of existing industry, and the recruitment of new industry, within Yellowstone County by facilitating the provision and development of planned, ready-to-go industrial space.
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   Purpose .......................................................................................................................... 3
   Goals of the Lockwood TEDD ..................................................................................... 3
   Tax Increment Financing .............................................................................................. 4
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   Targeted Industries ....................................................................................................... 13
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LOCKWOOD TARGETED ECONOMIC DEVELOPMENT DISTRICT
Comprehensive Development Plan Amendment
September 2018

PREPARED FOR:
Big Sky Economic Development

FOR PRESENTATION TO:
Yellowstone County Board of County Commissioners
Figure 1 – Existing and Proposed TEDD Boundaries
The BNSF railroad bisects the Lockwood TEDD. There are two rail spurs within the Lockwood TEDD boundary: one with access to the Pacific Recycling facility and another within the property of the Town & Country Supply Association. Access to the area is provided by local roads, including Johnson Lane, Coulson Road and the Frontage Road. The Interstate 90 interchange at Johnson Lane connects the TEDD to the greater transportation network.

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A tract of land situated in Sections 7, 8, 17, 18, 19 and 20, Township 1 North, Range 27 East, P.M.M., Yellowstone County, Montana; more particularly described as follows:

Beginning at the northeast corner of Tract 5, Certificate of Survey No. 1225, said corner also being the northeast corner of said Section 8; thence southerly along the east line of said section 8 to the southeast corner of said Section 8, said corner also being the northeast corner of said Section 17; thence southerly along the east line of said Section 17 to the intersection of said east line with the westerly right-of-way line of Interstate No. 94; thence southwesterly along said right-of-way line of I-94 to the I-94 & I-90 interchange; thence westerly along the northerly right-of-way line of said interchange to the intersection of said northerly right-of-way line with the west line of Seiffert Industrial Park; thence northerly along said west line to the northwest corner of said Seiffert Industrial Park; thence easterly along the north line of said Seiffert Industrial Park to the northeast corner of said Seiffert Industrial Park, said corner also being on the west line of Certificate of Survey No. 1734; thence northerly along said west line to the northwest corner of said COS No. 1734, said corner also being the southwest corner of Certificate of Survey No. 632, 2nd Amended; thence northerly along the westerly line of said COS No. 632, 2nd Am. to the intersection of said west line with the east line of Certificate of Survey No. 2009; thence southerly along said east line of COS No. 2009 to the southeast corner of said COS 2009; thence west along the south line of said COS 2009 to the southwest corner of said COS 2009, said corner also being on the easterly right-of-way line of Coulson Road; thence southwesterly along said right-of-way line to the northeast corner of Lot 1, Block 1, Great Plains Subdivision; thence southerly along the east line of said Lot 1 to the northwest corner of Certificate of Survey No. 3376; thence easterly along the north line of said COS No. 3376 to the northeast corner of said COS No. 3376; thence southwesterly along the easterly line of said COS No. 3376 to the southeasterly corner of said COS No. 3376; thence westerly along the south line of said COS No. 3376 to the southwest corner of said COS No. 3376; thence northerly along the west line of said COS No. 3376 to the southeast corner of said Lot 1, Block 1 of Great Plains.
Subdivision; thence northwesterly along the southerly line of said Lot 1 to the southwesterly corner of said Lot 1, said corner also being on said easterly right-of-way line of Coulson Road; thence northeasterly along said right-of-way line to the intersection of said right-of-way line with the south line of said Section 18; thence westerly along said section line, crossing the Coulson Road right-of-way and the Burlington Northern Santa Fe Railroad right-of-way to the intersection of said section line with the westerly right-of-way line of said BNSFRR; thence northeasterly along said BNSFRR right-of-way line to the southerly corner of Lot 5 of Johnson Lane Materials Subdivision; thence northwesterly along the westerly line of said Lot 5 to the northwest corner of said Lot 5, said corner also being on the southerly line of Lot 2, Block 1 of Weaver Flats Subdivision; thence westerly along said southerly line to the southwesterly corner of said Lot 2; thence northerly along the west line of said Lot 2 to the northwest corner of said Lot 2, said corner also being the northwesterly corner of Tract 2 of Certificate of Survey No. 3477; thence northeasterly along the westerly line of said Tract 2 to the northwesterly corner of Tract 1 of said COS No. 3477; thence northeasterly and easterly along the northerly line of said Tract 1 to the northeasterly corner of said Tract 1; thence southeasterly along the easterly line of said Tract 1 to the S1/16th corner common to said Sections 7 & 8; thence easterly along the north line of the SW1/4SW1/4 of said Section 8 to the SW1/16th corner of said Section 8, said corner also being the southeasterly corner of Tract 1A of Certificate of Survey No. 2807; thence northerly, easterly and southerly along the westerly, northerly and easterly lines of said Tract 1A to the intersection of said easterly line with said westerly right-of-way line of the BNSFRR; thence southerly, crossing said BNSFRR right-of-way to a point on the easterly right-of-way line of BNSFRR, said point also being the northerly corner of Tract 3A of Certificate of Survey No. 2807; thence southwesterly along the westerly line of Tracts 3A and 3B of said COS No. 2807 to the southwest corner of said Tract 3B; thence easterly along the south line of said Tract 3B to the southeast corner of said tract 3B; thence northerly along the east lines of said Tracts 3B and 3A to said northerly corner of Tract 3A, said corner also being the northwesterly corner of Tract 6B of Amended Tract 6, Certificate of Survey No. 1225; thence northeasterly along the northwesterly line of said Tract 6B to the northeasterly corner of said Tract 6b, said corner also being the southwesterly corner of said Tract 5, C.O.S No. 1225; thence northeasterly along the westerly line of said Tract 5 to the northwesterly corner of said Tract 5; thence easterly along the north line of said Tract 5 to said northeast corner of Tract 5, being the Point of Beginning; said described tract containing 1,213.1 acres or 1.895 square miles, more or less, and being subject to any existing easements and/or rights of way, whether of record or apparent on the ground.
## Parcels

Land owners and property descriptions for the properties to be added to the Lockwood TEDD are listed below.

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<thead>
<tr>
<th>Owner Last Name</th>
<th>Legal Description</th>
<th>Geocode/Tax ID</th>
<th>Property Address</th>
<th>Mailing Address</th>
<th>Zoning</th>
<th>Acres</th>
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<td>S08, T01 N, R27, E C.O.S. 1225, Tracts 4A1 &amp; 5</td>
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AFFIDAVIT OF NOTICE OF HEARING

STATE OF MONTANA
County of Yellowstone

Jeff Martin, being first duly sworn, deposes and says:

I am the Yellowstone County Clerk and Recorder. I am the secretary for the Yellowstone County Board of Commissioners. On October 16, 2018, the Board passed a resolution of intent to hold public hearings to receive public comment on the proposed Expansion of the Lockwood Targeted Economic Development District (TEDD), Creation of the Lockwood TEDD, and the Adoption of the Lockwood TEDD Plan. It set a public hearing on the action for October 30, 2018 and November 13, 2018 and ordered me to provide notice of the hearings and receive written comments on the proposed action. In compliance with the order, I published notice of the hearings in the Billings Gazette on October 19, 2018 and October 26, 2018. Attached is a copy of the notices that appeared in the Billings Gazette. From 10/19/2018 through 10/26/2018, I received 3 written public comments on the proposed action to approve the Ordinance that I forwarded to the Board.

Jeff Martin, Clerk & Recorder

SUBSCRIBED AND SWORN to before me this 18th day of December, 2018.

Teri Reitz
Notary Public for the State of Montana
Residing at Billings, Montana
My commission expires: February 27, 2022
YELLOWSTONE COUNTY BOARD OF COMMISSIONERS

Notice of Public Hearings of the Proposed Expansion of the Lockwood Targeted Economic Development District (TEDD)

On October 30, 2018 and November 13, 2018, at 9:30 A.M. in Room 310B of the Stidwater Building, 316 North 26th Street, Billings, Montana, the Yellowstone County Board of Commissioners will hold public hearings to receive public comment on the proposed expansion of the Lockwood Targeted Economic Development District (TEDD). After the hearings, if the Board believes that it is in the best interest of the public to approve the plan, it will pass a resolution to approve the plan. If you would like to submit a written comment on the proposed action, please send it to the Yellowstone County Clerk and Recorder, Attn: Public Comment on Proposed Expansion of the Lockwood TEDD, P.O. Box 35001, Billings, Montana 59107. Further information regarding the action can be obtained from Daniel Schwarz, Chief Civil Deputy Yellowstone County Attorney, P.O. Box 35025, Billings, Montana 59107, (406) 256-2670.

Done by order of the Board of County Commissioners, Yellowstone County, Montana on this 16th day of October, 2018.

Board of County Commissioners
Yellowstone County, Montana

/s/ John Oaktland, Chairman

Attest:
/s/ Jeff Martin, Clerk and Recorder
Published October 19, 2018
STATE OF MONTANA ss.
County of Yellowstone ss.

I certify that this instrument is a true, complete, and correct copy of the original on file in my office.
Witness my hand and seal of office:

\[ \text{December 21, 2018} \]

Date

JEFF MARTIN, County Clerk & Recorder

By: \[ \text{[Signature]} \]

Deputy