

**Lockwood TEDD Advisory Board Minutes**  
**Wednesday, November 28, 2018 – 2:30**  
**Yellowstone Conference Room, 1<sup>st</sup> Floor – Granite Tower**

**Board Members Present:** Woody Woods, Pam Ask, Terry Seiffert, Tim Miller, John Ostlund, Mike Ariztia, Vu Pham (via phone), Kelly Wilson, Josh Starr, Frosty Erben  
**Board Member Absent:** Nick Pancheau  
**Staff and Guests:** Steve Arveschoug (BSED), Dianne Lehm (BSED), Dan Schwarz (YC Attorney's office), Molly Herrington (KLJ) (via phone), Matt Corcoran (KLJ), Ed Walker (CMG), Sam Buchanan (JDW), Thom MacLean (BSED)

1. Welcome and Introductions

Woody Woods called the meeting to order at 2:30.

2. Approval of Agenda

Josh Starr requested adding a discussion of Coulson Ditch water rights to the agenda. Woody proposed discussing before Public Comments. John Ostlund moved to approve the agenda, as amended. Tim Miller seconded. Agenda approved.

3. Approval of Minutes

Terry Seiffert moved to approve the minutes of the October 17, 2018, meeting. Mike Ariztia seconded. Minutes approved.

4. TEDD Status Updates

Thom MacLean advised the board of developments with the TEDD since the October meeting.

- The TEDD expansion process – The Yellowstone County Board of County Commissioners held two public hearing (10/30 and 11/13) regarding the expansion of the TEDD to include the requesting parcels. At the November 13<sup>th</sup> hearing, the ordinance for the expansion passed two votes to one.
- BSED Loan Repayment – The new repayment schedule has been approved by both the BSED board and the Yellowstone County Commissioners. The new agreement calls for eight semi-annual payments of \$10,225 with the first payment due by December 31, 2018.
- Woody Woods, Nick Pancheau, Dianne Lehm, and Thom MacLean held a conference call with representatives of the Montana Connections TIFID in Silver Bow County. Woody and Dianne summarized the call, noting that Montana Connections was in a different and unique situation as they received an early investment of \$500 million from one company (REC Silicon) which jumpstarted the increment available to develop the infrastructure. Montana Connections was started in the 1990's as a Tax Increment Financing Industrial District – a precursor to TEDDs, but similar in structure and function. It will be sunsetting soon. Other major businesses located there include FedEx, SeaCast, Old Dominion, Frito-Lay, and a Malt Brewing company.

Steve Arveschoug noted that, while we can't promise an immediate \$500 million private investment, the Lockwood TEDD provides a strong footprint with an attractive location, and BSED will use its resources to better understand the plans, needs, and desires of area property owners and to attract industry to the area. One of the first questions that needs to be addressed is how, where, and when the development of infrastructure will proceed. Mike Ariztia noted that infrastructure development in the TEDD will need to tie into and extend from existing infrastructure and development will need to take this into account. Planning will need to be done ahead of the Bypass project to at least determine the location/elevation of water and sewer infrastructure so casings can be included under the Bypass infrastructure to save time and money in the future. The use of development agreements was also discussed as a tool to spur initial development and investment.

#### 5. 2019 TEDD Annual Work Plan

A draft copy of the Work Plan was distributed to the Board. BSED had provided some suggested language and asked for input from the Board and guests. The Board reviewed the draft document, offering various suggestions. After discussion, it was agreed that BSED would incorporate the suggested edits and email the amended draft document to the board members for their review. This would allow the Board more time to consider it and offer input. Any board member suggestions should be emailed to BSED by Thursday, December 6. Woody Woods, Mike Ariztia, and Josh Starr agreed to meet as a subcommittee to review these suggestions with BSED staff and prepare a more complete Annual Plan for review by the full Board at the December meeting.

#### 6. Coulson Ditch Water Rights Discussion

The Board discussed the recent developments with the Coulson Ditch Water Users' District. Ed Walker of Firstmark Construction offered insight as they are a party to that matter. That district is disbanding and transferring the water rights to the individual property owners. Lockwood Water and Sewer needs additional water right to service existing and future customers. Concern was expressed that negotiation of water rights would be complicated by the Coulson Ditch rights being dispersed to many individual owners rather than remaining with the District as a single entity. Question also arose as to the validity of the water rights after years of non-use. Some asked if the lack of use had caused the water rights to revert to the State. Ed assured the Board that the water rights were still valid and still had value.

#### 5. Public Comment

None.

#### 6. Adjourn

Meeting adjourned at 3:35.

Next Meeting: December 19th at 2:30 – Yellowstone Conference Room, Granite Tower  
Future Meeting Topics: Annual Workplan