



Lockwood School District #26

Legendary Education, Lasting Foundation, Limitless Future!

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July 10, 2018

Yellowstone Board of County Commissioners

PO Box 35000

Billings, MT 59107-5000

Re: Lockwood Targeted Economic Development District

Commissioners,

On behalf of the Lockwood School Board I am writing this letter in regards to expansion of the Targeted Economic Development District (TEDD) in Lockwood. It is our understanding that the City/County Planning Board is currently considering zoning changes on several properties that are requesting to be added to the TEDD. The School District supports these zoning changes but we adamantly oppose any amendments to the TEDD boundaries that add any additional properties to the Lockwood TEDD.

On November 8, 2016 the Lockwood trustees met and voted to stay neutral on the proposed Lockwood TEDD based on conditions we felt addressed our concerns at that time. We detailed these concerns in a letter to you dated November 14, 2016:

Our board has many reservations regarding the proposed TEDD; most importantly the physical size of the district and the length of time the district will exist. Initially, the size of the district was one of our biggest concerns. We were pleased to see the borders set with a smaller foot print, but since have been made aware that land owners can petition to be added to the district after the fact. If you choose to go forward with the proposed TEDD we request that no further changes are made to the footprint of the impacted area.

While we understand that you are bound legally to consider these requests, we strongly encourage you to keep the TEDD borders as they currently stand. Our concerns with expanding the TEDD are multifaceted. First, we were willing to stay neutral on the formation of the original district and forego the growth to taxable value within the established borders in part because we expected to see growth in bordering properties that would offset the lost revenues. Adding these auxiliary properties to the TEDD eliminates the benefits of the TEDD for Lockwood's taxing jurisdictions. The area north of I-90 is key to the growth of our community, with or without the TEDD, thus having the majority of this property locked in at current taxable value is not a benefit to our taxpayers. Second, at this date there is absolutely no evidence that the TEDD is having any positive impact on Lockwood's economy. We understand that it is still



very early in this process, but without tangible results to reference, the idea of locking more community assets, i.e. properties, into this experiment seems like an unnecessary and irresponsible gamble. The more prudent approach would be to wait until the TEDD has been validated as having a positive impact on our community before investing additional resources into it.

I want to stress that we are opposing this expansion not because it financially benefits Lockwood Schools or the other taxing entities. Without a voted levy, the school district's budget is almost completely locked in. Our concern is the tax impact on property owners who are not located within the TEDD. As more of our community's resources are tied up in the TEDD infrastructure, then more of the burden of funding our existing tax entities falls on the remaining Lockwood taxpayers. It is also concerning to us that these taxpayers, whom the TEDD impacts the most, were completely omitted from the TEDD Advisory Board. There is not one member of this committee that owns a business that is located in Lockwood outside of the TEDD borders. Instead, the board is stacked with members who either represent taxing entities or directly benefit from TEDD expansion. We would like to see this balance addressed.

Further expansion of the TEDD borders at this point would be seen as a political "bait and switch". A project is proposed to the community but later expanded or modified using loop holes and exceptions, impacting residents and taxes with much less transparency than the original process. This erodes taxpayer trust in government and we believe we have the responsibility to stand up for our constituents and their interests.

Please let me know if you need any further clarification on our position.

Thank you for hearing our concerns,

Tobin Novasio
Superintendent
Lockwood Schools

CC:
Rep. J. Essmann
Sen. T. Richmond
Rep. S. Vinton
BSEDA Board of Dir.
YCN

Inc:
Nov. 14, 2016 Let.