



Figure 1. Wheatland Area of Broadwater County

STATEMENT OF INFRASTRUCTURE DEFICIENCY IN THE INDUSTRIAL AND COMMERCIAL AREA OF THE WHEATLAND CENSUS DESIGNATED PLACE (CDP) BROADWATER COUNTY

Introduction

On October 8th of 2018, the Montana Business Assistance Connection, on behalf of Broadwater County entered into a contract with Community Development Services of Montana to assist the County in the proposed creation of a Targeted Economic Development District (TEDD) in the Wheatland industrial and commercial area of the County. The first step in establishing a TEDD is to conduct a review of infrastructure deficiencies within the area proposed for inclusion in a TEDD. The documentation of such deficiencies, within a municipality (defined as a county, city or town or consolidated city-county government), in accordance with state law, provides the necessary foundation upon which a local government may establish a TEDD to foster secondary, value-adding economic development.

The Wheatland industrial and commercial area, comprised of nearly 1,000 acres, is generally located along US Highway 287, just north of the Interstate 90 – Highway 287 intersection (Figure 2). It includes the Wheat Montana Bakery and the proposed site of Bridger Brewing, both value-adding businesses. The creation of a TEDD will enable Broadwater County to encourage the retention, expansion and recruitment of these enterprises, as well as complimentary and compatible value-adding businesses, which will contribute to the overall economic well-being of the County.

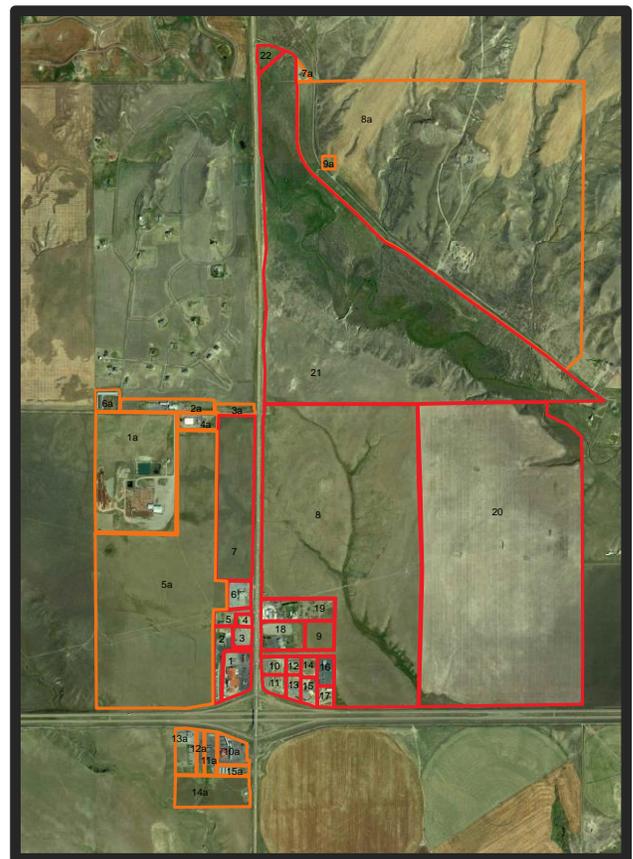


Figure 2 Wheatland Industrial and Commercial Area (draft map – red lines (does not include orange lines))

This review includes portions of Sections 10, 15 and 16, Township 2 North, Range 1 East, P.M.M., Broadwater County, Montana. Most of the acreage is located on the east side of US Highway 287 and extends from I-90 north to Old Town Road. A strip comprised of less than 100 acres is located along the west side of US Highway 287 and extends from I-90 north to Wheatland Road.

State Authorization for the Creation of a TEDD with a Tax Increment Financing Provision

The creation of a TEDD must be undertaken in accordance with §7-15-4279 Montana Code Annotated (MCA) and enables a local government to establish a program to use tax increment financing (TIF) to help fund efforts to address its overall economic well-being. The key step in creating a TEDD is the preparation of a Comprehensive Development Plan, which guides the investment of resources in addressing critical issues. If the local government plans to include TIF as a funding mechanism, its use and purpose must be specified in the Comprehensive Development Plan.

§7-15-4279 MCA states that a local government may authorize the creation of a TEDD in support of secondary value-adding economic development projects. Montana statutes define secondary value adding products and secondary value-adding industries as follows:

- (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;
- (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.

Prior to its creation, the area under consideration for the TEDD must be found to be deficient in infrastructure improvements as stated in a "Resolution of Necessity", adopted by the Broadwater County Commission under §7-15-4280 MCA. This Statement provides the finding of infrastructure deficiencies in support of the Resolution.

Overview

Broadwater County, established in 1897, was named for Charles Arthur Broadwater, a noted Montana railroad, real estate, and banking magnate. (Broadwater, Montana Genealogy, 2018) The county has a total area of 1,239 square miles, of which 1,193 square miles is land and 46 square miles (3.7%) is water. The boundaries of the county are roughly formed by the Big Belt Mountains to the east and north, the Elkhorn Mountains to the west and the Horseshoe Hills to the south. (Broadwater County, Montana, 2018)

In 1883, the Northern Pacific Railroad created the rail-stop that became Townsend, the county seat, when Broadwater County was formed four years later. In 1940, the Toston Dam was completed on the Missouri River with an accompanying irrigation canal that brought much

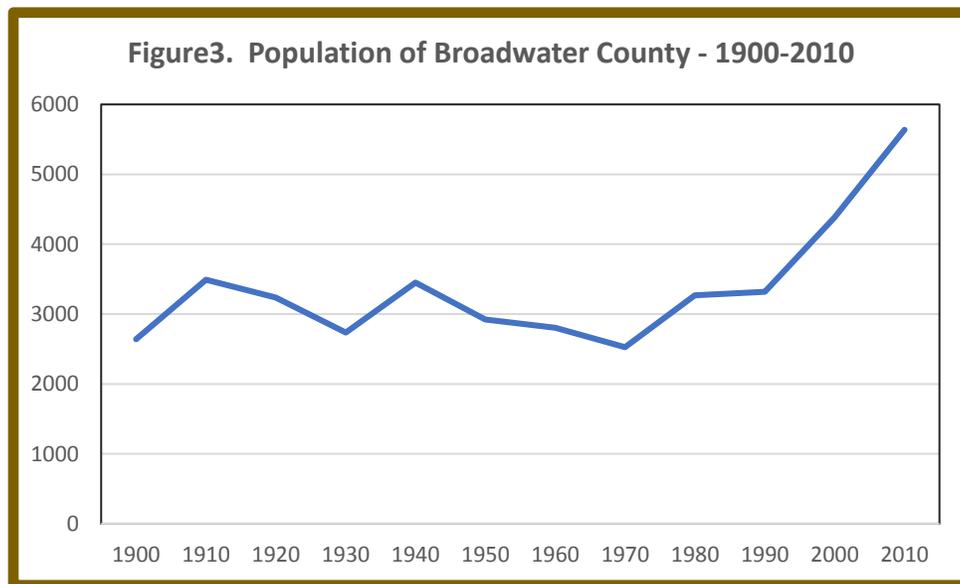
needed water to the fertile soils of the basin miles to the north. The dam was retrofitted in 1989 with a 10 MW run-of-the-river hydroelectric generation plant.

In 1954 Canyon Ferry Dam was constructed on the Missouri River, creating Canyon Ferry Lake which dominates the north-central region of Broadwater County. The hydroelectric unit has an installed capacity of 50 MW. The resulting flooding inundated the town of Canton, which had originally been located at the site. Many of the homes were moved to Townsend, where they remain today. (Montana Business Assistance Connection, 2014)

Wheatland is a Census Designated Place (CDP) and occupies a 76.2 square mile area in the southern end of Broadwater County. U.S. Highway 287 runs north-south through the CDP, intersecting Interstate 90 at interstate exit number 274. (Wheatland, Montana, 2018)

Demographic and Economic Information

According to the 2012-2016 American Community Survey (ACS) population estimates, the population of the Wheatland CDP is 590. (American FactFinder, 2016) This is a slight increase (about 3.8 percent) over the 2010 census figure of 568. However, since this statement only applies to the industrial and commercial area of the Wheatland CDP, it is estimated that less than 1% of the population is located with the proposed area. The 2017 population estimate for Broadwater County is 5,936, up from 5,637 in 2010, an increase of just over 5 percent. The population of the County has seen significant growth since 1990, based on historic census data as shown in Figure 3, below.



(US Department of Commerce, Bureau of the Census)

Due to its strategic location, between the cities of Bozeman and Helena, from 1990 to 2010, Broadwater County grew by approximately 69%, averaging an annual growth rate of 2.8%. (Montana Business Assistance Connection, 2014)

According to the 2012-2016 American Community Survey (ACS), Median Household Income (MHI) for residents living in Broadwater County was \$50,946, higher than the state’s MHI, which was \$48,380 and lower than the nation’s, which was \$55,322. According to the ACS, median earnings in the Wheatland CDP during the same period were \$40,744. (EARNINGS IN THE PAST 12 MONTHS , 2016) Within the Wheatland CDP, and as noted in Figure 4, the “management, business, science, and arts occupations” sector employed the most people according to the ACS, followed by “natural resources, construction, and maintenance occupations”.

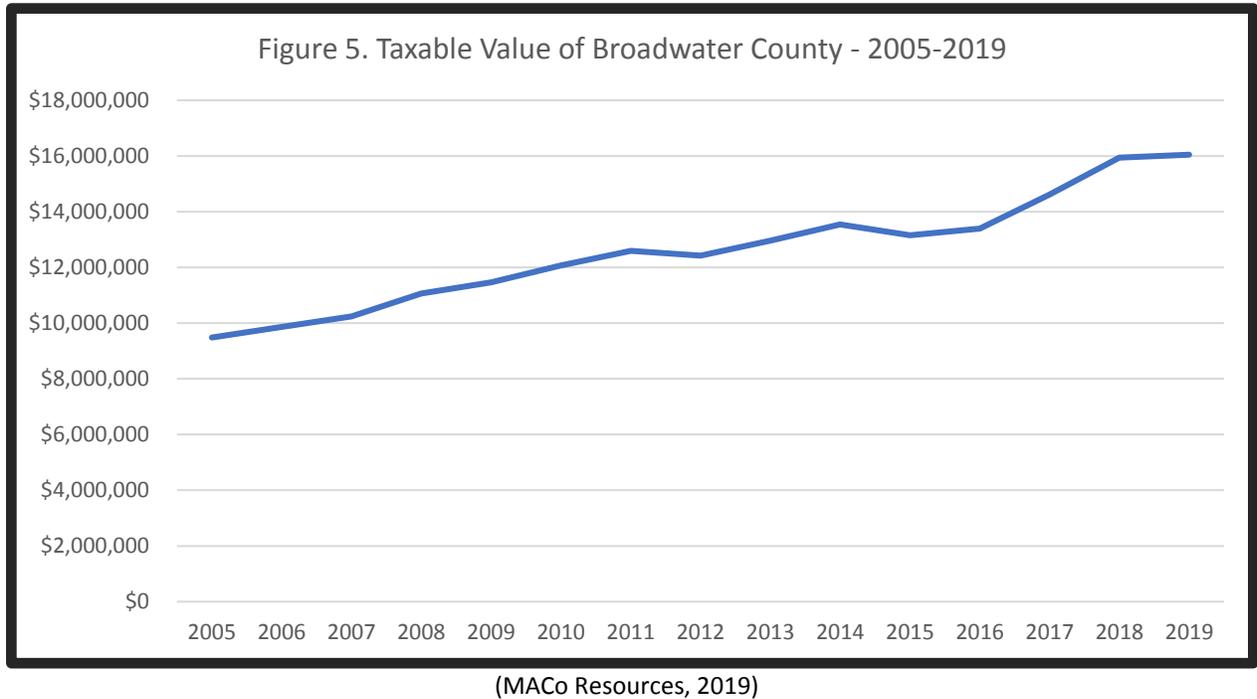
Figure 4. Wheatland County Census Designated Place (CDP) – Employment Status and Occupation

EMPLOYMENT STATUS					
	Estimate	Margin of Error	Percent	Percent of Error	Margin of Error
Population 16 years and over	408	+/-115	408	(X)	
In labor force	294	+/-100	72.1%	+/-14.0	
Civilian labor force	294	+/-100	72.1%	+/-14.0	
Employed	286	+/-102	70.1%	+/-15.3	
Unemployed	8	+/-12	2.0%	+/-2.9	
Armed Forces	0	+/-10	0.0%	+/-5.4	
Not in labor force	114	+/-66	27.9%	+/-14.	
OCCUPATION					
Civilian employed population 16 years and over	286	+/-102	286	(X)	
Management, business, science, and arts occupations	79	+/-65	27.6%	+/-21.2	
Service occupations	33	+/-39	11.5%	+/-12.6	
Sales and office occupations	60	+/-49	21.0%	+/-15.4	
Natural resources, construction, and maintenance occupations	70	+/-53	24.5%	+/-14.9	
Production, transportation, and material moving occupations	44	+/-41	15.4%	+/-14.7	
INDUSTRY					
Civilian employed population 16 years and over	286	+/-102	286	(X)	
Agriculture, forestry, fishing and hunting, and mining	27	+/-34	9.4%	+/-11.7	
Construction	60	+/-50	21.0%	+/-14.9	
Manufacturing	27	+/-26	9.4%	+/-9.0	
Wholesale trade	10	+/-15	3.5%	+/-5.3	
Retail trade	40	+/-37	14.0%	+/-11.7	
Transportation and warehousing, and utilities	24	+/-35	8.4%	+/-12.7	
Information	0	+/-10	0.0%	+/-7.6	
Finance and insurance, and real estate and rental and leasing	20	+/-23	7.0%	+/-7.9	
Professional, scientific, and management, and administrative and waste management services	0	+/-10	0.0%	+/-7.6	
Educational services, and health care and social assistance	55	+/-46	19.2%	+/-13.7	
Arts, entertainment, and recreation, and accommodation and food services	7	+/-11	2.4%	+/-3.8	
Other services, except public administration	0	+/-10	0.0%	+/-7.6	
Public administration	16	+/-27	5.6%	+/-9.3	

(US Department of Commerce, Bureau of the Census, 2016)

Taxable Value of Broadwater County

According to the Montana Association of Counties (MACo), the taxable value of all property within Broadwater County has increased from \$9,484,113 in 2005 to \$16,047,130 for Fiscal Year 2019, an increase of 69% over the 15-year period. See Figure 5, below.



Establishing Infrastructure Deficiency

As stated above, prior to establishing a TEDD, the Broadwater County Commission must adopt a Resolution of Necessity designating the area as infrastructure deficient. This action establishes the need for TEDD comprehensive development plan with a TIF provision, and the rationale for investing public funds in economic development activities. In fulfillment of this requirement, the following infrastructure deficient conditions in the Wheatland area have been identified:

Transportation Infrastructure

- ❖ Interior Roads – The interior of the Wheatland site is accessible by way of unimproved roads. To some extent, these roads are graveled with barrow pit(s). As the Wheatland area grows, existing roads may become inadequate and have to be upgraded to a paved rural standard with swales on both sides. Unrestricted interactions between large trucks, passenger vehicles and pedestrians create safety issues. Both on- and off-site transportation upgrades, including vehicular and multi-modal, will be required to meet the need for improved traffic circulation, safety and access.

- ❖ Highway 287 – Highway 287 is currently constructed with three lanes, two traffic lanes and a center turn lane, with paved shoulders on both sides. As the Wheatland area develops over time, this highway design may become inadequate. Design upgrades might include acceleration / deceleration lanes, additional traffic lanes, traffic control devices at strategic locations, pedestrian facilities, pedestrian crossing control devices, and/or lighting.



Figure 6. Highway 287, north of the I-90 Interchange

- ❖ Truck-related infrastructure – The intersection of Highway 287 and Interstate 90 experiences heavy truck use. Highway 287 connects northbound traffic from Interstate 90 with the City of Helena. Without any rail or air service available, industrial uses in the Wheatland area depend on the ability to receive or dispatch goods via trucks. Currently, the area lacks any public sites designated for the handling, storage, loading or unloading of cargo into or out of containers, and where containers can be picked up, dropped off, maintained, stored, or loaded or unloaded. (SieneMaritime)
- ❖ Port Authority –To facilitate the export of secondary value-adding products a facility for the transloading of goods may be of future benefit to the industrial uses in the Wheatland area. This facility could transload bulk to trucks, package bulk into gaylords (boxes) or bags, de-bag or -box into bulk trucks, de-bag into boxes, and de-box into bags.
- ❖ Multi-modal related infrastructure– Trail connections to the Copper City trails, future connections to Three Forks and/or Headwaters State Park, and improved pedestrian facilities along and crossing Highway 287 may be warranted.

Water and Wastewater Infrastructure

- ❖ Wastewater – The soils in the Wheatland area are problematic for individual on-site septic systems. Currently the Wheatland area has no centralized sewer system. The retention, expansion and recruitment of value-adding economic development in the Wheatland TEDD will require the installation of both a centralized sewer system and connecting sewer lines.
- ❖ Water – All of the businesses in the area are served by individual wells. To support value-adding economic development both drinking water and the water supply for firefighting purposes may need to be addressed. As the area grows, a centralized water system may be desirable. A centralized system would have the potential to address both types of water supply needs.

Life Safety

- ❖ Fire Services – The Wheatland area is served by the Three Forks Rural Fire District (J24), which encompasses approximately two hundred (200) square miles in Gallatin, Broadwater, and Jefferson counties, including the City of Three Forks and 12 miles of Interstate 90. The District is operated by the Three Forks Volunteer Fire Department (TFVFD), which provides the operation, fire suppression, rescue and other services to both the City and the District. The Department also houses District-owned equipment. Both City and District revenues fund TFVFD. Property in the Wheatland area pay for their District services through a portion of the Broadwater County mill levy. The Wheatland area lacks fire service facilities in close proximity. The construction and operation of an emergency services sub-station would enable quicker responses to emergencies. Furthermore, the provision of a water supply for firefighting purposes would improve fire services in the Wheatland area. (Fire Department)

- ❖ Law Enforcement – The Wheatland area is served by the Broadwater County Sheriff’s Office, located in the City of Townsend. Services provided by the Sheriff’s Office include patrols, detention, search and rescue, and E911 Emergency Dispatch, among others. The Wheatland area is located in Emergency Service Number Zone 354. In addition, traffic laws are enforced by the Montana Highway Patrol with Highway 287 located in the Montana Highway Patrol District VII (Bozeman), serving Broadwater, Gallatin, Madison, Meagher and Park Counties. (Broadwater County Sheriff's Office) (Highway Patrol) Law enforcement facilities could be part of an emergency services sub-station.

Utilities

- ❖ Broadband – There are at least conduits/ducts in the ground that pass through the Wheatland area of Broadwater County. Two of the lines are former Touch America lines, which are now owned by Zayo. The third is an empty conduit pipe that AT&T owns but is not available. The Zayo lines are mostly designated as “long haul” or “dark fiber.” These can be compared to a privately-owned freeway. If there isn’t adequate demand for broadband services, an “on-ramp” cannot be justified. Efforts over the past five year to justify a fiber on-ramp to the Zayo lines in the City of Townsend have not yielded results, and the existing business are unable to financially support the necessary improvements. (Obert, August 21, 2018)

In addition, CenturyLink has a fiber line on the south side of Interstate 90. Value-adding development in the Wheatland area may leverage additional Century Link investment.

- ❖ Natural Gas – Private propane tanks are the only gas service currently available in the Wheatland area. Natural gas would require extensions from Trident or from Milligan

Canyon by Willow Creek at a significant cost. An alternative might be an energy grid system with a centralized storage tank, underground piping and individual meters.



Figure 7. Looking north on Highway 287

- ❖ Electrical Services – Potential upgrades to Northwestern Energy Sub-Station at Three Forks, MT and the Vigilante Cooperative Sub-Station across from the north end of the Wheatland area might be necessary to support value-adding development.

- ❖ Solid Waste Management – Businesses in the Wheatland area individually contract for private garbage removal. As industry in the area expands, there might be a need for the

development of a public service improvement district to collect, transfer and remove garbage.

Support Services

In addition to investments in public infrastructure, a variety of support services would enhance efforts to retain, expand and recruit value-adding industries in the Wheatland area. These might include:

- ❖ Workforce Education, Development and Training – training classroom space, remote or on-line training, education stipend program.
- ❖ Cooperative Services – child care, commuter transportation, goods delivery.
- ❖ Healthcare – clinic space, itinerant medical professionals, telemedicine facilities, appointment transportation, medicine delivery.
- ❖ Satellite Government – public meeting space, office space, notice boards, government workforce housing facilities.

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