Oil Impacts
To the overall economy of Richland County
2011 Oil Well Map
RICHLAND COUNTY

- CIVILIAN LABOR FORCE: 6,216
- EMPLOYED: 6,040
- UNEMPLOYED: 176
- RATE: 2.8%
SNAPSHOT OF OIL INDUSTRY IN RICHLAND CO. IN 2011

• 41 COMPANIES
• 555 EMPLOYEES
• $38 PER HOUR
• $1,511 WEEKLY INCOME
• $78,600 ANNUAL INCOME
Due to the shortage in the local labor pool we are forced to close our lobby at this time. We would be happy to serve you in our drive thru. We value you as a customer and appreciate your patronage and understanding.

HELP WANTED

NOW HIRING
Three grocery stores in Richland Co
IGA - Sidney
Reynolds - Sidney
Super Value – Fairview

All three have stated that they have seen increases in their sales of 85% over the past 5 years.
Developed Relationship with Oil Industry: 2004

• Opened a dialog with industry partners at a meeting with City and County officials

• Asked them to identify immediate needs
The oil industry asked for additional towers within the outer regions of Richland County to: improve communications, reduce expenses, and to increase safety.
The oil industry identified specific roads that would be utilized as main arteries for the expansion of the oil field exploration and development.
Richland County Roads

- Richland County: 2100 Sq Miles
- Predominantly clay soils
  - When surface is wet → traction problems
  - When subsurface is wet → soft spots sometimes swallow up the road
  - When dry → extreme dusting
- Good gravels only exist along the Yellowstone
- Road network miles 1240
  - Hot mix pavement 40
  - Thin asphalt treatments 6
  - Gravel 960
RICHLAND COUNTY ROADS
CURRENT ISSUES

• Heavy Truck Traffic is wearing out & punching through road sections
  – Farm trucks are hauling heavier loads
  – Oil field truck traffic is increasing
• Paving construction and maintenance needs are greater than the budget
• Good gravels and scoria are in short supply
• Rock costs, maintenance costs and haul distances are all going up rapidly
• Traffic volumes expected to increase
• Can’t maintain road quality using past practices
Richland County Road Budget Comparison

• In 2000, the road maintenance budget was $1.2 million

• In 2011, the road maintenance budget was $6.2 million
Potential Gravel Road Designs

Gravel Surface Life Extended 10 + years by Controlling Loss to Subgrade and Dust on Road Surface

3" "In-Place" Bentonite and Calcium Chloride Treatment

Gravel Contamination is Reduced ~ Treated Layer Seals Out Most Water

Gravel Contamination is Eliminated by Fabric Separation

Fabric keeps clay from oozing up into gravel
Continuing to nurture relationship with oil industry:

2011

- Maintain open communication with the needs of the industry.

- Keep asking them to identify immediate needs
Truck drivers were having difficulty attaining CDL licenses.

DMV office hours in Sidney were back-logged, so drivers couldn’t get in for testing.
PRIMO TRUCK PARK
OPENING SOON!

- Power
- Showers / bathrooms
- Wireless Internet
- Business Center

- Video Surveillance
- Secure card access
- Heated Shop
- Club House
#1 Lack of affordable housing

Photo courtesy of Beagle Properties
SNAPSHOT ON HOUSING 2000-2011

THAT WAS THEN:
• In 2000 the average home cost $75,000
• Average cost to build was $65 per square foot
• Average apartment rent was $250 to $450 per month

THIS IS NOW:
• Average cost to build is $185 to $200 per square foot
• In 2011 the average home cost $275,000
• Average rent is now $800 to $2,500 per month. (depending on house, apartment, RV spot, or man camp spot.)
PROJECTED DEVELOPMENTS 2012

• Three transitional work camps

• Eight new subdivisions equating to 400 new units (single, and multi-family)

• Several new RV park requests
Interfaith Outreach Ministry Welcomes New Residents to Area

Free Meal, Great Fellowship, Support
Mon.-Fri., 6-8 p.m.

Good People, Ideas, and Food

January Schedule

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- Trinity Lutheran Church
- Church of Jesus Christ of Latter Day Saints
- Assembly of God
- Faith Alliance Church
- Luslow United Methodist Church
- St. Matthew's Catholic Church

Community Dinner

RICHLAND ECONOMIC DEVELOPMENT
#2 HOTELS: “NO VACANCY”
HOTEL PROJECTS

Holiday Inn Express & Suites

Best Western Golden Prairie Inn & Suites
HOTEL PROJECTS

Microtel Inn & Suites
The City has hired a firm to study the lagoon and water treatment plant, to come up with an outline on what it would take to make the improvements to bring the aging sewer system into Compliance with the MT Dept of Environmental Quality.
Record number of garbage hauls. In Aug Over 650 tons were taken in.

Richland County in undertaking a new cell development in the landfill.
According to the Sidney Police Department and the Richland County Sheriff’s Department:

• Traffic accidents
• General calls for assistance: theft, domestic disturbance, etc
• DUI’s and other traffic offenses

Have all increased in the area over the past 2 years by 45%
Richland County Schools

- Enrollment has increased, over 25%, new students to the area since May 2011.

- Building additional class rooms

- Require additional faculty and staff

- May have to go to the voters to pass additional mill levy.
OIL IMPACT PRESENTATIONS

Democratic Legislative oil impact tour

Courtesy of Phillips County news
STEPS TO MEDIATE DEVELOPMENT

• Establish and nurture relationships with the industry
• Identify immediate needs
• Updated studies to determine infrastructure capacity, expansion and development costs
• Identify available land, lock in price if possible, for development: housing, commercial bldgs, RV parks and man camps
• Clearly indicate the development process and identify the contact leads. (Make sure everyone knows who to go to for what service)
STEPS TO MEDIATE DEVELOPMENT

Consider the initiative of impact fees:

- To absorb financial costs of infrastructure: landfill, city streets, co. roads, water, and sewer

- To absorb financial costs of services: fire, ambulance, police
STEPS TO MEDIATE DEVELOPMENT

- Work with all parties to mitigate an industry specific disaster
- Who will handle what?
- Where to go?
- WHEN????
OUR OFFICE IS LOCATED AT
1060 SOUTH CENTRAL AVE
SUITE 3
SIDNEY, MT
406-482-4679
Thank you! Any questions?