

Overview - Energy Infrastructure And Impact Grants Program



PRESENTED BY: Lance Gaebe

North Dakota Department of Trust Lands

•Energy Infrastructure and Impact Office Director

March 20, 2012

Overview - Energy Infrastructure And Impact Grants Program

The Energy Infrastructure and Impact Office mission is to ensure that local political subdivisions hosting energy activity are not asked to bear a disproportionate share of the costs associated with that activity.

\$100 million authorized by 2011 Legislature

\$35 million additional in November special session

Overview - Energy Infrastructure And Impact Grants Program

Housing shortages

- Man Camps

- Wal-Mart parking lot

- Hotel rooms scarce

Housing costs increased

- Loss of low income and single family rental units

 - Senior Citizen housing - rent increased from **\$700** to **\$2,000/month** for 2-bed apartment; vacated apartments then rented to oil companies. (Williston Herald, 9-11-11)

 - Entire trailer and RV parks evicted to make room for crews

Infrastructure

- Sewage

- Schools

- Construction

- Traffic and Transportation

- Emergency Services

 - Law Enforcement, Fire and Ambulance Services

Overview - Energy Infrastructure And Impact Grants Program

Fire and Ambulance Services

- Increased population – increased calls
- Increased traffic, more accidents
 - Larger vehicles require larger extrication tools
 - Hazardous materials can be involved
- Volunteer fire and ambulance workers
 - They have their own jobs to work
- Public safety

Overview - Energy Infrastructure And Impact Grants Program

- **Energy Infrastructure and Impact Program**
 - Oil and Gas Impacted Political Subdivisions (cities, counties, school districts, other taxing districts)
 - Impacted means demonstrating actual or anticipated extraordinary expenditures caused by oil and gas development and associated growth

Overview - Energy Infrastructure And Impact Grants Program

- Energy Impact Program
 - Energy infrastructure and impact office - Appointment of director
 - Creates the Energy Infrastructure and Impact Office (EIO), a Division within the Office of the Commissioner of University and School Lands
 - Provides authority of Land Board to Appoint the EIO Director

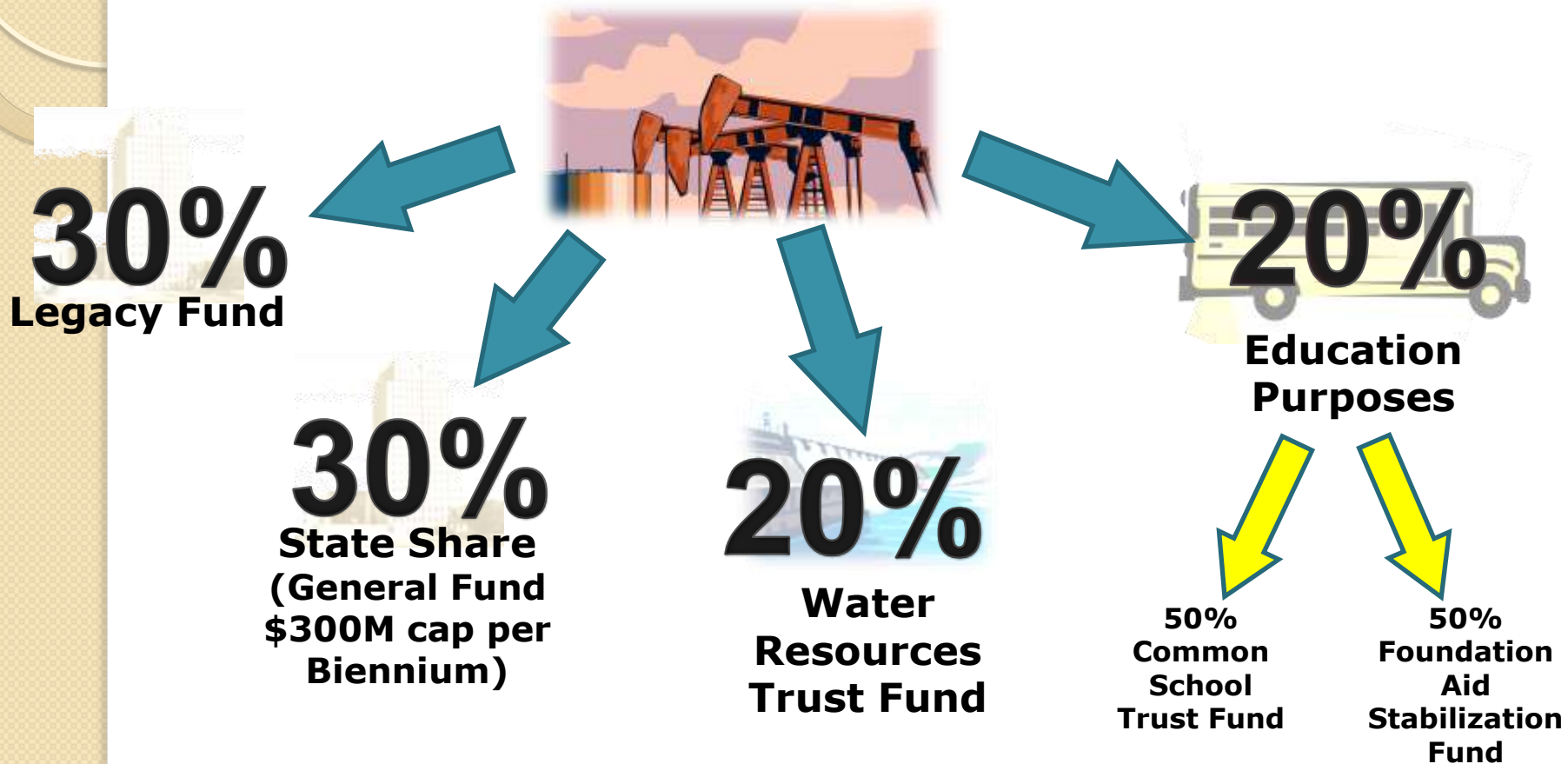
Overview - Energy Infrastructure And Impact Grants Program

- The Board of University and School Lands (Land Board)
 - Governor
 - Secretary of State
 - State Treasurer
 - Attorney General
 - Superintendent of Public Instruction
- Authority to Award and Distribute Energy Infrastructure and Impact Grants from the Oil and Gas Impact Grant Fund

Overview - Energy Infrastructure And Impact Grants Program

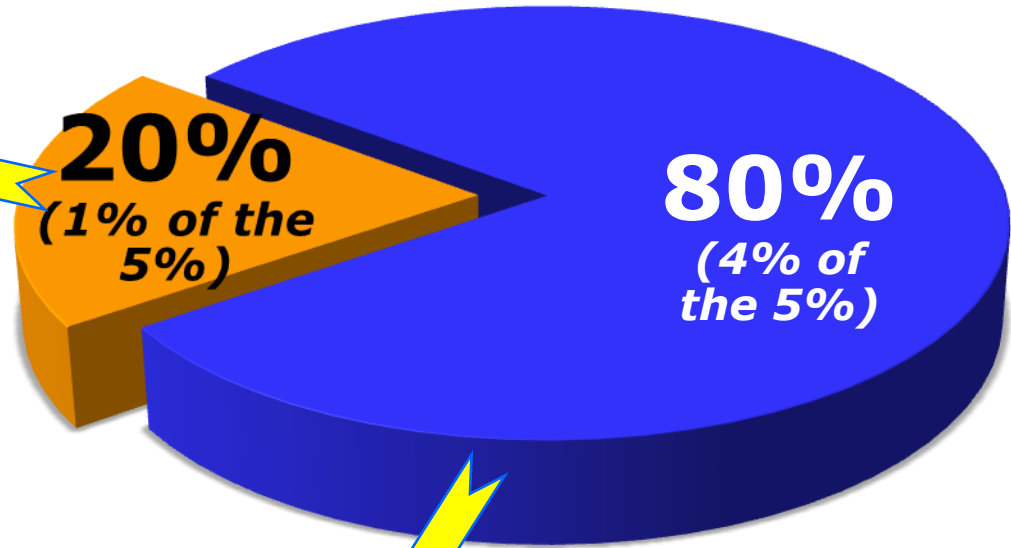
- **Powers and duties of energy infrastructure and impact office**
 - Develop a plan for the assistance, through financial grants for services and facilities, of counties, cities, school districts, and other political subdivisions in oil and gas development impact areas.
 - Establish procedures and forms for political subdivisions to apply for impact grants.
 - Make grants disbursements to counties, cities, school districts, and other taxing districts for grants awarded by the Land Board. In determining the amount of impact grants for political subdivisions, the amount of revenue that the entities receive from taxes on oil and gas plants and from tax or fund distribution formulas must be considered.

6 1/2% Oil Extraction Tax



5% Gross Production Tax

**Oil & Gas
Impact Grant
Fund
(Up to \$100
million)**

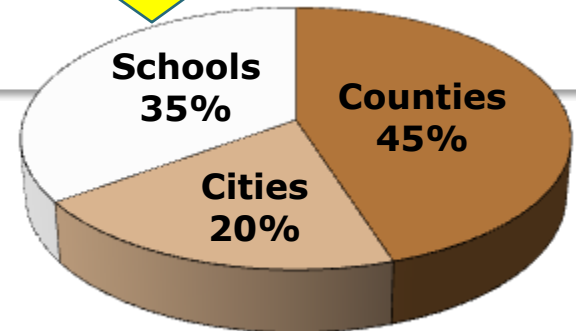


Breakdown of the 4%

State General Fund

Oil & Gas Counties

0%	\$0 - \$2,000,000	100%
25%	\$2,000,000 - \$3,000,000	75%
50%	\$3,000,000 - \$4,000,000	50%
75%	\$4,000,000 - \$18,000,000	25%
90%	Over \$18,000,000	10%



Overview - Energy Infrastructure And Impact Grants Program

One Percent of Oil and Gas Gross Production Tax

- \$100 Million Allocated to the Oil and Gas Impact Grant Fund

November Special Session

- \$30 million supplemental General Fund appropriation to Oil and Gas Impact Grant Fund (trigger met)
 - Funds to be made available April 1, 2012
- \$5 million from GF to up to four counties emerging into oil and gas production

Overview - Energy Infrastructure And Impact Grants Program

- 4 Grant round each fiscal year
 - City Infrastructure
 - Hub Cities, 10,000 population or greater – 35%
 - All other cities
 - Township Roads and Transportation
 - Emergency Services and Response
 - All Other Political Subdivision Infrastructure
 - Parks
 - Counties
 - Airports

Overview - Energy Infrastructure And Impact Grants Program

- **Application Criteria**

- Meet the round objective?
 - City, Transportation, Emergency Services, Other Infrastructure
- Need is the result of growth necessitated by or damaged caused by oil and gas activity.
- Related to improving public safety
 - Improve housing circumstance, EMS, rebuild destroyed roads
- Demonstration of both financial need and local commitment to support project
- Project readiness/ achievability
- Contribution to sustaining economic development

Overview - Energy Infrastructure And Impact Grants Program

- Legislative intent & guidelines on impact grants
 - Meet initial impacts affecting “basic government services”, and directly necessitated by oil and gas development impact
 - “Basic government services” do not include activities relating to marriage or guidance counseling, services or programs to alleviate sociological impacts, or services or facilities to meet secondary impacts.
 - All grant applications and presentations to the Energy Impact Office must be made by an appointed or elected government official

Overview - Energy Infrastructure And Impact Grants Program

- - Advisory Committee
 - Two County Commissioners
 - Two Mayors
 - One Sherriff/Emergency Manager
 - One Township Officer
 - One at-large representative (industry)
 - ND DOT Director
 - Land Commissioner

Process To Award Grants



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Process to Award Grants

- Prepare criteria and guidelines
- Communication of grant round
- Gather additional necessary Information
- Input Information
- Meetings with applicants
- Score applications
- Review results developing recommendations for awards
- Land Board making awards

Process to Award Grants

- Land Board
 - Reviews includes
 - Detail of applications for the round
 - Criteria used in the scoring process
 - Advisory committee meeting discussion
 - Recommendation for awards from the grants advisory committee
 - Recommendation for awards by Energy Impact Office Director
 - Land Board makes awards

Process to Award Grants

- Award notices sent to successful applicants
- Letter sent to unsuccessful applicants
- Requests for reimbursement submitted once project is completed or major project milestones are completed
- Request for reimbursement is reviewed to validate expenditure has supporting invoices/receipts and was spent on the project the grant was awarded for before payment is processed and paid

Review Of Grants Awarded To Date



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Review Of Grants Awarded To Date

Summary of Awards for the 2011-2013 Biennium

- July 2011 City Infrastructure \$53,500,000
- August 2011 Firefighters Training \$20,000
- December 2011
Township Transportation \$2,000,998
- December 2011 HUD Communities
Planning Grant - Cost Share \$300,000

Awarded-To-Date \$55,820,998

Review Of Grants Awarded To Date

July 2011 – City Infrastructure Grant Round

- **HUB-CITIES - 35% of available funds**

◦ City of Dickinson - Waste Water Treatment Facility	\$5,000,000
◦ City of Minot – Water and Sewer Improvements	\$4,000,000
◦ City of Williston - Water and Sewer Improvements	\$12,000,000

Total For Hub Cities - \$21,000,000

- **Other Cities**

◦ City of Arnegard	Street System Improvements	\$100,000
◦ City of Beach	Maintain Truck Routes	\$100,000
◦ City of Belfield	Street Improvement Project 2011	\$200,000
◦ City of Berthold	Berthold Sanitary Facilities	\$50,000
◦ City of Columbus	Columbus Street Project	\$75,000
◦ City of Crosby	Water and Sewer Extension	\$811,000
◦ City of Grenora	Street Repairs	\$100,000
◦ City of Kenmare	Infrastructure Improvements	\$50,000
◦ City of Killdeer	Water, sewer street improvements	\$2,071,054
◦ City of Lignite	Repairing Streets	\$50,000
◦ City of Mohall	Nordkil's 2nd addition	\$50,000

Review Of Grants Awarded To Date

July 2011 – City Infrastructure Grant Round

• Other Cities (continued)

◦ City of New Town	Truck By-Pass and Water/Sewer Extension	\$869,000
◦ City of Parshall	Water and Sewer Infrastructure	\$2,402,932
◦ City of Plaza	Robyn Park Housing Development	\$1,149,967
◦ City of Ray	Wastewater System Improvements	\$50,000
◦ City of Ross	Ross Waste Water Facility	\$50,000
◦ City of Stanley	Infrastructure Improvements	\$4,167,969
◦ City of Tioga	Infrastructure Improvements	\$7,751,426
◦ City of Watford City	Streets, Water/Sewer, Wastewater Improv.	\$12,301,652
◦ City of Wildrose	Street/Culvert Repair	\$100,000

Total For Other Cities - \$32,500,000

Total Awards for the 2011 City Grant Round - \$52,500,000

Review Of Grants Awarded To Date

October - December 2011

Township Roads and Transportation Grant Round

POLITICAL SUBDIVISION	County	Project Title	GRANT AWARD
ALEXANDRIA TOWNSHIP	DIVIDE	GRAVEL & MAINTAIN ROADS	\$22,500
ALGER TOWNSHIP	MOUNTRAIL	ALGER TOWNSHIP ROADS	\$100,000
ARNEGARD TOWNSHIP	MCKENZIE	NORTHEAST ROAD PROJECT	\$100,000
BICKER TOWNSHIP	MOUNTRAIL	REBUILD 2 1/4 MILES OF ROAD	\$87,500
BROOKBANK TOWNSHIP	MOUNTRAIL	ROAD REPAIR AND REBUILD	\$40,000
BROOKLYN TOWNSHIP	WILLIAMS	ROAD GRAVELING	\$4,845
BURKE TOWNSHIP	MOUNTRAIL	FULL TOWNSHIP ROAD GRAVELING	\$40,000
CARBONDALE TOWNSHIP	WARD	DAMAGED ROADS	\$2,500
CHATFIELD TOWNSHIP	BOTTINEAU	DUST CONTROL - ROAD BARRICADES	\$2,250
CLEARY TOWNSHIP	BURKE	BUILD UP 3/4TH MILE OF ROAD	\$11,250
COALFIELD TOWNSHIP	DIVIDE	WEST ROAD PROJECT	\$12,500
COLVILLE TOWNSHIP	BURKE	ROAD REPAIR AND MAINTENANCE	\$25,000
DALE TOWNSHIP	BURKE	ROAD REPAIR & MAINTENANCE	\$7,500
DALEN TOWNSHIP	BOTTINEAU	WILLIAMSON ROAD PROJECT	\$6,250
DEBING TOWNSHIP	MOUNTRAIL	IMPACTED ROADS - DEBING TWNSHP	\$100,000

Review Of Grants Awarded To Date

October - December 2011

Township Roads and Transportation Grant Round (continued)

POLITICAL SUBDIVISION	County	Project Title	GRANT AWARD
EIDSVOLD TOWNSHIP	BOTTINEAU	FIX DAMAGED ROADS	\$25,000
FERTILE TOWNSHIP	MOUNTRAIL	REWORK END OF HAUL ROAD	\$36,000
FILLMORE TOWNSHIP	DIVIDE	ROAD REPAIR	\$54,000
FOOTHILLS TOWNSHIP	BURKE	ROAD MAINTENANCE	\$5,000
GARNESS TOWNSHIP	BURKE	GRAVEL FOR TOWNSHIP ROADS	\$11,000
GRASSLAND TOWNSHIP	RENVILLE	ROAD REBUILDING 2012	\$22,500
HAWKEYE VALLEY TOWNSHIP	MCKENZIE	HAZARDOUS INTERSECTION CORRECTION	\$30,000
IDAHO TOWNSHIP	MOUNTRAIL	83RD STREET & 63RD AVE CONSTRUCTION	\$100,000
JAMES HILL TOWNSHIP	MOUNTRAIL	ROAD REPAIR	\$50,000
KEENE TOWNSHIP	MCKENZIE	CEYNAR ROAD RESURFACING	\$15,000
LAKEVIEW TOWNSHIP	BURKE	GRAVEL AND MAINTENANCE	\$33,625
LANGBERG TOWNSHIP	BOWMAN	GRAVEL HORSE CREEK RD, LANGBERG TWN	\$10,000
LINCOLN VALLEY TOWNSHIP	DIVIDE	REBUILD ROAD	\$100,000
LOWLAND TOWNSHIP	MOUNTRAIL	OIL WELL IMPACT - JOHNSON	\$30,775
MARSHALL TOWNSHIP	WILLIAMS	CULVERT REPLACEMENTS	\$12,500

Review Of Grants Awarded To Date

October - December 2011

Township Roads and Transportation Grant Round (continued)

POLITICAL SUBDIVISION	County	Project Title	GRANT AWARD
NEWBORG TOWNSHIP	BOTTINEAU	ROAD CONSTRUCTION	\$15,000
PALERMO TOWNSHIP	MOUNTRAIL	PALERMO TOWNSHIP GRAVEL PROJECT	\$10,000
PALMER TOWNSHIP	DIVIDE	ROAD RENOVATION AND GRAVELING	\$10,000
PHERRIN TOWNSHIP	WILLIAMS	BUSCHING ROAD RECONSTRUCTION	\$75,000
PLAZA TOWNSHIP	MOUNTRAIL	REPAIRING TOWNSHIP ROADS	\$12,500
PLEASANT VALLEY TOWNSHIP	WILLIAMS	RECONSTRUCTN ROAD BEDS OILFIELD TRFIC	\$78,000
POWERS TOWNSHIP	MOUNTRAIL	ROAD REPAIR	\$17,500
PURCELL TOWNSHIP	MOUNTRAIL	ROAD RESTORATION	\$50,000
RAT LAKE TOWNSHIP	MOUNTRAIL	53RD STREET	\$100,000
REDMOND TOWNSHIP	MOUNTRAIL	GRAVELING ROADS	\$2,500
ROUND PRAIRIE TOWNSHIP	WILLIAMS	EASTERN TOWNSHIP ROAD REPAIR	\$10,000
SADDLE BUTTE TOWNSHIP	GOLDEN VLY	ROAD PROJECTS 2 - 5	\$47,980
SHERMAN TOWNSHIP	BOTTINEAU	SHERMAN TWPS 2011 CONSTRUCTION	\$5,750
SHORTCREEK TOWNSHIP	BURKE	IMPACTED ROADS	\$21,000
SIOUX TOWNSHIP	MCKENZIE	HAUL ROAD HILL RECONSTRUCTION	\$12,500
SIOUX TRAIL TOWNSHIP	DIVIDE	REBUILD ROADS	\$30,000

Review Of Grants Awarded To Date

October - December 2011

Township Roads and Transportation Grant Round (continued)

POLITICAL SUBDIVISION	County	Project Title	GRANT AWARD
SORKNESS TOWNSHIP	MOUNTRAIL	IMPACTED ROAD REPAIRS & MAINTENANCE	\$79,490
SPRING COULEE TOWNSHIP	MOUNTRAIL	ROAD MAINTENANCE AND REPAIR	\$57,120
SPRINGBROOK TOWNSHIP	WILLIAMS	REPAIR AND GRAVEL ROADS	\$10,000
STONE CREEK TOWNSHIP	BOTTINEAU	ROAD REPAIR	\$3,750
STONEVIEW TOWNSHIP	DIVIDE	108TH AVE NW GRADE BUILD-UP	\$5,163
THORSON TOWNSHIP	BURKE	ROAD RESHAPING	\$14,750
TIOGA TOWNSHIP	WILLIAMS	67TH ST UPGRADE	\$50,000
TROY TOWNSHIP	DIVIDE	ROAD REBUILD	\$30,000
TRUAX TOWNSHIP	WILLIAMS	SHOULDER CONSTRUCTION	\$15,000
TYRONE TOWNSHIP	WILLIAMS	GRAVEL & MAINTAIN ROADS	\$12,500
UPLAND TOWNSHIP	DIVIDE	DUST ABATEMENT AND GRAVEL	\$37,500
VALE TOWNSHIP	BURKE	GRAVEL ROADS & CHIP GAS PLANT ROAD	\$17,500
VAN BUREN TOWNSHIP	RENVILLE	ROAD RECONSTRUCTION	\$50,000
WHITE EARTH TOWNSHIP	MOUNTRAIL	ROAD PROJECT - 2011	\$23,000

Total for Township Roads and Transportation Grant Round - \$2,000,998

Contact Information



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