

**SOUTH BILLINGS
URBAN RENEWAL ASSOCIATION**

City of Billings South Billings Boulevard
Urban Renewal District

**Tax Increment Finance Assistance
Application**

For Public/Private Development Projects

SBURA TAX INCREMENT FINANCING ASSISTANCE APPLICATION

Project Name: [Energy Laboratories Expansion](#)

Date Submitted: [October 1, 2026](#)

APPLICANT INFORMATION

1. Name: [Energy Laboratories](#) Attention: [Jarrod Weenum](#)
2. Address: [1120 South 27th Street, Billings, MT 59101](#)
3. Telephone Number: [406-869-7273](#)

PROJECT INFORMATION

1. Building address: [1120 south 27th Street, Billings, MT 59101](#)
2. Legal Description: [New Building: Sugar Factor Add, S02, T01 S, R26 E, Block 26, Lot 1-12](#)
[Parking Lot: Lot 5-10, Block 250, Original Town of Billings, Yellowstone County, 1108 South 27th Street and 1110 South 28th Street, Billings, MT 59101](#)
3. Ownership: [New Building: Ground State LLC](#)
[Parking Lot: Energy Laboratories](#)
4. Address: [Ground State LLC, PO Box 30916, Billings, MT 59107](#)
[Energy Laboratories, 1120 South 27th Street, Billings, MT 59101](#)
5. If Property is not owned by the Applicant, list interests (Attach evidentiary materials)
Lessor's Name: [New Building: Ground State, LLC](#)
Lessor's Address: [PO Box 30916, Billings, MT 59107](#)
6. Existing/Proposed Businesses: [Expansion of Energy Laboratories plus the addition of a parking lot](#)
7. Business Description: [Environmental/Analytical Lab](#)
8. Employment: Existing FTE jobs: [95 FTEs](#)
9. New Permanent FTE jobs created by projects: [Construction FTE jobs: Total Project Estimate: Plan to expand services, and volume in the future resulting in new future jobs. 105; Landscaping: 5](#)
10. Architectural Firm: [A & E Architects](#)
Address: [125 N 29th Street, Suite 100, Billings, MT 59101](#)
Representative: [Scott Osteen](#)
11. Description of Project: (Attach narrative explanation)
[Energy Laboratories respectfully requests consideration for assistance through the City of Billings Urban Renewal District Tax Increment Finance Assistance Program in support of our planned expansion project located at 1120 South 27th Street in Billings, Montana.](#)

[For many years, Energy Laboratories has served Montana, Wyoming, North Dakota, South Dakota, and the surrounding region as a leading environmental and analytical laboratory. Our organization provides critical laboratory testing and analytical services that support environmental stewardship, energy](#)

development, public infrastructure, regulatory compliance, and community health. As demand for our services has continued to grow, our existing facility has reached capacity, creating a need for additional laboratory space and infrastructure improvements to support future operations.

The proposed project includes construction of a substantial laboratory expansion and the development of additional parking facilities. The expansion will modernize our operations, improve workflow efficiencies, accommodate advanced analytical instrumentation, and position the company for long-term growth in Billings. The project represents a capital investment of nearly \$3.8 million in building construction, site improvements, utility infrastructure, and associated development costs.

This investment aligns directly with the goals of the Urban Renewal District by promoting reinvestment within South Billings, strengthening the area's economic vitality, and enhancing a key employment center within the district. Energy Laboratories currently employs approximately 95 full-time employees in Billings and remains committed to maintaining and growing high-quality professional, scientific, and technical jobs within the community. These positions provide competitive wages, comprehensive benefits, employee ownership opportunities through our ESOP program, and long-term career paths for local residents.

Beyond direct employment, the project will generate significant economic activity through the use of local architects, engineers, contractors, suppliers, and service providers during construction. The expansion will increase the taxable value of the property, contribute to the long-term tax base of the Urban Renewal District, and encourage continued private investment in the surrounding area.

Tax Increment Finance assistance will help offset extraordinary development costs associated with constructing specialized laboratory facilities and supporting infrastructure. By partnering with the City of Billings through the Urban Renewal District program, Energy Laboratories can accelerate this investment, enhance the functionality and appearance of the corridor, and ensure that Billings remains the company's primary hub for operations and future growth.

Energy Laboratories has a long-standing commitment to the Billings community through stable employment, employee ownership, community involvement, and investment in local infrastructure. This project demonstrates our confidence in the future of South Billings and our desire to continue contributing to the economic growth and vitality of the Urban Renewal District for decades to come.

We respectfully request favorable consideration of our application and appreciate the City's support in fostering economic development, business expansion, and job retention within the Urban Renewal District.

12. Rehabilitation/Construction Plans: (Attach schematics, site and landscaping plans)

Please see attached schematics and Construction Estimate. Also included please find a recent press release highlighting Energy Lab's 75 years and this new construction project.

PROJECT COSTS

Land and Site Improvements (Itemized)

Item	Description	Amount
1 Equity in Land and Buildings	Lease land for building; own land for parking lot	\$
2		\$
3		\$
4		\$
	Subtotal	\$

Construction/Rehabilitation Costs (or attach separate statement)

Item	Description	Amount
1 Construction Costs	Attached Estimate	\$ 3,712,079.00
2 Northwestern Energy	Power Hookups	\$ 56,315.56
3		\$
4		\$
5		\$
6		\$
7		\$
8		\$
	Subtotal	\$ 3,768,394.56

Fees

Architectural Design/Supervision	\$ 383,270.00
Permits	\$ 7,460.91
Other Fees	\$
Subtotal	\$ 390,730.91
Total Project Development Costs	\$ 390,730.91

PROJECT FINANCING

Please complete Sources of Funds detail and summarize below.

Developer Equity

Cash Invested	\$ *
Land & Buildings	\$ *
Other (Specify)	\$ *
	\$
Subtotal	\$

Lender Commitments (Attach evidence, i.e., letters of credit or other documentation)

Lender	Loan Amount	Interest	Term	Payment/Period
	\$	%	yrs	\$/Month
	\$	%	yrs	\$/Month
Total Loan Amount	\$			

- Energy Labs has not finalized the financing of this project. We will likely finance through Western Security Bank, and use a money market loan. The rate will be current money market rate + 2%. We will likely use cash reserves for most of this project and finance \$1.5 million of it.

We are also looking at loan options through 1st Interstate Bank as well.

We are opting not to finance with a traditional loan or construction loan since we have a sizeable cash reserve to cover this project.

Note: Energy Labs leases the land where the new building will be placed, but owns the land for the new parking lot development.

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DEVELOPER STATEMENT OF QUALIFICATIONS AND FINANCIAL RESPONSIBILITY

Applicant

1. Name: [Energy Laboratories](#)

Address: [1120 south 27th Street, Billings, MT 59101](#)

2. If the applicant is not an individual doing business under his/her own name, the applicant has the status indicated below and is organized or operating under the laws of:

3. The Applicant is:

☒ [A corporation](#)

A nonprofit or charitable institution or corporation

A partnership known as: _____

Other (Explain): _____

Date of organization: _____

4. Name, address, title of position (if any), and nature and extent of the interest of the officers and principal members, principal shareholders, investors, or partners of the applicant.

Name and Address	Nature and Extent of Interest
Jon Hager – Helena, MT	President, Energy Labs
Cindy Roher – Billings, MT	Vice President, Energy Labs
Tracy Dangerfield – Billings, MT	CFO, Energy Labs

FINANCIAL CONDITION

1. Provide a current financial statement for each private entity involved in the project. Documentation of financial capacity may include net worth statements, balance sheets, or profit and loss statements.

2. Has the applicant or any individual or entity affiliated with the development of this project been adjudged bankrupt, either voluntary or involuntary, within the past ten years?

☒ No Yes If yes, give date, place, and under what name:

3. Has the applicant or any individual or entity affiliated with the development of this project been indicted for or convicted of any felony within the past ten years?

☒ No Yes If yes, give date, charge, place, court, and action taken for each case:

CONSTRUCTION CONTRACTOR

1. Identify the construction contractor or builder who will undertake this project.

Name: **Jones Construction**

Address: **123 Regal Street, Billings, MT 59101**

2. Has such contractor or builder ever failed to qualify as a responsible bidder, refused to enter into a contract after award has been made, or failed to complete a construction or development contract within the last ten years?

☒ No Yes If yes, explain:
