

Jefferson Local Development Corporation (JLDC)
Meeting Minutes, August 26, 2009

Board members present: Patricia Lewis, Byron Stahly, Darrell Miller, Ed Handl, Bob Marks, Barbara Reiter, Ken Weber, Tara Mastel, Tom Harrington, and Nancy Wheeler. *Board members absent:* Sheila Hogan, Barbara Sunderland, Colleen Teeling, Dick Norden, Tom Lythgoe. *Guests:* Warren Harden, John Brower, Mark Fries. A quorum was present.

1. Call Meeting to Order

The meeting was called to order at 2:02 p.m. by Vice President, Byron Stahly, at the County Extension Office in Whitehall. Pat made a motion to approve the meeting minutes from 7/15/09; Darrell seconded the motion. Minutes were approved as published. Guests John Brower, Mark Fries and Warren Harden were introduced to the board and Tara gave a background on each person. John and Mark have applied for membership to the JLDC Board and are on the slate of nominees for elections that will be held next Wednesday at the Annual Meeting. Warren is the new Economic Development Planner for Headwaters RC&D in Butte.

2. Golden Sunlight Mine (GSM) / Community Transition Advisory Committee (CTAC)

a. Tom said CTAC meeting was held recently and Mark announced the mine is about six-nine months ahead of schedule for the mill re-opening; could possibly open in 2011 versus 2012. The mine currently has 145 employees and 25 contractors.

b. Phase II Financing

Applications are in for the Phase II financing through EDA and staff expects a letter of final notification of funding in September or October.

The special Congressional appropriation through Senator Tester's office is a separate allocation for \$142,500 toward the business park project. An Environmental Assessment (EA) is required that needs to be approved by the Denver Environmental Officer before the funds can be released from Washington D.C. JLDC staff is working with an engineer firm on this.

The engineer packets received for award of engineer oversight were reviewed. This will be for the lot rewrite on Phase 1 and the successful firm will assist with bidding the project, selection of the construction firms, construction management services and project closeout. Ten engineer packets were received and the Selection Committee, comprised of five individuals, evaluated the packets and selected three firms that will be interviewed September 1st at 4:00 p.m. Board members are welcome to attend the interviews.

c. Tax Increment Financing District (TIFD)

Tom said staff took input from adjacent landowners, met with the Barrick land manager and redesigned the boundary for the TIFD. Staff will review the map Barrick sent with the legal descriptions to confirm it coincides with the landowners' desires. The contractor will submit the documents to the Commission to process and review and a public meeting will be held. The TIFD will need to be zoned industrial for the Department of Revenue to recognize it as a formal TIFD.

d. Wind Development

Tom said staff received the draft report from Northwest SEED to review and provide comments on. It verifies that small wind is feasible at the mine. A large wind developer from the UK is looking at wind development at the mine and staff has requested to meet with them next time they come to the mine to discuss integration of the small wind with the large wind project to save on infrastructure and development costs.

3. Veteran Home Update

Tom said the last Legislative session approved the development of a new Veteran's Home in Southwest Montana. The new home will be a 120 bed facility and will create about 100 jobs. The Legislature allocated \$12 million to the project from the cigarette sales tax revenues and has asked the five competing counties to come in with their proposals. The money allocated will not go to land purchases or infrastructure development.

The Governor has appointed a board of one veteran representative from each of the five counties. Larry Lattin is Jefferson County's representative and he has been attending their meetings. CTA, an architecture firm, has been put on contract to produce a design criteria. The committee is waiting for the footprint for the new home and will then develop a selection criteria. No taxes are associated with the home as it would be a governmental facility but the home would provide stable employment and good job opportunities. Jefferson County has been holding meetings every Monday with Larry and interested parties that want to help put together a proposal for Jefferson County. The Commission is very supportive of the project.

4. Boulder South Campus

a. Sewer Project

Tara gave a background on the South Campus buildings for the guests present. The entire South Campus is served by a sewer system that is clay tile and the system needs to be replaced. In 2007, a Planning Grant was received for an analysis of the sewer system and the cost involved for replacing the system. This year JLDC and other organizations served by the South Campus sewer put forth money to pay for the design of the new system and the county designated the stimulus money it received from HB645 to this project. The project has been designed and approved through DEQ and the bid opening is tomorrow in Helena. Construction of the system should be completed by November.

b. Building Repair on Building 6

Tara said Building 6 has a significant roof leak. The Board approved having the roof leak addressed and a contractor looked at the roof and realized there is a much more serious and expensive problem than just the roofing. The tube that runs inside the wall from the ceiling to the drain system underneath is cracked and is filled with debris. The roof contractor can fix the roof but that won't fix the problem; he will submit a cost estimate for repairs.

c. Planning Grant

At this spring's planning meeting, the board talked about two planning grants; one for the Boulder South Campus and the other for the Whitehall fire. The board approved hiring Judie Tilman to work with JLDC on finding financing grants for development of the remaining South Campus buildings. The community of Boulder is interested in the vacant buildings on the South Campus being used and held a workshop in March. Later, a dairy business approached JLDC and is interested in possibly locating in Building 5 on the South Campus; it would bring six jobs and would be an agro-tourism draw. The dairy would need about one-fourth of Building 5. YDI (AYA), who is leasing buildings 7 & 8 on the South Campus, has a waiting list of clients for their program but is unable to hire enough staff and feels housing is part of the reason. In working with Judie and looking at all funding sources, it appears that perhaps the dairy could locate in half of the main floor of Building 5 with a community room in the other half and housing on the next level. In HB 645, \$4 million dollars of stimulus money was approved to fund specific historic preservation projects and this project fits the criteria. The Preservation Alliance also supports this project and asked if they could have this as one of their main projects in the next year. In order to apply for HB 645 stimulus money, JLDC would need to have an engineer's assessment of the buildings and a cost figure on renovation.

The Planning Grant cycle is not synchronized with the stimulus money cycle. Grants are due for the stimulus in October. Staff went forward and received two bids for assessing the buildings, specifically building 5, and has received only one firm bid. As staff does not have two firm bids, are just presenting the idea to the board of possibly spending the \$15,000 set aside for the Planning Grant on an assessment instead. The engineers have proposed that, while at the South Campus, for a little extra they would do a condition assessment on Building 6. Building 5 would have a condition assessment as well as an architectural design. This would give JLDC the numbers needed to apply for the stimulus grant and CDBG money that would be matching and would give business and housing folks the information they need to decide whether or not they want to move forward and locate in that building. If the board is in agreement, staff will ask the other architectural company for a firm bid and email a proposal to board members. This needs to be done quickly as the end product is needed to apply for a stimulus grant.

Some concern was voiced regarding the potential community room. Tara said the community room would be an open space to be rented and used by the public. She said Boulder people have expressed a desire for a community room that is open and accessible for various events. The volunteer hall, the Catholic Church, and other present available community facilities have limitations and, if the community room portion of Building 5 is not owned by private individuals, it would have the same limitations, Ken said. Much discussion followed. Staff will send information/proposal via email to board members after the second firm bid is received.

5. JLDC Administrative Items

a. Slate of nominees for board elections

Tara reported the Nomination Committee met the first week of August and put forth a slate of three nominees to be voted on at the Annual Meeting on Wednesday, September 2nd.

b. Annual Meeting of the Membership

Thirteen donations for door prizes have been received and 39 people have RSVP'd to date. The meeting will have a similar format to last year. Board members from the three different areas in the county will present this year's updates and bylaw revisions will need to be voted on.

c. JLDC Website

Tara said the new JLDC website is up and running and can be accessed at www.jldcmt.com.

d. Commission Budget Update

Tara said the budget was presented to the Commission and their decision will be made in September. Ken said, for clarification, this is a reappraisal year and the Department of Revenue's deadlines have been pushed back but have assured the Commission they will have the numbers needed by the Commission to complete their budget by the end of August.

6. Comments & Questions

a. Tara explained to the guests present that JLDC is an independent, 501c6; however, Jefferson County does support JLDC in operations and participates in funding staff. Tara said the Whitehall "fire buildings" are down and lots are cleared. Staff sent letters to the building owners offering to purchase their land.

b. The Whitehall Relief Committee has met and Tom said they originally had about \$40,000 in donations to help the fire victims and have a balance of about \$19,000; \$3,000 is committed to one of the businesses to help them with a website/advertising. The committee discussed their longevity. They're waiting on the status of the Whitehall Drug Store and if they can assist them. One of the businesses (the bar) relocated and is waiting for a fire inspection before opening. She had a mason use some of the old bricks from the fire on the front of her new building and it's quite attractive.

Tom said MTAG met last week and gave an update. He said nothing new on the \$70 million financing to get M-pit back into operation. The mine has a skeleton crew of about 14 employees and is in a care and maintenance status. Employees are rotating to work at Apollo Gold's Black Fox project in Canada as needed. The mine received the lien releases from the financier on the 67 acres in Corbin Flats and they have been submitted to the Jefferson County Clerk and Recorder. The mine is in the process of working on a donation deed for the land. The reclamation on Clancy Creek is doing well; there is a good stream flow in the creek and the trees are growing. There is evidence that the elk like the Corbin Flats area and are using the site and the trees, grasses and scrubs are growing there. Discussed the Elkhorn Goldfields visit to the mine several weeks ago to review the Boulder project and using the Diamond Hill circuit. This project could provide 25-30 jobs at Montana Tunnels to run the smaller mill operation.

c. Ken asked if the JLDC Bylaws dictated the terms of board members. There is a limit of three, three-year terms per board member and Tara said two of JLDC's original founding members, Bob Marks and Patricia Lewis, are terming out this September.

d. Bob suggested staff visit with the dairy folk interested in locating in Building 5 on the South Campus and recommend they incorporate a conference room/community room into their ownership and let them manage the room, if one is needed, to take away some of the restrictive issues. Bob said Building 7 previously had a feasibility study done and Building 6 is almost identical to it. Viewing Building 7's study may help with Building 6's assessment costs. Tara will look into this. The other issue Bob had to discuss was relative to the subdivision and to the acquisition by JLDC. Tara said JLDC can't move forward on the sale of Buildings 7 & 8 until approval is received from EDA and not sure when that will happen. The work for the subdivision is about one-third completed. Ken thought JLDC would need to exercise their purchase option, own the property, and then subdivide. Discussion followed. Tom said the 10-year lease option was entered into in May, 2000 and JLDC will need to make a decision on exercising the lease purchase option in February or March.

e. Barbara R. asked about Whitehall's reaction to the fire-burned buildings being demolished. Tara said it depends on who you speak with; there is concern about the businesses being gone and additional businesses closing. Tom said by demolishing the buildings the issue of "keep the walls", "don't keep the walls" is closed. Barbara said she would not like to see the idea of a community hall in Boulder get lost as it was a result of the Horizons project and said Boulder is interested in a Teen/Youth Center as well. Ken said the library voted to put \$1,000 toward development of a Teen Center in both Boulder and Whitehall and, if there is an effort to develop a Teen Center, those persons should work with the librarian. Tom said Whitehall has a VISTA volunteer for a year and he is currently doing a feasibility and due diligence on a Teen Center.

f. Pat said her interest now that the idea of a Community and Teen Center has surfaced is an adult indoor recreation facility as there is nothing in Boulder; regulations for using school facilities make it about impossible. She said Building 6 on the South Campus would be ideal for a Community Center, Teen Center and adult indoor recreation.

g. Tom said the subdivision paperwork on the affordable housing project in Whitehall was submitted to Jefferson County. The contractor JLDC hired found some money through USDA to do the expansion.

h. Ed said Betty and he went to Lewistown recently and there were a lot of positive things happening, mainly due to a group of interested people. They formed a Charlie Russell Railroad that is a focal point for the community on the weekends. Ed said about 300 people ride this train every Saturday evening for about \$80 each. The cash flow presents an opportunity of thousands of dollars every weekend going to the sponsoring entity. In addition, about 50 percent of the people that rode the train lodged at the same motel as Ed and Betty. Ed is wondering what's unique in our community (county) that we could parlay on a situation like that.

i. John said in listening to Ed, he's reminded of the Tourist Railroad project between Butte and Whitehall that was considered a few years ago and commented why not, dinner trains are very popular. He said the Copper King Express runs from Butte to Anaconda and it's very popular, often times sold out.

j. Mark said he's happy to be in Whitehall and feels JLDC will be a real interesting, positive and fun group to work with and he's glad to hear what JLDC is involved with.

k. Tara said the affordable housing in Boulder is having an Open House on Thursday, September 3rd at 1:00 p.m.

l. Warren said he's glad to be with Headwaters RC&D and assisting Tom and Tara.

8. Adjourn

The JLDC Annual Meeting will be held Wednesday, September 2nd, at the Montana City Grill and will be in lieu of the regular September meeting. The following month's regular meeting will be Wednesday, October 21st, 2:00 p.m. in Boulder City Hall's conference room. Barbara R. made a motion to adjourn the meeting, Darrell seconded the motion. Motion carried. Meeting adjourned at 3:20 p.m.

Respectfully submitted, Nancy Wheeler, Note taker