

Jefferson Local Development Corporation (JLDC)

Meeting Minutes, December 2, 2009

Board members present: Barbara Sunderland, Byron Stahly, Dick Norden, Darrell Miller, Ed Handl, Barbara Reiter, Colleen Teeling, Mark Fries, John Brower, Sheila Hogan, Tara Mastel, Tom Harrington, Nancy Wheeler. *Board members absent:* Tom Lythgoe, Chris Rehor. *Guests:* Troy Watling, Mary Janacaro Hensleigh, Jo Janacaro. A quorum was present.

1. Call Meeting to Order

The meeting was called to order at 2:05 p.m. by President, Barbara Sunderland, in the Extension Office conference room, Whitehall. Mark made a motion to approve the meeting minutes from 10/21/09; Dick seconded the motion. Minutes were approved as published. Barbara S. announced an addition to the meeting agenda. Barbara R. made a motion to accept the amended agenda; Colleen seconded the motion. Motion carried. Barbara S. welcomed today's guests and introductions were made. Barbara Sunderland appointed Dick Norden to the Board's Executive Committee and said the Audit Committee will consist of Dick, Sheila and Tom Lythgoe. One of the functions of the Audit Committee is to meet with the auditor prior to the presentation of the audit to the Board which will be done next year.

2. Presentation of Audit and Financial Statements

Troy Watling, auditor, reviewed the financial statements and management letter required by auditing standards that summarizes points in the audit. An annual audit is required by law as JLDC has received federal funding.

3. Boulder South Campus

a. Sewer Project

Tara reported a meeting was held yesterday to get a status update on the project and the project will be completed next week. Last week the contractor ran into an old vault of sewage and that challenge will add approximately \$8,000 to the cost of the project. This is a complicated project due to the many different entities involved and, after discussions with the City of Boulder about participating in the cost of the project, the City has decided to help fund the project. Staff continues working with the City, giving them information they request.

The South Campus roads torn up due to the sewer project will be repaired in the spring. Joe Carter will evaluate the South Campus roads and staff is hoping to combine the project with the South Campus subdivision project, paving some of the disturbed pavement and meeting subdivision road requirements at the same time.

Staff received bids for extending the sewer from the main line to the vacant buildings on the South Campus. The bids totaled approximately \$20,000. Staff feels the project could wait until the buildings are renovated up to code as water and electricity would need to be done at that time. Staff asked for board feedback and it was decided the project will not be done until the vacant buildings are renovated.

b. Historic Preservation Grant / Culinary Campus

Tom and Tara met with Peter Degel, Executive Director of Youth Dynamics, Inc. (YDI), the organization who leases buildings 7 & 8 on the South Campus. Staff met with him to specifically ask for a letter of support for the renovation grant for building 5 but also spoke with him about a rent increase. YDI has agreed to a three percent rent increase effective January 1, 2010. Staff has been working with a developer who has been working on a culinary campus with the College of Technology in Helena. The project is continuing to progress. A meeting is scheduled Tuesday at Boulder City Hall to meet the partner the developer has brought in on the project who has expertise in this area. Some board members from Boulder and the new mayor were specifically invited to the meeting; however, the meeting is open to the public. In the process of writing the grant, a letter expressing interest in the project from the College of Technology was received. Tara emailed the letter to the board members.

The Historic Preservation Grant has been submitted. Tara said Judie Tilman did a great job on the grant. One hundred thirty-four other entities thought it was a great opportunity also, so it's a very competitive grant. Peter Degel reiterated he's very excited about the opportunity to have the youth in his program have access to

the culinary school. If the school doesn't work out, YDI/AYA needs housing for their employees and are also interested in having a transitional living situation for the youth. Staff reiterated to Peter that JLDC is committed to having YDI as a tenant; they have been a good renter and provide good benefits for the community.

JLDC has a 10-year lease option to purchase the South Campus property from the county and this is the last year of the lease opportunity. JLDC needs to think about executing the lease option before May. Two reasons to finalize the lease option are to allow JLDC to finalize the subdivision and YDI is still interested in purchasing the two buildings they occupy.

4. Whitehall Downtown Redevelopment

a. Revitalization Forum

Tara said many changes have occurred in Whitehall; a lot of key businesses changed hands and the economic downturn impacted numerous small businesses as many were construction related and the devastating March fire. The Chamber and JLDC felt it was a good time for public participation and community conversation on what should be done in Whitehall now that the fire buildings have been demolished. JLDC worked closely with the Chamber of Commerce and jointly held Revitalization Forums based on the Horizons Study Circle concept done two years ago. The five evening forums were a success; about 30-35 people attended each evening and participants varied. The forums were also broadcast on the local television and radio. There was good discussion and presentations at each meeting. Tara reviewed the weekly speakers and topics and said meeting summaries were published in the newspaper after each meeting. Working on Whitehall (WOW), similar to Hometown Helena, where community people meet to discuss what's happening in the town and what the businesses are doing, may result from the forums. Tara said staff was contacted by Pamela Haxby-Cote, Senator Tester's Economic Development Director, asking them to prepare a request for a special appropriation for the town of Whitehall due to the impact of the fire. Staff is working on the request and thinking strongly about putting the downtown into an Urban Renewal District.

b. Borden's Acquisition

Tom thanked the board members that were able to tour the Borden's before today's meeting. JLDC became involved with the Fire Relief Fund to help support the process of getting businesses affected by the fire back in operation. The owners decided to demolish their fire damaged buildings and JLDC unsuccessfully offered to purchase three of the owners' four lots. JLDC felt that if the lots were consolidated under one owner, something was more likely to happen. In the meantime, the Borden's Hotel closed and a business owner looking at doing renovation of another building in Whitehall was interested in the liquor license. Staff contacted the previous owner of Borden's who had taken the property back to talk to him about the license. The owner called JLDC back later and discussion with the owner indicated a desire to sell the Borden's due to his personal situation. The owner would retain the liquor license and sell the property to JLDC for a very good price. Staff did a walk through with the owner and submitted an offer contingent on board approval. Staff said the title has some items that need to be taken care of before proceeding with the closing and assured the board there will be a clear title before JLDC takes charge of the building. After JLDC takes control of the property, a committee can be established for public input on ideas for the Borden's. Discussion followed.

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

a. Tom said there have been a couple CTAC meetings held recently in short duration. Barrick has been working on a big project in Alaska. Part of the issue with the tribes in Alaska is sustainability and when the different Alaskan tribal leadership groups visit GSM, they like to talk with community folks in the CTAC meeting to hear about the relationship between the mine and the community and get answers to questions and concerns they have.

The mine manager said the mine has about 155 employees and 20 contractors. The mine is ahead of schedule on their layback and could possibly resume operations four-six months ahead of schedule. The mine is in the process of purchasing some new trucks and hired some temporary employees. Engineers are doing the final analysis and feasibility study for a pyrite concentrator project that would mean 12-14 jobs for at least 20 years. GSM should know in January if they are successful in acquiring the project. Chad Hymas, a motivational

speaker who was injured in a farming accident in Utah, gave safety presentations at the mine and both the Whitehall Elementary and High School in November; Harrison and Twin Bridges schools also attended.

b. Phase II Financing

The final EDA application was submitted and staff expects to hear from EDA soon regarding the grant for infrastructure build-out. The next step will be to start the bid document process and move forward to break ground at the park. Staff received the Environmental Assessment (E.A.) for the special Congressional appropriation through Senator Tester's office and sent it to Denver for the review process. The E.A. will then go back to Washington D.C. The grant application will be finished this week and sent to Washington D.C. Once the E.A. is approved, staff will find out the procedure to receive the funds.

c. Tax Increment Financing District (TIFD)

Tom said it's a detailed process of presenting, public hearings, doing ordinances and regulations, etc. The first reading was done at yesterday's Commission meeting; December 15th will be the last actual hearing meeting. Both the South and North TIFD areas had to be zoned industrial and county Growth Policies changed to be in concert with the zoning for both districts. The Commission will then either approve or not approve the two TIFD's; approximately 7,000 acres in Whitehall (Sunlight Business Park) and approximately 100 acres in the north end of Jefferson County. The TIFD is an incentive to bring businesses in as the increment tax for new development in the TIFD is used for future development and infrastructure.

d. Wind Development

Tom said the wind developers installed a new anemometer on the east side of the pit to gather more information. Staff will meet with the wind developers when they come to the mine site to discuss tying in the business park and wind generation there. Staff continues working on the small wind project for the business park. Tom said staff is working some biomass projects and several public meetings have been held as there is a lot of interest in biomass. A couple investors looking at sites for an approximate 20 megawatt co-gen facility spent part of a day in Whitehall and looked at the business park for a potential site. Tom said another biomass meeting will be scheduled within the next couple weeks.

6. Montana Tunnels Advisory Group (MTAG) Update

Montana Tunnels has a skeleton workforce of about 11 employees. Some employees are helping work the Black Fox project in Canada as needed. John Schaefer, Montana Tunnels, presented a copy of the quit claim deed approved and signed by Apollo Gold CEO transferring approximately 70 acres of land near Jefferson City to JLDC to support sustainability operations. JLDC will get a deed on the property. The land transfer has been a long process and John Schaefer put a lot of time and effort into this. There are no deed restrictions and, in order to maintain the sustainability of the mine, language needs to be attached to the deed to keep the land as intended by Montana Tunnels. This gives JLDC an opportunity with the land for a north end business park that will probably be modeled after the Sunlight Business Park. The land transfer is a significant event and will be a lasting legacy showing the Apollo Gold community partnership as they divest their ownership of Montana Tunnels to a new owner. The mine does not want press on the property transfer at this time. Elkhorn Goldfields (E.G.) was a joint venture partner with Montana Tunnels and E.G. is in the process of purchasing Montana Tunnels assets and has asked staff to assist them with locating money for the Elkhorn Mine, Boulder, or Montana Tunnels to resume operation.

7. Veteran Home Update

Tom said the last Legislative session authorized development of a new 60-bed Veteran's Retirement Home in Southwest Montana using cigarette tax money. The six competing counties in Southwest Montana are to submit their proposals by February and a committee will make a recommendation to the Governor about April-May as to where the facility should be located. Jefferson County is one of the competing counties and has been meeting on a regular basis to strategize. There is a proposed criteria list for the facility and Tom feels Jefferson County can submit a competitive package. Tom said there were three potential locations for the facility throughout Jefferson County; however, the property in Boulder meets the needs with the least amount of

cost for hooking up to infrastructure. The committee is in the process of hiring a contractor to do the professional packet. The home would create about 80 very good jobs. Discussion followed.

8. North County TIFD Update

Tara said it's been great working on the two TIFDs at the same time as it's very complicated. The law requires there is an administration committee for TIF districts. As Jefferson County has two districts and both will be new, it would be good to have one board that would administer both the districts as the law does allow for that. There will be five members on the board with at least two members being from each the Whitehall area and the North Jefferson County area. There is a business interested in building on the North Jefferson County site so are currently working on establishing the administration for the TIFD board. Tom said two documents were emailed to the board members.

9. Comments & Questions

a. Byron said there are a lot of exciting things happening in our county and a lot of opportunities. In the past, the board has discussed staff's ability to stay on top of it all with their heavy workload and Byron told staff they are doing a great job with their extremely busy schedules and thanked them. Jo reiterated Byron's comments.

b. Tara said a North County Business Roundtable will be held Wednesday, January 6th, at the Montana City Grill banquet room from 12:00 noon-1:30 p.m. Jim Edwards and Richard Miltenberger from Mountain West Benefits will talk about Affordable Health Insurance Options for Small Businesses.

Tara said staff will again be offering the Core 4 Business Planning class for four evenings probably in February (exact date to be determined). The class will be held only in Boulder this year and will have participation from the Small Business Director in Butte.

JLDC received a Planning Grant for a sewer project in 2007. Matching funds for the grant were required from the various entities that would be benefiting from the project. Molitor Trucking committed \$1,078.14 as a matching fund for the Planning Grant because they owned some property that would have benefited. JLDC has a letter from them committing to this amount. The company is no longer in existence, the property sold and Molitor Trucking was not able to meet their financial commitment. As there was a commitment made, JLDC paid their amount in order to close the grant out. Invoices have been sent to Molitor Trucking with no response. Staff contacted Mike Molitor about a year ago and was told he would try to send a monthly payment but JLDC has received nothing to date. JLDC either needs to be reimbursed for the amount or write the debt off and the Board was asked to address the issue. Discussion followed which included legal collection; however, the costs associated with this option would cost more than the debt. Mark made a motion to charge off the debt but send an invoice or letter to Mike Molitor for possible monthly payments; Ed seconded the motion. After discussion, the motion failed because JLDC has made collection attempts with no success. Barbara Reiter made a motion to write the debt off; Byron seconded the motion. Motion carried.

c. Mayor Elect, Mary Janacaro Hensleigh, gave an update on what she has been doing in preparation for her new position. Mary has been trying to get a feel for things by going to the lagoons, pump houses, fire station, ambulance, city hall offices, storage units and garbage run, attended the Madison County Planning meeting, has been attending Chamber meetings and every meeting she is aware of and has been talking with folks at the Senior Center. One of the complaints she heard while campaigning was a lack of communication and she is trying to remedy some of that. If there are any meetings you'd like Mary to attend, please let her know.

d. Barbara R. congratulated Tara Mastel on the well deserved award she recently received from the Montana Joint Council of Extension Professionals. Boulder's Christmas Bazaar is Saturday from 9:00-3:00 at the High School and Barbara R. invited the board to also visit Boulder's new gallery.

10. Adjourn

The next meeting has been scheduled for Wednesday, January 20th, 2010 at the Boulder City Hall. Due to a request from a board member, there will be a tour of the South Campus buildings prior to the meeting. Byron made a motion to adjourn; Barbara R. seconded the motion. Motion carried. The meeting adjourned at 3:55 p.m.

Respectfully submitted,

Nancy Wheeler, Note taker