

Jefferson Local Development Corporation (JLDC)

Meeting Minutes, January 23, 2008

Present: Barbara Sunderland, Joe Calnan, Pat Lewis, Darrell Miller, Byron Stahly, Ed Handl, Mike Molitor, Tom Lythgoe, Tara Mastel, Tom Harrington, and Nancy Wheeler.

1. Call Meeting to Order

The meeting was called to order at 2:27 p.m. by President, Barbara Sunderland, at Marks Lumber in Clancy. Byron Stahly made a motion to approve the December 19th meeting minutes as published, Ed Handl seconded the motion. Motion passed.

2. Business Tour

Prior to the meeting, Steve Marks gave the group a tour of Marks Lumber in Clancy. It's a very nice, well thought-out facility and the tour was very informative.

3. Boulder South Campus

a. Subdivision Update

Tara said Team Vivrette is progressing on the subdivision and are talking covenants now. There are some concerned citizens that want to have a say in how the land is used after it's sold.

Tom L. asked the board why JLDC doesn't execute their option to purchase the property. Three concerned citizens came to the Commission office about the subdivision today. The Commissioners can't talk to the public, developers, etc. about subdivisions until after a subdivision is approved by the Commission. Tara said the JLDC has a signed lease option to purchase the property and have budgeted to buy it this year. Joe asked if there was a down side to purchasing it. Tara said there was no downside that she could think of. Tom H. said one of the prior reasons for not executing the lease option was the property is insured through the county's insurance carrier (MACO). However, MACO's policy rates have risen significantly in the last few years. Tom H. said the South Campus will go through a major subdivision process and a public hearing will be required. It's now technically still Jefferson County property with a lease option to JLDC. This raises some questions about being county land and complicates the public hearing process. Tom L. said JLDC may still be able to retain MACO insurance after they execute their option and purchase the property as JLDC is the economic development arm of Jefferson County and considered to be part of county government. Tara will check with MACO and report findings at the next meeting. She said the office has unsuccessfully contacted other insurance agencies for quotes.

b. Youth Dynamics Maintenance Agreement

Tara said there was discussion at the last meeting about working with YDI to readjust the bills submitted to JLDC. Tara has talked with the controller at YDI and they are working on it. JLDC has not paid any of the bills and are waiting for clarification.

Joe asked if YDI is still interested in buying the property. Tara said staff has met with Peter Degel of YDI and they are still very interested. The property can't be sold until after it's subdivided.

4. Montana Tunnels Advisory Group (MTAG)

Tom H. reported MTAG met last week. Tunnels currently has 211 employees and, due to increased production and metal prices, this is the first profitable year for the operation. Tunnels has enough ore to operate until June. It was hoped that the M-Pit Environmental Impact Statement (EIS) would be published the first part of January. The DEQ decided some of his staff and he needed to conduct a site visit last week to clarify some points before finalizing the draft document. Once the document is published, there will be a 45-day public comment period and a public meeting; Tunnels also needs to answer all the comments. Tunnels is looking at two-three months to complete this and

get a Record of Decision (ROD). The mine manager emphasized to Director Opper at DEQ that this needs to be expedited and moved forward. BLM has reviewed it and are ready to go but they need to wait until the DEQ publishes the document before they can put in the Federal Register. They are hoping to have the draft published by the end of January. Tunnels is trying to avoid being in the position of having to issue employees a 60-day notice of potential layoff. Tom H. said the M-pit expansion would allow an additional five years of operations.

Tunnels had a draft copy of the business park lease at the meeting that has been reviewed by Apollo Gold lawyers and is now with their partners at Elkhorn for approval. No problems are anticipated. Tunnels has two agreements they will give to JLDC probably at the next MTAG meeting. One is the lease on the property, the other a Record of Development agreement.

JLDC submitted a recommendation for Tunnels to receive the Governor's Export Award. Part of the criteria is to list the last four years of production. Tunnels' primary products are zinc, lead, gold and silver and most of their minerals are exported to be processed. Last year's production was about \$10 million; this year (since March) is \$75 million.

Attendance at the MTAG meetings has been low. Will discuss with members what needs to happen to energize the group; perhaps a change in time, location, and/or membership.

Joe said John mentioned that Apollo Gold has two other big properties, one in Canada and the other in Mexico.

5. Elkhorn Mine Community Group

Tom H. said the Elkhorn Mine Community Group met last week in Boulder. The mine has seven salaried individuals and five hourly personnel. Employees are drilling, sampling and working on the mine's operating permit. A road contractor has been hired to clear brush along the road and improvements done as far as visibility and safety in anticipation of getting the operating permit. The mine is close to finalizing work on the Environmental Assessment (EA) and will soon submit it to the DEQ. The process is expected to be finalized and released the end of February. This will open the 45-day public comment period and involve a public meeting. The mine is hopeful they will have their operating permit in April or May so they can begin mine operations mid to late summer. They are looking for equipment in anticipation of future operations. Two mine individuals were attending CTAC meetings for several months, liked what they saw in the Whitehall area, and replicated the process. Tom H. said by forming their community group they've had a chance to interface with Elkhorn and the people around Boulder. The mine is looking at developing new power lines to Elkhorn, a telephone line project is pending, a new well pump was installed, several first responders are at the mine, and one employee is in training to become an EMT.

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

a. Tom H. reported the mine has 140 employees and 70 contractors, about half the contractors are underground miners. The mine exceeded their end of year production goal by 3,000 ounces of gold, which is about \$2.5 million dollars over what was projected. The mine has a plan into the State and BLM for approval. The State requested the mine call the permit 5-B optimized instead of 5-C, as it was being referred to, as it fits more in line with what was previously permitted. 5-B optimized will be presented to Barrick's leadership for a decision on whether to extend mine life another five years or close. The mine expects a decision from Barrick in February or March. The mine manager has emphasized the decision needs to be made by March. GSM is done mining the ore and have shifted employees over to work on reclamation.

b. Wind Development

Barrick is interested in wind development; they developed a project in South America with an engineering company named Sea Wind. Kent Cook from Barrick's Toronto office is bringing Sea Wind to the mine February 19th & 20th to do a site survey and Tim has asked JLDC staff and Commissioner Ken Weber to meet with them. Barrick liked the wind data they reviewed. This ties together with the county being awarded the CREBs project one megawatt bond authorization through the IRS. Whitehall and Boulder were also each awarded the grant, so there is a potential three megawatt wind development. All three entities designated GSM for their site.

c. Court Filing on Backfill

MEIC filed a "Contempt of Court" charge on the backfill decision. Jefferson County filed a "Friends of the Court" brief on that showing support for the mine.

d. Phase II Grant Status

The DEQ water and sewer plan discharge permit is still pending for the Phase 1 approval process. The engineers are working on getting a letter from the Fire Chief that DEQ requested. Approval on the discharge permit is getting closer which is important as the other permits won't be released until the discharge permit is approved. Once DEQ plan approval for the subdivision is received, staff will move forward with the final plat to the county. Staff is working on funding and will meet with Headwaters to refine the application and submit it to EDA. Staff looked at USDA Rural Development grants and couldn't find any fit there so the primary funding focus is on EDA and, for a fallback, CDBG.

e. Tax Increment Finance (TIF) Project

Staff met with the county commission on establishing a TIF district for the business park and there is positive movement on that. The contractor did a presentation with the Commission, County Attorney and Clerk and Recorder and also a separate session with GSM leadership in Whitehall after last week's CTAC meeting. Staff is on the agenda next week to do a draft memorandum that needs to be done to move the process forward.

f. Planning Grant

Tom H. said the Planning Grant through the Big Sky Economic Development Trust Fund (BSTF) was submitted for the business park and staff expects to hear next week if it's successful. The draft survey results are back from MSU-Billings on the Horizons and Visioning process. Staff is scheduling a public meeting in the Whitehall area to review the data. Staff will email the report to board members when it's finalized.

7. Community Development/Human Service

a. Horizons Visioning and Community Action

Tara said from Whitehall Andrea Sarchet, the new Extension Agent in the office, and she attended the Rural Community Conference in Billings January 15 & 16. Dick and Linda Norden, Carmen Craft and Barbara Reiter from Boulder also attended. The conference had leaders in community rural developments from all over the country speak at the conference and that drew the key people doing rural development in Montana. The President of the Board of the Northwest Area Foundation, the funder behind the Horizons project, was one of the influential people in attendance. Tara said people came away with a good understanding of the impact that Horizons has had on communities. In each the Whitehall and Boulder communities, Community Development boards are formed and are working.

The survey results on the Horizons and Visioning process are in. The survey was done in Whitehall; GSM funded it. There will be a public presentation February 7th, 6:00 p.m. at the Extension Office Conference Room in Whitehall.

b. Housing Update

Tara said there is not a lot of progress since last month. Boulder is still waiting on the DEQ. They have bids and contractors ready to go. The Whitehall deal is progressing. NAHN is on the Commission agenda next Tuesday to ask for a bridge loan and they are ready to close on the land deal. NAHN will own the 11 acres in Whitehall. NAHN was founded by Barbara Miller and Bob Corbett. Bob died last week so there is a bit of a setback. He was an architect and engineer and the person who was going to design the senior project.

8. Web and Brand Identity Update

Tara said Earthtalk Studios is working on the logo and will forward the concepts to the board members when she receives them. Tara is working on the web content and would like to have it done within the next month or two; her goal is to have the web launched by the end of this fiscal year. Tara told the designers the county may also use the logo or would like a logo that blends with the JLDC logo so they designed JLDC's logo with that in mind.

9. Review Mid-Year Planning Session

This was tabled last meeting. Barbara said she has talked about this a couple times with Tara and asked for comments on the session. Tara and Tom H. put together a summary for the mid-year planning review session of what was decided at the annual planning session and where staff was in accordance with those projects. Tara said each goal and the budget were reviewed, programs and projects were discussed, and an overview given. Tara is now using the same format used for the planning session for the monthly staff reports. She said the mid-year review was a good exercise to see where we're at and how we're doing.

Barbara thought it was really good because, as Joe first said, you can't make a plan and then never go back and look at it until the next year. Barbara said she feels it's really necessary for our organization. Joe agrees with Barbara and said we should continue this practice. Ed feels the concept of having a mid-year review is an excellent working tool and believes it's necessary for the committee. He offered constructive criticism that the board not get bogged down in details, but try to look more at the review and, in the review process, at actual progress. He realizes progress is hard to measure on a lot of the projects, but thinks it a challenge for the JLDC to find measurability concepts for each task. Barbara agreed with Ed. Tom L. also feels it's a great idea.

Ed asked if there was to be a decision on whether or not we would continue this mid-year review in the future. Barbara said yes, there was to be discussion on how the meeting went, do we want to continue it in the future and was something missed this last year that we need to do different next year. Darrell said it's obviously a good idea to have a mid-year review session but the other side of the coin is not to only look at if JLDC is doing the projects proposed and anticipated but also discuss any un-anticipated projects that have surfaced. It was decided the mid-year planning review session is a good idea and to continue it.

10. "Elevator Speech" Discussion

This was also tabled at last month's meeting. Tara distributed a sheet with four draft elevator speeches for discussion. Ed's idea for an elevator story was different from the Tara's draft speeches as his initial idea was to include numbers in the speech as far as jobs created, loans made, and tax base added. Tara said it was hard to do that in the last couple years due to the projects being worked on. Tara's speeches are to give people a sense of what JLDC does. Tara read and explained each speech. Ed feels adding numbers to the speech would enhance it as he believes the numbers JLDC can portray are very impressive. He said JLDC can honestly say we've impacted hundreds of primary mining jobs over the last several years. Additionally, JLDC has done BEAP and similar projects where we could go back over the last five years and add up the number of employees that have worked in businesses that were helped through these projects. He thinks it makes the presentation of the speech a lot more

meaningful to start out with a sentence of what JLDC is and does and then follow up with numbers and impacts. Ed feels confident that even though JLDC may not have actually created the jobs, we played a significant role in supporting them.

Tom L. said JLDC board members had a huge impact on the Montana City interchange. He was involved significantly on the Montana City roundabout and Joe and he had a lot to do with the South Helena interchange coming to fruition. Joe commented that some benefits of the new interchange were not obvious to our residents such as the fact that now EMS services to and from Jefferson County have a shorter and more direct route to and from the hospital area obviating the obstacle of the Capital Interchange, especially at busy traffic periods. The concept is easy to understand and the speech needs to be short enough to give to a person in an elevator. Other examples of projects JLDC has helped with were given. Ed said JLDC needs to blow their own horn and portray the successes we're achieving or it's going to be buried. Darrell said JLDC enhances the quality of life in Jefferson County, one example being the Horizons project. Pat said JLDC is developing a new logo and suggested perhaps a tag line with the logo for people to read on correspondence, etc. Tom L. suggested having a business card with the elevator speech included on it. Barbara said people want to know who we are and what we do. She said it's important for people to be aware that JLDC is Jefferson County's lead economic development organization and likes the idea of using some of Tara's speech tied together with Ed's ideas. JLDC needs to be able to tell people who we are and give examples of what we've done and said details like Ed is talking about are important.

Tara proposed that as she's working on the new web site content, she work on blending both concepts together in an elevator speech. She will present the speech to the board within the next couple months. Darrell said Tom L. had a good idea in having business cards to hand to people.

11. Staff Reports

- a. Tara said the audit is in process now and the auditors were in the office last week.
- b. Staff is facilitating a meeting at 4:30 in Boulder regarding an Animal Shelter in Jefferson County.
- c. Tara is offering business planning classes throughout the county. The purpose of the classes fulfills the mission of MSU Extension, which is providing economic and community development education. There is also a slight amount of nervousness with some people regarding the mine's future, and staff may find potential tenants for the business park. She distributed a draft flier and will email the final to the board within the next week after details have been confirmed. This curriculum was developed in Virginia, Minnesota, a rural mining town, and has been successfully offered throughout the country. The course focuses on the very core elements of business and is applicable for those starting a business, for those that have an existing business they'd like to expand, and for those that want to take a fresh look at their business. Please email your comments/ suggestions on the flier to Tara.

12. Adjourn

Mike made a motion to adjourn, Pat seconded the motion. Motion passed.

Next meeting is scheduled for Wednesday, February 20th, at the Boulder Hot Springs. A tour of Boulder Hot Springs will start at 1:00 p.m. with the JLDC business meeting starting at 2:00 p.m. Meeting adjourned at 4:15 p.m.

Respectfully submitted,

Nancy Wheeler, Notetaker