

## Jefferson Local Development Corporation (JLDC)

Meeting Minutes, March 16, 2011

*Board members present:* Sheila Hogan, Ed Handl, Byron Stahly, Barbara Reiter, Dick Norden, Chris Rehor, Tom Harrington and Nancy Wheeler. *Guest:* Shawn Bryant. *Board Members Absent:* Barbara Sunderland, Darrell Miller, Colleen Teeling, Tom Lythgoe, Mark Fries, John Brower and Tara Mastel. *A quorum was not present.*

### 1. Call Meeting to Order

The meeting was called to order at 2:04 p.m. by President, Sheila Hogan, at the Montana City Grill. Meeting minutes from 12/15/10 and 2/16/11 were not approved for lack of a quorum.

### 2. Boulder South Campus

#### a. Subdivision Report

Tom H. said the subdivision is moving forward and is in the process of working on the survey and finalizing covenants. Sewer and water usually run into the road; however, due to the campus layout, they run in the middle of the campus, causing a challenge.

#### b. Building 5 Roof Report

Staff met with the contractor last week and finalized the process. With the Historic Grant funds comes a very descriptive set of requirements for the pre-construction phase. The contractors started working on the roof Monday and part of the roof on one side is already torn off and three crates of the old roof tile boxed up. There is another contract with a company out of Illinois for the salvageable clay roof tiles and the contractor has been corresponding with the company. The Illinois company will send a representative to Montana to inspect the tiles prior to shipping and will pay per salvageable tile. The timeline on the roof is six-seven weeks, depending on the weather, and the contractor's contract ends May 2<sup>nd</sup> with latitude for JLDC to allow for extra delays due to weather, etc. The grant requirements give JLDC until the end of June for completion of the roof project. There were a couple windows on the back side of the building with broken glass and window frames and did a change order to have the contractor put plywood over the damaged windows and window frames to keep moisture out of the building. There are no existing interior renovation plans for building 5 at this time.

c. Staff met Monday with Peter Degel from Youth Dynamics, Inc. (YDI). YDI has been interested in purchasing the property on the South Campus they now lease and Tom H. explained the EDA requirements on the property to Peter. Peter may be interested in remodeling building 6 as YDI needs more space and more group home capacity. Staff will research if EDA could possibly move the lien to building 6 on the South Campus for a remodel.

#### d. MIST

MIST, a group of individuals interested in monitoring for paranormal activities on the South Campus monitored building 5 Friday night and will monitor another building on the South Campus an evening next week. JLDC has also offered for them to monitor the Borden's building in Whitehall. MIST will give JLDC a DVD and report of their findings.

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

a. CTAC met last week and Tom H. reported the mine has 203 employees and 85 contractors. Earlier this month, GSM had their first gold pour since mill startup and the mine manager shared an article and pictures of the pour. The mill initially faced some challenges as the clay ores they were using caused problems in the crushing circuit. The mine manager is bringing a member of his management team to each CTAC meeting for the supervisor to inform the group as to what work his area is responsible for. The Engineering Superintendent attended last week's meeting and said a second drill arrived at the mine and are doing some exploration testing. He was optimistic about finding some additional targets.

### **b. Sunlight Business Park (SBP) Construction Update**

SBP construction resumed last week and there were a couple safety issues to work out. There were also concerns with the location of the water lines and the telephone line locator company had a wrong location and the mine was without phones for about four hours. There was a gas leak on a valve and NorthWestern Energy was contacted. There will be a coordination meeting every Monday morning at 10:00 a.m. with the GSM, JLDC staff and the contractors. Tom H. reported a culvert will be added to the road Ed H. asked about. No decision has been made on whether NorthWestern Energy or Vigilante Electric will provide power for the park.

### **c. Marketing Options for Sunlight Business Park (SBP)**

Staff met with some representatives from Grubb & Ellis, a marketing firm out of Bozeman, to talk about visibility and marking of lots in the park. Staff will also schedule a meeting with some folks in Butte involved with commercial real estate.

## **4. Elkhorn Goldfields Projects**

Tom H. reported Elkhorn continues their pursuit for funding/financing. Montana Tunnels has delinquent taxes and the county is again into the tax cycle with tight county budgets. Tom H. spoke with an Elkhorn representative on this issue and one of the executives from Black Diamond came and talked with the Commission. The Elkhorn representative has indicated there are possible investors and was waiting for an update on the financing arrangements currently being worked on. Elkhorn is working on paperwork that would allow for the startup of the Golden Dream (GD) Operation out of Boulder as GD has an approximate \$8 million startup compared to \$70 million for Montana Tunnels. Commissioner Wortman attended a MACO meeting and asked Tom H. to draft a letter for the MACO Natural Resource Committee to be sent to Congressional representatives to reinstate Recovery Bonds as a mechanism to provide financing.

## **5. Borden's Hotel**

Tom H. said the Borden's houses two tenants. The power bill is about half of what it was for the prior tenant but is still high even with the new roof, etc. Looked at alternative energy grants and talked with state people who feel the building is not big enough to warrant an energy feasibility analysis. JLDC was awarded a feasibility grant to study the buildings potential reuse and staff is working on that. JLDC needs a business license for operating the Borden's building and are in the process of obtaining the license. There was an inquiry as to having an energy audit on the building. Tom H. said the lack of insulation in the building and the condition of the upstairs contributes to the power bill; however, staff will look into an energy audit for the building. Discussion followed.

## **6. Legislative Updates**

Tom H. said there are several bills in the Legislature geared toward mining. Senate Bill 312 is a change to the Metal Mines Reclamation Act, supported by the Montana Mining Association who believes it will help stream line the permitting process. Senate Bill 306 would give clarification of the cyanide ban to allow the grandfathered cyanide processing facilities to accept open pit ores from offsite. This is important to Golden Sunlight Mine (GSM) as there are only two mines in Montana permitted to use cyanide in open pit operations; underground operations can still use cyanide. Because of high metal prices, there are a lot of third party ores and mines without the ability to process their ore that would like it processed at GSM. The issue is if the ore came from an underground mine, it would be okay to process at GSM. If the ore came from an open pit operation, it can't be processed at GSM as the ore came from an open pit. A clarification in the law is needed. Senate Bill 317 would revise the Montana Environmental Policy Act (MEPA). Tom H. said the Fraser Institute in Canada does a thorough analysis on various industries, one of them being mining. The industries are ranked by 19 different categories and, out of approximately 80 countries/states throughout the world, Montana ranked eighth from the bottom of the list for putting investment dollars into mining in Montana. The area Montana ranks low in is its environmental policies; the inconsistencies of regulations, clarification of regulations, etc.

Tom H. and GSM's manager, Tim Dimock, met with Evan Barrett of the Governor's Economic Development Office on legislative issues; one of them being the cyanide legislation and Tim Dimock, GSM Manager, and Debbie Shea, Montana Mining Association, have a meeting with the Governor on March 21<sup>st</sup> to discuss some of the legislative bills.

Tom H. said Senate Bill 367 on nutrient standard criteria and variances and the other bill that pertains to the total daily maximum load development are seeing positive movements. These bills are being done in conjunction with DEQ. These bills involve Whitehall and Tom H. discussed the town's situation with the new wastewater discharge system and the economic hardship involved. Many little towns have been doing direct discharge and the nutrient standards have been getting more stringent. These bills are very important as they affect the current standards DEQ has on discharge permits, primarily on ammonia, nitrates and phosphorus out of wastewater plants and the bill would change some of the nutrient standards. The new sprinkler irrigation system for Whitehall will close some of the businesses in Whitehall due to the extreme rate increases involved. The nutrient standard bills would give leeway for a system like Whitehall to relook at different options for the discharge system other than sprinkler irrigation. GSM has offered to the Whitehall Town Council to fund a third party review of the engineering report and do an assessment to see if there is potentially another alternative for the town to reduce the overall estimated engineer costs. The Town Council accepted the mine's offer with a short timeline for the assessment. There will be a public meeting April 4<sup>th</sup> in Whitehall on the issue.

Tom H. said there is also legislation on revisions to the TIFID, mainly geared toward urban TIFIDs. JLDC is grandfathered in for the two TIFIDs (North and South) in Jefferson County but will wait on legislation outcome before deciding whether or not to proceed with developing a Whitehall urban TIFID.

Contacting or emailing the legislators, letting them know what you want, does have an impact and Tom H. encouraged members to do so.

## **7. Annual Planning Session**

The Annual Planning Session is tentatively scheduled for Wednesday, April 20<sup>th</sup> from 12:30-4:00 p.m. with the same format as last year. Board members would have a lunch at 12:30 p.m. with the meeting starting at 1:00. Nancy will email the board members not in attendance today for a commitment before solidifying the date.

## **8. Comments & Questions**

a. Ed suggested the group tour Cretex the next time the JLDC meeting is held in Montana City.

b. Tom H. said according to the Department of Revenue's report on the tax increment districts, the north end Tax Increment Finance Industrial District (TIFID) has an approximate \$2,000 increment for the past year and the south end TIFID about \$26,000. The TIFID is a separate line item the county tracks. A Tax Increment Advisory Committee meets when needed, establishes budgets and advises the Commission.

## **9. Adjourn**

In lieu of the April JLDC board meeting, the annual strategic planning meeting will be held Wednesday, April 20<sup>th</sup>, from 12:30-4:00 p.m. at the Extension Office in Whitehall. Details will be emailed to board members. The meeting adjourned at 3:00 p.m.

Respectfully submitted,

Nancy Wheeler