

Jefferson Local Development Corporation (JLDC)

Meeting Minutes, October 31, 2007

Present: Joe Calnan, Barbara Sunderland, Pat Lewis, Bob Marks, Byron Stahly, Dick Norden, Darrell Miller, Jim Jacobson, Mike Molitor, Tom Lythgoe, Tara Mastel, Tom Harrington, and Nancy Wheeler. *No guests were present at this meeting.*

1. Call Meeting to Order and Minutes

The meeting was called to order at 2:00 p.m. by President, Joe Calnan, at the Boulder City Hall. Meeting minutes from 8/15/07 were adopted as written.

2. JLDC Annual Meeting Review

Joe added a "review of the annual meeting" to the agenda. Comments on the annual meeting were received. The general consensus was that the guest speaker was excellent and there was light attendance at the meeting. The facility was very nice and centrally located in the county. Next year's annual meeting will need revisions to improve attendance and include more socializing time. The Elkhorn Café catered the event and charged us only for the number of meals served; not for the number that RSVP'd. This is very much appreciated.

3. Boulder South Campus

a. Sewer Study

Tara said staff received a draft of the preliminary engineer report on the South Campus, are in the process of reviewing it and will give input back to Stahly Engineering. The final draft is due November 15th, which is great timing as JLDC needs to apply for some grant funds to do the actual work. Tom said he did notice the report validated that the sewer and water capacity is there to aid in the expansion.

b. Subdivision

Tara said Team Vivrette met with staff about a month ago and gave an update on their progress of the South Campus subdivision. The preliminary plat will be ready for submittal this fall. Once the preliminary plat is completed, there will be a better idea of what costs will be for completing the subdivision. Bob asked if the board will have a chance to review the preliminary plat before submittal and Tara said it will come to the board first.

c. Review Youth Dynamics Expenses

Tara said in April, 2006, the board discussed at length expenses occurring at AYA and agreed upon a \$300/monthly fee for the maintenance services Youth Dynamics (YDI) provides at AYA. AYA spent the following year remodeling the buildings on the South Campus so they didn't track the \$300 maintenance fee. Now that the remodel is done, AYA has started tracking expenses. Tara distributed invoices of itemized expenses submitted by YDI for June through September, 2007, along with a summary sheet of JLDC's 2007 income and expenses relating to AYA. Discussion followed on expenses and the rate charged for lawn care. Staff expects expenses to lower in the winter with no lawn mowing or watering; however, there will be snow removal. Staff is very pleased with the maintenance man at AYA and his work performance. Tom said it's a benefit for JLDC to have onsite maintenance at AYA. It was decided staff will visit with the YDI director regarding routine lawn care and snow plowing rates and what specifically YDI's responsibilities are and what JLDC's responsibilities are and give a report back to the board.

Bob asked the tenure of the lease. Tom said the lease is for ten years, pushing six years now. Bob inquired as to if there was an escalator in the lease and, if so, asked if it has been exercised recently. Tom said JLDC can do an annual escalation and there was one done January of last year. Bob said he feels it's important that JLDC exercises the lease escalator.

Tara asked for board approval to pay YDI's invoices. It was decided to pay the invoices and coordinate a meeting with YDI to discuss responsibilities for maintenance.

4. Montana Tunnels Mine / Montana Tunnels Advisory Group (MTAG)

Tom said MTAG meeting minutes were emailed to all JLDC board members and highlighted some of the items. Montana Tunnels currently has 221 employees onsite; some mechanics and welders are still needed. Last quarter's production was off task, primarily because the main crusher was not fully in operation. The situation has been remedied and Tunnels is pretty optimistic the next quarter will catch up to projections.

Montana Tunnels is working through their EIS process. A major snag occurred with the DEQ and the BLM in that there had to be a notice filed with the federal register that Tunnels was not aware had to occur. This is a bad situation in that it affects Tunnels' November timeline for the EIS to be published. Tom H. contacted Rick Hotaling, BLM Butte Field Office Manager. Rick wasn't aware there was a major issue and commented it only involves 35 acres of BLM ground. He was upset this wasn't identified through the contractor process as it's always part of the process whenever there is BLM or federal ground involved. Rick was going to talk with his folks at BLM and call DEQ in Helena. The BLM point of contact has already contacted John Schaefer at Tunnels. Tom H. will follow up on this with Montana Tunnels.

Tunnels is still working on the Clancy Creek water issue with the Corps of Engineers. They have a detailed plan that's been revised and resubmitted. If the draft EIS is not published in the November timeframe, there is a possibility Tunnels may run out of ore and layoffs could occur in the spring as there is a 45-day comment period once the draft EIS is published. Tunnels is pushing hard to get the process expedited and moved through.

The business park is still on track. A draft lease is being worked on that Tunnels expects back within the next few weeks. The MTAG Committee will have an opportunity to review it.

Apollo Gold went through a financing agreement. They had some outstanding stock that was coming due and did a line of credit that obligated their facilities and part of their future production on zinc, silver, and lead (not gold). This agreement has an impact on the land.

The board discussed the relationship between MTAG and Montana Tunnels. The general feeling is that MTAG has been extremely useful and productive; they did go through a period where nothing was happening, but board still feels MTAG has a role to continue functioning. The JLDC board will continue evaluating the role of MTAG.

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

a. Tom said CTAC meeting minutes were emailed to the JLDC board members and he highlighted some of the items. The mine currently has about 145 employees and 57 contractors, with the bulk of contractors being underground miners. The mine is working on the 5-C pit modification plan which could possibly extend mine life by five years. The mine is doing some deep target drilling by the Microwave Tower located north of the mine. The first drilling didn't produce the quality of ore content hoped for, but they are still optimistic. The challenge the mine has is they need to present the feasibility analysis back to Barrick in January and Barrick will then determine if GSM will go forward with 5-C or not. Something needs to happen within the next few months in order to sustain the longevity of GSM as the mine will be out of ore by June, 2008.

Barrick was added to the Dow Jones Sustainability Index which is significant for the gold company because out of the approximate 300 companies on the index there are only about five mining companies internationally on it. Tom said it's a notable achievement and a real plus for Whitehall and Jefferson County.

Tom said one of the head Alaska natives from the native corporation that owns the mineral rights in Alaska wrote a positive news article on what he saw within the community of Whitehall when they visited recently. He said he was real interested in talking with the community members in Whitehall and listening to their comments regarding GSM. The relationship between CTAC, JLDC and the community supports Barrick's corporate responsibility charter.

b. Wind Development

The mine manager indicated Barrick may be interested in building a wind farm at GSM instead of leasing the land to a developer. If the mine does continue operations for five years, it makes economic sense for them to have their own wind site and provide another community benefit once the mine closes. The lease with the former wind developer terminated the end of July and GSM is in the process of closing out the wind data reports with the developer and trying to evaluate their options. One option is Clean Renewable Energy Bonds (CREBs). Jefferson County submitted a CREBs application as well as Boulder and Whitehall. They have a validated wind site at the mine and all three selected GSM as their location. There is also some movement to get more CREBs contracts at the site. This is an exciting development as it goes well with the business park. Bob asked if there have been any discussions on combining JLDC's interest in the wind agreement being worked with Navitas with the interest that Barrick may have with wind development of their own and is there an opportunity for some sort of a trade so it could be inclusive. Tom said it's definitely possible and that staff has informed the mine manager of the situation with Navitas and negotiations there. If Barrick decides to build a wind farm, this would probably allow them to build a larger wind farm than just for their own needs.

Joe said "Montana Magazine" has a wind development article that labels wind "Montana's New Cash Crop". He recommends it for reading as it contains a lot of good information and familiar names.

c. Water & Sanitation Plan Update / Phase II Grant Status

Staff had an opportunity recently to visit with the DEQ regarding the water and sanitation plan for the business park. They are working through the second or third iteration of the discharge permit. Once the discharge permit is issued, all else will fall into line. Staff is hopeful to have movement on that within the next few weeks and get it done so the business park can proceed moving forward.

Staff has worked with Headwaters on the preliminary work for the Phase 2 funding application. Will move forward once final DEQ approval is received.

d. Post Mine Land Use

Staff had a meeting this morning with some individuals interested in doing a living history event on part of the mine property. The mine has asked JLDC to work with them on potentially leasing some land there. Staff is also working with the Sportsman/NRA group in Whitehall looking at a potential mine land transition to set up a gun range there. The post mine land use has been presented to the Barrick leadership and they are supportive. Again, this will probably be contingent on what's happening with the mine closure situation in the next year. If they continue operations for five more years, the leadership said Barrick will probably retain ownership and wait till closer to mine closure.

e. Proposal for Tax Increment Finance District (TIFD) Project

Tara said she contacted Janet Cornish out of Butte about helping staff establish a TIFD for the business park and surrounding land. Tara said the mine land and the land where the wind towers may go, in addition to the business park land, would be included in the TIFD. Janet is familiar working with mines and a wide range of different TIFDs. To get the maximum value out of a TIFD, the district needs to be in place before dirt is turned as you start with the base value of the land, which is now set at agricultural value. Any development or improvements made to the property is a taxable entity, regardless of who owns the land, and the increased tax value is then captured and turned back into the project. It takes about six months to do a TIFD. Janet's proposal is \$50.00/hour, not to exceed \$5,000. Tara said after looking at the scope of work, a lot of things are already done but expertise on how to put it together, in what order and manner, is needed. The more staff assists, the less it will cost.

Tara feels the budget set aside for BEAP would be a good way to fund the TIFD project. Tara said she looked for where the money could come from based on what plans are for the year and these funds are not currently committed.

Janet would be available to start work on the TIFD if the board approves her proposal. Tara said with all the proposed development in Boulder, this would be a great next TIFD to establish to capture the incremental growth such as at the South Campus and with the housing. Tara said from there they could perhaps work on Whitehall for an urban renewal district. Janet's advice to staff was to wait on the Boulder project until the South Campus was annexed into the City of Boulder. Tom Lythgoe commented that this proposal was a great investment and that he fully supported entering a contract with this consultant.

Bob made a motion to approve the proposal submitted by Janet Cornish to help staff establish a TIFD at the rate of \$50.00 per hour, not to exceed \$5,000.00; Mike seconded the motion. Motion passed.

6. Community Development / Human Service

a. Horizons Visioning and Community Action

Tara said the Horizons project is in full swing in both Boulder and Whitehall. In Whitehall there was an intensive week long Visioning session extravaganza with 18 different meetings set up with different demographics. Over 430 people gave input into what they like about Whitehall, what they want to keep as is, and what they'd like Whitehall to be in the future. In addition, a community survey, generously paid for by GSM, was mailed to residents within a 10-mile radius of Whitehall and also distributed via different town events for input. Results from the survey are expected by Thanksgiving. The next step is to create an Action Plan. The group has created a Community Development Board, as part of the town board structure, to keep the vision and carry it forward after Horizons. Tom researched and put together a plan and the town was receptive to it; hopefully, it will be approved at the next Town Council meeting.

Dick reported Boulder is working on their Visioning image and what the area wants to do. At last night's meeting a concept similar to Whitehall's was developed. They are creating a Development Group to work with the City and County, not just a city group, and are in the process of nominating seven people to serve on this group for a six month transition period. They hope to have nominations for the six month group by Monday. The plan is to subsequently create a permanent Development Board, similar to the JLDC Board, to work with the city and county.

Jim asked how large an area Whitehall plans to address with their Community Development Board. Tom said in the latest draft to go forward to the council the actual sphere of influence is the Whitehall city limits but the area of interest is actually going to be the Whitehall High School District, which includes some of Madison County. The proposal is for the board members that have voting

capability to live within the city limits but members like JLDC, county commissioner, and other folks outside the area that have an impact will be in an advisory capacity to advise the voting members of the board. In that way, it encompasses a larger area as the council wants to be able to address areas outside the city limits that may have an impact on Whitehall.

Joe talked about the past Visioning process done for Montana City and cited an example of creating a sense of place being as simple as a “Welcome to Montana City” sign. He said that’s where the Community Development Board will be important; to follow up and carry forward the Visioning document.

b. Boulder Housing Advisory Board Update

Tara said the board will meet Thursday. She spoke with Barbara Miller, developer of the homes in Boulder, who told her seven homes have been approved to be built; five families have currently been selected. One Habitat for Humanity home may be included in the group and another possibly will be more of a market rate house. Ground breaking may occur yet this fall.

7. Web and Brand Identity Committee

Tara said she received great responses to the logos via email and has collated those responses but she said the comments were general and she would like to have more specific input for the designers as to what the board likes and doesn’t like about each logo and the reasons why. This is very important because this is the board’s chance for more input. She said there won’t be quite the opportunity to give input the next time the board sees the logos. Bob said before breaking into groups and bringing it to decision time, he feels the board needs to discuss who the target group is. Tara said they are not near making a decision and are not picking one of these logos. She said this is the first input and there will be two-four more rounds of design work with the designers and the Web Design Committee consisting of Dick Norden, Pat Lewis, Tom Harrington, and Tara Mastel. Tara said in her opinion, the target group needs to be as broad as possible and needs to appeal to the widest audience out there because we don’t know who may be interested in coming to Jefferson County.

Joe asked why the board is crunched into this timeline and why the board only gets one shot at this. Tara said we can delay this until the next meeting. Pat said the designers have said there is a point where they want input just from the committee and that every decision made will not go to the board each time because that will raise the bid price and be very costly. Darrell said after reading the email comments on the logos, some of his thoughts have changed. Jim asked if it was too late to add attributes or revisit what attributes may be wanted on the logo design. After more discussion, Barbara suggested we follow Tara’s recommendations of breaking into groups of three for specifics and defer the project until the November meeting. In the meantime, Tara will email the board members the criteria sheet and the board can email input to her if they so choose.

8. Nomination of Officers

Joe said JLDC’s By-Laws state officers are elected by ballot by a majority of directors at the first meeting following the annual dinner, which would be the October meeting. All officer terms expire annually. Joe said he will open nominations for the chair positions; President, Vice President, and Secretary/Treasurer, and said any board member can make a nomination and any board member can be nominated. Rather than doing one position at a time, Joe will open nominations for each position and then the board members will vote. Joe said board members can also do a write in if a person is not nominated for a certain position. Tom and Nancy will be on the counting committee. Joe Calnan opened nominations for Secretary/Treasurer. Tom Lythgoe nominated Dick Norden for Secretary/Treasurer. There were no other nominations. Joe Calnan entertained a motion that nominations for Secretary/Treasurer be closed. Byron Stahly seconded the motion. Joe Calnan then opened nominations for Vice President. Tom Lythgoe nominated Byron Stahly for Vice President. Mike Molitor moved that nominations for Vice President be closed. Tom Lythgoe seconded the

motion. Joe Calnan then opened nominations for President. Tom Lythgoe nominated Barbara Sunderland for President. Byron Stahly seconded the motion. Bob Marks moved that nominations cease. Mike Molitor seconded the motion. Joe Calnan reminded the board they can still do a write in if they want. Bob Marks made a suggestion that as there hasn't been a lot of debate or discussion, would it be in order for a unanimous ballot be cast for the nominees separately and vocally. Bob Marks made a motion that the board members cast a unanimous ballot for Dick Norden for Secretary/Treasurer, Byron Stahly for Vice President, and Barbara Sunderland for President. Mike Molitor seconded the motion. Motion passed unanimously.

Joe had a couple comments regarding the nominating and voting process at both the annual meeting and this meeting and recommended the process be captured in writing to help future officers implementing the process.

9. Staff Reports

a. Tara said Barbara Miller, NAHN, made an offer on some land in Whitehall. She has signed a purchase agreement to do some affordable housing. The neighbors to the land site heard of the project and have some concerns. A meeting was held yesterday and the neighbors and general public were invited and given factual information about the possible development. They were informed it would be a mixed income development if it happens and their property would not be annexed as this was one of their concerns. Tara felt the meeting went well.

b. Tom said the Elkhorn Community Mine working group started in Boulder and held their second meeting recently. Tom is impressed with the way the mine personnel are doing things. They involved the community early on with public meetings. A committee is now formed and the press is also involved and attends the meetings. He said the exchange has been great and there is real good dialog between the community and mine. The mine purchased a pump for the Elkhorn community when their pump burned out, they're drilling them a new well, have offered fire services, are training EMT's and medics there and plan to continue to help the community. The mine personnel were previously attending CTAC meetings and asked staff if they would help them with their committee group.

c. Tom said there was a meeting in Boulder with Senator Tester on Saturday. It was a drop in visit to Boulder and there was a good exchange; talked about various things going on in Jefferson County and some of the challenges we face.

d. Dick said there was a lot of negative comments and thoughts on the affordable housing in Boulder and he feels what helped them was they really emphasized that this was affordable housing and not low income housing.

10. Comments & Questions

a. Mike said he emailed Tara that the Boulder Elementary School will try to redo their playground over the next couple years. They have a playground committee that did get some money donated and have worked on some projects. The school is earmarked \$50,000 out of metal mines money to start the process and they're hoping to write some grants as it looks like, with the issues they face, it will probably be a \$150,000-\$200,000 project. Mike is hoping that if help is needed from JLDC or from staff or from Headwaters or whomever when it comes to looking at sources for the additional money, they can count on the board as he believes it would be a benefit to the community to have the school looking better and actually better for the children. Mike is on that committee as he's a member of the school board.

b. Tom said there is a blog site for input and information on the Horizons project in Whitehall. The blog site is <http://whitehall.communityblogs.us>. Boulder will also be putting their Horizons project on a blog.

c. Dick reminded board members there is a housing meeting in Boulder tomorrow. He thanked Joe for the time he served as the JLDC president and for doing such a great job at the annual meeting.

d. Barbara also thanked Joe for the two years that he served as president of JLDC. He gave a lot of his time and effort for our benefit and it's appreciated.

e. Jim said the Whitehall Chamber's next big event is the Christmas Stroll. Last year they had a real emphasis in uniting the business community with the rural agriculture community. It worked well to such a point that the Beef Breeders Stroll, started last year, will have a 52-page catalog that is at the printers now. It started with a \$900+ donation from the Madison-Jefferson Grazing Association (now defunct) they wanted earmarked specifically for the Beef Breeders Show. This is a one-day event, a street will be closed down and the show will be in the middle of the street. Jim said they will officially kick off the other committees tomorrow at the Chamber meeting at 12:00 noon at LN's Restaurant in Whitehall.

f. Tom Lythgoe also thanked Joe for his service as JLDC president and said he appreciates it.

g. Joe said the round about in Montana City is functional; today and tomorrow they're pouring concrete. He said it looks nice, works fine, and they did a really good job on it. The comments Joe has heard on it are: one, absolutely hate it and never want to go through it and; two, they have gone through it and like it. There doesn't seem to be any middle ground. He invited all to look at it and give it a try.

11. Adjourn

The November meeting will be our semi-annual Planning Session discussed in June and is scheduled for Wednesday, November 28th, at the Extension Office Conference Room in Whitehall at 2:00 p.m. Meeting adjourned at 4:05 p.m.

Respectfully submitted,

Nancy Wheeler, Notetaker