

## **Jefferson Local Development Corporation (JLDC)**

Meeting Minutes, December 15, 2010

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

### **1. Call Meeting to Order**

The meeting was called to order at 2:02 p.m. by President, Sheila Hogan, at the Boulder City Hall. Barbara S. made a motion to approve the meeting minutes from 11/17/10; Barbara R. seconded the motion. Minutes were approved as published.

### **2. Boulder South Campus**

#### **a. Sale and Subdivision Report**

Staff has not heard back from EDA on permission to divest the property on the South Campus. The subdivision process continues.

#### **b. Building 5 Roof Report**

The one bid received was almost double the amount of money available so will need to rebid the project; the RFP should go out next week.

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

Tom H. said CTAC was held last week. The mine currently has 190 employees and will have 204 employees by year end. The contractor is also hiring additional employees. The mill will start processing gold January 10<sup>th</sup>. The East Area Pit Expansion was approved by the DEQ and the mine is very appreciative of the local support for the project. Ground was broken for the Sunlight Business Park and the contractor has gone into a winter shut down mode until February or March. The roads are laid out and some of the ground work has taken place for the water tank, the loan process with the county has been set up for reimbursements and Tara has submitted paperwork to the EDA for the first draw. The infrastructure at the park will be completed by the end of June.

The next phase is to find occupants for the park. Staff has spoken with a couple start-up businesses that are interested in locating in the park. Tom H. distributed a White Paper to the group on the potential building staff would like to have constructed in the park to initiate the incubator process to help start-up businesses grow. The building would be a Barrick Gold/GSM legacy issue that would be a natural resource education center. Tom H. talked on each of the points listed on the paper that highlight Jefferson County's natural resources. Staff has a meeting with the GSM manager Monday to talk about the Natural Resource Interpretive Center. JLDC's main focus is to look at the little local businesses and help nurture them and help them grow.

### **4. Elkhorn Goldfields Projects - Montana Tunnels & Elkhorn Mine (Sourdough)**

Tom H. said the Commission has been busy the last few months getting Resolutions and approvals to move forward with the bonding for Montana Tunnels. Jefferson County was successful in initially getting \$50 million of Recovery Bond authorization and an additional \$10 million was received this last month from some turn back money bringing the total to \$60 million allocated through the county to go toward the Recovery Bonds. A final Resolution was passed and approved for the Montana Tunnels project to move forward at the Commission meeting. The challenge is the bonds need to be issued by December 31, 2010. Tom H. said there is hope to extend the authorization as part of the Recovery Act and is being discussed at the Congressional level now. All the documents were done through Piper Jaffray and the Bond Council and they are working with getting the investors interested in buying the bonds. The Recovery Bonds only cover depreciable assets and not operational costs and the December 31<sup>st</sup> deadline might expire before the bonds are issued. Tom L. said he received an email today indicating that an extension of the program was not part of the legislation. Tom L. said there apparently are some options if, in fact, the bonds go away that can perhaps breathe life back into the mine.

## 5. Borden's Whitehall

Ed said the Borden's Committee, consisting of Mark, Barb S., Tara, Tom and himself, had a productive meeting yesterday afternoon regarding the tentative recommendation from the staff to the committee on the next steps forward for the Borden's. A "Borden's Hotel Development Options White Paper" was distributed to the group. Tom H. gave a synopsis of the situation. Three options are listed on the paper; the first option is for the JLDC to move forward with developing the Borden's, the second option is to divest the property to a private investor and the third option is to form a joint venture with another party in a partnership.

Tara put together a grant application for a feasibility study that would give a full architectural assessment of the building, do a code analysis and look at options for some renovation tax credits and energy tax credits as well as drawings on how the Borden's looks now and how it might look renovated with a firm cost for the renovation. Matching funds are required for the grant.

Ed said the discussion proceeded to which of the three alternatives or combination thereof would be best for JLDC, the property and for Whitehall. The committee was unanimous in being enthralled with the way the staff has shown eagerness to proceed with the project and said the committee believes a large part of the potential success of the project is based on the positive outlook the staff has. The committee would like to recommend to the board of directors to proceed with Alternative A and to have JLDC continue to take the lead on the project, push it forward, get the feasibility study and move onto the next steps in moving toward the development of the building while, at the same time, keeping the option open for outside investors.

Mark said the estimate on the rent from the offices that might move into the Borden's will make it cash flow for principle and interest and that's important. Operational costs, etc. would be covered by the other tenants locating in the Borden's and would have the cash flow to sustain itself. If an elevator was installed, could have good commercial rental space rather than apartments.

Barb S. said there has been some discussion with outside developers looking for new projects. Staff put together some figures and estimates on what JLDC would be able to do to entice the developers into the project, the developers looked at the Borden's, said they are still interested but are currently in another project which means it could be a year or more before they have the time and energy to look into developing the Borden's. Barb S. believes that if JLDC starts the process, a developer might be interested in developing with JLDC or on their own. It's important for the town and would help JLDC as an organization to see more progress on the building. Ed said the Borden's is a vital part of the Whitehall community. The recommendation of the committee, summarized, is that JLDC take the lead role and take the steps toward the feasibility study and keep the option open for outside investors. Byron moved to accept the Borden's Committee recommendation as discussed, Barbara R. seconded the motion. Discussion followed.

Tara said the grant is a *Preserve America* grant. The Historic Preservation office received a grant of approximately \$100,000 and they are regranteeing that amount to sub-grantees for planning purposes. The feasibility study will cost \$10,000-\$12,000 including approximately \$4,000 for travel, materials, etc. Included are some in-kind funds for management on behalf of the JLDC staff's part in making the project happen and Tara said the total project cost is \$28,500. The county is asking for \$8,000 in grant funds and the grant would be matched by \$8,000 cash from JLDC. \$20,000 was allocated in JLDC's annual budget for the Borden's project. The feasibility study is the first step in developing the Borden's and will add to the value of the investment and the value of the project. Each step from there forward will continually add to the value and make it potentially more attractive to an outside investor. Tara said the grant will be submitted by Jefferson County, not JLDC, and the county will designate JLDC as the executor of the project. The grant is due Friday and will be awarded in January. If the county receives the grant, the feasibility study should be completed by the end of the summer. Darrell asked if there is a plan for if Jefferson County is not awarded the grant and Tara assured him there was. Motion carried. Tom Lythgoe abstained from voting.

## **6. Comments & Questions**

a. Tara said there are some interesting opportunities in the works for the Boulder area. Through the Horizons program, some training dollars are being offered for technical assistance for the alumni communities and Boulder has opted to have a grant writing workshop. Linda Norden is coordinating the workshop and it will be held toward the end of January on a Saturday with a person from Bozeman conducting the workshop. Tara attended a conference called “*Asset Building Using Taxes as an Asset Building Strategy*”. Jefferson County has one of the highest rates of entrepreneurship in the state with some people having just a small business and others having a job plus a small business. The workshop was advocating that small business owners should incorporate their businesses and file taxes because they get a good benefit back due to the small business aspect. A workshop on this topic will be held in Boulder and Whitehall the third week in January. Whitehall held a Social Media workshop last month with 29 people in attendance. Many in attendance wanted a more basic “working session” workshop so talking about scheduling another workshop in Whitehall and also considering doing a similar Social Media workshop in Boulder with some follow-up sessions starting possibly in March.

b. Tom H. said the financing package for the Affordable Housing Project’s infrastructure in Whitehall is complete and submitted to USDA for consideration and, hopefully, something will happen in the spring.

c. Barbara R. said she is excited about the Interpretive Center as a potential for continuing to make Jefferson County a tourist attraction and said the center will add to the Lewis & Clark Caverns and the whole dynamics of the area. Gold West Country has had cooperative marketing dollars for such projects and, as the center moves forward in development, might be something to keep in mind.

Barbara R. said there is a sign in the courthouse by the county attorney’s office that has “Preserve America” on it and is wondering why the sign is located there as it could be used as an outside sign.

d. The group discussed the Mountain States Transmission Intertie (MSTI).

## **7. Adjourn**

The next meeting is scheduled for Wednesday, January 19<sup>th</sup>, 2:00 p.m. at the Borden’s building in Whitehall. The meeting adjourned at 3:05 p.m.

Respectfully submitted,

Nancy Wheeler