

Jefferson Local Development Corporation (JLDC)
Meeting Minutes, May 26, 2010

Board members present: Ed Handl, Colleen Teeling, Barbara Reiter, Dick Norden, Tom Lythgoe, Byron Stahly, Sheila Hogan, Mark Fries, Chris Rehor and staff members Tara Mastel and Tom Harrington. No guests were in attendance. A quorum was present.

1. Call Meeting to Order
 - a. The meeting was called to order by Vice President Byron Stahly at 2:18 p.m.
 - b. The minutes from the previous meeting were approved as presented.
2. Boulder South Campus
 - a. Public comment on building 5 renovation and its environmental impacts was received. Discussion of the project included inquiry regarding who prepared the cost estimates of the work proposed. The historic preservation division of CTA architects and engineers prepared the estimates and they were very conservative with their estimates. It would be possible to work with the architects to design the work on the project to be sure that one complete portion of the project could be completed before going on to the next portion of the project. In general, the project was perceived as a positive one that will benefit the Boulder community.
 - b. Discussion of budget, implementation schedule and Environmental Assessment (EA) checklist for HB 645 grant renovation of building 5. Tara explained the budget for the grant including the award amount and the proportional match from JLDC. The aspect of the proposed project selected for the grant was the top priority project from the building assessment completed by CTA architects. The implementation schedule would be managed by CTA architects and is proscribed by the Department of Commerce. Tara Mastel explained that she had prepared the EA. Given that the project was replacing parts of an existing building, there was little impact environmentally. Mark Fries made a motion to approve the budget, EA and implementation schedule as presented. Dick seconded the motion and the motion passed.
 - c. Lease option. Tom explained to the board that we have now gone full circle with the lease option to purchase the south campus property. MACO said they agreed with Jefferson County's claim of a reversionary interest in the South Campus property and so could continue to insure the property through the County's MACO policy. We need to complete the subdivision to separate the South Campus from the Elkhorn Treatment Center property. The County did extend the lease option JLDC had with them so staff will execute the sale when the subdivision is completed. The county included in their lease option agreement that JLDC can deduct the fees for the subdivision from the purchase price of the property. There was some discussion regarding the need to deliberate on the sale of the South Campus. It was determined that this decision was already made, and that no reversal of that decision was made, so no action is needed. Staff will restart the subdivision process for the South Campus.
 - d. The Culinary Campus Committee gave a report of their deliberations and of their recommendations to the board. Tara began by stating that the committee had met three times in person and one conference call to discuss the proposed project. The

initial meeting was with just the committee members. Blair Williams, the developer and owner of Urban Mountain Development, attended the second committee meeting. In total, the committee met for well over six hours. Colleen summarized the committee's concern that the financial risk of the project to JLDC and the County was too great. Factors cited included:

- i. JLDC would only have 30 percent interest in the project.
- ii. Obligation for financing including loans for the redevelopment.
- iii. Risking relationship with established tenant (YDI).
- iv. Risking loss of asset (South Campus).
- v. Not enough equity in project for the asset we are putting towards the project.

JLDC's commitment to our current tenant, YDI, was discussed. Board members asked staff to elaborate on what exactly our commitment to YDI has been in the past. Staff reported that each year they meet with YDI to discuss lease rates and YDI's interest in purchasing the building. Each year Peter Degel has said his organization is interested in purchasing the buildings and each year JLDC staff reiterates that JLDC wants to sell the buildings to YDI. Board members said that they thought this was equal to offering the right of first refusal to YDI and that JLDC should offer the buildings to YDI before considering any other offers. The board agreed that JLDC needs to honor its commitment to its word above all. The idea was presented that if JLDC sells to YDI, then Urban Mountain Development is free to negotiate with YDI on a purchase of buildings 7 and 8. JLDC is then not the intermediary and has honored its commitment to its tenant.

Committee members and Board members expressed interest in and support of the Culinary Campus project but said that some of the concerns raised made the project challenging to support. To further support the project, JLDC board members said that they would entertain proposals for purchase of the remaining portion of the South Campus.

Chris Rehor made the motion to direct JLDC staff to talk with Urban Mountain Development and tell them that the buildings that YDI occupies are off the table; however, the rest of the campus may be available for purchase. Ed Handl seconded the motion and the motion carried.

It was decided that if Blair of Urban Mountain Development was interested in purchasing the South Campus (not including buildings 7 and 8), then the Culinary Campus Committee would reconvene to discuss next steps.

3. Borden's.

- a. Tara reported that the roof project is progressing on Borden's. The project has run into some surprises but remains under budget.
- b. The board discussed the Whitehall Planning Board's proposal to list the Borden's building on the National Register of Historic Places. One board member suggested that the Board may want to have an analysis of the pros and cons of being listed on the register. This information is available from the Montana Preservation Alliance. Sheila said she would be interested in helping the planning

board pursue the registry if they are interested. Sheila sits on the Museum board and saw this as fulfilling the mission of both of the organizations she serves. The Museum is planning some mini grants in the future which may help fund some of the necessary research for listing Borden's on the National Registry.

4. Golden Sunlight Mine and CTAC. Tom gave an update on activities at Golden Sunlight Mine.
5. Elkhorn Goldfields. Tom reported that discussions are still underway regarding financing for the Elkhorn Goldfields operation.
6. Board administrative items. Tara and Tom presented a summary of the operations plan the staff designed following the input from the strategic planning session. Tara and Tom then presented the proposed budget that allows JLDC to accomplish the proposed operations plan. Tara mentioned to the board that due to MSU Extension budget challenges, each agent in Montana will be required to bring \$2,000 in income back to MSU this year. In light of that, the board asked if they should include that money in the proposed operations budget. Tom Lythgoe said he thought it would be a good idea to just include that expense for all three agents in the JLDC operations budget. Barb Reiter made a motion to accept the proposed operations plan and budget with the addition of \$6,000 for Extension. Mark Fries seconded the motion. Tom Lythgoe abstained from the vote. The motion passed.
7. The next meeting is scheduled for Wednesday, July 21st, 2:00 p.m. at the Boulder City Hall. There will be no June meeting.

Respectfully submitted,

Tara Mastel
Manager