

Jefferson Local Development Corporation (JLDC)
Meeting Minutes, October 21, 2009

Board members present: Barbara Sunderland, Sheila Hogan, Tom Lythgoe, Dick Norden, Colleen Teeling, Mark Fries, John Brower, Chris Rehor, Tara Mastel, Tom Harrington, Nancy Wheeler.

Board members absent: Darrell Miller, Ed Handl, Byron Stahly, Barbara Reiter.

Guests: Blair Williams, Jim Hanson, Lynn Price. A quorum was present.

1. Call Meeting to Order

The meeting was called to order at 2:02 p.m. by President, Barbara Sunderland, in the Boulder City Hall. Barbara announced some additions and corrections to the meeting agenda. Sheila made a motion to accept the amended agenda; Dick seconded the motion. Motion carried. Introductions were then made. Dick made a motion to approve the meeting minutes from 8/26/09; Mark seconded the motion. Minutes were approved as published.

2. Boulder South Campus

a. Sewer Project

Tara said JLDC has been working for some time to get the South Campus sewer upgraded because of the old, clay tile the system has. JLDC received a Planning Grant in 2007 for an analysis of the sewer system and the cost involved for replacing the system. This year JLDC and other organizations served by the South Campus sewer put forth money to pay for the design of the new system and Jefferson County then designated the \$167,000 stimulus money it received from HB645 to this project. Construction is currently underway and is expected to be completed by the end of November. JLDC budgeted \$100,000 from the Revolving Loan Fund (RLF) for the project. Since the county's stimulus money went for the project, Tara asked the board's opinion regarding upgrading the service lines from the main sewer lines going to buildings 7 & 8 at this time due to serious backup issues that have occurred. JLDC has received a bid for \$32,600 to upgrade the sewer service lines going from the main sewer to buildings 7 & 8 that are currently occupied. Discussion followed. Blair asked if the clay tile is currently serving buildings 5, 7 and 9. Tom said they are but would not be a problem to change at a later date when the buildings are restored and occupied. Blair asked if it would be possible to ask for a bid to upgrade lines to those three buildings now. Mark made a motion that JLDC spend up to \$35,000 to replace the sewer lines to Buildings 7 and 8; Dick seconded the motion. Motion carried. The money will come from the RLF.

Tara said to note the new sign at the entrance of the South Campus when driving by. The cost for the sewer project is lower than expected and Tara would like the board to consider blacktopping some of the roads at the campus this spring.

b. Building Assessment and Historic Preservation Grant

The board previously approved funding \$15,000 for CTA Architects and Engineers to assess building 5 at the South Campus. The first draft is completed and the cost to completely restore Building 5 is approximately \$2.1 million. Staff has been in discussion with the Montana Preservation Alliance (MPA) regarding whether JLDC should move forward with the historic preservation grant. MPA said it's a competitive process and the project has a potential to create jobs. It's a prime opportunity to receive funds for the project. The JLDC has a contract with Judie Tilman for \$3,000 to research some financing options and to work on a Planning Grant. Judie has asked JLDC to increase the amount of the contract to \$4,500 to allow her to write this complicated grant application. Tara asked the board for approval to increase the amount of Judie's contract. Sheila made a motion to accept Tara's recommendation to increase Judie Tilman's contract from \$3,000 to \$4,500; Colleen seconded the motion. Motion carried. Tara said to make the grant application more competitive, JLDC should include an idea of who is going to occupy the buildings, how the buildings will be used and how JLDC is going to fund the rest of the renovation. Tara asked Tom L. about the use of Community Transportation Enhancement Program (CTEP) funds toward the project. Tom L. said the CTEP money the county currently has is committed for the walking trail in Whitehall. Tara said she will talk with the Walking Trail Committee on their status. Tara said it would be helpful if the Commission would write a letter to the JLDC stating they would entertain the idea of using CTEP funds toward the project. Tom L. said the

Commission would need notification from the Walking Trail Committee stating they are not ready and are willing to step back and release the committed CTEP funds before a letter could be written to the JLDC.

c. Proposal for Culinary Campus

Blair Williams with Urban Mountain Development in Helena spoke to the board about a proposal for the South Campus. Blair said Urban Mountain Development has a background in redevelopment of historic buildings and has strong relations with the Montana Historic Preservation Alliance. The project idea Blair proposed is redeveloping the South Campus into a culinary school that includes a number of different schools or institutes within the campus. Blair proposed a third LLC be formed with JLDC and Urban Mountain Development. The third LLC would own the buildings and the University of Montana would lease the campus and be in charge of programming. Blair asked if JLDC might be interested in the project idea concept and how JLDC feels about partnering with the Urban Mountain Development and forming the third LLC. Much discussion followed.

3. Whitehall Downtown Redevelopment

a. Borden's Acquisition

A White Paper was emailed yesterday to board members regarding the Borden Hotel opportunity. Tom highlighted some of the items included in the paper. The Whitehall downtown area has been devastated due to the March 6th fire that destroyed five buildings at the heart of the commercial district. The owners decided to demolish their buildings and Whitehall now has a huge vacant lot where the buildings once stood. JLDC offered to purchase three of the owners' four lots for \$43,068 total. The Borden Hotel across the street from the vacant lots became available and discussion with the owner indicated a desire to be done with the Borden's due to his personal situation. The owner would retain the liquor license and sell the property for \$20,000 as is with all the fixtures, furniture, etc. Staff did a walk through with the owner and wrote an offer for JLDC to look at the potential purchase of the hotel for \$20,000 and made it contingent on board approval. Tom said staff recommends JLDC formally rescind the existing purchase offers with the owners of the vacant burned lots due to lack of response, giving the owners a deadline date, and JLDC purchase the Borden Hotel property for \$20,000 and work with the existing investor to develop a renovation, building utilization and funding plan to place the hotel property back into operation. Discussion followed.

Tom Lythgoe made a motion that JLDC withdraw the offers on the vacant land and JLDC follow through with the offer on purchasing the Borden Hotel; Sheila seconded the motion. Discussion followed. Staff will write a letter to the owners of the vacant lots stating JLDC is withdrawing their purchase offer effective immediately with the letter expressing interest in entertained offers from them. Motion carried with John Brower voting nay.

b. Revitalization Forum

Tara said Whitehall's second Revitalization Forum will be held tomorrow evening. The Chamber felt it's a good time for public participation and community conversation on what should be done in town now that the fire buildings have been demolished. The first night the forum had speakers talk regarding histories and changes in Whitehall. Tomorrow night's discussion will be on what successful towns across the country have in common. The third week will have a panel discussion consisting of seven different businesses that have chosen to do business in Whitehall. Philipsburg business owners largely responsible for the renaissance of their town will be speaking the fourth week. The last week will be an Action Forum where anticipate galvanizing hopes and get direction on what path to take for Whitehall's future. The Revitalization Forum is a take-off on Horizons Study Circles.

c. Business Expo

Whitehall held a Business Expo Saturday that was fashioned after Dillon's and the Ruby Valley Chamber of Commerce's Business Expo. The Expo gave local businesses, such as at-home businesses and businesses that already exist but have a new product, a chance to promote themselves. Twenty-five to thirty businesses participated and traffic was good all day. Tara said staff would like to work with the Boulder Chamber on a similar Expo in Boulder next spring.

4. Gold Country Mushroom

Tom said JLDC's Business Expansion Assistance Program (BEAP) helps businesses that need support and assistance to help their business grow. The BEAP program has been helping Gold Country Mushroom, Clancy, to expand their mushroom operation for over a year. Gold Country Mushroom asked if additional financial assistance from the BEAP program would be available to them to help further expand their mushroom business. After discussion, request died for lack of a motion.

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

a. Tom said CTAC meeting was held recently and mine manager indicated the mine is ahead of schedule on their layback and could possibly resume operations four-six months ahead of original schedule. An Alaskan contingent will visit GSM on October 28th and will have a special CTAC meeting as the group wants to talk with the Whitehall community on the mine/community relationship. This is the fourth visit from various leaderships from different tribal villages in Alaska. Chad Hymas, a motivational speaker who was injured in an accident in Utah, is scheduled to be at the mine in November. The mine uses Chad to help motivate better safety behaviors and he will also be speaking to the Whitehall Elementary and High School students on November 12th & 13th. The mine manager will be contacting the wind developers for an update on the wind development project.

b. Phase II Financing

A new fiscal year started October 1st and staff expects to hear from EDA soon regarding the grant for infrastructure build-out. A contractor is working on the environmental assessment for the special HUD grant that was awarded through Senator Tester's office.

c. Tax Increment Financing District (TIFD)

Tom said there is a public hearing tonight at the county annex room on both the north end and south end TIF districts and will be addressed at the Commission meeting November 3rd.

d. Wind Development

Tom said an update on the wind development project is expected from the wind developers. Tom said staff is working some biomass projects. A biomass presentation was given a few months ago from individuals interested in biomass. Since the presentation, some public meetings have been held with good turnout and Headwaters RC&D is looking at opportunities for Recovery Act Dollars. There is a lot of interest in biomass and much of the interest relates back to the bug killed lumber and utilizing it in a productive manner.

6. Veteran Home Update

Tom said the last Legislative session authorized development of a new Veteran's Home in Southwest Montana. The six competing counties in Southwest Montana are to submit their proposals and a committee will make a recommendation to the Governor about April-May as to where the facility should be located. Jefferson County is one of the competing counties and has been meeting on a regular basis to strategize. There is a proposed criteria list for the facility and Tom H. feels Jefferson County can submit a competitive package. Tom said there are three potential locations for the facility throughout Jefferson County.

7. JLDC Administrative Items

a. Election of Officers

Barbara announced President, Vice President and Secretary/Treasurer positions are open. Dick made a motion to keep the same people currently in those positions; Mark seconded the motion. Barbara Sunderland will be retained as President, Byron Stahly as Vice President and Sheila Hogan as Secretary/Treasurer. Motion carried.

b. Sign Conflict of Interest Statements

Tara said this is a requirement of the federal government for all non-profit organizations. Board members are to declare any conflict of interest. Forms were distributed to board members for their signatures.

c. Annual Meeting of the Membership Review

Tara reported 54 individuals attended JLDC's Annual Meeting held September 2nd at the Montana City Grill and gave a financial report for the event.

d. New board member orientation date

Tara said she would like to schedule an orientation with the new board members and will contact each new member to set up a date/time. Tara suggested they also review JLDC's website at www.jldcmt.com for information.

8. Comments & Questions

a. Guest Lynn Price supports the Veteran's Home being located in Boulder/Jefferson County and voiced questions about the criteria for the Veteran's Home. Tom H. assured her he feels Jefferson County can submit a competitive package and Lynn appreciates the work the committee is doing to bring the facility to Jefferson County. Tom said Jefferson County has an open meeting each Monday morning at the Commission office. The Governor appointed a board of one veteran representative from each of the competing counties in Southwest Montana and Larry Lattin is Jefferson County's representative. Once a month a six-county meeting is rotated around the counties. Tom said more information on the proposed Veteran Home is available on the State's website: <http://www.dphhs.mt.gov/>

b. Colleen asked if there was an update on the MISTI power line. Tom said they are still looking at all routes and alternative routes.

c. John asked if JLDC sent any delegates to the National Summit of Mining Communities held recently in Butte. Tara said last year staff participated in a panel discussion and also gave a presentation but were not able to send a delegate this year due to staff's workload.

d. Tara said Colleen has worked hard to open a new gallery in the old L&P Grocery in Boulder and there is great art in the gallery.

9. Adjourn

The next meeting has been re-scheduled for Wednesday, December 2nd, 2:00 p.m. at the Madison-Jefferson County Extension Office in Whitehall. Dick made a motion to adjourn; Chris seconded the motion. Motion carried. The meeting adjourned at 4:00 p.m.

Respectfully submitted,

Nancy Wheeler, Note taker