

**Meeting of the TIFID Board of Directors
Thursday, June 9, 2016
Boardroom, Business Development Center
305 W. Mercury**

Members Present: Todd Tregidga, Brendan McDonough, Rody Holman, Evan Barrett, Mick Ringsak

Members Absent: Todd Johnston, Tim McHugh

Others Present: Eric Wendland, Maclin Truss, Dave Erickson, Water & Environmental Technologies

Staff Present: Kristen Rosa, Sherrie Walsh

1.0 Todd Tregidga called the meeting to order and determined there was a quorum.

2.0 Rody Holman moved, seconded by Brendan McDonough to accept the April 15, 2016 minutes as presented. The motion passed unanimously.

3.1 Purchase and Sale Agreement – Maclin Truss – Kristen Rosa gave an overview of the Purchase and Sale Agreement for Maclin Truss. Kristen stated that Eric Wendland, Maclin Truss and his attorney have reviewed the P&S agreement, along with Mollie Maffei, Butte-Silver Bow County Attorney's office. Kristen spoke on the 90 day inspection period (#5) paragraph in the P&S agreement. Also, Kristen spoke on the purchase price of \$2,000 dollars per acre (#2) paragraph in the P&S agreement. The piece of property that Maclin Truss would build on is 24 acres, south of the manufactured condos, and north of SeaCast. Maclin Truss is an existing business in Dillon. Eric Wendland, then gave an overview of his business, Maclin Truss. Eric stated that they are in the process of purchasing Kalispell Truss and looking at purchasing Skill Build in Butte. Maclin Truss would manufacture the truss's here in their new building and service Bozeman, Missoula, Helena and Butte. They would still continue to have their small plant in Dillon right now. Eric stated that the new equipment would be at the building in Butte and could bring up to twelve jobs. Kristen stated that the P&S Agreement allows Eric to move forward with building and financing plans for the new building in the TIFID. The TIFID Board had questions and discussion on the P&S Agreement, Eric's business plan and a clawback deed for Butte-Silver Bow. Evan Barrett moved, seconded by Brendan McDonough to recommend to the Council of Commissioners to approve the Purchase and Sale Agreement with Maclin Truss. The motion passed unanimously. Kristen stated that the P&S Agreement will be on the Council of Commissioners agenda for approval on June 15th.

3.2 Fire Services Contract – Kristen gave an overview of the Inter-Departmental Agreement between Butte-Silver Bow's Tax Increment Financing Industrial District and Butte-Silver Bow's Fire Department. The term of the agreement will be from July 1, 2016 to June 30, 2022, when the TIFID will sunset. Kristen reviewed the payments section (#2) on first page of the agreement. Also, the TIFID Board had

questions and discussion on the mill value and cost in the 3rd paragraph in the recitals section. Evan Barrett moved, seconded by Brendan to recommend to the Council of Commissioners to approve the Inter-Departmental Agreement between Butte-Silver Bow's Tax Increment Financing Industrial District and Butte-Silver Bow's Fire Department. The motion passed unanimously. Brendan stated that this agreement should be segregated at the Council of Commissioners meeting and have Kristen explain the TIFID. Rody stated that it could be presented to the Council of Commissioners as the TIFID is extending the agreement and paying for the Fire Services, and it is not an imposition on the remaining taxpayers of the community.

4.1 Potable Water Alignment – Kristen reported that she has good news on the potable water alignment. Kristen stated that the TIFID had gone through a long process of picking out a preferred alignment with Pioneer Technical and Butte-Silver Bow Public Works. And in the meantime it had been determined that BSB Public Works does not need the wastewater effluent line to water the sod farm. They are now looking to see if they can repurpose the pipe as a potable water line. The water would still come from the Rocker Tank, but would use an existing alignment. Kristen spoke on this new direction that the potable water alignment can go and the potential savings. Kristen stated that Pioneer Technical is still working on working on the engineering of this alternative and Public Works is assisting. Kristen explained the lines inside the TIFID would still need to be engineered and constructed potentially to REC, as they may like to be connected on the potable water line. Kristen stated that REC is not on our wastewater line, as it is easier to maintain their own discharge permit to Sheep Gulch. Kristen stated that the DEQ has to give the final say on whether we can move forward in the new direction, once they have been presented with a plan. The TIFID Board had questions and discussions regarding this new option for the potable water alignment. Kristen spoke on the assets in the enterprise funds at the BSB Metro Division. The BSB Metro Division would want the TIFID to purchase these assets including the sod farm and relinquish the management of the 80+ acres. Kristen does not have a price yet, but will bring this to the TIFID Board at the July TIFID Board meeting. Kristen stated that an environmental study has not been done yet. Kristen stated that purchasing the sod farm would be strategic piece for the development of the rail spur.

4.2 Manufacturing Condo Building - Kristen stated that Butte-Silver Bow is partnering with German Gulch Development to build the first building and it is very successful. Dave Erickson then gave an overview of the condo building and stated that it should be completed by the end of June. Dave reviewed the handouts with the TIFID Board regarding the first building and the proposed second building. Dave reviewed the tenants that occupy space in the Manufacturing Condo Building. They are as follows - Septic Net, Blacklock Block Manufacturing, and Automatic Doors of Montana. Dave stated that there was \$1.4 million dollar budget when the project was proposed and the engineering cost was under budget. Dave stated that the fire suppression is now \$76,000 more than the initial cost, which was a complete surprise. Dave stated that the requirements for the fire suppression changed in the middle of the project. Dave stated that when the building is completed, the TIFID Board could hold a TIFID Board meeting in the conference room and take a tour. Dave stated that he and Kristen have talked about Manufacturing Condo Building #2. Dave stated that the space would be available to lease or buy. Kristen stated that they would be looking to build the shell this construction season and finish the building when a tenant is found. Kristen stated that this building would be a Butte-Silver Bow owned building. Kristen stated that she is looking how to proceed with this project, in that it would be a Butte-Silver Bow financed project, which puts this project into public procurement processes. Kristen will bring the process of getting this Manufacturing Condo Building built, back to the TIFID Board at the July TIFID Board meeting. The TIFID Board had questions and discussion on the processes of this Manufacturing Condo Building #2. Kristen stated that we would sell the building for what Butte-Silver

Bow has put into it. Kristen stated that Dave Erickson, could still provide landlord services if necessary. Kristen commended Dave, stating that he has mentored the tenant, Blacklock Block Manufacturing. Dave reviewed the Manufacturing Condo Building #2, engineers estimate with the TIFID Board. Dave explained the check marks on the right hand column reflect the items that are half price, because they have already done the first building. The infrastructure will be cheaper. Dave stated that there is a drinking water supply well that supplies the Manufacturing Condo Building #1, and can supply building #2. When the Manufacturing Building #3 is built it would then be a public water supply, but if the potable water alignment is completed, it will help building #3. The TIFID Board had questions and discussion. Kristen stated that she would bring a formal proposal of getting the building built to the TIFID Board at the July TIFID Board meeting. Dave stated that he will lease if a tenant cannot buy and if they want to buy Butte-Silver Bow will sell to the tenant. Kristen explained that a public notice had been put out that Butte-Silver Bow was going into partnership with Dave, GGD and if anyone else wanted to be a partner they could. Brendan asked what the first steps are in the Public Procurement, General Construction Manager process. Kristen stated that she is working on this and explained how it works.

5.0 None

6.0 Other Updates – Kristen reported she is finalizing the survey and the National Guard thinks that they can purchase the property this year.

Kristen reported that the Port of Montana may come to the TIFID Board with an application for additional tracks. Potential business prospects walk away, because they don't have the tracks.

Kristen reported that SPG will be doing some rocket testing in August. Rhodia-Solvay has given SPG the OK. Kristen stated that the testing is for the spacecraft rocket that will sit on Mars for one year. After the information is gathered, the rocket will meet with an orbiting rocket which will then return to Earth.

Kristen reported that she is working with Frito-Lay on the cost of getting into the wastewater line, which is fairly significant. What they will do has a potential benefit to Butte-Silver Bow TIFID. Kristen is working on having someone at WET break out the costs that directly benefit the TIFID, and potentially paying for additional infrastructure that would benefit Butte-Silver Bow in the future on the Rhodia-Solvay property that Butte-Silver Bow is looking to purchase.

Kristen reported that the Chimura claim for \$5,000 dollars had been questioned at the Finance and Budget Committee. Brendan stated that it would be beneficial for the TIFID Board to meet with the Council of Commissioners in the future and explain the TIFID program. There was then discussion about how best to inform the Council of Commissioners about the TIFID.

7.0 Dave Erickson with WET and past president of the Port of Montana Board thanked the TIFID Board for partnering with Butte-Silver Bow TIFID to hire a new marketing person.

8.0 There being no further business, the meeting adjourned.