

**Meeting of the TIFID Board of Directors
Friday, July 8, 2016
Boardroom, Business Development Center
305 W. Mercury**

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

Members Absent: Todd Tregidga, Tim McHugh

Others Present: Matt Vincent, BSB Chief Executive, Danette Gleason, BSB Budget and Finance Director

Staff Present: Kristen Rosa, Karen Byrnes, Sherrie Walsh

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

2.0 Rody Holman moved, seconded by Evan Barrett to accept the minutes with a change to be made in Section 3.1 of the June 9, 2016 minutes. The change is as follows – Sentence 4, should read Also, Kristen spoke on the purchase price of \$2,000 dollars **per acre** (#2) paragraph in the P&S agreement. The motion passed unanimously.

3.0 3.1 (Please note that item 3.2 was discussed and acted upon prior to item 3.1 during the TIFID Board meeting) Sod Farm Transfer - Kristen updated the TIFID Board regarding the meeting with BSB Public Works department on the sod farm transfer. Kristen reviewed the letter with the TIFID Board informing the Council of Commissioners that Tax Increment Financing Industrial District #2 is acquiring the rights to develop the property referred to as the Sod Farm. With the upgrades to the water treatment plant, it has been determined that the Sod Farm is no longer needed by Metro. The acquisition of the Sod Farm will now allow for future rail accessed parcels to be created. These parcels will have the strategic advantage of having access to both UP and BNSF. This is the only place in the state where access to two Class I railroads is possible. The TIFID and Metro have negotiated a transfer of the assets from Metro to the TIFID for \$300,000. This transfer will allow the asset on the Metro Books to be removed and is in line with current appraisals for the area. Kristen stated that she has had some recent appraisals done, one being the property Butte-Silver Bow is trying to purchase from Solvay and the property that was purchased from the Uelands for the wetland conservation that was done on the German Gulch realignment. Also, Kristen reported that along with the Sod Farm, the TIFID will also in the near future be pursuing the acquisition of effluent line and/or alignment from Metro for the TIFID 'S future potable water project. The TIFID Board had questions and discussion regarding the amount of \$300,000 dollars and the 100 acres, the fourth line in the letter, acreage, and deeding. Kristen stated that how the \$300,000 dollars was arrived at, how the TIFID can use the lines in the future, and Andy, Pioneer Technical is gathering information and what deed we would need. Also, Evan had a question on the date of the letter and

was the letter a draft. Kristen stated that it was a draft of the letter is not on record yet. Kristen stated that she has met with the County Attorney's office many times and they stated that Kristen just needed to inform the Council of Commissioners, and that the Council of Commissioners would not need to act on the letter. Evan stated that she should be speaking for the TIFID Board in the letter, not herself. Evan suggested that the last paragraph could read, as part of the potable water concept the TIFID may be looking at the acquisition of the effluent line right away. Kristen is asking the TIFID Board to approve the \$300,000 dollars to purchase the Sod Farm. There was discussion on the law and that you are not supposed to purchase property for more than its appraised value from a public entity. Kristen stated that the County Attorney's office did not have a problem with doing this and the recent appraisals of property in that vicinity, Butte-Silver is within the appraised value. Kristen stated that there was no legal reason to have this property appraised, as it is an interdepartmental transfer of money. Kristen stated that there will not have to be anything done with the deed as this property is currently under the ownership of Butte-Silver Bow, and will remain under the ownership of Butte-Silver Bow. Kristen stated that the TIFID is an entity. Also, there was discussion that Butte-Silver Bow is bound to purchase property for appraised value and it would not affect future acquisitions. **Evan Barrett moved to purchase the Sod Farm for \$300,000 dollars, but deferring the implementation of the purchase until the TIFID fully explores whether or not we can find a way for the money to go out of the enterprise fund, into the general fund.** Evan stated that he knows that no one thinks it can be done, but would like to explore this. Kristen asked who this would be done by. **Evan restated his motion, by saying that the TIFID purchase the sod farm for \$300,000 dollars and the purchase take place no later than October 1, 2016. Evan stated that he made the second motion, so he and numerous other people can explore this and feel comfortable that the established protocols are in place.** Rody asked if deferring the purchase until October 1, 2016, does that impact any issues surrounding the rail and the utilization of the rail. Kristen stated that it did not, but that it impacts Metro as they already have plans for the \$300,000 dollars. Again, Kristen stated that the TIFID Board is recommending informing the Council of Commissioners that the TIFID #2 is acquiring the rights to develop the property referred to as the Sod Farm and it was approved by the TIFID Board. **Evan asked for a second to this motion. Rody Holman seconded the motion so the TIFID Board could have discussion.** Karen spoke and asked that if the question is answered before October 1, 2016, can the purchase take place sooner. **Evan stated that he would like to amend the motion to read that the TIFID Board discuss this issue at the monthly TIFID Board meeting, until resolved.** Kristen asked Evan who is going to answer this question. Todd Johnston spoke and stated that the TIFID Board did not have this much discussion when approving the \$2.5 million dollar allocation. Todd stated that we should have had more discussion on the \$2.5 million dollar allocation jeopardizing the infrastructure projects in the TIFID, as the discussion of the \$300,000 dollar purchase of the sod farm has had a long discussion. Todd stated that the TIFID Board needs to bring the same level of clarity and questions to each issue. The TIFID Board had discussion. Brendan McDonough stated that Danette, County Attorney and Public Works can answer the question immediately. Todd asked Evan, who he is going to talk to. Evan stated that he would ask someone on the State level. Todd stated that if Evan cannot tell the TIFID Board who he is going to talk to, the TIFID Board should not approve. Karen stated that she would also like to know who it is that Evan is going to talk to, as she would like to be involved in the conversation. **Evan stated that he is withdrawing his motion.** The TIFID Board had questions and discussion. Brendan asked when this has to take place for Metro, as they have plans for the \$300,000 dollars.

Kristen stated that the TIFID Board has the right to set the date that the purchase is effective. Evan spoke on the motion that he had made and that he would never go and get information representing the TIFID Board, unless he was authorized to do so. **Rody withdrew his motion to second the motion that Evan withdrew. Rody Holman moved, seconded by Mick Ringsak to approve this transaction to close no later than October 1st, with the idea behind it being between now and then, the powers of be, talking to Kristen, Karen, Public Works Department and County Attorney, that the TIFID Board understand and pursue whether it is possible to make that transfer from the TIFID to the General Fund as opposed to Metro Sewer. Rody stated that strategically this land is important to the TIFID and an important parcel of land to our overall development of the TIFID. This will be revisited at the August TIFID Board meeting. The motion passed unanimously.**

- 3.2 Allocation – Kristen reported that Matt Vincent, Chief Executive and Danette Gleason, Finance and Budget Director, have come to the TIFID Board with a request for a \$2 to \$3 million dollar allocation from the TIFID fund to the General fund in order to assist with the revenue short fall. Kristen and Matt had both sent e-mails regarding the allocation, for the TIFID Board to review. Kristen stated that she had adjusted the financial projection spreadsheet to reflect the allocation request. Kristen had the TIFID Board follow along on the financial projection spreadsheet that she had given to them. Kristen stated that she believes that the TIFID will be able to accommodate the request without jeopardizing any of the future TIFID projects. Kristen is proposing that the money would come from the amount that has been set aside for the Silver Lake Water line. Kristen stated that this money was initially allocated when the engineering analysis for the line was indicating major investments would need to be made. Kristen stated that more recent engineering information indicates the large allocation is no longer necessary. Also, as the TIFID approaches the end of the tax Increment provision for Montana Connections Park, it would be beneficial for all the taxing jurisdictions and the TIFID Board to have a required allocation discussion. Evan stated that he is prepared to make a motion, but asked what dollar amount was Matt and Danette asking for in the requested allocation. Matt and Danette spoke regarding the requested allocation and reviewed the memo that he had e-mailed to the TIFID Board. Danette stated that the amount requested is \$2.5 million dollars and gave an explanation of where and how these funds are disbursed in the Butte-Silver Bow budget and the taxing jurisdictions. The TIFID Board had questions and discussion regarding clarification on the law of disbursements to the taxing jurisdictions. Kristen explained the law at the end of the district and how the funds are distributed. Also, Kristen stated that the 2017 legislature will have some changes in the TIFID. Also, the TIFID Board had questions and discussion on previous years allocation requests. **Evan Barrett moved, seconded by Mick Ringsak to make a distribution allocation for Fiscal Year 2017, for \$2.5 million dollars. Todd stated that he would like to table that motion, as he would like to have a discussion.** Todd stated that he would like to have clarification a couple of items. One of the items being the large distributions planned in the next couple of years and needs to understand the basis of the cost estimates. Todd stated that the infrastructure projects that are planned for the next couple of years are the Silver Lake Water System and the Potable Water System. Also, Todd stated that the TIFID Board needs to have an annual discussion on the budget and money available for future infrastructure projects. Kristen spoke on the budget and costs of projected infrastructure projects in the TIFID. Also, Kristen stated that she feels that the TIFID can handle the \$2.5 million dollars requested allocation. Kristen stated that the TIFID Board have a discussion every twelve months as they look at projected costs of projects, as new estimates of projects have been done. **Evan stated that he would like to make a second motion to have a meeting every twelve months or every spring to look at and discuss the**

infrastructure projects that need to be completed, the new fiscal year budget, and cost estimates.

Todd Johnston stated that a vision for the TIFID needs to be in place for objectives and goals and the TIFID Board making sure the TIFID get utilized in a way it needs to be. Also, Todd stated that there needs to be a discussion regarding building infrastructure, attracting new businesses and taking care of current tenants and helping them expand their existing business. The TIFID Board had questions and discussion regarding Danette and Kristen keeping in touch with Ramsay School District. Kristen stated that she had e-mailed both school districts to let them know about the requested allocation.

Kristen will now let the school districts know how the requested allocation turns out after the TIFID Board meeting. The TIFID Board had questions and discussion on having a meeting every three months with the TIFID Board, Danette and Matt. It was then decided that the TIFID Board needed to move forward with this request. **The TIFID Board then moved forward with Evan Barrett's earlier motion, to make a distribution allocation for Fiscal Year 2017, for \$2.5 million dollars. The motion passed unanimously. The TIFID Board respectfully requested that at the next TIFID Board meeting, Kristen have an action item that states that the BSB Administration, TIFID Board, Kristen and Karen meet no later than March annually, to discuss an allocation possibility. Kristen Stated that she will work on getting plans and good estimates and costs on future infrastructure projects.**

- 4.1 Manufacturing Condo RFQ – Kristen stated that she has put out a Request for Qualifications (RFQ). Kristen stated that the RFQ does not bind or obligate us to anything. Due to time constraints and construction, Kristen put it out and it is due by July 20th. Kristen stated that further decisions can take place, once the public notice is taken care of and then look at the engineers who responded and make a decision based on better information.
- 5.1 & 5.2 Kristen stated that this was informative letting the TIFID Board know that the Council of Commissioners passed these two action items.
- 6.0 None
- 7.0 None
- 8.0 There being no further business, the meeting adjourned.