

**Meeting of the TIFID Board of Directors
Friday, January 13, 2023
Business Development Center Board Room
305 West Mercury**

Members Present: Todd Tregidga, Rody Holman, Mick Ringsak, Todd Johnston, Andy Durkin

Members Absent: Shawn Fredrickson

Members by Phone: Henry Klobucar

Others Present by Phone: Matt Mellott, Sterling Capital Investments

Staff Present: Kristen Rosa, Sherrie Walsh

1.0 Todd Tregidga called to the meeting to order.

2.0 Approval of Minutes – Mick Ringsak moved, seconded by Todd Johnston to accept the November 18, 2022 minutes as presented. The motion passed unanimously.

3.1 Purchase and Sale Agreement with Sterling Capital Investments – Staff Recommends Approval – Kristen stated that Matt Mellott, who represents Sterling Capital Investments was on the phone to speak about the proposed projects. Kristen stated that Sterling Capita Investments is a development company and they work with companies that will lease out the buildings that they construct. Matt is working with three different companies and is looking at acquiring two smaller parcels that are in the inner loop on Sugarloaf Loop in the Montana Connections Business Development Park (MCBDP). One of the parcels is north of WAUSAU and is the old Hokema Trucking parcel and the other parcel is the one that is most northern. That then leaves one small parcel available that Montana Grow/ Curt Stone is interested in. Kristen stated that Matt is looking to develop warehouses. The TIFID Board followed along as Kristen spoke on the red line draft of the Purchase and Sale Agreement. Kristen reviewed the edits and stated that Matt is looking for a 90 day due diligence, which normally BSB allows a 60 day due diligence. Therefore, there will be only one 45-day extension allowed. Kristen stated she and Eileen Joyce, BSB County Attorney, reviewed the Purchase and Sale Agreement and had a couple of other edits. Kristen and Eileen added that the closing must take place within 30 days of the end of those extension periods. Also, Kristen stated that because they are purchasing two parcels, and because BSB does have the claw back provisions, she and Eileen modified how BSB will claw these back. If for some reason, Sterling Capital Investments purchases the property but still doesn't develop a parcel or one of their tenants falls out, BSB is stipulating that Sterling Capital Investments will have to have the development of one warehouse on each parcel, before that claw back provision is met. The TIFID Board had questions and discussion on the language of the Purchase and Sale Agreement. The warehouses will be approximately 30,000 square feet. Rody Holman asked who are the tenants and what kind of job creation will there be. Matt stated that the one to the north is a distribution facility and would be between 25-40 jobs, and a median wage for BSB. The other tenant to the south would have one building for assembly and

production and the other building for storage and distribution. Matt stated that an employment study for the area has been done and the tenant would be able to find adequate employees to fill the facility. The TIFID Board had questions and discussion on the proposed tenants and their proposed lease agreement with Sterling Capital investments. Matt spoke answered the questions and had discussion on the proposed lease agreement and taxes, etc. Matt stated that Sterling Capital Investments is based out of Bozeman and Missoula. Mick moved, seconded by Todd Johnston to recommend to the Council of Commissioners to approve the Purchase and Sale Agreement with Sterling Capital Investments. The motion passed unanimously. Kristen stated that this Purchase and Sale Agreement will be on the February 1, 2023 Council of Commissioners agenda. Rody stated that he would like to know more about who the tenants are and what they do when making decisions from a public stand point. Kristen stated that the zoning protects BSB. The TIFID Board had questions and discussion.

3.2 Purchase and Sale Agreement with Montana Grow – Staff Recommends Approval – Kristen reported that she would like to hold this Purchase and Sale Agreement with Montana Grow in abeyance as the gentleman that Kristen has been working with has not responded to her emails this week. Kristen stated that Montana Grow mines some volcanic phosphorus that is a fertilizer, outside of Missoula. Kristen stated that Montana Grow already works with Butana, on doing some distribution, so they know they want to be in Montana. Kristen stated that Montana Grow was going to build a lab, office space, warehousing, storage on the last small parcel in the MCBDP.

3.3 Election of Officers – Mick stated that he recommends that the TIFID Board re-elects the current officers for another term. The current officers stated that they would be willing to service another term. Todd Tregidga asked for any other nominations for officers. There were no other nominations. Rody Holman moved, seconded by Mick Ringsak to nominate the current slate of officers, Todd Tregidga, Chairman, and Todd Johnston, Vice-Chairman of the TIFID Board. The motion passed unanimously.

4.1 Capstone Report – Kristen reviewed the draft of the Capstone Report. Kristen stated that this capstone report is a first draft for the TIFID Board to review and determine if this is what the TIFID Board wanted for a final report of TIFID #2 that sunset on June 30, 2022. Kristen stated that she did the draft on a historical basis of the TIFID and it is focused on the success stories of the property that was sold and the ordinances that were involved. Kristen will continue to work on the financial section. Also, Kristen reviewed the blue and white information sheet with the TIFID Board, that will also go in the Chamber book and the financial section of the Capstone Report. The TIFID Board had questions and discussion on what to add and change in the financial section.

4.2 Schedule for Creation of New District - Kristen reviewed the Montana Connections Business Development Park TEDD – Targeted Economic Development District Proposed Timeline. Kristen stated that the dates have to be correct when creating a new district and have to let the State know by August 1, 2023, and have everything into the State by February 1, 2024 to make 2023 the base year. Kristen stated that while creating the new district, BSB will potentially look at expanding the boundaries in the South Butte TEDD at the same time. Kristen stated that the McDermott property that was just zoned industrial is what BSB would look at adding into the South Butte TEDD boundaries. The TIFID Board had questions and discussion.

5.0 TIFID Action Items from Prior Meetings

5.1 S&O, LLC Purchase and Sale Agreement – Approved on Council of Commissioners Consent Agenda.

5.2 Amendments to Stace McGee Group Purchase and Sale Agreements – Approved on Council of Commissioners Consent Agenda.

6.0 Other Updates – Kristen reported that Casey Dudley, Stace McGee will be giving a presentation to the Council of Commissioners regarding what they want to do and have involved the State. Kristen stated that the TIFID Board needs to be involved, if there is a big announcement.

Kristen reported that construction with MJD has started on the subdivision in the MCBDP. Kristen stated that Pioneer Technical may have to bring an amendment to the TIFID Board for approval. Pioneer Technical has had to coordinate between Town Pump construction and BSB's construction.

Kristen reported that she has met with the Butte Local Development Corporation (BLDC), Kayla Lappin, regarding marketing and the website for the MCBDP. Kristen will bring a contract from the BLDC to the February 10, 2023 TIFID Board meeting as an action item.

7.0 Public Comment – There was no public comment.

8.0 There being no further business, the meeting was adjourned.