

Meeting of the TIFID Board of Directors
Friday, April 21, 2023
Business Development Center
305 West Mercury

Members Present: Andy Durkin, Shawn Fredrickson, Todd Tregidga, Rody Holman, Mick Ringsak, Henry Klobucar – By Speaker Phone

Members Absent: Todd Johnston

Others Present- Kayla Lappin, BLDC, Stace McGee, DeVele – Stace McGee Group, Casey Dudley, Devele – Stace McGee Group, Pedro Garcia, Cenate
Cenate

Staff Present: Kristen Rosa, Sherrie Walsh

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

2.0 Approval of Minutes – Rody Holman moved, seconded by Shawn Fredrickson to accept the March 10, 2023, minutes as presented. The motion passed unanimously.

3.0 Purchase and Sale Agreement to Cenate, Inc. – Staff Recommends Approval - Kristen Rosa reviewed the Purchase and Sale Agreement (PSA) with Cenate, that would build a manufacturing facility for advanced battery materials. Kristen reviewed the Purchase and Sale Agreement and the changes that she has made. Kristen stated that it is the Standard PSA with a couple of changes requested by Cenate. Cenate would like to have until the end of 2023, instead of our 45–60-day extensions to do their due diligence, as they are doing due diligence in other places. Kristen had the TIFID Board follow along as she stated that there is a change in language in red in the Access section of the Agreement. Kristen stated that she is in favor of this change, as this is a worthy large project. Also, Cenate requested that there be a change in the claw back provision the if the project has not been started within twelve months from the closing date, the Purchaser (Cenate) shall have the right to request one 12-month extension in writing with an explanation of what work has been completed. This would be an agreement with Butte-Silver Bow (BSB) and Cenate. Kristen stated that these are all accommodations that can be made for the project.

Pedro Garcia, Cenate then gave an overview of the Cenate project which is a Norwegian company. Pedro spoke on the reasons to locate the Cenate project in Northwest US. Cenate will decide on which location to build after summer. Also, Pedro stated that they would work with REC for Silane. Todd Tregidga asked what the dollar amount and job creation of the project is. Pedro stated that Phase I would be \$100,000,000 and 95-100 employees and Phase II would be \$250,000,000, for a total of \$350,000,000. Also, after three years at peak capacity there would be 250 employees. Pedro spoke on the silane that will be needed from REC. Also, Pedro stated that REC currently does not have enough Silane and would have to do an expansion to supply more Silane. Rody Holman asked if REC cannot supply enough Silane, where would Cenate get the Silane needed for their production process. Pedro stated that for a short term, Cenate would source it from Asia, or produce it themselves. Kristen stated that there is a clause in the PSA, that if Cenate chooses another site, the agreement is void. The TIFID Board had questions and discussion. Kristen spoke on the other sites that are being considered

by Cenate. Andy Durkin moved, seconded by Rody Holman to recommend to the Council of Commissioners, to approve the Purchase and Sale Agreement to Cenate, Inc. The motion passed unanimously.

3.2 Amendment to the Stace McGee Group Development Agreement to Allocate \$100,000 dollars of the Grant for Housing Strategy – Staff Recommends Approval - Todd Tregidga gave an overview of the Infrastructure Grant that was awarded to the Stace McGee Group back in 2022. Kristen stated that the Stace McGee Group is requesting that BSB designate \$100,000 dollars from the Infrastructure Grant that was awarded to the Stace McGee Group in 2022, to a housing strategy which be very targeted and would be informational to both BSB and the Stace McGee Group. Kristen stated that this would be a 50/50 match. Kristen stated that she wanted to remind the TIFID Board that when the \$1,000,000 dollar grant was awarded to the Stace McGee Group, it was not Tax Increment Financing, as it was funding that was designated and that were excess funds, that were identified at the end of the TIFID term. Stace McGee spoke on this being the first document coming to the TIFID Board where you see the transition from the Stace McGee Group to Dvele. Casey Dudley, Dvele then spoke on creating housing for potential employees. Stace McGee stated that they had purchased the 40 E. Broadway property to renovate for housing for the construction workers to build the factory. The TIFID Board had questions and discussion on monies. Casey responded stating that they had a meeting with the Department of Energy in Washington, D.C. and possibly being part of a pilot project. Also, the TIFID Board had questions, concerns, and discussion on giving the \$100,000 dollars for the housing study, that BSB would have joint ownership and would have enough detail about Southwest Montana and that it becomes valuable to BSB, if Dvele was to step away from the project. Casey and Stace then gave a response. Kristen spoke on the value of a Community Land Trust and how to set one up. Shawn Fredrickson moved, seconded by Mick Ringsak to recommend to the Council of Commissioners, to approve the Amendment to the Stace McGee Group Development Agreement to allocate \$100,000 dollars of the Grant for Housing Strategy. The motion passed unanimously. Kristen stated that this action item will be on the Council of Commissioners agenda on Wednesday, May 3, 2023.

3.1 2023 Legislation – Kristen reported that action was taken this morning on Senate Bill 523, and it did not pass, therefore it was tabled. Kristen thinks this bill is dead. Also, Tax Increment House Bill 925 will be on the House Floor now on Monday. Kristen stated that she thinks there will be amendments on the House Floor on Monday. The TIFID Board had questions and discussion. Kristen will keep the TIFID Board updated. Shawn Fredrickson stated that Kristen did a great presentation to the Council of Commissioners on Wednesday night.

New District - The new district is moving forward and would have a base year of 2023. It will be presented to the Council of Commissioners in the coming months. The TIFID Board had questions and discussion.

Rail Subdivision Construction Project – Kristen reported that the Rail Subdivision Construction Project is moving forward.

Kristen stated that Cenate will ask for a Tax Abatement for their proposed project and will go before the Council of Commissioners with a presentation. The TIFID Board had questions and discussion.

6.0 Updates – There were no other updates.

7.0 Public Comment – There was no public comment.

8.0 There being no further business the meeting was adjourned.