

**Anaconda Deer Lodge County
Economic Development Board Meeting Minutes
December 6, 2023
5:30 PM
Community Service Center, 3rd floor Conference Rm**

I. Call to Order 5:30 PM

EDB Members Present: District 3 Commissioner Kevin Hart, John Stoppler, Kristy McKay, Anaconda County Local Development Executive Director Kathleen Tarkalson, ADLC CEO Bill Everett, Carl Hamming, Vice Chair Pat Gallagher, and District 2 Commissioner Steve Gates

EDB Members Absent: Colleen Riley (excused)

Members of the Public: Rose Nyman, Bryan Lorengo, Steve Johnson, Kevin Kanduch

II. Approval of Minutes from the Economic Development Board Meeting of November 1, 2023

Motion made by Mr. Gallagher to approve the minutes from the EDB Meeting held on November 1, 2023, as presented. There was no public comment. Motion seconded by Commissioner Hart.

Motion Carried: None opposed.

Public Comment:

None

III. Unfinished Business

Officer Positions - Carl Hamming spoke of the inadvertent mix-up from the November meeting in which Pat Gallagher was believed to have been the Vice-Chair and ran the meeting. Kristy McKay is indeed the Vice-Chair. There was some discussion about whether to vote for officer positions or wait until 2024 and ultimately the Board thought it best to wait until 2024, pursuant to their bylaws.

Conflict of Interest Statement – Mr. Hamming presented a draft Statement that was modeled off the ADLC URA-TIF Board’s statement. Mr. Gallagher thought the Statement fulfilled the requirements and motioned to approve the Statement as written. Kristy McKay seconded the motion.

Rose Nyman commented during public comment that paragraph 3 is the most important passage.

Motion Carried: None opposed.

IV. New Business

A. Johnson Construction

At this time the board may discuss and take action to recommend funding to the ADLC Commission.

Mr. Johnson gave an overview of the business that he currently operates on his residential property in Lost Creek. He just received his commercial building permit from the State, and he plans to break ground tomorrow. He anticipates his building costs to be roughly \$830,000-\$850,000 and he is seeking a 10% grant.

CEO Everett stated that Mr. Johnson is one of the county's preferred contractors and has always been great to work with. Mr. Everett stated that this will be a great win for the community because of the tax base that it will provide as well as the salaried jobs. This is the sort of industrial businesses that the county sought for the Opportunity Triangle, and this is also a boon to the residential area of Lost Creek since Mr. Johnson owns an extensive amount of heavy machinery that will be relocated to the Triangle.

CEO Everett also spoke about the financial situation of the Economic Development Board since this coming year is the 'skipped' year of the annual installment. Therefore, there has been some borrowing of funds from future allocations, but also means that the county can't be as generous with loans and grants. But on a positive note, Bill stated that the Forge Hotel brought in \$104,000 in property taxes this past year, a great signal of the success of the Economic Development program with funding from Atlantic Richfield.

Motion made by Kristy McKay to recommend funding to the ADLC Commission for \$85,000 to Johnson Construction. Motion seconded by Pat Gallagher.

No public comment.

Motion Carried: None opposed.

B. KLM

At this time the board may discuss and take action to recommend funding to the ADLC Commission.

Bryan Lorengo introduced himself as one of the partners of KLM (Kanduch, Lorengo, Mitchell) a logging, excavating and trucking company spread across Deer Lodge and Granite Counties. Mr. Lorengo stated that their project is similar to Mr. Johnson in that they're looking to construct a shop/office facility and to centralize their operation since they're spread across numerous properties in two counties. In addition to the shop and office, they're intending to operate a firewood processing facility and 70' scales which will be the only certified scales of that length in Deer Lodge County. With the firewood facility, they anticipate creating 3-4 new FTE's. Development has been delayed a little bit as they work out their plans and budget, but

they anticipate breaking ground in spring of 2024 and to be operating by mid-summer. KLM is excited about their location in the Opportunity Triangle as the Beaverhead-Deerlodge National Forest has a number of large logging projects happening in the next few years.

CEO Everett offered a brief overview of the local history of these former companies merging together, thus creating an incredible company with huge potential and a lot of expertise. Mr. Everett said that KLM is the precise type of company that the county wanted to develop in the Opportunity Triangle Industrial Subdivision.

Kristy McKay asked about the structure of the loans that the county has previously executed. Bill replied that they are balloon payments after 5-years.

Commissioner Hart informed that Board that his son has a logging business and occasionally does contract work for KLM, but he didn't think there was a conflict of interest for him to vote.

Motion made by Bill Everett to recommend funding to the ADLC Commission for \$130,000 to KLM. Motion seconded by Pat Gallagher.

Public Comment: Rose Nyman highlighted the importance of the Conflict-of-Interest statement after Commissioner Hart's comment.

Motion Carried: None opposed.

V. Miscellaneous

CEO Everett explained that the Board will likely need to meet again in the first quarter of 2024 for some other projects in the pipeline.

VI. Public Comment: This is the time for the public to comment on items **NOT** appearing on the agenda that fall **within the board's jurisdiction**.

None

VII. Next Meeting: TBD

VIII. Adjournment 5:50 PM