

**ANACONDA DEER LODGE COUNTY
COMMISSION WORK SESSION
6 P.M. TUESDAY, APRIL 28, 2020
Webex**

Commissioner Hart – Roll Call of Commission, CEO and County Attorney

Present: District 1 Commissioner Terry Vermeire, District 2 Commissioner Steve Gates, District 3 Commissioner Kevin Hart (Chair), District 4 Commissioner Paul Smith), District 5 Commissioner Mike Huotte, (Vice-Chair), CEO Bill Everett, County Attorney Krakowka, and Clerk of Commission Lori Sturm

Members of the Press: Kathie Miller-Webex

Members of the Public: Per Webex

**Commission Chair Hart called the meeting to order at 6:00 p.m.
Revised Funding and Settlement Agreement with Atlantic Richfield**

Mike Grayson – This is about 5 weeks later than when we were going to have the original consideration. We have had a 5 week delay due to COVID. People have had additional time to look at the document. One item changed was language that would allow 5% of economic funding from ARCO to go to charitable and non-profit groups. That language is on the county website. The second change had to do with the exception list, naming park that will be added to the parks that will be tested and may or may not be cleaned up pending results, and that is the Jay Cee Park. Changes were made in reaction to comments from the public. Five percent sounds like a small percentage, but when you are looking at a million-dollar annual funding, the first 12 years that is \$50,000.00 that is available to charitable and non-profit groups. I personally support this agreement and urge the commission to adopt this.

CEO Everett – Thanked everyone who worked on this. This is 3 years of putting this project together. This agreement is not perfect to everyone, there is no agreement that will suffice all people in our county. It puts Anaconda at a great position going forward. The most important part of this is the Health and Safety of the community. It provides a clean level of cleanup from AR at a much higher degree than has ever been performed. It addresses surrounding areas, houses, yards, and parks. We have had a lot of opportunity for public comment. We have tried to hear everyone. I hope the Commission approves this tonight.

County Attorney – There is no agreement with Atlantic Richfield that will be totally perfect or fool proof. I have reviewed this agreement in depth, and I feel that it is giving Anaconda its best chance to come out of situation that we have been in since the smelter closed. When CEO Everett said it has been 3 years in the making, it has been more like 40 years. There has been a huge amount of work that has gone into this. What does the Commission think of the agreement on behalf of Anaconda? This provides cleanup that is necessary and provides significant economic stimulation to try to get our local economy back. Everything I have to say I have said at previous meetings.

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Terry Galle – I totally agree with you guys, it is a good step forward. Back in 94 we sold our water to Butte. We didn't file on all the water rights that were left over. I would like to see those water rights left in Anaconda's hands and we can adjudicate the water whenever we want. Water could be leased out to different people, let it run down the crick, or we could file on it. ARCO would like us not to file because it is a valuable resource. We need to think of the long term for Anaconda.

Ed Delaney, President of Smelter city Recreation Complex – We have gone through the planning commission and that process. The complex would create about 1.2million dollars per year in jobs. We are asking that you allow more money taken out of the yearly total that way we could leverage 15 million dollars for about ¼ million a year to construct the recreation complex. The hotel would be more likely to thrive and succeed if it is next to a recreation complex, with an aquatic center, arena and community center. That would be the synergy for both the hotel and the recreation complex and an asset to the community. Given the benefits of 1.2 million dollars per year payroll, why aren't all applicant allowed to apply for economic development supplied by A-DLC by AR under the settlement agreement. The applicants could still be screened by the county to establish those to be funded.

Al Shewey – The current agreement is very restrictive it requires that taxable value be increased within the county. The dollar value is 25 million; but it is over 25 years. Who knows what the future brings? To restrict without any consideration is a concern. There is a high number of residents that live in Anaconda and the county who are below the poverty line. It is not just the people below the poverty line who have suffered since the smelter closed, it is also the entire community has been impacted by the closure of the smelter. Will just funding tax tax-based increasing projects address the issue. Isn't there room to consider both tax based and community-benefit projects. The current pool is 40 years old and badly deteriorated. We also know the elderly need a place to walk and recreate. To get the kind of funding, 15 million in addition to what we would get from the county requires a demonstration that you have the land and some skin in the game from the local county jurisdiction. Without that this project has very little chance of moving forward. The county to consider applications from all parties and develop a selection criterion that might look at community benefit, job creation, tax base growth, level of outside funding, public support, planning approval and readiness to proceed. It is this entire series of criteria that is important to consider when looking at applications. Please consider accepting more than tax-benefit applications and expand to allow applications. accept others and then screen them.

Rose Nyman – I have a question for the CEO in looking at some news articles . . . with a lot of doom and gloom. Are you anticipating that the hotel might be put on hold for a year or two?

CEO Everett – I don't know. They are still optimistic about it. Hard to predict the next three months.

Rose Nyman – In looking at the revision it says projects that contribute to the property tax revenues of A-DLC. Hypothetically If I build a new garage, concrete driveway . . . it increases the taxable value. Does that mean a homeowner like myself would be eligible for grant funds or low interest loans?

CEO Everett – I don't know the answer that is more of legal question. Maybe Mike Grayson might be able to answer.

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Mike Grayson – That language you read would not by itself preclude application, but realistically there will be other criteria that the Commission would have to set. The bottom-line principal in the agreement is the funds at least 95% must be used to benefit the tax base of the county, the other 5% could go to a non-profit that does not benefit the tax base. There are many more criteria that would be appropriate, but we are not writing those all in the agreement. It will be up to the Commission to determine the criteria.

Donna Shewey – I would like to ask that the transmittal that was sent by Smelter City Recreation Complex be recorded as part of the meeting transmittal for this meeting, so that it is on record.

Kevin Hart – There will be a record for this meeting.

- Clerk's Note – All letters will be included in the Index book which is a permanent record.

Jim Davison – I think it will be important that sideboards and guidelines need to be developed for these funds. It isn't all that much money, when you look what needs to be accomplished within the county. Increase the tax base is just one, there is a separate example of the county investing in a taxable base project that is returning millions of dollars to the county and the school district, and that is the Gates Power Plant. The Gates power plant has provided for amenities in the community. It shows why these funds need to be leveraged. We have also had a history where the community has received funds in the past and the money was not used in the most efficient way. In the long term we did not benefit. This agreement is good, there is tax reductions built in, and there is the clean-up approach, I hope you vote for this.

Adam Vauthier, Director of LDC – The board of directors are in support of the agreement. We thought the 5% was good ground for some of the charitable and non-profits. It is important to keep the community safe. Hope you vote for the agreement.

Donna Shewey – On a National level when you talk to businesses that want to relocate to a community, there is 4 criteria they look at: Hospitals, schools, library and indoor and outdoor recreational opportunities. This is a national known marker. There are other amenities they come to the community for.

Rose Nyman – Mr. Davison mentioned the reduction in property taxes which is always something to look forward to. That will help those who own property and would not help those in rental situations. I seriously doubt landlords will pass the savings on to the tenants.

Terry Galle – For the last 30 years all I have heard about is selling our water when we could have leased it to them. Atlantic Richfield has all the rights to it. We need those water rights. Would like the water rights put into the agreement. As Commission, hopefully you will use more sense than those in 94. I believe ARCO will give them if you ask.

Steve Gates – First it is a great thing for our community and has been a long time coming. Initially I was excited about the 5%, but a few key points have been brought up tonight such as the uncertainty of how COVID will affect things. What if the hotel backs out? By limiting it only to 5% to non-profits; I think

5% doesn't have enough grit to attract a decent type of project. The Commission one way or another will have control. I don't know why the number can't be higher. It is a hard call and probably the most important decision I will have to make in my political career. I would like it to go to 25% to attract a project that will have good merit. Thank you.

Mike Huotte – I would like to support keeping it at 5%. \$50,000.00 a year for 12 years is a good chunk of money that non-profits could use. There is a lot of good projects that non-profits could do with that. Getting the tax base up will help lower taxes for the lower income.

Commissioner Smith – Agree with keeping it at 5%. I work for an organization that hires numerous individuals in the Anaconda area and our money is spent in Anaconda. I feel that we need the businesses that are going to pay the tax base. That money will funnel down to help further support non-profit organization. I feel 5% is a good starting base.

Commissioner Vermeire – I also agree with the 5%. These are troubling times, and no one has a crystal ball. Commissioner Gates questioned "what if the hotel deal falls through" . . .If we can funnel the money into something like the board of investments and make some interest. If it sat for 36 months, that would mean more money. There will be a committee set up and we will have to have an Ordinance to set up the sideboards and guidelines. Are we going to put the same restrictions on the 95% on the interest we make? That could be more money for non-profits. A project that creates a bunch of jobs, isn't that economic development. All in all, this is a good agreement. It has been worked on for a long time. Addressing the discussion on water rights with Atlantic Richfield. . . Atlantic Richfield demonstrated why they needed those rights. We were able to get the water rights for old works for the irrigation system and secured one for the Anaconda Country Club. Atlantic Richfield is holding onto the rights tight. I feel good about the agreement and I think we should pass it.

Commissioner Hart – This is already on the agenda for the Special meeting that will follow this meeting. This will be addressed at the Special meeting tonight where we will vote on the issue.

Task Order/Contract #20-25-5-01-112-0 – To Anaconda-Deer Lodge county Unified Government Master Contract that covers the period of July 1, 2019 – June 30, 2026 – Community-Based Preventive Oral Health Care Program.

CEO Everett – Leigh Ann will elaborate more on this at the meeting next week when it goes before the Commission.

Place on Agenda for May 5, 2020

Task Order 21-07-4-31-112-0 to Deer Lodge County Health Dept. County Unified Government Master Contract that Covers the Period of July 1, 2019 through June 30, 2026 – Immunization Program

Place on Agenda for May 5, 2020

Miscellaneous –

- Commissioner Huotte – No Miscellaneous**
- Commissioner Gates - No Miscellaneous**
- Commissioner Smith - No Miscellaneous**
- Commissioner Vermeire - No Miscellaneous**
- Commissioner Hart - No Miscellaneous**
- CEO Everett - No Miscellaneous**
- County Attorney - No Miscellaneous**

Public Comment

Rose Nyman – Questioned about hours of the Courthouse and Library

CEO – We have expanded the hours at the Courthouse. Safety will be in place. The Library will go to curbside service next Monday

ADLC Public Meeting Dates

Commissioner Hart read the meeting dates. All non-essential meetings canceled. OWGC will have a meeting by conference May 5th. The Meeting following this is a Special Commission meeting to consider the ARCO agreement.

Adjournment

Meeting Adjourned at 6:50 p.m.



Lori Sturm
Clerk of Commission



Kevin Hart
Commission Chair