

February 6, 2018

The Lincoln County Board of Commissioners met for a special session on February 6, 2018, in the Lincoln County Courthouse, Libby, Montana. Present were Commissioner Cole, Commissioner Bennett, County Administrator Darren Coldwell and Clerk and Recorder Robin Benson. Commissioner Peck was absent.

10:00 AM **Port Authority Work Session:** Present were John Blodgett, DC Orr, Charles McFarland, John Landon, Jeff Koskela, Justin P. Williams, Marc McCully, Wendy Drake, Brent Teske and Kenny Rayome.

Commissioner Cole informed everyone in attendance that today was a work session and there will be no public comments.

Tina presented a guideline for today’s meeting and explained the relationship between the Kootenai River Development Council (KRDC) and the Lincoln County Port Authority (LCPA). Tina said payroll is housed in KRDC and LCPA pays a management fee to KRDC. KRDC has its own board.

Port Authority Activity: Commissioners Work Session; February 6, 2018 as submitted by Tina Oliphant.

		Notes	
FYI	Relationship between KRDC and LCPA	Added focus of KRDC. In the past-4 years ago: <ul style="list-style-type: none"> • Payroll housed in KRDC • LCPA paid a management fee to KRDC 	
	Strategy and Tactics	Missing	
	Crypto-currency Mining Company inquires for location move	Are negotiating with Fisher Industries	
	International Paper and CGA	IP contact and circle back to DEQ/EPA	
	European CLT company	Next steps?	
	SKFJ	Uncertainty of company plans, waiting on insurance	
FYI	Contract for Private Car Fleet Storage	Storage rail may need some maintenance after snow is gone.	
	Payment of \$140,000 of BSTF Job Creation Grant for SW	Recommend paying the State now	
	Property Taxes: Stinger Welding Building:	Treasurer needs to get information on penalties and interest, etc. Timeline to gather all information.	
	Financial Record keeping:	<ul style="list-style-type: none"> • Detailed monthly QBooks statements • Summary Report • Annual Budget, transactions tracked against. • Primitive projected cash flow report • Annual Audit - no findings. 	
	Financial Status	Limited cash flow without new sources of revenue. This will impact all decisions	
	Port Authority Insurance	Need to start this understanding now	
	Infrastructure Issues:	<ol style="list-style-type: none"> 1) Roads needs Pavement Patching every year 2) Sewer Lines are old and most likely leaking 3) Minimal Potable Water 4) Fire Water Lines are old and most of them are shut off due to leaking. 5) Security is nonexistent. No way to keep the public out. 6) Overhead Power Lines and Poles Need Removed 7) Steel Storage Shed Roof Leaking – Needs abatement 8) Walking Path Fence need repaired 	
	Infrastructure and Project Improvements:	<ol style="list-style-type: none"> 1) Truck Barn Demo - Waiting on revised bid and DEQ Approval of asbestos design remediation. 2) Libby Creek Bank – Submit Fraser summary and recommendations to EPA. 3) Finger Joint Remediation – Contract with Engineer to provide asbestos abatement contract and cleanup oversight. 4) Lift Station – Complete. Need to have DEQ approved lift station (or city sewer) by end of 2020 per MPDES Permit 0000221. 5) “City Lot” – Proceed with selling process (Appraisal). 	

		6) LCPA Subdivision – Evaluate cost vs return rate (see write up). 7) Stimson Subdivision – Evaluate cost vs return rate-Need conversations with Bruce Rowland to start. 8) Access Easement – Museum or WMMHC along Libby Creek and Stimson Parcel. 9) Security – Gates and restricted access to be addressed after alternative recreational access is secured. 10) Old Haul Road Trail 11) SK Power – Recently completed New 3 Phase to Office and Dewatering Pump.	
	EPA, LAS and OU5	O&M on hold? DED Deed Restrictions - no activity - how to shake this up	
FYI	Two Revolving Loan Funds: All loans are solid. The goal is to provide access to capital for sound projects that cannot be completely financed banks. Technically - loans are available throughout Lincoln County.	1 - Internal Revolving Loan Funds. These monies are returned to operating account as paid back. No restrictions. Current balance (One loan) - \$126,000. This will be fully liquidated as another loan fund was established. 2 - USDA Fund (known as IRP Loan Fund) - more than \$600,000 available to lend. LCPA pays back outstanding over 30 years, 1% interest. Seeded the program as such: <ul style="list-style-type: none"> • LCPA - \$250,000 • USDA - \$500,000 Loan balance (One loan) \$63,000.	
	Establish Loan Review Board	1) Authority for loan approval 2) Provide guidance on other projects incurring financial liability. Members exhibit strong understanding of economic development value of fund and experience/aptitude for understanding credit risk. Unbiased	
	Position the Port Authority to sell land	MCA requirements have changed. Should establish a blanket Resolution for this purpose.	
FYI	Port Authority Board	Shared philosophy and understanding of issues. Strong agreement on the Port Authority's role and purpose of the Kootenai Business Park. Understanding of the role and value of economic development tools Board Business is conducted with Board members	
FYI	BNSF Site Certification Project;	50% funded by grant	
FYI	Marketing:	Second greatest issue is the lack of exposure. Brochure Short Video Social Media Web sites Mass Mkt Timber Expo?	
FYI	Rail complete and functional. Spring punch list remains		

Funding for Projects since June 2014

Submitted by Tina Oliphant

	Submitter	Grantor	Award Date	Amount Received	Purpose
closed approved	KRDC	State of Montana Big Sky Trust Fund	Sep-14	\$ 24,150	PER for Rail project
ongoing approved	LCPA	LCPA internal	Sep-14	\$ 175,000	LCPA RLF Loan - Private Business
ongoing approved	LCPA	LCPA internal	Oct-14	\$ 300,000	LCPA RLF Loan - Private Business
ongoing approved	LCPA	State WPIRS Loan	Jul-15	\$ 275,000	SK Fingerjoint WPIRS Loan
open approved	KRDC	State of Montana Big Sky Trust Fund	Aug-15	\$ 36,750	Technical Assistance with EPA/DEQ IC and O&M

open	approved	KRDC	State of Montana Big Sky Trust Fund	Aug-15	\$ Targeted Economic Development District– 13,125 Kootenai Industrial Park
open	approved	LCPA	State of Montana Big Sky Trust Fund	Aug-15	\$ Alpine Precision, Job Creation; Equipment 75,000 investment
open	approved	KRDC	Main Street	Aug-15	\$ Visitor Assessment 5,175
open	approved	KRDC	Dept. of Commerce Training	Oct-15	\$ Workforce Training Grant 47,860
declined	approved	KRDC	CDBG ED	Nov-15	\$ Alpine Precision expansion working capital loan 200,000
open	approved	KRDC	State of Montana Big Sky Trust Fund	Feb-16	\$ Master Plan Concept for Trail Based Economy 8,250
open	approved	Historical Center	State of Montana Big Sky Trust Fund	Feb-16	\$ Strategic Plan for Shay Locomotive 5,750
open	approved	LCPA	EDA	May-16	\$ Rail Spur Rehabilitation 750,000
waiting	submitted	Memorial Center	BNSF Foundation	May-16	\$ Operating Capital 5,000
ongoing	approved	LCPA	USDA	Jun-16	\$ New Monies for RLF Lending Program 500,000
		LCPA	USDA IRP	Jul-16	\$ LCPA RLF Loan - Private Business 198,000
	approved	County	Libby Area Chamber	Aug-16	\$ Digital content for chamber Website 46,200
ongoing	approved	LCPA	USDA IRP	Sep-16	\$ IRP Loan - Private Business 70,000
open	approved	KRDC	State of Montana Big Sky Trust Fund	1/1/2017	\$ PER work Water Hook up to City of Libby 24,000
open	approved	KRDC	State of Montana Big Sky Trust Fund	1/1/2017	\$ Planning for Wayfinding Signs 12,800
rescinded	submitted	County	Mt Fish Wildlife and Parks, RTP	Mar-17	\$ Old Snowshoe Trail 9,550
declined	declined	LCPA	Mt Fish Wildlife and Parks, RTP	May-17	\$ Libby Creek Bottom Trail 38,880
declined	declined	CARD Clinic	State of Montana Big Sky Trust Fund	7/1/2017	\$ Parking Lot Design 8,400
	submitted	LCPA	Mt Fish Wildlife and Parks, RTP	8/1/2017	\$ Libby Creek Trail 20,000
ongoing	approved	LCPA	State of Montana Big Sky Trust Fund	9/1/2017	\$ Technical Assistance for BNSF Site Certification 12,350
open	submitted	City	Mt Dept. of Tourism	9/1/2017	\$ Construction of Way finding Signs 85,781
Projects					\$ 2,947,021

Other Identified Projects

Growth Policy
Comprehensive Economic Development
Area Wide Promotional Collateral
Urban Renewal District

Brett McCully presented an *LCPA Informational Manual* showing current issues and history of LCPA to the commission for review. *The LCPA Informational Manual can be viewed in its entirety at the Clerk & Recorder's Office.*

Darren commented that we need to discuss job descriptions for Tina and Brett so there are clear expectations. Tina expressed that first we need to outline specific goals before we can determine expectations.

Tina discussed strategies and tactics and shared two options as follows:

1. Sell the Kootenai Business Park; area does not have the financial or leadership capacity to manage the challenges and risks.
2. Port Authority is a scarce Economic Development Tool for the area (wealth building). Create a unified strategy and budget.

Tina informed the commission that Fisher Industries is looking at the port authority location, but there is no other information at this time.

Brett discussed the need for city water and infrastructure to the port site. Brett said he does have numbers/costs when we zero in on that discussion. Brett commented this is in association with IP, DEQ and EPA groundwater issues. Tina said these are serious issues moving forward.

Tina commented about a European Company interested in the stinger building, noting that Commissioner Peck has been in contact with them. Tina questioned who oversees talking with companies and sharing that information. Tina informed the commission she is in contact with a broker regarding fleet storage of railcars, private, not BNSF.

Tina submitted a Summary Review of Operating Accounts to the commission; pass through grants are not reflected and Tina said it is a very summarized report. Tina expressed this report could take a whole hour of discussion in the future.

**Lincoln County Port Authority
Summary Review of Operating Accounts Compared to Budget
for December 2017**

Submitted by Tina Oliphant

	Dec-17		YTD 2018		
	Actual	Budget	Actual	YTD Budget	Annual Budget
Income					
330001 · Grant Administration	0	0	750	0	0
341000 · Lease Income	8,555	13,854	76,211	83,121	166,243
360100 · Tenant Insurance	639	2,076	9,570	12,455	24,910
360101 · Tenant Utilities	634	2,749	12,522	16,491	32,983
362000 · Miscellaneous Revenue	4,314	0	4,314	0	4,000
362001 · Miscellaneous Sales	0	0	200	0	500
371000 · Revolving Loan Interest	2,013	2,208	10,681	13,250	26,500
371010 · Bank Account Interest	1,062	583	3,758	3,500	7,000
Total Income	17,217	21,470	118,006	128,817	262,136
Expense					
470110 · Wages/Payroll Expenses	14,059	14,028	84,335	84,167	168,334
470210 · Office Supplies	78	125	787	750	1,500
470220 · Food & Entertainment	0	21	0	125	250
470221 · Operating Supplies -Small Tools	48	208	3,690	1,250	2,500
470230 · General Repair & Maintenance	0	833	950	5,000	10,000
470240 · Building Repair and Maintenance	9,023	2,631	28,971	15,785	31,569
470280 · Equipment Repair	0	2,691	15,415	16,148	32,296
470290 · Fish Pond Repair & Maintenance	0	20	0	120	240
470310 · Postage	0	51	143	309	617
470320 · Printing & Reproduction	0	67	299	400	800
470330 · Advertising	159	217	1,470	1,300	2,600
470331 · Website/Software	0	417	1,000	2,500	5,000
470332 · Dues & Subscriptions	115	250	669	1,500	3,000
470340 · Utilities	180	25	360	150	300
470352 · Professional Fees	5,193	4,899	24,874	29,393	58,787
470353 · Accounting Fees	9,482	5,854	18,855	35,125	70,250
470355 · Testing Services	1,450	1,167	6,517	7,000	14,000
470357 · Fire Suppression	0	0	590	0	0
470360 · Automobile Repairs/Maintenance	0	6	7,760	33	67
470361 · Snow Removal Services	0	100	482	600	1,200
470362 · Travel & Meals	405	192	1,022	1,150	2,300
470363 · Training/Conferences/Meetings	128	125	1,229	750	1,500
470364 · Insurance	0	0	473	0	63,000
470365 · Interest Expense USDA IRP RLF	0	167	0	1,000	2,000
470370 · Trailer/Building Rent	0	375	1,875	2,250	4,500
470380 · Bank Charges	0	4	40	25	50
470510 · Licenses & Permits	0	781	2,360	4,685	9,370
470530 · Property Tax	0	0	128	0	0
470850 · Miscellaneous Expenses	0	0	131	0	0
Total Expense	40,320	35,254	204,425	211,515	486,030
Operating Surplus	-23,103	-	-86,419	-82,698	-223,894
		13,784			

Summary Review of Capital Expenditures Compared to Budget

	Actual		YTD Budget		
	Actual	Budget	Actual	YTD Budget	Annual Budget
Expense					
470920 · Capital Outlay - Buildings	0	0	0	16,000	16,000
470930 · Capital Outlay - Improvements	0	0	0	0	151,000
470940 · Capital Outlay - Equipment	0	0	0	0	10,000
470960 · Capital Outlay - Rail Road	4,500	195,00	650,277	1,167,97	1,192,97
		0		0	0
470970 · Capital Outlay - Fish Pond	0	0	0	0	0
Total Expense	4,500	195,00	650,277	1,183,97	1,369,97
		0		0	0

Brett submitted a list of current tenants, showing 8 paying tenants.

LCPA Tenant List Dec 2017

Tenant	Lease Expiration	Notes	Ins Rate Change in Lease	Computed Insurance Billing
River Country Wood Products	12/31/2018	Lease changes +100/ year	Yes	\$86.16
Strom Electric (Masters Touch Electric)	3/31/2017	Renewed Lease for additional year per Lease Item #5	Yes	\$25.73
F&H Mine Supply	9/1/2019		Yes	\$128.42
Thompson Contracting Inc.	9/1/2014	Month to Month	Yes	\$231.00
Treasure View Auto LLC	11/30/2017	Month to Month	Yes	\$94.49
A1 24-7	9/1/2017	Terminated Per Letter Dated July 11, 2017.	Yes	\$122.68
Dimension Stoneworks	Month to Month		Yes	
CDM Smith Federal	2/28/2018	2 Month Lease. Will need ne lease when COE contract is renewed.	Yes	\$182.82
ER	12/31/2018	1 Year Lease. Olny ER instead of PRI/ER	Yes	
SK Finger Joint LLC	6/30/2017	Fire Nov 5th 2017 Lease not Renewed	Yes	\$1,198.83

Commissioner Cole asked about company interest in leasing property. Tina said she does not aggressively advertise this because there is nothing to lease. Brett said all of the buildings are leased out; only have land lacking infrastructure.

Darren commented the need to have a discussion on insurance soon. Commissioner Bennett said we need a strategy moving forward. Tina commented this is a topic that detracts business due to risks involved.

Brett discussed infrastructure issues stating that fire suppression lines are very expensive and current fire water lines are old and most are shut off due to leaking. There are no active city water mains. Of the infrastructure, power access is the best-selling point.

Brett expressed security is nonexistent and this is a high priority. To secure the business site, we would need a secondary access to the recreational area. Vandalism is constant and is a serious issue. Brett mentioned fencing that has been vandalized and in need of repair. Commissioner Bennett said that in budgets, there should be money set aside for maintenance and repairs for things such as fencing.

Brett discussed infrastructure and project improvements such as buildings, Libby Creek Bank, finger joint remediation access easement and security gates. Brett commented that we have until December 2020 to have the lift station DEQ approved or city sewer. Hooking into city sewer is recommended.

Tina discussed EPA, Libby Asbestos Superfund and OU5 and deed restrictions. Tina reported there is no activity at this time.

Tina talked about the two revolving loan funds through Internal Revolving Loan Funds and USDA Fund, known as IRP Loan Fund. Tina said all current loans are solid and the goal is to provide access to capital for sound projects that cannot be completely financed by banks. Tina expressed that she feels strongly that we need a loan review board of people that have knowledge on credit risk, with professional experience and no biases. Tina feels this board should be separate from the Port Authority Board.

Tina talked about marketing and shared a brochure promoting LCPA. Tina said the rail is complete and is functional; approved by BNSF. Commissioner Cole commented the rail work is going to make a big difference.

Commissioner Bennett said we will continue to meet weekly over the next month. There will be no major decisions until the two new board members are involved. Robin commented that board applications are due to her by February 16.

Commissioner Cole told the citizens in attendance they are welcome to email comments to any of the commissioners regarding today's discussion.

The following report was emailed to the Commission by Tina Oliphant for discussion during today's meeting.

**Kootenai Business Park, Libby, MT;
Summary of Challenges
Updated 1/2018**

The Lincoln County Port Authority was enacted in 2003 to facilitate the acquisition of the most of the Stimson Lumber Mill in Libby, MT. Acquisition included 400 acres, buildings, electrical, fire suppression, and waste water distributions including aerated sewage lagoons.

Stimson Lumber Company was the last operator in a series of lumber enterprises over 100+ year. J. Neil's Lumber Company began in the 1930's, which merged with St. Regis Paper Company in the 1950's, then subsequently merged again with Champion International in 1984. Stimson Lumber Company bought the enterprise in 1993 (but did not buy the land holdings, sold to another party) and continued the operations for ten more years. The decision to leave the Libby area was supported by the increasing difficulty to source lumber materials from the area and the potential liability from the Libby Asbestos Superfund site.

The transaction required full indemnity by the County. Stimson was not required to provide any maintenance funds (legacy fund) as part of this transaction and the County inherited infrastructure of "uncertain" status. The costs of operating a baseline operation were not identified. County funds or a source of revenue were not reserved or identified to begin the task of transitioning/improving the property.

The County's motivation behind the acquisition was to establish infrastructure on the property, which supports business development. Lincoln County suffers from limited private land for development, so the acquisition fulfilled a need or establish shovel ready sites for business attraction.

It is the goal of the Port Authority, in collaboration with other public entities and private developers, to establish an economic development framework to target and recruit secondary, value-adding industries.

Governance

The organization was initially run by a volunteer, 9-member Board on 5 year terms elected by the County Commissioners and staff of 2 employees, who are responsible for the management of the 400 acres. The Executive Director also runs the local development organization. The site is often referenced as the Kootenai Business Park.

At the current time, the County Commissioners are reestablishing a new Board structure of 3 County Commissioners and two members at large, chosen by the County Commissioners.

Laws for the formation and governance of a Port Authority in the State of Montana are formed under MCA code (7-14-1101 and more).

Site Description

The Kootenai Business Park (Stimson property) has historically been used for forest and mineral resource development, manufacturing, processing and storage industries. Due to the historic uses, the area is included within two EPA superfund sites. It is relatively flat, with the floodplain and Libby Creek flowing south to north along the east side, with a moderately steep hilly area beyond the creek to the east. The majority of the vehicular access is off of U.S. Highway 2. A paved, pedestrian trail parallels the west bank of Libby Creek, and part of the land is more suitable for recreation.

The current site has some infrastructure, direct access to Highway 2 and main rail line of Burlington Northern, a switch engine locomotive, a rail reload facility, electrical substation and substantial water rights from Libby Creek.

Existing Land Use

Current land uses on the site include wood product companies, remediation contractors, a heavy construction equipment company, a 100,000 square foot vacant industrial/warehouse building built in 2011, derelict structures remaining from the historic uses, a wood products (waste generated on-site) landfill, a fishing pond, and a motocross track.

Targeted Economic Development Activities:

In 2016 the Kootenai Business Park was zoned (County) for industrial, commercial and recreational use in accordance with the Lincoln County Growth Policy and in keeping with the TEDD District requirements. Lincoln County Port Authority is the administrator.

Challenges to Development

Over the past 15 years redevelopment was hampered by the following:

- While the site has some infrastructure in place, it is essentially 80+ years of deferred maintenance. Records of the infrastructure are not complete (sewer, storm water and non potable water systems).
- The complexities of the state of the inherited infrastructure has created obstacles to further development needed to attract business.
- Revenue sources (tenant leases) to run the 400 acres and reinvest or even keep up maintenance and repair is not sufficient.
- Over the years the Port Authority has accessed funding for specific job-related projects, infrastructure and planning. **The reality is the need for upgrades to the Park (and investment required) has outpaced the ability to attract funds and created wealth and job creation. These type of impacts (job creations) are generally required to leverage funds with outside public funding programs. Without the additional funding the projects cannot be addressed.**
- Redevelopment was further challenged by the Superfund site designation.
- During this time period the extraction industries' economies (mining and forestry) continued to disintegrate creating a structural collapse of the local economy. The challenges of reestablishing these industries and monetizing our most prolific assets (mining and forestry) is complicated by forces beyond the Port Authority's control; market forces and equilibrium, sales preparations costs vs value of resource, state and national policies and the endangered species act.
- The Port Authority placed considerable dollar investment and time into projects that monopolized financial resources. Despite the great potential, these effort were not successful.

To better understand the effort required behind this 400 acre maintenance it is important to visualize the space. Most of the infrastructure is 80+ years old (water line, sewer lines and storm water facilities) and housed a ply wood plant, stud mill, finger joint mill, retail store, planer, dry kilns, and employed 1500+ people on site – 3 shifts.

Current Occupancy

It is the mission of the Lincoln County Port Authority to support job growth through business infrastructure and support. The Business Park provides lease rates in support of this mission. The Business Park has current leasing capacity of about nine structures, which are fully leased. Two tenants are value added; a rock cutting operation and a post and pole plant. Currently, all buildings are leased except for the 100,000 sq. ft. "Stinger Welding," which is actively for sale.

Budget and Funding Issues

Within the limits of the present available space for lease (fully leased), tenant income cannot support management, the annual maintenance and the ongoing development. The Port Authority received a large sum from an insurance settlement in early 2014. **The**

Board of the Port Authority has used this money to invest in staff, maintain reasonable maintenance and a \$2+ million project to reestablish the rail spur to BNSF. However, funds to support the budget gap (tenant revenue vs. expenses) will be diminished within 3+ years at the current status quo.

Other Problems and Consequences:

1. Management and Direction. At the current time there is no shared governance of understanding of the role of a Port Authority, feasibility of the Kootenai Business Park model, role of economic development tools in this effort, established strategic direction and tactics to move forward with.
2. Managing the Facility Structure:
 - Oversight of a large footprint, 400 acres – almost of the size of the town of Libby or Eureka.
 - Roads through the property are partially paved and in need of major rehabilitation resulting in multiyear maintenance.
 - Current septic/sewer is limited resulting in the use of portable toilets for some tenants.
 - Buildings inherited from the Stimson Mill are in disrepair, including poor lightening, old electrical lines, roof leakage and lack of potable water and sanitary sewer.
 - Potable Water: There is limited potable water access to the few structures on the property and this is accessed through the City of Libby. This further inhibits new development adding to the cost and limiting the potential use of the existing buildings.
 - Waste Water: Staff handles permitting, licensing and ongoing management of sanitary sewer waste water system (currently handled through two lagoons). All storm water is collected and processed through three storm water settling ponds. The condition of this infrastructure is adequate for the current needs, however given the age of the system, we anticipate significant annual maintenance and occasional major repairs to occur.
 - Emergency/Fire Water System: The property also has its own fire suppression facility, with a 5 million gallon reservoir drawing water from Libby creek and distributed throughout the site via 6-12" water lines. The infrastructure of these lines is not well understood and is expected to be in poor condition. Portions of the system have been decommissioned and other have been shut off due to excessive leakage.
3. Environmental Issues-Regulatory issues and Uncertainty of Superfund(s) Outcomes
 - EPA Groundwater Superfund: In 1979, EPA discovered PCP contamination in well water at a residence near the Stimson mill and in 1983 the area was designated a Federal Superfund site. A Record of Decision signed in September 1986 provided an alternative water source for the City of Libby with contaminated wells. A second Record of Decision was signed December 1988. A 1993 update to the remedy selected institutional controls and groundwater monitoring as the final remedy for lower aquifer groundwater. Following cleanup, operation and maintenance activities and groundwater monitoring are ongoing.

The Port Authority has been asked to formally shut down access to underground water (well ban or Controlled Ground Area) by state and federal regulators. This is disturbing situation as the responsible party for the contaminant, International Paper, has never addressed the consequences for the loss of the resource for the Port Authority and community.
 - Libby Asbestos Superfund: The EPA placed the Libby area on the Superfund National Priorities List (NPL) in October 2002 for Libby asbestos. Vermiculite from the local mine contained a toxic form of naturally-occurring asbestos, an amphibole asbestos hazard (Tremolite-Actinolite Series Asbestos, now known as Libby Amphibole Asbestos). The asbestos veins in the ore body have contaminated much of the material taken from the mine. Milling removed much of the asbestos from the finished product, but in many cases significant amounts remained. Vermiculite is used worldwide as insulation and soil additives. The asbestos-laced vermiculite was widespread through the local population centers for these same applications further contaminating the region beyond the mine operation sites.

The Kootenai Business Park, referenced as Operable Unit 5 (OU5), was hopeful to work through a process with the final goal to delist the Port Authority property from the Libby Asbestos Superfund site. That effort has been stymied by the unwillingness of EPA and DEQ to identify funds and management roles for future cleanup/remediation (this effort is ongoing and talks continue). Secondly, MT DEQ is insisting the Port Authority have a ban on wells or Controlled Groundwater Area in place prior to moving forward on the Libby Asbestos Superfund site. A hasty reaction from the Port Authority to these groundwater issues with no compensation agreed upon from International Paper is, of course, a troubling situation for the future of development in the Kootenai Business Park and this community.
4. General Community Issues:
 - Workforce skills
 - Economic distress
 - Limited local public private investment - no local champions
 - Weak community infrastructure/tourism infrastructure
 - Entrepreneurship lacking

What is Going Right?

In spite of the lack of a functioning business model for the Business Park, there are intriguing characteristics of the property:

- Immediate access to BNSF. Rail assets include a switch engine locomotive and a rail reload facility.
- Electrical power is supplied by Flathead Electric Cooperative and the substation holds 2 - 10,000 MVA transformers.
- Existing permitted water (11 million GPD)
- A Montana DEQ approved Major Class III Landfill
- Settling water ponds
- State of Montana Licensed 60,000# Truck scales
- There is about 10 acres for retail/light industry development along Hwy 2.
- The Port Authority has successfully established a local revolving local fund (partially funded by USDA).
- The Port Authority and the Libby area will meet the requirements of NMTC financing.

Meeting adjourned at 12:00 PM.

LINCOLN COUNTY BOARD OF COMMISSIONERS

Mike Cole, Chairman

ATTEST: _____
Robin A. Benson, Clerk of the Board