

COMMISSIONERS APPROVAL

KANENWISHER

FOSS 

CHILCOTT 

IMAN

STOLTZ

Members Present.....Commissioner Suzy Foss, Commissioner Greg Chilcott and  
Commissioner J.R. Iman

Date.....April 5, 2012

► Minutes: Glenda Wiles

► The Board met at 9:00 a.m. for a decision on the Montana Rail Link (MRL) shortfall monies for the Tiger Grant match (Bitterroot Link). Present at this meeting was RCEDA Director Julie Foster who gave an update on the financial match which included Stevensville Town Council's approval last night of \$20,000 toward the match of \$78,142. (City of Hamilton has donated \$10,000, Ravalli County has donated \$22,000 of match plus \$5,000 towards writing the grant). It was noted Selway Corporation is also committing an additional \$6,000 which now leaves the shortfall at \$20,142.00. Stevensville Town Council Mayor Min Mack stated these dollars come from the Stevensville Tax Finance Increment District and they feel this is an excellent opportunity to work jointly with other governing bodies for economic development.

Discussion included the proportionality of match dollars from local governments, shipping the magnesium chloride for the county by rail rather than by truck which would increase the cost of the chloride product (by \$7,500), but could be used as a portion of the match. If the MRL Bitterroot line ceases to exist, there might not be any jobs lost immediately, but rather an increase in the cost of products would incur which have resulted in businesses that have left Ravalli County in order to be competitive in the market place. Timber issues were discussed as well as shipping numbers from private companies for better possibilities of economic development and use as match dollars, as well as other grant possibilities.

Commissioner Chilcott suggested they wait on making a decision on the increase of county match dollars until they talk to the low bidder vendor of the Magnesium Chloride.

**Commissioner Chilcott made a motion to continue this meeting until tomorrow at 8:00 a.m. Commissioner Iman seconded the motion for the purposes of discussion. Discussion: Commissioner Iman stated this is to confirm and to find out the vendors ability of shipping by rail. All voted "aye". (3-0)**

►Commissioners Iman and Foss attended a meeting in Darby at 1:00 p.m. regarding grant possibilities for International Paper Company.

►Commissioner Chilcott attended a MR TMA meeting in Missoula at 2:00 p.m.

We learned a few things during our conversation with MRL:

1. The total shortfall was \$70K + which leaves the county a total commitment of \$50K + (barring a few developments which may or may not happen)
2. An expert in the business of rail, MRL believes that the outcome of the Bitterroot line is fairly certain at this point. This is my interpretation of their opinion, I obviously do not speak for MRL but it is my understanding that there doesn't seem to be any real potential for enough increase in shippers or freight in the near future.
3. The Tiger grant, if awarded may provide enough maintenance to "buy" the Bitterroot 1-2 years for the economy to recover. While the required match would require a debt which may last for 10 years.
4. Additionally, county reserves are perilously low.

All parties involved with this project have acted and negotiated in good faith and no stone has gone unturned. However, given the low chance for winning the grant, the relatively small benefit of 1 to 2 years of operation with and successful grant which would cause a 10 year indebtedness, and given the industry assessment that rail service is not expected to support itself in the near future, I can't support a motion to commit county funds for the purpose of buying one year of rail service.

Again, I believe we have all done the best that we can but to me, this truly is a bridge too far. What we have before us is the consequence of several different situations from decreased timber production to a shortage of manufacturing, to the national economic condition. In some ways we are trying plug a whole in a dam after it has already broken.

Matt Kanenwisher



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