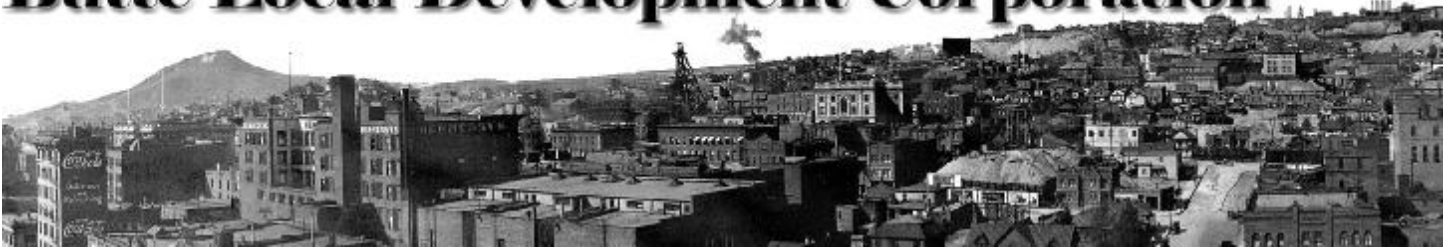


Butte Local Development Corporation



Winter 2003

December 22, 2003

BLDC becomes Community Development Financial Institution

The Butte Local Development Corporation (BLDC) was recently designated a Community Development Financial Institution (CDFI) by the CDFI Fund of the U.S. Department of Treasury. With that designation, the BLDC has received a

\$248,000 grant for the expansion of their revolving loan fund, and a \$35,000 Technical Assistance grant.

The BLDC has also been designated a Community Development Entity (CDE) under the CDFI's New Market Tax Credit program. The goal of the federal program is to drive private investors into distressed areas. Under this program, the BLDC has directly applied for tax credits that could trigger \$25.5 million in targeted investments for Butte. The BLDC also joined forces this year with another organization, the non-profit Community Reinvestment Fund (CRF) of Minneapolis, by co-applying for an additional \$10 million in targeted investment under the program.

Senator Max Baucus said, "I congratulate the BLDC for getting this important designation because it will help us continue to work together to create good-paying jobs and boost Butte's economy."

The BLDC has loaned \$11,241,016 to sixty-six businesses over the last 8 years and often takes a subordinated collateral position to the banks in order to help business financing that otherwise may not have been possible. Job creation and retention numbers related to the BLDC lending have

reached 1139.

CDFI granted the BLDC \$248,000 to supplement the BLDC's growing revolving loan fund program. Under that program, the BLDC works with businesses and banks to help fund business expansion, retention, recruitment, and start-ups. With the grant came a \$35,000 Technical Assistance Grant to update and improve loan management and documentation software.

"The BLDC being designated as a Community Development Financial Institution presents a great opportunity for us to expand the business development and lending services offered to the community," said Bill Fogarty, BLDC President and Director of the Port of Montana.

Also, the BLDC has applied to become part of the CDFI's New Market Tax Credit program. The program is intended to help spur investment in communities that are in need of capital, including two sections of Butte, Census Tracts 1 and 6. Tract 1 is most of the Butte Hill north of Front Street and east of Washington Street, while Tracts 6 is south of the Interstate to Timber Butte, between Harrison Avenue and Montana Street.

"This grant funding is good news for the Butte community. BLDC is doing

great work and this should go a long way toward furthering their economic development efforts. I'm happy the entire congressional delegation could work together on this important project," commented Congressman Dennis Rehberg.

Evan Barrett, BLDC Executive Director, said "We are hopeful about our application for \$25.5 million. But whatever allocation we might receive will be of great benefit to the targeted areas of Butte, particularly in Historic Uptown Butte."

Should the BLDC receive an allocation, it will have to create a "for profit" subsidiary to accept the investments. Investors would receive a 39% federal tax credit on the amount of their investment spread over seven years- 5% for each of the first three years and 6% for years four through seven.

"Programs like the CDFI New Market Tax Credit provide a new vehicle for local organizations like the BLDC to make a difference in their communities, particularly in the targeted areas like the Butte hill," said US Senator Conrad Burns.

Businesses that are interested in having the BLDC participate in funding growth can contact BLDC Loan Officer, Cindy Sanderson, at 723-4349.

BLDC Board Member Profile



Bill Fogarty

Bill is currently president of the BLDC board, and is more than qualified for the job. He is the general manager of the Port of Montana, and prior to that he was Administrator of the Transportation Division of the MT Dept. of Commerce. He has also been program manager of the Old West Regional Commission of the U.S. Dept. of Commerce for 8 years. He is past chairman of the MT District Export Council and serves on the Policy Board for the MT World Trade Center. Bill is also Vice-Chairman of the Headwater Resource and Development Project and serves on the Board of Directors of the Transload Distribution Association. He is a native Montana and attended Montana State and Notre Dame Universities.



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Horseshoe Bend Water Treatment Plant

The Atlantic Richfield Co. and Montana Resources were ordered to build a water treatment plant as part of their Superfund responsibilities under the Berkeley Pit consent decree. The roughly \$18 million Horseshoe Bend water treatment plant definitely fulfills the order.

The Horseshoe Bend water treatment plant is capable of handling up to seven million gallons of polluted water a day, but the plant is now processing around two million gallons daily.

The water originates from springs to the north that flow through mine wastes, and will eventually treat water from the Berkeley Pit. Treatment of water from the Berkeley Pit itself is expected to start around 2018, when the water level in the pit starts approaching an elevation of 5,410 feet above sea level.

However, the current goal is to pull all of the metals out of the brew and into a sludge, which will be piped into the Berkeley Pit at a rate of about 40,000 gallons a day. On the other hand, the treated water will be used in Montana Resources' mining operations.

When plant construction started in fall 2002, MR was

inactive and construction of a pipeline was ordered to carry the treated water into Silver Bow creek, and the pipeline will be completed soon.

As mining operations start up, MR is integrating the treated water into its process, which takes in the concentrator and the Yankee Doodle Tailings Pond.

At the plant's dedication on November 25th, many features were praised, including the suppleness of the plant.

"This plant is a blueprint for the right way to do a project like this," said Jack Small, project manager for U.S. Filter, developer of the two-stage lime precipitation technology in use at the plant. It reportedly generates eight to ten times less sludge than conventional lime precipitation and is used around the world.

Also mentioned at the dedication was that no "lost-time accidents" occurred during the 125,000-plus labor-hours it

took to construct the plant.

Bob Meinhardt of Swank Enterprises, spoke of the "superb" work of the local trade unions for their "extraordinary" safety record and quality of work.

Montana Resources' Tad Dale agreed and said, "you can tell that there was a lot of pride in this job."

U.S. EPA Program Manager Russ Forba said the companies went, "beyond standard duty." They could have built a smaller plant and opted for low-tech lime treatment, Forba said, but instead they chose a state-of-the-art facility.



Jim Smitham, BLDC Deputy Director, and MR's Tad Dale peer into a reactor vessel at the Horseshoe Bend Water treatment plant dedication.