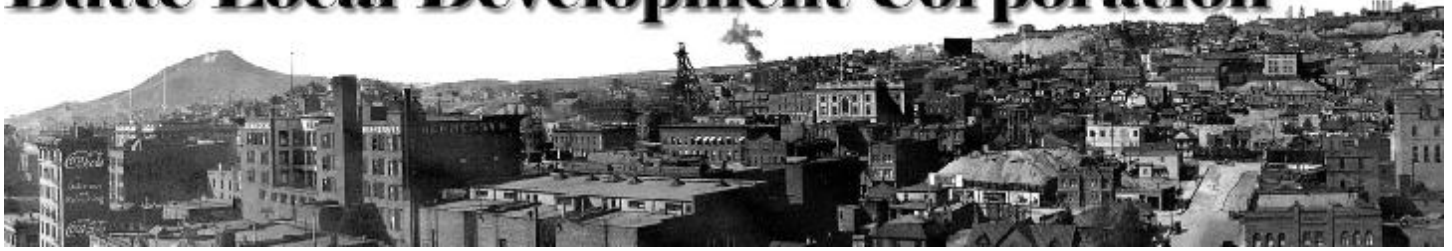


Butte Local Development Corporation



Spring 2003

June 6, 2003

High Quality Jobs for Butte: Synesis7 Relocates

Allen Ellmaker, President and Chief Executive Officer of Synesis7, announced on May 14th that it has moved its headquarters from Cody, WY to the Thornton Building in uptown Butte. Ellmaker stated,

“It’s been three-plus years with a lot of hard work and determination.”

A blended financial package was compiled to make the move possible. It includes a direct investment in Synesis7 by MSE, loans of \$300,000 from the local government’s Urban Revitalization Agency, \$200,000 from the BLDC Revolving Loan Fund, and a \$500,000 line of credit provided by First Citizens Bank.

Initially, Synesis7 will employ 15-18 engineering, designing, and support systems jobs, paying an average of \$50,000, plus a good benefits package. Additionally, the company’s business plan includes projections of over \$25 million in annual revenues within the first few years and expansion of its employment base to over 40 people.

Synesis7 holds proprietary technology and other capabilities that allow it to build electronic tools and support systems for use by the

military, government agencies, and private industry.

The company is already armed with a sole-source \$3.65 million federal contract with the U.S. Naval Air Systems Command (NAVAIR) that involves the output of an advanced web-based interactive electronic technical manual management and delivery system. The contract evolved out of an appropriation secured in October 2000 by Senator Max Baucus and supported by Senator Conrad Burns.

During a news conference, Ellmaker noted the outstanding cooperation he has received since beginning his contacts in Butte. “I have presented this opportunity to a number of cities around the region,” said Ellmaker, “and none have shown the cooperation and initiative of both the private and public sectors like I’ve seen in Butte.”

Ellmaker cited a number of people and organizations for their sup-

port, including all the members of the Congressional delegation, MERDI and MSE, the local government, and the URA. He went out of his way to express his appreciation to the BLDC. “If it had not been for the continuing efforts of Evan Barrett and the BLDC over the last three years, not only would this project not be coming to Butte, but it would not have gotten off the ground at all,” Ellmaker said.

Evan Barrett, Executive Director of the BLDC said, “We’ve developed the tools to assist companies like Allen’s and we’ve found yet another chance to utilize those tools for Butte’s future. After many years of targeting this project, we’re pleased that the contract is finally in place and good high-tech jobs are coming to Butte. This is a good new tenant for the Montana Information Technology Enterprise Center (MITEC – the former Thornton Building) and a strong addition to our Cyber Village efforts.”

BLDC Board Member Profile



Rick Griffith

Having served two terms as president, Rick Griffith is a valuable member of the BLDC Board. He is currently manager of Bert Mooney Airport and has served as chairman of the Urban Revitalization Agency, Port of Montana Board, and the Montana Airport Management Association. He has also served as the Butte-Silver Bow Council of Commissioners and as a Butte City Councilman.

BLDC Loan Committee: Remedy to Business Distress

The BLDC Loan Committee has recommended over \$9.5 million in loans over the last 7 years. These loans are then approved by various final votes, in some cases by the BLDC Board, in others by the Council of Commissioners. These loan committee decisions can often be the deciding action that determines a business' success in Butte. The committee was formed in 1981 to review loan and occasional grant applications made to a \$500,000 fund created with an Anaconda Co. donation to Butte-Silver Bow County. This donation was given to help Butte diversify its economy in the wake of the smelter and mine closures of September 1980.

The committee still reviews applications for the Anaconda/Arco fund, but has also broadened its territory as the BLDC has broadened its sources of loan money. Since 1996, they have taken on the task of reviewing applications for three other revolving loan funds:

- The Intermediary Relending Program, which includes funds secured from the U.S. Department

of Agriculture's Rural Development Program;

- Economic Development Administration loans, which uses funds that came from the U.S. Department of Commerce; and
- Community Development Block Grant loans, which uses funds that came from the Montana Department of Commerce, via the U.S. Department of Housing and Urban Development.

"If it ain't broke, don't fix it" is BLDC Director Evan Barrett's explanation for relying on the seven member committee to perform all loan application reviews. "As we secured new loan funds, some suggested we start up a new loan committee. However, the members of the initial loan committee were all seasoned people who knew what they were doing," Barrett said. "It seemed smart to just use them instead of having multiple loan committees. And, having a stable, experienced and long-term loan review board has helped the BLDC in its efforts to acquire new loan funding."

More than \$9.5 million in loan

funds have cycled through the various BLDC programs over the years, Barrett said. Throughout its 20-plus years of existence, the committee has endorsed loans to help "far in excess of 100 businesses."

However, the committee represents just one step in the loan approval process. First the BLDC staff members review loan applications and provide a report and recommendation to the committee. A loan can be rejected at the staff level and the loan committee's rejection of an application can also be final, but all approvals move on to either the BLDC Board or the Butte-Silver Bow Council of Commissioners for further review.

Loan Committee Members:

- Bill Kebe (Chair), BSB
- Bill Sherwood, BSB
- Harp Cote, BSB
- John Sorich, BSB
- Irene Humber, BLDC
- Mary McMahan, BLDC
- Jim McGree, BLDC

Appointed by- BSB= Butte-Silver Bow BLDC= Butte Local Development Corp.