

Group hopes to help businesses grow

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Members of the Energy Capital Economic Development agency soon could be landlords.

If a combined \$1.72 million Wyoming Business Council loan and grant goes through, the organization will take ownership of a five-building, 15,000-square-foot complex at 345 Sinclair St.

The goal is to have a structure available that would entice a business to expand or relocate in town, said Phil Christopherson, Energy Capital Economic Development CEO.

“One of the things business is always looking for is space that is available now,” he said.

If a business has to buy land and construct a building, the process can take one to three years, Christopherson said.

“When relocating, they don’t want to wait for land to be acquired and buildings to be built,” he said.

The site has three office-type buildings, a garage and a shed.

The deal, if successful, would be good for both the current tenant, Apex Companies LLC, and the economic development agency, he said.

Apex, formerly InterTech, was involved with the coal-bed methane industry and once had more than 50 employees here, Christopherson said.

When the industry declined, Apex downsized to about 12 employees and was left with more space than needed. It leases two buildings, leaving the largest, a 9,000-square-foot space, for a new tenant.

The property has been on the market four to five years. Christopherson said. Energy Capital Economic Development’s buying it wouldn’t compete with the private sector. The agency also will attempt to find properties in the private sector for potential tenants.

“If there is available space, we will fill that first,” he said. “This is kind of a fall-back position.”

Because the complex hasn’t sold for a long time, the location or other factors may be discouraging buyers. But since the project is largely grant-funded, the risk will be minimized, Christopherson said.

The Campbell County Commission is applying for a \$1.46 million Wyoming Business Council grant and a loan for \$260,000, Christopherson said. The county will then pass the funds through to Energy Capital Economic Development.

The agency is trying to secure a zero interest rate loan. If successful, it would have a \$2,200 monthly

payment for 10 years.

As long as Apex continues leasing, the property will pay for itself. The economic development agency will use Apex's lease payment, which is more than the loan, to pay it back, Christopherson said.

If there is additional money, the agency will start a maintenance fund for repairs on the building, he said.

The building will be rented out at market rates, but if a discount means the difference between a business moving to Gillette or somewhere else, it likely will be more flexible, Christopherson said.

It's not yet determined if the lease to a new business would be short term, long term or if there will be an option to buy.

Not much work is needed on the structure. The property has a pre-annexation agreement with the city of Gillette and its parking lot will need to be paved before annexation, Christopherson said.

The grant will have to go through a number of different groups before approval is finalized. If it is successful, Energy Capital Economic Development would close on the property in February or March, Christopherson said.

He has applied for similar grants in the past and said that the Business Council is good at weeding out risky projects that won't work. The grant is not competitive and Christopherson said he believes the project will be successful.

Moreover, for the sake of Campbell County, it has to be, he said.

"With what's going on in our economy, the trouble coal is seeing, it just emphasizes the need for more economic diversity," he said. "Our success will be measured in the next 15 to 20 years from now by how well we diversify."

The project alone won't solve the county's need for diversity, and it will take a long time to get there, but it's a good way to get the ball rolling, he said.

"The best time to get ready for the bad times is the good times," he said. "If you wait until things are bad, you probably won't recover."

The move is essentially hope for the best, plan for the worst.

"The (Obama) administration's goal is to kill the coal industry," he said. "I hope we have good, strong mines running 50 years from now. But if we don't, we better be prepared."