





BIG SKY  
ECONOMIC DEVELOPMENT

EDA • EDC    CREATING MONTANA BUSINESS OPPORTUNITIES

# ATTACHMENT A

**Big Sky EDA/EDC Joint Executive Committee Meeting Minutes**  
**January 8<sup>th</sup> 2020 – 7:30 A.M. to 9:00 A.M.**  
**Rosebud Room, 2<sup>nd</sup> Floor – Granite Tower**

**BIG SKY ED Mission Statement:** - Focused on sustaining and growing our region's vibrant economy and outstanding quality of life, Big Sky Economic Development provides leadership and resources for business creation, expansion, retention, new business recruitment and community development.

**Committee Members Present:** EDA – Robin Rude, Ken Lutton, Judi Powers, Greg McDonald, Paul Neutgens  
EDC – Mike Seppala, Mike Nelson, Steve Loveless, Ann Kosempa, Mac Fogelsong

**Committee Members Absent:** None

**Staff and Others Present:** Steve Arveschoug, Melanie Schwarz, Austin Trunkle, Becky Rogers, Dianne Lehm, Shanna Zier, Evelyn Pyburn, Dena Johnson, Thom MacLean

**Call to Order:**

Robin Rude, EDA Chair, called the meeting to order at 7:29 A.M.

**Agenda Changes for Today's Meeting:**

Steve will include a BUILD Grant update in his Executive Director's Report.

**Public Comment/Introductions**

None

**Agenda:**

Approval of the December 4<sup>th</sup> EDA/EDC Executive Committee Minutes

Motion: Ken Lutton to approve the December 2019 Executive Committee Minutes, as presented to the Executive Committee.

Second: Paul Neutgens

Discussion: None

Motion: Carried

Approval of November EDA/EDC Financials – Shanna

Shanna reviewed the November financials with the Committee.

On the EDA, Shanna pointed out that our current assets have increased to \$1.4m and that can be largely attributed to having received the Yellowstone County tax funds. The Accounts Receivables were high due to the controller transition but have since received payment and balanced out. She also reconciled the Due To/Due From accounts and made an adjustment to clear out an old balance. The number now reflects only the current amount due to the EDA from the EDC.

On the Statement of Operations, the VBOC and SBDC are on budget with PTAC slightly below. Shanna is still working to reconcile the Opportunity Fund account and will have an update for us soon. Our salaries and wages expense are slightly over due to the PTAC agreement to take on Phillip as a temporary employee. Also, our professional services budget is high because of our contracted work with Avitus Group to assist during the Controller transition and the fees paid to AZ for our audit.

On the EDC balance sheet, our current assets are up. Member Investor receivables were recently invoiced and payments are actively coming in. More work will be done in the future to reconcile that receivable and clean up old balances.

On the Statement of Operations, Shanna worked with Brandon and ended up reclassing some of the 504 Revenues there were recorded incorrectly between loan servicing and loan origination revenue. That adjustment put numbers more in line with the budget and now are in balance.

Motion: Mike Seppala to approve the November 2019 EDA/EDC Financials, as presented to the Executive Committee.

Second: Judi Powers

Discussion: None

Motion: Carried

### **Executive Director's Report**

#### **MEDA Next Generation Economic Development Tools Project**

Steve updated the Committee about the MEDA Next Generation of Economic and Community Development Tools project. We are in the discovery phase with our consultants and met with them in Helena prior to the holidays. TIP will be returning on January 20<sup>th</sup> to connect with community leaders in Eastern Montana. They will be learning what the status quo is with regard to our current set of tools and what tools or programs would be able to help bridge the urban/rural divide.

#### **2020 Board Planning**

Steve let the Committee know that our March 12<sup>th</sup> Board meeting will be coupled with our annual Board Planning Meeting. We will review the Stakeholders Survey as well as some data from peer communities to give us a heading as we look to further define our strategic priorities.

#### **BUILD Grant Update**

Steve met with our Mayor, City Administrator and a County Commissioner to discuss how we can bolster future applications for these kinds of grants and how our community can make a collective effort to back a project. Missoula, MT received a BUILD Grant and we believe a more concerted effort on our part may net our community the same success next cycle.

### **Program/Org, Directors Updates**

#### **Operations: Future Facility/Rock 31 Grant Project – Becky**

Becky mentioned that we will have a project kick-off call with the Federal EDA to discuss next steps and then we can begin to move the project forward. Becky provided the Committee a revised draft timeline and discussed where the current lease ends within that timeline.

A Phase I assessment was conducted on the facility which recommended a Phase II environmental assessments to test air contaminants. The tests came back saying contaminants related to the dry-cleaning plume that runs through downtown were under screening levels and not a concern. Four other contaminants were identified that are common in households in Montana. The recommended response was to place a sealable cap over the sump and seal any cracks in concrete or walls in the basement. Those items will be addressed in the renovation moving forward.

Becky added that we also conducted our safety inspection which came back with no large concerns. In fact, the inspector said "you are getting one heck of a building".

Further, we will be taking the Billings Symphony on as tenants until their new space is ready to be occupied. That has been approved by the EDA and Becky will call Ignacio to inform him and his team later this morning.

#### 2020 Stakeholder Survey

Every two years, we send out a Stakeholder Survey to the public to gather input on the effectiveness of our programs, what they consider to be community priorities, and the effectiveness of our organizational communication. Those results are distilled into themes and presented at Staff and Board to help guide the conversation as the Board sets the next two-year strategic priorities. The survey will be released next week and will run through the end of the month.

#### 2020 BSED Calendar

Becky provided an updated Calendar for the Board marking important dates.

#### SBDC Contract Amendment

Each year, we have an annual contract amendment that Steve will need to sign between the Department of Commerce and BSED. This will be the last year of the current contract. Steve will be signing two amendments that will be increasing our funding to \$177,000. Dena explained some of the ins-and-outs of the contract and Steve pointed to the defined goals set by the State. Steve has full faith in our SBDC team to achieve those metrics.

Dena continued to explain how the SBDC is reimbursed for staff and how the goals are set by the State. Steve continued by saying House Bill 52 has helped to increase the availability of funding at the State Level.

Motion: Ken Lutton to approve and forward to the Board the execution of the SBDC Contract Amendments, as presented to the Executive Committee.

Second: Paul Neutgens

Discussion: None

Motion: Carried

#### TEDD Update - Thom

We are continuing to work with the City on the LWSD (Lockwood Water and Sewer District) issue and are due to present to City Council in February about this issue. Thom said the city is looking into what the cost of annexation is with respect to providing emergency services to the area in question. LWSD needs the City's approval to expand their district since they have an agreement with the City to treat their water. The City would allow that but the cost would be annexation of those properties.

#### Member Investor Program 2020 Strategy Review

Melanie gave an update about the MI program and a couple of large gaps this year that need filled. The largest gap that was left is that of Cloud Peak who unfortunately went out of business. Melanie met with the Membership Committee to help with an idea of how to fill these gaps. The idea that was pitched was to have each Board Member provide an introduction to a person or company on the prospect list to help Melanie make in-roads with that individual.

**Executive Session:** None

**Public Comment:** None

Robin adjourned the meeting at 8:27am

Next Meeting – February 5<sup>th</sup>, 2020



BIG SKY  
ECONOMIC DEVELOPMENT

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# ATTACHMENT B

**Big Sky Economic Development Authority**  
**Financial Report for the Executive Committee and Board of Directors**  
**January 28, 2020**

Included with this report are balance sheets reflecting the assets, liabilities and net assets of Big Sky EDA as of December 31, 2019. Also included is the statement of revenue and expenses through six months of FY20 as compared to budget.

**Balance Sheet**

Current assets increased slightly and totaled approximately \$1,493,000 at the end of December. Current assets increased from \$1,404,000 at the end of November. This is attributed to grant reimbursements. Accounts receivable decreased approximately \$68,000 and at the end of December totaled \$228,000. This is largely comprised of PTAC receivable of \$113,000, VBOC receivable of \$73,000, and SBDC receivable of \$28,000. As of January 2020, these receivables have decreased to \$113,000. The tax levy receivable balance continues to decrease with the collection of November tax funds. The tax levy receivable totaled approximately \$512,000, a decrease from \$579,000 in November. Protested tax receivable totaled an additional \$23,000 in protested tax levy receivable. An allowance totaling approximately \$23,000, or 100% of protested tax levy receivable is reflected to allow for potentially uncollectible protested tax levy.

Big Sky EDA invested the proceeds from the sale of the GE facility (approximately \$6 million) into certificates of deposit with maturities of 18 months. These proceeds are reflected under opportunity fund-CDs. There was one CD that matured in January 2020 (\$617,000). This was renewed into a short-term CD in order to maximize interest income until funds are needed for construction.

Due To/Due From EDC totaled approximately \$48,000 and represents the amount owed to EDA from EDC.

Accounts payable have decreased from \$114,000 at November 2019 to approximately \$96,000 at the end of December. Accrued expenses have decreased over the last month with Space to Place grant payments (that were accrued in FY19). Accrued expenses total approximately \$95,000 and consist of Space to Place grant accruals for FY19 and salary/benefits accruals.

**Statement of Revenue and Expenses**

County tax (mill levy revenue) totaled \$1,323,000 through December 2019. This amount includes second quarter entitlement of about \$57,000 received in December 2019. Department of Defense (PTAC) reimbursement and EDC reimbursement continue to remain below budget through December 2019. Opportunity fund investment revenue is also below budget through December 2019.

Salary/wage expense totaled \$829,000 through December. This amount is slightly over-budget due to the payout of vacation and sick leave to employees no longer with the organization, combined with the PTAC service arrangement for Bozeman. This higher salary expense off off-set by a few items including the contributions from the City of Bozeman (\$5,000) and Gallatin County (initial contribution of \$9,000). Also, the PTAC Subcenter expense is about \$56,000 below budget. This expense line item will remain below budget through the remainder of the fiscal year due to the Bozeman PTAC arrangement. Professional fees totaled approximately \$57,000 through December 2019.

Through six months of FY20 Big Sky EDA recognized revenue in excess of expenses totaling about \$580,000, which was approximately \$46,000 less than the budgeted amount. This variance is due to a few different things. Department of Defense (PTAC) reimbursement remains below budget, while salary/wage expense and professional fees are over budget. In addition, there is approximately a \$44,000 variance in opportunity fund investment and interest income.



**Big Sky EDA**  
**Comparative Balance Sheet**  
**As of December 31, 2019 and 2018**

	12/31/2019	12/31/2018	+/-	6/30/2019	+/-
<b>Assets</b>					
First Interstate Bank	\$130,071	\$515,044	(\$384,973)	\$23,571	\$106,500
FIB-Recovered Property Taxes	148,202	1,000	147,202	97,854	50,348
Opportunity Fund-FIB	54,380	13,256	41,125	13,265	41,115
Opportunity Fund-Stockman	3,616	475,283	(471,667)	3,612	4
Opportunity Fund-Opportunity Bank	617,865	-	617,865	613,163	4,702
Stockman GE Maintenance	15,128	28,479	(13,351)	23,479	(8,351)
Yellowstone County Funds	523,350	541,727	(18,377)	519,877	3,473
<b>Total Current Assets</b>	<b>1,492,612</b>	<b>1,574,789</b>	<b>(82,178)</b>	<b>1,294,821</b>	<b>197,791</b>
<b>Other Assets</b>					
Accounts Receivable	228,250	296,843	(68,593)	283,781	(55,531)
American Revenue Guarantee	6,887	6,887	-	6,887	-
Due To/Due From EDC	48,473	210,778	(162,305)	163,958	(115,485)
Tax Levy Receivable	511,575	495,835	15,739	18,231	493,344
Tax Levy Receivable - Protested	23,162	11,218	11,944	9,211	13,951
Allowance for Doubtful Accounts	(23,162)	(11,218)	(11,944)	(9,211)	(13,951)
Prepaid Expenses	11,284	5,427	5,857	39	11,245
Undeposited Funds	-	-	-	-	-
Interest Receivable	2,421	-	2,421	2,421	-
Miscellaneous Receivable	-	3,007	(3,007)	218	(218)
<b>Total Other Assets</b>	<b>808,890</b>	<b>1,018,778</b>	<b>(209,889)</b>	<b>475,535</b>	<b>333,355</b>
<b>Non-Current Assets</b>					
Opportunity Fund - CDs	4,598,024	5,119,531	(521,507)	4,590,718	7,306
Loans Receivable	400,000	171,322	228,678	400,000	-
TEDD Receivable	44,325	75,000	(30,675)	64,775	(20,450)
Cabela's Conduit	9,648	4,980	4,668	4,982	4,666
Deferred Outflow of Resources	247,689	365,827	(118,138)	247,689	-
<b>Total Non-Current Assets</b>	<b>5,299,687</b>	<b>5,736,660</b>	<b>(436,973)</b>	<b>5,308,164</b>	<b>(8,477)</b>
<b>Total Assets</b>	<b>7,601,188</b>	<b>8,330,227</b>	<b>(729,039)</b>	<b>7,078,520</b>	<b>522,668</b>
<b>Liabilities &amp; Equity</b>					
<b>Current Liabilities</b>					
Accounts Payable	95,778	65,796	29,982	119,524	(23,746)
Accrued Expenses	95,246	570,818	(475,571)	118,144	(22,898)
Deferred Revenue	10,360	-	14,000	-	-
Payroll Liabilities	515	241	274	4,979	(4,464)
Compensated Absences	147,540	138,444	9,096	164,177	(16,638)
<b>Total Current Liabilities</b>	<b>349,439</b>	<b>775,299</b>	<b>(425,859)</b>	<b>406,824</b>	<b>(57,385)</b>
<b>Long Term Liabilities</b>					
Deferred inflow or Resources	13,741	7,419	6,322	13,741	-
Pension Liability	884,804	908,811	(24,007)	884,804	-
<b>Total Long Term Liabilities</b>	<b>898,545</b>	<b>916,230</b>	<b>(17,685)</b>	<b>898,545</b>	<b>-</b>
Current Year Excess of Expenses over Revenue	580,053	791,816	(211,763)	(73,732)	653,785
Balance at Beginning of Year	5,773,151	5,846,883	(73,732)	5,846,883	(73,732)
<b>Net Assets</b>	<b>6,353,204</b>	<b>6,638,699</b>	<b>(285,495)</b>	<b>5,773,151</b>	<b>580,053</b>
<b>Total Liabilities &amp; Equity</b>	<b>7,601,188</b>	<b>8,330,227</b>	<b>(729,039)</b>	<b>7,078,520</b>	<b>522,668</b>

**Big Sky EDA**  
**Statements of Operations**  
**For the Periods Ending December 31, 2019**

	Month			YTD			Fiscal Year
	Actual	Budget	Variance	Actual	Budget	Variance	Budget
<b>Operating Revenue</b>							
County Taxes (Mill Levy Revenue)	\$57,547	\$60,000	(\$2,453)	\$1,323,286	\$1,320,000	\$3,286	\$1,461,225
Health Insurance Mill Levy	9,010	8,530	480	\$50,856	\$51,180	(324)	102,360
Recovery of Protested Taxes	-	-	-	\$0	\$0	-	-
Department of Defense	67,739	52,819	14,920	\$294,272	\$316,914	(22,642)	633,828
EDC Reimbursement	43,023	48,729	(5,706)	\$260,048	\$292,374	(32,326)	584,748
EPA-Brownfields	-	-	-	\$3,160	\$0	3,160	-
SBA/MT Dept of Commerce	13,911	13,708	203	\$83,952	\$82,250	1,702	164,500
SBDC Program Income	1,959	-	1,959	\$1,959	\$0	1,959	-
VBOC	22,123	25,000	(2,877)	\$146,770	\$150,000	(3,230)	300,000
Opportunity Fund Investment	-	2,083	(2,083)	\$0	\$12,500	(12,500)	25,000
Grant Administration	500	742	(242)	\$1,800	\$4,450	(2,650)	8,900
Miscellaneous Revenue	5,090	-	5,090	\$5,090	-	5,090	-
<b>Total Revenue</b>	<b>220,903</b>	<b>211,611</b>	<b>9,291</b>	<b>2,171,192</b>	<b>2,229,668</b>	<b>(58,476)</b>	<b>3,280,561</b>
<b>Operating Expenses</b>							
Salaries/Wages	141,467	134,398	7,069	828,588	806,386	22,203	1,612,771
Employer Contributions	43,673	44,200	(527)	260,889	265,198	(4,309)	530,396
Contingency	-	-	-	-	-	-	30,000
Contract Support	-	-	-	-	333	(333)	1,000
Community Development Projects	-	-	-	319	4,200	(3,881)	50,000
Dues and Subscriptions	1,391	2,000	(609)	50,008	44,806	5,202	52,025
Insurance	-	1,231	(1,231)	13,116	14,231	(1,114)	14,766
Marketing - Departmental	1,070	1,388	(318)	2,727	8,326	(5,599)	16,652
Marketing - Organizational	13,245	5,146	8,100	31,869	30,875	994	61,750
Office Equipment	1,085	583	502	4,709	3,500	1,209	7,000
Office Expense	739	1,667	(928)	8,867	10,000	(1,133)	20,000
Professional Fees	10,096	-	10,096	57,288	35,126	22,162	35,126
Property Tax Protests	(1,271)	-	(1,271)	20,706	21,000	(294)	49,190
PTAC Satellite	9,950	11,710	(1,760)	60,997	70,260	(9,263)	140,520
PTAC Subcenter	7,488	23,190	(15,702)	83,020	139,141	(56,121)	278,282
Rent	11,677	10,530	1,147	68,128	63,182	4,946	126,364
Repairs	-	-	-	352	-	352	-
Sponsorships	5,000	9,285	(4,285)	17,300	15,917	1,383	15,917
TEDD	99	417	(318)	851	2,500	(1,649)	5,000
Telecommunications	2,517	4,520	(2,003)	26,289	27,120	(832)	54,240
Travel/Training	5,013	11,102	(6,089)	55,872	66,611	(10,739)	133,223
Miscellaneous	3,405	3,377	28	12,957	20,263	(7,306)	40,525
<b>Total Operating Expenses</b>	<b>256,643</b>	<b>264,742</b>	<b>(8,100)</b>	<b>1,604,854</b>	<b>1,648,975</b>	<b>(44,121)</b>	<b>3,274,747</b>
<b>Net Operating Revenue</b>	<b>(35,740)</b>	<b>(53,131)</b>	<b>17,391</b>	<b>566,339</b>	<b>580,693</b>	<b>(14,355)</b>	<b>5,813</b>
<b>Non-Operating Income</b>							
Interest Income	2,165	7,528	(5,363)	13,715	45,167	(31,452)	90,334
<b>Net Revenue Over (Under) Expense</b>	<b>(\$33,575)</b>	<b>(\$45,603)</b>	<b>\$12,028</b>	<b>\$580,053</b>	<b>625,860</b>	<b>(\$45,807)</b>	<b>\$96,148</b>

**Big Sky Economic Development Corporation**  
**Financial Report for the Executive Committee and Board of Directors**  
**January 28, 2020**

Included with this report are balance sheets reflecting the assets, liabilities and net assets of Big Sky EDC as of December 31, 2019. Also included is the statement of revenue and expenses through six months of FY20 as compared to budget.

**Balance Sheet**

Current assets totaled approximately \$2,290,000 at the end of December, an increase from \$2,245,000 at the end of November. Accounts receivable total \$96,000 and consist largely of Member Investor pledges for FY20 (\$81,500), Member Investor pledges for FY19 (\$9,500) and CTE receivable (\$5,000). We continue to receive payments on member investor pledges and accounts receivable have decreased to approximately \$41,000 through the end of January.

Member investor and CTE receivable amounts were reviewed and reconciled in December. There was a large adjustment made to the CTE receivable based on entry that entry that was made to the CTE receivable account at the end of FY18. CTE receivable was decreased by \$42,500 as the receivable was also increased as we invoiced for CTE this fiscal year. We are currently reviewing the remaining \$9,500 in FY19 pledges that remain on the books to determine if these amounts are collectible.

Due To/Due From EDA totaled approximately \$48,000 and represents the amount owed to EDA from EDC.

**Statement of Revenue and Expenses**

The 504 loan origination revenue totaled \$84,000 through December. This is approximately \$16,000 over budget. There is an additional \$42,000 in deferred 504 revenue that will be recognized as loans fund. The 504 loan servicing revenue remains slightly over budget and totaled \$271,000 through December 2019.

Event expense is over-budget and totaled \$66,000 through December 2019. In conversations with Melanie, this additional event expense was planned and will be supplemented with additional member investor revenue.

Through six months of FY20 Big Sky EDC recognized revenue in excess of expenses totaling about \$1,000, which was approximately \$21,000 more than the budgeted amount.

**Big Sky EDC**  
**Comparative Balance Sheet**  
**As of December 31, 2019 and 2018**

	12/31/2019	12/31/2018	+/-	6/30/2019	+/-
<b>Assets</b>					
First Interstate Bank	\$189,420	\$378,804	(\$189,384)	\$409,998	-\$220,577
FIB SSBCI Principal	1,415,475	1,257,377	158,098	1,335,009	80,466
FIB-Long Term Reserve	250,000	250,000	-	250,000	-
FIB-Opportunity Fund	22,200	22,200	-	22,200	-
FIB-RLF	236,879	240,195	(3,316)	268,288	(31,409)
FIB-OBSD Restricted	-	-	-	-	-
Accounts Receivable	91,442	1,000	90,442	34,158	57,284
Contributions Receivable	5,000	57,500	(52,500)	44,500	(39,500)
Prepaid Expenses	3,175	2,694	481	4,867	(1,692)
RLF Portfolio-Current	14,552	75,570	(61,018)	46,653	(32,101)
SSBCI Portfolio-Current	61,514	123,590	(62,076)	126,448	(64,934)
<b>Total Current Assets</b>	<b>2,289,658</b>	<b>2,408,931</b>	<b>(119,273)</b>	<b>2,542,120</b>	<b>(252,463)</b>
<b>Other Assets</b>					
RLF Portfolio-Non Current	235,108	235,880	(772)	127,979	107,129
SSBCI Portfolio-Non Current	800,791	867,681	(66,890)	800,791	-
<b>Total Other Assets</b>	<b>1,035,899</b>	<b>1,103,560</b>	<b>(67,661)</b>	<b>928,770</b>	<b>107,129</b>
<b>Total Assets</b>	<b>3,325,557</b>	<b>3,512,491</b>	<b>(186,934)</b>	<b>3,470,890</b>	<b>(145,334)</b>
<b>Liabilities &amp; Equity</b>					
<b>Current Liabilities</b>					
Accounts Payable	14,067	21,617	(7,549)	62,640	(48,573)
Accrued Expenses	-	5,375	(5,375)	20,473	(20,473)
Deferred 504 Revenue	41,744	3,022	38,722	3,936	37,808
Due to/Due from EDA	48,473	42,814	5,659	163,958	(115,484)
<b>Total Liabilities</b>	<b>104,285</b>	<b>72,829</b>	<b>31,457</b>	<b>251,007</b>	<b>(146,722)</b>
Current Year Excess of Expenses over Revenue	1,388	(21,150)	22,538	(240,929)	242,317
Balance at Beginning of Year	3,219,883	3,460,813	(240,929)	3,460,813	(240,929)
<b>Net Assets</b>	<b>3,221,271</b>	<b>3,439,662</b>	<b>(218,391)</b>	<b>3,219,883</b>	<b>1,388</b>
<b>Total Liabilities &amp; Equity</b>	<b>3,325,557</b>	<b>3,512,491</b>	<b>(186,934)</b>	<b>3,470,890</b>	<b>(145,334)</b>

**Big Sky EDC**  
**Statements of Operations**  
**For the Periods Ending December 31, 2019**

	Month			YTD			Fiscal Year
	Actual	Budget	Variance	Actual	Budget	Variance	Budget
<b>Operating Revenue</b>							
504 Loan Origination	\$17,762	\$11,250	\$6,512	\$83,617	\$67,500	\$16,117	\$135,000
504 Loan Servicing	42,957	43,874	(917)	\$271,130	\$263,244	\$7,886	526,488
CTE Director Donations (Restricted)	(44,500)	-	-	-\$2,000	\$0	(\$2,000)	-
Member Investment	103,700	100,000	3,700	\$127,860	\$160,000	(\$32,140)	370,000
RLF Business Loan Interest	1,323	917	406	\$8,339	\$5,502	\$2,837	11,004
SSBCI Revenue	1,897	2,005	(109)	\$12,045	\$12,032	\$13	24,064
Recovery of Bad Debt	-	300	(300)	\$9,067	\$1,800	\$7,267	3,600
Miscellaneous Revenue	(375)	1,083	(1,458)	2,063	6,500	(\$4,438)	13,000
<b>Total Revenue</b>	<b>122,763</b>	<b>159,430</b>	<b>7,834</b>	<b>512,121</b>	<b>516,578</b>	<b>(4,457)</b>	<b>1,083,156</b>
<b>Operating Expenses</b>							
BEAR Program	143	200	(57)	710	2,444	(1,734)	5,386
Business Incubation	(816)	-	(816)	2,259	3,000	(741)	3,000
Contingency	-	-	-	-	-	-	10,000
Dues and Subscriptions	118	1,681	(1,563)	12,489	10,089	2,400	20,177
EDA Reimbursement	43,023	48,729	(5,706)	260,048	292,374	(32,326)	584,748
Event Expense	100	-	100	66,289	52,500	13,789	52,500
Insurance	844	917	(73)	844	5,500	(4,656)	11,000
Marketing - Departmental	4,260	4,000	260	28,351	28,887	(536)	61,548
Marketing - Organizational	4,305	-	4,305	18,196	11,000	7,196	11,000
Membership Development	1,506	1,250	256	4,749	6,250	(1,501)	15,000
Office Equipment	-	208	(208)	-	1,042	(1,042)	2,500
Office Supplies	617	171	446	2,021	1,028	993	2,056
Opportunity Fund Contribution	-	-	-	-	-	-	40,000
Professional Fees	16,186	6,744	9,442	37,893	40,464	(2,571)	80,928
Postage and Printing	64	83	(19)	273	500	(227)	1,000
Rent	3,169	3,421	(252)	22,485	20,525	1,960	41,049
Sponsorships	-	717	(717)	2,069	4,302	(2,233)	8,603
Telecommunications	569	468	101	3,734	2,810	924	5,619
Travel/Training	2,844	5,346	(2,502)	39,870	32,078	7,792	64,156
Miscellaneous	2,896	3,499	(603)	8,456	20,996	(12,541)	41,992
<b>Total Operating Expenses</b>	<b>79,828</b>	<b>77,436</b>	<b>2,392</b>	<b>510,733</b>	<b>535,787</b>	<b>(25,054)</b>	<b>1,062,263</b>
<b>Net Revenue Over (Under) Expense</b>	<b>42,935</b>	<b>81,994</b>	<b>5,441</b>	<b>1,388</b>	<b>(19,209)</b>	<b>20,597</b>	<b>20,894</b>



BIG SKY  
ECONOMIC DEVELOPMENT

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# ATTACHMENT C

**February 2020  
Executive Director's Report  
to the Executive Committee & Board of Directors  
(with Program-Level Highlights)**

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*Strategic Priorities*

**1. Economic Diversity and Innovation—grow and diversify our economy through small business growth, entrepreneurship, fostering innovative business ideas, and maintaining a regional focus:**

- a. ROCK31 – Connect Build Grow—See the SBDC/Rock 31 section of this report for more details. **Board members, if you haven't joined us yet for one of our One Million Cups meetings, please plug a meeting into your schedule. This Wednesday (29<sup>th</sup>) we had over 50 participants—all supporting and mentoring our entrepreneur presenters.** We truly are enriching and supporting new business growth in our community. The weekly open-dialogue and support system for new entrepreneurs is every Wednesday at 9AM at Last Chance Cider House. Join us!

Also, we are planning to engage our entrepreneur community and others in the design process for the ROCK31 space. That effort should begin April/May 2020, immediately following the selection of a project architect, which will be determined by an RFP (request for proposal) process.

At our February Executive Committee and Board meetings the Board will receive a summary of the RFP for architectural services and we will seek the Board's approval authorizing the RFP for distribution, immediately following the closing which is planned for February 28<sup>th</sup>.

- b. Coal Country Coalition—Nothing new to report in this area. A planning meeting for the next Coal Country Coalition will be held next week to set the agenda for our next quarterly meeting with our regional partners. We will let the Board know that meeting date/time/location as soon as it is set.

**2. Workforce Development and Talent Attraction—via the BillingsWorks Partnership—build and enhance our workforce development strategies/programs and further our talent attraction efforts to meet future workforce needs in support of our regional business community:**

- a. Advocacy for MSU Billings and RMC— I have been asked to serve on the Billings Healthcare Education Advisory Committee, being formed by MSUBs Chancellor Edelman. I will be joined by key healthcare industry leaders. The purpose and goals of the committee will be outlined at our first meeting February 26<sup>th</sup>. This is an effort to further align healthcare education with real workforce needs among our healthcare employers. I also have a one-on-one meeting set with Chancellor Edelman (Jan. 31<sup>st</sup>) to discuss his priorities for MSUB in 2020 and beyond. I will have a similar meeting with President Bob Wilmoth, RMC, within the next two weeks.

In the area of healthcare industry needs, we are again co-hosting a meeting with our healthcare leaders and business community to collectively consider how we can continue to support the growth of our “world-class healthcare system. The Business of Healthcare Summit is scheduled for February 27<sup>th</sup>.

The Summit will feature an updated economic impact report and hear from all the healthcare CEOs in our community—to understand their vision and how the community can support that vision. Healthcare is the fastest growing job creator in our community and we remain the regional leader in “world class” healthcare. This will be our opportunity to better understand how we can support that important position as business and community leaders. Please plan to join us—February 27<sup>th</sup>.

- b. BillingsWorks/Talent Attraction and Career and Technical Education/Career Center—See the BillingsWorks section of this report for all the details of our work related to BillingsWorks and Better Off in Billings. Mark your calendars for April 16<sup>th</sup>—the annual State of the Workforce Report and Better Off in Billings event. Stay tuned for more details.

**3. Strategic Placemaking—building-remarkable community investments to encourage and support the retention and attraction of workforce and new private investment:**

- a. Development of Planned, Ready-to-Go Industrial Space – Our Community Development Team continues its work with property owners in the TEDD in preparation for a presentation to City Council—February 18<sup>th</sup>. This will be our opportunity to make the case for a City/Lockwood Water and Sewer partnership that will support the TEDD project. See the Community Development Section of this report for more details.
- b. Downtown Redevelopment-One Big Sky District— The Strategy Partners (City, BSED, Downtown Billings, and the Chamber) continue to meet, and most recently we held two meetings with members of City Council with the goal of building the partnership and communication among the community’s leaders. We each shared our current economic development priorities and then had a very open and productive dialogue with Council members. Our thinking is that we would conduct these dialogue sessions with Council on a routine basis. Robin, EDA Board Chair, joined one of these dialogue sessions, which was very helpful. I will make sure that Board members receive notice of future meetings as well.

We are working on a handful of redevelopment projects—mostly related to downtown housing—in partnership with the Downtown Billings Partnership team and local developers. There has been a renewed urgency and dialogue around the need for a modern convention center, so we are encouraging key players to come to together on a strategy to address this critical community development opportunity.

In addition, I am working on infrastructure needs in other parts of town as well that appear to be a limiting factor in attracting new development. On November 18<sup>th</sup> I asked City Council to take a closer look at the redevelopment of 32<sup>nd</sup>, between King and Gabel. For TransTech to continue to grow, that roadway must be improved. The City has decided to consider plans that will only address a portion of the road (to the canal), but not all the way to the intersection of 32<sup>nd</sup> and Gabel, which is essential to new growth. We will be providing City administration with economic impact projections that will show the value of investment in the 32<sup>nd</sup> street corridor.

Lastly, I attended the January 27<sup>th</sup> meeting of the Heights Taskforce to stay up to speed on issues and opportunities in the Heights. Our outreach efforts to all of our neighborhood taskforce groups will continue in an effort to support the unique community development needs throughout Yellowstone County. One of our objectives is to encourage a “we’re all in this together” and “we all win when downtown thrives” attitude. Likewise, “we all win when the Heights wins.” You get the idea.



- c. Coulson Park Redevelopment and Entryways Now—The final draft Master Plan will be presented to the public February 4th, 4:00 P.M. to 6:00 P.M. at the Parks Department Community/Senior Center. Please join us for this unveiling of the Coulson Park Master Plan. City Council will be presented the Master Plan at their March 2<sup>nd</sup> Work Session (tentative date). We will let the Board know when that date is confirmed, and we would encourage BSED Board members to attend and express their support.
- d. EBURD Redevelopment—See Community Development section of this report for any details on our work related to the redevelopment of the East Billings Urban Renewal District, including our Brownfields Assessment Program.
- e. Trailhead Hospitality Vision Steering Committee— We did receive the CDBG Grant--\$45,0000, so work can begin on a plan/design/budget for the improvement of the Metra Park backside walkway, fence and landscaping project. That is exciting news.

The next meeting of the Committee is set for March 6, 2020, 11:45 A.M. to 1:00 P.M. at the City/County Planning Office, First Floor Conference Room.

- f. Air Service—Outreach meetings with airlines has wrapped up for this year, other than the spring match-making event in Arizona hosted by the Mead and Hunt air service consultants for the Billings Airport. There is some discussion of a possible deal with United for seasonal service to San Francisco that would likely require a revenue guarantee. This concept is just in the dialogue stage, no firm proposals yet. See Recruitment Section of this report for details.
- g. Next Generation of Economic and Community Development Tools (MEDA and Montana Chamber Foundation)— This project is underway!! The Next Generation of Economic and Community Development Tools Analysis Project with MEDA partners from throughout the state, including the Montana Chamber Foundation, started with a kickoff meeting in Helena (Dec. 16 and 17) and moved on to a series of outreach meetings in eastern Montana (Jan. 21-23) with stops in Billings, Miles City, Glendive, Sidney, Wolf Point, and Poplar. The next series of meeting will be held in the Great Falls area (February 10-13) and include meetings with county commissioners from across Montana as a part of the annual MACo Winter Conference. We will forward a press release to the Board early next that highlights the work of this partnership/project.

## ***Program Updates***

### **Big Sky Finance**

We are off to a good start in 2020! Two SBA 504 loans were funded in the month of January totaling \$1,284,000. The projects are located in Bozeman and Billings. One project was new construction for a trampoline park in Bozeman, and the other in Billings was a straight purchase for a professional practice. We also closed on the RLF loan for Pinnacle Remodeling here in Billings in the amount of \$100,000. No new SBA 504 loans were approved in January. However, we continue to be busy with underwriting and should see several projects coming up in February.

Big Sky Finance hosted its annual Lender Appreciation Breakfast at the Northern Hotel. Once again, we had great attendance with over 50 lenders and partners attending! This is always something we look forward to and enjoy providing an awesome breakfast, brief recap of our program and thanking our lenders for partnering with us throughout the year! In addition to this outreach, we also met with Opportunity Bank as part of our organizational outreach, provided insight to our new Board members and have fielded many inquiries. Sherry and Jo Ann attended the Economic Outlook event in Helena. Johnna

attended training provided by our national trade organization, NADCO, in sunny Florida! This is great training related to basic and advancing servicing of our SBA 504 Loan portfolio.

SBA 504 effective rates for the month of January remained fairly unchanged. The 20-year effective rate for loans funded in January was 3.64%. The effective rate on the 25-year debenture for January was 3.71% and the effective rate for the 10-year debentures was 3.80%. The SBA 504 loan program is an excellent financing tool offering low down payment and excellent, long-term, fixed rates for borrowers' commercial real estate and/or equipment financing! We can also refinance existing commercial real estate debt!

## **VBOC**

### **Training: 38 attendees**

- Boots to Business at Hill AFB, Layton Utah: 22 veteran and/or spouse attendees
- Pre-Biz Business Development Workshop at Big Sky Economic. Delivered in partnership with the SBDC- 16 attendees, including 3 veterans

### **Outreach highlights: 6 events w/ 131 attendees**

- Executive Director of the Utah Department of Veteran & Military Affairs
- Montana Joining Community Forces Career Key Service Area Way Ahead Discussion – with 27 leaders from veteran service organizations across Montana
- Native American Development Council PTAC advisor
- Eastern MT Veterans Support Group

**Counseling –15 counseling sessions with 9 individual veteran or military spouse clients** so far in January as they pursue small business opportunities. These efforts also included 8 referrals to resource partners throughout our region.

## **BillingsWorks**

BillingsWorks in partnership with Karen Grosz held a Community Deep Dive conversation where Steering Committee Members and Community Stakeholders focused on our city's capacity to employ a modern workforce. Employers, recruiters, educators, social service champions and non-profit leaders gathered for a two hour facilitated session analyzing our current ability to connect talent with work opportunities. From this lively and engaged discussion, we discovered that it's difficult for newcomers to gain employment due to a lack of connection and understanding of resources. Realizing this, BillingsWorks is eager to meet next month to identify initiatives other communities have implemented to successfully grow a modern workforce. We will be selecting one to two actions we can take to improve our community's ability to welcome and engage a diverse and rich talent pool.

## **Member Investor Program**

The BSED Board Challenge is under way. We have had a great month with over half of the board members submitting names of potential member investors. We are in the process of meeting with each of these potential members. Thank you to everyone is helping with this important project for the growth of the Member Investor program.

At the time of this report we have secured three new Member Investors.

The 2020 Business Healthcare Summit is scheduled for February 27<sup>th</sup>, 2020. All board members received an invitation and we encourage all to attend. We will be talking about the following at the summit: economic impact of healthcare, community health, workforce, innovation, education, as well as what healthcare needs from the business community and vice versa. At the end of the summit there will be four projects that will be identified to move forward over the next year.

## **Community Development**

### **Tax Abatements:**

The Community Development Team continues to work on the annual tax abatement report and has sent out letters to all businesses with active abatements and reached out to the DOR regarding active abatements. The Team will present the annual report on Monday, February 3<sup>rd</sup> at City Council and to the County Commissioners at their Discussion Meeting, on Thursday, February 6<sup>th</sup>.

### **Yellowstone Fuels Reduction Program:**

RFQs were due December 30, 2019 to Yellowstone County. On December 31, 2019, Commissioners opened contractor's proposals and sent to the Fuels Reduction Team for recommendation. Only one proposal was submitted from Advanced Arbor Care (AAC). On January 14<sup>th</sup>, Commissioners approved Advanced Arbor Care's proposal and now the Team and Yellowstone County will work to complete a contract with AAC. We hope to create a list of projects and begin projects in March of this year.

### **Brownfields Program:**

Continued work providing Phase I and Phase II environmental site assessments. Phase II work on our downtown project has been completed and no restrictions to reuse, expansion, or redevelopment were determined. We completed a Phase I on an additional project located within the EBURD; we will likely move forward with Phase II work on the EBURD project with Property Owner's approval. We have also received inquiry on a potential project that will likely go to the Brownfield Steering Committee for recommendation. We continue to receive calls from interested property owners/buyers and provide knowledge of the Brownfield Program and its benefit to help encourage reuse, expansion, and redevelopment within the EBURD and DT TIF. As always, we could use your help to provide awareness to the program and refer any potential Phase I & II projects to any CD Team Members.

### **Coulson Park:**

A public community meeting has been set for Tuesday, February 4<sup>th</sup> at the Senior Community Center at 360 N. 23<sup>rd</sup> Street from 4pm to 6pm. This will be an opportunity to unveil the Coulson Park Masterplan and we hope to gain public support and momentum before we head to the Parks Board Meeting as well as City Council. Council Meeting is tentatively set for March 2<sup>nd</sup> and we hope to have as much Board and community support as possible!

### **MSUB Science Building / Montana Coal Board:**

CD Members Lehm and Klugman will continue to work with MSUB to submit invoices and reporting required for the \$500,000 Montana Coal Board grant received. Klugman and Lehm spoke on conference call to MSUB Staff members working to submit necessary forms to Coal Board on January 21<sup>st</sup>.

### **Lockwood TEDD:**

Yellowstone County has recently amended the TEDD's contract with KLJ to analyze the feasibility and preliminary costs of a package wastewater system to service the TEDD area instead of extending the LWSD sewer boundary. The report should be complete soon.

We have scheduled a Property Owner Update meeting for February 6 from 4:00 to 5:00 at the Pacific Steel facility on Coulson Road. We will bring TEDD Property Owners up to date on what has been happening, our efforts to extend sewer service to the area, floodplain issues, and any other relevant information. The extension of LWSD's sewer boundary will go before City Council at their February 18 work session. A subcommittee of the TEDD Advisory Board is working on a strategy to make sure our case for extension without the requirement of Waivers of the Right to Protest Annexation is presented clearly.

#### MetraPark Beautification Project:

We just received notice that Yellowstone County has been awarded the \$45,000 CDBG planning grant. The CD Team prepared that proposal and submitted it on behalf of the County to the Montana Department of Commerce, Community Development Block Grant program last year. The RFP document is mostly ready. It will be updated to reflect the current timeline and then we can work with the County to begin the process of identifying a consultant to develop the concept plan for MetraPark's border.

#### Space2Place:

The Space2Place grant applications are now open and due by March 5. We are working with Melanie and Marcell to promote the project throughout Yellowstone County.

#### Coal Country Coalition:

We have scheduled a conference call for Monday, February 3 with CCC members to discuss timing, location, and content of our next coalition meeting.

#### Laurel:

The Laurel Urban Renewal Agency held its meeting in January. We continue to participate in those meetings. The City Planner along with LURA are looking to update the Growth Management Plan and set the vision for the next several years.

#### Bridger Wind Project:

The CD Team is working with Steve Simonson of Beartooth RC&D to provide resources to support the project during construction which will occur through summer of 2020.

#### Community Partnerships:

The CD Team met with Kristi Drake of TrailNet, and Dan Brooks of the Billings Chamber regarding an Interim Committee Study on trails and the economic impact of them. We provided Kristi with data and information to take to the Committee to aid in their discussions. The CD Team also met with a group of Parks Advocates that are interested in joining together to better strategize how best to move community projects forward and continue to advocate for the importance of parks and parks funding to build a vibrant, healthy economic to keep and retain our workforce talent.

#### PTAC

Since August 1<sup>st</sup> 2019, MT PTAC clients (all 7 locations statewide) have been successful in winning **\$120.3 million** in federal, state, local and subcontract awards. Of that, clients served by the Billings location have been successful in winning government contracts/subcontracts valued at **\$65 million!** **Please mark your calendars for MT PTAC GovMatch 2020.** The event will held on May 27<sup>th</sup> in Billings. Last year, over 230 companies from around the state were in attendance to meet with buyers from federal, state and local government agencies. Representatives from Boeing, Lockheed Martin, Northrop Grumman and Raytheon also participated and were on hand to talk with MT companies about subcontracting opportunities. Since 2017, Laurel based Covert Cleaning has attended a number of PTAC events including a U.S. Army Corps of Engineers Industry Day, GovMatch 2019 & How to Do Business with the State of Montana. The company was recently awarded a \$25,860 contract from the Federal Aviation Administration to provide janitorial services at the Billings Logan International Airport.

#### SBDC | Rock31

##### Noteworthy:

- We awarded 3 Startup Weekend participants \$1,000 in grant funding. Funds came from Entre. Technology and Reg Gibbs.

- We are partnering with Zoot on the research and development of a commissary kitchen in the ZE building.
- Partnered with Valley Federal Credit Union, Billings Public Schools and MSU-Billings to develop a high school entrepreneur pitch competition.
- 8 different businesses presented at One Million Cups this month. Average weekly attendance is currently at 40 people and continues to grow.

**Team activity:**

- The team provided 77 counseling sessions to 42 unique companies.
- 18 diverse business owners attended our monthly “Pre-Biz” workshop on January 16<sup>th</sup>. Attorney, Bob Griffin joined us as a guest presenter.
- Social Media Training at NADC was sponsored by DBE and SBDC on Jan 8<sup>th</sup>.
- Kevin traveled to Joliet to partner with Beartooth RC & D to assist a client who is prototyping an innovative fly-fishing reel.
- Team members attended the Opportunity Zone Training event at NADC.
- The team held a planning meet to address “Artrepreneurs” marketing needs in Billings.
- QuickBooks Training was sponsored by SCORE and SBDC Jan 21-24<sup>th</sup>.
- The team participated in (BSED) community Board meetings/Committees/Events.
- Several team members met with Jordon Belser, SBA Wyoming District Office, Public Affairs Specialist to interview Shelly Turk and video the Marketplace as piece of SBA’s marketing promotional.
- The team attended the team outreach visit at Opportunity Bank

**Ongoing projects:**

- One Million Cups is being held weekly on Wednesdays at 9 am at Last Chance.
- Co-working Fridays at MoAv coffee, downtown location
- Outreach to the surrounding nine counties that SBDC serves
- Leadership Billings meets monthly throughout the year

**Recruitment**

In the last month, Recruitment has been focused on finalizing the Economic Pulse report/online portal and presentation for BBER Economic Outlook along with continued work with expanding businesses and air service development. Our most recent meeting with Delta, in Atlanta, we learned that while they are not looking at any new direct non-stop flights to our market, they are working hard to have better connectivity through both their Salt Lake and Minneapolis hub, providing Billings better connections with short layovers.

***Organizational/Policy Matters***

1. **Big Sky to Skypoint Project** – Over the past two years, we have provided all updates related to the new facility and grant project under the title of “Future Facilities Taskforce.” Now that the project has moved forward with next steps launched, we are giving a new name to the project in whole. As you already know, the new facility, which is the future home of BSED and Rock31, is located downtown on the corner under Skypoint. The project encompasses all aspects of the EDA grant, the facility renovation, moving locations, and taking all BSED programming to the next level. As such, it will now be referred to as the “Big Sky to Skypoint Project.”

Work continues to move forward on the Big Sky to Skypoint Project. We are on target to close on the facility on Friday, February 28<sup>th</sup>. Please stay tuned for more details concerning the closing and

a press conference that will be held in conjunction with the closing. In the meantime, an RFQ for Architect Services is being developed and a draft will be presented to the Board for consideration. The goal is to launch the RFQ within days of closing on the facility to expedite the selection process as much as possible.

2. 2020 Staff and Board Planning and Stakeholder Survey – The 2020 Impact Survey (Stakeholder Survey) has gone out and we are receiving great response, with rich ideas and input for BSED and our strategic priorities. This information will be presented to staff and Board as a part of our planning processes. The goal of our staff and Board planning is to develop the next set of Strategic Priorities for the community’s economic growth for our next two years of work. You’ll want to attend the March 12<sup>th</sup> Board Planning Session to learn the results of the survey and help to set our priorities. Stay tuned for more details.
3. Structural Evaluation Project Under Succession Plan—Work is pending — (Board participants include: Dana Pulis, Paul Neutgens, Steve Loveless., and Ken Lutton).
4. Mid-Year Budget to Actual Review— We have surpassed the mid-year mark for the FY2020 budget. Mid-year financials are currently being reviewed and will be ready for presentation to the Executive Committee and Board in March. More information will be available in the March Executive Committee and Board packets.
5. February Progress Report Meeting—The February 13<sup>th</sup> Board Meeting will be the Mid-Year Progress Report meeting. Each program leader will present the progress they have made toward their FY 2020 Work Plan and Goals. Program leaders will present as a panel and be available to address Board questions. This February Board meeting will begin early at 7:15 AM and be located at the Billings Library community room.
6. NDO Assessment Team—With the encouragement of the Executive Committee, I have asked a small group of EDA/EDC Board members to join me in an evaluation of the potential proposed non-discrimination ordinance that will likely be front of City Council within the next 60 days. Judi Powers will chair this ad hoc committee and lead the group toward a recommendation regarding a BSED position on the proposal. We will keep the Executive Committee informed throughout the process and bring any proposals to the full Board. Do let me know if you have questions regarding this matter.

**Respectfully submitted,  
February 5 and 13, 2020**



**Steve Arveschoug  
Executive Director**



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# ATTACHMENT D

## REAL ESTATE TRANSFER AGREEMENT

This Real Estate Transfer Agreement (the “**Agreement**”) is dated \_\_\_\_\_, 2020 (the “**Agreement Date**”) and is between Big Sky Economic Development Corporation, a Montana nonprofit corporation (the “**Transferor**”), and Big Sky Economic Development Authority, a Montana local port authority (the “**Transferee**”).

The Transferor is purchasing property from Zoot Properties, L.L.C. (“**Zoot**”) under a Real Estate Purchase Agreement dated June 6, 2019 (as amended, the “**Purchase Agreement**”; that transaction, the “**Zoot Transaction**”; that closing, the “**Zoot Closing**”). Capitalized terms this Agreement uses, but does not define, have the meanings the Purchase Agreement gives them. After the Transferor purchases the Property, it wants to transfer the Property to the Transferee. The Transferee received a grant from the United States Economic Development Administration for funds to defray the expense of acquiring and improving the Property (the “**Grant Funds**”) and wants to use part of the Grant Funds to acquire the Property from the Transferor. The parties are entering this Agreement to accommodate the transfer of the Property from the Transferor to the Transferee.

The parties therefore agree as follows:

1. **Price.** In the Zoot Transaction, the Transferor will sign a settlement statement reflecting the net balance of funds the Transferor must expend at the Zoot Closing to acquire the Property (that amount, the “**Acquisition Price**”). The Transferor shall transfer the Property to the Transferee for the Acquisition Price less \$500,000 (that difference, the “**Transfer Price**”). The Transferee shall pay the Transfer Price from the Grant Funds, and other funds if necessary, at the closing of the transaction described in this Agreement (the moment the parties consummate the transaction, the “**Big Sky Closing**”).
2. **Closing.** The parties shall cause the Big Sky Closing to occur on the Closing Date at the Closing Agent’s office immediately following the Zoot Closing. The Transferor shall deliver possession of the Property to the Transferee upon the Big Sky Closing. The Transferee shall pay Closing Agent’s fees. At or before the Big Sky Closing: (1) the Transferor shall deliver to the Closing Agent (i) an original signed, dated and notarized warranty deed transferring the Property to the Transferee (the “**Deed**”); and (ii) a signed, dated, and populated Montana Department of Revenue Realty Transfer Certificate (the “**RTC**”) for the Property; and (2) the Transferee shall deliver to the Closing Agent (i) the Transfer Price, and (ii) the signed and dated RTC. The parties shall take other actions and sign other documents to consummate the transaction in a manner consistent with this Agreement. In conjunction with the Big Sky Closing, the parties shall cause the Closing Agent to record the Deed and submit the RTC to the Montana Department of Revenue.
3. **Title Policy.** The Transferor shall cause the Closing Agent to: (1) name the Transferee as a proposed insured under the Commitment; and (2) issue the Title Policy to the Transferee under the Commitment within 30 days after the Big Sky Closing. There is a single Title Policy and a single premium for the Title Policy which the Transferor is paying it at the Zoot Closing, the premium is part of the Transfer Price.
4. **Termination.** Either party may terminate this Agreement at any time by notifying the other party.
5. **Remedies.** If the Transferee breaches this Agreement, the Transferor’s remedies are cumulative



and include: (1) forcing the Transferee to specifically perform its obligations; (2) the termination rights in section with the descriptive heading Termination; and (3) indemnification. If the Transferor breaches this Agreement, the Transferee's remedies are cumulative and include: (1) forcing the Transferor to specifically perform its obligations; (2) the termination rights in section with the descriptive heading Termination; and (3) indemnification.

6. **Recovery of Expenses.** In any Proceeding between the parties arising out of this Agreement, the prevailing party may recover from the other party, besides any other relief awarded, all court filing fees, court costs, witness fees, and attorneys' and other professionals' fees and disbursements including legal fees and expenses the prevailing party incurs.

7. **Notices.** For a notice or other communication under this Agreement to be valid, it must be in writing and delivered: (1) by hand; (2) by a national transportation company, with all fees prepaid; or (3) by registered or certified mail, return receipt requested and postage prepaid. For a notice or other communication to a party under this Agreement to be valid, the party sending the notice must address the notice using the information specified below for that party. A party wishing to change that party's address designated below shall do so by providing notice as provided in this section and upon providing valid notification of that change, later notices or other communications to that party must reflect changed address to be valid.

To the Transferee: Attn: Board Chair	To the Transferor: Attn: Board Chair
222 N. 32 <sup>nd</sup> Street, #200	222 N. 32 <sup>nd</sup> Street, #200
Billings, Montana 59101	Billings, Montana 59101

8. **Modification; Waiver.** No amendment of this Agreement will be effective unless it is in writing and signed by the parties. No waiver of satisfaction of a condition or failure to follow an obligation under this Agreement will be effective unless it is in writing and signed by the party granting the waiver, and that waiver will not be a waiver of satisfaction of any other condition or failure to follow any other obligation.

9. **Severability.** The parties intend as follows: (1) that if any provision of this Agreement is held to be unenforceable, then that provision will be modified to the minimum extent necessary to make it enforceable, unless that modification is not permitted by law, in which case that provision will be disregarded; (2) that if an unenforceable provision is modified or disregarded in accordance with this section, then the rest of this Agreement will remain in effect as written; and (3) that any unenforceable provision will remain as written in any circumstances other than those in which the provision is held to be unenforceable.

10. **Entire Agreement.** This Agreement constitutes the entire understanding between the parties regarding the subject matter of this Agreement and supersedes all other agreements, whether written or oral, between the parties.

11. **Assignment.** Neither party may assign this Agreement.

12. **Governing Law.** Montana law governs this Agreement.

13. **Counterparts.** The parties may execute this Agreement in multiple counterparts, each of which constitutes an original, and all of which, collectively, constitute only one instrument. The signatures of

the parties need not appear on the same counterpart, and delivery of an executed counterpart signature page by fax or by scanned image as an attachment to electronic mail is as effective as executing and delivering this Agreement in the presence of the other parties to this Agreement.

14. **Survival.** The sections with these descriptive headings will survive the Closing or termination of this Agreement: Title Policy and Remedies.

The parties are signing this Agreement as of the Agreement Date.

Big Sky Economic Development Authority

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Big Sky Economic Development Corporation

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

DRAFT



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# ATTACHMENT E

## **Big Sky EDC Revolving Loan Fund**

### **Past Due Loan Collection Procedures – Current Policy**

- a. Big Sky EDC Loan Service agent will contact the borrower on the 10<sup>th</sup> day following the payment date if payment is not received.
  - b. If payment is not received within twenty (20) calendar days from payment date, BSEDC staff will again contact borrower and send a payment reminder.
  - c. If payment has still not been made 30 days after payment date, staff from BSEDC will directly contact the borrower to discuss the past due nature of the loan.
  - d. At sixty (60) days past due, Big Sky EDC staff will visit the borrower site. If satisfactory arrangements are not made for payment at this time, the situation will be presented to the Loan Review Committee, and all actions to date will be noted in borrower's file.
  - e. If payment is ninety (90) calendar days overdue, a default notice will be sent. If satisfactory arrangements are not made within five (5) working days, the matter will be turned over to Big Sky EDC legal counsel. Final decision on foreclosure will be made by the Big Sky EDC Executive Committee.
-

## Past Due Loan Collection Procedures – Proposed Policy

Borrowers are expected to make monthly payment per the terms of their Promissory Note. Payments will be made within 10 days of the prescribed monthly payment schedule without incurring any late fee. Payments not received within 10 days of due date will result in the following actions:

1. Big Sky EDC Loan Service agent will contact the borrower on the 10<sup>th</sup> day following the payment date if payment is not received. This will be via email and/or phone call and documented in file.
  - a. Per normal Promissory Note language, borrower will pay late penalty of 10% of the delinquent amount if not paid within 10 days of due date.
2. If payment is not received within thirty (30) calendar days from payment date, BSEDC Loan Service agent will contact borrower and send a payment reminder through most effective means available. Loan will be considered delinquent after 30 days.
  - a. Response from borrower
    - i. Request immediate full payment of past due amount plus penalty, or
    - ii. Discuss alternate repayment options
  - b. No response from borrower
    - i. Take action described at 45 days past due
3. (45) days past due. If no response from borrower by this time (15 days after 30-day notice), or payment not yet received, site visit by BSEDC staff.
  - a. Discuss with borrower their situation and repayment arrangements
    - i. Repayment of prior month's past due amount, late fee and current month's payment.
  - b. Proposed repayment structure different from amortization schedule must be analyzed by Loan Officer and approved by BSEDC Loan Committee.
4. (60) days past due. BSEDC Loan Committee will be notified of the situation.
  - a. 30-day demand letter being sent. Borrower will have 30 days to make payments current or work with BSEDC on repayment structure.
  - b. Finance Director will notify Executive Director and Controller of delinquency.
5. (90) days past due. Default notice will be sent. BSEDC will work with legal staff at this time to address the delinquency and collection. If satisfactory arrangements are not made within five (5) working days of default notice, the matter will be turned over to Big Sky EDC legal counsel. Final decision on foreclosure will be made by the Big Sky EDC Executive Committee.

**Other items to consider:**

**BSEDC Finance Director reserves the right to vary from the policy on a case-by-case basis.**

**If at any time loan is delinquent, BSEDC servicing staff will work with borrower to collect on past due payments. If borrower's situation appears to be long-term, then restructure of the loan, or payment deferment may be utilized. Any restructure or payment deferment must be approved by the BSEDC Loan Committee.**

**Big Sky EDC Loan Service agent will make every attempt to set up borrower's monthly payments on bill pay (customer end) or via ACH or electronic transfer if possible, without fees.**