

**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 whereat 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**