

EDA/EDC – Joint Board Meeting
Thursday, February 13, 2020
7:15 A.M. to 9:15 A.M.
Billings Library Community Room
(lite breakfast provided)

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.

Agenda items may be rearranged unless an item is listed as having a "time certain". Action may be taken on any item listed on the Board Agenda.

7:15 A.M. Grab Breakfast and Call to Order/Pledge of Allegiance/Roll Call: Robin Rude, EDA Chair

7:17 A.M. Public Comment/Recognitions/Special Announcements and Introductions:

7:20 A.M. Changes to Today's Agenda

7:22 A.M. Consent Agenda

- January 9, 2020 Board Meeting Minutes
- December 2019 EDA and EDC Financials

(EDA/EDC Action)

(Attachment A)

(Attachment B)

7:25 A.M. Program-Level Action Items

- FY 2020 Mid-Year Budget to Actual Review--Shanna
- Big Sky Finance —Brandon
 - 504 Loan Approvals
 - Updated RLF Loan Collection Procedures
- Future Facilities (Big Sky to Sky Point Project) Update —Becky
 - EDC to EDA Transfer Agreement
 - Release of RFP For Architectural Services

(Attachment C) (Action)

(Attachment D) (EDC Action)

(Attachment E) (EDC/EDA Action)

(Attachment F) (EDA/EDC Action)

(separate email) (EDA/EDC Action)

7:55 A.M. Mid-Year Progress Report and Q&A

(Attachment G)

- Big Sky Finance--Brandon
- Billings Works--Karen
- Procurement Technical Assistance Center (PTAC)—Deanna
- Rock31—Kevin
- Small Business Development Center (SBDC)--Dena
- Veterans Business Outreach Center (VBOC)--Dustin
- Community Development--Dianne
- New Business Recruitment—Allison
- Marketing/Member Investor Program—Melanie/Allison
- Executive Director Focus—Steve

8:55 A.M. Q&A with the Board

9:10 A.M. Public Comment

9:15 A.M. Adjourn-----Next EDA/EDC Board Meeting March 12, 2020 Big Sky Economic Development Board of Directors will make reasonable accommodations for known disabilities that may interfere with an individual's ability to participate. Persons requiring such accommodations should make their requests to Big Sky Economic Development as soon as possible before the meeting day. Please call Big Sky ED at 256-6871.



BIG SKY
ECONOMIC DEVELOPMENT

EDA • EDC CREATING MONTANA BUSINESS OPPORTUNITIES

ATTACHMENT A



BIG SKY ECONOMIC DEVELOPMENT

EDA • EDC CREATING MONTANA BUSINESS OPPORTUNITIES

EDA/EDC Joint Board Minutes

Thursday, January 9th, 2020 – 7:30 AM – 9:00 A.M.

Big Sky Economic Development – Yellowstone Conference Room

Granite Tower 222 N. 32nd Street, Billings, MT

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.

EDA Board Members Present: Bryce Terpstra, George Warmer, Greg McDonald, Jennifer Smith, Jennifer Owen, Judi Powers, Ken Lutton, Paul Neutgens, Riley Bennett, Robin Rude Greg Upham(Ex-Officio), Nick Altonaga (Ex-Officio)

EDA Board Members Absent: Dana Pulis, Don Jones (Ex-Officio), John Brewer (Ex-Officio), Katy Easton (Ex-Officio), Shaun Brown (Ex-Officio)

EDC Board Members Present: Aaron Ramage, Andy Gott, Ann Kosempa, Craig Bartholomew, Dan Edelman, Dave Ballard, David Ellis, Denis Pitman, Eric Simonsen, Jon Stepanek, Kim Jakub, Mac Fogelsong, Mike Nelson, Mike Phillips, Mike Seppala, Nicole Benge, Scott Chesarek, Spencer Frederick

EDC Board Members Absent: Bob Wilmouth, Doug Hansen, Mitch Goplen, Steve Loveless

Staff and Guests: Lorene Hintz, Steve Arveschoug, Dianne Lehm, Becky Rogers, Austin Trunkle, Brandon Berger, Thom MacLean, Shanna Zier, Johnna Jablonski, Dustin Frost, Deanna Langman, Evelyn Pyburn

Call to Order:

Mike Seppala, EDC Chair, called the meeting to order at 7:30 A.M. with the Pledge of Allegiance.

Public Comment/Recognitions/Special Announcements and Introductions:

Public Comment

Mike welcomed everyone and began with the introductions of each person at the meeting.

Next, Marcell provided a handout to the Board that includes all the different avenues on social media that they can stay connected with us.

Agenda Changes:

Steve will add a BUILD Grant update to his report.

Consent Agenda

December 2019 Board Minutes

Motion: Ken Lutton, to approve the December 12th, 2019 Board Minutes, as presented to the Board.

Second: Judi Powers

Discussion: None

Motion carried

November 2019 EDA/EDC Financials

On the EDA, Shanna pointed out that our current assets have increased due to having received the Yellowstone County tax funds. The Accounts Receivables were high due to our VBOC, SBDC, and PTAC receivables during 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. That number now reflects only the current amount due to the EDA from the EDC. Shanna is still working to reconcile the Opportunity Fund accounts and will have an update for us soon.

On the EDC, Shanna referenced a question asked at the last meeting about a decrease in the First Interstate Bank balance. The decrease variance is largely attributable to an EDA reimbursement for May and June expenses in 2019, which was quite large. Shanna then continues to tell the Board that Member Investor dues were recently invoiced so the revenue should increase for the next set of financials. Shanna worked with Brandon and ended up reclassing some of the 504 Revenues there were recorded incorrectly as loan servicing revenue instead of loan origination revenue. That adjustment put numbers more in line with the budget and now are in balance.

Motion: Mike Phillips to approve the November 2019 EDA/EDC Financials, as presented to the Board.
Second: Ken Lutton
Discussion: Above
Motion carried

Program Level Reports and Action Items

Big Sky Finance Mid-Year Portfolio Review- Brandon

Mid-year portfolio review – Brandon began by introducing Sherry O'Donnell from our Helena office. Brandon informed the EDC Board that they will be signing off on the loans and the portfolio.

Brandon mentioned that all loans in the portfolio are current. When looking at the year-over-year, Brandon demonstrated the consistency of the BSF program through loan approvals, loan fundings, jobs created, and prepaid loan amounts.

Brandon attributes the volume of prepaid loans to the interest environment and overall economy.

Loan concentration is something that is watched closely by the SBA. Accommodation (Hotels) is our highest at 22.14%. Anything at 20% is considered at medium risk.

Brandon mentioned there are three loans on a six month deferment plan and one in liquidation status.

Loans Brandon is keeping an eye on are ones that are for sale. Brandon went on to explain what a technical default entails and how a borrower can release themselves from that default.

Lender Portal Information –

- Lender Purchase Rating = 1 (best you can achieve)
- Smart SCORE = 18 (scale of 12-60, 12 being best)
- Moderate risk items include
 - 5-Year default rate (lower than peers)
 - High risk origination rate (slightly higher than peers)
 - Top industry concentration rate (slightly higher than peers)
- High Risk items – None

It was noted that the smart score doesn't affect our ability to lend or monies available to lend.

Operations – Becky

Becky gave the Board an update on the facility/grant project. She presented a revised project timeline to the Board and mentioned it's likely to be revised again once an architect is hired. We will know more about timelines as soon as we have our "kick-off call" with the Federal EDA, which is scheduled for next week. A Phase I assessment was conducted on the facility which recommended a Phase II environmental assessment to test for 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 is 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.

A safety inspection was also conducted. Only a few things were mentioned in the report and all are already being addressed with the renovation. The inspector said, "You're getting one heck of a building."

We are still on target for a closing date of February 28th.

The EDA approved us to allow the Billings Symphony to remain a tenant in the building until their facility is ready to occupy in mid-June of 2020. Becky will work with the symphony to work out the details.

2020 Stakeholder Survey

Every two years, we send a stakeholder survey out to the community in advance of our Board Planning Meeting during which we set strategic priorities. We use the feedback from that survey to help guide our discussion about what our strategic priorities ought to be made. Board Planning will take place on March 12th. The survey will go out next week and remain open until January 31st.

2020 Calendar Review

Next, Becky brought the Board's attention to the calendar placed at their table. We've filled in all of the important dates for our Board and included FYI-type items as well.

Housekeeping for Board Members

Becky and Steve explained the Conflict of Interest Policy and the onus that falls on the Board Members. Steve gave a few examples and answered questions from the Board.

A few clipboards were passed around, one for the EDC Board Certification, one for the Conflict of Interest Policy, and finally, the Board Directory.

Steve explained the various committees of BSED and encouraged everyone to participate where they can.

SBDC Contract Amendment – Dena

Dena provided some background for the Small Business Development Center and the mission of the program. The SBDC is a program of the Small Business Administration that works with the Montana Department of Commerce to deliver the program.

Sub-recipients typically sign a 7-year contract with annual addendums to goals and funding levels.

Dena told the success story of Jillan Hall-Johnson, owner of the Sassy Biscuit restaurant. Jillan is a military spouse who worked through the SBDC to open her restaurant which has become one of the most popular restaurants in Billings. Dena went on to explain the structure of our local SBDC and our track record of exceeding the goals set for the program. Dena is asking the Board's approval to have Steve execute the agreement with the Montana Department of Commerce.

Steve took this opportunity to remind the Board of the decision they made to support BSED taking the suite of services to the next level.

Motion: Judi Powers, to approve the execution of the SBDC Contract Amendments paperwork, as presented to the Board.

Second: Jennifer Smith

Discussion: None

Motion: Carried

Member Investor 2020 Strategy Review – Melanie

Melanie reviewed our Member Investor Program structure and explained the shortfalls that need filled. With that said, Melanie said that if we were to add 30 new investors, we would achieve our revenue goal. Melanie attached a prospect list to her handout and asked that Board Members help bridge the gap by making inroads with companies they are familiar with.

Growing this program will grow the organization as a whole as the additional funding organization wide.

Lastly, Melanie let the Board know that details are to follow regarding the healthcare forum.

TEDD Update – Thom

Thom gave a brief background on the Targeted Economic Development District in Lockwood and continued to update about the Lockwood Water and Sewer issue. LWSD is attempting to expand their boundary but is hesitant to agree to annexation by the City, their condition for expansion. The City of Billings has an agreement with the LWSD to treat their waste water but would like to annex the properties should the boundaries extend. Thom answered questions related to the boundary and also Coulson Park.

Executive Director's Report – Steve

2020 Board Planning

Steve plugged for 1 Million Cups, a weekly meeting of entrepreneurs and business owners to connect and network. Attendees offer their support of these business owners.

Steve also mentioned that there is lender appreciation breakfast tomorrow at the Northern at 7:30am.

Again, our Board Planning day is March 12th. Steve is asking that the Board set aside most of their day to help BSED reflect on our work and to plan the next two years of strategic priorities.

MEDA Next Generation of Community and Economic Development Tools Analysis

MEDA is in the process of conducting their discovery work with TIP Strategies as they look evaluate the status quo and potential future of economic and community development tools in Montana. An initial kickoff meeting took place in Helena in December and their next tour will begin in Eastern Montana beginning January 21st. More trips will follow with a final report sometime in May.

February Board Meeting 2020

Steve reminded the Board that our February meeting is our mid-year programmatic progress report.

BUILD Grant Update

Ongoing dialogue surrounding the BUILD Grant is taking place with many partners around the community taking part. Commissioner Pitman spoke of the need to find a project that can inspire collective buy-in and how to make our future applications even more competitive.

Public Comment

Jack Nickels announced Yellowstone Valley Gives has kicked off for the 5th year running and encouraged Board Members to participate.

Adjourn

Mike Seppala Adjourned the meeting at 9:00 AM

Next Meeting – February 13th

Respectfully submitted,

Ken Lutton, EDA Secretary/Treasurer

Ann Kosempa, EDC Secretary/Treasurer

When approved, minutes and meeting materials will be filed electronically in the Big Sky EDA office.

Big Sky Economic Development Board of Directors will make reasonable accommodations for known disabilities that may interfere with an individual's ability to participate. Persons requiring such accommodations should make their requests to Big Sky Economic Development as soon as possible before the meeting day. Please call Big Sky ED at 256-6871.



BIG SKY
ECONOMIC DEVELOPMENT

EDA • EDC CREATING MONTANA BUSINESS OPPORTUNITIES

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	+/-
Assets					
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
Total Current Assets	1,492,612	1,574,789	(82,178)	1,294,821	197,791
Other Assets					
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)
Total Other Assets	808,890	1,018,778	(209,889)	475,535	333,355
Non-Current Assets					
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	-
Total Non-Current Assets	5,299,687	5,736,660	(436,973)	5,308,164	(8,477)
Total Assets	7,601,188	8,330,227	(729,039)	7,078,520	522,668
Liabilities & Equity					
Current Liabilities					
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)
Total Current Liabilities	349,439	775,299	(425,859)	406,824	(57,385)
Long Term Liabilities					
Deferred inflow or Resources	13,741	7,419	6,322	13,741	-
Pension Liability	884,804	908,811	(24,007)	884,804	-
Total Long Term Liabilities	898,545	916,230	(17,685)	898,545	-
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)
Net Assets	6,353,204	6,638,699	(285,495)	5,773,151	580,053
Total Liabilities & Equity	7,601,188	8,330,227	(729,039)	7,078,520	522,668

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

	Month			YTD			Fiscal Year
	Actual	Budget	Variance	Actual	Budget	Variance	Budget
Operating Revenue							
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	-
Total Revenue	220,903	211,611	9,291	2,171,192	2,229,668	(58,476)	3,280,561
Operating Expenses							
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
Total Operating Expenses	256,643	264,742	(8,100)	1,604,854	1,648,975	(44,121)	3,274,747
Net Operating Revenue	(35,740)	(53,131)	17,391	566,339	580,693	(14,355)	5,813
Non-Operating Income							
Interest Income	2,165	7,528	(5,363)	13,715	45,167	(31,452)	90,334
Net Revenue Over (Under) Expense	(\$33,575)	(\$45,603)	\$12,028	\$580,053	625,860	(\$45,807)	\$96,148

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	+/-
Assets					
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)
Total Current Assets	2,289,658	2,408,931	(119,273)	2,542,120	(252,463)
Other Assets					
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	-
Total Other Assets	1,035,899	1,103,560	(67,661)	928,770	107,129
Total Assets	3,325,557	3,512,491	(186,934)	3,470,890	(145,334)
Liabilities & Equity					
Current Liabilities					
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)
Total Liabilities	104,285	72,829	31,457	251,007	(146,722)
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)
Net Assets	3,221,271	3,439,662	(218,391)	3,219,883	1,388
Total Liabilities & Equity	3,325,557	3,512,491	(186,934)	3,470,890	(145,334)

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

	Month			YTD			Fiscal Year
	Actual	Budget	Variance	Actual	Budget	Variance	Budget
Operating Revenue							
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
Total Revenue	122,763	159,430	7,834	512,121	516,578	(4,457)	1,083,156
Operating Expenses							
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
Total Operating Expenses	79,828	77,436	2,392	510,733	535,787	(25,054)	1,062,263
Net Revenue Over (Under) Expense	42,935	81,994	5,441	1,388	(19,209)	20,597	20,894



BIG SKY
ECONOMIC DEVELOPMENT

EDA • EDC CREATING MONTANA BUSINESS OPPORTUNITIES

ATTACHMENT C

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

	FY20			FY20 Projection		
	Actual	Budget	Variance	FY20 Projection	Budget	Variance
Operating Revenue						
County Taxes (Mill Levy Revenue)	\$1,323,286	\$1,461,225	(\$137,939)	\$1,461,225	\$1,461,225	\$0
Health Insurance Mill Levy	50,856	102,360	(51,504)	101,712	102,360	(648)
Recovery of Protested Taxes	-	-	-	-	-	-
Department of Defense	294,272	633,828	(339,556)	588,544	633,828	(45,284)
EDC Reimbursement	260,048	584,748	(324,700)	520,095	584,748	(64,652)
EPA-Brownfields	3,160	-	3,160	3,160	-	3,160
SBA/MT Dept of Commerce	83,952	164,500	(80,548)	170,000	164,500	5,500
SBDC Program Income	1,959	-	1,959	1,959	-	1,959
VBOC	146,770	300,000	(153,230)	300,000	300,000	-
Opportunity Fund Investment	-	25,000	(25,000)	-	25,000	(25,000)
Grant Administration	1,800	8,900	(7,100)	1,800	8,900	(7,100)
Miscellaneous Revenue	5,090	-	5,090	22,450	-	22,450
Total Revenue	2,171,192	3,280,561	(1,109,369)	3,161,561	3,280,561	(109,616)
Operating Expenses						
Salaries/Wages	\$828,588	\$1,612,771	(784,183)	\$1,678,551	\$1,612,771	65,780
Employer Contributions	260,889	530,396	(269,507)	522,889	530,396	(7,507)
Contingency	-	30,000	(30,000)	30,000	30,000	-
Contract Support	-	-	-	-	-	-
Community Development Projects	319	50,000	(49,681)	50,000	50,000	-
Dues and Subscriptions	50,008	52,025	(2,017)	54,773	52,025	2,748
Insurance	13,116	14,766	(1,650)	14,766	14,766	-
Intern/Contract Support	-	1,000	-	-	1,000	-
Marketing - Departmental	2,727	16,652	(13,925)	17,892	16,652	1,240
Marketing - Organizational	31,869	61,750	(29,881)	63,113	61,750	1,363
Office Equipment	4,709	7,000	(2,291)	10,533	9,500	1,033
Office Expense	8,867	20,000	(11,133)	17,333	20,000	(2,667)
Professional Fees	57,288	35,126	22,163	60,514	35,126	25,388
Property Tax Protests	20,706	49,190	(28,484)	40,000	49,190	(9,190)
PTAC Satellite	60,997	140,520	(79,523)	140,520	140,520	-
PTAC Subcenter	83,020	278,282	(195,262)	203,282	278,282	(75,000)
Rent	68,128	126,364	(58,236)	136,256	126,364	9,893
Repairs	352	-	352	352	-	352
Sponsorships	17,300	15,917	1,383	20,917	15,917	5,000
TEDD	851	5,000	(4,149)	5,000	5,000	-
Telecommunications	26,289	54,240	(27,952)	52,377	54,240	(1,863)
Travel/Training	55,872	133,223	(77,350)	124,800	135,515	(10,714)
Miscellaneous	12,957	40,525	(27,569)	39,864	40,525	(662)
Total Operating Expenses	1,604,854	3,274,747	(1,668,893)	3,283,732	3,279,539	5,193
Net Operating Revenue	566,339	5,814	559,525	(122,171)	1,022	(114,809)
				-		
Non-Operating Income						
Interest Income	13,715	90,334	(76,619)	90,000	90,334	(334)
Net Revenue Over (Under) Expense	\$580,053	\$96,148	\$482,905	(\$32,171)	91,356	(\$115,143)

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

	FY20			FY20 Projection		
	Actual	Budget	Variance	FY20 Projection	Budget	Variance
Operating Revenue						
504 Loan Origination	\$83,617	\$135,000	(\$51,383)	\$135,000	\$135,000	\$0
504 Loan Servicing	271,130	\$526,488	(255,358)	542,260	\$526,488	15,772
CTE Director Donations (Restricted)	(2,000)	\$0	-	(2,000)	\$0	-
Member Investment	127,860	\$370,000	(242,140)	343,500	\$370,000	(26,500)
RLF Business Loan Interest	8,339	\$11,004	(2,665)	16,678	\$11,004	5,674
SSBCI Revenue	12,045	\$24,064	(12,019)	24,091	\$24,064	27
Recovery of Bad Debt	9,067	\$3,600	5,467	9,067	\$3,600	5,467
Miscellaneous Revenue	2,063	13,000	(10,938)	4,125	13,000	(8,875)
Total Revenue	\$512,121	1,083,156	(569,035)	1,072,721	1,083,156	(8,436)
Operating Expenses						
BEAR Program		5,386	(5,386)	7,232	7,232	(0)
Business Incubation	2,259	3,000	(741)	3,000	3,000	-
Contingency	-	10,000	(10,000)	-	10,000	(10,000)
Dues and Subscriptions	12,489	19,677	(7,188)	21,103	19,677	1,426
EDA Reimbursement	260,048	584,748	(324,700)	520,095	584,748	(64,652)
Event Expense	66,289	52,500	13,789	66,289	52,500	13,789
Insurance	844	11,000	(10,156)	5,908	11,000	(5,092)
Marketing - Departmental	28,408	61,548	(33,140)	62,986	61,548	1,438
Marketing - Organizational	18,139	11,000	7,139	18,138	11,000	7,138
Membership Development	4,749	15,000	(10,251)	15,000	15,000	-
Office Equipment	-	2,500	(2,500)	-	-	-
Office Supplies	2,021	2,056	(35)	2,471	2,056	415
Opportunity Fund Contribution	-	40,000	(40,000)	40,000	40,000	-
Professional Fees	37,893	80,928	(43,036)	83,384	80,928	2,456
Postage and Printing	273	1,000	(727)	273	1,000	(727)
Rent	22,485	41,049	(18,564)	41,049	41,049	(0)
Sponsorships	2,069	8,603	(6,534)	12,103	8,603	3,500
Telecommunications	3,734	5,619	(1,885)	6,032	5,619	413
Travel/Training	39,870	64,656	(24,786)	67,974	60,518	7,456
Miscellaneous	8,456	41,992	(33,537)	42,395	41,992	403
Total Operating Expenses	510,733	1,062,263	(551,530)	1,015,432	1,057,471	(42,039)
Net Revenue Over (Under) Expense	1,388	20,894	(17,506)	57,289	25,685	33,603



BIG SKY
ECONOMIC DEVELOPMENT

EDA • EDC CREATING MONTANA BUSINESS OPPORTUNITIES

ATTACHMENT D

SBA 504 Loan Requests

- I. Big Sky EDC is requesting approval to submit to the US Small Business Administration the following SBA 504 loan requests. The Big Sky EDC Loan Committee has reviewed the requests and recommends approval to the full EDC Board for submission to the SBA for final approval. The requests meet all the underwriting and eligibility requirements of the EDC.

1. **Montana Linen Supply, LLC (Equipment loan)** – Request is for an increase in the amount of the SBA debenture from \$1,954,000 to \$2,107,000, for an increase of \$153,000. This loan was originally approved electronically by the Board on June 20, 2019. The increase is due to the Borrower electing to add a small amount of furniture, additional features/options and unforeseen expenses related to installing the equipment from the prior location into the new facility. The loan has been approved by SBA and is in the final closing process. No other changes to the loan as approved. Borrower demonstrates the ability to cover the additional debt service as a result of the increased project costs.

Original Request – 06/20/2019: This request is for the acquisition of equipment for Montana Linen Supply LLC's new commercial laundry facility. This request for equipment financing coincides with the previous request for the real estate financing for Montana Linen Supply LLC. The equipment is new equipment needed as a result of the expansion. For the most part, this equipment will not be replacing their current equipment, which will also be moved to the new facility. All equipment has a useful life of at least 10-years. This will be commercial laundry equipment (washers, dryers, press/ironers). This operation provides no dry-cleaning services – strictly commercial laundry.

The total SBA debenture related to the equipment financing package will be \$1,954,000 on a projected 10-year note comprising 40% of the total project. Big Sky EDC may request a 20-year note from SBA as the overall weighted useful life of the equipment is closer to 20 year. Big Sky EDC and the SBA will be in a 2nd lien position being American Bank of Montana (same lender as for the real estate) on the personal property. A Public Policy goal for Rural Development will be achieved.

2. **Camelot Ranch LLC** – Request is for the refinance of existing debt associated with Camelot Ranch LLC located in Billings, MT. Stockman Bank (Billings) and MOFI (Missoula) provided financing to the borrower for the construction of the Camelot Ranch event venue back in 2016. MOFI provided three separate notes for the construction of just over \$1MM and Stockman one note for \$592k. The MOFI notes carry a high interest rate as well as a balloon payment. Borrower has requested use of the SBA 504 loan program to refinance all notes. Total refinance will be just over \$1.5MM. New structure will be the traditional 50/10/10% split between Stockman Bank (1st lien), SBA (2nd lien) and borrower equity. This refinance will improve the borrower's annual debt service by nearly \$36k per year.

The total SBA debenture will be \$722,000 on a 25-year note comprising 40% of the total project costs. Big Sky EDC and the SBA will be in a 2nd lien position on the real property behind Stockman Bank Billings. No new jobs are expected to be created as a result of the refinance. However, a Public Policy goal for Woman-owned business is achieved.

3. **Gautam Lodging, LLC (Days Inn by Wyndham Sheridan)** – Purpose of the request is for the acquisition of the real and personal property associated with the Days Inn by Wyndham hotel located in Sheridan, WY. This is a 47-room economy class hotel. The ownership group is comprised of four individuals in the Sheridan and Gillette area. They currently own another, similar size hotel in Sheridan. Project was referred to Big Sky Finance by the Wyoming CDC. We agreed to take the request as it has minimal impact on our concentration and Sheridan is in our relative service market.

The total SBA debenture will be \$698,000 on a 25-year note comprising 30% of the total project costs. Borrower is required to put in additional 10% equity as this is a special purpose property as well as being a new business to them. Big Sky EDC and the SBA will be in a 2nd lien position behind First Federal Bank & Trust of Sheridan, WY. There are expected to be three new jobs created as a result of this project. The project also meets a Public Policy goal for Rural Development.



BIG SKY
ECONOMIC DEVELOPMENT

EDA • EDC CREATING MONTANA BUSINESS OPPORTUNITIES

ATTACHMENT E

Big Sky EDC Revolving Loan Fund

Past Due Loan Collection Procedures – Current Procedures

- a. Big Sky EDC Loan Service agent will contact the borrower on the 10th 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 Procedures

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 10th 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. Finance Director has the discretion to collect the late payment fee from borrower on case by case basis.
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 Past Due Loan Collection criteria:

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

Updated procedures do not preclude the Big Sky Finance from collecting on the debt.

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.



BIG SKY
ECONOMIC DEVELOPMENT

EDA • EDC CREATING MONTANA BUSINESS OPPORTUNITIES

ATTACHMENT F

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. **Acquisition 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, which the Transferee shall pay 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 Acquisition 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
222 N. 32nd Street, #200
Billings, Montana 59101

To the Transferor: Attn: Board Chair
222 N. 32nd Street, #200
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

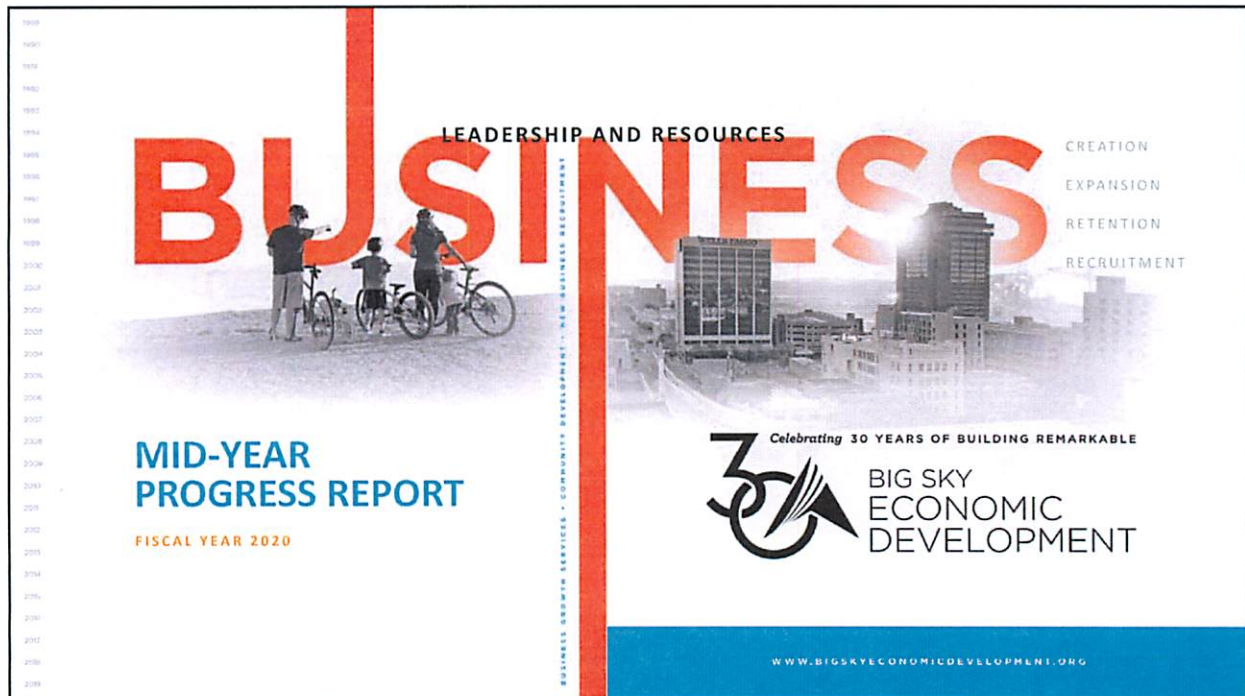
By: _____
Name: _____
Title: _____



BIG SKY
ECONOMIC DEVELOPMENT

EDA • EDC CREATING MONTANA BUSINESS OPPORTUNITIES

ATTACHMENT G



1


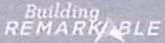
MISSION EXECUTION AT A GLANCE:
CORE PROGRAMS & STRATEGIC PRIORITIES

Core Programs:

- a. Business Growth Services
 - Big Sky Finance
 - BillingsWorks
 - PTAC
 - SBDC/Rock31
 - VBOC
- a. Community Development
 - Interlocal Agreement
 - Space2Place
 - Tax Abatement
- a. New Business Recruitment
 - Air Service Recruitment w/ Chamber
 - Economic Pulse Report
 - Lead generation, site-selection, outreach

Strategic Priorities—FY 2019-2020

- a. Workforce Development
 - CTE Partnership
 - Talent Attraction—"boib"
 - Enhance higher educations impact in key sectors
- b. Strategic Placemaking
 - Parks/Trails Development—Coulson Park, Skyline Trail, Trailhead Hosp. Corridor
 - Ready to Go Industrial Space
 - Urban Renewal/Infill Development
 - Downtown Core Redevelopment/One Big Sky Plan
 - Space2Place Micro Grant Program
 - Entryway Beautification
- c. Economic Diversity/Innovation
 - Rock31 entrepreneurship programming/center
 - Sector Partnerships to support industry cluster development
 - Coal Country Coalition Regional Partnership

 WWW.BIGSKYECONOMICDEVELOPMENT.ORG 

2

BUSINESS GROWTH SERVICES • COMMUNITY DEVELOPMENT • NEW BUSINESS RECRUITMENT

 BIG SKY FINANCE FINANCING MONTANA BUSINESS	 BillingsWorks Workforce Council	 MONTANA PTAC PROCUREMENT TECHNICAL ASSISTANCE CENTER	 Community Development SPACE 2 PLACE
 AMERICA'S SBDC MONTANA	 VBOC VETERAN BUSINESS OUTREACH CENTER	 ROCK31 CONNECT • BUILD • GROW	 THINKBILLINGS MONTANA

POWERED BY

 **BIG SKY
ECONOMIC
DEVELOPMENT**

 **BIG SKY
ECONOMIC
DEVELOPMENT**

WWW.BIGSKYECONOMICDEVELOPMENT.ORG

*Building
REMARKABLE*

3

*Building
REMARKABLE*

BUSINESS

GROWTH

SERVICES

*Are You Ready to Start
or Grow Your Business?*

*Do you want to talk to an experienced professional
about what the next step is? Then meet "your
team for business growth services."*

EXPAND

COMMUNITY DEVELOPMENT • NEW BUSINESS RECRUITMENT

4

BIG SKY FINANCE
FYE 2020 Mid-Year Progress Report

By The Numbers

<u>SBA 504 LOAN APPROVALS</u> <ul style="list-style-type: none"> • 4 loans • \$5,863,000 SBA/EDC portion • 32 jobs created 	<u>SBA 504 LOANS FUNDED</u> <ul style="list-style-type: none"> • 6 loans • \$4,925,000 SBA/EDC portion • 12 jobs created 	<i>DEPARTMENT GOAL</i> <i>504 FUNDING</i> <i>➤ \$9.0mm</i>
--------------------------------------------------------------------------------------------------------------------------------------------------------------------	------------------------------------------------------------------------------------------------------------------------------------------------------------------	---------------------------------------------------------------------------------------

BSEDC REVOLVING LOAN FUND

- 2 loans
- \$130,000

1ST HALF HIGHLIGHTS

- ✓ Top Performing CDC – 2019
- ✓ Upgraded and implemented new loan software
- ✓ Lender Trainings – Missoula / Kalispell markets
- ✓ Lender Appreciation Breakfast - Helena



WWW.BIGSKYECONOMICDEVELOPMENT.ORG


5

SBA 504 LOAN PROJECT

MOUNTAIN HOT TUB – Bozeman, MT



Mountain Hot Tub
 Bozeman, MT
 \$2,170,000 SBA Debenture
 4 new jobs
 Veteran Owned Business



WWW.BIGSKYECONOMICDEVELOPMENT.ORG


6

BILLINGSWORKS, FULL STEAM AHEAD!

15% braver

Collaboration

SWIB
HelenaWINS & LewistownWorks

Alignment with Education

Career Outreach Director hired
MYAP-150K Youth Apprenticeships in Healthcare and IT
Montana BioScience Internship Initiative

Employer Toolkit

2020 State of the Workforce Report
Best Practices for Hiring Veterans & Military Spouses
Launched Architecture Sector Partnership

Talent Attraction/Retention

Summer Student Leadership Internship Initiative
BOIB Recruiter Toolkit
Community Deep Dive-Modern Workforce

BUSINESS GROWTH SERVICES • COMMUNITY DEVELOPMENT • NEW BUSINESS RECRUITMENT

30th Anniversary 30 YEARS OF BUILDING REMARKABLE

BIG SKY ECONOMIC DEVELOPMENT





BillingsWorks
Workforce Council

WWW.BIGSKYECONOMICDEVELOPMENT.ORG

Building
REMARKABLE

7

AMBASSADOR

BUSINESS GROWTH SERVICES • COMMUNITY DEVELOPMENT • NEW BUSINESS RECRUITMENT

30th Anniversary 30 YEARS OF BUILDING REMARKABLE

BIG SKY ECONOMIC DEVELOPMENT

BillingsWorks
Workforce Council

WWW.BIGSKYECONOMICDEVELOPMENT.ORG

Building
REMARKABLE

8

MONTANA PROCURMENT TECHNICAL ASSISTANCE CENTER (PTAC)

Client Stories

Stone Tree, LLC DBA: Laurel Power Systems – Commercial Generator Sales, Installation & Maintenance

- PTAC client since 2017 (Registrations, Training Events, eMACS, Finding Opportunities, Marketing to Government Agencies, Payment Systems, etc.)
- State of Montana Contract Awards to Date: \$55,140

Rod Lee: DBA: Rod Lee Pipelines – Excavation, Pipeline Installation & Wildfire Contracting

- PTAC client since 2013 – (SAM, VIPR, ROSS, Wildfire Contractor Meetings, USDA eAuthentication, etc.)
- Federal Contract Awards to Date: \$1,321,598 - BLM, U.S. Forest Service

Energy Laboratories, Inc. – Chemical & Environmental Analysis for Water, Waste, Soil, Air & Petroleum

Products

- PTAC client since 2017 – (Training Events, GovMatch, Registrations, SBA size standards, Northrup Grumman connections, Capability Statement, FAR Provisions in Contract, etc.)
- Federal Contract Awards to Date: \$452,692

"I wanted to compliment you (Rosalind Dix) on a great session yesterday. I really enjoyed it and found it to be so useful with these government RFPs.

It was so funny because yesterday I received a RFP solicitation and I am much more comfortable looking at it now! If I have questions, I may contact you.

I appreciate the knowledge you have in this area and want to thank you for a great class."

**Shari Endy, Senior Project Manager,
Energy Laboratories, Inc. Billings**



WWW.BIGSKYECONOMICDEVELOPMENT.ORG

Building
REMARKABLE

9

MT PTAC RESULTS

6 Month Glimpse

Billings Location

Active Clients – 277

Federal	\$21,660,488
State	\$432,363
Subcontracts	\$42,000,000
Total	\$64,092,851

Hours of Counseling - 166

Training Events - 5

Statewide (All 7 PTACs)

Active Clients - 1202

Federal	\$75,095,398
State	\$3,198,421
Subcontracts	\$42,020,202
Total	\$120,314,021

Hours of Counseling - 1067

Training Events – 25



WWW.BIGSKYECONOMICDEVELOPMENT.ORG

Building
REMARKABLE

10

Rock31

Cultivating and Promoting
Entrepreneurship in Billings.

- Startup Weekend
- Early Stage Montana
 - Regional Showcase
 - Hyper Accelerator
- One Million Cups
- Youth Entrepreneurship
- Kitchen Incubator
- One-On-One Consulting



WWW.BIGSKYECONOMICDEVELOPMENT.ORG

Building
REMARKABLE

11

Rock31 Success Story

Monsoon Beverages



- Established in 2011 as a hobby business, Monsoon Beverages is now one of the largest kava suppliers in the United States.

How We Helped:

- Connected to a Rock31 mentor that started a consumer-packaged goods company
- Accelerators that specialize in the beverage market
- Investment Plan and Pitch Deck Review and Coaching
- Business valuation options
- Help navigating through a potential acquisition
- Timelines to reach milestones and a credible exit strategy



WWW.BIGSKYECONOMICDEVELOPMENT.ORG

Building
REMARKABLE

12

SBDC

Providing tools and guidance
to help small businesses
succeed.

- 694 clients served with consulting, technical assistance, and training
- \$5,495,987 in funding raised by clients with the help of the SBDC
- 15 new businesses were started/bought with help of the SBDC
- \$1,018,900 awarded by the Big Sky Trust Fund to SBDC clients resulting in the creation of 213 jobs



Jilan Hall-Johnson, Owner of Sassy Biscuit Co. receiving recognition from Second Lady Mrs. Pence! We applaud her journey and her success. It has been our privilege to help her launch and grow.



WWW.BIGSKYECONOMICDEVELOPMENT.ORG

Building
REMARKABLE

13

SBDC

Success Stories

Marketplace 3301

Established in 2010 as Montana's largest antique mall, Marketplace 3301 is home to 44,000 square feet of treasure hunting and over 100 vendors, making it the largest antique mall in Montana.

How We Helped:

"The SBDC helped our business 'grow up'. We learned how to use advanced accounting systems, how to have a solid business plan and projections in place, and how to present our business to bankers so they would invest in us. The SBDC seminars and one-on-one consulting helped us take our business to the next level and secure a home for the business that we hope will last for generations. I will forever be grateful especially to Dena...no question was too foolish, no phone call ignored, no concern too small. She was an angel to us, and she inspired us to be better at what we do!" *Shelly Turk, Owner*



WWW.BIGSKYECONOMICDEVELOPMENT.ORG

Building
REMARKABLE

14

VETERAN BUSINESS OUTREACH CENTER (VBOC)
July 1 – December 31, 2019

- **Transition: Boots to Business Training (100% coverage)**
 - 5 B2B trainings w/ 75 attendees
 - MT – 1 training with 15 attendees
 - WY- 2 trainings with 7 attendees
 - UT- 2 trainings with 53 attendees
- **Educate/Inspire**
 - Utah Reboot (100% coverage): 1 Training with 6 attendees
 - Billings Business Development Workshop w/ SBDC (monthly)
 - 6 trainings w/ 76 total attendees (16 veterans, 10 military spouses = 34% of total attendees)
 - Other trainings: 53 attendees at 2 events
 - Financing your vet owned business summit w/ Bunker Labs-Bozeman
 - Veteran Entrepreneurship Resources training with Montana JCF- Billings
- **Connect: 143 counseling sessions w/ 56 clients**
 - Includes 53 referrals to partners throughout the region
- **Outreach: 55 outreach events w/ 1087 participants across MT, WY and UT**



WWW.BIGSKYECONOMICDEVELOPMENT.ORG


15

Montana Beauty Institute thrives under Montana Army National Guard veteran and his wife

MARIE HALL mhall@billingsgazette.com Nov 11, 2019

SALE: SUBSCRIBE FOR \$1/MO.








WWW.BIGSKYECONOMICDEVELOPMENT.ORG



16



17

PROGRAM RESPONSIBILITIES

- Interlocal Agreement & Emergency Services
 - Grants and Projects
 - Tax Abatements
- Brownfields
- Coal Country Coalition
- Lockwood Targeted Economic Development District
- Redevelopment & Development Planning and Projects
- Strategic Placemaking
 - Coulson Park
 - Entryway Beautification
 - Parks and Trails
 - Space2Place



30 Delivering 30 YEARS OF BUILDING REMARKABLE
BIG SKY
ECONOMIC
DEVELOPMENT

Community Development **SPACE 2 PLACE** WWW.BIGSKYECONOMICDEVELOPMENT.ORG

**Building
REMARKABLE**

18



BUSINESS GROWTH SERVICES • COMMUNITY DEVELOPMENT • NEW BUSINESS RECRUITMENT


TAX ABATEMENT PROGRAM

Yellowstone County & City of Billings


2018 Report

Active Tax Abatements:	21
Annual Payroll:	\$152.9MM
Net New Full Time Employees:	25



Big Sky
ECONOMIC
DEVELOPMENT



Community
Development

WWW.BIGSKYECONOMICDEVELOPMENT.ORG

Building
REMARKABLE

19

BUSINESS GROWTH SERVICES • COMMUNITY DEVELOPMENT • NEW BUSINESS RECRUITMENT

FUEGO FIRE STATION

For Rural Yellowstone County


MT Coal Board Grant

\$135,080


Total Project Cost

\$286,236






Dean, Marc, Larry, Fred, & Fuego Volunteer Fire Company,
Thank you for keeping our houses safe from fires!
- Ben Christ
Fuego
age 10



Big Sky
ECONOMIC
DEVELOPMENT



Community
Development

WWW.BIGSKYECONOMICDEVELOPMENT.ORG

Building
REMARKABLE

20

1989
1990
1991
1992
1993
1994
1995
1996
1997
1998
1999
2000
2001
2002
2003
2004
2005
2006
2007
2008
2009
2010
2011
2012
2013
2014
2015
2016
2017
2018
2019

Where Blue Sky Meets Bottom Line

We call Billings home. We love it here. We're proud to be the regional hub for financial services, world-class healthcare and consumer product manufacturing. This is our home and the place where businesses succeed, families flourish and the life balance most can only dream of is a reality. Interested in growing your business here in Billings?

NEW BUSINESS RECRUITMENT

Building REMARKABLE

21

NEW BUSSINESS RECRUITMENT UPDATE

ROI SOLUTIONS

Delivering 10 YEARS OF BILLING'S ECONOMIC DEVELOPMENT

BIG SKY ECONOMIC DEVELOPMENT

THINKBILLINGS MONTANA

WWW.BIGSKYECONOMICDEVELOPMENT.ORG

Building REMARKABLE

22

THINKBILLINGS
MONTANA

5 ACTIVE PROSPECTS
THAT ARE LOOKING AT BILLINGS
AS AN OPPORTUNITY TO
RELOCATE/START/GROW

STRONG EMPHASIS ON RELATIONSHIP
BUILDING WITH LOCAL DEVELOPERS
AND COMMERCIAL REALTORS RESULTING
IN OUR INVOLVEMENT IN 2 MAJOR BUSINESS
EXPANSIONS

\$810,000 AVAILABLE TO
LOCAL BUSINESSES FOR
JOB CREATION

300 JOBS CREATED AS
A DIRECT RESULT OF
RECRUITMENT/BILLINGSWORKS

LEADING COORDINATION AND
COLLABORATION STATE-WIDE FOR
SITE SELECTOR ENAGAMENT

Building
REMARKABLE

www.billsayeeconomicdevelopment.org

23

BUILDING
REMARKABLE

MEMBER
INVESTORS

24

Delivering 25 YEARS OF BUILDING REMARKABLE
BIG SKY ECONOMIC DEVELOPMENT
• 2020 Member Investors •

Member Investor Program

- Member Investor Monthly Breakfasts
- Weekly Electronic Newsletter
- Completed Software upgrade for better tracking
- Goal of 100% One on One Meetings (75% complete)
- Industry Specific Forums
 - 2020 Business Healthcare Summit
 - February 27th, 2020
 - RSVP if you haven't already
- After Board Challenge have 175 Total Member Investors
 - Add \$30,000 in revenue from Board Member Challenge

(Does not include new MI's from Board Member Challenge)

BIGSKYECONOMICDEVELOPMENT.ORG

Building REMARKABLE

360 Office Solutions A & E Architects Agum Air Aurika Group Billings Gazette Billings Petroleum Club Billings Northern Santa Fe Cellular Plus CPS, Inc. Collaborative Design	Denny Menefelt Chevrolet Employee Benefit Management Services Entire Technology Services Feyershagen Construction Joy of Living/Samchany Spa & Salon Blas & Oleg Coffee Montana Diskette Utilities MIS Equipment Company, Inc. NorthWestern Energy	Phillips 66 Rimrock Mall Rocky Mountain Health Network Sunderman Veterinary SYSCO Foods of Montana Toussaint Business Improvement District Territorial Landworks Yellowstone Bank Yellowstone Valley Woman
AD Creative Group Advanced Care Hospital of Montana Alpaca Marketing Print Mail American Truck & Trailer Anderson Jar-Madden & Co. Associated Employers/Job Nation.com Barber Petroleum Barlett & Wood Beechcroft Bank Berkshire Hathaway, Viking Home Services Best Western Lodestone Inn Billings Association of Realtors Billings Dental Boulder State Electric Bradford Knitting Briggs Distributing Centennial 2 - Shilo Cook City of Billings CME Black Cat Co. & Consulting Chicago Title Company Clark Marine Photography Coffield Banker Commercial Cortier Engineering COP Construction Coring Companies CVA Group D & D Division Diamond & Companies, Inc. Dick Anderson Construction Double Tree by Hilton DYNAL	Downstream Billings Alliance Embark LP Estates Executive Cleaning Company Executive Property Services First Montana Title Fisher Construction Frontier Construction Gripco's Fitness HDR Engineering J&J Architects Wilson Garden Inc. Hofstad & Hart LLP Insurance Marketing Inc. J&J Properties, Inc. Jensen Construction Karl's Dry Cleaning Plus Kiefer Real Langford & Associates, Inc. MCCall Development McDonald Land Company Mortgage Muller Coffee Montana Republic Mountain Building Group Mountain Plains Equity Group N&N Business Properties NewLife Newmark Real Estate Newmark Knight Frank	ML Opportunity Bank Pacific Steel & Recycling Performance Engineering Pierce Companies PUB Sales Reynolds Auto Group Riviera RockStar Health Rocky Mountain Bank Schneider Steel Sign Products Sonoran Architects Surreyfield City T.M. John's United Sawyer Title Shawyer Brothers Technique Re Design Tendril TET INC Trent Lake Trustmark Bank Vanguard Motors, Inc. Universal Awards Waste Management Group Well-Paced Whiteland Transport Wright Wynburn, Inc. Yellowstone County Commissioners Yellowstone Electric Co.

25

Member Investor Program

Note from one of our Member Investor Companies – Collaborative Design

BSED Team,

I've spent the last 36 months taking a deep dive into what you all do. It's staggering. You touch impact, and influence nearly every deal I see on a daily basis. Thank you. When I talk with EDFoks around the state the level of respect that your (our) organization garners is astounding. Thank you, I look forward to the next decade.

— Nick Pancheau

ARCHITECTS
 New Look
 Same Name

Delivering 25 YEARS OF BUILDING REMARKABLE
BIG SKY ECONOMIC DEVELOPMENT

WWW.BIGSKYECONOMICDEVELOPMENT.ORG

Building REMARKABLE

26

BUSINESS SERVICES • COMMUNITY DEVELOPMENT • NEW BUSINESS DEVELOPMENT

EXECUTIVE DIRECTOR FOCUS

AREAS OF FOCUS

A. Strategic Priorities—support role

Strategic Placemaking

- TEDD
- Downtown-Core Redevelopment
- Coulson Park

Economic Diversity and Innovation

- Rock31 model execution
- Regional partnerships
- "Innovation Campus" concept from One Big Sky

Workforce Development

- education partnerships

B. Community/Partnership Engagement—lead role

- Chamber and DBP Boards
- Healthcare Education Advisory Committee—MSUB
- Building consensus around the BUILD grant
- Member Investor and CEO engagement (limited at this time)

C. Organization Leadership/Duties—support and/or leadership

- Sustainability-Budget Analysis (re-start with FY 2021 Budget cycle)
- Leadership Development—"direct reports", expectations and internal partnerships
- Work, Thrive, Live
- "Ready, Set, Go" prep for the future
- Organizational Structure Roles/Responsibilities Analysis

D. Economic Development Leadership—lead role

- MEDA Board President (two-year term)
- Next Generation of Community and Economic Development Tools—"Next Gen Project"





WWW.BIGSKYECONOMICDEVELOPMENT.ORG

