

**EDA/EDC Joint Board Minutes**  
**Thursday, January 14<sup>th</sup>, 2021 – 7:00 A.M. – 9:00 A.M.**  
**Zoom Teleconference**

***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, Debbie Desjarlais, Ken Lutton, Greg McDonald, Paul Neutgens, Riley Bennett, Jennifer Owen, Judi Powers, John Brewer (Ex-Officio), Nick Altonaga (Ex-Officio), Shaun Brown (Ex-Officio)

**EDA Board Members Absent:** Dana Pulis, George Warmer, Jennifer Smith, Don Jones (Ex-Officio), Greg Upham (Ex-Officio), Katy Easton (Ex-Officio)

**EDC Board Members Present:** Aaron Ramage, Andy Gott, Ann Kosempa, Bob Wilmouth, Craig Bartholomew, Dave Ballard, Denis Pitman, Eric Simonsen, Kim Jakub, Mac Fogelsong, Michael Marsh, Mike Nelson, Mike Phillips, Nicole Bengé, Nick Pancheau, Scott Chesarek, Spencer Frederick, Steve Loveless

**EDC Board Members Absent:** Jen Kobza, Jon Stepanek, Mitch Goplen, Mike Seppala

**Staff and Guests:** Steve Arveschoug, Brandon Berger, Shanna Zier, Dustin Frost, Becky Rogers, Austin Trunkle, Lorene Hintz, Marcell Bruski, Thom MacLean, Melanie Schwarz, Deanna Langman, Allison Corbyn, Dianne Lehm, Kevin Scharfe, Chris Kukulski, Rich St. John, Scott Twito, Kevin Heaney

**Call to Order:**

Steve Loveless, EDC Chair, called the meeting to order at 7:02 A.M. with the pledge of allegiance.

**Public Comment/Recognitions/Special Announcements and Introductions:**

**Public Comment**

Steve introduced the new Board Members. They are Debbie Desjarlais, Nick Pancheau, Jen Kobza, and Michael Marsh.

Steve Loveless then introduced Yellowstone County Attorney Scott Twito and Chief of Police, Rich St. John to give a public safety update. Mr. Twito spoke about the challenges that 2020 presented and also spoke of what the new year might hold. With regard to recreational marijuana, persons over 21 may now possess a certain amount of marijuana and the initiative that granted that legality poses challenges to the county attorney's office. One of those challenges is determining driving impairment of those under the influence of marijuana. With an already heavy workload, Mr. Twito was pleased to let the Board know he has received a grant to hire a new prosecutor for his office.

Chief St. John began with some statistics from the police department in 2020. One of the most worrying numbers was the marked jump in violent crimes in 2020. Chief St. John continued with additional numbers but noted that the vast majority of these crimes were not random. The Chief also noted that they are consulting with a firm to address efficiencies within the department and to offer recommendations. Seven new officers joined the force last week with five more in the academy.

Chris Kukulski, Billings City Administrator, then continued with an update from the City. Chris spoke about the potential of a public safety levy and how they will work with the City Council to find resources for our emergency responders. Chris noted that public safety is the City's number one priority.

John Brewer asked Chris where the City Council sits on the issue of public safety. Chris believes there is strong support but there will be discussion related to how they are allocating financial resources.

Steve A asked how many officers are on the force. Chief St. John said they are sitting at 154 total officers. Mr. Twito continued by speaking about issues coming down from the state level. Billings is down seven Highway Patrol Officers who could otherwise assist local law enforcement. Scott said Billings will not be able to sustain their current levels if they don't receive additional officers and resources.

**Agenda Changes:**

Recruitment/Outreach will be bumped ahead of the Operations update.

**Consent Agenda**

**Approval of December 10<sup>th</sup> Board Meeting Minutes and November Financials**

Motion: Judi Powers to approve the December Board Meeting Minutes and the November Financials, as presented to the Board.

Second: Ann Kosempa

Discussion: None

Motion carried

**Executive Director Report - Steve**

**2021 Board Planning Process**

Steve spoke about our upcoming Board Planning session. Last year, we determined our Strategic Priorities would only run for one year, at which point, we will reassess. Steve took a moment to review those priorities and explain their economic development nexus and why they remain important. Steve would like to pull the Board together in late February to take time in considering where we ought to focus or refocus our efforts. At the March meeting, we will then have our strategic planning session. Steve will also work in concert with the Billings Chamber, the City, and the Downtown Partnership to hone a common vision of where we see our city growing.

**Downtown Redevelopment Strategy**

Steve continued by discussing how we might redefine a strategy for Downtown redevelopment. Having been recently stymied by the issues of Downtown development, Steve wants to move forward with a strategy of creating site-ready space for potential private investment. Steve mentioned that the Opportunity Fund Committee will convene next week to outline that strategy and then bring those findings to the Board in late February and early March.

**Program Reports and Action Items**

**COVID-10 Economic Response and Recovery Update – Thom**

Thom updated the Board about resources and announcements that have come down from both the State and Federal level. The new COVID relief package includes another round of PPP and aid for live entertainment venues. Moving forward, we are keeping our focus on maintaining a shared vision and telling the story of Billings' strengths.

Melanie added an update about the vaccination rollout plan and efforts to educate the community about the benefits of receiving that vaccine.

Brandon was next and said that we are still waiting to hear back from the Federal EDA on the final result of our RLF request.

Greg McDonald asked about the status of the business stabilization loan program. Brandon noted that there is \$40,000 yet to loan to small businesses who need COVID relief.

The next question was what the criteria is for receiving dollars from the EDA RLF loan fund. Brandon will find those particular parameters and share them with the Board shortly.

SBDC Annual Contract Consideration - Lorene

Lorene explained a few of the particulars of the contract and mentioned that our scope of work has not changed. This contract is inked annually between BSED and the Montana Department of Commerce.

Big Sky Finance – Brandon

SBA 504 Loan Request – Brandon

Loan Requests:

1. **RFG Property LLC (JHG Ventures, Inc.)** – Request is for the purchase of a commercial real estate property for JHG Ventures, Inc., dba Helena Valley Addiction Services. Helena Valley Addiction Services is an existing business located in Helena, MT and is relocating to a larger building as they continue to grow and expand. Helena Valley Addiction Services was started in 2013 and is 100% owned by Eric Gilmore. This is a State-approved chemical dependency treatment center providing chemical dependency, addiction and mental health treatment, anger management evaluation, outpatient counseling and other services.

The total SBA debenture will be \$342,000 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 Ascent Bank in Helena. There are projected to be three new jobs created because of this project. The project also meets a Public Policy goal for Rural Development.

Motion: Andy Gott to approve the RFG Property LLC loan request, as presented to the board.

Second: Ann Kosempa

Discussion: None

Abstentions: None

Motion Carried

2. **Engel Holdings LLC (Optimum Health and Wellness, PLLC)** – Request is for the purchase of a commercial condominium unit and equipment financing for Optimum Health and Wellness, PLLC. This is an existing chiropractic practice located in Missoula, MT. Borrower is purchasing the condo unit they currently lease. Dr. Jeff Engel is 100% owner and started the practice in 2011. Optimum Health provides several services, including Chiropractic, Detoxification, and Weight Loss. Chiropractic care is the primary service provided.

The total SBA debenture will be \$108,000 on a 20-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 and personal property behind First Security Bank of Missoula.

Motion: Craig Bartholomew to approve the Engel Holdings LLC loan request, as presented to the Board.

Second: Eric Simonsen

Discussion: None

Abstentions: None

Motion Carried

### BSF Team Update

Brandon reminded the Board that we had been searching for a new loan officer and is pleased to announce that we have hired Aaron Pratt who will be joining Jo Ann in our Helena office. Aaron will begin on February 1<sup>st</sup>. Brandon continued by thanking Becky for all of her efforts in our hiring processes.

Finally, Brandon will need the annual certification signed by each EDC Board Member. That document is required by the Small Business Administration.

### Conflict of Interest Policy Review – Kevin Heaney, Crowley Fleck

Kevin gave a bit of context as to why this sort of policy is important and how it falls under the umbrella of board governance. Kevin then outlined three key responsibilities of board members which include: Duty of Care, Duty of Loyalty, and the Duty of Obedience. These responsibilities help illustrate why it is important to enter into a conflict of interest policy. Kevin then went on to list a few common examples of conflicts and when it is appropriate to remove yourself from a decision item.

### Recruitment/Outreach and Legislative Priorities – Allison/Austin/Steve

Allison reported out and mentioned that Board Member outreach will continue through the next few months as her and Austin work to better understand each Board Member's sector. Allison is continuing recruiting efforts with a few particular leads in our area.

BSED work continues on legislative priorities and the two that we are taking a lead role with are Broadband and Early Stage Investment Tax Credits. We have also been in discussion with Jessie Luther and Mark Taylor of the Taylor Luther Group about representing our interests in Helena. TLG has agreed to assist in our work. Allison is asking for the Board's approval to enter a contract with TLG.

Motion: Ann Kosempa, to approve the execution of a lobbying contract with the Taylor Luther Group, as presented to the Board.

Second: Ken Lutton

Discussion: None

Motion carried

### Board Committees Review – Austin

Austin presented the current list of Board Committee assignments and informed the Board about all of the open positions. Austin encouraged Board Members to plug in where they can.

### Big Sky to SkyPoint – Becky

Becky shared an update about our new facility project which included the newest renderings of what our space will look like. Becky explained each floorplan and how we arrived at our decisions in each space as well as plans for any adjustment as we move through the project. Becky continued with a few more specific details on certain elements of the project, one of them being the coffee bar on the first floor.

Next, Becky discussed the state of the budget as we look to put the construction out to bid. Becky mentioned that after meeting with the Project Management Team, we have decided to walk away from pursuing Historic Tax Credits. The tax credits process simply poses too much uncertainty. Becky acknowledged that this leaves a budget shortfall and cost reduction decisions might need to be made. Becky is still hopeful to leverage underwriting and grant opportunities to narrow the shortfall. Additionally, there are still some unknowns regarding construction buildout, code implications, and finish decisions.

Ken asked if there is any validity to the construction estimate coming in lower than expected. Riley mentioned that while it may not come in lower than expected, it will be more competitive the sooner we can get it out. Bryce echoed Riley's comments and said the window of opportunity for competitive bids closes significantly after March. Mac added that it may be beneficial to float the idea to as many firms as possible to give them advanced notice before the formal bid is put out.

To answer Ken's question about how we will cover the shortfall, we have identified deductive alternate cuts to close the gap.

**Public Comment**

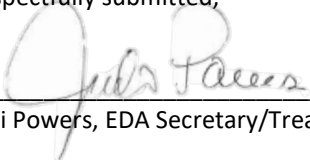
None

**Adjourn**

Steve adjourned the meeting at 9:06 A.M.

Next Meeting – February 11<sup>th</sup>, 2021

Respectfully submitted,

  
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Judi Powers, EDA Secretary/Treasurer

  
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Mac Fogelson, EDC Secretary/Treasurer

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

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