

**EDA/EDC – Joint Board Meeting  
May 13, 2021  
7:00 A.M. to 9:00 A.M.  
Northern Hotel Ballroom**

**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.

**7:00 A.M. Call to Order/Pledge of Allegiance/Roll Call** – Paul Neutgens, EDA Chair

**7:02 A.M. Public Comment/Recognitions/Special Announcements and Introductions**

- Recognition of outgoing board member and chair – Steve Loveless
- Public Safety Update – Chris Kukulski, City Administrator
- Space2Place Winners – Thom MacLean
- VBOC New Hire Announcement – Dustin Frost

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

**7:21 A.M. Consent Agenda**

- April 2021 Board Meeting Minutes
- Budget Workshop Minutes
- March 2021 EDA and EDC Financials

**(EDA/EDC Action)**

(Attachment A)

(Attachment B)

(Attachment C)

**7:25 A.M. Executive Director Report**

- Metra Park Master Plan Investment (added \$10k request)
- Review Draft Strategic Priorities and Consider Priority Setting
- Joint Planning Sessions Objectives (May 20<sup>th</sup>)
- FY22 Staffing Plan and Changes
- DCI Talent Attraction Webinar (May 19<sup>th</sup>, 9:30-11:30am)
- RVU Update

(Attachment D)

(EDA/EDC Action)

(Attachment E) (Info)

(Info)

(Info)

(Info)

(Info)

**8:00 A.M. Program Reports and Action Items**

- Draft FY 2022 Budget Review – Shanna
  - FYI – Budget Hearing June 22<sup>nd</sup> at 3:30pm
- Operations
  - Nominating Committee Recommendation
  - Big Sky to Sky Point Project Update – Becky
- Big Sky Finance – Brandon
  - 504 Loan Approvals
- BSED's COVID Response Update
  - Economic Response/Recovery Update – Thom/Melanie/Brandon
- Recruitment/Business Outreach/ED Policy Update – Allison
  - Update: Legislative Priorities – Austin
  - Recruitment Project Updates

(Attachment F) (Info)

(Attachment G) (EDC Action)

(Presentation) (EDA/EDC Action)

(Attachment H) (EDC Action)

(Info)

(Info)

(Info)

(Info)

**8:55 A.M. Public Comment**

**9:00 A.M. Adjourn**

**Next EDA/EDC Board Meeting June 10, 2021 (7AM to 9AM).** *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

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# ATTACHMENT A

**EDA/EDC Joint Board Minutes**  
**Thursday, April 8<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, Dana Pulis, Debbie Desjarlais, George Warmer, Greg McDonald, Jennifer Smith, Jennifer Owen, Ken Lutton, Riley Bennett, Don Jones (Ex-Officio), Nick Altonaga (Ex-Officio)

**EDA Board Members Absent:** Judi Powers, Paul Neutgens, Greg Upham (Ex-Officio), John Brewer (Ex-Officio) Katy Easton (Ex-Officio), Shaun Brown (Ex-Officio)

**EDC Board Members Present:** Aaron Ramage, Ann Kosempa, Craig Bartholomew, Dave Ballard, Denis Pitman, Eric Simonsen, Jon Stepanek, Kim Jakub, Mac Fogelsong, Michael Marsh, Mike Seppala, Mitch Goplen, Nick Pancheau, Spencer Frederick, Steve Loveless

**EDC Board Members Absent:** Andy Gott, Bob Wilmouth, Jen Kobza, Mike Nelson, Mike Phillips, Nicole Benge, Scott Chesarek

**Staff and Guests:** Steve Arveschoug, Becky Rogers, Austin Trunkle, Shanna Zier, Allison Corbyn, Karli Baker, Dianne Lehm, Dustin Frost, Marcell Bruski, Thom MacLean, Lorene Hintz, Deanna Langman, Brandon Berger, Mike Yakawich, Charlie Loveridge, Paul DiLorenzo, John Ostlund

**Call to Order:**

Ken Lutton, EDA Vice Chair, called the meeting to order at 7:04 A.M. with the pledge of allegiance.

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

**Public Comment**

Steve began by welcoming everyone back for our first in-person meeting in a year. Steve commended the work of Karli Baker, our intern, for her work on designing a commemorative sticker for the Board.

Marcell gave a quick update on our Better Off in Billings event which will be held virtually this month of the course of a week.

Jennifer Owen and Dana Pulis then gave a MetraPark Masterplan update. Dana and Jennifer discussed the Metra's history and its role as a centerpiece for tourism and recreation in our community. They continued by summarizing some of the community input they've received thus far in the planning process. As the masterplan process moves forward, there will be additional opportunities for input from Billings' citizens and diverse industries. Finally, Jennifer presented the key dates and milestones for the masterplan.

**Agenda Changes:**

None

**Consent Agenda –**

### Approval of March 11<sup>th</sup> Board Meeting Minutes, Electronic Vote Minutes, and Board Planning Minutes

Motion: Craig Bartholomew to approve the March Board Meeting Minutes, Electronic Vote, and Board Planning Minutes, as presented to the Board.

Second: Mike Seppala

Discussion: None

Motion carried

### Approval of February Financials

Motion: Jennifer Smith to approve the February Financials, as presented to the Board.

Second: Mike Seppala

Discussion: None

Motion carried

### **Executive Director Report - Steve**

#### Recap March 30<sup>th</sup> Board Planning Session –Strategic Priorities

Steve provided a handout to the Board that encapsulated the thoughts and dialogue from Board Planning last month as they helped to set the direction of the organization's strategic priorities. The handout begins with an aspirational list of what we are looking to accomplish by executing on our priorities. The aspirations include: supporting a thriving community that is open and safe for business, Billings being a top choice for new talent and being a place that succeeds at developing future workforce, accelerating investment and job creation, becoming a destination for the development and attraction of innovative companies, and continuing to grow as a world-class healthcare destination.

Steve went on to mention a theme he had left off but will include is the need for a shared community vision.

Steve then listed five strategies to achieve these goals and is going to ask the Board to whittle the list down to three.

#### Opportunity Fund Strategy and Downtown Redevelopment Strategy – Ken Lutton

As the chair of the Opportunity Fund, Ken wanted to thank everyone for their help in generating these recommendations. The OF Committee does not recommend making any changes to the criteria list but they do recommend a small discretionary fund for use of staff that will not need Board approval. The second recommendation is to set a floor of \$1.5M that the fund cannot be drawn below unless a super-majority of the OF Committee recommends that action. Eric Simonsen asked if there has been thoughts related to how these investments can return revenue to the fund. An example of purchasing and selling land to a private developer for purposes of economic development was used to illustrate this idea. Conversation continued about how many projects the OF has funded and the history of the Fund itself.

Motion: Dana Pulis to approve the Opportunity Fund Recommendations, as presented to the Board.

Second: Eric Simonsen

Discussion: Above

Motion: Carried

#### RVU Project Status

Steve referred to his Executive Director's report about the status of the RVU College of Osteopathic Medicine. Steve is hopeful about the steps that have been taken and is interested to see how the accreditation hearing for the school goes in the coming weeks.

#### 504 Loan Program Administration Appointments - Brandon

Brandon is asking the Board to approve a set of appointments for Aaron Pratt. The appointments are to make our new BSF team member, Aaron Pratt, a vice executive director and assistant secretary. These appointments allow Aaron to close loans without needing Steve Arveschoug's direct action.

Motion: Ann Kosempa to approve the title of assistant secretary to the corporation for the purposes of loan closings, as presented to the Board.

Second: Mike Seppala

Discussion: Above

Motion: Carried

### **Program Reports and Action Items**

#### **COVID-19 Economic Response and Recovery Update – Thom**

Thom noted the team has continued meeting every other week and have organized another healthcare appreciation event which was kindly underwritten by the Billings Symphony who offered passes to one of their recent performances.

Thom continued by letting the Board know that they are following the American Rescue Plan and the dollars that have been passed down for the City and the County as well the dollars available for small businesses still recovering from the pandemic. The ERRT will meet today at 3:30PM to discuss an educators appreciation event.

#### **VBOC Program Year - Dustin**

The VBOC program is in the midst of a five-year grant provided by the SBA to administer the VBOC program. At year three, the SBA requires an indication of continuation.

Motion: Dave Ballard, to approve the submittal of the VBOC Budget/Program year to the SBA, as presented to the Board.

Second: Riley Bennett

Discussion: None

Motion Passes

#### **PTAC Budget Year and Program Year Submittal – Deanna**

Deanna is asking the Board's approval to submit their renewal of the agreement with the Defense Logistics Agency to continue the PTAC program in Montana.

Deanna continued by updating the Board about the status of the service gap in the Bozeman/Butte/Helena region.

Motion: Mike Seppala to approve the submittal of the PTAC Budget/Program year to DLA.

Second: Craig Bartholomew

Discussion: None

Motion Passes

#### **504 Loan Requests – Brandon**

**Amira Tribal Arts, LLC (dba Modory)** – Request is for the purchase of a commercial real estate property for Amira Tribal Arts, LLC (Sun Ray Holdings, LLC). This is an existing business located in Missoula, MT. Borrower is purchasing the building they currently lease. Modory has been operating from this location since 1995. This will be a straight purchase with no renovations. Lea Young is 100% owner of the business. Modory is a home furnishings store, selling furniture for every room of the house. They also sell rugs, wall décor, window coverings and lighting. Business was impacted by COVID in 2020, however they have demonstrated strong sales in 2021 and have a good history in Missoula.

The total SBA debenture is estimated to be \$361,000 on a 25-year note comprising 40% of the total project costs. Big Sky EDC and the SBA will be in a 2<sup>nd</sup> lien position on the real property behind First Interstate Bank in Missoula. There are projected to be 2.5 jobs created because of this project. The project meets a Public Policy goal for a Woman Owned business.

Motion: Ann Kosempa, to approve the Amira Tribal Arts, LLC loan request, as presented to the Board.

Second: Mike Seppala

Discussion: None  
Motion Passes

**Rector Orthodontics LLC** – Purpose of the request is for the purchase of land, new construction and debt refinance for Rector Orthodontics located in Bozeman, MT. This is an existing practice owned 100% by Jeffrey Rector, DDS, which he started in 2015. The practice currently operates out of a smaller facility they have outgrown. This new project will allow for current and future growth. Rector Orthodontics is an orthodontic practice who provides comprehensive orthodontic care for children, teens and adults in Bozeman, Big Sky and Livingston.

The total SBA debenture is estimated to be \$1,049,000 on a 25-year note comprising approximately 39% of the total project. Big Sky EDC and the SBA will be in a 2<sup>nd</sup> lien position on the real property behind First Montana Bank. The project meets a Public Policy goal for Rural Development.

Motion: Spencer Frederick, to approve the Rector Orthodontics, LLC loan request, as presented to the Board.

Second: Dave Ballard

Discussion: None

Motion Passes

**Stabilization Funds to Yellowstone County – BSED RLF – Brandon**

Brandon is requesting that the \$140,000 in the COVID Relief RLF be used for other businesses in Yellowstone County.

Motion: Mike Seppala to approve the \$140,000 of COVID Relief RLF funds be used for other businesses in Yellowstone County, as presented to the Board.

Second: Craig Bartholomew

Discussion: None

Motion Passes

**Operations – Becky**

**Big Sky to Sky Point Bid Update**

Becky began by giving an update to the Board about the pre-bid meeting last week. Five contractors participated in the meeting and indicated their interest. As the week wore on, contractors had difficulty gaining commitment from their subcontractors and withdrew from bidding. On Tuesday, we received one bid from TW Clark. The bid came in significantly over budget.

When a competitive bid process is conducted under the EDA's guidance, it is unusual to allow the organization to move forward with a lone contractor. Usually, the package is put back out for additional bidding. However, due to the circumstances, the EDA will allow us to negotiate the price with TW Clark and the EDA will work with us through this process. Becky noted that work will begin swiftly and Riley Bennett, Bryce Terpstra, and Mitch Goplen will assist with those contract negotiations.

As negotiations begin about the scope of buildout, certain elements of the project must remain intact to remain in compliance with the guidelines set by the EDA. One of those elements would be our programming needs related to the Rock31 Entrepreneurship Development Program.

Steve went on to commend the work of Becky through this process.

Dave Ballard asked if contractors were made aware of the funding for this project being partially provided by the Federal EDA.

**Staffing Update/Salary Review Committee (2 EDA, 2 EDC)**

Riley Bennett and Judi Powers will serve on the salary review committee for the EDA and Jen Kobza and Mike Nelson will take the helm for the EDC.

Member Investor Update

Tabled until May

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

Allison began with a recruitment and outreach update. Allison just attended an air service conference and learned about how they are recovering from the pandemic. Another interesting item of note is how airlines use data and analytics to drive their decision making. Further, Allison is hopeful that American Airlines and Alaska Airlines can extend additional service to Billings. One of the detriments of the pandemic was that the Billings market is now being served by older, smaller aircraft.

Allison pivoted to the Beartooth RC&D grant and how we have been utilizing it to address ag needs in the state.

Allison updated the Board on the ongoing legislative work. HB 650, the early stage investment credit we had been championing, died in committee last week. However, the team is heartened by the excellent hearing the bill had and the advancement of the idea.

Allison continued about SB 297 which is the ConnectMT Act. This bill deals with broadband infrastructure buildout.

Allison is also working with statewide partners to secure dollars to for additional residency programs.

Steve then came back up to address the RVU project. Steve read his update to the Board related to the circumstances around the project. Steve also commented that there is federal legislation being mulled to increase residency programs across the country and opening 1000 new residency positions with an emphasis on rural medicine. Steve's update addressed the aging physician population and the WWAMI program available to Montana medical school students which allows only 30 students each year. Further, the update made mention of the synergistic opportunities that would arise as a result of a medical school locating in Billings.

Discussion continued about the project and the role and leadership BSED has undertaken.

Special Announcement

Brandon and Dianne just received word today that BSED will receive \$1.8M in CARES Act funds to assist small businesses impacted by the pandemic through use of our revolving loan fund.

**Adjourn**

With a motion from Jennifer Smith and a second from Ann Kosempa, Ken adjourned the meeting at 8:47 A.M.

Next Meeting – May 13<sup>th</sup>, 2021

Respectfully submitted,

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Judi Powers, EDA Secretary/Treasurer

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Mac Fogelsong, EDC Secretary/Treasurer

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

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# ATTACHMENT B

**EDA/EDC Budget Workshop Minutes**  
**Wednesday, April 14<sup>th</sup>, 2021 – 3:00 PM – 4:00 PM**  
**Yellowstone Conference Room**

**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:** Riley Bennett, Paul Neutgens, Jennifer Owen

**EDC Board Members Present:** Aaron Ramage, Dave Ballard, Ann Kosempa, Nicole Bengé

**Staff and Guests:** Steve Arveschoug, Becky Rogers, Shanna Zier, Austin Trunkle, Melanie Schwarz, Brandon Berger, Dustin Frost, Dianne Lehm, Deanna Langman, Marcell Bruski, Kevin Scharfe, Lorene Hintz

**Call to Order:**

Becky called the meeting to order at 3:01 PM and thanked the Board Members for their time as their input helps frame our decision making in the budget process.

**Presentation:**

Becky continued by introducing the budget workshop presentation. Shanna then went on to explain the values that guide this process.

**Values that Guide the Budget Process**

- Retain and develop our team
- Allocate resources for greatest impact
- Create margin to manage uncertainties
- Retain leadership role in the community to build/rebuild our economic future

**Timeline**

Shanna then reviewed the timeline we have set out for this process. Shanna will bring a draft budget to the Committee and Board in May. June will see the proposed preliminary budget and September will be when final adjustments are made and the final budget is set. September is when the final determination of the mill levy is set. Shanna will use December of 2021 to do a mid-year review.

Shanna began by breaking down revenue sources, expenses, and focus of both the EDA and EDC. She then reviewed the uncertainties that still loom and our conservative approach to expense projections.

**Budget Assumptions**

General assumptions include limited mill levy growth, and flat growth from both Member Investors and loan revenue. Expenses projections include salary adjustments, staffing plan, resuming of travel and training, resuming of hosted meetings, Building carrying costs, and program expectations.

On the EDA, we assume a full mill levy, minimal levy growth, tax protests at 3%, state entitlements adding revenue, stable funding from Federal partners, a holding place for a PTAC advisor, a placeholder for a BillingsWorks program manager and the costs associated with our new building.

Assumptions on the EDC include a flat growth assumption in member investor revenues and loan origination revenues, and a placeholder for a Big Sky Finance Loan Underwriter.

### **Board Member Input**

Steve then began by reviewing our draft strategic priorities. Those include Building our Community, Building our Workforce, and Building Entrepreneurship. Each of these priorities has a set of more specific action items.

There are many unknowns still facing us but our core principles will remain. Steve then opened the floor to Board Members for their input with respect to our strategic priorities.

Jennifer Owen asked some questions related to our efforts in talent attraction. She also expressed her preference that we focus our efforts on strong community development ideas.

Dave Ballard thanked the group for pulling this meeting together.

Melanie and Brandon took the opportunity to remind that Board Members that their projections were made very conservatively given the uncertain nature of business recovery in the coming months.

Steve took a moment to thank our partners, Board Members, and team at BSED.

### **Meeting adjourned: 3:38 PM.**

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# ATTACHMENT C

**Big Sky Economic Development Authority**  
**Financial Report for the Executive Committee and Board of Directors**  
**April 28, 2021**

Included with this report is balance sheet reflecting the assets, liabilities, and net assets of Big Sky EDA as of March 31, 2021. Also included is the statement of revenue and expenses through nine months of FY21 as compared to budget.

**Balance Sheet**

Current assets decreased slightly to about \$4,974,000 at the end of March from \$5,035,000 at the end of February. Accounts receivable decreased from \$188,000 to \$173,000. The receivable consists of U.S. EDA (\$41,000), VBOC (\$13,000), PTAC (\$74,000), and SBDC (\$45,000

Due To/Due From EDC totaled approximately \$49,000 at the end of March and consists of the March amount due from EDC. The tax levy receivable decreased slightly to \$508,000 from \$514,000. Protested tax receivable decreased from \$35,000 to \$5,800 with the collection of \$29,000 in protested property taxes. An allowance totaling approximately \$5,800, or 100% of protested tax levy receivable is reflected to allow for potentially uncollectible protested tax levy. Total fixed assets totaled \$1,563,000 at the end of March.

Accounts payable decreased from \$137,000 at February 2021 to approximately \$56,000. Most of the decrease is attributed to a large Cushing Terrell invoice received at the end of February and paid in March. Accrued expenses total approximately \$83,000 and consist largely of salary/benefits accruals (\$74,000) and Space2Place Grant accruals (\$3,500). There were three Space2Place projects booked in last fiscal year that will not be completed, those accruals totaled \$5,500 and these amounts were reversed in March. Deferred revenue totals \$57,000 and consists of \$50,000 conditional grant award amount from Beartooth RC&D and \$7,000 from MSU/City of Bozeman for PTAC support.

**Statement of Revenue and Expenses**

Revenue is about \$52,000 over budget through nine months of the fiscal year. There are a few factors for this variance in revenue. Mill Levy Revenue increased to \$1,255,000 in March. This revenue is about \$35,000 over budget. As a reminder, when we budgeted for FY21, we took a conservative approach and budgeted for 3% in property tax protest. In addition, based on revenue recognition guidance, \$150,000 of the \$200,000 from the Beartooth RC&D CARES Act Grant was recognized immediately. The remaining \$50,000 will be recognized at the end of the next year following all conditions being satisfied (this amount is in deferred revenue).

Department of Defense (PTAC), VBOC, and EPA-Brownfields revenue amounts remain under budget due to actual expenses. SBA/MT Dept of Commerce (SBDC) revenue increased in March with the payment of some larger professional fee expenses related to the SBDC CARES Act funding.

Most expenses remain under budget through March. Salary/wage expense totaled \$1,134,000 through March. This amount is about \$125,000 under budget due to vacancy savings. Professional fees total \$118,000 and remain under budget based on timing of budgeted expenses for Brownfields fees. Professional fees increased in March with the payment of professional fees related to the documentary funded with SBDC CARES Act funding. I have separated out the professional fees related to the Big Sky to Sky Point project under the non-operating income/expense section. Total professional fees related to this total \$244,000 through March. I am working with Anderson

ZurMuehlen to determine what amount of the architectural professional fees should be booked as an asset and amortized. There will likely be some movement from the Architectural/Professional Fee expense over to the balance sheet after this amount is determined. Travel/training expenses remain under budget and totaled approximately \$18,000 through March.

Through nine months of FY21 Big Sky EDA recognized revenue in-excess of expense totaling about \$583,000, which was approximately \$431,000 more than the budgeted amount. When excluding the non-operating income/expenses (interest income, U.S. EDA reimbursement, professional fees related to the Big Sky to Sky Point project, and depreciation expense), Big Sky EDA recognized revenue in-excess of expense of about \$743,000, which is about \$456,000 more than budgeted.

**Big Sky EDA**  
**Comparative Balance Sheet**  
**As of March 31, 2021 and 2020**

	3/31/2021	3/31/2020	+/-	6/30/2020	+/-
<b>Assets</b>					
First Interstate Bank	\$233,527	\$162,170	\$71,357	\$164,986	\$68,541
FIB-Recovered Property Taxes	148,202	148,202	-	148,202	-
FIB-Operating Reserve	251,037	-	-	-	-
Opportunity Fund-FIB	346,439	16,256	330,183	16,169	330,270
Opportunity Fund-Stockman	54,764	3,618	51,146	44,519	10,245
Opportunity Fund-Opportunity Bank	624,163	620,000	4,163	621,300	2,863
Stockman GE Maintenance	15,128	15,128	-	15,128	-
Rocky Mountain Bank Money Market	493,213	492,721	492	492,843	369
Opportunity Fund - CDs (current)	2,404,870	276,727	2,128,144	2,404,278	593
Altana Savings	25	-	25	-	-
Yellowstone County Funds	403,017	212,609	190,408	535,969	(132,952)
<b>Total Current Assets</b>	<b>4,974,384</b>	<b>1,947,430</b>	<b>3,026,954</b>	<b>4,443,392</b>	<b>530,992</b>
<b>Other Assets</b>					
Accounts Receivable	173,309	247,889	(74,580)	680,373	(507,064)
Grants Receivable	150,000	-	150,000	-	150,000
American Revenue Guarantee	6,887	6,887	-	6,887	-
Due To/Due From EDC	49,333	42,370	6,963	57,548	(8,215)
Tax Levy Receivable	507,677	500,888	6,789	26,597	481,080
Tax Levy Receivable - Protested	5,801	21,264	(15,463)	21,479	(15,679)
Allowance for Doubtful Accounts	(5,801)	(21,264)	15,463	(21,479)	15,679
Prepaid Expenses	23,084	11,284	11,800	18,556	4,528
Deposit	-	1,390	(1,390)	1,390	(1,390)
Undeposited Funds	-	-	-	-	-
Interest Receivable	-	2,421	(2,421)	8,509	(8,509)
Miscellaneous Receivable	-	-	-	-	-
<b>Total Other Assets</b>	<b>910,289</b>	<b>813,128</b>	<b>97,161</b>	<b>799,860</b>	<b>110,430</b>
<b>Non-Current Assets</b>					
Opportunity Fund - CDs (non-current)	1,652,136	3,364,162	(1,712,027)	1,250,358	401,778
Loans Receivable	-	400,000	(400,000)	400,000	(400,000)
TEDD Receivable	23,875	44,325	(20,450)	34,100	(10,225)
Cabela's Conduit	4,984	4,983	0	9,649	(4,665)
Deferred Outflow of Resources	146,350	247,689	(101,340)	147,067	(717)
<b>Total Non-Current Assets</b>	<b>1,827,344</b>	<b>4,061,160</b>	<b>(2,233,816)</b>	<b>1,841,173</b>	<b>(13,829)</b>
<b>Fixed Assets</b>					
Bank Building - Land	272,000	272,000	-	272,000	-
Bank Building - Building	1,328,000	1,328,000	-	1,328,000	-
Accumulated Depreciation	(36,889)	(2,838)	-	(11,350)	-
<b>Total Fixed Assets</b>	<b>1,563,111</b>	<b>1,597,162</b>	<b>-</b>	<b>1,588,650</b>	<b>-</b>
<b>Total Assets</b>	<b>9,275,129</b>	<b>8,418,880</b>	<b>856,249</b>	<b>8,673,075</b>	<b>602,054</b>
<b>Liabilities &amp; Equity</b>					
<b>Current Liabilities</b>					
Accounts Payable	56,309	54,714	1,595	51,901	4,408
Accrued Expenses	82,910	88,131	(5,221)	109,334	(26,424)
Deferred Revenue	56,667	12,956	14,000	1,598	-
Payroll Liabilities	(250)	1,046	(1,296)	355	(605)
Compensated Absences	157,326	147,540	9,787	170,250	(12,923)
<b>Total Current Liabilities</b>	<b>352,962</b>	<b>304,386</b>	<b>48,576</b>	<b>333,438</b>	<b>19,524</b>
<b>Long Term Liabilities</b>					
Deferred inflow or Resources	68,045	13,741	54,304	68,045	-
Pension Liability	825,316	884,804	(59,488)	825,316	-
<b>Total Long Term Liabilities</b>	<b>893,361</b>	<b>898,545</b>	<b>(5,184)</b>	<b>893,361</b>	<b>-</b>
Current Year Excess of Revenue over Expenses	583,246	1,442,798	(859,551)	1,673,125	(1,089,878)
Balance at Beginning of Year	7,445,559	5,773,151	1,672,408	5,773,151	1,672,408
<b>Net Assets</b>	<b>8,028,805</b>	<b>7,215,949</b>	<b>812,856</b>	<b>7,446,276</b>	<b>582,529</b>
<b>Total Liabilities &amp; Equity</b>	<b>9,275,129</b>	<b>8,418,880</b>	<b>856,249</b>	<b>8,673,075</b>	<b>602,054</b>

**Big Sky EDA**  
**Statements of Operations**  
**For the Periods Ending March 31, 2021**

	Month			YTD			Fiscal Year Projection		
	Actual	Budget	Variance	Actual	Budget	Variance	Year-end Projection	Budget	Variance
<b>Operating Revenue</b>									
County Taxes (Mill Levy Revenue)	\$12,904	\$0	\$12,904	\$1,255,351	\$1,220,100	\$35,251	\$1,255,351	\$1,220,100	\$35,251
Entitlement	59,832	58,750	1,082	179,497	\$176,250	3,247	235,000	\$235,000	\$0
Health Insurance Mill Levy	8,480	9,922	(1,442)	74,200	87,471	(13,271)	89,835	117,236	(27,401)
Recovery of Protested Taxes	-	-	-	9	-	9	9	-	9
Department of Defense	34,000	45,868	(11,868)	350,309	412,816	(62,507)	452,309	550,421	(98,112)
EDC Reimbursement	48,454	48,251	203	410,884	434,259	(23,376)	552,478	579,012	(26,535)
EPA-Brownfields	1,183	10,833	(9,651)	39,899	100,000	(60,101)	85,000	132,500	(47,500)
SBA/MT Dept of Commerce	44,577	21,779	22,798	208,920	195,945	12,976	251,399	261,282	(9,883)
SBDC Program Income	-	-	-	-	-	-	-	-	-
VBOC	13,450	26,680	(13,230)	194,171	226,329	(32,158)	241,484	300,000	(58,516)
Rents/Leases	-	-	-	5,736	1,912	3,824	5,736	-	5,736
Grant Administration	2,115	292	1,823	17,907	2,625	15,282	17,907	3,500	14,407
Beartooth RC&D CARES Act	-	-	-	150,000	-	150,000	150,000	-	150,000
Other Intergovernmental Revenue	1,667	-	1,667	14,931	-	14,931	19,932	-	19,932
Miscellaneous Revenue	-	-	-	10,000	1,950	8,050	10,000	3,862	6,138
<b>Total Revenue</b>	<b>226,661</b>	<b>222,375</b>	<b>4,285</b>	<b>2,911,814</b>	<b>2,859,656</b>	<b>52,157</b>	<b>3,366,440</b>	<b>3,402,913</b>	<b>(36,473)</b>
<b>Operating Expenses</b>									
Salaries/Wages	126,314	140,843	(14,529)	1,133,867	1,258,928	(125,060)	1,505,750	1,679,819	(174,069)
Employer Contributions	40,233	46,989	(6,756)	373,176	416,895	(43,719)	538,450	559,084	(20,634)
BID Assessment	-	-	-	1,890	-	1,890	1,890	-	1,890
Contingency	-	4,208	(4,208)	-	37,875	(37,875)	8,000	50,497	(42,497)
Community Development Projects	(5,250)	2,500	(7,750)	(261)	22,500	(22,761)	29,500	30,000	(500)
Dues and Subscriptions	2,086	2,732	(646)	59,361	57,051	2,310	64,643	64,643	-
Event Expense	-	-	-	-	-	-	-	-	-
Insurance	1,438	752	686	11,436	21,728	(10,292)	15,880	23,984	(8,104)
Marketing - Departmental	1,837	2,036	(199)	6,017	18,324	(12,307)	24,432	24,432	-
Marketing - Organizational	1,477	2,667	(1,190)	24,787	24,000	787	32,000	32,000	-
Office Equipment	-	-	-	1,125	6,500	(5,375)	6,500	6,500	-
Office Expense	2,131	2,722	(591)	14,785	18,498	(3,713)	16,358	23,289	(6,931)
Professional Fees	29,995	11,084	18,911	118,188	135,958	(17,770)	214,458	167,958	46,500
Property Tax Protests	-	-	-	13,903	37,350	(23,447)	13,903	37,350	(23,447)
PTAC Satellite	13,432	12,481	951	94,275	112,330	(18,055)	134,571	149,773	(15,202)
PTAC Subcenter	11,704	14,764	(3,060)	113,225	132,878	(19,653)	148,337	177,171	(28,834)
Rent	12,015	12,124	(109)	106,624	106,719	(95)	142,165	142,295	(130)
Repairs	-	-	-	933	-	933	1,000	-	1,000
Sponsorships	-	-	-	-	-	-	2,500	2,500	-
Strategic Priorities	-	1,250	(1,250)	10,000	11,250	(1,250)	15,000	15,000	-
TEDD	-	500	(500)	60	1,500	(1,440)	1,000	2,000	(1,000)
Telecommunications	4,586	5,161	(575)	42,324	46,451	(4,126)	56,433	61,933	(5,500)
Travel/Training	2,615	12,134	(9,519)	18,111	69,800	(51,688)	29,187	100,258	(71,071)
Utilities	1,606	2,000	(394)	12,891	18,000	(5,109)	17,188	24,000	(6,812)
Miscellaneous	3,703	1,622	2,081	12,174	18,204	(6,030)	16,232	23,200	(6,968)
<b>Total Operating Expenses</b>	<b>249,923</b>	<b>278,569</b>	<b>(28,646)</b>	<b>2,168,892</b>	<b>2,572,738</b>	<b>(403,847)</b>	<b>3,035,377</b>	<b>3,397,686</b>	<b>(362,309)</b>
<b>Net Operating Revenue</b>	<b>(23,263)</b>	<b>(56,194)</b>	<b>32,931</b>	<b>742,922</b>	<b>286,918</b>	<b>456,004</b>	<b>331,064</b>	<b>5,227</b>	<b>325,837</b>
<b>Non-Operating Income/Expense</b>									
Interest Income	1,071	1,687	(616)	8,574	15,185	(6,612)	10,000	20,247	(10,247)
US EDA Reimbursement	41,010	8,749	32,261	101,360	122,598	(21,238)	148,822	148,822	-
Grant Revenue (GASB 68)	-	-	-	-	-	-	-	-	-
Architectural/Professional Fees	-	18,248	(18,248)	244,071	246,497	(2,426)	302,492	302,492	-
Pension Expense	-	-	-	-	-	-	-	-	-
Depreciation Expense	2,838	2,838	-	25,538	25,538	-	34,051	34,051	-
<b>Total Non-operating Income/Expense</b>	<b>39,243</b>	<b>(10,650)</b>	<b>49,893</b>	<b>(159,676)</b>	<b>(134,252)</b>	<b>(25,424)</b>	<b>(177,721)</b>	<b>(167,474)</b>	<b>(10,247)</b>
<b>Net Revenue Over (Under) Expense</b>	<b>15,981</b>	<b>(66,843)</b>	<b>82,824</b>	<b>583,247</b>	<b>152,667</b>	<b>430,580</b>	<b>153,343</b>	<b>(162,247)</b>	<b>315,590</b>

**Big Sky Economic Development Corporation**  
**Financial Report for the Executive Committee and Board of Directors**  
**April 28, 2021**

Included with this report is the balance sheet reflecting the assets, liabilities, and net assets of Big Sky EDC as of March 31, 2021. Also included is the statement of revenue and expenses through nine months of FY21 as compared to budget.

**Balance Sheet**

Current assets totaled approximately \$1,898,000 at the end of March, a slight decrease from \$1,915,000 at the end of February. The receivable totals \$52,500 and consists of Healthcare Appreciation Sponsorships (\$1,000), Member Investor pledges for FY21 (\$42,000), and Member Investor pledges for FY20 (\$9,500). In February, we completed the third quarter invoicing for member investor pledges. This totaled approximately \$49,000. We have received payments for about \$22,000 of these invoices through the end of April.

The RLF portfolio totaled \$381,000, the SSBCI portfolio totaled \$623,000, and the Stabilization Loan portfolio totaled \$106,000 through the end of March. As a reminder, we began amortizing the loans in the Stabilization Loan Portfolio in March.

Accounts payable totaled \$8,000 at the end of March. Deferred 504 revenue remains consistent and totaled \$33,000. We will see a decrease in deferred 504 revenue in April due to a loan that will not be funded and subsequent return of the deposit to the potential borrower. The remainder of the deferred 504 revenue will be recognized as loans fund. Due to/Due from EDA totaled approximately \$49,000 and represents the amount owed to EDA from EDC for March reimbursement.

**Statement of Revenue and Expenses**

The 504 loan servicing revenue totaled \$385,000 through March. This is approximately \$7,200 over budget. There have been some payoffs in the 504 loan portfolio. Beginning in February 2021, monthly servicing income decreased about \$4,000 due to loan payoffs. The 504 loan origination revenue totaled \$53,000 through March, which is approximately \$66,000 below budget. This variance is partially attributed to timing of budgeted revenue; however, we will likely end the fiscal year under budget in this revenue line item based on staffing for the Big Sky Finance team and the timing of future closings. We are anticipating 504 loan origination income of about \$60,000 for the fiscal year. Member investor revenue totaled approximately \$160,000 and is about \$30,000 under budget due to timing.

Through March, we have recognized \$107,000 in grant revenue from the State of Montana Coronavirus Relief funds. This was un-budgeted revenue, used to cover additional expenses associated with the different Coronavirus Relief grants. The restricted donations for the Coulson Park project are being tracked in a separate Coulson Park revenue account in the non-operating income section of the statement. Coulson Park donations total \$51,500 through March. We received an additional \$2,500 Coulson Park donation in March.

Most expenses remain close to or below budget. Dues and subscriptions total \$21,000 and are slightly over budget. EDA reimbursement remains below budget due to vacancy savings in Big Sky Finance. As discussed previously, a separate account was added to track expenses related to the Healthcare Appreciation event. Expenses related to this event totaled \$75,000. This unbudgeted event was funded by a combination of donations (Healthcare Appreciation Income) and funds from

the Coronavirus Relief Funds. Professional fees total \$48,000 through March. This consists largely of \$14,500 in expenses for Anderson ZurMuehlen's financial statement audit and 990 preparation, \$11,000 in legal fees related to the 504 loan program, \$15,000 in recruitment professional fees, \$5,500 for the loan review, and \$2,000 in consulting fees. Sponsorship expense totaled \$12,000 and remains below budget through March. Travel/training expense remains under budget by about \$11,000 for the year.

Through nine months of FY21 Big Sky EDC recognized revenue in excess of expenses totaling about \$84,000, which was approximately \$57,000 more than the budgeted amount. When excluding the non-operating income/expenses (bad debt expense and Coulson Park donations), Big Sky EDC recognized revenue in-excess of expenses of about \$48,000, which is about \$12,000 more than budget for the year.

**Big Sky EDC**  
**Comparative Balance Sheet**  
**As of March 31, 2021 and 2020**

	3/31/2021	3/31/2020	+/-	6/30/2020	+/-
<b>Assets</b>					
First Interstate Bank	\$293,373	\$233,497	\$59,876	\$245,165	\$48,208
FIB/Stockman SSBCI Principal	1,101,378	1,146,312	(44,935)	1,005,566	95,812
FIB-Long Term Reserve	250,000	250,000	-	250,000	-
FIB-Opportunity Fund	22,200	22,200	-	22,200	-
FIB-RLF	98,723	148,535	(49,812)	179,960	(81,237)
FIB-OBSD Restricted	-	-	-	-	-
Accounts Receivable	52,250	62,200	(9,950)	61,184	(8,934)
Contributions Receivable	-	-	-	-	-
Miscellaneous Receivable	-	148	(148)	-	-
Prepaid Expenses	7,471	3,343	4,128	8,276	(805)
Undeposited Funds	-	-	-	-	-
Stabilization Portfolio - Current	33,163	-	33,163	31,849	1,314
RLF Portfolio-Current	17,809	108,152	(90,344)	32,036	(14,228)
SSBCI Portfolio-Current	21,381	11,821	9,560	47,744	(26,363)
<b>Total Current Assets</b>	<b>1,897,747</b>	<b>1,986,209</b>	<b>(88,461)</b>	<b>1,883,980</b>	<b>13,767</b>
<b>Other Assets</b>					
RLF Portfolio-Non Current	363,655	231,908	131,747	278,314	85,340
SSCBI Portfolio-Non Current	601,210	647,513	(46,303)	601,615	-404.91
Stabilization Portfolio-Non Current	73,258	-	-	105,151	-
Allowance for Loan Losses	(21,934)	-	(21,934)	(21,934)	-
<b>Total Other Assets</b>	<b>1,016,189</b>	<b>879,421</b>	<b>136,768</b>	<b>963,146</b>	<b>84,935</b>
<b>Fixed Assets</b>					
Bank Building - Building	-	-	-	-	-
Bank Building - Land	-	-	-	-	-
<b>Total Fixed Assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Assets</b>	<b>2,913,936</b>	<b>2,865,630</b>	<b>48,306</b>	<b>2,847,126</b>	<b>98,703</b>
<b>Liabilities &amp; Equity</b>					
<b>Current Liabilities</b>					
Accounts Payable	8,069	3,172	4,898	14,200	(6,130)
Property Tax Payable	-	-	-	-	-
Accrued Expenses	-	22,500	(22,500)	-	-
Deferred 504 Revenue	33,004	53,517	(20,514)	35,811	(2,808)
Deferred Revenue	-	-	-	-	-
Due to/Due from EDA	49,333	42,604	6,729	57,548	(8,215)
<b>Total Liabilities</b>	<b>90,406</b>	<b>121,793</b>	<b>(31,387)</b>	<b>107,559</b>	<b>(17,153)</b>
Current Year Excess of Revenue over Expenses	83,962	(476,047)	560,009	(480,316)	564,278
Balance at Beginning of Year	2,739,567	3,219,883	(480,316)	3,219,883	(480,316)
<b>Net Assets</b>	<b>2,823,530</b>	<b>2,743,836</b>	<b>79,693</b>	<b>2,739,567</b>	<b>83,962</b>
<b>Total Liabilities &amp; Equity</b>	<b>2,913,935</b>	<b>2,865,630</b>	<b>48,305</b>	<b>2,847,126</b>	<b>66,809</b>

**Big Sky EDC**  
**Statements of Operations**  
**For the Periods Ending March 31, 2021**

	Month			YTD			Fiscal Year Projection		
	Actual	Budget	Variance	Actual	Budget	Variance	Year-end Projection	Budget	Variance
<b>Operating Revenue</b>									
504 Loan Origination	\$0	\$5,455	(\$5,455)	52,539	\$118,636	(\$66,097)	60,321	\$135,000	(\$74,679)
504 Loan Servicing	38,406	40,500	(2,094)	385,200	378,000	7,200	497,325	499,500	(2,175)
Float Income	-	-	0	7,474	168	7,306	14,000	-	14,000
CTE Director Donations (Restricted)	-	-	0	-	-	0	-	-	-
Member Investment	2,700	63,250	(60,550)	159,875	189,750	(29,875)	260,125	253,000	7,125
RLF Business Loan Interest	1,947	1,417	530	14,043	12,750	1,293	18,724	17,000	1,724
RLF Origination Fees	-	-	0	-	-	0	-	5,000	(5,000)
Stabilization Loan Interest	183	417	(233)	1,905	3,750	(1,845)	2,540	-	2,540
SSBCI Revenue	1,250	1,500	(250)	13,951	13,500	451	18,602	18,000	602
Recovery of Bad Debt	-	-	0	-	-	0	-	-	-
Coronavirus Relief Funds	-	-	0	107,489	-	107,489	107,489	-	107,489
Healthcare Appreciation Income	-	-	0	33,273	-	33,273	33,273	-	33,273
Miscellaneous Revenue	1	-	1	12,642	-	12,642	12,642	-	12,642
<b>Total Revenue</b>	<b>44,487</b>	<b>112,538</b>	<b>(68,051)</b>	<b>788,391</b>	<b>716,554</b>	<b>71,836</b>	<b>1,025,040</b>	<b>927,500</b>	<b>97,540</b>
<b>Operating Expenses</b>									
Business Incubation	1,211	125	1,086	1,211	1,125	86	1,500	1,500	-
Business Recruitment	2,678	208	2,469	3,529	1,875	1,654	3,529	2,500	1,029
Contingency	-	1,667	(1,667)	4,000	15,000	(11,000)	8,000	20,000	(12,000)
Dues and Subscriptions	1,867	1,221	645	20,879	16,622	4,257	26,279	21,561	4,718
EDA Reimbursement	48,454	48,251	203	410,884	434,259	(23,375)	552,478	579,012	(26,535)
Event Expense	1,162	2,500	(1,338)	16,877	22,500	(5,623)	30,000	33,500	(3,500)
Healthcare Appreciation	-	-	-	74,590	-	74,590	74,590	-	74,590
Insurance	881	865	16	7,739	7,785	(46)	10,380	10,380	-
Investment in Economic Activity	-	-	-	-	-	-	5,000	5,000	-
Marketing - Departmental	2,690	1,958	732	23,230	18,025	5,205	34,399	23,900	10,499
Marketing - Organizational	965	1,292	(327)	42,506	11,625	30,881	49,014	15,500	33,514
Membership Development	324	700	(376)	811	6,300	(5,489)	3,400	8,400	(5,000)
Office Supplies	256	300	(44)	7,543	2,900	4,643	8,443	3,800	4,643
Professional Fees	-	2,583	(2,583)	47,760	39,750	8,009	78,000	67,500	10,500
Postage and Printing	46	75	(29)	554	675	(121)	738	900	(162)
R31 Outreach	28	417	(389)	569	1,951	(1,382)	2,300	2,300	-
Rent	2,552	2,661	(109)	23,000	23,645	(646)	30,655	31,629	(974)
Sponsorships	3,000	500	2,500	12,000	17,700	(5,700)	12,000	19,700	(7,700)
Telecommunications	455	555	(100)	3,747	4,992	(1,246)	6,919	6,656	263
Travel/Training	1,733	2,013	(279)	11,971	22,523	(10,552)	17,961	27,505	(9,544)
Miscellaneous	1,890	5,382	(3,492)	26,531	31,288	(4,757)	28,874	39,884	(11,010)
<b>Total Operating Expenses</b>	<b>70,191</b>	<b>73,273</b>	<b>(3,082)</b>	<b>739,928</b>	<b>680,540</b>	<b>59,388</b>	<b>984,458</b>	<b>921,127</b>	<b>63,331</b>
<b>Net Revenue Over (Under) Expense</b>	<b>(25,704)</b>	<b>39,265</b>	<b>(64,969)</b>	<b>48,462</b>	<b>36,014</b>	<b>12,448</b>	<b>40,582</b>	<b>6,373</b>	<b>34,209</b>
<b>Non-Operating Income/Expense</b>									
Non-Operating Income/Expense									
Coulson Park	2,500	-	2,500	51,500	-	51,500	51,500	-	51,500
Bad Debt Expense	-	1,042	(1,042)	16,000	9,375	6,625	25,500	12,500	13,000
<b>Total Non-operating Income/Expense</b>	<b>2,500</b>	<b>(1,042)</b>	<b>3,542</b>	<b>35,500</b>	<b>(9,375)</b>	<b>44,875</b>	<b>26,000</b>	<b>(12,500)</b>	<b>38,500</b>
<b>Net Revenue Over (Under) Expense</b>	<b>(23,204)</b>	<b>38,223</b>	<b>(61,427)</b>	<b>83,962</b>	<b>26,471</b>	<b>57,491</b>	<b>66,582</b>	<b>(6,127)</b>	<b>72,709</b>



BIG SKY  
ECONOMIC DEVELOPMENT

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# ATTACHMENT D

**May 2021  
Executive Director's Report  
to the Board of Directors  
(with Program-Level Highlights)**

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***Strategic Priorities***

1. **Covid-19 Response/Implementation of Economic Recovery Plan—stabilization response to meet immediate needs, sustained business recovery supported by strong business outreach efforts, building economic and community resiliency that positions our community for future growth.**
  - a. ***Internal Structure/Work Plan Changes*** – No new info/changes here other than responding to updated cleaning and masking standards. These new standards will apply to our Board meetings as well—which should, as appropriate, relax requirements for constant mask wearing. We will review these new standards with the Board at our next meeting.
  - b. ***Responding to Immediate Business Needs***— The State has now appropriated the funds received from the American Rescue Plan Act (ARPA). Now we will dive in to the details and determine what tools are available for local business, as well grant opportunities for local infrastructure projects. Stay tuned for details.
  - c. ***Business Stabilization Loan Program and EDA RLF Grant App***—As you know, we did receive the federal EDA grant to establish an RLF loan program. We are working through the administrative details right now and should be prepared to launch the program soon. We will likely modify our grant to allow us to capture admin dollars to support the underwriting and admin costs.
  - d. ***Unified Command—Economic Response/Recovery***— No new info to report. Go to [yeeconomicrecovery.org](http://yeeconomicrecovery.org) to get up to date info. ERRT meetings are now every-other week Thursdays, 3:30 PM.
  
2. **Build a Shared Economic and Community Development Vision and Action Plan — Discover our shared values and vision while building an Economic and Community Resiliency Action Plan**

We have set a Joint Planning Session for May 20, 7:15 AM to 9:00 AM, MSUB Glacier Room. Stay tuned for an agenda and some homework for this meeting. All BSED Board members are encouraged to attend.

### **3. Maximize BSED Business Support Services to Support Business Recovery (see Program Reports for details)**

- a. Deploy Covid-19 Response and Recovery Resources
- b. Implement Business Recovery/Adaptation Training Curriculum
- c. Deploy Unique Set of Finance Tools for Small Business Recovery—Big Sky Finance
- d. Seek out grant opportunities that support business needs, meet community asset development goals, and build/sustain BSED capacity to serve—Focus now is on American Rescue Plan Act dollars from the State. As noted earlier, we will develop a strategy to maximize our efforts to secure these funds for our business community and to address infrastructure projects. We should be able to share that strategy with the Board at our May meeting. One of the projects we are setting as a priority is the water and sewer infrastructure needed for the Lockwood TEDD. We have asked the County Commissioners to join us in this effort and they have directed us to begin the work on a grant application anticipating a local match from the County ARPA dollars.

### ***Ongoing Strategic Priorities***

- Develop Ready to Go Industrial Space—See Community Development Program Report for details of the TEDD project in Lockwood. Top priority now is seeking ARPA dollars as noted above.
- Go to the Next Level with Entrepreneurship Support System via ROCK31—See this section of the Program Reports for details. Becky and the Project Management Team (Eric, Mitch, Riley, and Bryce, Steve, Shanna) have made great progress on addressing the bid-over-budget challenge. We should be able to present a plan to the Board very soon.
- Support Ripe Private Development Opportunities—the HWY 3/Airport corridor development interests are heating up, as well as our projects on the south frontage road along I-90. Our Recruitment update will provide more details. That said, I should also note that I know of at least two projects that are being put on hold due to construction costs.
- Champion and Deliver Strategic Place-Making Assets—Coulson Park/Corette Site, Metra Park Corridor Redevelopment and Master Plan (including HWY 87/Expo Drive project), Skyline Trail—see Community Development Program Report for details. We have provided an additional \$10,000 toward the Metra Park Master Plan work. I will ask the Executive Committee to confirm this appropriation at our May meeting. This is an important effort and our support is needed and important. We continue to solicit dollars for phase I of the Coulson Park project. We have four asks pending and they all look promising.
- Space2Place Placemaking Initiative—We have awarded 7 new Space2Place grants for mini-transformational quality of place projects. Thom will review these winning projects with the Board at the May meeting.
- Support Public Safety Investment—Chris Kukulski is planning to attend our May meeting and provide the Board an update on the City's plans/research related to the future of public safety investment/changes in Billings.

## ***Program Updates***

### **PTAC**

Since August 1<sup>st</sup>, MT PTAC clients/companies across the state assisted by one of our six locations have secured **\$107,291,097** in federal, state and local contracts. Of the total, **\$40,549,114** was awarded to PTAC clients/companies in our region. DIS Technologies regularly takes advantage of PTAC training opportunities and recently secured three contracts with BLM totaling **\$36,714** for digital services. Worden based Valley Farmers Supply (PTAC client since 2014) won a **\$13,950 contract** with the USDA Agricultural Research Service to provide seed for corn planting. Our Billings location assisted Gordon and Mary Ann Garpestad with a payment issue on a lease they have with USDA/FSA. After working on banking issues in SAM and making multiple phone calls to FSA staff from Virginia to Nevada, the issue was resolved and they received 4 months of past due lease payments and are on track to receive **\$44,493** of lease payments per year for the next five years. Since August 1<sup>st</sup>, Billings based advisors have provided **584 counseling sessions (398 hours)** to **167 unique entities** in our region and **358 counseling sessions (243 hours)** to **90 unique entities** in the Bozeman/Helena region. All six MT PTAC centers (including Billings) have provided **2829 counseling sessions (2003 hours)** to **801 unique entities** and have held **27 training events** on various government contracting subjects (**569 companies in attendance**). The MT PTAC network is on track to meet or exceed its annual performance goals per the cooperative agreement with Defense Logistics Agency (DLA).

### **Member Investor/BillingsWorks**

April/May are our months to secure several new member investors recommended by the Board. To date we have had over 10 meetings with potential member investors and another 10-15 slated for May. This effort should grow our MI program by at least 10 by the end of the fiscal year. As a reminder, Scott Chesarek is buying lunch for any board member that helps secure a new Member Investor before May 31<sup>st</sup>. Please feel free to share any business that you think would be a great addition via email [melanie@bigskyeda.org](mailto:melanie@bigskyeda.org) or phone 406-670-9364.

### BillingsWorks

We hosted Better Off in Billings (virtually) this year and it was a tremendous success with great participation, amazing speakers and panels and the announcement of our 2021 Space2Place Winners. Thank you to Marcell and Karli (intern) for all of their work to make this event successful, and also to the Community Development team. This event continues to grow and highlight the strong correlation between workforce development and community development.

### Programmatic Marketing

Marcell has been working directly with the SBDC team on the documentary about small business in our region called “Edge of the Plains”. We are excited to announce that the debut of the documentary will also be our Annual Meeting which is scheduled for Thursday, October 7<sup>th</sup> at the Babcock Theater. Please save the date for this special event.

### **Community Development**

Project Funding Received YTD	\$2,037,000
Coulson Park Funding Received YTD	\$60,500
Project Funding Requests YTD	\$2,132,000
Brownfield Assessments YTD	5

#### Staff and Hiring:

As of April 1st, Thom MacLean's title changed to Senior Project Manager. As a Senior Project Manager, Thom has been with the organization for over 3 ½ years and is responsible for managing the COVID ERRT program and the Lockwood TEDD as well as several Community Development projects.

Community Development job descriptions have been reviewed and revised to reflect the current work requirements for the positions. The job posting to replace the vacant position in Community Development will be posted shortly. It is my goal to have someone hired within the next month.

#### US EDA Revolving Loan Fund Grant:

We received official award notice from the US EDA for \$1.8MM in funding for a revolving loan fund. The internal team has met with the US EDA and is completing the startup documents.

#### Tax Abatements:

The Community Development Team continues to answer any inquiries from businesses and residents regarding the program.

#### Yellowstone Fuels Reduction Program:

The CD Team has continued communication with the Yellowstone County Team and will meet with new BLM representative Wald before the season begins.

#### Brownfields Program:

Two large projects within the EBURD have been initiated. We have received notice of EPA approval for one project and waiting for approval on another. DEQ has both eligibility forms being reviewed by legal and the CD Team continues to update any information required.

#### Coulson Park:

We continue to work to match the \$250,000 challenge grant. BSED Team has met with multiple stakeholders and community leaders regarding the challenge grant and continues to follow up on the requests.

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

Continue to work with MSUB to allocate the final 5% (\$10k) after final construction which is scheduled for Fall 2021 and continue to connect with MSUB to confirm all reporting requirements are met and the final 5% is allocated to MSUB.

#### Housing:

We met with the Billings Realtors Association regarding regional supply and demand for workforce housing and the related challenges. The group outlined goals and objectives for conducting a housing solutions roundtable that will coincide with the regional housing study being completed for Beartooth RC&D.

#### Lockwood Targeted Economic Development District (TEDD):

The focus of the Lockwood TEDD Advisory Board continues to be extension on water and sewer infrastructure into the area. Property owners are circulating a Petition within the TEDD for inclusion into the Lockwood Water and Sewer District (LWSD). The first step is for the LWSD board to vote on extending the boundary to a defined area in the TEDD based on property owner petitions.

KLJ continues to work on preliminary engineering which expands on water and sewer engineering in the existing Infrastructure Master Plan and will serve as a basis for the final design of the water and sewer mains. They will determine expected flow rates and study alternatives for connection to the LWSD existing system.

There is a lot of infrastructure funding which will be available soon from the American Rescue Plan Act that could assist with the water and sewer efforts in the TEDD. We have asked for cost estimates for the engineering needed to bring this project closer to “shovel-ready.”

**MetraPark Beautification Project:**

Sanderson Stewart has been coordinating with Kinetic for public outreach on the overall MetraPark Master Plan. Our project’s timeline is different than the overall effort. Sanderson Stewart has developed the concept plans required by their scope of work. They are working on the cost estimates and finalizing some other details. The draft plan should be done soon and ready to present to the Board of County Commissioners.

**Space2Place:**

We received nineteen applications for grants this year. The review committee selected seven projects for funding.

- 1) Lockwood Optimists for Hillner Park improvements including seating/outdoor cinema area
- 2) Broadview Community Center to create an outdoor gathering area
- 3) Downtown Billings Alliance to add to their Light Bike Trail
- 4) Tyson Middle to create a Skatepark Mural
- 5) Southside Task Force to create Underpass Murals
- 6) Yellowstone Valley Animal Shelter for an Entry Mural
- 7) Billings Community Foundation to develop a Community Garden

Winners were announced at our Better Off in Billings Community Happy Hour April 21, 2021.

Two projects from last year’s awards were not able to be completed due to complications associated with the pandemic. Funds from those projects were reallocated to fund, along with a generous donation from Bill and Anne Cole, the installation of string lights over the 200 block of North Broadway – an extension of the Space2Place project last year that put lights over the 100 block.

**Disaster Recovery:**

The Economic Response and Recovery Team continues to meet every other week. Currently, the focus is on assisting with the Billings Educational Foundation’s teacher appreciation efforts; developing a messaging campaign around the safety and effectiveness of the available vaccines – encouraging people to get vaccinated; and following the developments with economic relief available through the American Rescue Plan Act and Montana HB 632.

**BRC&D Response and Recovery Funding:**

The CD Team submitted the quarterly report for the first quarter of 2021. Our organization’s work includes providing training, business services to impacted businesses, and industry research across the Beartooth RC&D region.

**Big Sky Finance**

It has been a busy couple of months with Big Sky Finance. Since our last report, the following loan activity has occurred:

SBA Loan approvals: 1 loan for \$817,000  
LC loan presentations: 4 loans for \$2,687,000  
SBA Loan Closing: 1 for \$536,000

During this period, we did not have any loans fund. However, we have seven loans that are in the closing process and should close within the next couple of months. Activity has been very good as we continue to work with several prospects in the underwriting phase and others, we are prospecting. We have also begun to get back out on the road meeting with lenders and borrowers. Brandon was recently in Bozeman meeting with lenders and had a productive trip.

The financial payment assistance which had been offered through the CARES Act did come to an end for most of our borrowers with their April payment. Certain hard-hit industries, including restaurants and hotels are receiving an additional two months of subsidy payments. We are hoping as spring takes shape and we head into the summer months economies open back up and our borrowers will begin to generate strong revenue streams to make their payments. Overall, the portfolio looks good. We have had a number of payoffs the last couple months, which impacts our revenue. But knowing why these businesses paid off is a good indicator certain industry are doing very well. New SBA 504 loans approved at this time will benefit from certain fees being eliminated.

Another success we had was the approval of our \$2.0MM U.S. EDA grant to fund our EDA Revolving Loan Fund to be used across Yellowstone County. We are excited to begin to disburse these dollars.

Interest rates on SBA 504 loans continue to remain low and competitive, providing a great opportunity for long-term, fixed rate financing. The effective rates for loans funded in April was:

- 25-year debenture = 3.077%.
- 20-year debenture = 3.021%
- 10-year debenture = 2.700%.

The SBA 504 Loan program is an excellent financing option for a small business looking to acquire commercial real estate and/or equipment!

## **Rock31 | SBDC**

### Noteworthy:

- Rock 31 held a Meet & Greet” on April 15<sup>th</sup> at Thirsty Street the Garage, for the businesses in the region were contacted to be featured in the “Edge of the Plains” Documentary. The informal gathering allowed the businesses to meet the BSED team and Sam Sterngraber and Pete Tolton.
- A team member completed the MSU-B Entrepreneurial class this semester.
- A team member completed the first NDC course online for Professional Development.

### Team Activity:

- Edge of the Plains meets every Friday to update the team on progress of the project.
  - The team is setting up meetings with Chambers in the region to partner on the viewing of the documentary in each of the hometowns in early September.
  - The team is setting up meetings with Billings Chamber of Commerce, Better off in Billings, and Downtown Billings Alliance to partner and promote the documentary.

- Rock31 Book club - the team is reading the book “The Startup Community Way” and having book club discussions about building the entrepreneurial ecosystem. They meet every other Monday to examine and discuss the concepts of the book.
- A team member continues to meet with the Founder on Friday at the Bank Building.
- Team members attended One Million Cups in person at Last Chance Pub, April 14
- The team continues coaching start-up & existing businesses via Zoom.
- The team provided trainings in the Entrepreneurial Academy series.
  - Hospitality and Service Standards – Boss like a Boss – April 7th
  - Start-up Roadmap, monthly recurring training for all start-ups – April 15th
  - Cottage Food Laws, Retail Rules and Regulations– April 21st
  - Business Model Canvas workshop to help businesses identify their customers, relationships, value proposition, channels, key activities, key resources, key partners, cost structure and revenue streams – April 22nd
  - Cybersecurity – Payne West – April 29th
- The team attended Staff Planning sessions on April 9 and 26<sup>th</sup>
- The team has updated their workplans for year 2021/2022.
- The team is participating in the VBOC interview process.
- A team member participates in the Work, Thrive, Live Committee work group

## VBOC

### Training: 29 attendees at 2 events in the month of April

- In Person Boots to Business at Hill AFB, Utah - 15 attendees. Delivered in partnership with Utah Women’s Business Center and Utah Veterans Business Resource Center
- Montana Veterans Startup Roadmap –14 attendees, including 5 Montana veterans - In partnership with Billings SBDC/Rock 31.

Training goal 1 is 100% B2B coverage: **GOAL MET**

Goal 2 is 47 training events in program year. **GOAL NOT MET** We have completed 35 events this program (ends April 30). Some of this gap off is due to Covid cancellations and Brian’s recent departure. Looking forward to increasing training with new Training Program Manager in the upcoming year! (hopefully making a hire soon)

Outreach highlights: 7 meetings w/ 46 attendees. This puts us at 98 outreach meetings for our program year. **GOAL NOT MET** due to Brian’s departure.

Counseling – 62 counseling sessions with 25 veteran or military spouse clients in the last month. This puts us at 596 counseling sessions in our program year, which means that are way above our counseling goal of 391 sessions. **ABOVE GOAL.** Other counseling goals:

1. ≥100 referrals to local resource partners in the year: Currently at 171. **ABOVE GOAL**
2. >32 counseling sessions each month: **GOAL MET**
3. 100% of new veteran e-center sign ups each month have at least 1 counseling session: **GOAL MET.** (awaiting contact with 3 clients)

## Recruitment

On the business expansion front, we have several Big Sky Trust Fund planning grants that will be coming at next month meeting. Several of which are focused on meat processing. Also, there are two large expansions that have been halted because of the increase in construction costs.

In the next month, Austin will be transitioning from legislative efforts to recruitment and outreach which will be helpful as we look to grow our reach and continue to learn how business continue to recover from the COVID-19 disruption.

### ***Organizational/Policy Matters***

1. Ad Hoc Legislative Committee—BSED Priorities— This past month was focused on the close-out of the legislative session. SB297 which will provide the guiderails for how dollars are allocated to impact broadband deficiency landed in a way that will be very beneficial to our community, allowing several areas to qualify for financial support for upgraded connectivity. SB388 which impacts new TEDDs did end up reducing the number of mills that can be collected, which will hurt future district’s ability to grow their financial base.
2. Board Planning Session—Here is the Summary of Strategic Priorities. We will work through this list at our May meeting, with the intent that we will prioritize this list and prepare for the May 20<sup>th</sup> Joint Planning Session.
3. Essential Staffing Decisions/Salary Review Committee— I am working with Becky and Shanna on a handful of staffing opportunities. We should have an outline for the Executive Review when we meet next week. There are three key staffing decisions in process—filling the now vacant Community Development Project manager position (Patrick Klugman has now joined NAI Business properties); filling the Billings Works role (which will likely be an internal assignment, at least for the interim); reset how we manage the Member Investment Program; and, restructure the leadership team of the organization (I will provide these details at the Executive Committee).

As part of our yearly budget process, we ask a small group of Board Members to serve as a Salary Review Committee. This committee reviews our staffing plan and salary adjustments for the next fiscal year and provides guidance and direction. The committee consists of Paul Neutgens, Ann Kosempa, Jennifer Kobza, Mike Nelson, Riley Bennett, and Judi Powers. The committee met on April 27th and reviewed the organization’s salary administration guidelines, wage setting process and turnover history. On May 11th, the committee will meet to review the proposed salary adjustments and staffing plan for FY2021. You can anticipate an update on the outcomes of that discussion at the board meeting on May 13th.

4. Expanding Medical Education in Montana— Work continues on the Montana College of Osteopathic Medicine (RVU). RVU had their accreditation hearing two weeks ago. They addressed questions from the COCA Board, and should have an answer within the next two weeks.
5. Big Sky to SkyPoint Project – (Becky) - The Project Management Team has been hard at work these past few weeks reviewing the details of the renovation plan and identifying additional value engineering options. A special thanks to Mitch Goplen and Eric Simonsen for the hours they have committed to this effort. As it stands right now, we think we can cut up to 10% of the cost without negatively impacting the functionality of the space and our programming. Shane Ridley with T.W. Clark has been an excellent partner in this endeavor and has commitment time and energy into helping us move forward. On Monday, May 3rd, the PM Team will meet with Shane to review numbers and start accepting changes. Once the negotiated bid is complete, we’ll send it

to the U.S. EDA for concurrence. At that point, we'll likely need to hold a special board meeting to review the bid and the project budget in its entirety. We'll also present our plan to cover the construction cost gap.

**Respectfully submitted,  
May 5 & 13, 2021**

A handwritten signature in black ink, appearing to read 'SA', with a long horizontal stroke extending to the right.

**Steve Arveschoug  
Executive Director**



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# ATTACHMENT E

### **Aspirations**

1. A thriving community that is open and safe for business, with a strong community wellbeing
  2. The top choice for new talent and a place that succeeds at developing its future workforce
  3. Accelerated private investment and job creation
  4. A destination for the development and attraction of innovative companies
  5. A Growing World Class Healthcare Destination
- 

### **Strategic Action Plan to Achieve our Aspirations**

- 1. Make Community Development Investments with Purpose and Vision**
  - a. fund and start phase I of Coulson Park, and support other parks, trails initiatives
  - b. in partnership with the DPA and private sector, incentivize downtown revitalization
  - c. build a partnership to develop and implement a housing-development strategy of downtown and our region
  - d. support the next generation of development for Metra Park and associated private development opportunities
  - e. encourage near-term and long-term investment in public safety
  - f. Sustain our partnership between business and public health and execute Stage II and III of the Economic Response and Recovery Plan
  - g. Add the business voice to mental health and substance abuse challenges
- 2. Invest in Infrastructure that Drives New Private Investment**
  - a. Seek funding and kickoff water and sewer infrastructure in the TEDD
  - b. Support the master plan for the development of two business/industry parks—Laurel at west interchange and HWY 3 Airport corridor
  - c. Partner with the DBP to create shovel ready sites for downtown development
  - d. Deploy a targeted business expansion and recruitment effort that syncs with these opportunities
- 3. Retain, Develop and Attract the Next Generation of our Workforce**
  - a. Strengthen the alignment between workforce needs and workforce development/education through the BillingsWorks partnership
  - b. Deploy an out-word facing talent attraction campaign that is targeted to meet our most acute (impactful) workforce needs
- 4. Grow and Attract Innovative Companies**
  - a. Complete the Rock31 vision to build out our entrepreneurship ecosystem
  - b. Build a talent pool that aligns with the needs of these companies—BW, RMC, MSUB partnership
  - c. Deploy a targeted business expansion and recruitment effort that supports this initiative (and Strategy 5)
- 5. Build Upon our Leadership Status as a Regional Healthcare Hub**
  - a. Continue the recruitment of medical education and associated private sector partnerships
  - b. Achieve results with key downtown redevelopment that compliments the medical corridor development that is planned



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# ATTACHMENT F

# **FY 2022 Organizational Budget**

## **Resource Allocation Framework**

### **Values that Guide Budget Priorities**

- Retain and develop our team
- Allocate resources where we can have the greatest impact
- Create margin to manage uncertainties
- Retain leadership role in our community to build/rebuild our economic future

## **Key Assumptions**

### **EDA Revenue Assumptions**

- Full mill levy with minimal 1.8% (\$22,750) increase
- Stable funding from Federal Partners

### **EDA Expense**

- Staff salary adjustments – projected at \$44,000
- Included expense contingency of \$20,000 (decrease from \$40,000 in FY21)
- Included strategic priorities budget of \$20,000 (increase from \$15,000 in FY21)
- Property tax protest budget of 3% (\$38,310) of mill levy
- Placeholder for PTAC Advisor
- Carrying costs for new building total \$54,000
- Resume travel/professional development and hosted meetings

**EDC Revenue**

- \$282,500 Member-Investor revenue (increase from \$253,000 in FY21)
- \$135,000 SBA 504 Loan origination fee revenue (consistent with FY21)
- \$432,000 SBA Loan servicing revenue (decrease from \$499,500 in FY21)

**EDC Expense**

- Included expense contingency of \$10,000 (decrease from \$20,000 in FY21)
- Placeholder for Big Sky Finance loan underwriter
- EDA Reimbursement:

**EDA-EDC Cost Sharing**

	<b>Salary</b>	<b>Fringe</b>	<b>Rent</b>	<b>Phone &amp; Internet</b>	<b>Liability Insurance</b>
<b>Director-Business Finance</b>	100%	100%	100%	100%	100%
<b>Loan Officers (3)</b>	100%	100%	100%	100%	100%
<b>Loan Specialist</b>	100%	100%	100%	100%	100%
<b>Director-Member Investor &amp; Marketing</b>	50%	50%	50%	50%	50%
<b>Program Manager-Marketing &amp; Outreach</b>	50%	50%	50%	50%	50%
<b>Executive Director</b>	25%	25%	-	-	-
<b>Controller</b>	25%	25%	-	-	-
<b>Program Manager-Business Recruitment</b>	-	-	-	-	-
<b>Director-Operations</b>	-	-	-	-	-
<b>Administrative Assistant</b>	-	-	-	-	-
<b>Receptionist</b>	-	-	-	-	-





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# ATTACHMENT G

## **Recommendation for EDC Nomination and Special Election**

The Nominating Committee met on April 21, 2021 to discuss the vacant EDC seat left by Steve Loveless. The committee recommends the Board hold a special election and nominate the following:

1. Brad Hamilton, Regional VP, SCL Health, to fill the partial term ending December 31<sup>st</sup>, 2022.

This recommendation would be subject to a vote by the Member Investors of the EDC.

The Nominating Committee also recommends the following changes to the Executive Committee and EDC officer positions:

1. Ann Kosempa to serve as the EDC Board Chair (filling the term of the current EDC Chair and still eligible to be considered for a full year term as Chair)
2. Kim Jakub to serve as the EDC Vice Chair (still eligible to be considered for a full year term as Vice Chair)
3. Aaron Ramage filling the Member at Large position for the balance of the calendar year



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# ATTACHMENT H

## **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. **Live 2 Ski, LLC (Deathstar Commercial Properties LLC)** – Request is for the purchase of a commercial real estate property for Live 2 Ski, LLC (Deathstar Commercial Properties LLC). The business is more commonly known as the Montana Tap House. This is an existing bar and restaurant located in Whitefish, MT. It is owned 100% by Ed Docter. Ed had purchased the business back in March 2019, having been the manager of the facility since it opened in 2016. He has now purchased the real estate property from the previous owner. This is a very popular establishment in Whitefish, particularly in the winter for the skiers. It is conveniently located on Wisconsin Avenue, the road leading from Whitefish to Big Mountain.

The total SBA debenture is estimated to be \$817,000 on a 25-year note comprising 40% of the total project costs. Big Sky EDC and the SBA will be in a 2<sup>nd</sup> lien position on the real property behind First Interstate Bank in Whitefish. There are projected to be 8 new jobs created because of this project. The project meets a Public Policy goal for Rural Development.

2. **Rocky Mountain Diesel Corporation (K.E. Costello LLC)** – Purpose of the request is for the purchase of the commercial real estate property for Rocky Mountain Diesel Corporation. This is an existing business located in Missoula, MT, currently leasing this property. Rocky Mountain Diesel has been owned and operated by Kerry and Kevin Costello since 2002. The business has been operating from this location for several years and the current owners are now selling. The purchase will allow them to retain their operations at this location located on Grant Creek Road. Rocky Mountain Diesel specializes in all aspects of diesel repairs and service.

The total SBA debenture is estimated to be \$207,000 on a 25-year note comprising 40% of the total project costs. Big Sky EDC and the SBA will be in a 2<sup>nd</sup> lien position on the real property behind First Security Bank – Missoula. There are projected to be 4 new jobs created as a result of this project. The project is located in a HubZone.

3. **Rehbein Insurance LLC (Rehbein Rentals llc)** – Purpose of the request is for the purchase of a commercial real estate property for Rehbein Insurance LLC, located in Kalispell, MT. This is an existing independent insurance agency owned by Cassidy and Jennifer Rehbein. They offer auto, home, health, large and small group insurance and individual insurance. The agency was started in 2016 by the Rehbeins and both are licensed agents. This purchase will provide them the ability to expand their business and have a professional location as they have been operating from their home.

The total SBA debenture is estimated to be \$164,000 on a 25-year note comprising 40% of the total project costs. Big Sky EDC and the SBA will be in a 2<sup>nd</sup> lien position on the real property behind Glacier Bank. There are not projected to be any jobs immediately created. The project meets a Public Policy goal for Rural Development and is located in a HubZone.