

**EDA/EDC – Joint Board Meeting
June 10, 2021
7:00 A.M. to 9:00 A.M.
Northern Hotel**

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 – Ann Kosempa, EDC Chair

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

- Public Comment

7:10 A.M. Changes to Today's Agenda

7:12 A.M. Consent Agenda

- May 13, 2021 Board Meeting Minutes
- May 27, 2021 Electronic Board Meeting Minutes
- April 2021 EDA and EDC Financials

(EDA/EDC Action)

(Attachment A)

(Attachment B)

7:15 A.M. Executive Director Report--Steve

- Consideration—FY 2022 Strategic Priorities

(Via separate email) (EDA/EDC Action)

7:35 A.M. FY 2022 Budget Presentation and Hearing--Shanna

- Review Proposed Preliminary FY 2022 Budgets
- Review Reinvestment of SBA 504 Program Net Income
- Review Management Services Agreement
- Staffing Plan Update—Steve
- Budget Q&A with the Board
- Public Comments
- Board Consideration and Action—Budget and Agreement
- Next Steps—Presentation to County Commissioners- June 22, 3:30 PM

(Attachment C)

(Attachment D)

(Attachment E)

(EDA and EDC Action)

8:10 A.M. Program Action Items/Reports

- Big Sky Finance--Brandon
 - 504 Loan Approvals
 - Mid-Year Portfolio Review
 - ALP Status—Pass Rate Plan
- Recruitment/Outreach and Legislative Priorities Recap—Allison
- BSTF Grant Applications - Allison
- Operations--Becky
 - Big Sky to Sky Point Project Bid Update-- Becky

(Attachment F) (EDC Action)

(Handout) (Info)

(Attachment G) (EDC Action)

(Attachment H) (Info)

(Attachment I) (EDA Action)

(Info)

8:50 A.M. ED Performance Eval- Executive Committee Recommendation--Ann

(Attachment J) (EDA/EDC Action)

9:00 A.M. Adjourn

Next EDA/EDC Board Meeting July 8, 2021 (7AM to 9AM—In Person). *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

EDA/EDC Joint Board Minutes
Thursday, May 13th, 2021 – 7:00 A.M. – 9:00 A.M.
The Northern Hotel

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, George Warmer, Jennifer Smith, Judi Powers, Ken Lutton, Paul Neutgens, Greg Upham (Ex-Officio), Shaun Brown (Ex-Officio)

EDA Board Members Absent: Debbie Desjarlais, Greg McDonald, Jennifer Owen, Riley Bennett, Don Jones (Ex-Officio), Nick Altonaga (Ex-Officio), John Brewer (Ex-Officio), Katy Easton (Ex-Officio)

EDC Board Members Present: Andy Gott, Ann Kosempa, Bob Wilmouth, Denis Pitman, Eric Simonsen, Jen Kobza, Jon Stepanek, Mac Fogelson, Michael Marsh, Mike Nelson, Mitch Goplen, Nicole Bengé, Nick Pancheau, Spencer Frederick, Steve Loveless

EDC Board Members Absent: Aaron Ramage, Craig Bartholomew, Dave Ballard, Kim Jakub, Mike Phillips, Mike Seppala, Scott Chesarek

Staff and Guests: Becky Rogers, Steve Arveschoug, Austin Trunkle, Dianne Lehm, Lorene Hintz, Melanie Schwarz, Thom MacLean, Kevin Scharfe, Marcell Bruski, Aaron Pratt, Shanna Zier, Deanna Langman, Allison Corbyn, Zack Terakedis, Chris Kukulski, John Ostlund

Call to Order:

Paul Neutgens, EDA 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

Brandon Berger began with an introduction of Aaron Pratt. Mike Nelson thanked everyone for joining today at the Northern Hotel.

Steve Arveschoug recognized Steve Loveless and his service on our Board. Steve L offered some words about our mission and ongoing projects and thanked the Board for their partnership over the years.

Jon Stepanek announced that he will be stepping down from his role as news director at KTVQ to join Arrowhead Marketing.

Chris Kukulski was then up to provide a public safety update from the City of Billings. 2020 was a very difficult year for crime offenses in the City but leadership is working to increase funding to combat this issue. Chris continued by providing some data from a study that was commissioned by the City in relation to our emergency services. Some of those findings relate to streamlining and efficiency procedures.

Thom MacLean with our Community Development team presented the winners of our Space2Place grant awards. Optimist Park in Lockwood, Broadview Community Center, the Downtown Billings Alliance, The Southside

Neighborhood Taskforce, The Underground Culture Crew, Yellowstone Valley Animal Shelter, and the Billings Community Foundation all received grants this year.

Becky announced that the VBOC has hired Ryan Luchau who will begin May 24th. Ryan will join our team in Helena.

Melanie updated the Board about Economic Development Week and also noted that we have received a grant from US Bank who increased their contribution as a result of the programs that our SBDC has provided for small businesses in Billings. Their grant totaled \$12,000.

Agenda Changes:

Under the Executive Director's report, there will be an action item related to salary adjustments. Under the finance section, there will be a consideration for the

Consent Agenda –

Approval of April 8th Board Meeting Minutes

Motion: Judi Powers to approve the April Board Meeting Minutes, as presented to the Board.

Second: Ann Kosempa

Discussion: None

Motion carried

Approval of Budget Workshop Minutes

Motion: Ann Kosempa to approve the Budget Workshop Minutes (with attendance corrected), as presented to the Board.

Second: Jennifer Smith

Discussion: None

Motion carried

Approval of March 2021 EDA/EDC Financials

Motion: Eric Simonsen to approve the March 2021 EDA/EDC Financials, as presented to the Board.

Second: Ann Kosempa

Discussion: None

Motion carried

Executive Director Report - Steve

MetraPark Masterplan

Steve began by reviewing our prior commitment to this masterplan process. The request is to affirm the additional \$10,000 commitment to the ongoing work.

Approval of MetraPark Masterplan Contribution

Motion: Mike Nelson to approve an additional \$10,000 contribution to the MetraPark Masterplan, as presented to the Board.

Second: Judi Powers

Discussion: None

Motion carried

Review Draft Strategic Priorities and Consider Priority Setting

Steve provided a handout to the Board that reflects their input about where BSED should prioritize its efforts. Steve color coded the priorities based on overall support from the Board. Red is most supported, followed by orange, green, and blue (in descending order of support). Included in the handout were Board Member comments to help add context to the priorities. Steve then asked the Board to dialogue at their tables about the proposed priorities.

The Board proceed to report out about their discussions and priorities. Steve continued by informing the Board about a joint community planning session that will take place at MSUB where leaders in our community will work to define a shared vision for Billings and our efforts to achieve our priorities. Secondly, Steve noted that there is a DCI talent attraction webinar that we should all attend. This organization will share best practices across the country as it relates to the upheaval of 2020, the new generation of talent attraction, and our shifting workforce landscape.

FY 2022 Staffing Changes

Steve wanted to add some recognition for Thom MacLean who has been elevated to the Role of Senior Project Manager. Steve also added that we will be creating a Director of Marketing position and we will continue to work out how we are addressing the BillingsWorks position. Toward that end, Melanie shared with the Board that she will be departing to pursue her own consulting firm. Steve noted that Melanie will continue with BSED on a contract basis to keep our Member Investor program going through the transition. Steve shared that he will be considering additional leadership structure changes as BSED moves into the future. Steve closed by commending Melanie and all of her hard work over the years.

Salary Adjustments

Steve reflected on last year's budget constraints and recommended to the Board that salary adjustments be reinstated after last year's pause. Steve also commended Shanna's work in managing our budget so well.

Motion: Andy Gott to approve the reinstatement of salary adjustments, as presented to the Board.

Second: George Warmer

Discussion: Ken asked if departing team members will receive back pay. Steve A replied that they will.

Motion: Carried (one Board Member votes nay)

RVU Project Status

Steve said that the accreditation process of the RVU Medical School is underway and a final answer should be coming soon. Dr. Wilmouth asked Steve if there is any last chance that all partners in the community can come together on this project. Dr. Wilmouth noted that fractured leadership will only continue to hamper future discussions about Billings' healthcare sector. Steve A replied that he has continued conversations with Billings Clinic and Dr. Forstein of RVU has also continued dialogue with Billings Clinic. Steve A believes RVU is committed to pursuing that relationship moving forward. Dana continued by asking if there is an opportunity to shift the optics of the situation so that the community is aware that positive groundwork is being laid. Ken asked if anyone else in the community is helping to facilitate dialogue around this project.

Project Reports and Action Items

Draft FY 2022 Budget Review

Shanna began with our tax protest receivable. Previously, we have set aside this amount for furniture and fixtures at our new building. Shanna is asking the Board to approve moving \$29,000 of our new tax protests to the line item.

Motion: Ken Lutton to approve the moving of the \$29,000 in tax protests, as presented to the Board.

Second: Jennifer Smith

Discussion: None

Motion: Carried

Shanna continued with a review of the FY 2022 budget. Shanna started with the key assumptions on both the EDA and EDC. Shanna turned it over to Judi for a Salary Review Committee update. Judi noted that the group met in part to discuss turnover in the past four years. Judi noted the reasons for departure and their results, whether positive or negative, on organizational operations. Judi spoke about some of the next steps for the organization to attract and retain talent, specifically, stay-interviews and ongoing discussions about growth opportunities. Shanna continued by reviewing expenses for the EDA and EDC that have changed compared to FY 2021. Shanna also

noted that we have taken a conservative approach to forecasting our loan servicing revenue and Member Investor revenues.

Operations – Becky

Nominating Committee Recommendations

Becky updated the Board that we are recommending a Member Investor vote to appointment Brad Hamilton of SCL Health to the BSED Board.

Motion: Spencer Frederick to approve the Member Investor vote to approve the appointment of Brad Hamilton, as presented to the Board.

Second: Nick Pancheau

Discussion: None

Motion: Carried

Further, with respect to officer vacancies, it is recommended that Ann serve as interim chair, Kim Jakub as Vice Chair, and Aaron Ramage as Member at Large. These changes will still allow officers to remain in the roles they were slated for in 2022.

Motion: Spencer Frederick to approve the interim Officer positions for 2021, as presented to the Board.

Second: Eric Simonsen

Discussion: None

Motion: Carried

Bid Update

Becky gave the Board an update about the bid process. Since the bid came in over budget, much work has needed to be done. Becky thanked Eric, Mitch, Riley, and Bryce for their expertise and help in value engineering this project and driving costs down without compromising quality or programming needs. Becky went on to mention that TW Clark have been excellent partners thus far and have even reduced some of their fees as a contribution to our project. Becky shared a handout of the value engineering summary and how that reduced costs. She then transitioned to a handout that shows the total project budget.

Becky's first action item for the Board is a letter of commitment to cover the project cost overruns. This letter would be required by the Federal EDA who is helping fund the project. Becky continued by explaining how BSED can cover those commitments and provided a spreadsheet to outline those funding sources. The source would be a line of credit from our SSBCI Funds in the amount of \$750,000. Becky turned it over to the project management team to offer their thoughts. Bryce noted that while there are many variables at play, it is his recommendation that we move this project forward. Mitch commended the work of the team and noted the momentum around this project is strong. He believes we ought to move forward as well.

Motion: Andy Gott to approve the submission of the letter to the EDA committing to covering the overage, to contribute \$150,000 of operational funds to the project, and to use the SSBCI line of credit as our gap funding mechanism, as presented to the Board.

Second: Bryce Terpstra

Discussion: Above

Motion: Carried

BSED's COVID Response Update – Thom

The ERRT continues to meet every other week. The three efforts they are working on currently are the educator's appreciation event on May 20th, the tracking of the ARPA dollars via House Bill 632, and the messaging around vaccine distribution. There will be vaccine distribution events around the city in places such as the farmer's market, concerts, and the strawberry festival.

Public Comment

Steve reflected on the discussion earlier with RVU and Steve is heartened by their commitment to resolving some of the fracturing.

Adjourn

With a motion from Jennifer Smith and a second from George Warmer, Ann adjourned the meeting at 9:00 A.M.

Next Meeting – June 10th, 2021

Respectfully submitted,

Judi Powers, EDA Secretary/Treasurer

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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EDA • EDC CREATING MONTANA BUSINESS OPPORTUNITIES

EDA/EDC Board – Electronic Vote Meeting
Thursday, May 27th, 2021

Request:

Authorizing staff to sign the renovation construction contract with T.W. Clark.

Electronic Vote Results:

EDA Votes in Favor	EDA Votes Against	EDC Votes in Favor	EDC Votes Against
Dana Pulis Debbie Desjarlais George Warmer Greg McDonald Jennifer Owen Jennifer Smith Judi Powers Paul Neutgens	None	Aaron Ramage Andy Gott Ann Kosempa Bob Wilmouth Dave Ballard Eric Simonsen Jen Kobza Jon Stepanek Kim Jakub Mac Fogelson Michael Marsh Mike Phillips Mike Seppala Mitch Goplen Nick Pancheau Spencer Frederick	None

Abstentions: Riley Bennett



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
May 25, 2021

Included with this report is balance sheet reflecting the assets, liabilities, and net assets of Big Sky EDA as of April 30, 2021. Also included is the statement of revenue and expenses through ten months of FY21 as compared to budget.

Balance Sheet

Current assets decreased slightly to about \$4,902,000 at the end of April from \$4,974,000 at the end of March. Accounts receivable increased from \$173,000 to \$215,000. The receivable consists of U.S. EDA (\$43,000), VBOC (\$26,000), PTAC (\$82,000), and SBDC (\$64,000).

Due To/Due From EDC totaled approximately \$49,000 at the end of April and consists of the April amount due from EDC. The tax levy receivable decreased slightly to \$502,000 from \$508,000. Protested tax receivable remained consistent at \$5,800. 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 \$1,828,000 at the end of April. The increase in fixed assets from March to April is attributed to reclassifying \$267,000 in professional fees related to the Big Sky to Sky Point project to Construction in Progress.

Accounts payable totaled \$55,000 at the end of April. Accrued expenses total approximately \$100,000 and consist largely of salary/benefits accruals (\$72,000) and Space2Place Grant accruals (\$23,500). Space2Place grants were awarded and booked in April. Total accruals for FY21 total \$20,000. Deferred revenue totals \$55,000 and consists of \$50,000 conditional grant award amount from Beartooth RC&D and \$5,000 from MSU/City of Bozeman for PTAC support.

Statement of Revenue and Expenses

Revenue is about \$54,000 over budget through nine months of the fiscal year. There are a few factors for this variance in revenue. Mill Levy Revenue increased to \$1,261,000 in April. This revenue is about \$41,000 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 April with the payment of some larger professional fee expenses related to the SBDC CARES Act funding.

Most expenses remain under budget through April. Salary/wage expense totaled \$1,259,000 through April. This amount is about \$141,000 under budget due to vacancy savings. Professional fees total \$128,000 and remain under budget based on timing of budgeted expenses for Brownfields fees. Professional fees increased in April 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. In consultation with Anderson ZurMuehlen, architectural professional fees have been reclassified and booked as an asset. This asset will be depreciated over the life of the building. This reclassification

entry moved \$241,000 of professional fees from the architectural/professional fee line in the non-operating income/expense section of the Statement of Revenue and Expenditures to Construction in Progress on the balance sheet. Travel/training expenses remain under budget and totaled approximately \$19,000. Travel/training expenses are about \$61,000 under budget through April.

Through ten months of FY21 Big Sky EDA recognized revenue in-excess of expense totaling about \$734,000, which was approximately \$706,000 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 \$655,000, which is about \$476,000 more than budgeted.

Big Sky EDA
Comparative Balance Sheet
As of April 30, 2021 and 2020

	4/30/2021	4/30/2020	+/-	6/30/2020	+/-
Assets					
First Interstate Bank	\$253,421	\$146,817	\$106,604	\$164,986	\$88,436
FIB-Recovered Property Taxes	179,763	148,202	31,561	148,202	31,561
FIB-Operating Reserve	301,039	-			
Opportunity Fund-FIB	346,442	16,256	330,186	16,169	330,273
Opportunity Fund-Stockman	54,766	3,619	51,148	44,519	10,248
Opportunity Fund-Opportunity Bank	624,440	620,510	3,930	621,300	3,140
Stockman GE Maintenance	15,128	15,128	-	15,128	-
Rocky Mountain Bank Money Market	493,229	492,761	468	492,843	386
Opportunity Fund - CDs (current)	2,404,870	276,727	2,128,144	2,404,278	593
Altana Savings	25	-	25		
Yellowstone County Funds	228,556	112,902	115,653	535,969	(307,413)
Total Current Assets	4,901,679	1,832,921	3,068,759	4,443,392	458,287
Other Assets					
Accounts Receivable	214,976	265,781	(50,805)	680,373	(465,396)
Grants Receivable	100,000	-	100,000	-	100,000
American Revenue Guarantee	6,887	6,887	-	6,887	-
Due To/Due From EDC	48,757	91,598	(42,840)	57,548	(8,791)
Tax Levy Receivable	501,758	495,537	6,221	26,597	475,161
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	21,646	11,284	10,362	18,556	3,089
Deposit	-	1,390	(1,390)	1,390	(1,390)
Undeposited Funds	-	-	-	-	-
Interest Receivable	-	2,421	(2,421)	8,509	(8,509)
Miscellaneous Receivable	-	-	-	-	-
Total Other Assets	894,024	874,898	19,126	799,860	94,164
Non-Current Assets					
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	34,100	(10,225)	34,100	(10,225)
Cabela's Conduit	4,984	318	4,666	9,649	(4,665)
Deferred Outflow of Resources	146,350	247,689	(101,340)	147,067	(717)
Total Non-Current Assets	1,827,344	4,046,270	(2,218,926)	1,841,173	(13,829)
Fixed Assets					
Construction in Progress	267,458	-	-		
Bank Building - Land	272,000	272,000	-	272,000	-
Bank Building - Building	1,328,000	1,328,000	-	1,328,000	-
Accumulated Depreciation	(39,727)	(5,675)	-	(11,350)	-
Total Fixed Assets	1,827,731	1,594,325	-	1,588,650	-
Total Assets	9,450,779	8,348,414	1,102,365	8,673,075	777,704
Liabilities & Equity					
Current Liabilities					
Accounts Payable	74,230	37,521	36,709	51,901	22,329
Accrued Expenses	100,150	83,065	17,085	109,334	(9,184)
Deferred Revenue	55,000	7,915	14,000	1,598	-
Payroll Liabilities	(626)	607	(1,233)	355	(981)
Compensated Absences	149,403	147,540	1,863	170,250	(20,847)
Total Current Liabilities	378,157	276,648	101,509	333,438	44,719
Long Term Liabilities					
Deferred inflow or Resources	68,045	13,741	54,304	68,045	-
Pension Liability	825,316	884,804	(59,488)	825,316	-
Total Long Term Liabilities	893,361	898,545	(5,184)	893,361	-
Current Year Excess of Revenue over Expenses	733,702	1,400,070	(666,368)	1,673,125	(939,423)
Balance at Beginning of Year	7,445,559	5,773,151	1,672,408	5,773,151	1,672,408
Net Assets	8,179,261	7,173,221	1,006,040	7,446,276	732,985
Total Liabilities & Equity	9,450,779	8,348,414	1,102,366	8,673,075	777,704

Big Sky EDA
Statements of Operations
For the Periods Ending April 30, 2021

	Month			YTD			Fiscal Year Projection		
	Actual	Budget	Variance	Actual	Budget	Variance	Year-end Projection	Budget	Variance
Operating Revenue									
County Taxes (Mill Levy Revenue)	\$6,245	\$0	\$6,245	\$1,261,596	\$1,220,100	\$41,496	\$1,261,596	\$1,220,100	\$41,496
Entitlement	-	-	-	179,497	\$176,250	3,247	235,000	\$235,000	\$0
Health Insurance Mill Levy	8,480	9,922	(1,442)	82,680	97,393	(14,713)	81,620	117,236	(35,616)
Recovery of Protested Taxes	-	-	-	9	-	9	9	-	9
Department of Defense	40,000	45,868	(5,868)	397,818	458,684	(60,866)	477,818	550,421	(72,603)
EDC Reimbursement	48,373	48,251	122	459,256	482,510	(23,254)	553,652	579,012	(25,360)
EPA-Brownfields	1,968	10,833	(8,865)	41,867	110,833	(68,966)	85,000	132,500	(47,500)
SBA/MT Dept of Commerce	19,323	21,779	(2,457)	228,243	217,724	10,519	251,399	261,282	(9,883)
SBDC Program Income	-	-	-	-	-	-	-	-	-
VBOC	12,834	23,971	(11,137)	207,005	250,300	(43,295)	241,484	300,000	(58,516)
Rents/Leases	-	-	-	5,736	1,912	3,824	5,736	1,912	3,824
Grant Administration	16,796	292	16,504	34,703	2,917	31,786	34,703	3,500	31,203
Beartooth RC&D CARES Act	-	-	-	150,000	-	150,000	150,000	-	150,000
Other Intergovernmental Revenue	1,667	-	1,667	16,598	-	16,598	19,932	-	19,932
Miscellaneous Revenue	-	-	-	10,000	1,950	8,050	10,000	1,950	8,050
Total Revenue	155,685	160,916	(5,231)	3,075,008	3,020,573	54,435	3,407,950	3,402,913	5,037
Operating Expenses									
Salaries/Wages	124,830	140,435	(15,605)	1,258,698	1,399,362	(140,665)	1,529,907	1,679,819	(149,912)
Employer Contributions	41,261	48,421	(7,160)	414,437	465,317	(50,879)	532,767	559,084	(26,317)
BID Assessment	-	-	-	1,890	-	1,890	1,890	-	1,890
Contingency	-	4,208	(4,208)	-	42,083	(42,083)	10,000	50,497	(40,497)
Community Development Projects	20,006	2,500	17,506	19,745	25,000	(5,255)	20,006	30,000	(9,994)
Dues and Subscriptions	2,825	1,592	1,233	62,186	58,643	3,543	64,643	64,643	-
Event Expense	-	-	-	-	-	-	-	-	-
Insurance	1,779	752	1,027	13,215	22,480	(9,265)	16,773	23,984	(7,211)
Marketing - Departmental	198	2,036	(1,838)	7,139	20,360	(13,220)	24,432	24,432	-
Marketing - Organizational	2,548	2,667	(119)	26,410	26,667	(257)	32,000	32,000	-
Office Equipment	-	-	-	1,125	6,500	(5,375)	6,500	6,500	-
Office Expense	5,093	1,597	3,496	19,878	20,095	(217)	23,854	23,289	565
Professional Fees	12,079	11,833	246	128,273	141,043	(12,771)	237,228	167,958	69,270
Property Tax Protests	-	-	-	13,903	37,350	(23,447)	13,903	37,350	(23,447)
PTAC Satellite	10,049	12,481	(2,432)	104,324	124,811	(20,487)	131,188	149,773	(18,585)
PTAC Subcenter	11,816	14,764	(2,948)	125,408	147,643	(22,235)	149,040	177,171	(28,131)
Rent	11,622	11,724	(102)	118,246	118,444	(198)	141,895	142,295	(400)
Repairs	-	-	-	933	-	933	1,000	-	1,000
Sponsorships	-	-	-	-	-	-	2,500	2,500	-
Strategic Priorities	-	1,250	(1,250)	10,000	12,500	(2,500)	10,000	15,000	(5,000)
TEDD	-	-	-	60	1,500	(1,440)	1,000	2,000	(1,000)
Telecommunications	4,804	5,161	(358)	47,128	51,612	(4,484)	56,554	61,933	(5,379)
Travel/Training	1,181	10,711	(9,529)	19,292	80,510	(61,218)	29,187	100,258	(71,071)
Utilities	1,278	2,000	(722)	14,169	20,000	(5,831)	17,003	24,000	(6,997)
Miscellaneous	1,585	1,622	(37)	13,759	19,826	(6,067)	16,511	23,200	(6,689)
Total Operating Expenses	252,955	275,755	(22,800)	2,420,218	2,841,745	(421,527)	3,069,781	3,397,686	(327,905)
Net Operating Revenue	(97,270)	(114,839)	17,569	654,789	178,827	475,962	338,169	5,227	332,942
Non-Operating Income/Expense									
Interest Income	346	1,687	(1,342)	8,919	16,873	(7,953)	10,000	20,247	(10,247)
US EDA Reimbursement	2,274	8,749	(6,475)	103,634	131,348	(27,713)	114,923	148,822	(33,899)
Grant Revenue (GASB 68)	-	-	-	-	-	-	-	-	-
Architectural/Professional Fees	-	17,498	(17,498)	5,265	270,743	(265,478)	5,265	302,492	(297,227)
Pension Expense	-	-	-	-	-	-	-	-	-
Depreciation Expense	2,838	2,838	-	28,376	28,376	-	34,051	34,051	-
Total Non-operating Income/Expense	(218)	(9,900)	9,682	78,912	(150,899)	229,811	85,607	(167,474)	253,081
Net Revenue Over (Under) Expense	(97,488)	(124,738)	27,250	733,702	27,928	705,774	423,775	(162,247)	586,022

Big Sky Economic Development Corporation
Financial Report for the Executive Committee and Board of Directors
May 25, 2021

Included with this report is the balance sheet reflecting the assets, liabilities, and net assets of Big Sky EDC as of April 30, 2021. Also included is the statement of revenue and expenses through ten months of FY21 as compared to budget.

Balance Sheet

Current assets totaled approximately \$1,949,000 at the end of April, a slight increase from \$1,898,000 at the end of March. Accounts receivable total \$51,250 and consists of Healthcare Appreciation Sponsorships (\$1,000), Member Investor pledges for FY21 (\$42,250), and Member Investor pledges for FY20 (\$8,000).

The RLF portfolio totaled \$377,000, the SSBCI portfolio totaled \$621,000, and the Stabilization Loan portfolio totaled \$103,000 at the end of April. As a reminder, we began amortizing the loans in the Stabilization Loan Portfolio in March.

Accounts payable totaled \$24,000 at the end of April. Deferred 504 revenue decreased slightly from \$33,000 and totaled \$29,000. The fluctuation in deferred 504 revenue is from the collection of a deposit for a new loan along with a decrease in deferred 504 revenue due to a loan that will not be funded. 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 April reimbursement.

Statement of Revenue and Expenses

The 504 loan servicing revenue totaled \$423,000 through April. This is approximately \$4,000 over budget. There have been some payoffs in the 504 loan portfolio. Since February 2021, monthly servicing income has decreased about \$7,000 a month due to loan payoffs. The 504 loan origination revenue totaled \$53,000 through April, which is approximately \$72,000 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 \$63,000 for the fiscal year. Member investor revenue totaled approximately \$172,000 and is about \$18,000 under budget due to timing. We completed the fourth quarter member investor invoicing in May. This will increase member investor revenue to approximately \$262,000 for the fiscal year.

Through April, 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 April.

Most expenses remain close to or below budget. Dues and subscriptions total \$25,000 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 \$53,000 through April. This consists largely of \$14,500 in expenses for Anderson ZurMuehlen's financial statement audit and 990 preparation,

\$13,000 in legal fees related to the 504 loan program, \$17,000 in recruitment professional fees, \$5,500 for the loan review, and \$3,000 in consulting fees. Sponsorship expense totaled \$12,000 and remains below budget through April. Travel/training expense remains under budget by about \$10,000 for the year.

Through ten months of FY21 Big Sky EDC recognized revenue in excess of expenses totaling about \$120,000, which was approximately \$123,000 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 \$85,000, which is about \$78,000 more than budget for the year.

Big Sky EDC
Comparative Balance Sheet
As of April 30, 2021 and 2020

	4/30/2021	4/30/2020	+/-	6/30/2020	+/-
Assets					
First Interstate Bank	\$290,068	\$235,615	\$54,453	\$245,165	\$44,903
FIB/Stockman SSBCI Principal	1,109,450	1,011,401	98,049	1,005,566	103,884
FIB-Long Term Reserve	300,000	250,000	50,000	250,000	50,000
FIB-Opportunity Fund	22,200	22,200	-	22,200	-
FIB-RLF	104,493	149,123	(44,629)	179,960	(75,466)
FIB-OBSD Restricted	-	-	-	-	-
Accounts Receivable	51,250	144,700	(93,450)	61,184	(9,934)
Contributions Receivable	-	-	-	-	-
Miscellaneous Receivable	-	-	-	-	-
Prepaid Expenses	7,471	5,776	1,695	8,276	(805)
Undeposited Funds	-	-	-	-	-
Stabilization Portfolio - Current	29,578	122,000	(92,422)	31,849	(2,271)
RLF Portfolio-Current	14,428	107,622	(93,194)	32,036	(17,608)
SSBCI Portfolio-Current	20,076	8,273	11,803	47,744	(27,667)
Total Current Assets	1,949,015	2,056,710	(107,695)	1,883,980	65,035
Other Assets					
RLF Portfolio-Non Current	362,204	231,480	130,724	278,314	83,889
SSBCI 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)	-
Total Other Assets	1,014,738	878,993	135,745	963,146	83,484
Fixed Assets					
Bank Building - Building	-	-	-	-	-
Bank Building - Land	-	-	-	-	-
Total Fixed Assets	-	-	-	-	-
Total Assets	2,963,753	2,935,702	28,050	2,847,126	148,519
Liabilities & Equity					
Current Liabilities					
Accounts Payable	24,421	25,627	(1,206)	14,200	10,221
Property Tax Payable	-	-	-	-	-
Accrued Expenses	2,500	22,500	(20,000)	-	2,500
Deferred 504 Revenue	28,555	57,252	(28,696)	35,811	(7,256)
Deferred Revenue	-	-	-	-	-
Due to/Due from EDA	48,757	91,598	(42,840)	57,548	(8,791)
Total Liabilities	104,233	196,976	(92,743)	107,559	(3,325)
Current Year Excess of Revenue over Expenses	119,952	(481,158)	601,110	(480,316)	600,268
Balance at Beginning of Year	2,739,567	3,219,883	(480,316)	3,219,883	(480,316)
Net Assets	2,859,519	2,738,726	120,794	2,739,567	119,952
Total Liabilities & Equity	2,963,753	2,935,702	28,050	2,847,126	116,626

Big Sky EDC
Statements of Operations
For the Periods Ending April 30, 2021

	Month			YTD			Fiscal Year Projection		
	Actual	Budget	Variance	Actual	Budget	Variance	Year-end Projection	Budget	Variance
Operating Revenue									
504 Loan Origination	\$0	\$5,455	(\$5,455)	52,539	\$124,091	(\$71,552)	62,821	\$135,000	(\$72,179)
504 Loan Servicing	37,375	40,500	(3,125)	422,575	418,500	4,075	494,874	499,500	(4,626)
Float Income	-	-	0	7,474	-	7,474	21,837	-	21,837
CTE Director Donations (Restricted)	-	-	0	-	-	0	-	-	-
Member Investment	12,000	-	12,000	171,875	189,750	(17,875)	262,375	253,000	9,375
RLF Business Loan Interest	2,078	1,417	661	16,121	14,167	1,954	19,345	17,000	2,345
RLF Origination Fees	-	-	0	-	-	0	-	5,000	(5,000)
Stabilization Loan Interest	177	417	(239)	2,082	4,167	(2,084)	2,499	-	2,499
SSBCI Revenue	1,886	1,500	386	15,838	15,000	838	19,005	18,000	1,005
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	12,644	-	12,644	12,644	-	12,644
Total Revenue	53,518	49,288	4,230	841,909	765,674	76,235	1,036,161	927,500	108,661
Operating Expenses									
Business Incubation	-	125	(125)	1,211	1,250	(39)	1,500	1,500	-
Business Recruitment	-	208	(208)	3,529	2,083	1,446	6,779	2,500	4,279
Contingency	-	1,667	(1,667)	4,000	16,667	(12,667)	4,000	20,000	(16,000)
Dues and Subscriptions	4,554	3,346	1,208	25,433	19,968	5,464	29,433	21,561	7,872
EDA Reimbursement	48,373	48,251	122	459,256	482,510	(23,254)	556,002	579,012	(23,010)
Event Expense	584	10,000	(9,416)	17,462	32,500	(15,038)	30,000	33,500	(3,500)
Healthcare Appreciation	-	-	-	74,590	-	74,590	74,590	-	74,590
Insurance	881	865	16	8,620	8,650	(30)	10,382	10,380	2
Investment in Economic Activity	-	-	-	-	-	-	5,000	5,000	-
Marketing - Departmental	1,118	1,958	(840)	25,348	19,983	5,365	34,399	23,900	10,499
Marketing - Organizational	72	1,292	(1,220)	41,578	12,917	28,662	49,014	15,500	33,514
Membership Development	75	700	(625)	886	7,000	(6,114)	2,400	8,400	(6,000)
Office Supplies	1,982	300	1,682	9,525	3,200	6,325	13,525	3,800	9,725
Professional Fees	3,250	2,583	667	53,510	42,333	11,176	78,000	67,500	10,500
Postage and Printing	121	75	46	675	750	(75)	900	900	-
R31 Outreach	16	117	(101)	586	2,068	(1,482)	2,300	2,300	-
Rent	2,552	2,661	(109)	25,552	26,307	(755)	30,655	31,629	(974)
Sponsorships	-	-	-	12,000	17,700	(5,700)	12,000	19,700	(7,700)
Telecommunications	284	555	(271)	4,030	5,547	(1,517)	6,919	6,656	263
Travel/Training	1,742	1,113	629	13,712	23,635	(9,923)	18,455	27,505	(9,050)
Miscellaneous	(51,692)	2,032	(53,724)	(25,046)	33,320	(58,366)	28,812	39,884	(11,072)
Total Operating Expenses	13,912	77,848	(63,936)	756,457	758,388	(1,931)	995,064	921,127	73,938
Net Revenue Over (Under) Expense	39,605	(28,560)	68,166	85,452	7,286	78,165	41,097	6,373	34,723
Non-Operating Income/Expense									
Non-Operating Income/Expense									
Coulson Park	-	-	-	51,500	-	51,500	51,500	-	51,500
Bad Debt Expense	1,000	1,042	(42)	17,000	10,417	6,583	29,000	12,500	16,500
Total Non-operating Income/Expense	(1,000)	(1,042)	42	34,500	(10,417)	44,917	22,500	(12,500)	35,000
Net Revenue Over (Under) Expense	38,605	(29,602)	68,207	119,952	(3,130)	123,082	63,597	(6,127)	69,723

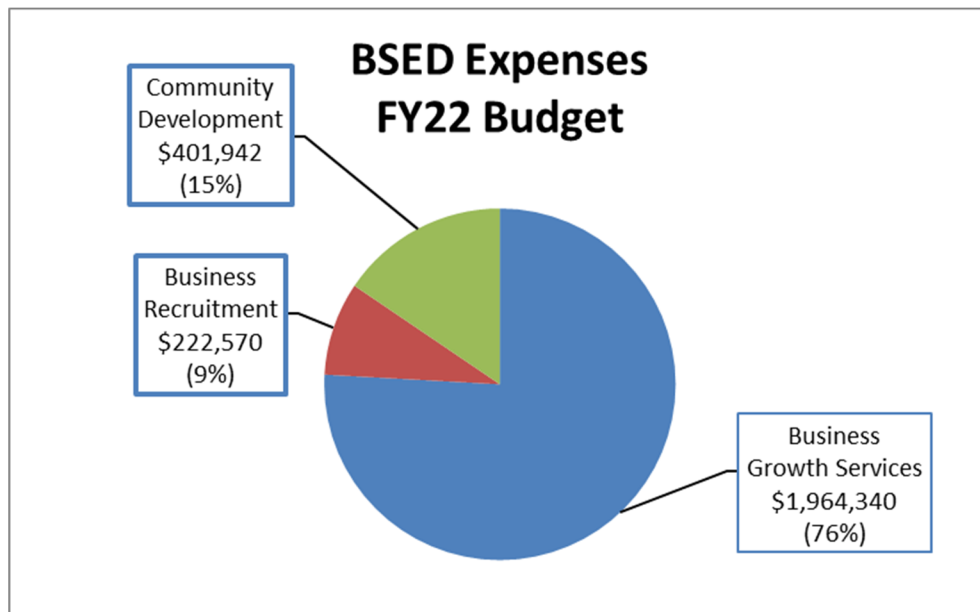
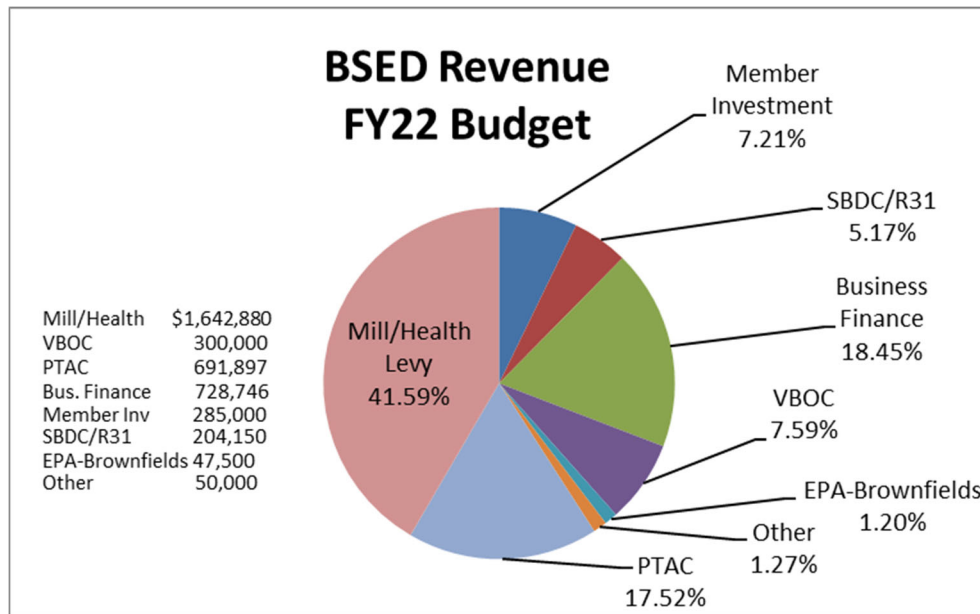


BIG SKY
ECONOMIC DEVELOPMENT

EDA • EDC CREATING MONTANA BUSINESS OPPORTUNITIES

ATTACHMENT C

Allocation of Resources



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

FY22 Key Assumptions

EDA Revenue Assumptions

- Full mill levy with minimal 3% (\$37,570) increase
- Stable funding from Federal Partners

EDA Expense

- Included expense contingency of \$20,000 (decrease from \$40,000 in FY21)
- Included strategic priorities budget of \$30,000 (increase from \$15,000 in FY21)
- Property tax protest budget of 3% (\$38,310) of mill levy
- Staff salary adjustments of \$46,000
- Placeholder for PTAC Advisor
- Carrying costs for new building total \$54,000
- Resume travel/professional development and hosted meetings

EDC Revenue

- \$265,000 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-EDC Cost Sharing

	Salary	Fringe	Rent	Phone & Internet	Liability Insurance
Director- Business Finance	100%	100%	100%	100%	100%
Loan Officers (2 officers & 1 vacancy)	100%	100%	100%	100%	100%
Loan Specialist	100%	100%	100%	100%	100%
Senior Director (vacant)	50%	50%	50%	50%	50%
Director of Marketing and BillingsWorks	50%	50%	50%	50%	50%
Marketing Specialist	50%	50%	50%	50%	50%
Executive Director	25%	25%	-	-	-
Controller	25%	25%	-	-	-



BIG SKY
ECONOMIC DEVELOPMENT

EDA • EDC CREATING MONTANA BUSINESS OPPORTUNITIES

ATTACHMENT D

Big Sky Economic Development Corporation
Reinvestment of SBA 504 Program Net Income
FY22 Budget

	G&A	Member Investor	Finance	Business Dev & Outreach	R31	Recruitment	Workforce	Total	
Income									SBA 504 Program Contribution to Economic Development:
504 Loan Origination			135,000					135,000	Origination Fees \$ 135,000
504 Loan Servicing			432,000					432,000	Servicing Fees \$ 432,000
Float Income			10,000					10,000	Float Income \$ 10,000
CTE Director Donations (Restricted)			-					-	<u>\$ 577,000</u>
Member Investment		285,000						285,000	
RLF Origination Fees			-					-	
RLF Business Loan Interest			21,000					21,000	Total Finance Revenue \$ 728,746
Stabilization Loan Interest			634					634	504 Program-Related Revenue \$ 577,000
Interest Income			18,000					18,000	Percent 504-Related 79%
Grant Administration			60,000					60,000	
SSBCI Revenue			18,000					18,000	
Recovery of Bad Debt			-					-	Total Finance Expense \$ 607,624
In-Kind			-					-	504 Program-Related (79%) \$ 481,099
Miscellaneous Revenue			34,112					34,112	
Total Revenue	-	285,000	728,746	-	-	-	-	1,013,746	504 Program-Related Revenue \$ 577,000
									504 Program-Related Expense <u>\$ 481,099</u>
Expense									Available for Economic Reinvestment <u>\$ 95,901</u>
Healthcare Appreciation									
R31 Outreach					2,300			2,300	Business Recruitment \$ 59,349
Business Incubation					1,500			1,500	Workforce Development \$ 2,000
Business Recruitment and Expansion							15,000	15,000	Business Development and Outreach \$ 183,578
Contingency	10,000							10,000	Investment in Economic Activity \$ 5,000
ContractSupport		12,000						12,000	Rock31 Entrepreneurial Program <u>\$ 8,147</u>
Dues and Subscriptions		588	14,817	5,413	747	1,231		22,797	<u>\$ 258,074</u>
EDA Reimbursement	76,148	52,105	484,723	81,618				694,595	
Event Expense				27,000			-	27,000	
Insurance	10,810		1,440					12,250	
Marketing - Departmental			1,078	29,500				30,578	
Marketing - Organizational				34,000				34,000	
Membership Development		8,400						8,400	
Office Equipment								-	
Office Supplies	200		7,650					7,850	
Opportunity Fund Contribution	-							-	
Investment in Economic Activity			5,000					5,000	
Professional Fees	19,000		31,000			11,400	-	61,400	
Professional Fees - Trade		20,000						20,000	
Postage and Printing			840					840	
Rent			27,388					27,388	
Sponsorships		-	-	7,000			-	7,000	
Telecommunications		-	4,376	960		1,920	-	7,256	
Travel/Training		1,500	18,298	1,500		20,998		42,296	
Bad Debt Expense			-					-	
Bank Fees		225	390					615	
Miscellaneous	13,650	2,500	15,624	2,000	3,600	8,800	2,000	48,174	
Total Operating Expenses	<u>129,808</u>	<u>97,318</u>	<u>612,624</u>	<u>188,991</u>	<u>8,147</u>	<u>59,349</u>	<u>2,000</u>	<u>1,098,239</u>	
Net Operating Revenue	<u>(129,808)</u>	<u>187,682</u>	<u>116,122</u>	<u>(188,991)</u>	<u>(8,147)</u>	<u>(59,349)</u>	<u>(2,000)</u>	<u>(84,493)</u>	



BIG SKY
ECONOMIC DEVELOPMENT

EDA • EDC CREATING MONTANA BUSINESS OPPORTUNITIES

ATTACHMENT E

**Big Sky Economic Development Authority
Big Sky Economic Development Corporation
Agreement for Professional Services**

Section 1 Parties to the Agreement

This agreement is made and entered into in Billings, Yellowstone County, Montana, this 10th day of June 2021 by and between Big Sky Economic Development Authority, a local government entity, hereinafter referred to as Big Sky EDA, and Big Sky Economic Development Corporation, a Montana Non-Profit Corporation, hereinafter referred to as Big Sky EDC. This agreement in no way diminishes the responsibility of the Big Sky EDC Board of Directors for the operations of the certified development company that is Big Sky EDC.

Section 2 Purpose of Agreement

The purpose of this agreement is to secure from Big Sky EDA staff and support services for Big Sky EDC necessary for continuous effective operations and to comply with applicable regulations of the Small Business Administration.

Section 3 Services Performed

3.1 Staff Services

- Big Sky EDA will provide to Big Sky EDC the services of five employees (Director of Business Finance, three Loan Officers and one Loan Specialist) who will conduct business finance marketing, packaging and processing activities in support of Big Sky EDC's lending programs.
- Big Sky EDA will provide to Big Sky EDC the services of three employees (Director of Development and Business Growth Services, Director of Marketing and BillingsWorks, and the Marketing Specialist) that will conduct overall organizational marketing and outreach for EDA and EDC as well as Member-Investor recruitment, management, policy coordination and communication activities with the purpose of maintaining and expanding Big Sky EDC's Member-Investor base.
- Big Sky EDA will provide to Big Sky EDC the services of an employee (Executive Director) who will conduct overall executive-level management of Big Sky EDC.
- Big Sky EDA will provide to Big Sky EDC the services of an employee (Controller) who will oversee overall financial management of Big Sky EDC.

3.2 Support Services

- Big Sky EDA will provide other necessary general and administrative support services including operations, reception and support to the Big Sky EDA Executive Director.

3.3 Fundraising for Building Renovations

- Big Sky Economic Development is renovating the Montana National Bank Building at 201 North Broadway for the purposes of taking its suite of business support services to the next level. The facility will provide collaboration and coworking space geared toward entrepreneurs within the Rock31 program, create a large training/conference space, as well as house the associated Big Sky Economic Development programs.
- The renovation of the building is in alignment with Big Sky EDC's mission. Per Big Sky EDC's bylaws:
 - **1.3 Purposes.** As stated in the Corporation's Articles of Incorporation, the Corporation is organized and shall be operated exclusively for charitable, scientific, social welfare and educational purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986...The Corporation is dedicated to attracting, retaining and growing jobs and business throughout Yellowstone County, Montana and, for purposes of the SBA 504 Loan Program, the Corporation's "Area of Operations" is the entire State of Montana."
 - **"2.3 Prohibited Distributions...**The Corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in Section 1.3."
- The renovation will begin in June 2021 and is estimated to be completed by May 2022. During the renovation period, Big Sky EDC will be fundraising to help cover the construction funding gap. All expenses related to construction, professional fees, equipment, and furniture/fixtures will be incurred by Big Sky EDA. Donations obtained by Big Sky EDC for purposes of the Montana National Bank Building project will be transferred from Big Sky EDC to Big Sky EDA to help cover the renovation costs.

Section 4 Other

- 4.1 Big Sky EDA will provide office space including telephone and internet access for employees who will conduct Big Sky EDC's lending, marketing and Member-Investor programs.
- 4.2 Big Sky EDA will provide liability insurance allocable to employees who will conduct Big Sky EDC's lending, marketing and Member-Investor programs.

Section 5 Reimbursement

5.1 Reimbursement of Staff and Other Services

Big Sky EDC shall reimburse Big Sky EDA, on a monthly basis for the following expenses associated with services in Section 4 above:

	Salary	Fringe	Rent	Phone & Internet	Liability Insurance
Director-Business Finance	100%	100%	100%	100%	100%
Loan Officer (2 officers & 1 vacancy)	100%	100%	100%	100%	100%
Loan Specialist (1)	100%	100%	100%	100%	100%
Director of Development and Business Growth Services (vacant)	50%	50%	50%	50%	50%
Director of Marketing and BillingsWorks	50%	50%	50%	50%	50%
Marketing Specialist	50%				
Executive Director	25%	25%	-	-	-
Controller	25%	25%	-	-	-

- Compensation under this agreement is for services performed, and payment is for services actually performed.
 - Sources of compensation for services under this contract include Member-Investor funds, program income, and reserves. All compensation will be paid to Big Sky EDA directly by Big Sky EDC, and not by any borrower.
 - Based on prevailing area wage rates and on professional knowledge and expertise of board members, Big Sky EDC has determined that the compensation rates charged by Big Sky EDA are customary and reasonable for similar services in the area.
 - Contract payments for professional services will not exceed 65 to 75 percent of Big Sky EDC's income.
- 5.2 Big Sky EDA is prohibited from imposing any requirement on any applicant or borrower to purchase any other services from Big Sky EDA as a condition of Big Sky EDA performance of any staff or management functions of Big Sky EDC.
- 5.3 Additional compensation from CDC fee income such as multipliers or bonuses are not permitted.
- 5.4 All compensation paid to Big Sky EDA will be paid by Big Sky EDC and Big Sky EDA cannot charge the borrower for the same services.

Section 6 Term of Agreement, Termination

- 6.1 Term: This agreement shall remain in effect for the period July 1, 2021 to June 30, 2023 unless modified by mutual agreement between the parties, or terminated by either party in accordance with provisions of this section. This agreement shall also provide for one 2-year option for renewal at the expiration of the initial term of this agreement on the same terms and conditions set forth herein.
- 6.2 Termination: Either party, without penalty, may terminate this agreement by delivery to the other party a written notice of termination within 30 days of the effective termination date. In the event of notice of termination, Big Sky EDC shall be entitled to receive services and Big Sky EDA shall be eligible to receive reimbursement for costs incurred pursuant to this agreement until the effective termination date.

Section 7 Miscellaneous Provision

- 7.1 Conflict of Interest: No member of the governing body of Big Sky EDC and no member of the governing body of Big Sky EDA shall have any personal financial interest in this agreement.
- 7.2 Breach: It is expressly understood that the only remedy in the event of breach of terms of this agreement shall be termination of the agreement in accordance with Section 6.2
- 7.3 Entire Agreement: This agreement constitutes the entire agreement between parties relating to the rights herein granted and the obligations herein assumed. The parties hereto agree that the laws of the State of Montana shall govern this agreement.
- 7.4 Independent Contractors: It is expressly understood and agreed by the parties hereto that they are independent contractors and that nothing contained herein should be construed as giving rise to a partnership or joint venture.
- 7.5 The CDC's Board of Directors specifically acknowledges and retains the ultimate responsibility for all loan approvals and loan servicing actions, 13 CFR paragraph 120.823, and that such responsibility must be carried out independently of any control by a contractor.
- 7.6 No contractor or associate of a contractor may be a voting or non-voting member of the CDC's Board of Directors.

Execution

Executed this 10th day of June 2021

Big Sky Economic Development Authority

Paul Neutgens, Board Chair Big Sky EDA

Big Sky Economic Development Corporation

Ann Kosempa, Board Chair Big Sky EDC



BIG SKY
ECONOMIC DEVELOPMENT

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ATTACHMENT F

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 2nd 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 2nd 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 2nd 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.

4. **Fire House Fitness, LLC (dba CrossFit Billings)** – Purpose of the request is for the purchase of a commercial condominium property for Fire House Fitness, LLC (CrossFit Billings), located in Billings, MT. CrossFit Billings is an existing business looking to purchase the building they currently lease at 1428 Grand Avenue. CrossFit Billings was started by Yurri Hanson in 2006 and is currently owned by he and his wife, Kerry. This was the first CrossFit gym to be operating in Billings.

The total SBA debenture is estimated to be \$222,000 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 Western Security Bank. There are projected to be three new jobs created as a result of this project.

5. **Placer Motors, Inc.** – Purpose of this request is for the purchase of land and new construction of a commercial building for Placer Motors, Inc., located in Helena, MT. Placer Motors is constructing a new sales and showroom facility at their current location. This new building will replace the previous showroom that had been there since 1965. Placer Motors, Inc. is a Subaru dealership owned and operated by Erick Anderson. Erick is a 4th generation family member owning the dealership. The dealership was started in 1947. Placer Motors is a full-service dealership. This new building will only be for sales and the showroom. In 2016 they constructed a new service department across the street from this location.

The total SBA debenture is estimated to be \$1,484,000 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 behind Opportunity Bank of Helena. There are projected to be three new jobs created. The project does meet a Public Policy goal for Rural Development.



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ATTACHMENT G

Procedures – SBA 504 Application and Submission

These policies pertain to the application and electronic submission process for the SBA 504 Loans. SBA tracks all CDCs on their loan application submissions for accuracy and completeness, among other things. They use what is called a “1st Pass Rate” to identify the quality of loan submissions. We utilize a system called ETRAN to submit our loan applications electronically to SBA. As you will see on the following pages, there are several items that are submitted with an application. SBA analyzes the data submitted for accuracy, primarily looking at the five items listed. This is in addition to analyzing the overall credit for creditworthiness. If SBA finds any issue with the application package, or questions any information provided, they will screen out the application. The application is then removed from their queue and an email is sent to Big Sky Finance asking for the issue to be resolved. Some of these issues are purely subjective on the SBA’s part, so can be frustrating. The objective is for us to submit a loan package to SBA and not have any screen outs. This is called a 1st pass. SBA requires each CDC to have a 1st pass rate of at least 55%. This is based on the 12-month look back period, calculated by dividing the number of loans submitted successfully on a 1st pass by the total number of loans submitted.

Our 1st pass rate based on a 12-month look back as of 3/31/21 was 40% (4/10). SBA has asked that we provide them a Board approved plan on how we will improve this number. They acknowledge we are a smaller CDC with less loan submissions, and that overall, we do have good packages. However, to retain our ALP status, we must have a 1st pass rate of 55%. Therefore, this plan is being presented to the EDC Board of Directors for approval and will be submitted to SBA.

Procedures – SBA 504 Application and Submission

Five Key Areas of Application/Submission Sacramento Loan Processing monitors:

1. ETRAN Submission Data
2. Eligibility
3. Financials/Credit
4. Documentation
5. Project Costs Documentation

ETRAN Submission – ETRAN submission entails the electronic submission of a borrower's SBA 504 loan application to the Sacramento Loan Processing Center (SLPC). This submission contains all the required documentation for the application approval. The guiding document which includes the submission checklist is the Form 1244. Form 1244 contains a comprehensive list of 28 documents/requirements for loan submission (Attachment A). Each loan will have different requirements. The majority of loans, at a minimum, must submit the following Exhibits at the time of application:

1. Form 1244
2. Personal History statement on each personal guarantor/20% or more owner – part of Form 1244
3. Credit Memo
4. Loan Authorization
5. SBA Form 413 – Personal Financial Statement
6. Historical Financials of borrowing entity – last 2 years tax returns, balance sheet and income statements
7. Interim financial statements – balance sheet and income statement current within 120 days
8. Projections (if applicable)
9. Debt Schedule
10. Schedule of Previous Government Financing (if applicable)
11. Affiliate entities including last 2 years tax returns and/or financial statements
12. Franchisor information/agreement
13. Cost documents
14. Appraisal – required at submission in certain circumstances
15. Bank Letter
16. Credit Reports – owners/guarantors and borrowing entities
17. CAIVRS report

Each item must be submitted in its entirety per the descriptions and SOP.

Procedure – ETRAN Submissions – The Loan Officer responsible for the credit application and underwriting prepares the ETRAN Submission. An electronic file folder is created under the respective borrower labelled ETRAN Submission. The Loan Officer will move all the necessary documentation into this folder, labeling each exhibit per the Form 1244 checklist. Once the ETRAN folder is complete in the file, the Finance Director, or another Loan Officer, reviews the ETRAN folder for accuracy and completeness. The ETRAN exhibits are ALWAYS reviewed by a second individual prior to ETRAN

submission. The reviewer is either the Finance Director or Loan Officer (unrelated to the project). All have experience in loan submissions. Upon final review, the file is ready for ETRAN submission.

ELIGIBILITY – Project eligibility is determined and reviewed early in the application process. Eligibility requirements are outlined in the SBA SOP 50 10 6 and the corresponding CFR (Code of Federal Regulations – 13 CFR 120). Loan Officer and/or Finance Director will have initial conversation with lender and/or borrower pertaining to the prospective project. Initial eligibility may be determined in this discussion based on the proposed project and structure. If initial discussion results in potential eligible project, then either additional research is completed and/or the borrower submits a complete application. Upon receipt of the application, the following primary eligibility factors are reviewed:

- Size standard – Borrower (entity) and any affiliates are reviewed for size standard eligibility. Two-years tax returns received on each.
- Liquidity – Owner’s personal liquidity is reviewed to see if there is excess personal liquidity that may result in credit not available elsewhere test failing.
- Job creation – Project must meet the required job creation or a Public Policy or Community Development goal.
- CAIVRS – CAIVRS on each borrowing entity and guarantors is reviewed for possible past defaults on Federal debt.
- Statement of Personal History – Character determination on each personal guarantor or key employee.
- Eligible project costs
- Occupancy requirements met

Most all this information must be outlined within the Credit Memo provided to SBA at application.

Procedure – Loan Specialist and Loan Officer and/or Finance Director review the above information initially. Upon satisfactory review, the Loan Officer will complete the credit analysis and underwriting on the project. The Loan Officer follows and refers to the SBA SOP for guidance on any eligibility questions. Discussions with the Finance team also take place regarding eligibility questions, and outside resources may be engaged. These outside resources may be SLPC, other non-competing CDCs, NADCO and CDCs closing attorney. Finance Director and Loan Officer are expected to be internal subject matter experts. Currently, Brandon Berger (Finance Director) and Jo Ann Jones (Loan Officer III) both have over 15 years’ experience with SBA 504 lending as part of the CDC.

FINANCIALS/CREDIT – The financial analysis is a key component to all loan applications. Borrower must be able to demonstrate the ability to service all existing and proposed project debt. At least two years historical financials – tax returns and financial statements – are to be reviewed for an existing business. Historical financials should demonstrate the ability to service all debt. If historical operations are not sufficient to service the additional new debt, then in most cases at least two years projections should be provided by the borrower, along with assumptions. The business must be able to service the entire debt on its own, and not rely on other sources of income such as sub-rental income. Owners personal tax returns for at least the last one year and a personal financial statement current within 90 days are to be reviewed and analyzed for all 20% or more owners. Credit reports are pulled on all 20% or more owners as well as the operating company. Each is to be analyzed and any derogatory items must be reviewed and mitigated. Owners should demonstrate good credit and sufficient personal cash flow. Operating

company must also show the availability of sufficient working capital and this must be documented in the credit memo.

Items obtained for Financial/Credit analysis are at a minimum:

- Two years tax returns on the operating company
- Projections on operating company including assumptions if new business and/or historical financials do not demonstrate debt service coverage ratio greater than 1.0.
- Interim financials on operating company, current within 120 days (P&L and Balance Sheet along with aging schedules)
- Last year personal tax return on all 20% or more owners
- Personal Financial Statement current within 90 days on all 20% or more owners of either operating company or eligible passive concern (real estate holding company if applicable)
- Credit Reports on operating company and all 20% or more owners
- Affiliates – last two years tax returns on any affiliate business. Schedule E of personal tax returns reviewed for affiliates. Any business the 20% or more owner has control of or 20% ownership in must be analyzed for credit worthiness as well as combined size standard.

Procedure – Loan Officer will complete the financial analysis as part of the credit memo. Financials are spread and analyzed within the Ventures software system. Financial analysis is reviewed also by the Finance Director and/or another Loan Officer. Big Sky EDC's Loan Committee also reviews the financial analysis as part of their approval process.

REQUIRED DOCUMENTATION COMPLETE – This section is in connection with the ETRAN submission data. All documentation required per the Form 1244 must be submitted in its entirety. Partial or incomplete information must not be submitted. Examples may include:

- Outdated information – forms not signed in the correct time frame
- Incomplete tax returns
- Incomplete cost documents – evidence of all proposed project costs must be accounted for at application
- All previous government financing accounted for and noted

Procedure – All documentation is held in the borrower's electronic folder under the application. All submission data is held in a sub folder called ETRAN Submission. This folder's contents are reviewed prior to submission by the reviewing Loan Officer or Finance Director, as well as by the Loan Officer working the credit. Any missing or incomplete information must be followed up for prior to submission to SBA.

PROJECT COSTS DOCUMENTATION – Sacramento Loan Processing Center requires that all project costs are sufficiently documented at application in order to be assured of what the funds will be used for as well as eligibility. No funds may be disbursed for ineligible project costs. Documentation of project costs include:

- Current buy/sell or purchase agreement signed by buyer and seller. Closing date should be after the loan approval date if property not yet purchased (current). Purchase price must match that

in project costs. Any buyer credits must be accounted for if known at application (reduction in purchase price)

- New construction – contractor's quote/estimate on contractor's letter head. This should have an itemized breakdown of the costs.
- Equipment purchases – invoice/quote for the specific equipment
- Professional Fees (architectural, engineering, etc.) – invoice or estimate should be provided if applicable.
- Promissory note and lien instrument if property already purchased or construction LOC in place. Needs to be interim, ST financing.
- Signed settlement statement for purchase if occurs prior to application submission.
- Debt Refinance – refer to SOP for required documentation needed at application depending on the type of refinance.
- Appraisal – at application if land being used as equity, bank owned property (OREO), or purchases that are not arms-length transactions.

Procedure – Project cost documentation is held in an electronic folder under the application folder called Project Costs. This information is added to the ETRAN submission folder and reviewed by the reviewing Loan Officer or Finance Director prior to submission.

Staffing:

Big Sky Economic Development Corporation (dba Big Sky Finance - BSF) consists of a team of four individuals.

- Brandon Berger – Finance Director
- Jo Ann Jones – Loan Officer III
- Aaron Pratt – Loan Officer II
- Johnna Jablonski – Loan Specialist

Brandon Berger and Jo Ann Jones are currently the two individuals involved in loan underwriting and loan submissions for approval. Aaron Pratt is primarily responsible for loan closings. He will be taking on additional underwriting in the future, but for now focus is on closing. Johnna Jablonski as the Loan Specialists assists with the intake of the loan applications.

Brandon and Jo Ann are considered the subject matter experts on the team with regards to the SBA 504 Loan Program. Brandon has been with the CDC in this leadership role since its inception over 15 years ago. He is involved in all aspects of the program. Jo Ann has 20+ years' experience with the SBA 504 Loan Program and underwriting of credit.

Training:

Brandon and Jo Ann have taken nearly all the available NADCO training courses, as well as attended numerous annual meetings and training events. The most recent applicable training event attended was the webinar "Writing the CDC Credit Memo".

Johnna is a new hire within the last two years. She has attended the following NADCO training to date: Introduction to SBA 504. She has participated in all NADCO webinars including most recently "Writing the CDC Credit Memo".

Aaron Pratt was hired January 2021. He has attended the NADCO Introduction to SBA 504 as well as participated in the webinar "Writing the CDC Credit Memo".

The webinar "Writing the CDC Credit Memo" has been a very valuable tool. From this we were provided a template on the CDC Credit Memo providing very detailed description of what should be included in all section of the Credit Memo. Each Loan Officer now uses this as a guide when writing the credit memo.

Big Sky Finance also attends annually the 504 Loan Closing Update Course hosted by Janice E. Garlitz.

Future Training – Big Sky Finance is members of the Montana Bankers Association, Montana Independent Bankers Association and Risk Management Associates. Training opportunities primarily related to credit are offered through each of these organizations. Budget permitting, we attend pertinent classes as they become available. We will look to participate in more credit related courses going forward, particularly to those staff members needing the additional training. The following NADCO courses are required of each Loan Officer responsible for loan application and underwriting, and Loan Specialist as needed for the application process. Other courses not related to the application process may be required depending on the job description. These are one-time courses.

- Introduction to SBA 504

- Credit Risk Institute I: Introduction to Financial Statements
- Credit Risk Institute II: Accounting Principles for CDC Analyst
- Credit Risk Institute III: Tax Return Analysis for CDC Analysts

Checklists and Additional Resources:

The following checklist and resources are utilized in the loan application and underwriting process.

- Ventures Loan Software – This is the software program we use that is industry specific to the SBA 504 Loan Program. We utilize the software for all aspects of the SBA 504 loan program. Each borrower has its own file within the system. Our ETRAN submissions are completed through this software.
- BMI Tax Reader – Annual subscription to BMI Tax Return Reader to assist with the spreading of the operating company's corporate tax return. This is automatically spread in the borrower's particular file within Ventures. Loan Officer reviews the spreads and tax return for accuracy and makes any adjustments necessary.
- BSF Application and Underwriting Checklist – This is an Excel workbook containing six tabs for tracking the loan application submission information. Workbook is created by the Loan Specialist as an application is received. Once handed off to Loan Officer, Loan Officer is to review and update as needed (attached).
- Ventures – Tasks – Loan Specialists adds to the specific loan file in Ventures the task list associated with the required application documents. These are marked as completed when received. Loan Officer is then able to see what additional information may be needed. Assists Loan Specialist with knowing what borrower follow up is needed.
- Appraisal Checklist – Checklist provided by SLPC is utilized with the review of every appraisal. Appraisal review completed by Loan Officer and reviewed by second Loan Officer or Finance Director prior to submission to SLPC.
- SOP 50 10 6 – Primary resource for eligibility determinations.
- 13 CFR 120 – Used in conjunction with SOP 50 10 6.
- Sacramento Loan Processing Center – Email box used for certain questions if CDC unsure of something or clarification needed.
- Other Certified Development Companies – Finance Director has contacts with several non-competing CDCs. Finance Director will contact them, particularly those that are larger, more high production CDCs, with questions when needed. Typically contacts regarding loan structure or eligibility. Mountain West Small Business Finance is primary contact as they are within our Region.
- NADCO – SBA 504 trade organization.
- Janice Garlitz – Big Sky Finance's closing attorney.

Application and Submission Plan and Procedures:

Following are the procedures to be utilized during the application process through ETRAN submission to SBA by Big Sky Finance.

- Finance Director and Loan Officer respond to prospective borrower and/or lender inquiries. Initial project eligibility determined. Determination based on prospective project description and borrowing entity. Items looked for in this initial assessment, at a minimum:
 - Project located within CDC servicing area
 - Type of business – eligible business per SBA SOP (for-profit, size standard, etc.)
 - Project use of funds – use of funds eligible for SBA 504 financing
- Initial eligibility met – Application provided to borrower directly or through lending partner
- Borrower completes application and returns with required items listed in borrower checklist portion of application. Submitted via email, secure upload, or hardcopy.
- In take. Loan Specialist provided with documents submitted. Reviews application package for completeness utilizing BSF Application and Underwriting Checklist. Follow up with borrower for basic requirements/needs within 48 hours of receipt. Acknowledge receipt of application with applicant. Notifies Finance Director and Loan Officer of receipt and initial review.
- Loan Officer assigned project by Finance Director. Finance Director assigns to Loan Officer or Finance Director for underwriting based on workflow.
- Loan Officer completes analysis and underwriting (Credit Memo). Final eligibility and credit worthiness determined internally at this time.
- Upon completion of Credit Memo, secondary review completed by Finance Director or Loan Officer (unrelated to the analysis). Dual control (two-person review).
- Credit Memo submitted to Loan Committee and Loan Committee meeting date set by Finance Director.
- Loan Committee review. Meetings held in-person, via conference call or email, depending on availability of committee, number of credits to review and complexity of credit.
- Loan Committee approval – Loan Officer completes electronic ETRAN Folder for submission. All required documentation saved in electronic ETRAN Folder and numbered per Form 1244 checklist.
- Finance Director and Loan Officer perform secondary review of all ETRAN documents for completeness (dual control). Specific items to look for:
 - All required documents pertaining to the specific project type included per Form 1244 checklist.
 - Documents current dated and current signatures.
 - Financials current at time of application per SBA guidelines.
- ETRAN Submission

Approvals and Screen outs will be monitored and tracked by the Finance Director. Any screen out, or avoid a screen out, will be reviewed by Finance Director and Loan Officer responsible of for the submission. These will be tracked within the Ventures Loan Software. Screen outs will be reviewed on a quarterly basis and discussed with the Finance team.



BIG SKY
ECONOMIC DEVELOPMENT

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ATTACHMENT H

<u>Legislative Priority Support Local/Regional Economic Recovery</u>	Economic Development Nexus	Bill this Session	Partnering Orgs./ Working Groups/ Bill Sponsor	BSED Role	Next Steps
Push for State support for a Broadband/5G network infrastructure needs assessment for Yellowstone county (may be able to make this ask to the Coronavirus Relief Fund; and it is consistent with MEDA Next Generation Project recommendations)	Montana ranks poorly when it comes to broadband service and capacity. MT will need to bolster its broadband service for businesses, educators, healthcare providers, and the new generation of people working from home.	SB 297, carried by Jason Ellsworth (R) of Hamilton. (Passed)	MEDA Broadband Working Group Statewide ISPs	Leading role in partnership with MEDA Working Group	Work to Deploy Dollars via HB 632 ARPA Committees
Support legislation that encourages venture capital investments into Montana-based start-ups	Growing the entrepreneurial ecosystem in Montana is vital to our economic growth. Creating an incentive to invest in MT entrepreneurs would position the state capitalize on new technologies and emerging sectors. BSED is also deeply invested in entrepreneurship with the Rock31 Program.	House Bill 650 Carried by Jim Hamilton of Bozeman (Failed)	Frontier Angels, Pat LaPointe, MEDA, MT Chamber, Billings Chamber	Lead role	Begin work in the coming months to lay ground work in finding a sponsor and building a coalition among our local delegation who will champion this legislation

Encourage public/private partnerships to drive new investment —support the County’s effort to gain legislative flexibility to consider long term leases of county properties to partner with possible new private investment	Allowing counties to enter long-term lease agreements encourages public/private partnerships and redevelopment in areas like Metra Park	HB 104 – Marty Malone (Passed)	Yellowstone Co., Jason Rittel (MaCO)	Lead in partnership with Commissioners of YC, Partner with MaCO	Utilize the new 40-year lease terms to encourage private developers to partner with County owned properties
Advocate for resources that support the reengagement and retraining of our workforce as an underpinning to our economic recovery; including, workforce housing, public-private partnership incentives, and incentives for talent retention and recruitment	Finding strategies to keep and retain talent as well as retrain talent is vitally important. MT may consider the Build Dakota Scholarship as an example.	HB 252 – Llew Jones (Passed)	SD2 (Bruinsma), MSUB, Rocky, MUS, Billings Chamber, City of Billings, Yellowstone County	Lead with help from BillingsWorks, others	Engage with partners both locally and statewide to build awareness around this new credit, the IWT program, and BSTF
Support the economic and community development needs of our rural, regional partners, with a focus on infrastructure development and share interests in workforce development	Billings is a regional trade hub that succeeds to an even greater extent when the communities around it succeed as well. Focusing on supporting needs such as value-added Ag and Broadband will help them.	SJ 10 – Jason Small (Passed) SB 379 – Fitzpatrick (Failed)	Beartooth RC&D, SEMDC, Snowy Mountain, MMEC	Support MT Infrastructure Coalition (Darryl James) and CRDCs	Continue to champion and understand the evolutions in ag and rural economies in our region to assist them in value added ag processes, retraining and reskilling of workforce, and diversification of industries

Legislative Priority <u>Protect Tax Increment Financing</u>	Economic Development Nexus	Bills in the Session	Partnering Orgs.	BSED Role	Next Steps
urban renewal and target economic development districts need to be supported as one of the few economic development tools available to support the redevelopment of our downtown core and to build infrastructure that supports the growth of value-added industry	TIF funds can be used across a diverse spectrum of projects and often catalyze redevelopment efforts that otherwise wouldn't happen	SB 388 – Greg Hertz (Passed)	Billings Chamber, City of Billings, Down Town Billings, League of Cities and Towns, Yellowstone County	Partner with DBA and League Allison (Dianne in the loop) Kelly Lynch with League is point	SB 388 reduced the amount of increment created in TEDDs by halving the amount of education mills. In future sessions, we must continue to educate legislators on the benefits of TIF/TEDD
Priorities for Current and Future Consideration (MEDA Next Gen Analysis)	Economic Development Nexus	Bills in the Session	Partnering Orgs.	BSED Role	Next Steps
Support reorganization of State economic development strategies with sector-specific focus on key industries; adjust existing job creation incentives for target industries , including tax credits for new, high-paying job creation in these target sectors	With the new Governor's administration taking them helm, we will need to advocate for new, more focused strategy that targets areas with high growth opportunity for MT	None specifically	Governor's Administration, other Departments, EDOs across the state; MT Chamber	Support if/when called on	New Director of Commerce Scott Osterman has begun to reshuffle and realign responsibilities within commerce. Continued support or recommendations may be useful
Priorities for Future Consideration	Economic Development Nexus	Bills in the Session	Partnering Orgs.	BSED Role	Next Steps

<p>Create a tax exemption for military pensions in support of our efforts through VBOC to attract veterans and their spouses to entrepreneurship in Montana</p>	<p>BS&ED Houses the Veterans Business Outreach Center. This bill would also coincide with talent attraction efforts.</p>	<p>House Bill 111 from Rep. John Fuller (Failed)</p>	<p>Billings Chamber</p>	<p>Support/testify for potential bill</p>	<p>Reconnect with Rep. Fuller in the coming months to discuss how EDOs can be supportive of this effort by gaining local delegation buy-in</p>
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BIG SKY
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ATTACHMENT I

Big Sky Trust Fund Planning Grant Applicants

Big Sky Economic Development is the pass through of state funds to support businesses that are either creating jobs or need planning dollars to help with preliminary engineering, market studies, and other feasibility studies. For more information you can visit: <https://marketmt.com/Programs/Business-Assistance/Big-Sky-Economic-Development-Trust-Fund-Program/>

Primitive Meat Processing

Primitive Meat Processing is a family owned and operated business designed to deliver a quality product to our community and surrounding areas. We will utilize years of experience, work ethic, and dedication to customer service to bridge the gap between producers and consumers in the meat industry. It is our goal to assist Montana and Wyoming agricultures increasing profit margins while being dedicated to doing business the right way. The planning dollars will go toward developing a boutique slaughter facility to serve area ranchers. Since the impact of COVID-19 on the meat industry, many producers are waiting months for processing, our facility would help ease that bottle-neck.

Funding will be dedicated to the business planning and implementing the engineering costs. The grant request is for the full \$25,000.

Zest

The proposed project would provide design work and cost analysis for the installation of a commercial and teaching kitchen at Zest, allowing the entity to assess the viability of progressing with the work. The kitchen would be used for:

- In-person classroom to develop and test curriculums for an online cooking school
- Rentable incubator space for small, value-added food businesses that want to market their products out of state, including in-house business development services
- Development and testing of recipes for a regional meal-kit subscription services featuring Montana agricultural products.
- The design of the classroom space will include input from a professional videographer on including rigging for lighting and cameras so that the space can be used to produce subscription-based streamable cooking school. The online cooking school will be marketed both in and out of state.

As a rentable incubator space, the kitchen will be fully licensed through the local health department as a commercial kitchen. Value-added food businesses will be able to rent the space at a monthly rate to include a certain number of hours of use as well as in-house business development services to help businesses market their products out of state.

By working with Montana agricultural producers, we will also develop and test recipes for a regional meal-kit subscription services. The meal-kits will be marketed as Montana-focused, allowing out of state subscribers to experience the flavor and culture of Montana through meals they cook in their own homes. This service will be cross-marketed with the online cooking school as complimentary products.

Funding request total is: \$10,000

Montana BioScience Alliance

The Montana BioScience Alliance is studying the seven major communities for opportunities and challenges related to the expansion of the BioScience industry.

“Our vision is to create a 21st century innovation ecosystem across the state of Montana, enabling and accelerating the formation and growth of bioscience and high-tech businesses by securing and directing investments in infrastructure, STEM education and community engagement programs.”

While some of the community focuses have been determined, an industry cluster analysis is needed to better understand what the leading focus will be in each of the communities. The planning grant application will allow there to be a road map of what needs to develop in each community to increase the opportunities to grow bioscience related companies in Montana.

Total Funding Request: \$25,000



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ATTACHMENT J

Date: June 4, 2021

To: BSED Board of Directors

From: Paul Neutgens, EDA Chair and Ann Kosempa, EDC Chair

Subject: Executive Director Performance Evaluation - Executive Committee Recommendation

Each year the Executive Director undergoes a performance evaluation conducted by the Executive Committee. For this year's evaluation, feedback was gathered from both Board and Staff members and then reviewed by the Board chairs individually with Steve. In addition, members of the Executive Committee and Steve held a dialogue on June 4th to discuss his performance.

From that discussion, it is our recommendation that the Board approve Steve to receive the standard salary adjustment (2.5%), as budgeted, based on his satisfactory performance review. We commend his work as the Executive Director and as the leader of this organization.