

**EDA/EDC – Joint Board Meeting
Mid-Year Progress Report Session
Thursday, February 9, 2022
7:00 A.M. to 9:00 A.M.
Rock31/BSED Building- 201 N Broadway
Zoot Training and Event Space (2nd Floor)**

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 AM Call to Order/Pledge of Allegiance/Roll Call – Kim Jakub, EDC Chair**
- 7:02 A.M. Public Comment/Recognitions/Special Announcements and Introductions**
- Kurt Markegard, Ex-Officio, City of Laurel
 - Board Committees—Review—Steve (Handout)
 - “The Vault” a BSED Podcast—Marcell/Karli/Kayla
 - Special Announcement—Staffing/Leadership—Steve
- 7:10 A.M. Changes to Today's Agenda**
- 7:11 A.M. Consent Items for Board Action** (EDA & EDC Board Action)
• Minutes – January 12, 2023 (Attachment A)
- 7:15 A.M. Financial Matters--Tami**
• Financials for November/December 2022 (available at March Board Meeting) (Info)
- 7:18 A.M. Action Items**
- Big Sky Finance—Brandon
 - RLF Loan Requests (Attachment B) (EDC Action)
 - Community Development- Dianne
 - Thriving Communities Grant (Info)
- 7:30 A.M. Progress Report Roundtable Discussions**
- **Strategic Priorities- Update—Steve**
 - Program Reports—Roundtables (ten minutes each)
 - SBDC
 - PTAC
 - Big Sky Finance
 - VBOC
 - Rock31
 - Recruitment
 - BillingsWorks/BOiB
 - Community Development
- 8:53 A.M. Executive Director Report- Steve**
- Parks/Trails/Rec Comprehensive Funding/Development Plan (Attachment C) (Info)
 - Victus Advisors Proposal (Attachment D) (EDA/EDC Action)
- 8:55 A.M. Public Comment**
- 9:00 A.M. Adjourn**



BIG SKY
ECONOMIC DEVELOPMENT

EDA • EDC CREATING MONTANA BUSINESS OPPORTUNITIES

ATTACHMENT A



BIG SKY ECONOMIC DEVELOPMENT

EDA • EDC CREATING MONTANA BUSINESS OPPORTUNITIES

EDA/EDC Joint Board Minutes
Thursday, January 12, 2023
7:00 A.M. – 9:30 A.M.
Rock31BSED Building
Zoot Training and Event Space (2nd Floor)

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: Bryan Wood, Bryce Terpstra, Debbie Desjarlais, George Warmer, Kate Vogel, Judi Powers, Ken Lutton, Lucy Aspinwall, Paul Neutgens, Riley Bennett, Zach Dunn

EDA Board Members Absent: n/a

EDC Board Members Present: Andy Gott, Ann Kosempa, Bob Wilmouth, Dave Ballard, John Ostlund, DJ Clark, Jen Kobza, Jennifer Kondracki Weaver, Kim Jakub, Michael Marsh, Mike Nelson, Mike Phillips, Nick Pancheau, Spencer Frederick, Stefani Hicswa

EDC Board Members Absent: Craig Bartholomew, Justin Martin, Mac Fogelsong, Mike Seppala, Nicole Benge, Tyler Wiltgen

Ex-Officios Present: Mark Morse, John Brewer, Mike Boyette

Staff and Guests: Austin Anderson, Brandon Berger, Chris Kulkulski, Dianne Lehm, Dustin Frost, Tami Fleetwood, Deanna Langman, Denis Pitman, Dusty Eaton, Shaun Seedhouse, Jordan Wilson, Julie Seedhouse, Karen Grosz, Kristi Drake, Lorene Hinz, Marcell Bruski, Patrick Klugman, Sarah Myhre, Steve Arveschoug, Thom MacClean

Call to Order:

Judi Powers, EDA Chair, called the meeting to order at 7:00 A.M. with the pledge of allegiance.

Public Comment/Recognitions/Special Announcements and Introductions:

Judi welcomed new EDA board member Kate Vogel. Kate represents the Ag Industry. Nick introduced his guest Austin Anderson who is an architect with Collaborative Design Architects.

Public Comment

Sarah and Marcell shared the 2023 BSED Board Calendar and reviewed key events in the upcoming year. Marcell also shared a photograph of Ex-Officio Greg Upham in Chicago this week to accept an award for Build Montana.

Steve reviewed the Conflict of Interest Policy-Acknowledgment. Each Board member will be asked to review and return a signed copy. This Conflict of Interest form will be sent electronically to the Board members.

Steve recognized the 2022 Economic Development Champion, Denis Pitman for his serve on the Yellowstone County Board of Commissioners and years of service on the Big Sky Economic Development EDA and EDC Boards. Denis addressed the Board and shared his experience serving on the Board. Denis recognized the Board and BSED's efforts in the community and thanked the Board for the acknowledgment.

Agenda Changes:

None

Consent Items for Board Action**Approval of December 8th Board Meeting Minutes**

DJ noted that he was not in attendance at the December 8, 2022 Board meeting as noted in the minutes. A correction will be made to reflect the same.

Motion: Bryan Wood to approve the December 8th Board Meeting Minutes, as presented to the Board
Second: Zach Dunn
Discussion: None
Motion Carried

Approval of Financials – FY '23 Sept/Oct Financial Statements

The EDA/EDC FY'23 September/October Financial Statements were previously shared with the Board. In order to allow the Board to consider these financials statements no action was taken at the December Board meeting.

Motion: Ken Lutton to approve the September/October EDA and EDC Financials, as presented to the Board.
Second: Jen Kobza
Discussion: None
Motion: Carried

Financial Matters-Steve**Introduction-Tami Fleetwood-Senior Financial Officer**

Steve introduced BSED's new Senior Financial Officer, Tami Fleetwood to the Board. Tami shared a short work biography with the Board and shared her excitement to join the BSED team.

Altana CU Account Management Authorization Adjustment Confirmed by the Board

Altana requires the Board to approve authorized officials on Altana accounts. Steve asked the EDA Board to approve Steve and Tami as authorized officials for BSED to manage the Altana deposit account.

Motion: Ken Lutton to approve the Altana CU Account Management Authorization Adjustment as presented to the Board
Second: Riley Bennett
Discussion: None
Motion: Carried

Investment Policy Consideration

Steve shared a revised version of the Investment Policy that includes additional language regarding safety ratings of financial institutions. Steve clarified that this is not an investment strategy, but strictly a policy for our investments. Steve asked the Board to consider the adoption of the policy.

Motion: Jen Kobza to adopt the Investment Policy as presented to the Board
Second: Nick Pancheau
Discussion: None
Motion: Carried

FY '22 Audit Acceptance-Jordan Wilson, AZ (for Q&A)

Jordan Wilson, CPA, shared the audit presentation and summarized the findings. An in-depth presentation and discussion was conducted at the Executive Committee meeting and the Board was provided the audit presentation electronically in advance of this meeting as an opportunity to review. Overall, Big Sky Economic Development Authority and Big Sky Economic Development Corporation had a clean, unmodified opinion. There were no

financial statement findings or internal control policy issues. The single audit for the PTAC program had no findings.

Motion: DJ Clark to accept the FY'22 Audit as presented to the Board

Second: George Warmer

Discussion: None

Motion: Carried

Action Items

Big Sky Finance- Brandon

SBA 504 Loan Requests

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

1. **REAY INC. / REAY Commercial LLC (406 Window Company)** – Purpose of this request is for the acquisition of commercial real estate and new, ground up construction for 406 Window Company. 406 Window Company is an existing business located in Billings currently leasing showroom and separate storage space. The project is located at 1250 South 31st Street West, Billings, MT. This new building will allow them to consolidate all operations under one roof and provide them with a state-of-the-art showroom. 406 Window Company has been owned and operated by Brian and Robyn Reay since 1995. This is a retail business offering windows and doors primarily for new residential construction and remodel projects.

The total SBA debenture is estimated to be \$922,000 on a 25-year note comprising 40% of the total project costs. Big Sky EDC and the SBA will be in a 2nd lien position on the real property behind Stockman Bank of Montana. The project is expected to create three new jobs and meets a community development goal for improving/strengthening the local economy.

Motion: Mike Marsh to approve the loan consideration for Reay Inc./Reay Commercial LLC (406 Windows Company) as presented to the Board.

Second: DJ Clark

Abstained: Spencer Frederick, Nick Pancheau

Discussion: None

Motion Carried

Board Annual Certification-SBA

Brandon reviewed with the Board the Annual SBA Certification. The EDC Board members will be asked to execute this document as they do each year. Brandon will share this document electronically via DocuSign. Mike Phillips commended Brandon and Big Sky Finance on their work in 2022. In 2022, Big Sky Finance funded 17 SBA 504 loans across the state totaling almost \$12 million. The funds leveraged an additional \$24 million in private investment in the economy, creating or retaining over 135 jobs.

SBDC Contract-Lorene

Lorene shared the amendments to the SBDC Contract. The SBDC went from three full time employees to two full time employees. The SBDC budget was reduced from \$118,000 to \$84,000 from the SBA and from \$60,000 to \$51,000 from the Department of Commerce. Based on the budget adjustment goal expectations were similarly reduced.

Motion: Bryce Terpstra to approve the SBDC Contract as presented to the Board
Second: Debbie Desjarlais
Discussion: None
Motion: Carried

Summer Jobs Program MOU-Marcell

Marcell shared with the Executive Committee the Memorandum of Understanding between American Jobs for America's Youth Montana (AJAY MT) and BSEDA outlining the terms and understanding between AJAY MT and BSEDA in order to implement the Summer Jobs Program (SJP) in Yellowstone County in 2023. Through this partnership, Yellowstone County youth and employers can participate in and benefit from SJP. The program will help area high school youth build work skills, gain job experience, and learn about career options. SJP will connect youth with employers, engage local adults as mentors, and grow the local workforce. BSEDA will strive to support at least 20 area youth through SJP, matching them with local mentors and employers. The MOU will be in effect as of today through September 30, 2023. In September, AJAY MT and BSEDA will mutually reestablish partnership terms. Marcell answered the Committee's questions regarding the program last year.

Motion: Jen Kobza to approve the Summer Jobs Program MOU as presented to the Board
Second: Mike Nelson
Discussion: None
Motion: Carried

Strategic Priorities- Comprehensive Parks, Trails, Recreation Development and Funding Plan

One of BSED's strategic priorities is to "invest in the quality of our community through a comprehensive parks and trails development and funding plan"

Presentations were given by Councilman Tom Rupsis, Kristi Drake, Dusty Eaton.

Councilman Tom Rupsis shared an overview of Parks Development/Funding Challenge. Councilman Rupsis reviewed current challenges which include: Park District 1 sunset, parks maintenance program shortfall, capital maintenance program shortfall, fairness and equity of park maintenance districts, staffing shortages, park and trail development backlog, future maintenance cost increases, and future ongoing park and trail enhancement. Councilman Rupsis also reviewed the current parks revenue and expenses. Councilman Rupsis then shared an in depth look at each challenge. Councilman Rupsis shared the parks department recommendation and the NRPA comparison. Councilman Rupsis shared upcoming meetings and elections that will be relevant to the topics discussed.

Kristi Drakes shared a presentation "The Future of Trails from Development Needs a Solution". Kristi shared that Billings has 50 miles of trails, but there is not a trail department and there are currently no dedicated funds to develop trails. Kristi shared a survey completed by community groups that resulted in 180 requests for trails. Kristi reviewed the challenges for trail development and the importance of this commodity in our community.

Dusty Eaton shared an update on the proposed Recreation Center and how that would benefit the Billings Community. The goal of the project is to create a multi-generational indoor recreation center that reflects the needs of the Billings' residents, while also building our tourism economy through amateur sporting event recruitment. Dusty shared the current floor plan for the center and highlighted the amenities that will be included. Dusty also provided an overview of project costs and cost recovery.

John Brewer, President of the Chamber and City Manager, Chris Kukulski-shared timelines as well as the park and trails and recreation center funding needs. The parks, trails, and recreation center initiatives will need to be presented to voters in September.

The Board asked the panelists questions regarding the presentations and an open discussion was held amongst the panelists and Board members. The panelist and Board members discussed the financial impact of the Recreation

Center on the economy as well as its potential to help with talent retention and workforce issues. Commissioner Ostlund shared the financial obligations facing the County.

Steve highlighted the items on which he needs the Board's approval to move forward with this Strategic Priority:

1. John Brewer is putting together a comprehensive working group (parks, trails and rec center) that will start in the next couple of weeks to determine what the "ask" should be. Steve asked the Board for their blessing for him to stay on target representing the Board in the planning effort.
2. City Council will meet on Tuesday evening and will look at adopting the master plan for the recreation center. City Council will not be approving funding, but simply accepting the master plan. Steve asked for the Board's authorization for him to stand in front of the City Council and support the recreation plan for the recreation center and encourage City Council to look at this initiative comprehensively.
3. The Board will need to support the plan moving forward once it starts to come together, we will ask the Board to be active participants in the campaign, included raising funding. BSED will lean more heavily on EDC Board (helping to raise money to fund the campaign) once the decision is made by the City Council and/or County.

Kim Jakub shared her take on this priority and how it can be beneficial to our community. Mike Nelson shared his opinion on how the recreational center can be an economic driver.

Motion: Mike Nelson to authorize Steve to go to City Council in support of the masterplan, and for continued work as a team to continue to work with the planning team.

Second: Paul Neutgens

Discussion: None

Motion: Carried

Executive Director Report- Steve

Staffing Update- Steve provided a brief staffing update. Steve reached out to the Board via email last evening with a more comprehensive review. Included in this review were key staffing changes. Kevin Scharfe's last day of full-time employment with BSED will be January 31, 2023. Kevin will remain on contract to facilitate the Accelerator Program and a pitch event at the end of the month. Kevin and the SBDC/Rock 31 team will work to complete the barista space. Steve and Kevin have asked the Founders group to convene to decide how best to fill this position. The next thirty-to-sixty-day game plan is mapped out strongly for SBDC/Rock 31 and we will utilize members of the Founders group and Board members to assist with a transition plan moving forward. Steve answered the Executive Committee's questions. Additionally, loan officer in the Helena office, Jo Ann Jones' last day of employment was December 30th. Steve shared that BSED will look to fill this vacancy. It is important that BSED continue to market and utilize the Big Sky Finance Department.

BSED Reorganization Taskforce Recommendation

Steve shared a PowerPoint and handout detailing the BSED Reorganization Taskforce Recommendation. The goal of the reorganization plan is to strengthen the bench, empower key leaders, and reduce the number of direct reports to a single director to five or less. Steve reviewed "The Four Functional Quadrants of Responsibility" which include: Finance, Development, Engagement, and Economic Development Programs. Steve shared projected costs to support each quadrant and also reviewed next steps/considerations. The taskforce shared their thoughts regarding the reorganization. Karen Grosz also addressed the Board and shared how the Reorganization will help re-energize the team and allow future job growth. Steve asked the Board to move forward with the Reorganization Taskforce Recommendation

Motion: Jen Kobza to approve the BSED Reorganization Taskforce Recommendation and budgetary impacts as presented to the Board.

Second: Mike Nelson

Discussion: None

Motion: Carried

Public Comment

Steve shared that Allison will be hosting Legislative Connect Zoom videos. The Ad Hoc Legislative Committee held a meeting but we would like to open up this opportunity to the Board. Allison will send a zoom link to the Board for the next Legislative Zoom meeting.

Adjourn

Motion: Ken Lutton motion to adjourn the meeting.

Second: Bryce Terpstra

Discussion: None

Motion Passed

Judi Powers adjourned the meeting at 9:10 am

Next Meeting – Thursday, February 9, 2023

Respectfully submitted,

Debbie Desjarlais, EDA Secretary/Treasurer

Nick Pancheau, EDC Secretary/Treasurer

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

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



BIG SKY
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ATTACHMENT B

EDA-RLF Loan Requests

- I. Big Sky EDC is requesting approval of the following EDA-RLF Loan request. The Big Sky EDC Loan Committee (EDA-RLF Committee) has reviewed the request and recommends approval to the full EDC Board. The request meets all the underwriting and eligibility requirements of the program.
 1. **Flex Family Health PLLC** – Purpose of this request is to finance infrastructure costs pertaining to the land to be used for the future construction of a new office building for Flex Family Health PLLC. Borrowers purchased a lot in the TransTech Center subdivision in 2021. Funds will be used for infrastructure (sitework, utilities and electrical) and landscaping costs incurred to date as required by the development. An additional 10% contingency added to these costs, which if not needed for infrastructure will be used for working capital.

Total loan amount will be \$213,223 provided by the EDA-RLF funds. Big Sky EDC will be secured by a 1st lien position on the project real estate. Request meets the requirements of the EDA-RLF Plan as funds will be used towards the new construction of bare land for the operating entity. Loan will be a 3-year term amortized over 10 years at 6.00%. Three new jobs are projected to be added upon completion of the new building and economic development goals achieved for increasing the tax base in the community.



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ATTACHMENT C



January 17, 2023

Mayor and Council Members
City of Billings

RE: Recreation Center Master Plan

Dear Mayor and Council Members,

The Board of Directors of Big Sky Economic Development (BSED)--both the EDA and EDC Boards--hereby expresses our support for the proposed Master Plan for the Billings Multi-Generational Recreation Center. The Boards, acting jointly, unanimously voted to support this Master Plan as a part of what should become a comprehensive vision for the development of parks, trails, and recreation facilities in the Billings community.

In March 2022, the BSED Boards adopted as one of four strategic priorities the following—***Invest in the quality of our community through a comprehensive parks and trails development and funding plan.*** Since that time the BSED team has been active participants in the planning and community outreach efforts led by members of Council and other advocacy groups and business leaders. In years prior, BSED was active in the funding and planning work for the Coulson Park/River Corridor Development Master Plan.

Why all this time and attention to the development of parks, trails, and recreation? Because such investment retains and attracts talent which positions Billings for strong, sustainable economic growth. It also provides a built infrastructure to our natural beauty that is essential to our well-being and overall community health. Researchers asked 1,000 workers that had recently relocated to another community, what were the most compelling reasons for the move (Talent Wars; DCI, 2021-22). The answer — “quality of life”—defined by them as “good schools, outdoor recreation, and attractions and amenities”, followed by cost of living and safety.

At our January 12th Board meeting, we received an overview of the plans for the development of the rec center project, along with an update on parks funding and development and plans for investing in our trails systems. The BSED Board encourages City Council to adopt the Rec Center Master Plan and then begin work on a comprehensive plan to move parks, trails, and rec center development from planning to action. With our encouragement comes our commitment to continue to support this effort with both time and resources.

Thank you for your thoughtful consideration and your willingness to invest in our community for current and future generations of workers and residents.

Respectfully,

A handwritten signature in black ink, appearing to read "Steve Arveschoug", is written over a horizontal line.

Steve Arveschoug
Executive Director

On behalf of the BSED Board of Directors—listed here:

EDA Board of Directors:

Judi Powers, Ernest Health
Riley Bennett, Dick Anderson Construction
Debbie Desjarlais, NativeWellness.Life Magazine, Debbie Desjarlais Designs
George Warmer, Coldwell Banker Commercial
Ken Lutton, Technology By Design
Zach Dunn, Yellowstone Bank
Paul Neutgens, CECO Building Systems
Bryce Terpstra, Jones Construction
Bryan Wood, Wood's Power Grip
Lucy Aspinwall, Aspinwall Mountain Wear
Kate Vogel, North 40 Ag

EDC Board of Directors:

Kim Jakub, ExxonMobil
Andy Gott, First Interstate Bank
Nick Pancheau, Collaborative Design Architects
Ann Kosempa, The Pub Station
Jennifer Kobza, TKI
Dave Ballard, Ballard Petroleum Holdings, LLC
Craig Bartholomew, 360 Office Solutions
Nicole Benge, NorthWestern Energy
Dj Clark, Sanderson Stewart
Spencer Frederick, Stockman Bank
Mac Fogelsong, City of Billings
Stefani Hicswa, MSUB
Jennifer Kondracki Weaver, Weave Companies/ Warren Transport
Mike Marsh, Midland Claims Service, Inc.
Justin Martin, KTVQ Communications, LLC
Mike Nelson, Northern Hotel
Michael Phillips, Little Horn State Bank
John Ostlund, County Commissioner
Mike Seppala, Western Security Bank
Bob Wilmouth, Rocky Mountain College
Tyler Wiltgen, St. Vincent Healthcare Foundation



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ATTACHMENT D

Victus Advisors proposes to provide the following sponsorship and naming rights planning services related to a proposed new sports and recreation center in Billings, Montana:

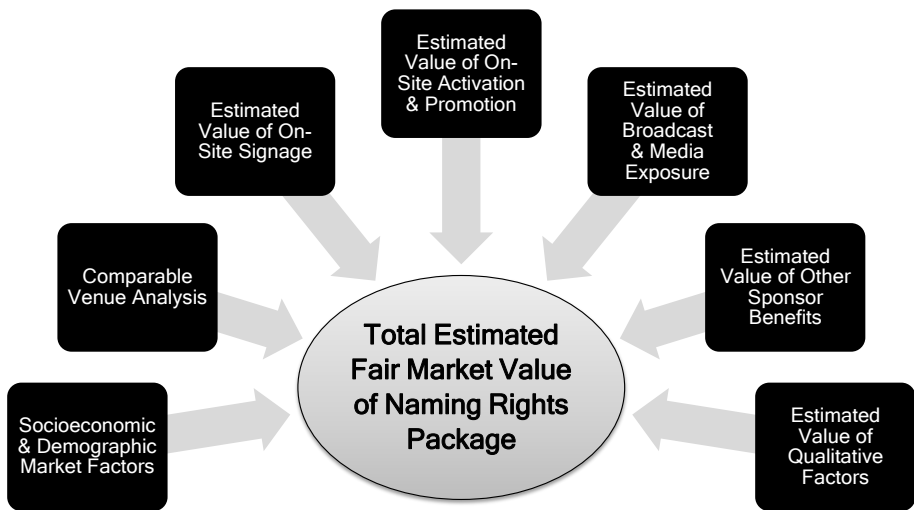
SPONSORSHIP PACKAGE DEVELOPMENT, PROPERTY VALUATION ANALYSIS & STRATEGIC PLANNING SERVICES

- Review existing sponsorship sales, partners, levels, inventories, and pricing for existing regional and national sports/recreation facility sponsorships;
- Develop a comprehensive inventory of assets and benefits available to be included in naming rights and sponsorship packages for a new sports and recreation facility in Billings;
- Propose Naming, Presenting, Founding, Corporate, etc. sponsorship packages for the proposed facility;
- Conduct a detailed valuation analysis of the proposed partnership packages for the proposed facility (as detailed on the next page); and,
- Identify suitable sponsor target categories and develop an initial list of prospects locally and regionally.

Details regarding our proposed approach, timeline, and fees are provided on the following pages.

Victus Advisors' Proprietary Sponsorship Valuation Model - Our proven valuation methodology is a holistic approach designed to define the monetary value of all benefits that make up a sponsorship and naming rights packages. Our approach is not solely based on Tangible Value, which is often simply called "impression value". Rather, our methodology is also focused on identifying and understanding the Intangible Value that is so often associated with sponsorships, due to qualitative factors such as audience engagement, prestige factor, customized activation opportunities, and other such intangible elements that drive significant sponsorship asset value beyond simplistic impression-based metrics.

Victus Advisors Sponsorship Valuation Process



Demographic/Socioeconomic Market Factors - Victus will compile and analyze demographic and socioeconomic factors of the Billings/Yellowstone County market that could help drive the potential value of naming and sponsorships at the facility.

Comparative Analysis of Sponsor/Naming Deals at Similar Venues - We will assess the recent market for naming rights deals at sports/recreation centers similar to the proposed Billings facility and in markets similar to Billings. This analysis will provide benchmark metrics for initially assessing potential naming rights values based upon comparables.

Estimated Value of On-Site Signage - Victus Advisors will estimate the value of potential signage that sponsors could receive at the proposed facility. We will utilize our industry experience to develop a likely list of signage opportunities for naming rights, founding partners, and other sponsors both inside and outside the venue. The basis for this valuation will be the estimated impressions that could be generated for each potential signage type/location.

Estimated Value of Sponsorship Activation & Promotional Opportunities - All impressions are not created the same. "Activated" impressions that utilize proprietary sponsor platforms to create interactive consumer experiences can drive more tangible ROI for sponsors. Victus will develop a list of potential sponsorship activation and promotional opportunities that could be associated with the sale of naming rights and sponsorships at the proposed sports/recreation facility. This list will not only include on-site activation opportunities before and during events, but also digital opportunities targeted to e-mail databases and websites controlled by the venue.

Estimated Value of Media Exposure - A naming rights partner also generates value from the exposure that their corporate name receives via: A) live streaming of sports tournaments/events held at the venue, and B) event advertising in radio, print and website formats. Victus Advisors will analyze the potential media exposure that a sponsor/partner could generate from events at the facility, and based upon our team's industry experience, we will estimate the potential rate card value.

Intangible Value Assessment - The qualitative factors that most often generate added value to sponsorship or naming rights deals are the market's perceptions of a facility's condition, image, freshness, and prestige. Based upon the Victus Advisors team's extensive experience consulting to sports venues, we will assess the relative importance of following potential qualitative factors for the proposed Billings facility:

- Age/condition of the facility
- Image/prestige associated with the facility and its tenants
- Loyalty/consistency of the facility's audience
- Sponsor exclusivity/protection factors
- Ease/access to activation opportunities
- Opportunities for special campaigns, events, and unique engagement
- Any other factors unique to the facility or the Billings market

Post-Valuation Naming Rights & Sponsorship Strategy Development:

Victus will take the following key planning steps following completion of the valuation:

- **Analyze & Strategize** - Based on our review of historical sales/operations data, comparable properties, and our valuation model, Victus will work with the Client to finalize a naming rights and sponsorship program that leverages the best assets and creates unique opportunities for naming partners to control key platforms and places inside and outside the venue.

Based upon our past experience, it is crucial that the sales strategy clearly communicates to potential sponsors how the facility can create unique customized sponsorship platforms that actively engage the sponsor's target audience and provide meaningful and measurable revenue opportunities. Typical sponsorship features will often include elements such as:

- Category **exclusivity**, official partner designation, and use of venue logos
 - Prominent **signage** (exterior and interior) at all levels, including both fixed and digital
 - **Media** and **promotional** rights (press releases, digital/social media, branded merchandise, programs, direct mail, on-site promotions and activations, etc.)
 - **Vendor** rights (such as pouring rights)
-
- **Final Naming Rights Recommendations** - At the completion of our research and analysis, we will deliver strategic recommendations regarding:
 - Best pricing and approach for maximizing revenues and other benefits
 - Assets and opportunities that should be included in partnerships
 - Length of naming rights terms
 - Category exclusivity and compatibility guarantees
 - Discussion of possible reciprocal business activities
 - Identifying any feasible alternative approaches

PROJECT TIMELINE:

Victus Advisors estimates approximately 6 to 8 weeks to complete the proposed scope of services:

- Project Planning & Kickoff Meetings - 1 week
- Analyze Comparable Venues & Develop Initial Asset Inventory - 1 to 2 weeks
- Package Development & Valuation Analysis - 2 to 3 weeks
- Initial Category & Prospect Identification - 1 week
- Prepare & Deliver Report - 1 week

COST PROPOSAL:

Victus Advisors proposes a professional fee of \$37,500 to complete the proposed scope of services.

In addition to professional fees, Victus Advisors will also bill for reimbursable expenses incurred on behalf of the project (at the actual cost incurred), such as:

- Travel expenses to/from Billings (e.g. kickoff meeting or final presentation, if requested by the Client), including but not limited to airfare, hotel, meal, and vehicle expenses
- Printing, binding, or shipping of project materials
- Any corporate database access costs (such as D&B, Hoovers, etc.)
- Other such out-of-pocket expenses incurred on behalf of the project