

**EDA/EDC – Joint Board Meeting**  
**Thursday, November. 9, 2023**  
**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**
- Chief Rich St. John and County Attorney Scott Twito
  - D’Vaughn Hayes, TDS Fiber Project Update
  - George Warmer—Real Estate Market Update
- 7:30 A.M.**      **Changes to Today’s Agenda**
- 7:42 A.M.**      **Consent Items for Board Action** (EDA & EDC Board Action)
- Minutes – September 14, 2023 (Attachment A)
  - Minutes – October 24, 2023 Electronic Meeting (Attachment B)
  - September EDA and EDC Financials (Attachment C)
- 8:05 A.M.**      **Program Reports and Action Items**
- Big Sky Finance — Brandon
    - 504 Loans (Attachment D) (EDC Action)
  - Summer Jobs MOU—Marcell (Attachment E) (EDA/EDC Action)
  - BSED Facilities-Light Bike Trail MOU—Sarah (Attachment F) (EDA Action)
  - VBOC Quarterly Update—Rick (Handout) (Info)
  - Annual Meeting Recap—Board Feedback—Marcell (Info)
  - Member Investor Program Update—Patrick (Info)
  - Air Service Strategy Update—Ashley (Info)
  - Confirming Previous Action-EDC Board Nomination (filling a vacancy) (EDC Action)
- 8:35 A.M.**      **Executive Director Report-** Steve (Attachment G) (Info)
- EDA Board Openings Nominating Committee Process (Info)
  - Re-Org/Staffing Update (Info)
  - Salary Admin/Succession Plan Committee—Update (Handout) (Info)
  - FYI-December Board Meeting—Breakfast (Info)
- 8:55 A.M.**      **Public Comment**
- 9:00 A.M.**      **Adjourn**

**Next EDA/EDC Board Meeting: December 14 - (7:00AM to 9:30AM), Zoot Training Space, Rock31/BSED Building.** *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 (BSED) as soon as possible before the meeting day. Please call BSED at 406-256-6871.*



BIG SKY  
ECONOMIC DEVELOPMENT

EDA • EDC    CREATING MONTANA BUSINESS OPPORTUNITIES

# ATTACHMENT A



EDA • EDC CREATING MONTANA BUSINESS OPPORTUNITIES

**EDA/EDC Joint Board Minutes  
Thursday, September 14, 2023  
7:00 A.M. – 9:00 A.M.  
Rock31/BSED Building  
Zoot Training and Event Space (2<sup>nd</sup> 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, George Warmer, Kate Vogel, Judi Powers, Lucy Aspinwall, Paul Neutgens, Zachary Dunn

**EDA Board Members Absent:** Debbie Desjarlais, Ken Lutton, Riley Bennett

**EDC Board Members Present:** Andy Gott, Dave Ballard, DJ Clark, Jen Kobza, Jennifer Weaver Kondracki, Justin Martin, Kim Jakub, Mac Fogelsong, Michael Marsh, Mike Nelson, Mike Phillips, Mike Seppala, Nick Pancheau, Stefani Hicswa

**EDC Board Members Absent:** Ann Kosempa, Bob Wilmouth, Craig Bartholomew, John Ostlund, Nicole Benge, Spencer Frederick, Tyler Wiltgen

**Ex-Officios Present:** Erwin Garcia, John Brewer, Mark Morse, Pam Purinton

**Staff and Guests:** Ashley Kavanagh, Brandon Berger, Brian Brown, Christian Bautista, Dominic Neumeyer, Edie Best, Jeff Roach, Julie Seedhouse, Lorene Hinz, Marcell Bruski, Patrick Klugman, Sarah Myhre, Steve Arveschoug, Tami Fleetwood, Vince Mistretta, Vu Pham

**Call to Order:**

Kim Jakub, EDC Chair, called the meeting to order at 7:01 A.M. with the Pledge of Allegiance.

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

Steve thanked Patrick and Dianne for their work to close out the final portion of the grant award from the Federal EDA for the BSED building in the amount of \$187,238.05.

**Special Recognition:** Steve recognized Senior Director of Engagement, Marcell Bruski for five years of service at BSED. Steve also recognized Brandon Berger, Director of Big Sky Finance for 18 years of service and Director of Community Development, Dianne Lehm for 22 years of service.

**Introductions:** George Warmer introduced his guests, Dr. Edie Best with Billings Animal Family Hospital and Vince Mistretta, CEO of United Properties. DJ Clark introduced his guest Dominic Neumayer of Sanderson Stewart. Steve also introduced Christian Bautista with Edward Jones.

**Special Recognition:** Steve recognized Matthew McDonnell, Jake Penwell, Shane Ketterling, and Vu Pham as 2023 Economic Development Champions for their work coordinating the 2023 Yellowstone International Airshow.

**Intro Marketing Manager, Katelyn Harmon, Senior Director for Recruitment and Community Development, Ashley Kavanagh, Business Development Officer, Tyler Wink**

Steve introduced new team members Ashley Kavanagh, Senior Director for Recruitment and Community Development and Tyler Wink, Business Development Officer. Ashley and Tyler both provided a brief description of their professional backgrounds to the Board. Steve also shared that Katelyn Harmon joined as Marketing Manager.

#### Update-Parks Capital Campaign (Melanie) and Parks Bond Issues (Julie and Brian)

Melanie Schwarz shared information regarding the fundraising efforts for the Billings Parks, Recreation, and Trails Community Campaign. Melanie's role is to help raise private funds in the community. The request from the Chamber is to raise \$12 million in private funds, which includes \$6 million in private community funds, followed by \$6 million in grants once the bond passes. Melanie recognized two large donations recently from Par Montana and Mayor Bill Cole. Melanie thanked all contributors to the campaign. Melanie referenced that the bond includes approximately 12 projects that will benefit from the campaign efforts. Melanie shared a handout with the Board detailing each project.

Brian Brown and Julie Seedhouse shared a PowerPoint regarding the Billing Parks, Trails, and Recreation 2023 Bond Initiative. Brian and Julie reviewed the need in Billings for park infrastructure, the timeline for the proposed projects, a parks and trails improvement graphic, the details of parks and trails that are designated by Council to receive funds and further details regarding the recreation center. For background, the last major parks expansion was in the 80's and the last parks bond vote was in 1999. The last major trail upgrade was in 2012 and in June of this year City Council approved the Parks, Trail, and Recreation Bond. Brian and Julie encouraged support from the community to raise awareness and funding. The Board discussed the bond and shared their thoughts on the importance of being advocates.

#### SD2-Dr. Erwin Garcia

Dr. Garcia shared that SD2 can not just be good, but that it must be excellent and his commitment to students. Dr. Garcia reviewed his 90-day strategic plan with the Board. Dr. Garcia shared the four areas of focus for the district. 1) Teacher Empowerment and Support 2) School Safety and Effective Communication, 3) College, Career, Military Opportunities, 4) Meeting the Needs of Diverse Students. Actionable Areas and Goals- cultivate talent, foster a safe and positive environment, increase college, career and military opportunities, and address the needs of diverse learners.

Mike Seppala recognized Bryan Wood for receiving the SBA Legacy Award and Mike Nelson for receiving the Chamber Legacy Award.

#### **Agenda Changes:**

None

#### **Consent Items for Board Action**

##### Approval of July 13, 2023 Board Meeting Minutes

Motion: Nick Pancheau to approve the July 13, 2023 Board Meeting Minutes, as presented to the Board.

Second: Zach Dunn

Discussion: None

Motion: Carried

#### **Financial Matters-Tami**

##### EDA/EDC Financials for July 2023

Motion: Nick Pancheau to approve the EDA/EDC July 2023 financials as presented to the Board.

Second: Zach Dunn

Discussion: None

Motion: Carried

#### Amended Final EDA/EDC Budget for FY '24

Tami shared the allocation of resources for revenue and expenses in the FY '24 Budget and the shifts that occurred since the presentation of the preliminary budget to the Board. Tami also shared the final organizational budget and FY '24 Budget Comparison to FY '23. The EDA net operating revenue position is \$11,000. The EDC net operating revenue position is \$3,472.00. Tami reviewed the FY '24 budget opportunities and challenges. Opportunities include accomplishing strategic priorities, building capacity, building the Senior Leadership Team by filling the remaining open position and investing in their professional leadership growth, grow the Big Sky Finance program, Sustain and grow the Member Investor program. Challenges include continued commitment to fund the investment in our expanded capacity and new structure, sustaining the Member Investor Program, and Staff retention during a very competitive market for talent.

Motion: Mike Seppala to approve the amended final EDA/EDC Budget for FY '24 as presented to the Board.

Second: Jen Kobza

Discussion: None

Motion: Carried

#### Reinvestment of SBA Program Net Income FY '24 Budget

Tami reviewed edits to the reinvestment of SBA 504 Program Net Income FY '24 due to the changes described in the budget above.

Motion: Mike Seppala to approve reinvestment of SBA program net income FY '24 budget as presented to the Board.

Second: DJ Clark

Discussion: None

Motion: Carried

#### EDA/EDC Audit Engagement Letters-KCoe Isom, LLP

Tami reviewed the EDA/EDC Audit Engagement Letters with the Board for fiscal year 2023. This year's fees have changed. Tami and Steve had a conversation with the managing principal for the audits regarding the fees and as of yesterday, the total costs for the audit were reduced by approximately \$3,500 overall based on that conversation. Tami requested the Board approve the execution of the EDA/EDC audit engagement letters.

Motion: Judi Powers to approve the EDA/EDC Audit Engagement Letters as presented to the Board.

Second: Nick Pancheau

Discussion: None

Motion: Carried

#### Beartooth RC&D Funding Agreement

Tami reviewed the Beartooth RC&D Funding Agreement. BS&D's portion is \$12,327.63. Tami requested the Board approve the execution of the agreement and expense.

Motion: Michael Marsh to approve the Beartooth RC&D Funding Agreement as presented to the Board.

Second: Bryan Wood

Discussion: None

Motion: Carried

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

##### Big Sky Finance Mid-Year Portfolio Review-Brandon

Brandon provided the Board with a 504 Loan Portfolio Review. As of 9/01/2023 there are 139 total loans and all are current. Brandon reviewed calendar year activity from 2020 to present. Brandon shared loans that are considered stressed loans. Brandon explained that these loans were categorized as stressed when placed on deferment due to COVID. Brandon reviewed watch list loans. Brandon highlighted that Big Sky Finance's goal is to meet the 1<sup>st</sup> Pass Rate industry standard. The SBA SMART Audit was completed, and the ALP status was renewed

for another year. Brandon also provided the Board with reports for Lender Portal, Industry Concentration, Current Portfolio, Loan Approvals, Funded Loans, and Prepaid Loans. Brandon highlighted the Lender Portal Information. The Lender Purchase Rating is 1 (scale of 1-5, with 1 being the best) and the Smart Score is 18 (scale of 12-60, with 12 being the best). Brandon is very pleased to report these numbers.

#### Rock31/SBDC/NADC Partnership-Cooperative Agreement- Patrick

Patrick described the nature of the Rock31/SBDC/NADC Partnership-Cooperative Agreement in relation to the Minority Business Development Agency Grant awarded to NADC. Patrick asked the Board for approval for BSED to enter a contract with NADC to fund through the grant a full time employee that will work with Rock31, SBDC, and NADC and assist with referrals of NADC clients to BSED programs.

Motion: DJ Clark to approve the Rock31/SBDC/NADC Partnership-Cooperative Agreement as presented to the Board.

Second: Lucy Aspinwall

Discussion: None

Motion: Carried

#### Marking-Annual Meeting Theme-October 11<sup>th</sup>

Marcell shared the theme for the BSED Annual Meeting on October 11<sup>th</sup>- "Be Remarkable Billings". Marcell asked the Board to share highlights from their year to be showcased at the Annual Meeting.

#### Member Investor Program Update- Patrick

Patrick shared an update on the Member Investor Program. Last week a Member Investor Lunch was hosted at 406 Window. Patrick shared Member Investor prospects with which he has had meetings over the last month. Patrick shared more information regarding the Member Investor forum that will be conducted the morning of the Annual Meeting. Patrick asked the Board to mark their calendars for the annual Bus Tour on October 25<sup>th</sup>.

#### Air Service Strategy Update- Ashley

Ashley shared an update on the Air Service Strategy. Later this month Ashley will be meeting with Sun Country along with other local leaders. Ashley is also attending an October Air Service Rendezvous. Steve and John Brewer will meet with Southwest Airlines on November 8<sup>th</sup>. A strategic meeting with Billings leaders about air service strategy will also be conducted. Ashley highlighted the "why's" behind BSED's focus on air service including out of state college students, stimulating Billings commerce, workers in the healthcare corridor and demand for housing, and interest from international companies in Billings. Ashley noted that we have a Federal Air Service Grant in the amount of \$1.5 million dollars. Ashley shared that Cape Air continues to provide essential air service to 5 Eastern Montana communities.

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

##### Nominating Committee Recommendations

Steve shared the Nominating Committee Recommendations to fill open seats on the EDC Board of Directors. Regarding vacant positions, there are two seats previously held by Northwestern Energy and Billings Clinic. Northwestern Energy recommended Molly Schwend to fill the vacancy and Billings Clinic recommended Nichole Mehling. These recommendations were approved by the Nominating Committee. Three EDC Board Members are eligible for second terms-Ann Kosempa, Dave Ballard, and Spencer Frederick. Each of these Board members would like to be considered for a second term on the EDC Board. There are two open positions on the EDC Board as Mike Nelson and Craig Bartholomew have served two terms and their service will conclude at the end of the year. The Nominating Committee recommends that George Warmer and Judi Powers, whose terms on the EDA Board will expire, be considered to serve on the EDC Board. George and Judi's terms on the EDC Board will be three years per the bylaws.

Motion: Mike Marsh to approve the Nominating Committee Recommendations as presented to the Board and directive to hold an election of our Member Investors.

Second: Jen Kobza

Discussion: None

Motion: Carried

Re-Org/Staffing Update:

BSED has filled several positions, but there are still a few searches to complete. The Rock31 Director, Rock31 Community Coordinator (partnership with NADC), VBOC project manager, and BillingsWorks Manager search processes will begin soon. Now that the Senior Leadership structure is in place, BSED is in the process of building capacity.

Areas of Focus-Update

Steve shared updates on the following areas of focus:

-Salary Administration/Merit Pay Plan- Steve has asked the following Board Members and staff to serve on the Salary Administration/Succession Plan Update Committee: Judi Powers, George Warmer, Nick Pancheau, Debbie Desjarlais, Brandon Berger, and Patrick Klugman. This Committee will begin work on creating a merit pay criteria and updating the salary administration guidelines.

-Succession Plan Update- The Committee will also work to update the Succession Plan, Executive Director job description, and define ideal characteristics of the next Executive Director.

October Board Meeting-October 12 or not?

Given that the Annual Meeting is scheduled for October 11<sup>th</sup>, Steve recommended that the Board not meet on October 12<sup>th</sup> for a Board meeting. Steve put the Board on notice of the possibility of an electronic Board meeting in October for any action items.

Motion: Bryan Wood to approve the cancellation of the October 12<sup>th</sup> EDA/EDC Board meeting as presented to the Board.

Second: Nick Pancheau

Discussion: None

Motion: Carried

**Public Comment:**

Councilwoman Pam Purinton for Ward 4, spoke in opposition to the Parks, Trails, and Recreation Bond. Councilwoman Purinton highlighted the need for focus on public safety, jail expansion, and funding for the school district. She also highlighted that many Billings residents cannot afford the Bond and there are different elements and sides to this movement. Councilwoman invited the Board Members to meet with her to discuss if desired.

**Adjourn**

Motion: Jen Kobza motion to adjourn the meeting.

Second: Judi Powers

Discussion: None

Motion Passed

Kim Jakub adjourned the meeting at 8:54 am

Next Meeting – November 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  
ECONOMIC DEVELOPMENT

EDA • EDC    CREATING MONTANA BUSINESS OPPORTUNITIES

# ATTACHMENT B

**EDC Board – Electronic Vote Meeting**  
**Tuesday, October 24, 2023**  
**Big Sky EDA-RLF Loan Request Action Items**

---

**Request:**

As noticed to the Board, an electronic meeting was held on Tuesday, October 24, 2023 to consider the approval of three Big Sky EDA-RLF loans as listed below:

1. Vote to approve the Big Sky EDA-RLF Loan Request for Vagner Management Group, Inc. (Jersey Mike's) in the amount of \$157,500. Big Sky EDC will utilize EDA-RLF funds in partnership with Stockman Bank in financing the total project costs.

**Electronic Vote Results:**

EDC Votes in Favor	EDC Votes Against
Andy Gott Ann Kosempa Craig Bartholomew Dave Ballard D.J. Clark Jennifer Kobza Jennifer Kondracki John Ostlund Judi Powers Kim Jakub Michael Marsh Mike Phillips Paul Neutgens Spencer Frederick Stefani Hicswa Tyler Wiltgen	None

**Abstentions:**

Spencer Frederick

2. Vote to approve the Big Sky EDA-RLF Loan Request for The Madison Agency, Inc. (Kinetic Agency) in the amount of \$250,000. Big Sky EDC will utilize the EDA-RLF funds to finance the purchase, with the borrower bringing in 16.67% equity.

**Electronic Vote Results:**

EDC Votes in Favor	EDC Votes Against
Andy Gott Ann Kosempa Craig Bartholomew Dave Ballard D.J. Clark Jennifer Kobza Jennifer Kondracki John Ostlund Judi Powers Kim Jakub Michael Marsh Mike Phillips Paul Neutgens Spencer Frederick Stefani Hicswa Tyler Wiltgen	None

**Abstentions:** None

3. Vote to approve the Big Sky EDA-RLF Loan Request for Mountain Made K9 LLC in the amount of \$150,000. Big Sky EDC will be in a 1<sup>st</sup> lien position on all business assets.

EDC Votes in Favor	EDC Votes Against
Andy Gott Ann Kosempa Craig Bartholomew Dave Ballard D.J. Clark Jennifer Kobza Jennifer Kondracki John Ostlund Judi Powers Kim Jakub Michael Marsh Mike Phillips Paul Neutgens Spencer Frederick Stefani Hicswa Tyler Wiltgen	None

**Abstentions:** None

**Big Sky EDA-RLF Loan Request**

I. Big Sky EDC Finance Department is requesting approval for the following EDA-RLF requests. The Big Sky EDA-RLF Loan Committee has reviewed the requests and recommends approval to the full EDC Board. The requests meet all the underwriting and eligibility requirements of the program.

1. **Vagner Management Group, Inc. (Jersey Mike's)** – Request is for \$157,500 to provide short term financing for the refinance of a seller note on land to be developed for a Jersey Mike's location in Laurel, MT. The land was purchased in the fall of 2021 to be developed as a standalone Jersey Mike's restaurant. The seller note has come due, and these funds will provide interim financing for the future SBA 504 project to be financed by Big Sky Finance.

Big Sky EDC will utilize the EDA-RLF funds in partnership with Stockman Bank in financing the total project costs. Stockman will finance \$157,500 (50% of the total outstanding debt) in a 1<sup>st</sup> lien position and the borrower has provided \$110,000 into the land purchase to date. Our financing terms will be a term of 3 years, amortized over 20 years at 7.50% fixed, matching that of the bank. 14 jobs are projected to be created because of this project with the future 504 project. The Big Sky EDC Loan Committee has reviewed and approved the request as presented. As mentioned, this is bridge financing to be taken out with the future 504 project, estimated to start within the next 12 months.

2. **The Madison Agency Inc. (Kinetic Agency)** – Request is for \$250,000 to purchase an existing book of business from a similar type of web company. Kinetic offers similar services and therefore the owners, Kelsea Schreiner and Dana Pulis, view the acquisition as a natural extension of their current business and will broaden their services to small businesses in Montana. Established in 2006, Kinetic Agency is a full-service strategic communications agency located in downtown Billings with 22 employees. Kinetic is currently in an expansion mode and expects to hire 8-10 employees in the next year.

Big Sky EDC will utilize the EDA-RLF funds to finance the purchase, with the borrower bringing in 16.67% equity. No traditional financing was available due to the lack of collateral, thus the request for the EDA-RLF funds. Financing terms will be a 7-year note at 7.5% fixed for the term of the note. The Big Sky EDC Loan Committee has reviewed and approved the request as presented.

3. **Mountain Made K9 LLC** – Request is for \$150,000 to provide financing for the expansion of Mountain Made K9. Mountain Made K9 is owned by Alisha Anderson. Established in 2022, Mountain Made K9 is a dog training and dog boarding business that specializes in pet and working dog training. The business offers individualized, private board and train, in-home, and virtual training programs that focus on training both the dog and the handler to ensure client success. Total project costs of \$167,00 include

leasehold improvements (\$49K), FF&E (\$82K) and working capital (\$36K). The borrower will be providing 10% equity into the project.

Big Sky EDC will utilize the EDA-RLF funds to finance the above project costs. The borrower has worked both with Big Sky Finance and our local SBDC in its application for financing. Financing will be structured as a 7-year term note with 6 months interest only, and an interest rate of 7.5% fixed. Big Sky EDC will be in a 1<sup>st</sup> lien position on all business assets. Alisha does plan to hire 2 full-time and 2 part-time employees over the next year. The Big Sky EDC Loan Committee has reviewed and approved the request as presented.



BIG SKY  
ECONOMIC DEVELOPMENT

EDA • EDC    CREATING MONTANA BUSINESS OPPORTUNITIES

# ATTACHMENT C

**Big Sky EDA**  
**Statements of Operations-Actual vs Budget**  
**For the Month and YTD Ended September 30, 2023**

	Month			YTD			Fiscal Year
	Actual	Budget	Variance	Actual	Budget	Variance	Annual Budget
Operating Revenue							
County Taxes Mill Levy Revenue	\$ 35	\$ -	\$ 35	\$ 337	\$ -	\$ 337	\$ 1,476,001
Entitlement	67,166	67,166	-	67,166	67,166	-	268,665
Health Ins Mill Levy Revenue	7,420	9,169	(1,749)	21,200	27,189	(5,989)	110,240
Recovery of Protested Taxes	-	-	-	-	-	-	1,000
Department of Defense - APEX	50,000	73,348	(23,348)	168,369	220,043	(51,674)	880,171
EDC Reimbursement	67,703	64,740	2,963	192,618	211,812	(19,194)	794,476
EPA Brownfields CA	33,978	25,237	8,741	33,978	75,710	(41,732)	302,841
EPA Brownfields Grant Admin	4,293	7,623	(3,330)	4,293	7,623	(3,330)	30,492
APEX Advisor Agreement Support	3,000	3,000	-	9,000	9,000	-	36,000
MT Dept of Commerce - SBDC	11,250	11,250	-	33,750	33,750	-	135,000
SBA - VBOC	14,145	25,417	(11,272)	44,890	76,250	(31,360)	305,000
Rock31 Membership Revenue	8,111	6,250	1,861	23,631	18,750	4,881	75,000
Zoot/Other Room Rent Revenue	966	417	549	2,346	1,250	1,096	5,000
Rock31 Barista Rent Revenue	775	700	75	2,325	2,100	225	8,400
Grant Administration	(4,000)	1,000	(5,000)	375	1,000	(625)	9,000
Total Operating Revenue	264,842	295,317	(30,475)	604,278	751,643	(147,365)	4,437,286
Operating Expense							
Salaries/Wages	135,035	162,617	(27,582)	400,922	461,163	(60,241)	1,987,806
Employer Contributions	40,256	50,748	(10,492)	119,580	143,540	(23,960)	605,895
Advertising	-	117	(117)	1,500	350	1,150	1,400
Barista Equipment Maintenance	-	208	(208)	-	625	(625)	2,500
Barista Supplies	-	42	(42)	-	125	(125)	500
Board Expenses	432	83	349	432	250	182	6,000
Brownfields CA Expenses	10,063	27,750	(17,687)	38,271	83,583	(45,312)	333,333
Building Art and Decor	126	421	(295)	126	1,263	(1,137)	15,050
Building Operations/Maintenance	7,596	8,003	(407)	23,101	23,146	(45)	91,150
Community Development Projects	-	-	-	-	200	(200)	49,667
Conferences	2,995	3,331	(336)	5,120	6,333	(1,213)	26,400
Contingency	-	-	-	-	-	-	50,000
Dues/Subscriptions/Memberships	3,821	3,527	294	30,065	31,662	(1,597)	70,145
Event Expense	511	-	511	2,383	-	2,383	-
Hosted Meetings	502	521	(19)	1,415	1,349	66	5,650
Insurance	4,921	6,213	(1,292)	14,361	17,706	(3,345)	71,630
Marketing	1,665	7,708	(6,043)	13,044	24,894	(11,850)	94,075
Office Equip & Furn < \$5000	3,005	833	2,172	7,845	4,584	3,261	12,084
Office Expense and Supplies	2,360	2,411	(51)	6,804	7,233	(429)	28,932
Professional Development	1,808	2,725	(917)	3,162	8,175	(5,013)	35,700
Professional Fees							
Accounting	22,400	-	22,400	22,400	-	22,400	34,500
Consulting	-	2,917	(2,917)	-	8,750	(8,750)	35,000
HR Consulting	2,453	1,833	620	5,066	5,500	(434)	22,000
Legal Fees	-	250	(250)	876	750	126	3,000
Other	-	1,667	(1,667)	5	5,000	(4,995)	20,000
Total Professional Fees	24,853	6,667	18,186	28,347	20,000	8,347	114,500
Property Tax Protests	-	3,750	(3,750)	-	11,250	(11,250)	45,000
APEX Subcenter	20,000	46,547	(26,547)	80,416	139,642	(59,226)	558,569
Rent	877	1,979	(1,102)	2,630	6,625	(3,995)	22,599
Repairs	2,461	950	1,511	3,156	2,850	306	11,400
Rock 31 Outreach	-	417	(417)	-	1,250	(1,250)	5,000
Special Assessments BID	-	-	-	-	-	-	2,500
Sponsorships	1,520	833	687	1,520	2,500	(980)	11,000
Staff Expenses	1,014	2,025	(1,011)	2,238	3,675	(1,437)	14,700
Strategic Priorities	-	-	-	-	-	-	15,000
Suspense	2	-	2	2	-	2	-
TEDD	-	-	-	-	-	-	1,000
Telecommunications	4,318	4,954	(636)	12,806	14,533	(1,727)	56,375
Travel	10,589	8,056	2,533	19,529	19,231	298	77,725
Miscellaneous	278	108	170	1,994	325	1,669	3,000
Total Operating Expense	281,008	353,544	(72,536)	820,769	1,038,062	(217,293)	4,426,285
Net Operating Revenue (Expense)	(16,166)	(58,227)	42,061	(216,491)	(286,419)	69,928	11,001



**Big Sky EDA**  
**Statements of Operations-Actual vs Budget**  
**For the Month and YTD Ended September 30, 2023**

	Month			YTD			Fiscal Year
	Actual	Budget	Variance	Actual	Budget	Variance	Annual Budget
Non-Operating Income/Expense							
Non-Operating Income							
Interest Income	7,243	2,083	5,160	13,075	6,250	6,825	25,000
Total Non-Operating Income	7,243	2,083	5,160	13,075	6,250	6,825	25,000
Non-Operating Expense							
Amortization Expense	118	109	9	351	328	23	1,313
Depreciation Expense	21,781	23,027	(1,246)	65,343	67,180	(1,837)	261,373
Interest Expense	55	63	(8)	169	188	(19)	750
Total Non-Operating Expense	21,954	23,199	(1,245)	65,863	67,696	(1,833)	263,436
Net Non-Operating Income (Expense)	(14,711)	(21,116)	6,405	(52,788)	(61,446)	8,658	(238,436)
Change in Net Assets	\$ (30,877)	\$ (79,343)	\$ 48,466	\$ (269,279)	\$ (347,865)	\$ 78,586	\$ (227,435)

**Big Sky EDA**  
**Balance Sheet - Comparison with Previous Year**  
**As of September 30, 2023**

	September 30, 2023	September 30, 2022	\$ Change	% Change
<b>ASSETS</b>				
Current Assets				
Checking/Savings				
Main Operating - FIB	\$ 877,043	\$ 275,596	\$ 601,447	218%
Recovered Property Taxes - FIB	626	626	-	0%
Operating Reserve - FIB	251,906	251,337	569	0%
Reserve for Replacement - FIB	141,925	192,780	(50,855)	(26%)
Opportunity Fund - Stockman	86,869	85,527	1,342	2%
Opportunity Fund - Opportunity	294,430	289,294	5,136	2%
Stockman GE Maintenance	15,128	15,128	-	0%
Rocky Mountain - Money Market	43,288	43,288	-	0%
Valley Federal - Savings	25	25	-	0%
Valley Federal - Money Market	305,400	300,810	4,590	2%
Opportunity Fund CDs-current	1,751,396	1,734,416	16,980	1%
Altana - Savings	25	25	-	0%
Yellowstone County Funds	508,235	294,013	214,222	73%
Total Checking/Savings	4,276,296	3,482,865	793,431	23%
Accounts Receivable				
Accounts Receivable	143,706	104,613	39,093	37%
Accounts Receivable - APEX	108,000 *	186,261	(78,261)	(42%)
Accounts Receivable - SBDC	22,500	21,503	997	5%
Accounts Receivable - VBOC	14,184	48,174	(33,990)	(71%)
Accounts Receivable-Brownfields	43,988	-	43,988	100%
Total Accounts Receivable	332,378	360,551	(28,173)	(8%)
Other Current Assets				
Due To/Due From EDC	67,745	63,309	4,436	7%
Grants Receivable	-	50,000	(50,000)	(100%)
Tax Levy Receivable	8,275	5,968	2,307	39%
Tax Levy Receivable - Protested	3,122	57	3,065	5,377%
Allowance for Doubtful Accts	(3,122)	(57)	(3,065)	(5,377%)
American Revenue Guarantee	6,887	6,887	-	0%
Prepaid Expenses	44,687	9,424	35,263	374%
Undeposited Funds	12,000	-	12,000	100%
Total Other Current Assets	139,594	135,588	4,006	3%
Total Current Assets	4,748,268	3,979,004	769,264	19%
Fixed Assets				
Construction in Progress	-	4,600,627	(4,600,627)	(100%)
Bank Building - Land	301,750	301,750	-	0%
Bank Building - Building	6,303,890	1,473,250	4,830,640	328%
Furniture	227,169	-	227,169	100%
Equipment	6,700	-	6,700	100%
Barista Equipment	12,000	12,000	-	0%
Accumulated Depreciation	(322,624)	(78,451)	(244,173)	(311%)
Total Fixed Assets	6,528,885	6,309,176	219,709	3%
Other Assets				
Deferred Outflow of Resources	90,930	129,336	(38,406)	(30%)
Opportunity Fund CDs-Noncurrent	-	642,380	(642,380)	(100%)
Deposit	173	5,181	(5,008)	(97%)
Cabelas Conduit x0603	4,896	4,954	(58)	(1%)
Right of Use Asset	6,325	7,675	(1,350)	(18%)
Total Other Assets	102,324	789,526	(687,202)	(87%)
TOTAL ASSETS	\$ 11,379,477	\$ 11,077,706	\$ 301,771	3%

**Big Sky EDA**  
**Balance Sheet - Comparison with Previous Year**  
**As of September 30, 2023**

	September 30, 2023	September 30, 2022	\$ Change	% Change
<b>LIABILITIES &amp; EQUITY</b>				
Liabilities				
Current Liabilities				
Accounts Payable	\$ 80,322 *	\$ 123,782	\$ (43,460)	(35%)
Credit Cards	22,300	19,920	2,380	12%
Other Current Liabilities				
Contributions Payable	25,000	-	25,000	100%
Accrued Expenses	110,294	100,051	10,243	10%
Compensated Absences	166,189	162,949	3,240	2%
Payroll Liabilities	(514)	905	(1,419)	(157%)
Deferred Revenues	27,000	37,409	(10,409)	(28%)
Total Other Current Liabilities	327,969	301,314	26,655	9%
Total Current Liabilities	430,591	445,016	(14,425)	(3%)
Long Term Liabilities				
Deferred Inflow of Resources	204,425	386,724	(182,299)	(47%)
Pension Liability	628,001	563,223	64,778	12%
Lease Liability	6,326	7,675	(1,349)	(18%)
Total Long Term Liabilities	838,752	957,622	(118,870)	(12%)
Total Liabilities	1,269,343	1,402,638	(133,295)	(10%)
Equity				
Net Assets	7,668,303	7,242,523	425,780	6%
Contributed Capital	3,193,580	3,193,580	-	0%
Prior Period Adjustment	(482,470)	(482,470)	-	0%
Net Income	(269,279)	(278,565)	9,286	3%
Total Equity	10,110,134	9,675,068	435,066	4%
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>\$ 11,379,477</b>	<b>\$ 11,077,706</b>	<b>\$ 301,771</b>	<b>3%</b>

\* Includes estimate for current month for APEX receivable and APEX subcenter payable

**Big Sky Economic Development Corporation**  
**Statement of Operations - Actual vs Budget**  
**For the Month and YTD Ended September 30, 2023**

	Month			YTD			Fiscal Year
	Actual	Budget	Variance	Actual	Budget	Variance	Annual Budget
Operating Revenue							
504 Loan Servicing	\$ 34,386	\$ 35,417	\$ (1,031)	\$ 103,425	\$ 106,250	\$ (2,825)	\$ 425,000
504 Loan Origination	9,082	16,500	(7,418)	17,225	49,500	(32,275)	198,000
504 Loan Closing Attorney Fees	2,500	2,083	417	5,000	6,250	(1,250)	25,000
Federal EDA RLF Loan Orig	-	208	(208)	-	625	(625)	2,500
Float Income	-	-	-	-	-	-	20,000
Member Investment	-	-	-	33,000	33,000	-	308,500
Federal EDA RLF Loan Interest	5,361	4,333	1,028	14,625	13,000	1,625	52,000
RLF Business Loan Interest	944	1,000	(56)	2,841	3,000	(159)	12,000
Stabilization Loan Interest	-	4	(4)	14	18	(4)	18
SSBCI Orig Fees/Loan Interest	2,114	1,500	614	6,678	4,500	2,178	18,000
Loan Processing Fee Income	-	2,083	(2,083)	7,975	6,250	1,725	25,000
Grant Administration	2,853	1,875	978	2,853	1,875	978	7,500
Donation Income	-	-	-	250	-	250	-
Total Operating Revenue	57,240	65,003	(7,763)	193,886	224,268	(30,382)	1,093,518
Operating Expense							
Advertising	-	50	(50)	-	50	(50)	200
Board Expenses	-	167	(167)	106	250	(144)	1,000
Business Accelerator	-	-	-	-	-	-	10,000
Business Recruitment and Expans	87	1,458	(1,371)	1,240	4,375	(3,135)	17,500
Conferences	-	1,000	(1,000)	29	1,000	(971)	4,000
Contingency	-	-	-	-	-	-	10,000
Dues and Subscriptions	1,206	1,538	(332)	3,573	4,613	(1,040)	18,450
EDA Reimbursement	67,703	64,740	2,963	192,618	211,812	(19,194)	794,476
Event Expense	-	3,917	(3,917)	2,924	8,750	(5,826)	35,000
Hosted Meeting Expense	132	908	(776)	351	2,725	(2,374)	10,900
Insurance	1,014	950	64	2,766	2,702	64	11,250
Loan Expenses	(2,032)	1,500	(3,532)	76	4,500	(4,424)	18,000
Marketing	13,625	2,583	11,042	20,382	7,750	12,632	31,000
Membership Development	26	708	(682)	228	2,125	(1,897)	8,500
Office Equip & Furn < \$5000	-	-	-	329	-	329	-
Office Expenses and Supplies	-	125	(125)	318	375	(57)	1,650
Postage	-	121	(121)	3	338	(335)	1,350
Professional Development	2,721	375	2,346	3,850	1,125	2,725	4,500
Professional Fees							
Accounting	14,000	14,000	-	14,000	14,000	-	22,000
Consulting	-	833	(833)	-	2,500	(2,500)	17,000
Legal Fees	1,600	417	1,183	1,600	1,250	350	5,000
Attorney Fees - 504 Closing	2,500	2,500	-	8,000	7,500	500	25,000
Total Professional Fees	18,100	17,750	350	23,600	25,250	(1,650)	69,000
Rent	387	500	(113)	1,219	1,500	(281)	6,000
Rock31 Outreach	-	-	-	-	-	-	3,000
Sponsorships	1,170	-	1,170	2,670	-	2,670	2,150
Staff Expenses	-	108	(108)	478	275	203	1,100
Telecommunications	205	335	(130)	615	1,005	(390)	4,020
Travel	5,610	2,250	3,360	6,665	6,750	(85)	27,000
Miscellaneous	235	-	235	445	-	445	-
Total Operating Expense	110,189	101,083	9,106	264,485	287,270	(22,785)	1,090,046
Net Operating Revenue (Expense)	(52,949)	(36,080)	(16,869)	(70,599)	(63,002)	(7,597)	3,472
Non-Operating Income/Expense							
Non-Operating Income							
Federal Grant Revenue	225,000	225,000	-	225,000	225,000	-	585,000
Interest Income	186	158	28	550	475	75	1,900
Total Non-Operating Income	225,186	225,158	28	225,550	225,475	75	586,900
Non-Operating Expense							
Bad Debt Expense	-	3,750	(3,750)	-	3,750	(3,750)	15,000
Total Non-Operating Expense	-	3,750	(3,750)	-	3,750	(3,750)	15,000
Net Non-Operating Income (Expense)	225,186	221,408	3,778	225,550	221,725	3,825	571,900
Change in Net Assets	\$ 172,237	\$ 185,328	\$ (13,091)	\$ 154,951	\$ 158,723	\$ (3,772)	\$ 575,372

**Big Sky Economic Development Corporation**  
**Balance Sheet - Previous Year Comparison**  
**As of September 30, 2023**

	September 30, 2023	September 30, 2022	\$ Change	% Change
<b>ASSETS</b>				
Current Assets				
Checking/Savings				
FIB Main Operating	\$ 123,552	\$ 26,263	\$ 97,289	370%
FIB x0594-Coulson Park	86,572	76,534	10,038	13%
FIB/Stockman - SSBCI Principal	541,551	435,840	105,711	24%
FIB - Long Term Reserve	250,000	250,000	-	0%
FIB - Opportunity Fund	60,930	60,900	30	0%
FIB - Federal EDA RLF	211,031	236,496	(25,465)	(11%)
FIB - RLF	311,541	266,188	45,353	17%
Total Checking/Savings	1,585,177	1,352,221	232,956	17%
Accounts Receivable				
Pledges Receivable	2,500	62,000	(59,500)	(96%)
Accounts Receivable	35,000	198,313	(163,313)	(82%)
Total Accounts Receivable	37,500	260,313	(222,813)	(86%)
Other Current Assets				
Fed EDA RLF Portfolio - Current	96,270	17,280	78,990	457%
RLF Portfolio - Current	25,569	24,332	1,237	5%
SSBCI Portfolio - Current	33,022	33,111	(89)	(0%)
Stabilization - Current	2,557	33,467	(30,910)	(92%)
Prepaid Expenses	1,519	-	1,519	100%
Total Other Current Assets	158,937	108,190	50,747	47%
Total Current Assets	1,781,614	1,720,724	60,890	4%
Other Assets				
Fed EDA RLF - Non-Current	1,235,311	208,799	1,026,512	492%
RLF Portfolio - Non-Current	167,999	200,949	(32,950)	(16%)
SSBCI Portfolio - Non-Current	754,708	795,368	(40,660)	(5%)
Stabilization - Non-Current	-	7,506	(7,506)	(100%)
Allowance for Loan Losses	(20,150)	(23,856)	3,706	16%
Total Other Assets	2,137,868	1,188,766	949,102	80%
<b>TOTAL ASSETS</b>	<b>\$ 3,919,482</b>	<b>\$ 2,909,490</b>	<b>\$ 1,009,992</b>	<b>35%</b>
<b>LIABILITIES &amp; EQUITY</b>				
Liabilities				
Current Liabilities				
Accounts Payable	\$ 174,197	\$ 5,767	\$ 168,430	2,921%
Credit Cards	9,471	16,710	(7,239)	(43%)
Other Current Liabilities				
Due to/Due From EDA	67,745	63,309	4,436	7%
Accrued Expenses	6,000	44	5,956	13,536%
Deferred 504 Revenue	-	13,286	(13,286)	(100%)
Total Other Current Liabilities	73,745	76,639	(2,894)	(4%)
Total Current Liabilities	257,413	99,116	158,297	160%
Total Liabilities	257,413	99,116	158,297	160%
Equity				
Retained Earnings	3,507,118	2,939,820	567,298	19%
Change in Net Assets	154,951	(129,446)	284,397	220%
Total Equity	3,662,069	2,810,374	851,695	30%
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>\$ 3,919,482</b>	<b>\$ 2,909,490</b>	<b>\$ 1,009,992</b>	<b>35%</b>



BIG SKY  
ECONOMIC DEVELOPMENT

EDA • EDC    CREATING MONTANA BUSINESS OPPORTUNITIES

# ATTACHMENT D

**SBA 504 Loan Requests**

- I. Big Sky EDC is requesting approval to submit to the US Small Business Administration the following SBA 504 loan 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 EDC.
1. **Hunter Bay LLLP / HBCORE, LLC** – Purpose of this request is for the asset purchase consisting of existing commercial real estate and equipment associated with a business acquisition for Hunter Bay LLLP. The project is located in Englewood, CO. This will be an expansion of Hunter Bay's current operation which is based out of Missoula and Lolo, MT. Hunter Bay's operations consist primarily of a wholesale coffee roaster. They also operate two retail locations: one in Missoula and the other in Arvada, CO. The acquisition of this coffee roasting business will provide capacity to continue their expansion in the Colorado market. Hunter Bay Coffee Roasters was started in 1991, and the business being acquired was started in 1993.

The total SBA debenture will be \$1,198,000 on a 25-year note comprising 40% of the total project costs. Big Sky EDC and the SBA will be in a 2<sup>nd</sup> lien position on the real and personal property behind First Security Bank, Division of Glacier Bank (Missoula). There will be 4 jobs retained resulting from the acquisition. The project will meet Community Development goals of being in a HUBZone and a Small Manufacturer.



BIG SKY  
ECONOMIC DEVELOPMENT

EDA • EDC    CREATING MONTANA BUSINESS OPPORTUNITIES

# ATTACHMENT E



## **Memorandum of Understanding (MOU) and Action Plan for the Summer Jobs Program**

Between

American Jobs for America's Youth Montana  
(Hereinafter referred to as "AJAY MT")

And

Big Sky Economic Development (BSED)  
(Hereinafter referred to as "BSED")

**Purpose:** This Memorandum of Understanding (MOU) and Action Plan outlines the roles and responsibilities of BSED in collaboration with AJAY MT for the successful implementation of the Summer Jobs Program (SJP) in Yellowstone County.

The primary objective of the SJP is to provide youth with valuable work experience, skills development, and mentorship. Through this partnership, Yellowstone County youth and employers will benefit from the SJP. The SJP aims to build work skills and develop social networks to help Yellowstone County youth better understand and pursue their goals, ultimately developing the local workforce pipeline.

### **SJP Roles:**

- **SJP Local Implementation Lead Organization (BSED) and Local Coordinator** - coordinates the local implementation of the Summer Jobs Program model including identifying a local coordinator to be the primary point of contact.
- **AJAY MT** - provides ongoing guidance and technical support to communities implementing SJP. AJAY MT provides training curricula, program materials, implementation strategies, and program evaluation. AJAY MT leverages statewide partnerships to enhance local programs and maximize program impact.
- **SJP Community Implementation Team**- a dedicated collaborative group from across the community works with AJAY MT to support a successful Summer Jobs Program. This committee plays an important role in ensuring the execution of the SJP by providing logistical support to the lead organization and to participating businesses, students, mentors, and schools.
- **Host Employers** - commit to hosting SJP participants with a meaningful work experience that pays more than minimum wage; offer a supportive environment; and provide ongoing, effective feedback to maximize the experience for both the employer and the student.

- **Youth Participants** - SJP serves young adults (15-19 years old) interested in growing their work skills and expanding their professional network. Interested participants complete an application, a program interest interview, work skills training, employer hiring process, and mentoring. Communities determine priority age range.
- **SJP Mentors** - adult volunteers commit to meeting with participants to help students process their work experience, identify future goals, help them grow their professional skills, and expand their professional network.

This document outlines the finer details of each responsibility and a comprehensive action plan timeline.

## **Roles and Responsibilities of BSED:**

### **Planning & Coordination**

- SJP Implementation Planning Committee: BSED will convene the local committee, involving key stakeholders to ensure comprehensive planning and successful execution.
- Committee Meetings: BSED will organize and facilitate weekly or biweekly SJP committee meetings from January through May, promoting collaboration and effective coordination among all parties. AJAY MT will attend Yellowstone County SJP committee meetings remotely.
- Communication: BSED will maintain regular communication among local team and with AJAY Montana to evaluate progress and outcomes, fostering a proactive and responsive approach to program support.
- BSED will actively build and maintain positive community relations, ensuring strong ties with the community, which is essential for the program's success.
- BSED will host two important events - a summer kick-off and an end of program celebration - ensuring their successful execution.

### **Recruitment & Work Experience Placements**

- Recruitment of Participants: BSED will actively engage in recruiting a minimum number of student participants, and corresponding number of prospective employers and mentors for the SJP. AJAY MT will develop applications for students, employers, and mentors.

- Student Interviews: BSED is responsible for coordinating and overseeing the interview process with potential students, either by directly coordinating interviews or overseeing other members of the Implementation Committee.
- Work Experience Placements: BSED will lead the effort of matching students with prospective employers and mentors.

### **Program Support:**

- Issue Resolution: BSED will be responsible for promptly addressing and resolving any issues that may arise during the program involving students, mentors, or employers. SJP does not moderate human resource issues, yet can support students and employers regarding options.
- Work Skills Assessments: BSED will distribute and collect work skills pre-assessments and post-assessments, ensuring the evaluation process is consistent.
- Evaluations: Program effectiveness will be evaluated via mid-summer and end-of-summer evaluations completed by participating students, mentors, and employers. AJAY MT will create and collect evaluations and BSED will provide support of distribution and collection of evaluations.
- Completion Certificates: AJAY MT will provide certificates and BSED will print and distribute final certificates.

### **Orientation & Training**

- Mentor and Supervisor Orientations: In partnership with AJAY MT, BSED will facilitate mentor and supervisor orientations, ensuring all participants are adequately prepared for their roles.
- Student Work Skills Training: In partnership with AJAY MT, BSED will provide essential work skills training to students. This can be through a partnership with another organization, online option, or direct delivery.

### **Program Paperwork and Documentation**

- Website Content: BSED will provide AJAY MT with partner logos and community specific information for the program's website to ensure accurate and up-to-date information is available to the community. AJAY MT will keep website up-to-date.
- BSED will update a shared program spreadsheet to reflect current participant status. (Students, Employers, and Mentors)

- BSED will provide and/or collect feedback to improve the quality of SJP.

### **Financial Responsibilities**

- BSED will provide funding for student stipends upon successful completion of the work skills training.
- BSED will fund a casual summer kick-off and a program celebration late in the summer.

### **Legal and Administrative:**

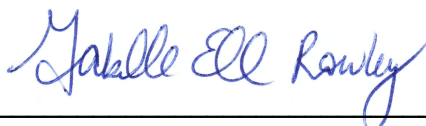
- Indemnify and hold harmless AJAY MT and its officers and employees from third-party claims related to BSED's performance under this MOU.

This MOU is effective from November 1, 2023, through October 30, 2024, covering planning and implementation of the 2024 Summer Jobs Program in Yellowstone County. In October 2024, both parties will mutually reestablish partnership terms. Either party may terminate this MOU with 30 days written notice without penalties or liabilities.

### **Signatures:**

BSED (Signature) \_\_\_\_\_

Printed Name \_\_\_\_\_ Date \_\_\_\_\_

AJAY MT (Signature)  \_\_\_\_\_

Printed Name Gabrielle Eklund Rowley Date 10/19/2023



BIG SKY  
ECONOMIC DEVELOPMENT

EDA • EDC    CREATING MONTANA BUSINESS OPPORTUNITIES

# ATTACHMENT F

## **Memorandum of Understanding**

This Memorandum of Understanding (the "Memorandum") is made on July 03, 2023, by and between Downtown Billings Alliance, of 116 N 29th St., Suite A, Billings, Montana 59101 (hereinafter referred to as "DBA") and Big Sky Economic Development, of 201 North Broadway, Billings, MT 59101 for the purpose of achieving the various aims and objectives relating to the Downtown Billings LightBike Trail (the "Project").

WHEREAS DBA and Big Sky Economic Development desire to enter into an agreement in which DBA and Big Sky Economic Development will work together to complete the Project;

AND WHEREAS DBA and Big Sky Economic Development are desirous to enter into a Memorandum of Understanding between them, setting out the working arrangements that each of the partners agree are necessary to complete the Project;

### **Purpose**

The purpose of this Memorandum is to provide the framework for any future binding contract regarding the Downtown Billings LightBike Trail between DBA and Big Sky Economic Development.

### **Obligations of the Partners**

The Partners acknowledge that no contractual relationship is created between them by this Memorandum, but agree to work together in the true spirit of partnership to ensure that there is a united visible and responsive leadership of the Project and to demonstrate financial, administrative and managerial commitment to the Project by means of the following individual services.

### **Cooperation**

The activities and services for the Project shall include, but not limited to:

- a. Services to be rendered by DBA include:
  - The installation of one LightBike, to be bolted to previously identified wall of the property
  - Contract with licensed electrical contractor to run electric to LED components.
  - Ongoing maintenance of the LightBike, Mural, and other components of the Project.
- b. Services to be rendered by Big Sky Economic Development include:
  - Approval of mural proposal by contracted artist.
  - Consent of LightBike attachment to the building
  - Cost of LED Electrical service

### **Resources**

The Partners will endeavor to have final approval and secure any financing necessary to fulfill their individual financial contributions at the start of the planning for the development of the Project.

**Communication Strategy**

Marketing of the vision and any media or other public relations contact should always be consistent with the aims of the Project and only undertaken with the express agreement of both parties. Where it does not breach any confidentiality protocols, a spirit of open and transparent communication should be adhered to. Coordinated communications should be made with external organizations to elicit their support and further the aims of the Project.

**Liability**

No liability will arise or be assumed between the Partners as a result of this Memorandum.

**Dispute Resolution**

In the event of a dispute between the Partners in the negotiation of the final binding contract relating to this Project, a dispute resolution group will convene consisting of the Chief Executives of each of the Partners together with one other person independent of the Partners appointed by the Chief Executives. The dispute resolution group may receive for consideration any information it thinks fit concerning the dispute. The Partners agree that a decision of the dispute resolution group will be final. In the event the dispute resolution group is unable to make a compromise and reach a final decision, it is understood that neither party is obligated to enter into any binding contract to complete the Project.

**Term**

The arrangements made by the Partners by this Memorandum shall remain in place from October 17, 2023 until the MOU is terminated by either Partner.

**Notice**

Any notice or communication required or permitted under this Memorandum shall be sufficiently given if delivered in person or by certified mail, return receipt requested, to the address set forth in the opening paragraph or to such other address as one party may have furnished to the other in writing.

**Governing Law**

This Memorandum shall be construed in accordance with the laws of the State of Montana.

**Assignment**

Neither party may assign or transfer the responsibilities or agreement made herein without the prior written consent of the non-assigning party, whose approval shall not be unreasonably withheld.

**Amendment**

This Memorandum may be amended or supplemented in writing, if the writing is signed by the party obligated under this Memorandum.

**Severability**

If any provision of this Memorandum is found to be invalid or unenforceable for any reason, the remaining provisions will continue to be valid and enforceable. If a court finds that any provision of this Memorandum is invalid or unenforceable, but that by limiting such provision it would become valid and enforceable, then such provision will be deemed to be written, construed, and enforced as so limited.

**Prior Memorandum Superseded**

This Memorandum constitutes the entire Memorandum between the parties relating to this subject matter and supersedes all prior or simultaneous representations, discussions, negotiations, and Memorandums, whether written or oral.

## Understanding

It is mutually agreed upon and understood by and among the Partners of this Memorandum that:

- a. Each Partner will work together in a coordinated fashion for the fulfillment of the Project.
- b. In no way does this agreement restrict involved Partners from participating in similar agreements with other public or private agencies, organizations, and individuals.
- c. To the extent possible, each Partner will participate in the development of the Project.
- d. Nothing in this memorandum shall obligate any Partner to the transfer of funds. Any endeavor involving reimbursement or contribution of funds between the Partners of this Memorandum will be handled in accordance with applicable laws, regulations, and procedures. Such endeavors will be outlined in separate agreements that shall be made in writing by representatives of the Partners involved and shall be independently authorized by appropriate statutory authority. This Memorandum does not provide such authority.
- e. This Memorandum is not intended to and does not create any right, benefit, or trust responsibility.
- f. This Memorandum will be effective upon the signature of both Partners.
- g. Any Partner may terminate its participation in this Memorandum by providing written notice to other Partners.

The following Partners support the goals and objectives of the Downtown Billings LightBike Trail:

## Signatories

This Agreement shall be signed on behalf of Downtown Billings Alliance by Katy Easton, CEO, and on behalf of Big Sky Economic Development by \_\_\_\_\_. This Agreement shall be effective as of the date first written above.

By: \_\_\_\_\_

Downtown Billings Alliance  
Katy Easton, its CEO

Date: \_\_\_\_\_

By: \_\_\_\_\_

\_\_\_\_\_, its \_\_\_\_\_

Date: \_\_\_\_\_





BIG SKY  
ECONOMIC DEVELOPMENT

EDA • EDC    CREATING MONTANA BUSINESS OPPORTUNITIES

# ATTACHMENT G

**November 2023  
Executive Director's Report  
and Program Updates  
to the  
Board of Directors**

---

***Strategic Priorities (FY 2023-24)***

**Strategic Objectives** (updates in *blue/italic*)

**1. Build out the Billings entrepreneurship ecosystem to support new, innovative, diverse business startups** (Leads: Business Advising & Lending Programs)

**Strategies**

- a. Complete the Rock31/BSED facility development project to its full vision— *As noted earlier we have created a Building Repair and Replacement Fund, transferring \$125,000 from our net operating income to this new account. Important to have these dollars as we move out of our initial warranty period. In all, the building is meeting and exceeding expectations in so many ways. We do want to look at a series of enhancements to the space to keep it innovative and valuable for our Rock31 members. Specifics of these enhancements to follow.*
- b. Execute the Rock31 program plan, build Rock31 membership and roll out acceleration programming— *We believe we have found our Rock31 Community Coordinator through our search process. We should be able to extend an offer by November 6, and shoot for a November 20<sup>th</sup> start date. We have not yet found our Rock31 Director. We are still working, including updating the job description and getting creative with our search. We need to fill this position as soon as we can. Kayla does continue to serve as our interim director for Rock31.*
- c. Build awareness of all business advising and lending programs and tools— *Our Annual meeting really served us well in our efforts to “get the word out” regarding BSED and our services. But there remains a lot of work to do---it really requires a constant effort to inform our community and potential clients how they can benefit from a relationship with BSED. As noted before we have entered into an agreement with NADC to support the needs of Native-owned businesses through Rock31 and our Small Business Development Center*

**2. Act Now to redevelop downtown, building essential workforce housing and connection/complementing medical corridor investment** (Leads: Executive Director, Community Development, and Recruitment)

**Strategies**

- a. Partner to create a Development Action Fund (pool of tools and resources) to attract and incent downtown housing/mix-use development— *The Downtown Housing Working Group work continues. As some of you know, we met with Lee Enterprises (owner of the Gazette) a few weeks ago to encourage partnership toward a significant development at their site. As a part of this work, we are developing conceptual site plans to stimulate some creative/reality thinking about*

*these sites. The meeting was helpful, but we also learned there are very real limitations on Lee's part as it relates to partnership. They want top dollar for their property, period. We continue to work with developers who show interest in this location.*

*I will be asking the Opportunity Fund Committee to meet in November to start the discussion around incentivizing development of our downtown core—with a focus on housing. Any plans that come out of that Committee dialogue will come to the Board for consideration. Details to follow.*

***A side note**—the Development/Reimbursement Agreement we executed with the City and Coca-Cola has facilitated its first payment. The City of Billings sent us a check for \$12,129.33 to share with us our proportion of the development/hook-up fees derived from new development in the area that now has access to water and sewer system that we helped to extend to the Coca-Cola manufacturing facility. More development is planned in that area as well.*

- b. Develop a marketing/outreach strategy and solicit developer proposals—no new info to share.*
- c. Update the 2017 downtown housing study to guide decision making for City/BSED and private developers—**COMPLETED**.*
- d. Seek a more development-friendly approach from the City—No progress in this area, yet.*

**3. Invest in the quality of our community through a comprehensive parks and trails development and funding plan** (Leads: Community Development)

**Strategies**

- a. Facilitate working groups that feed the policy-making process— The parks bond issue vote will wrap up November 7<sup>th</sup>. There appears to be a good level of positive momentum. Win or not, there is a lot of work ahead for our community.*
- b. Provide research and data that articulates the value in parks and trails development—The community development/recruitment team has pushed out information and data to support the education process around the bond issues. Additionally, I participated in a public forum hosted by the City, sharing key economic development/talent attraction messaging to support consideration of the bond.*
- c. Build public awareness regarding parks and trails investment—See Community Development section of the Program Updates for more details.*
- d. Complete \$1.0 million in phase-one Coulson Park development— To date we have raised, including BSED contributions, about \$800,000 toward initial Coulson Park development.*

**4. Grow, retain and attract a qualified workforce** (Leads: BillingsWorks)

***Strategies**—see the Workforce Development section of the Program Updates section for details, but note that BillingsWorks did receive a grant from the parent company of RDO Equipment to support tools that help development of our talent pipeline. Exciting opportunity for the next phase of our BillingsWorks initiative.*

- a. Curate & share quarterly job market/industry data reports and solutions for employers to help them make data informed decisions related to talent attraction and retention*
- b. Collaborate with Think Billings to advance talent attraction and retention resource with targeted marketing campaigns that align business recruitment efforts and talent attraction efforts*

- c. Sustain partnerships and focus on education and industry alignment and collaboration through participation in STEM Yellowstone, internships, Yellowstone County Summer Jobs Program, the Summer Intern Leadership Institute, and continued convening (quarterly) of the BillingsWorks Steering Committee

## ***Program Updates***

### **Community Development Goals**

- Fulfill 100% of Yellowstone County Interlocal Agreement Responsibilities
- Prepare five new grant applications
- Facilitate five new community investments in placemaking through Space2Place
- Conduct two new Brownfield Assessments

#### **Tax Abatements:**

Billings City Administrator will be discussing the Tax Abatement program with Council at a future work session. We are working with the city on providing information for discussion and will attend to answer questions.

#### **Brownfields Program:**

Our Quality Assurance Project Plan and our Community Outreach Plan have been approved by EPA. We have completed two Phase I Environmental Site Assessments (ESA) and have three additional Phase I ESAs in the works. We are also working on two Phase II ESAs. We will host a Community Meeting for our Brownfield Assessment program on November 6.

We continue our work on all the preliminary procedures and documents for the start-up of our Brownfield Revolving Loan Fund program. Full start-up of that program may take several months.

#### **Coulson Park:**

BSED, and City Parks and Recreation met with Scheels to provide an update on Coulson Park development. The Parks Director assured Scheels that construction will begin this spring.

#### **Lockwood Industrial Park Targeted Economic Development District (TEDD):**

The TEDD Advisory Board continues to work with the County, Lockwood Water and Sewer District, KLJ, and Morrison Maierle to fund and install water and sewer infrastructure at the Johnson Lane Interchange. The TEDD did not receive a grant from the Montana Coal Board, but we have been encouraged to apply for a \$2 million grant through the EDA. That application will be submitted soon, and we should know if it is successful by December. KLJ and Morrison Maierle continue to coordinate engineering of the system with the Montana Dept of Transportation. Construction is scheduled for 2024.

#### **Space2Place:**

All Space2Place projects have been completed and all but two have been closed out. Completed projects include:

- Mural at YMCA
- Lighting Project on N 29<sup>th</sup> St
- Murals behind Valley FCU downtown
- Mural in Worden
- Mural at 1840 Grand

#### **Parks and Trails:**

BSED has continued to assist the City of Billings and our community partners in their educational efforts surrounding the Parks and Trails bond ballot measure. We have helped with outreach through our social

media accounts as well as news reports and podcasts. City voters will decide this November whether to fund approximately \$142 million in parks, recreation, and trails projects, including the South Billings Recreation center, Castlerock Park, South Park pool, and several other parks and trails projects.

Department of Transportation Thriving Communities Grant:

BSED, NADC, 7<sup>th</sup> Gen are working with the consultants. A Let's Talk cultural conversation is scheduled for November 17<sup>th</sup> at BSED and Steve will be participating. Three members of the steering committee will be in Washington DC at the end of November for a convening session.

## **Apex Accelerator**

Since August 1<sup>st</sup>, 2023 (the beginning of our new funding cycle/performance period), Billings APEX and BSED's SW Montana APEX location have provided 485 advising sessions (242 hours) to 196 unique companies. Billings & SW MT held 14 training and/or matchmaking events (in person and virtual). Companies assisted by Billings and SW MT in the last three months were successful in winning contracts valued at \$23,001,338. Statewide (all six locations combined) have provided 976 counseling sessions (621 hours) to 386 unique companies. The other four locations held a total of 10 training and/or matchmaking events. Statewide, companies assisted by all six APEX locations won contracts valued at \$58,698,733.

### **Success Stories: A Few Examples:**

Billings based Land Design, Inc. secured a \$113,485 Department of Army subcontract on a large construction project. Capra Group, Inc. is located in Lockwood and recently secured a \$351,832 U.S. Forest Service contract for upgrading/replacing vault toilets in the Custer National Forest. Longtime Bozeman based APEX client QuantelUSA recently won three contracts, two from the National Institute of Standards and Technology (NIST) and one from the Department of Air Force. The \$346,650 NIST contract was for a wind lidar system, and the \$37,170 contract was for a laser pump system. The \$56,816 Department the Air Force contract was for lasers.

### **Upcoming November Events:**

1. November 1<sup>st</sup>, Large Prime Small Business Liaison Officer Update on APEX Accelerator – Boeing, Lockheed Martin, General Dynamics, Northrop Grumman and Raytheon.
2. November 15<sup>th</sup>- Move Beyond SAM – A monthly series designed to orient companies to developing a focused strategy for the government marketplace.

## **APEX transition from DLA to DoD Office of Small Business Programs**

On October 1<sup>st</sup>, 2022, administration of APEX Accelerators transitioned from DLA to DoD. The FY 2020 National Defense Authorization Act (NDAA) ordered the PTAP to move to Under Secretary of Defense for Acquisition and Sustainment (USD(A&S)); and the DoD Office of Small Business Programs (OSBP) began to manage and operate PTAP with a new name, APEX Accelerators, effective FY 2023. While administration of the program changed, the spirit of the authorizing statute, [10 USC Ch. 388](#), did not change. Historically, the core focus of the program has been to advise and train companies on how to understand the processes and concepts necessary to realize business opportunities with DoD, civilian and state/local agencies. Our goals were based on measurable factors we could influence such as outreach efforts, client advising hours, depth and range of counseling subjects, training events, etc. DoD made major changes to the program's focus and aligned the goals and metrics for APEX Accelerators with its national defense procurement goals. Montana companies do business with DoD and civilian agencies.

## New Goals:

Cultivate and Sustain the Defense Industrial Base (DIB) and Government Industrial Base (GIB) for <b>New Entrants</b>	Increase Equity and Inclusion	Increase Awareness of and Compliance with Foreign Ownership, Control & Influence (FOCI)	Improve Cybersecurity of the DIB and GIB	Facilitate Innovation for the GIB and DIB	Strengthen the Supply Chain	Capture Market Data in Key Industries	There are multiple reporting metrics for each goal, but they were too lengthy to include here
--	-------------------------------	---	--	---	-----------------------------	---------------------------------------	---

This past year, MT APEX has been spending a lot of time trying to achieve the new goals while continuing to provide our companies with the everyday, practical knowledge they need to find and win government contracts. OSBP has been receiving extensive feedback from the 94 APEX programs nationwide regarding the difficulty and relevance of the new goals compared to what we actually do and can achieve. On October 25<sup>th</sup>, DoD OSBP distributed a survey to all APEX Accelerators. The stated purpose of the survey is to understand how well the Goals and Metrics are defined and communicated. DoD asked us to identify which goals were *NOT clearly defined, reportable or relevant to what APEX Accelerators do*. **This is a positive development.** It is the first time DoD OSBP has asked APEX staff for input.

## VBOC

- Transition- Boot to Business (B2B) Training for transitioning service members at the three Air Force Bases in our region
  - Measure 100% VBOC coverage of the B2B training sessions on 3 Air Force Bases-12 trainings projected.

Installation	# of B2B Classes for <b>Yr Projected</b>	<b>Actual</b> for 6 months	# of Attendees to B2B <b>Yr Projected</b>	<b>Actual</b> for 6 months
Malmstrom AFB	4	2	56	24
Hill AFB	4	2	68	48
FE Warren AFB	4	2	40	14
<b>Total</b>	<b>12</b>	<b>6 YTD</b>	<b>164</b>	<b>86 YTD</b>

- Target: 164 airmen graduates

- Montana Malmstrom AFB Target: 56 airmen graduates, average >14 per training
- Wyoming FE Warren AFB Target: 40 airmen graduates, average >10 per training
- Utah Hill AFB Target: 68 airmen graduates, average >17 per training

Total Target: 164 graduates

- Educate/Inspire- Live and virtual training for veterans, spouse, and National Guard/Reserve Component members off installation.

	# Yr Projected	Actual YTD
Reboot Trainings	6	2
Additional Training	33	10
Total Training Attendees	314	196
Total Training Events	21	10
Outreach Events	80	16
BSED Board Engagement	3	2

- Reboot Training Measures: 6 events with 60 attendees
- Additional (non B2B/Reboot) Trainings: 15 events with 90 attendees

Total Target: 150 veteran/spouse attendees at 21 “other training events”

- Connect- Individualized consulting services to connect veterans and their spouses with resources they need to be successful in their entrepreneurial journey

	# Yr Projected	Actual YTD
Online Sessions	200	50
Total Sessions	400	75
Businesses Created	5	3

- 400 sessions resulting in > 115 referrals to local partners
- 5 Business Starts
- Outreach
  - 80 outreach meetings. >10 outreach meetings per quarter by VBOC Direction. >10 outreach meetings per quarter by Training Program Manager
- BSED Board Engagement
  - > 3 meetings with BSED Board VBOC Liaisons

## **Member Investor**

Second quarter Member Investor invoices are sent, and we work to close open invoices from 1<sup>st</sup> quarter. Four new Member Investors have joined BSED’s Member Investor Program; Greater Good Health, Berkshire Hathaway – Brandon Treese, and Turley Dental have joined the Builder Level. Anderson, Hedge, Wagner, Kienitz, Zwemke & Associates at Merrill Lynch have joined the Innovator Level. In addition, Marcell and I finalized the new “benefits” 1-pager to be announced to existing and provided to prospect MIs. The Bus Tour was completed on October 25<sup>th</sup>! We had 41 participants including Member Investors, Board Members, BSED Staff, Yellowstone County Commissioner, City Council Member, Community Leaders, and prospect Member Investors attend! A major thank you to Nik, Sarah, Steve,

Nina, Dianne, Tereza, Heather, Thom, Kayla, and other Team Members for their assistance, support, and attendance to the Bus Tour; very much appreciated!

As always, please connect with me regarding new perspective Member Investor referrals or communications with current Member Investors at [patrick@bigskyeda.org](mailto:patrick@bigskyeda.org), 869-8419.

### **Engagement/Marketing/Workforce Development**

- Attended Inbound Marketing Conference
- Attended the Chamber Annual Meeting
- Meeting with Annual Meeting Vendors to prepare for annual meeting
- Hosted meeting with First Federal Bank and Trust in partnership with Patrick and Big Sky Finance
- Multiple meetings with Neon Cloud to continue to finalize BSED Billings Economic Development video
- Research meetings with Billings Leaders to develop BSED Engagement/WTL programming
- Launched BillingsWorks Manager position
- Assisted Rock31 with “Apples & Ales” event
- Assisted SBDC with marketing/week of assistance for Expert Week
- Attended BID Board Strategic Planning session
- Attended MT Bio Science Alliance Careers in Healthcare Student Summit planning meetings
- Continued partnership with BSED programs with marketing needs
- Hosted BSED 2023 Be Remarkable Billings Annual Meeting, over 320 attendees at the Northern Hotel
- Launched 4 new podcast episodes
- Panelist at Yellowstone Conference – Yellowstone Boys & Girls Club
- Attended Chamber hosted meeting with Senator Tester
- Attended MEDA Board Member Orientation via zoom
- Katelyn and Marcell attended MEDA Fall Conference in Butte, BSED Received 2 Impact Awards, APEX/GovMatch Event and The Vault at 201 N Broadway Podcast
  - Marcell facilitated a workforce panel
- BSED Team participated in the Downtown Billings Alliance Halloween Downtown Trick-or-Treat event
- Working on modifications to the Rock31 website
- Interviewed candidates for the Marketing Manager position
- Continued work with Graphic Finesse to advance the BOIB website
- Continue to participate in the MEDA Monthly Workforce Working Group

### **SBDC/Rock31**

#### **Noteworthy:**

- ★ ASBDC National Conference – Nashville, TN – September 2-9
  - Kayla received “State Star” and “40 Under 40” National Awards
- ★ Expert Week and Trade Show – September 25 – 28
  - Attorney, Accountant, Marketing & Human Resource Days
    - 94% of slots were booked; 82% attendance rate
  - 16 Resource Partners had booths at the Trade Show

#### **Team Activity:**

- The Vault Podcast – recording episodes on Wednesdays
  - 21 episodes have been released
  - 5,806 downloads in North America



- 289 Internationally – we are on ALL the continents
    - 1,811 Billings
- Client Outreach
  - Sent out monthly newsletter to all SBDC clients
  - Started the Sticker Campaign to market the SBDC services
  - Will be Celebrating SBDC Success Stories in November
- Rock 31 - 63 paying Members
  - All offices are filled, and we have 3 dedicated desks available
    - Met with the Founders on Thursdays in the lower level
    - Sent out a weekly email update to Rock31 members
    - Sent out a monthly newsletter to Rock31 members
  - Apples and Ales – Sept 22
  - True Space – October 20
- Team members attended or participated in:
  - Zero to Five Conference in Fairmont – Sept 13 & 14
  - Chamber Annual Meeting – Sept 14
  - BSTF Site Visits – Sept 19 & 20
  - Beartooth Board meeting in Roberts – Sept 21
  - BSED Annual Meeting – Oct 11
  - SBDC Lead Center Site Visit – Oct 12
  - Outreach to Skyview High School business class – Oct 17
  - NDC Financial Professional Development – Oct 23-26
  - BSED Impact Bus Tour – Oct 25
  - BSTF Quarterly Reporting – Oct 30
  - Downtown Trick or Treat – Oct 31
- Monthly training:
  - Start-up Roadmap, monthly recurring training
  - Entrepreneurship training at Skyview – Oct 17
  - Establish a Domain Name – Oct 18
  -

## **Business Recruitment**

- **Meetings/Discussions for New Business Recruitment:**
  - Hosted manufacturing company in Billings via Montana Department of Commerce
  - Toured new industrial facilities on South Frontage Road
  - Montana-based technology company looking to move operations to Billings
  - Outreach with Montana electrical co-ops to connect them with New Zealand-based company looking to begin operations in Billings
  - National developer, sent housing study and more information on Billings opportunities
  - Seattle-based developer, sent housing study and discussing development downtown or South Frontage Road
  - Developer looking at bringing national chain to the Heights
  - Montana-based company looking to expand in Yellowstone County
  - Colorado-based company looking to expand in Yellowstone County
  - Assisted and connected current client with another client for possible partnership
  - Healthcare start-up looking at expanding in Montana
  - Major effort around air service
    - Meeting with Western Skies Strategies and Billings Chamber re: fundraising update
    - Refining and updating our airline presentation slides with compelling data

- Working with our air service consultant to meet/discuss with similar-sized cities working on air service. How can we continue to improve our value proposition? What's been successful for other communities of similar size?
- **Events attended:**
  - Montana Air Service Rendezvous
    - Met with 10 airlines (Southwest, Alaska, Delta, United, Cape Air, etc.) with Jeff Roach, our airport director, to give personalized presentations with airline reps to increase or create routes from BIL
    - Spoke with specific airlines about direct service possibilities from BIL to San Francisco or LA.
    - Billings will host 2024 Air Service Rendezvous
  - Local residential real estate agent – workforce housing update
  - SAINTS/St. Vincent's Healthcare Gala
  - Educational Event at Pioneer Park for Parks and Recreation Bond
  - Recorded podcast for economic impact of parks and recs bond for City of Billings
  - Coldwell Banker Weekly Team Meeting – Update on downtown through airport, including medical corridor. Multiple follow-ups and inquiries as a result of our meeting
  - True Space Presentation
  - Meeting with Senator Tester and his team at Billings Chamber gathering
  - MEDA Conference in Butte (10/24-10/26)
  - BSED Leadership Training (10/27)
  - Rocky Mountain College – Black Tie Blue Jeans (10/27)
- **New Business Recruitment – Secured Opportunities:**
  - Large retailer looking at opening location in Billings
  - Sun Country Airlines – twice weekly direct service to MSP

#### **Program Goals for November:**

1. Continue to move new business recruitment efforts forward, and take a proactive approach to recruitment – how can we make Billings/BSED better each day? (Strategy and Process Improvement)
2. Work with Engagement and Community Development teams to create thoughtful and regular economic updates for our community (Engagement/Data and Analytics)
3. Continue to advocate for, and help facilitate conversations and opportunities for downtown housing and redevelopment (Engagement)

#### **Big Sky Finance**

Following is our loan activity for the month:

SBA 504 Loans Funded	2 - \$1,378,000
EDA-RLF Loans Approved	3 - \$557,500

No SBA 504 loans were approved through SBA during this period. However, two SBA 504 loans were approved by the Loan Committee which will be packaged up for SBA submission. The two SBA 504 loans funded were for Sidney ACE Hardware and Direct Automotive Distribution. We continue to field calls and are actively underwriting several prospective loans. Three EDA-RLF loans were approved and have been submitted for funding. One is interim financing for a future 504 project, another for a business acquisition and the last to assist a newer business with capital for expansion into a leased building.

Presuming all three loans are approved for funding by the Federal EDA, we will only have approximately \$28K left to lend out of our \$2MM grant!

Big Sky Finance participated in the Expert Week Resource Partner Tradeshow hosted by our SBDC. Tyler attended the MEDA Conference in Butte along with other BSED team members. Outreach continues to our lending partners across the state as Tyler is brought up to speed on the SBA 504 loan program. We will also be focusing on accessing the MT SSBCI 2.0 funds coming from the state in partnership with our lenders. We are still waiting for the 3<sup>rd</sup> tranche of these funds to be available. Funds will go fast so we are working to have any requests ready when the door opens.

The SBA 504 effective interest rates for SBA 504 loans have been slowly increasing, much as bank rates have been. However, our rates continue to be lower than market and are fixed for the term of the loan. SBA 504 effective rates for October were:

- 25-year debenture = 7.22%
- 20-year debenture = 7.28%
- 10-year debenture = 7.07%

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

1. Staffing Plans – We have made great progress building capacity within the organization to better execute our mission. We are at the end of the search processes for the BillingsWorks Manager position, and the Rock31 Community Coordinator position. We are hopeful to onboard two hires to fill these roles by November 20<sup>th</sup>. Active searches include—Rock31 Director and VBOC Project Manager.
2. Air Service Strategies – Sun Country Airlines service from Billings to Minneapolis has been secured starting June of 2024. Ashley made the trip to meet with Sun Country, and later in November she will meet with Southwest Airlines (Dallas, November 16<sup>th</sup>). November 8<sup>th</sup> will be our Air Service Strategy Session with the City and the Chamber. We should be able to give the Board an overview of this session at our November 9<sup>th</sup> Board meeting.
3. Executive Director Focus— Areas of Focus—Salary Administration/Succession Plan Updates—The Board/Staff committee met October 20<sup>th</sup> to begin this work. We began work on a merit-pay structure for year-end merit awards, reviewed revisions to the Executive Director job description (*see attached Summary of Duties and Responsibilities*), and we received an overview of the processes and costs associated with executive search practices. The Committee will meet again in Nov/Dec to continue this work. I will provide a few more details at November Board meeting.
4. EDA Board Openings –Yellowstone County posted notice (November 1) to solicit applications for two EDA Board positions that will be open January 2024. Applications will be accepted through November 30<sup>th</sup>. The EDA Nominating Committee will meet shortly after the application deadline to interview and consider candidates. Recommendations will come to the EDA Board on December 14<sup>th</sup>, and then go to the County Commissioners for their consideration and final decision. I will be encouraging a couple of key business leaders to consider applying.
5. Annual Meeting- The Annual Meeting was outstanding!! I hope you all agree. Marcell and team did a fantastic job. Marcell will ask for feedback at the November 9<sup>th</sup> Board meeting. So, do come

to the Board meeting with your insights and constructive suggestions. We will begin planning the 2024 Annual meeting right away.

The Entire BSED team did such a great job! Thank you all.

**Respectfully submitted, November 9, 2023**

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

**Steve Arveschoug**  
**Executive Director**