

**EDA/EDC Joint Board Minutes**  
**Thursday, October 10<sup>th</sup> 2019 – 7:30 AM – 9:00 A.M.**  
**Big Sky Economic Development – Yellowstone Conference Room**  
**Granite Tower 222 N. 32<sup>nd</sup> Street, Billings, MT**

***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:** Cory Moore, Dana Pulis, George Warmer, Jennifer Smith, Jennifer Owen, Judi Powers, Ken Lutton, Paul Neutgens, Robin Rude, Shaun Brown (Ex-Officio), Greg Upham (Ex-Officio), Katy Easton (Ex-Officio), Nick Altonaga (Ex-Officio)

**EDA Board Members Absent:** Fred Sterhan, Greg McDonald, Don Jones (Ex-Officio), John Brewer (Ex-Officio)

**EDC Board Members Present:** Aaron Ramage, Andy Gott, Ann Kosempa, Dave Ballard, David Ellis, Doug Hansen, Eric Simonsen, Jon Stepanek, Mike Phillips, Mike Nelson, Nicole Bengé, Scott Chesarek, Spencer Frederick, Steve Loveless, Elaine Labach (EDC Representative for Chancellor Dan Edelman)

**EDC Board Members Absent:** Bob Wilmouth, Dan Edelman, Denis Pitman, Mac Fogelsong, Mitch Goplen, Molly Schwend, Nicole Bengé

**Staff and Guests:** Lorene Hintz, Melanie Schwarz, Becky Rogers, Austin Trunkle, Dustin Frost, Brandon Berger, Allison Corbyn, Kevin Scharfe, Steve Simonsen, Jack Nickels, Deanna Langman, Dianne Lehm

**Call to Order:**

Mike Nelson, EDC Chair, called the meeting to order at 7:32 A.M. with the Pledge of Allegiance.

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

Public Comment

Becky received news this morning that Roz is headed to the hospital to have her baby.

Introductions

Steve asked Becky to introduce our new Controller, Shanna Zier. Shanna went on to share a bit about herself and her background. We are very excited to have Shanna on our team.

Recognitions

Steve took a moment to recognize the 5-year anniversaries of both Melanie and Dena. Steve mentioned that what really makes the organization tick is the dedicated team.

To Steve's surprise, we also recognized his leadership as he has passed the 10-year mark as our Executive Director. Steve's leadership has created a culture of success that has grown his staff as well as our community.

Special Announcements

Kevin was next with a Start-up Weekend update. Kevin showed a quick documentary to demonstrate how powerful these weekends are to the individuals who participate. Finally, Kevin mentioned that our Billings Chapter

of 1 Million Cups kicked off yesterday and will continue every Wednesday at 9am. Steve asked the Board to attend if they are available.

Dustin was next with a Veterans Small Business week update. Dustin said there will be six events throughout Montana celebrating and bringing attention to Veteran-owned businesses. On November 7<sup>th</sup>, we will be celebrating at Trailhead Spirits here in Billings. Dustin went on to say that with respect to workforce needs, there is great untapped potential with recruiting servicemen and women who are transitioning from their military careers, to our community. The SHRM Chapter of Billings will be holding a best practices workshop centered around hiring Veterans.

**Agenda Changes:**

A TEDD update will be added to the Executive Director's Report.

**Consent Agenda**

September 12, 2019 Board Minutes

Motion: Mike Seppala, to approve the September 12<sup>th</sup>, 2019 Board as presented to the Board.  
Second: Ken Lutton  
Discussion: None  
Motion carried

July 2019 EDA/EDC Financials

Motion: Jennifer Smith to approve the July 2019 EDA EDC Financials, as presented to the Board.  
Second: Craig Bartholomew  
Discussion: None  
Motion carried

**Program Level Reports and Action Items**

Big Sky Finance – Brandon  
SBA 504 Loan Requests

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.

**S2 Corporation** – Request is for the purchase of an existing building located in Bozeman, MT for the operations of S2 Corporation. S2 currently leases two separate facilities and this relocation will allow them to consolidate all their operations in one building. S2 Corporation is a research and development company that was incorporated in 2005 and has been located in Bozeman since that time. One of their primary customers is the United States Government.

It is estimated borrowers may create up to 40 jobs as a result of the project over the next two years. 30 jobs would be required to fulfill the full debenture. The project does meet a Public Policy goal of Rural Development. The total SBA debenture will be \$2,471,000 on a 25-year note comprising approximately 40% of the total project costs. Big Sky EDC and the SBA will be in a 2nd lien position behind First Security Bank of Bozeman on the real property.

Motion: Craig Bartholomew, to approve the Restyle S2 Corporation loan request as presented to the Board.  
Second: Eric Simonsen  
Abstention: Mike Seppala  
Discussion: None  
Motion carried

### Update: RLF Default/Collection Status

Brandon provided a memo to the Board regarding an action plan centered around collection efforts and liquidating the equipment. El Corral Mexican Restaurant has closed but there is remaining kitchen equipment that may be sold to a prospective restaurant that Brandon is in communication with. Initially, Brandon is asking the Board's approval to execute the sale of the equipment.

Motion: Mike Seppala, to approve the Big Sky Finance Memo, as presented to the Board.

Second: Ken Lutton

Discussion: None

Motion carried

### Operations

Becky said that we are working to gather a few more votes to on our EDC Ballot. When the final votes are collected, she will email the Board to confirm the election outcome. On the EDA side, the County has posted the board openings to their website. Originally, the only seat open was that of Cory Moore but additionally, the seat of Fred Sterhan will open as well. Fred will be moving to pursue a new opportunity in North Carolina and will vacate his seat. Becky asked the Board to encourage anyone that they think would be a good fit to apply.

### Future Facility Update

The EDA is working on clearances and draft award documents and will be in contact with us soon with a final answer on our grant application.

### Member Investor

Melanie gave an Annual Meeting Update and shared some exciting news. Angela Martinez, Director of the Denver Regional EDA, will be in attendance of our Annual Meeting. Melanie mentioned that there will be two workshops on October 24<sup>th</sup>, and both will be held at the FIB Operations Center. Yesterday, Steve, Mike, and Cory shot a video for the annual meeting.

### **Executive Director's Report - Steve**

Steve thanked Patrick and Melanie for their work as Acting Executive Director while he was out of the office in September.

Steve quickly gave a public safety update about the community meeting last week. That dialogue is an important first step and the next steps will be going all in on the idea of Crime Prevention Through Environmental Design. Katy Easton mentioned that there will be a fund granting matching dollars for businesses who implement changes based off of a CPTED Evaluation of their property. These evaluations will be free to business owners. Steve mentioned that City Council devoted their most recent work session to evaluating what the City can do to solve the issue of public safety. Councilman Shaun Brown went on to provide some context from the City's side about next steps. Steve went on to say how important our messaging of this issue is and how we frame this within the context of economic development. Dana thinks that the average citizen sees this issue as its own piece that needs addressed. Our job is to provide them the information that gives them a comprehensive view of how all of the work that organizations in the community do, work together to solve public safety.

### MEDA Update

MEDA is working on an analysis of Montana's next generation of economic and community development tools. MEDA put together a comprehensive scope of work and received nine solicitations from across the country. The RFP Committee whittled the solicitations down to three and will conduct phone interviews tomorrow with the those chosen firms.

### NDO Letter

Councilman Cromley sent a letter to Steve in mid-September encouraging the BSED Board to take a position of support should he introduce a Non-Discrimination Ordinance. At this point, the Councilman has decided not to introduce the NDO to the Council, but Steve wanted the Board to be aware a similar request could be made of our organization in the future.

TEDD Update

Steve provided a handout to the Board that details the work and timeline of the TEDD. There will be a TEDD tour this afternoon which will conclude with a table-top dialogue with property owners and civic partners. A sticking point at this time is the agreement between the City and Lockwood Water and Sewer and if those lands in the TEDD will be annexed into the City Limits. Steve walked through the timeline with the Board and gave context to the issues mentioned above. At the dialogue later today, Matt Robertson with NAI will speak today about the impact of not having ready-to-go Industrial Space. Mike Seppala spoke about the industrial space that exists in Pueblo, CO and the business that has brought to their community.

During the TEDD’s inception, we decided to take the approach of including the landowners rather than buying the parcels outright. This was a purposeful position we took.

**Public Comment**

Jen Owens mentioned that Billings will host the Region 8 Head Start conference at the Billings Hotel and Convention Center. The keynote will be next Thursday and there is a limited number of tickets available for the keynote address.

Melanie said that we have been selected as one of 50 cities to participate in Civic Dinners. The aim is to share your experiences at your local eateries with the other 49 cities.

Steve will be in Washington DC next week meeting with the Department of Transportation to discuss a BUILD Grant to complete the Inner-Beltloop.

Katy plugged for Harvest Fest downtown this Saturday and encourage all who are able to attend.

Steve Simonson with Beartooth RC&D spoke about the windfarm that will begin construction soon in southern Carbon County. The project will employ 300 individuals and accommodations for those workers will need to be sorted out. Steve also provided updates on the projects that are underway in in Carbon and surrounding counties.

Jon Stepanek recently visited the new \$275M Minot Airport which will likely have a regional impact on our area.

**Adjourn**

Mike Nelson Adjourned the meeting at 8:38 A.M.

**Meeting adjourned: 8:38 A.M.**

Next Meeting – November 14th

Respectfully submitted,

  
Paul Neutgens, EDA Secretary/Treasurer

  
Steve Loveless, 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.*

