

EDA/EDC – Joint Board Meeting
Thursday, June 13, 2019
7:00 A.M. to 9:00 A.M.
Yellowstone Conference Room; Granite Tower
222 North 32nd 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.

Agenda items may be rearranged unless an item is listed as having a "time certain". Action may be taken on any item listed on the Board Agenda.

7:00 A.M. Call to Order/Pledge of Allegiance/Roll Call: Mike Nelson, EDC Chair

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

- Legislative Recap—Billings Chamber—Dan Brooks

7:15 A.M. Changes to Today's Agenda

7:17 A.M. Consent Agenda

- May 9, 2019 Board Meeting Minutes plus additional minutes:
 - Future Facility Workshop Minutes – May 7, 2019
 - Electronic Vote Minutes – May 13, 2019
 - Electronic Vote Minutes – June 6, 2019
- April 2019 EDA and EDC Financials

(EDA/EDC Action)
(Attachment A)

(Attachment B)

7:20 A.M. Program-Level Action Items/Reports

- FY 2020 Budget Hearing
 - Proposed Preliminary FY 2020 Budget Review—Jim/Becky
 - Management Services Agreement
 - Board Q&A
 - Public Comment
 - Board Action
- Big Sky Finance —Brandon
 - 504/RLF Loan Approvals
- BIRD/City/BSED MOU—Dianne
- Future Facilities Update—Becky
- 2019 Board Planning Recap—Becky/Steve
- SOW Report and Space2Place Awards—Karen and Dianne
- PTAC GovMatch Event Update—Deanna

(Attachment C) (Action)
(Attachment D) (Action)

(Attachment E) (EDC Action)
(Attachment F) (EDA Action)
(Info)
(Attachment G/Presentation) (Info)
(Presentation) (Info)
(Presentation) (Info)

8:45 A.M. Executive Director Report

- Org. Workplans and Goals & Ex. Director Focus FY 2020
- BSED Legislative Priorities Update
- Student Board Member Recommendation (RMC and MSUB?)

(Attachment H) (Info)
(Attachment I) (Info)
(Attachment J) (Info)
(Attachment K) (Info)

8:55 A.M. Public Comment

9:00 A.M. Adjourn

Next EDA/EDC Board Meeting July 11, 2019. *Big Sky Economic Development Board of Directors will make reasonable accommodations for known disabilities that may interfere with an individual's ability to participate. Persons requiring such accommodations should make their requests to Big Sky Economic Development as soon as possible before the meeting day. Please call Big Sky ED at 256-6871.*



BIG SKY
ECONOMIC DEVELOPMENT

EDA • EDC CREATING MONTANA BUSINESS OPPORTUNITIES

ATTACHMENT A

EDA/EDC Joint Board Minutes

Thursday, May 9th 2019

7:30 AM – 9:00 A.M.

**Big Sky Economic Development – Yellowstone Conference Room
Granite Tower 222 N. 32nd 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, Fred Sterhan, George Warmer, Greg McDonald, Jennifer Smith, Jennifer Owen, Ken Lutton, Paul Neutgens, Robin Rude, Don Jones (Ex-Officio), John Brewer (Ex-Officio), Shaun Brown (Ex-Officio)

EDA Board Members Absent: Dana Pulis, Judi Powers, Greg Upham (Ex-Officio), Katy Easton (Ex-Officio)

EDC Board Members Present: Aaron Ramage, Andy Gott, Ann Kosempa, Bob Wilmouth, Dave Ballard, David Ellis, Denis Pitman, Eric Simonsen, Jon Stepanek, Mac Fogelsong, Mike Nelson, Mike Phillips, Mike Seppala, Mitch Goplen, Molly Schwend, Spencer Frederick

EDC Board Members Absent: Craig Bartholomew, Dan Edelman, Doug Hansen, Nicole Benge, Scott Chesarek, Steve Loveless

Staff and Guests: John Ostlund, James Smith, Jack Nickels, Tony Rosanova, Russ Fagg, Evelyn Pyburn, Dustin Frost, Kevin Scharfe, Karen Baumgart, Roz Dix, Deanna Langman, Dianne Lehm, Brandon Berger, Dena Johnson, Lorene Hintz, Allison Corbyn, Melanie Schwarz, Steve Arveschoug, Becky Rogers

Call to Order:

Cory Moore, EDC Chair, called the meeting to order at 7:30 A.M. with the Pledge of Allegiance.

Agenda Changes:

James Smith from Rocky Mountain College will be added to the Public Comment portion of the Agenda. There will also be no action at this time on the Future Facilities Update. Lastly, the Board Planning Recap will be moved to June.

Public Comment/Recognitions/Special Announcements and Introductions:

Public Comment

Deanna Langman with the PTAC gave a plug for their annual Match Making Event at the Northern Hotel on May 29th and asked the Board to reach out to companies they think should be in attendance.

Jack Nickels gave an update about Giving Day in Billings. The event raised \$197,000.

James Smith began by reflecting on his service on the BSED Board and how much he had learned about our regional economy, the state of businesses in the area, and the political happenings in our area. He mentioned that there were several times where he had wished his students could have been present to listen and learn as well. James has an idea he discussed with Steve about creating an Ex-Officio position on the Board that some of his students would fill. James would like the Board to mull the idea. James thinks that bringing in the perspective of

college students would be beneficial to all involved. Steve asked that James draft a narrative detailing outcomes and objectives of the idea that he would then present to the June Executive Committee.

Melanie was up next to discuss Economic Development Week. Melanie made a list of accomplishments that the BSED team has completed in the last 60 days. The list was extensive and impressive and illustrates the hard work that each of our 23 staff members put in on a daily basis.

Russ Fagg thanked BSED and Becky for the opportunity to participate in our RFP for a new facility. He said the process was comprehensive and fair and is looking forward to working on our lease agreement as we prepare to transition.

Mike Nelson spoke about the Billings Preservation Society and told the Board that the Moss Mansion received \$400,000 for repairs as an outcome of legislation passed in Helena this session. Steve and Mike met with directors at the Moss Mansion yesterday to help with their needs assessment and where we can come in to help fill gaps. Mike went on to invite the Board to the 6th Annual Cigar Dinner on the lawn of the mansion. The event includes, dinner, drinks, and of course, cigars. The event will be on June 27th.

Consent Agenda:

Approval of the April 2019 Board Meeting Minutes, the Budget Workshop Minutes, and the March Financial Statements

Motion: Ken Lutton, to approve the April 2019 Board Meeting Minutes, Budget Workshop Minutes, and the March Financials as presented to the Board.

Second: Paul Neutgens

Discussion: None

Motion carried

Program Level Reports and Action Items

First Draft Proposed FY 2020 Budget Review –Jim/Becky

Jim gave a budget update to the Board. This is the first draft of our FY 2020 Budget before we present our final product in June. Jim took the Board through the budgeting work conducted over the past two months and then presented some highlights. He started by making the Board aware that due to the recommendation of our auditors, the Recruitment, BillingsWorks and Rock31 programs are no longer a single expense line item on the P&L. The auditors have asked us to split those expenses into their respective expense categories such as travel, professional fees, marketing, etc.

With respect to the EDA, we assumed a full mill levy will be received and tax protests at 2.4%. An important item to note is a change in the Management Services Agreement. The EDC will start reimbursing the EDA for 25% of the controller's salary. The Management Services Agreement will be amended to reflect that change. Another important note is what remains of the initial Opportunity Fund contribution for Rock31. We expect to have \$87,000 of the initial \$150,000 available to roll over into the next fiscal year. One last item to note is the reimbursement agreement with the Defense Logistics Agency. We will receive additional reimbursement once the formal contract is finalized. Lastly, Jim announced staffing changes. We have 1.5 FTE retiring at the end of the fiscal year. We are reducing our administrative staff by .5 FTE. In addition, we have plans to elevate a current staff position to a program manager. Overall, the staffing budget for adjustments is roughly \$39,000.

On the EDC side, we have decided to not fill a loan officer position this fiscal year but will keep it in mind for next year. As for revenue projections, the budget represents \$350,000 for Member Investor revenue and the Big Sky Finance loan funding target to increase to \$9 million resulting in the projected loan origination fees. Jim then reviewed the year or year expenses with the Board.

The budget work for FY2020 is still in progress but the big picture takeaway is that FY2020 is balanced. However, we are more concerned about what happens with the budget past 2020 if expenses continue to outpace the Mill Levy and if we are incurring additional costs for a new facility. We are taking a look at what we can do now to help

future challenges. The goal is to start making strategic budget considerations now rather than reactively over the next couple of years.

Having referred to Melanie's Member Investor goal, Steve announced to the Board that in order to allow her to spend more time concentrating on MI dues, Marcell has been promoted to Marketing Program Manager. Marcell taking on this new role will give Melanie that much needed latitude to focus on revenue generation for the organization.

Big Sky Finance – Brandon
SBA 504 Loan Requests

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

1. **Snyder Motors Inc. / Z Enterprises LLC** – Request is for an increase in the amount of the SBA debenture from \$741,000 to \$816,000. This was originally approved on September 13, 2018. This is a new construction project. Project/construction costs increased due to changes that were made to the building and additional fire suppression systems not originally included in plans. Construction is nearly completed at this time and no additional advances will be made. Borrower continues to demonstrate sufficient cash flow to service the additional debt resulting from the increased costs.

Original Request – 09/13/2018: Request is for the purchase of land and new construction for Snyder Motors Inc. located in Bozeman, MT. This will be a relocation from a previously leased building in the same Bozeman/Belgrade area. The new project will be located on Jackrabbit Lane just north of Four Corners. Previous location was further north off Jackrabbit Lane. Snyder Motors has been in operation since 2011 and is owned 100% by Zach Snyder. It is a pre-owned, late model dealer and also provides maintenance and repairs and detailing services. They have a second location in Bozeman on 7th Avenue. They have been one of the top used car dealers in the Bozeman/Belgrade area.

There are projected to be three new jobs created resulting from this project. A Public Policy goal of Rural Development will be met. The total SBA debenture will be \$741,000 on a 20-year note comprising 40% of the total project costs. Big Sky EDC will be in a 2nd lien position on the real property behind Opportunity Bank (Bozeman).

Motion: Mike Seppala, to approve the Snyder Motors Inc. / Z Enterprises LLC loan request as presented to the Board.

Second: Andy Gott

Discussion: None

Abstentions: Mike Phillips

Motion carried

2. **Advanced Therapy Clinic LLC** – Request is for the purchase of an existing building with minor renovations for the offices of Advanced Therapy Clinic LLC. The project is located at 1701 Avenue E, Billings, MT. The renovations are minimal and necessary to convert a portion of the space suitable to their practice. Advanced Therapy Clinic LLC is owned by Patrick and Anna Brown. They provide pediatric speech, occupational, physical and behavioral therapy and counselling. Services are primarily offered to children, but they also work with adults. They have outgrown their leased space and this new building will provide them with room for growth. They also have offices in Butte and Bozeman.

There are projected to be six new jobs created resulting from this project. The total SBA debenture will be \$403,000 on a 25-year note comprising 40% of the total project costs. Big Sky EDC will be in a 2nd lien position behind First Interstate Bank on the real property acquired.

Motion: Mike Phillips, to approve the Advanced Therapy LLC loan request as presented to the Board.

Second: Mike Seppala

Discussion: None

Abstentions: Andy Gott

Motion carried

3. **DJ&A, P.C.** – Request is for an increase in the amount of the SBA debenture from \$2,899,000 to \$3,104,000. This request was originally approved at the January 10, 2019, Board meeting. The request for increase has been approved by the Loan Committee with recommendation for approval. Due to the size of the debenture exceeding \$2MM, the request must be approved by the EDC Board prior to SBA submission. Total project costs have changed slightly due to the exclusion of equipment and increase in professional fees. Financing related to our project now only includes the real property. Overall, total project costs have decreased. Additionally, the allocation has changed to a typical 50-40-10 structure. The anticipated increase in the gross debenture is \$205k, however total financing has only increased \$103k due to the reallocation. Annualized payments on the property debt will increase by \$5.2k which the business can easily service. Spreadsheet to be provided separately.

Original Request – 01/10/2019: Request is for the purchase of land and new construction for the offices of DJ&A's corporate headquarters located in Missoula, MT. DJ&A, P.C. has outgrown its existing facility on Russell Street. This new facility will be located on West Broadway and will consist of a 24,000 s.f. office building and will be 100% occupied by DJ&A. DJ&A is an engineering company which has been in existence since 1973 and has been incorporated in Missoula as DJ&A, P.C. since 1999. They currently employ over 50 employees. The business provides a variety of civil engineering services including environmental, surveying, transportation, municipalities, land use planning and development and structural engineering. They work on projects all over the northwestern United States.

There are projected to be nine new jobs created resulting from this project. They will meet a Public Policy goal as they will be located in a HUBZone. The total SBA debenture will be \$2,899,000 on a 25-year note comprising 36.44% of the total project costs. Big Sky EDC and the SBA will be in a 2nd lien position on the real and personal property behind Missoula Federal Credit Union.

Motion: Mike Phillips, to approve the DJ&A P.C. loan request as presented to the Board.

Second: Eric Simonsen

Discussion: Mike Seppala is a "no" vote and explained we was uncomfortable endorsing a tax-exempt organization benefiting from the SBA 504 program, which is tax payer funded.

Abstentions: None

Motion carried

Future Facilities Taskforce Update/Recommendation – Becky

Becky presented her Future Facilities update and handed out a packet of materials including a slideshow presentation. Becky started by saying the Future Facility Taskforce will have a recommendation for the Board today, but it has been requested to hold the vote until a few days after the meeting to give Board Members a chance to think over the analysis presented before casting a vote. The Board inquired about the need to hold off the vote. Steve said we wanted to make sure the Commissioners and the Board are in agreement about how the ownership of the building is structured and will be meeting with the Commissioners later today. It was determined an electronic vote would be held on Monday, May 13th.

Becky gave a brief overview of the RFP process and the Taskforce that convened to evaluate proposals. She reminded the Board why we launched into a facility search months ago and what we intended to accomplish. Becky then presented the analysis conduct on both the Fratt Memorial Building and the Montana National Bank Building. Becky thanked Mitch and Gene for the donation of their time and expertise in assessing these properties. It was determined that both facilities met the requirements set out in the RFP and both were suitable for BSED needs. Each building presented unique opportunities, and both needed extensive renovations. Both were

proposed at a sale price of \$1.75 million. Becky then presented the renovation for each facility. The goal of each renovation was to bring the facility up to code and satisfy ADA requirements as well as finish out the space to meet program specifications. Both renovations were extensive and exceed the original project budget. In his due diligence work, Gene also provided options and impacts of considering partial renovations. In response to the project budget, Becky and Steve sat down with each building owner and spoke to them about considering a provision in the RFP to contribute to the project as a way to support our Economic Development mission. We learned both were willing to make a financial donation. The Fratt owners were willing to donate \$75,000 and Zoot was willing to donate \$750,000. Becky then compared the occupancy cost of each facility and its impact on the budget. In addition, Becky shared a comparison of what it would cost to occupy a facility that we owned vs leasing.

Becky then discussed with the Board the need to look at a new budget concept considering the cost of renovations and opportunity to secure a Federal EDA grant. The goal with the revised concept was three-fold. First, we wanted to make sure we were maximizing our ability to leverage other funds. Second, we wanted to purchase the facility without incurring additional debt service. And third, we wanted to create a sustainable asset for the community. The revised budget concept showed a contribution from the Opportunity Fund for up to \$2M (depending on the outcome of the grant) and a contribution from the EDC of \$500,000. Becky also showed what could potentially be leveraged by the Federal EDA Grant and the owner contributions based on this concept. Becky also mentioned that we would continue to drive down the project cost as much as possible to ensure all funds were being spent effectively.

Becky then gave the floor to Ken Lutton, who is the Chair of the Opportunity Fund Committee, to present their recommendation. Ken spoke about the OF meeting to consider the ask and their recommendation of using Opportunity Fund Dollars as presented. The Committee believes in the project and wants to capitalize on the unique opportunities presented. He also mentioned that the building is a historical part of the city and will give our programs wonderful exposure. Becky then turned the time over to Eric Simonsen to present the Future Facility Taskforce recommendation. Eric spoke to how thorough and comprehensive the process was and based on that, the Future Facility Taskforce makes the recommendation to close the RFP, submit the EDA Grant Application (now due June 6th) with the Montana National Bank building as the selected facility, enter a letter of intent with the owners of the building, commit up to \$2,000,000 in Opportunity Fund dollars, commit \$500,000 from the EDC and to conduct immediate next steps of due diligence as outlined. Each Board Member who served on the Taskforce then spoke to why they are recommending this facility. Steve then reflected on the process and the decision before the Board. Steve feels that we have done our homework and this move will demonstrate to the community that we are further investing our resources in them and that we are investing in the businesses of our region. Steve referred the Board to the information before them and the preliminary application for the EDA Grant included in their handouts. Steve hopes that in the coming months, we will be standing in front of this facility and showing the community how committed we are to our collective, regional success. With the floor open to questions, Andy Gott asked what the opportunity cost of dipping into the Opportunity Fund is. Steve said he couldn't speak exactly to what future opportunity is lost, but we will see lost interest revenue on that \$2M we would otherwise be receiving. Steve went on to say that when we receive an appraisal, we can see the actual value of the asset and what the economic analysis would look like from purchasing a facility below market value. Mike Seppala said one of his primary concerns were the community optics of the move. Mike went on to say the due diligence analysis gives us a very defensible position. It was asked what we will do if the EDA Grant doesn't award enough funding to make the budget work. Steve said the outcome of the award is likely the biggest contingency at this point and it may come to the point where we will have to walk away from the deal if we are unable to find a way to make the finances pencil. However, our intention will be to find a way to continue forward with the project.

With the meeting running late, it was determined that the remaining items on the agenda would be moved to the June meeting and that Dianne's TEDD update will be sent out via email.

Cory Entertained a motion to adjourn.

Meeting adjourned: 9:30 A.M.

Next Meeting – June 13th, 2019

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.



EDA • EDC CREATING MONTANA BUSINESS OPPORTUNITIES

Future Facility Workshop Minutes
Tuesday, May 7, 2019 – 11:30 AM – 1:00 PM
Yellowstone Room, 1st Floor - Granite Tower

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, Ken Lutton, Robin Rude, Paul Neutgens, Jennifer Smith, Jennifer Owen

EDC Board Members Present: Mike Phillips, Spencer Frederick, Mac Fogelson, Mitch Goplen, Craig Bartholomew, Andy Gott, David Ellis, Mike Seppala, Ann Kosempa, Mike Phillips

Staff and Guests: Lorene Hintz, Kevin Scharfe, Johnna Jablonksi, Dena Johnson, Jim Tevlin, Melanie Schwarz, Becky Rogers, Steve Arveschoug, Gene Kolstad, Chandler Griffin, Harrison Fagg

Call to Order:

Cory Moore, EDA Chair, called the meeting to order at 11:35AM and began with introductions.

Brief RFP Process Update

Becky began by thanking those in attendance and prefaced the analysis portion by giving kudos to Gene and Mitch who helped compile the analysis. Becky gave a brief history about why we began this process looking for a new facility one year ago and why we needed the additional space to continue to execute our mission.

Review Facility Analysis

Becky provided side by side comparisons of the Bank Building and the Fratt Building. Both buildings met the RFP requirements and were determined to be good fits for the organization. It was also determined that both would need extensive renovations. Becky reviewed the due diligence analysis conducted for each property and how that spurred a need to revisit the project budget. As a side note, all of the work conducted over this period has been vetted with the Future Facility Taskforce.

Becky then reviewed the outcomes of approaching property owners about exercising their right in the RFP to make a contribution to the project. After taking into account the contributions offered by each owner, she broke out the price per square foot for both properties. Following that cost break-out, she then reviewed the renovation cost estimate for each facility and options for scaling back the renovations if necessary. Next reviewed were the yearly occupancy costs and the operational impact for each.

Review Facility Budget Concept

Becky then reviewed the goals associated with considering a revised budget concept which included leveraging our investments with private investment and other one-time resources and purchasing a facility without incurring debt service. Becky then reviewed a revised budget concept which would use a combination of Opportunity Fund dollars and EDC dollars to Leverage a Federal EDA Grant and a contribution from the owners.

Board Guidance on Facility and Budget Concept

The discussion was largely focused on the use of our Opportunity Fund dollars to move this project forward. Dena made a point to note how bolstering our program offerings can help lead to private investment and job creation by making our service more visible and thus, more accessible to those who need them to grow. Mike Seppala commented that we need to bear in mind that there is a public perception when we use these dollars for our own purposes. Mike Phillips asked rhetorically how can we turn down the opportunity to receive Federal Grant Money? He mentioned by drawing on the Opportunity Fund, we afford ourselves the chance to potentially have half of the total project cost covered by an external source. Andy Gott mentioned that we need to be able to strongly defend whatever our decision is. He also mentioned we must also be mindful that the interest we would otherwise earn on those Opportunity Fund dollars will no longer be available. It was asked if the Federal Grant comes back less than expected, if that would be a “no-go” for the project. Becky said receiving less than expected from the grant would make the project much more difficult to afford and could have an impact on the project moving forward. Steve then gave his opinion on the discussion. He mentioned this will be BSED’s 30th year of existence and this may be a turning point for the organization as we look to deliver our services to the community for another 30 years.

Public Comment

It was asked if other Economic Development Organizations own their own property. Becky replied that of the organizations she reached out to, most of them did or were seeking to own. Harrison Fagg asked that if there were new budget numbers from what the RFP dictated, that we provide that to them so they may be able to reassess their proposal. Andy asked some further questions of what the return on this expenditure would be. Eric said that if the incubator is successful and grows businesses, they will then need to pay employees, buy property, pay property taxes, etc. Chandler Griffin asked about the ROI on the Opportunity Fund dollars spent.

Meeting adjourned: 1:05 PM.

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

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BIG SKY ECONOMIC DEVELOPMENT

EDA • EDC CREATING MONTANA BUSINESS OPPORTUNITIES

EDA/EDC Board – Electronic Meeting Results Monday, May 13, 2019

Request:

The Future Facility Taskforce of Big Sky Economic Development recommends closing the RFP and continuing the EDA Grant Application process with the Montana National Bank Building as the designated facility. The Opportunity Fund Committee met on May 8, 2019 to review the associated Opportunity Fund request and recommends contributing up to \$2,000,000 to the project.

Electronic Vote Results:

EDA Votes in Favor	EDA Votes Against	EDC Votes in Favor	EDC Votes Against
Cory Moore Dana Pulis Fred Sterhan George Warmer Greg McDonald Jennifer Smith Jennifer Owen Judi Powers Ken Lutton Paul Neutgens Robin Rude	None	Aaron Ramage Andy Gott Ann Kosempa Bob Wilmouth Craig Bartholomew Dan Edelman Dave Ballard David Ellis Denis Pitman Doug Hansen Eric Simonsen Jon Stepanek Mac Fogelsong Mike Phillips Mike Seppala Mitch Goplen Molly Schwend Nicole Bengé Scott Chesarek Spencer Frederick	Steve Loveless

Abstentions: Mike Nelson

Please see the original full request on the following page.



To: The EDA and EDC Board of Directors

From: The Future Facility Taskforce and Opportunity Fund Committee

Date: May 9, 2019

Re: Recommendation for RFP Close Out and Opportunity Fund Contribution

After several months of careful evaluation, the Future Facility Taskforce of Big Sky Economic Development recommends closing the RFP and continuing the EDA Grant Application process with the Montana National Bank Building as the designated facility. The Opportunity Fund Committee met on May 8, 2019 to review the associated Opportunity Fund request and recommends contributing up to \$2,000,000 to the project.

The Board is being asked to approve:

- 1) The closing out of the RFP
- 2) To submit an EDA Grant application with the Montana National Bank Building as the designated facility
- 3) To enter into a letter of intent with the Montana National Bank Building owners to purchase the building for \$1,000,000, with the following contingencies:
 - a. Outcome of the Federal EDA Grant
 - b. Outcome of the Appraisal
 - c. Structure of the Owner Contribution that is suitable for both parties
- 4) To commit up to \$2,000,000 in Opportunity Fund dollars
- 5) To commit \$500,000 from the EDC
- 6) To conduct the immediate next steps listed below

The immediate new steps for purchasing the Montana National Bank Building would include:

1. Informing the RFP Participants
2. Requesting an appraisal
3. Conducting a Phase I Environmental Assessment
4. Entering into a Letter of Intent to purchase the building, contingent on the items listed above
5. Determining the structure of ownership (EDA or EDC)
6. Submitting an application to the Federal EDA by June 6th



EDA · EDC CREATING MONTANA BUSINESS OPPORTUNITIES

EDA/EDC Board – Electronic Meeting Results
Thursday, June 6, 2019

Request:

With the electronic vote held on May 13th, the Board authorized Staff to enter into a Letter of Intent to purchase the Montana National Bank Building contingent on the EDA Grant award. Subsequent conversations held with BSED legal counsel and the U.S. EDA provided guidance that it would be more beneficial to draft a Buy/Sell Agreement instead of a Letter of Intent (both providing the needed framework for our purchase of the building with the needed contingencies). Based on that guidance, a Buy/Sell was developed and reviewed by BSED legal counsel and will be submitted as part of the Grant application on June 6th. As part of the Buy/Sell agreement mechanism, BSED would need to pledge refundable earnest money of \$5000 (not to exceed \$7500).

The electronic vote is for the purpose of ratifying the authority for Staff to enter into final negotiations and execute an agreement to purchase the Montana National Bank Building (contingent on EDA grant award) with pledged earnest money.

Electronic Vote Results:

EDA Votes in Favor	EDA Votes Against	EDC Votes in Favor	EDC Votes Against
Cory Moore Dana Pulis Fred Sterhan Jennifer Smith Jennifer Owen Judi Powers Paul Neutgens Robin Rude	None	Aaron Ramage Andy Gott Ann Kosempa Bob Wilmouth Craig Bartholomew Dave Ballard David Ellis Denis Pitman Doug Hansen Eric Simonsen Mac Fogelsong Molly Schwend	None

Abstentions: Mike Nelson



BIG SKY
ECONOMIC DEVELOPMENT

EDA • EDC CREATING MONTANA BUSINESS OPPORTUNITIES

ATTACHMENT B

Internal Memorandum

Date: May 30, 2019

To: Steve Arveschoug
Big Sky EDA/EDC Executive Committee
Big Sky EDA/EDC Board of Directors

From Jim Tevlin

Subject: April 2019 BSEDA Financial Statements

Attached are Big Sky EDA and EDC's financial statements for the month of April 2019.

Big Sky EDA Balance Sheets

	Apr 30, 2019	Apr 30, 2018	+/-	
ASSETS				
Current Assets				
Checking/Savings				
First Interstate Bank	\$ 16,958.57	\$ 94,674.27	\$ (77,715.70)	
FIB-Recovered Property Taxes	147,854.25	-	147,854.25	
Opportunity Fund - FIB	13,261.92	13,244.16	17.76	
Opportunity Fund - Stockman	80,719.39	45,589.38	35,130.01	(A), (B)
Stockman GE Maintenance	28,479.10	28,479.10	-	
Yellowstone County Funds	206,805.53	107,511.36	99,294.17	
	<u>494,078.76</u>	<u>289,498.27</u>	<u>204,580.49</u>	
Other Current Assets				
Accounts Receivable	290,192.36	239,403.24	50,789.12	
American Revenue Guarantee	6,887.28	19,965.08	(13,077.80)	
Due To/Due From EDC	132,204.58	175,485.70	(43,281.12)	
Miscellaneous Receivables	3,000.00	(5,179.20)	8,179.20	
Tax Levy Receivable	477,314.14	495,404.49	(18,090.35)	
Tax Levy Receivable - Protested	9,001.92	180,447.96	(171,446.04)	
Allowance for Doubtful Accts	(9,001.92)	(180,447.96)	171,446.04	
Prepaid Expenses	1,047.31	1,389.06	(341.75)	
	<u>910,645.67</u>	<u>926,468.37</u>	<u>(15,822.70)</u>	
Non-Current Assets				
Opportunity Fund - CDs	5,138,928.30	5,900,000.00	(761,071.70)	(A)
Loans Receivable	306,208.33	-	306,208.33	(B)
TEDD Receivable	64,775.00	75,000.00	(10,225.00)	
Cabelas Conduit	4,981.75	4,976.18	5.57	
Deferred Outflow of Resources	68,453.38	68,453.38	-	
	<u>5,583,346.76</u>	<u>6,048,429.56</u>	<u>(465,082.80)</u>	
TOTAL ASSETS	<u>\$ 6,988,071.19</u>	<u>\$ 7,264,396.20</u>	<u>\$ (276,325.01)</u>	
LIABILITIES & EQUITY				
Current Liabilities				
Accounts Payable	62,978.64	118,332.41	(55,353.77)	
Accrued Expenses	95,503.61	266,253.99	(170,750.38)	(C)
Payroll Liabilities	241.34	283.82	(42.48)	
Compensated Absences	138,443.60	128,972.75	9,470.85	
	<u>297,167.19</u>	<u>513,842.97</u>	<u>(216,675.78)</u>	
Long Term Liabilities				
Deferred Inflow of Resources	107,238.97	107,238.97	-	
Pension Liability	414,984.80	414,984.80	-	
	<u>522,223.77</u>	<u>522,223.77</u>	<u>-</u>	
Net Assets	<u>6,168,680.23</u>	<u>6,228,329.46</u>	<u>(59,649.23)</u>	
TOTAL LIABILITIES & EQUITY	<u>\$ 6,988,071.19</u>	<u>\$ 7,264,396.20</u>	<u>\$ (276,325.01)</u>	

(A) In FY18, the proceeds of the sale of the GE facility (approx \$6 million) were invested in certificates of deposit with maturities of 18 months.

(B) As part of the One Big Sky District initiative, Big Sky EDA advanced \$306k to the Downtown Billings Alliance.

(C) On April 30, 2018, Accrued Expenses consisted primarily of \$209k of contributions to MSU Billings for their new science building. Big Sky EDA issued payment to MSU Billings in August 2018.

Big Sky EDA
Statements of Operations Actual vs. Budget
For the Ten Months Ended April 30,

	2019	Annual Budget	Budget Remaining
Income			
Department of Defense	\$ 433,673.00	\$ 549,626.00	\$ 115,953.00
EDC Reimbursement	425,735.36	601,012.56	175,277.20
EPA - Brownfields	28,538.36	28,538.36	-
Grant Administration	6,716.50	17,650.00	10,933.50
Health Levy Revenue	75,399.00	90,264.00	14,865.00
Mill Levy Revenue	1,333,528.42	1,391,361.00	57,832.58
Miscellaneous Revenue	11,298.63	-	(11,298.63)
Opportunity Fund Investment	320,000.00	150,000.00	(170,000.00)
Recovery of Protested Taxes	146,954.35	-	(146,954.35)
SBA/MT Dept of Commerce	114,707.29	117,650.00	2,942.71
SBDC Program Income	2,524.62	3,211.00	686.38
VBOC	245,536.95	300,000.00	54,463.05
	<u>3,144,612.48</u>	<u>3,249,312.92</u>	<u>104,700.44</u>
Expense			
406 Impact Districts	170,000.00	-	(170,000.00)
Rock31	9,370.84	-	(9,370.84)
Advertising	1,105.33	-	(1,105.33)
Property Tax Protests	10,769.51	28,147.22	17,377.71
Business Recruitment	234.21	16,000.00	15,765.79
Community Development Projects	(8,000.00)	50,000.00	58,000.00
Contingency	-	17,500.00	17,500.00
Dues and Subscriptions	41,384.00	47,834.00	6,450.00
Employer Contributions	384,612.59	507,433.91	122,821.32
Insurance	12,739.09	14,766.00	2,026.91
Contract Support	-	2,000.00	2,000.00
Marketing	62,398.37	81,854.00	19,455.63
Miscellaneous	36,406.06	39,447.40	3,041.34
Office Equipment	7,655.47	8,700.00	1,044.53
Office Expense	11,580.60	19,000.00	7,419.40
One Big Sky District	50,000.00	55,000.00	5,000.00
Professional Fees	100,972.60	121,241.86	20,269.26
PTAC Satellite	72,838.97	87,714.00	14,875.03
PTAC Subcenter	179,730.53	253,543.00	73,812.47
Rent	102,967.83	111,632.00	8,664.17
Repairs	1,978.50	-	(1,978.50)
Salaries/Wages	1,239,941.24	1,583,634.36	343,693.12
Sponsorships	7,330.00	6,600.00	(730.00)
TEDD	7,383.74	5,000.00	(2,383.74)
Telecommunications	44,298.48	48,001.00	3,702.52
Travel/Training	77,629.47	124,621.00	46,991.53
Workforce Development	15,000.28	15,000.00	(0.28)
	<u>2,640,327.71</u>	<u>3,244,669.75</u>	<u>604,342.04</u>
	504,284.77	4,643.17	(499,641.60)
Other Income			
Interest Income	26,414.75	87,477.23	61,062.48
Net Income	<u>\$ 530,699.52</u>	<u>\$ 92,120.40</u>	<u>\$ (438,579.12)</u>

Represents EDA's participation in the 406 Impact Districts effort.

Negative variance offset by Rock31 salaries/benefits vacancy savings.

Big Sky EDA
Statements of Operations - Year Over Year Actual
For the Ten Months Ended April 30,

	2019	2018	+/-	
Income				
BillingsWorks	\$ -	\$ 12,500.00	\$ (12,500.00)	
Coulson Park Revenue	-	12,000.00	(12,000.00)	
Department of Defense	433,673.00	418,853.00	14,820.00	
EDC Reimbursement	425,735.36	396,609.39	29,125.97	
EPA - Brownfields	28,538.36	28,427.50	110.86	
Grant Administration	6,716.50	6,343.16	373.34	
Health Levy Revenue	75,399.00	69,975.75	5,423.25	
Mill Levy Revenue	1,333,528.42	1,286,728.17	46,800.25	
Miscellaneous Revenue	11,298.63	80,255.38	(68,956.75)	
Opportunity Fund Investment	320,000.00	-	320,000.00	
Recovery of Protested Taxes	146,954.35	-	146,954.35	
SBA/MT Dept of Commerce	114,707.29	102,103.09	12,604.20	
SBDC Program Income	2,524.62	2,820.68	(296.06)	
VBOC	245,536.95	256,620.67	(11,083.72)	
	<u>3,144,612.48</u>	<u>2,673,236.79</u>	<u>471,375.69</u>	
Expense				
406 Impact Districts	170,000.00	-	170,000.00	
Rock31	9,370.84	-	9,370.84	
Advertising	1,105.33	985.14	120.19	
Property Tax Protests	10,769.51	41,655.55	(30,886.04)	
BEAR	-	3,961.68	(3,961.68)	
Business Recruitment	234.21	15,494.31	(15,260.10)	
Community Development Projects	(8,000.00)	2,519.40	(10,519.40)	
Dues and Subscriptions	41,384.00	28,060.30	13,323.70	
Employer Contributions	384,612.59	358,603.92	26,008.67	
Event Expense	-	689.10	(689.10)	
Incubator Expense	-	31,047.24	(31,047.24)	
Insurance	12,739.09	21,166.43	(8,427.34)	
Contract Support	-	5,163.60	(5,163.60)	
Marketing	62,398.37	71,006.20	(8,607.83)	
Miscellaneous	36,406.06	36,113.70	292.36	
Office Equipment	7,655.47	-	7,655.47	
Office Expense	11,580.60	21,494.34	(9,913.74)	
One Big Sky District	50,000.00	-	50,000.00	
Professional Fees	100,972.60	163,363.42	(62,390.82)	
Program Expense	-	1,089.09	(1,089.09)	
PTAC Satellite	72,838.97	68,664.29	4,174.68	
PTAC Subcenter	179,730.53	168,002.12	11,728.41	
Rent	102,967.83	104,098.60	(1,130.77)	
Repairs	1,978.50	1,332.86	645.64	
Salaries/Wages	1,239,941.24	1,133,848.88	106,092.36	
Sponsorships	7,330.00	12,379.33	(5,049.33)	
TEDD	7,383.74	-	7,383.74	
Telecommunications	44,298.48	27,674.81	16,623.67	
Travel/Training	77,629.47	99,711.50	(22,082.03)	
Workforce Development	15,000.28	42,814.85	(27,814.57)	
Total Expense	<u>2,640,327.71</u>	<u>2,460,940.66</u>	<u>179,387.05</u>	
	504,284.77	212,296.13	291,988.64	
Other Income				
Interest Income	26,414.75	2,795.84	23,618.91	
Net Income	<u>\$ 530,699.52</u>	<u>\$ 215,091.97</u>	<u>\$ 315,607.55</u>	

Includes \$75k related to TEDD master plan loan.

Represents EDA's participation in the 406 Impact Districts effort.

Year-over-year variance primarily due to TEDD master plan expense (\$82k)

Big Sky Economic Development Corporation

Balance Sheets

	Apr 30, 2019	Apr 30, 2018	+/-	
ASSETS				
Current Assets				
First Interstate Bank	\$ 260,901.08	\$ 528,041.70	\$ (267,140.62)	(A)
FIB SSBCI Principal	1,300,641.17	956,129.50	344,511.67	
FIB-Long Term Reserve	150,000.00	150,000.00	-	
FIB-Operating Reserve	100,000.00	100,000.00	-	
FIB-Opportunity Fund	22,200.00	22,200.00	-	
FIB-RLF	259,317.34	190,246.69	69,070.65	
FIB-OBSD Restricted	48,384.51	-	48,384.51	(B)
FIB-406 Impact Restricted	46,500.00	-	46,500.00	(B)
Accounts Receivable	1,000.00	1,000.00	-	
Certificates of Deposit	-	75,114.53	(75,114.53)	(A)
Contributions Receivable	20,500.00	4,000.00	16,500.00	(C)
RLF Portfolio-Current	73,091.00	72,389.57	701.43	
SSBCI Portfolio-Current	123,590.12	154,645.31	(31,055.19)	
	<u>2,406,125.22</u>	<u>2,253,767.30</u>	<u>152,357.92</u>	
Other Assets				
Contributions Receivable-Non Current	43,750.00	-	43,750.00	(C)
RLF Portfolio-Non Current	226,864.05	178,031.86	48,832.19	
SSCBI Portfolio-Non Current	833,365.58	973,321.05	(139,955.47)	
TOTAL ASSETS	<u><u>3,510,104.85</u></u>	<u><u>3,405,120.21</u></u>	<u><u>104,984.64</u></u>	
LIABILITIES & EQUITY				
Liabilities				
Current Liabilities				
Accounts Payable	26,386.10	6,695.31	19,690.79	
Accrued Expenses	22,509.49	20,829.03	1,680.46	
Due to/Due From EDA	132,204.58	175,485.70	(43,281.12)	
	<u>181,100.17</u>	<u>203,010.04</u>	<u>(21,909.87)</u>	
Net Assets	<u>3,329,004.68</u>	<u>3,202,110.17</u>	<u>126,894.51</u>	
TOTAL LIABILITIES & EQUITY	<u><u>\$ 3,510,104.85</u></u>	<u><u>\$ 3,405,120.21</u></u>	<u><u>\$ 104,984.64</u></u>	

(A) In FY18, the certificates of deposit and bank accounts held by Montana Community Finance Corporation were closed/matured. The remaining funds were deposited into our First Interstate Bank account.

(B) These restricted funds are specifically earmarked for the One Big Sky District master plan and and the 406 Impact Districts effort.

(C) These receivables represent CTE funding commitments for FY19 (current) and FY20 (non-current)

Big Sky Economic Development Corporation
Statements of Operations - Actual v Budget*
For the Ten Months Ending April 30,

	2019	Annual Budget	Budget Remaining	
Income				
504 Loan Origination	\$ 129,432.26	\$ 127,500.00	\$ (1,932.26)	
504 Loan Servicing	436,618.73	531,600.00	94,981.27	
Member Investment	188,650.00	370,000.00	181,350.00	
Miscellaneous Income	21,392.37	13,000.00	(8,392.37)	
Recovery of Bad Debt	3,550.00	3,600.00	50.00	
RLF Business Loan Interest	10,848.01	12,476.00	1,627.99	
SSBCI Revenue	21,633.00	29,140.00	7,507.00	
	<u>812,124.37</u>	<u>1,087,316.00</u>	<u>275,191.63</u>	
Expense				
Advertising	329.00	-	(329.00)	
BEAR Program	1,712.44	6,108.00	4,395.56	
Rock31 Expenses	53,600.12	50,000.00	(3,600.12)	
Business Recruitment	52,490.75	81,000.00	28,509.25	
Contingency	-	10,000.00	10,000.00	
Dues and Subscriptions	19,078.57	15,593.00	(3,485.57)	
EDA Reimbursement	425,735.36	601,012.56	175,277.20	
Event Expense	24,421.51	51,500.00	27,078.49	
Insurance	5,109.00	11,000.00	5,891.00	
Marketing	9,236.93	11,000.00	1,763.07	
Membership Development	1,989.91	7,500.00	5,510.09	
Miscellaneous	18,264.00	36,418.00	18,154.00	
Office Supplies	2,486.96	2,056.00	(430.96)	
OBSD Expense	16,714.37	-	(16,714.37)	
Professional Fees	32,604.40	22,500.00	(10,104.40)	
Rent	32,054.04	36,320.00	4,265.96	
Sponsorships	2,519.09	2,000.00	(519.09)	
Telephone	4,518.29	4,980.00	461.71	
Travel & Training	24,602.36	28,500.00	3,897.64	
Workforce Development	38,892.44	59,695.00	20,802.56	
	<u>766,359.54</u>	<u>1,037,182.56</u>	<u>270,823.02</u>	
Operating Income	<u>\$ 45,764.83</u>	<u>\$ 50,133.44</u>	<u>\$ 4,368.61</u>	

Represents non-Landmark-related OBSD expenses.

Negative variance due to SBA 504 legal fees incurred in FY18 on loans that did not fund.

* Excludes restricted funds.

Big Sky Economic Development Corporation
Statements of Operations-Year Over Year Actual*
For the Ten Months Ended April 30,

	<u>2019</u>	<u>2018</u>	<u>+/-</u>
Income			
504 Loan Origination	\$ 129,432.26	\$ 39,561.00	\$ 89,871.26
504 Loan Servicing	436,618.73	452,748.84	(16,130.11)
Member Investment	188,650.00	118,225.76	70,424.24
Miscellaneous Income	21,392.37	4,496.30	16,896.07
Recovery of Bad Debt	3,550.00	9,964.59	(6,414.59)
RLF Business Loan Interest	10,848.01	13,386.73	(2,538.72)
SSBCI Revenue	21,633.00	24,991.42	(3,358.42)
	<u>812,124.37</u>	<u>663,374.64</u>	<u>148,749.73</u>
Expense			
Advertising	329.00	-	329.00
BEAR Program	1,712.44	-	1,712.44
Rock31 Expenses	53,600.12	-	53,600.12
Business Recruitment	52,490.75	34,431.18	18,059.57
Dues and Subscriptions	19,078.57	12,507.87	6,570.70
EDA Reimbursement	425,735.36	396,609.39	29,125.97
Event Expense	24,421.51	34,545.23	(10,123.72)
Insurance	5,109.00	11,002.00	(5,893.00)
Marketing	9,236.93	6,346.12	2,890.81
Membership Development	1,989.91	3,538.29	(1,548.38)
Miscellaneous	18,264.00	3,380.97	14,883.03
Office Supplies	2,486.96	2,236.63	250.33
OBSD Expense	16,714.37	-	16,714.37
Postage and Delivery	-	886.30	(886.30)
Professional Fees	32,604.40	24,112.30	8,492.10
Rent	32,054.04	24,187.34	7,866.70
Repairs	-	1,153.50	(1,153.50)
Sponsorships	2,519.09	-	2,519.09
Telephone	4,518.29	3,917.23	601.06
Travel & Training	24,602.36	16,222.67	8,379.69
Workforce Development	38,892.44	9,747.09	29,145.35
	<u>766,359.54</u>	<u>584,824.11</u>	<u>181,535.43</u>
Operating Income	<u>\$ 45,764.83</u>	<u>\$ 78,550.53</u>	<u>\$ (32,785.70)</u>

The year-over-year decrease in loan servicing revenue is due to higher than expected loan payoffs

* Excluding restricted funds.



BIG SKY
ECONOMIC DEVELOPMENT

EDA • EDC CREATING MONTANA BUSINESS OPPORTUNITIES

ATTACHMENT C

Internal Memorandum

Date: June 6, 2019
To: Big Sky EDA/EDC Board of Directors
From Jim Tevlin
Subject: FY2020 EDA/EDC Proposed Budgets

Attached are Big Sky EDA and EDC's proposed budgets for the fiscal year ended June 30, 2020.

FY 2020 Organizational Budget

Key Assumptions

EDA Revenue

- Full mill levy. 2.0% (\$23k) increase.
- 25% reimbursement (\$29k) from EDC for Controller position salary & benefits.
- Opportunity Fund investment for Rock31 program:

\$100k FY19 appropriation. \$50k FY20 appropriation.

FY19 estimated unused appropriation	\$37k
FY20 appropriation	<u>50k</u>
Total FY20 Opportunity Fund Investment	87k

- Increased federal reimbursement related to PTAC program.

EDA Expense

- \$24k general placeholder for salary increases. \$15.8k earmarked for possible adjustments based on salary guidelines.
- Tax protests continue. 2.4% (\$34k) of mill levy.
- FY19 Administrative FTE's 2.5
FY20 Administrative FTE's 2.0

No new staff for FY20

Modify one position from Project Manager to Marketing Program Manager

EDC Revenue

- \$370k Member-Investor revenue
- \$135k SBA 504 loan origination fee revenue

EDC Expense

- EDA Reimbursement:

Unfilled Big Sky Finance Position	(\$58k)
Controller reimbursement	29k
Salary & benefit increase	<u>12k</u>
	(\$17k)

EDA-EDC Cost Sharing

	Salary	Fringe	Rent	Phone & Internet	Liability Insurance
Director-Business Finance	100%	100%	100%	100%	100%
Loan Officers (2)	100%	100%	100%	100%	100%
Loan Specialist	100%	100%	100%	100%	100%
Director-Member Investor & Marketing	50%	50%	50%	50%	50%
Program Manager-Marketing & Outreach	50%	50%	50%	50%	50%
Executive Director	25%	25%	-	-	-
Controller	25%	25%	-	-	-
Program Manager-Business Recruitment	-	-	-	-	-
Director-Operations	-	-	-	-	-
Administrative Assistant	-	-	-	-	-
Receptionist	-	-	-	-	-

Program Operating Expense (in thousands)

	EDC		EDA		Total	
	FY19	FY20	FY19	FY20	FY19	FY20
Administration	\$ 96	\$ 92	\$ 824	\$ 817	\$ 920	\$ 909
Comm Dev	-	-	334	356	334	356
CD Projects	-	-	50	50	50	50
PTAC	-	-	564	651	564	651
SBDC	-	-	251	247	251	247
Big Sky Finance	536	477	-	-	536	477
Recruitment	82	81	91	95	173	176
Workforce	60	60	108	99	168	159
Member-Investor	86	100	91	90	177	183
Org Marketing	11	11	63	62	74	73
Dept Marketing	-	11	8	8	8	19
VBOC	-	-	233	233	233	233
Rock31	50	35	89	91	139	126

Key Challenges/Opportunities

1. Mill Levy Increase (\$23k)

Excluding FY18, the increase in mill levy funding over the past few years has ranged from \$20k-\$30k. These increases don't cover routine inflationary expenses and require a combination of program cuts and/or an injection of private-sector funding.

2. Member-Investor Revenues

Our budgeted FY19 Member-Investor revenues call for a \$50k year-over-year increase from FY18. Most of these revenues are realized in the 4th quarter of our fiscal year. While I believe these revenues are realizable, I don't have a history of data that will allow me to assume the \$370k budgeted for FY20 is readily attainable. Consequently, I consider the realization of \$370k of Member-Investor in FY20 to have a higher level of uncertainty.

3. Key Future Considerations:

A preliminary estimate of EDA/EDC operations for fiscal years 2021 and beyond indicates a general decline in operating margins. This estimate is based on the preliminary FY20 budget "rolled forward" to FY21-23 with anticipated program revenues offset by inflation-adjusted expenses associated with our current economic development programs. A significant expense unknown relates to our future office occupancy costs. We currently have plans to acquire the Montana Bank Building but a number of material contingencies need to be resolved before we can estimate our occupancy costs with a high degree of accuracy.

While the afore-mentioned trends don't materially express themselves until FY22 or FY23, our management team believes that we should take steps to address revenue and expense trends immediately. Accordingly, staff has recommended we create a committee of key staff members along with our Board Treasurers to develop a "Game Plan for the Future." This plan will address revenue growth and resource allocation that will provide us with guidance to sustainably operate Big Sky Economic Development in the coming years. The goal is for this committee to have the plan ready for Executive Committee review by November 2019.

Big Sky Economic Development Authority

Revenues & Expenses

			PROPOSED		
	FY19	FY19	FY20		
	Estimate	Budget	Budget	(+/-)	
Income					
Department of Defense	\$ 522,873.00	\$ 549,626.00	\$ 633,828.00	\$ 84,202.00	Reflects higher reimbursement for non-distressed counties.
EDC Reimbursement	488,757.44	601,012.56	583,705.08	(17,307.48)	
Grant Administration	4,266.00	17,650.00	8,900.00	(8,750.00)	Assumes assessment of maximum levy authority
Health Levy	89,007.00	90,264.00	96,312.00	6,048.00	
Mill Levy Revenue	1,381,401.08	1,391,361.00	1,414,817.02	23,456.02	The EDA/EDC boards authorized \$100k of opportunity funds for Rock31 in FY19 and \$50k in FY20. At present, we estimate \$37k to be available as carryover from FY19, resulting in \$87k in Opportunity Funds available in FY20.
Miscellaneous Revenue	18,122.54	-	-	-	
Opportunity Fund Investment	150,000.00	150,000.00	87,175.00	(62,825.00)	
SBA/MT Dept of Commerce	108,600.02	117,650.00	112,500.00	(5,150.00)	
VBOC Revenue	292,010.40	300,000.00	300,000.00	-	
	-	-	-	-	
	3,055,037.48	3,217,563.56	3,237,237.10	19,673.54	
Expense					
Contingency	-	17,500.00	15,000.00	(2,500.00)	The decrease is due to a "double counting" of budgeted IT services in FY19 and lower estimated FY20 professional fees associated with PTAC and VBOC
Dues and Subscriptions	47,562.11	47,834.00	52,024.89	4,190.89	
Employer Contributions	449,369.63	507,433.91	523,530.87	16,096.96	
Insurance	14,766.00	14,766.00	14,766.00	-	
Intern/Contract Support	2,000.00	2,000.00	-	(2,000.00)	
Marketing-Departmental	-	8,000.00	13,152.33	5,152.33	Decrease reflects unfilled Big Sky Finance position offset by overall 2.5% wage increase.
Marketing-Organizational	81,854.00	62,750.00	61,750.00	(1,000.00)	
Miscellaneous	64,324.03	54,736.40	40,525.44	(14,210.96)	
Office Equipment	8,700.00	8,700.00	7,000.00	(1,700.00)	
Office Supplies	19,000.00	19,000.00	20,000.00	1,000.00	
Professional Fees	53,858.31	77,621.00	35,125.55	(42,495.45)	Interest income on Opportunity Fund CD's (\$86k) is earmarked as a contribution to the Opportunity Fund.
PTAC Satellite	85,245.14	87,714.00	140,520.30	52,806.30	
PTAC Subcenter	253,541.38	253,543.00	278,281.50	24,738.50	
Rent	123,394.83	111,632.00	119,444.50	7,812.50	
Salaries/Wages	1,511,295.61	1,617,320.85	1,614,032.38	(3,288.47)	
Sponsorships	9,100.00	9,100.00	10,916.94	1,816.94	
Tax Protests	28,147.22	28,147.22	33,776.67	5,629.44	
TEDD Expense	7,206.69	5,000.00	8,500.00	3,500.00	
Telecommunication	56,226.47	45,600.00	51,840.00	6,240.00	
Telephone-Cell	-	2,401.00	2,400.00	(1.00)	
Travel/Training	127,120.97	127,121.00	133,222.70	6,101.70	
Community Development Projects	50,000.00	50,000.00	50,000.00	-	
One Big Sky District	55,000.00	55,000.00	-	(55,000.00)	
	-	-	-	-	
	3,047,712.39	3,212,920.38	3,225,810.07	12,889.69	
Operating Income	7,325.09	4,643.18	11,427.03	6,783.85	
Other Income					
Interest Income	87,477.23	85,261.23	90,334.12	5,072.89	
	\$ 94,802.32	\$ 89,904.41	\$ 101,761.15	\$ 11,856.74	

General Note:

Our auditors, Anderson Zurmuehlen & Co, have requested that workforce development and recruitment expenses be classified in several of the above operating expense categories as opposed to a single expense category. In compliance with this request, I have reclassified the FY19 budget to be consistent with the FY20 presentation.

Big Sky Economic Development Corporation

Revenues & Expenses

			PROPOSED		
	FY19	FY19	FY20		
	Estimate	Budget	Budget	(+/-)	
Income					
Member Investment	\$ 370,000.00	\$ 370,000.00	\$ 370,000.00	\$ -	
Miscellaneous Revenue	23,392.37	13,000.00	13,000.00	-	
Recovery of Bad Debts	3,850.00	3,600.00	3,600.00	-	
RLF Business Interest	9,436.98	12,476.00	11,004.28	(1,471.72)	Increase reflects \$500k additional loan fundings
SBA 504 Origination Fees	112,299.98	127,500.00	135,000.00	7,500.00	
SBA 504 Servicing Fees	519,422.12	531,600.00	526,488.00	(5,112.00)	
SSBCI Revenue	23,591.40	29,140.00	24,063.88	(5,076.12)	
	-	-	-	-	
	1,061,992.85	1,087,316.00	1,083,156.16	(4,159.84)	
Expense					
BEAR/Advisory Council	6,108.00	6,108.00	5,386.00	(722.00)	
Contingency		10,000.00	10,000.00	-	
Dues and Subscriptions	19,361.96	17,667.70	19,677.23	2,009.53	Net decrease of 1 unfilled Big Sky Finance vacancy offset by new 25% Controller reimbursement
EDA Reimbursement	488,757.44	601,012.56	583,705.08	(17,307.48)	
Insurance	11,000.00	11,000.00	11,000.00	-	
Marketing-Departmental	53,898.36	53,898.36	61,547.67	7,649.31	
Marketing-Organizational	11,000.00	11,000.00	11,000.00	-	
Membership Development	7,500.00	7,500.00	15,000.00	7,500.00	Decrease due to account reclassifications from Workforce & Recruitment
Miscellaneous	40,698.23	63,692.45	41,992.38	(21,700.07)	
Office Equipment	3,616.90	3,616.90	2,500.00	(1,116.90)	
Office Supplies	2,056.00	2,056.00	2,056.00	-	
Opportunity Fund Contribution		-	40,000.00	40,000.00	
Organizational Event Expense	51,500.00	51,500.00	52,500.00	1,000.00	
Postage & Printing	1,446.76	1,446.76	1,000.00	(446.76)	
Professional Fees	78,256.23	71,151.83	80,928.45	9,776.62	
Business Incubation	4,340.28	4,340.28	3,000.00	(1,340.28)	
Rent	39,031.10	36,320.00	41,049.08	4,729.08	
Sponsorships	7,603.06	8,603.06	8,603.06	-	
Telecommunication	5,949.27	4,020.00	3,699.12	(320.88)	
Telephone-Cell		960.00	1,920.00	960.00	
Travel/Training	71,288.65	71,288.65	64,655.80	(6,632.85)	
	-	-	-	-	
	903,412.24	1,037,182.55	1,061,219.87	24,037.32	
Operating Income	\$ 158,580.61	\$ 50,133.45	\$ 21,936.29	\$ (28,197.16)	

General Note:

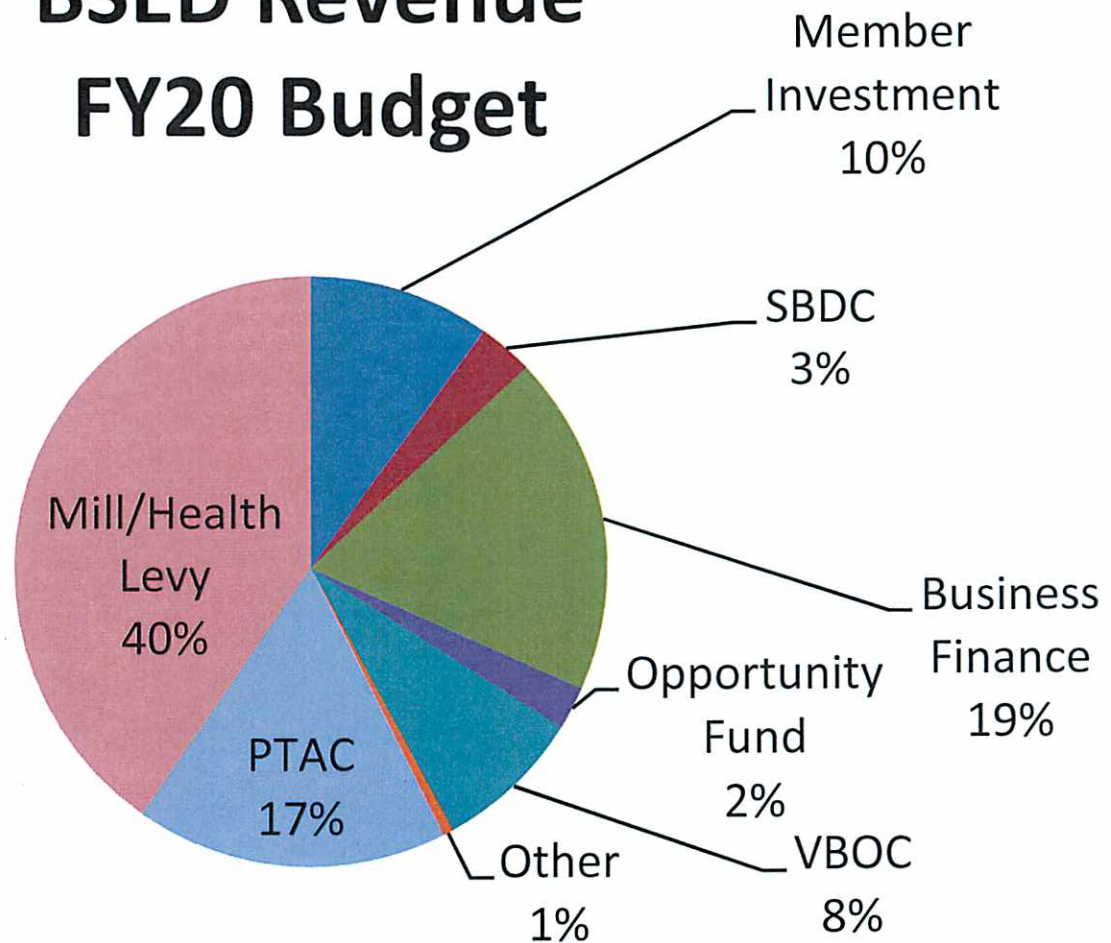
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Big Sky Economic Development Corporation
Reinvestment of SBA 504 Program Net Income
FY20 Budget

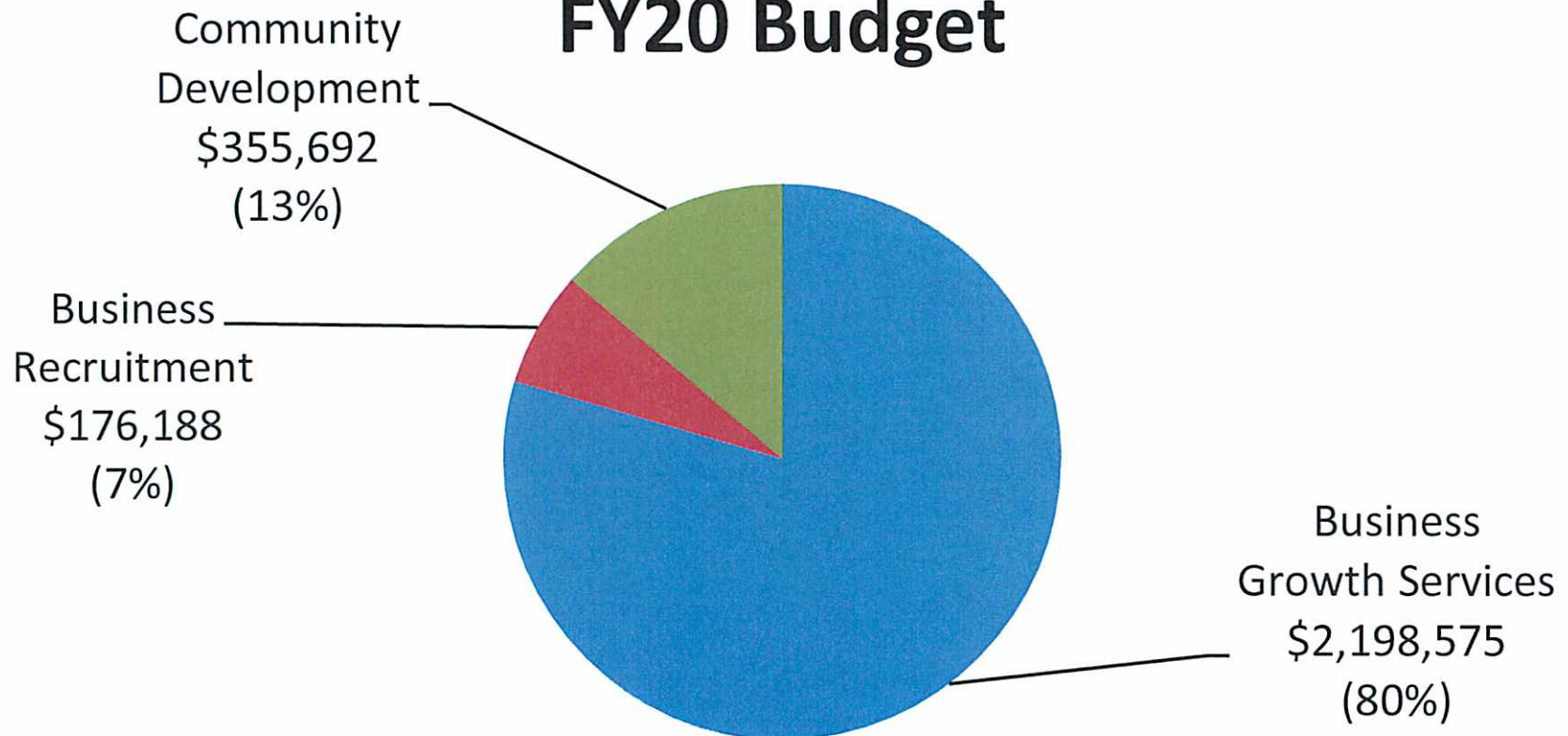
	Admin	Finance	Recruit	MI	Rock 31 & BEAR	Workforce	FY20 Total	
Income								
Member Investment	\$ -	\$ -	\$ -	\$ 370,000.00	\$ -	\$ -	\$ 370,000.00	SBA 504 Program Contribution to
Miscellaneous Revenue	-	9,000.00	4,000.00	-	-	-	13,000.00	Economic Development:
Recovery of Bad Debts	-	3,600.00	-	-	-	-	3,600.00	
RLF Business Interest	-	11,004.28	-	-	-	-	11,004.28	Origination Fees \$135,000.00
SBA 504 Origination Fees	-	135,000.00	-	-	-	-	135,000.00	Servicing Fees 526,488.00
SBA 504 Servicing Fees	-	526,488.00	-	-	-	-	526,488.00	<u>526,488.00</u>
SSBCI Revenue	-	24,063.88	-	-	-	-	24,063.88	<u>561,488.00</u>
	-	-	-	-	-	-	-	
	-	709,156.16	4,000.00	370,000.00	-	-	1,083,156.16	Total Finance Revenue \$709,156.16
Expense								504 Program-Related Revenue \$661,488.00
BEAR/Advisory Council	-	-	-	-	5,386.00	-	5,386.00	Percent 504-Related 93%
Contingency	10,000.00	-	-	-	-	-	10,000.00	Total Finance Expense \$505,806.35
Dues and Subscriptions	-	15,856.00	-	2,081.60	750.00	989.63	19,677.23	504 Program-Related (93%) \$470,399.91
EDC Reimbursement	77,151.00	400,934.15	-	105,619.93	-	-	583,705.08	
EDC Reserve Contribution	-	-	-	-	-	-	-	504 Program-Related Revenue \$661,488.00
Insurance	11,000.00	-	-	-	-	-	11,000.00	504 Program-Related Expense <u>470,399.91</u>
Intern/Contract Support	-	-	-	-	-	-	-	
Marketing-Departmental	-	-	22,660.71	11,000.00	7,500.00	20,386.96	61,547.67	Available for Economic Reinvestment <u>\$191,088.09</u>
Marketing-Organizational	-	-	-	11,000.00	-	-	11,000.00	
Membership Development	-	-	-	15,000.00	-	-	15,000.00	Business Recruitment \$ 81,000.00
Miscellaneous	5,000.00	10,792.00	3,133.93	2,500.00	8,000.00	12,566.45	41,992.38	Workforce Development 59,694.99
Office Equipment	-	-	-	-	2,500.00	-	2,500.00	Program Marketing 22,000.00
Office Supplies	-	2,056.00	-	-	-	-	2,056.00	Rock31 Entrepreneurial Program 28,393.10
Opportunity Fund Contribution	40,000.00	-	-	-	-	-	40,000.00	<u>\$191,088.09</u>
Organizational Event Expense	-	-	-	52,500.00	-	-	52,500.00	
Professional Fees	26,000.00	6,500.00	40,500.00	-	500.00	7,428.45	80,928.45	
Rent	-	41,049.08	-	-	-	-	41,049.08	
Sponsorships	-	2,000.00	-	-	-	6,603.06	8,603.06	
Telecommunication	-	3,699.12	-	-	-	-	3,699.12	
Telephone-Cell	-	-	-	1,920.00	-	-	1,920.00	
Travel/Training	-	22,920.00	14,705.36	4,000.00	11,310.00	11,720.44	64,655.80	
	-	-	-	-	-	-	-	
	169,151.00	505,806.35	81,000.00	205,621.53	39,946.00	59,694.99	1,061,219.87	
Operating Income/(Loss)	<u>\$ (169,151.00)</u>	<u>\$ 203,349.81</u>	<u>\$ (77,000.00)</u>	<u>\$ 164,378.47</u>	<u>\$ (39,946.00)</u>	<u>\$ (59,694.99)</u>	<u>\$ 21,936.29</u>	

BSED Revenue FY20 Budget

Mill/Health	\$1,505,081
VBOC	300,000
PTAC	633,828
Bus. Finance	700,156
Opp Fund	87,175
Member Inv	370,000
SBDC	112,500
Other	21,900
Total	\$3,732,140



BSED Expenses FY20 Budget





BIG SKY
ECONOMIC DEVELOPMENT

EDA • EDC CREATING MONTANA BUSINESS OPPORTUNITIES

ATTACHMENT D

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

Section 1 Parties to the Agreement

This agreement is made and entered into in Billings, Yellowstone County, Montana, this 13th day of June 2019 by and between Big Sky Economic Development Authority, a local government entity, hereinafter referred to as Big Sky EDA, and Big Sky Economic Development Corporation, a Montana Non-Profit Corporation, hereinafter referred to as Big Sky EDC. This agreement in no way diminishes the responsibility of the Big Sky EDC Board of Directors for the operations of the certified development company that is Big Sky EDC.

Section 2 Purpose of Agreement

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

Section 3 Services Performed

3.1 Staff Services

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

3.2 Support Services

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

Section 4 Other

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

Section 5 Reimbursement

5.1 Reimbursement of Staff and Other Services

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

	Salary	Fringe	Rent	Phone & Internet	Liability Insurance
Director-Business Finance	100% (\$42.81/hr)	100%	100%	100%	100%
Loan Officer (2)	100% (\$71.30/hr)	100%	100%	100%	100%
Loan Specialist (1)	100% (\$21.42/hr)	100%	100%	100%	100%
Director-MI/Org Communications	50% (\$19.51/hr)	50%	50%	50%	50%
Marketing and Outreach Program Manager	50% (\$12.02/hr)	50%	50%	50%	50%
Executive Director	25% (\$18.60/hr)	25%	-	-	-
Controller	25% (\$10.89/hr)	25%	-	-	-
Operations Director	-	-	-	-	-
Receptionist	-	-	-	-	-

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

Section 6 Term of Agreement, Termination

- 6.1 Term: This agreement shall remain in effect for the period July 1, 2019 to June 30, 2021 unless modified by mutual agreement between the parties, or terminated by either party in accordance with provisions of this section. This agreement shall also provide for one 2-year option for renewal at the expiration of the initial term of this agreement on the same terms and conditions set forth herein.
- 6.2 Termination: Either party, without penalty, may terminate this agreement by delivery to the other party a written notice of termination within 30 days of the effective termination date. In the event of notice of termination, Big Sky EDC shall be entitled to receive services and Big Sky EDA shall be eligible to receive reimbursement for costs incurred pursuant to this agreement until the effective termination date.

Section 7 Miscellaneous Provision

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

Execution

Executed this 13th day of June 2019

Big Sky Economic Development Authority

Cory Moore, Board Chair Big Sky EDA

Big Sky Economic Development Corporation

Mike Nelson, Board Chair Big Sky EDC



BIG SKY
ECONOMIC DEVELOPMENT

EDA • EDC CREATING MONTANA BUSINESS OPPORTUNITIES

ATTACHMENT E

SBA 504 Loan Requests

- I. Big Sky EDC is requesting approval to submit to the US Small Business Administration the following SBA 504 loan requests. The Big Sky EDC Loan Committee has reviewed the requests and recommends approval to the full EDC Board for submission to the SBA for final approval. The requests meet all the underwriting and eligibility requirements of the EDC.
1. **Advanced Therapy Clinic LLC** – Request is for the purchase of land, existing building and renovations for a new restaurant to be located in downtown Missoula. The restaurant will be called Pangea. The owners of Pangea currently own and operate Liquid Planet Montana in this same location, and currently lease the space. With the purchase, they will close this restaurant location and open Pangea, thus the need for renovations. This will be a full-service restaurant with full bar. They will offer an authentic and culturally diverse menu bringing flavors from around the world. The owners have prior experience in restaurant operations and marketing. An experienced chef is being brought on to assist but will have no ownership.

There are projected to be 25 new jobs created as a result of this project. The total SBA debenture will be \$828,000 on a 25-year note comprising 35% of the total project costs. Big Sky EDC and the SBA will be in a 2nd lien position behind Farmers State Bank in Missoula on the real property.



BIG SKY
ECONOMIC DEVELOPMENT

EDA • EDC CREATING MONTANA BUSINESS OPPORTUNITIES

ATTACHMENT F

**MEMORANDUM OF UNDERSTANDING BETWEEN
THE CITY OF BILLINGS
AND
THE BILLINGS INDUSTRIAL REVITALIZATION DISTRICT, INC.,
AN I.R.C. 501 (c)(6) MONTANA NON-PROFIT CORPORATION,
AND
BIG SKY ECONOMIC DEVELOPMENT, FOR THE
IMPLEMENTATION OF THE MASTER PLAN FOR
REVITALIZATION, PROGRAM COORDINATION, AND TAX
INCREMENT FINANCING RECOMMENDATIONS AS PER MCA 7-15-
4233 IN THE EAST BILLINGS URBAN RENEWAL DISTRICT**

This Memorandum of Understanding ("MOU") is made and entered into on _____, 2019 (the "Effective Date") by and between the City of Billings (City), Big Sky Economic Development (BSED), a local port authority created by Yellowstone County, a political subdivision of the State of Montana, and the Billings Industrial Revitalization District, Inc. (BIRD), a 501 c(6) tax exempt corporation of the land owners with property located within the boundaries East Billings Urban Renewal District (EBURD). Management is coordinated with these entities for the purpose of assisting the City in revitalization of the EBURD for all projects, regulations and planning done in the EBURD, and to render opinions and give recommendations to the City Council as outlined in MCA 7-15-4233 on all financial assistance provided by Tax Increment Financing (TIF) in the EBURD. For purposes of this MOU, BSED, the City, and the BIRD are each a "Party" and are sometimes collectively referred to as the "Parties."

I. TERM & TERMINATION OF THIS MOU

This MOU shall be in effect for 5 years from the Effective Date, and the parties agree to conduct an annual progress-review meeting open and noticed to the public to consider any necessary changes to the implementation strategies and roles and responsibilities as set forth in this Agreement. Any Party may terminate this MOU by giving the other 90-days written notice prior to a fiscal year end of June 30. Days are defined in this Agreement to be business days.

II. BACKGROUND AND PURPOSE OF THIS MOU

- A. The EBURD was created by the City of Billings in 2006 and expanded in 2015 (Ordinance No. 06-5395, Ordinance No. 15-5652) and is defined in the attached Exhibit A map.
- B. The City of Billings has adopted a Tax Increment Finance Policy (Resolution #18-10750). The BIRD will maintain compliance with the Policy, or any future amendments, in operating under this MOU and the City will use the Policy in its decisions related to TIF programs and projects.

- C. This MOU is a cooperative effort among the City of Billings, BSED and the BIRD. The Parties share the mutual objective of enhancing economic development opportunities in the EBURD by promoting the ideals of sustainable industry, outstanding quality of life, public infrastructure improvement, and predictable land use decision-making. These efforts are embodied in the 2009 EBURD Master Plan, 2012 EBURD Code (Ordinance No. 12-5581), 2013 Exposition Gateway Concept Plan, 2013 Hospitality Corridor Planning Study, as well as other City-adopted ordinances, plans and programs affecting the EBURD, provided said ordinances, plans and programs are reviewed by the BIRD board.
- D. The BIRD is actively working on annexation of County lands in and around the EBURD. Collectively the EBURD and relevant County Land shall be called ("The Study Area").
- E. A Master Plan for the Revitalization of the EBURD has been completed pursuant to a grant by the U.S. Department of Commerce – Economic Development Administration. One purpose of this MOU is to define the mutual understanding of BSED, the BIRD, and the City regarding the implementation of the Master Plan the Study Area.
- F. The EBURD, as its foundation, is an Urban Renewal District with a Tax Increment Financing Provision.

III. RELATIONSHIP OF THE PARTIES

- A. For the life of this MOU, the BIRD will maintain itself as a non-profit advisory board to make recommendations to the Billings City Council regarding all TIF expenditures and land use in the EBURD. This MOU relates only to the cooperative efforts of BSED, the City, and the BIRD described herein in connection with the EBURD. As per Sections 2-3-103, 2-3-111, and 2-3-203(1), Montana Code Annotated (MCA), which specify public participation requirements and that all meetings of public or governmental bodies or organizations supported by or expending public funds must be open to the public, the BIRD will comply with these requirements when acting in its capacity as an advisory board to the City Council.
- B. The BIRD Board By-Laws in Article IV specifies the Board shall be made up of stakeholders that represent both business and property interests in the EBURD. As per the City TIF Policy Section 3 (a), this MOU refers to the BIRD By-Laws in outlining the members of the Board. The BIRD must carry Errors and Omissions Insurance for its board members and provide proof of insurance to the City. The Board will ensure a current copy of its By-Laws is provided to the City.
- C. This MOU is not intended to create or constitute any joint venture, partnership, joint powers agency, or other formal organization of any kind.
- D. No Party is authorized herein to act as the agent of the other.
- E. This MOU is for the sole benefit of the parties herein and their successors and

assigns. This MOU is not intended to and shall not be interpreted to create or confer to a third party any rights, entitlements or interest, including any third party beneficiary rights.

- F. Sections IV through XIII of this MOU outline roles and responsibilities of the City, BSED and BIRD related to the EBURD. The Parties shall collaborate with the identified lead organization to carry out these identified activities. The attached Exhibit B outlines the EBURD administration.

IV. BIRD BOARD AND STAFF

- A. The BIRD board may hire, contract for, or coordinate with the City, for support for the implementation of this MOU. Support includes, but is not limited to, program coordination, application review and processing, tax increment financing recommendations, administration and implementation of the EBURD Master Plan. TIF funding used for operations and staff must be approved by the City Council through its annual budgeting process as part of its review and approval of the EBURD annual budget. If the BIRD does seek contract services, supplies, or expenditures for other capital costs that utilize TIF funds, the BIRD must follow City purchasing and procurement policies in effect at the time.
- B. The BIRD Board has adopted a policy that board members and staff cannot receive TIF funding for Development Incentives while in the employment of the BIRD or serving as a member of the board of directors of the BIRD.

V. TAX INCREMENT FINANCING AUTHORITY AND ADMINISTRATION

- A. The City Council shall have the ultimate decision-making authority regarding any expenditure of TIFD Funds related to the EBURD. The BIRD will present recommendations for expenditures to the City Council.
- B. The BIRD and the City will maintain an application form and assistance guidelines for parties seeking the use of TIF Funds.
- C. Review and Action on TIF fund applications in the EBURD will go as follows:
 - 1. The BIRD staff will accept and review complete applications for TIF funds related to the EBURD and then will provide a copy of the application to the City staff for review.
 - 2. The City staff will review the application and provide comments and recommendations, which shall be returned to the BIRD Board.
 - 3. The BIRD Board shall review the recommendations of City staff and, upon concurrence, BIRD staff will meet with the applicant to review any application questions or changes.
 - 4. Any recommended changes will be incorporated into the application and the BIRD Board will make a recommendation to the City Council regarding funding of the application.

5. BIRD staff and City staff will prepare a development agreement for the expenditures of the TIF funds in the application to coordinate submittal of the application and development agreement to City Council for action.
6. The complete application and development agreement shall be processed and placed on a City Council Meeting for action within fifty (50) days after receipt of a properly completed application as specified in C 1.

VI. BIRD TRAINING AND CONFLICT OF INTEREST

- A. Training – The BIRD Board and support staff will participate with all City Urban Renewal District (URD) advisory boards in biannual training conducted in coordination with City staff and URD support staff. The training shall include, but is not limited to review of URD and TIF laws, Administrative Rules, ethics, conflicts of interest, meeting management, and maintenance of minutes and records.
- B. Conflict of Interest – The BIRD will adopt a resolution stating the Board and any employees of the BIRD will follow the conflict of interest rules adopted by the City under BMCC Article 2-507 (8)(b)(15) and BMCC Article 2-702. The BIRD Board also addresses elements of conflict of interest in Section IV (B) of this MOU. If the City finds an appearance of conflict of interest during review of a program or project seeking TIF funding, the matter will be reviewed by the City Attorney's Office.

VII. LAND USE DECISION AUTHORITY

- A. The City shall have final decision-making authority regarding any land use or zoning decision related to the EBURD, provided those items are first reviewed by the BIRD which shall present its recommendation to the City Council.
- B. Subject to existing land use law, the City may develop and administer land use and design regulations with consideration to the EBURD Master Plan, EBURD Code and other plans and ordinances adopted by the City. As referenced in Section II C. of this MOU, the City and the BIRD share the mutual objective of enhancing economic development opportunities in the EBURD by promoting the ideals of sustainable industry, public infrastructure improvement, and predictable land use decision-making consistent with those proposed in the Master Plan as recommended by the BIRD. The City and the BIRD shall cooperatively explore potential incentives for developers and property owners subject to such regulations.

VIII. BROWNFIELDS ASSESSMENT

- A. BSED has and is currently administering grants from the Environmental Protection Agency (EPA) to undertake brownfields assessments of petroleum and hazardous substance contamination on sites within and adjacent to the EBURD.
- B. BSED has assembled a steering committee to help recommend sites to be assessed. The City and BIRD have both contributed time to this steering committee to help prioritize potential assessment sites. This steering committee

will also apply EPA's Brownfields criteria of future reuse, expansion, and/or redevelopment in recommending assessment sites throughout the life of the project.

IX. MAINTENANCE, PRIORITIZATION, AND IMPLEMENTATION OF THE 2009 EBURD MASTER PLAN

- A. The BIRD will work to maintain, prioritize, and implement the EBURD Master Plan, as its staffing capacity will allow and in consultation with the Parties.
- B. The BIRD Board will convene a committee of all Parties to discuss and suggest recommendations to the City regarding maintenance, prioritization, implementation and updates to the EBURD Master Plan.

X. IDENTIFY FUNDING SOURCES AND FACILITATE PUBLIC INFRASTRUCTURE IMPROVEMENTS

- A. The City will identify and make application for appropriate funding sources in order to facilitate necessary infrastructure improvements as identified in the City's Capital Improvement Plan and other infrastructure master plans for projects within the EBURD boundary. The BIRD will assist the City with funding applications, as appropriate.
- B. The BIRD will work with City staff and property owners to consider public infrastructure projects in the EBURD and bring recommendations to City Council through processes, including the City's Capital Improvement Plan.
- C. In partnership with the City and the BIRD, BSED will seek, apply for, and administer grant opportunities well suited for the EBURD. Specifically, in development projects where there will be an increase of additional new jobs, BSED will apply on behalf of, or assist in the preparation of, applications to the Montana Department of Commerce New Worker Training Grant and Big Sky Economic Development Trust Fund incentive programs. All applications for grants will be reviewed by the BIRD. The BIRD also will make recommendations on grants to the City Council. Acceptance of any grant awards where TIF funds are used must be approved by the City Council.
- D. When an appropriate grant or funding opportunity is not available to BSED, for eligibility reasons, BSED will identify a potential applicant among the Parties and will notify such Party of the funding opportunity. BSED will assist these Parties in preparing applications for these funding opportunities on a fee-for-service basis at the hourly rate normally charged by BSED for grant-writing services.
- E. Whenever possible, funds secured by BSED for implementation of Master Plan recommendations should be matched with local dollars, including TIFD funds, in order to maximize impact.

XI. RECRUITMENT OF PRIVATE INVESTORS AND DEVELOPERS TO THE EBURD

- A. BIRD will actively work to recruit private investment in the EBURD, as its staffing capacity will allow.
- B. The Parties, under BIRD leadership, will assemble a "Response Team" of Party representatives to meet with potential investors and to coordinate recruitment efforts on a case-by-case basis.

XII. OTHER SERVICES

The BIRD may, at its sole option, contract professional services for security and maintenance services within the EBURD funded through property owner participation in a business improvement district or sub-district. However, the City Council shall have the ultimate decision making authority regarding any expenditure of TIFD Funds related to the EBURD, including funds allocated to professional services for a business improvement district or sub-district.

XIII. PUBLIC RELATIONS

Any news release, public announcement, advertisement or publicity proposed to be released by BIRD, BSED or the City regarding the work outlined in this MOU shall be subject to the approval of the other Parties prior to release. The Parties agree that such approval shall not be unreasonably withheld.

XIV. NOTICE

The Parties have identified individuals as outline below as point persons for all communication and coordination. Any notice required hereunder shall be provided in writing.


XV. AUTHORITY AND EXECUTION

Each Party represents that it has the authority to enter into this MOU and to perform the functions stated herein, and that the persons executing this MOU on their respective behalf are authorized by law, resolution or other requisite action of the Party's governing body.

BSED:	Dianne Lehm Director of Community Development 222 North 32nd Street, Suite 200 Billings, MT 59101 lehm@bigskyveda.org (406) 869-8409	Patrick Klugman Senior Community Development Project Manager 222 North 32nd Street, Suite 200 Billings, MT 59102 patrick@bigskyveda.org (406) 869-
City:	Wyeth Friday, Planning Director Planning and Community Services Dept. 2825 3 rd Ave. North, 4 th Floor Billings, MT 59101 fridayw@ci.billings.mt.us (406) 657-8249	Monica Plecker, Planning Manager City-County Planning Division 2825 3 rd Ave. North, 4 th Floor Billings, MT 59101 pleckerm@ci.billings.mt.us (406) 247-8660
BIRD:	Matthew McDonnell President, BIRD, Inc. 1413 4 th Ave. North, Ste C Billings, MT 59101 (406) 245-3133	Lenette Kosovich Treasurer BIRD, Inc. 1413 4 th Ave. North, Ste C Billings, MT 59101

IN WITNESS WHEREOF, the Parties hereto have executed this MOU on the dates indicated below.

-- BILLINGS INDUSTRIAL REVITALIZATION DISTRICT, INCORPORATED --

By: 
Matthew McDonnell, President

BIG SKY ECONOMIC DEVELOPMENT AUTHORITY

By: _____
Steve Arveschoug, Executive Director

THE CITY OF BILLINGS:

By: _____
William A. Cole, MAYOR

ATTEST:

By: _____
Denise R. Bohlman, CITY CLERK

APPROVED AS TO FORM:

By: _____
Brent Brooks, CITY ATTORNEY

Exhibit A

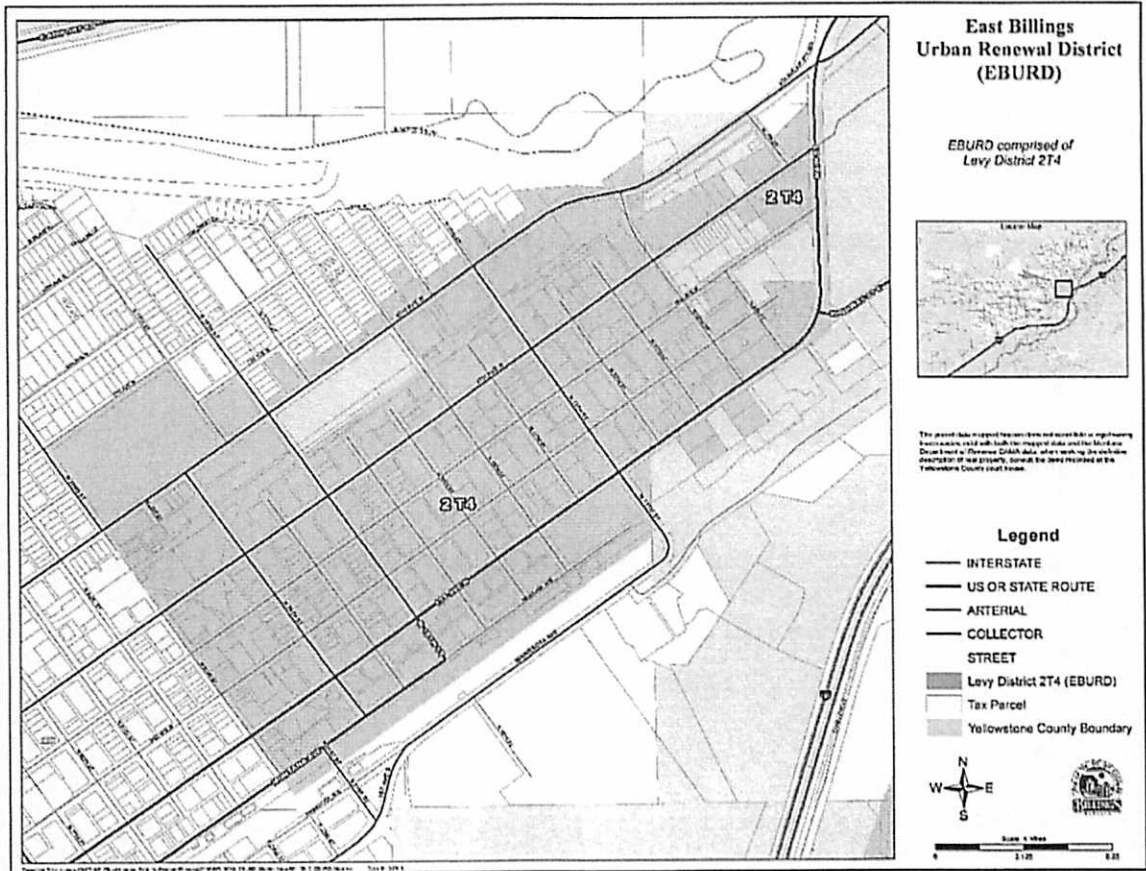
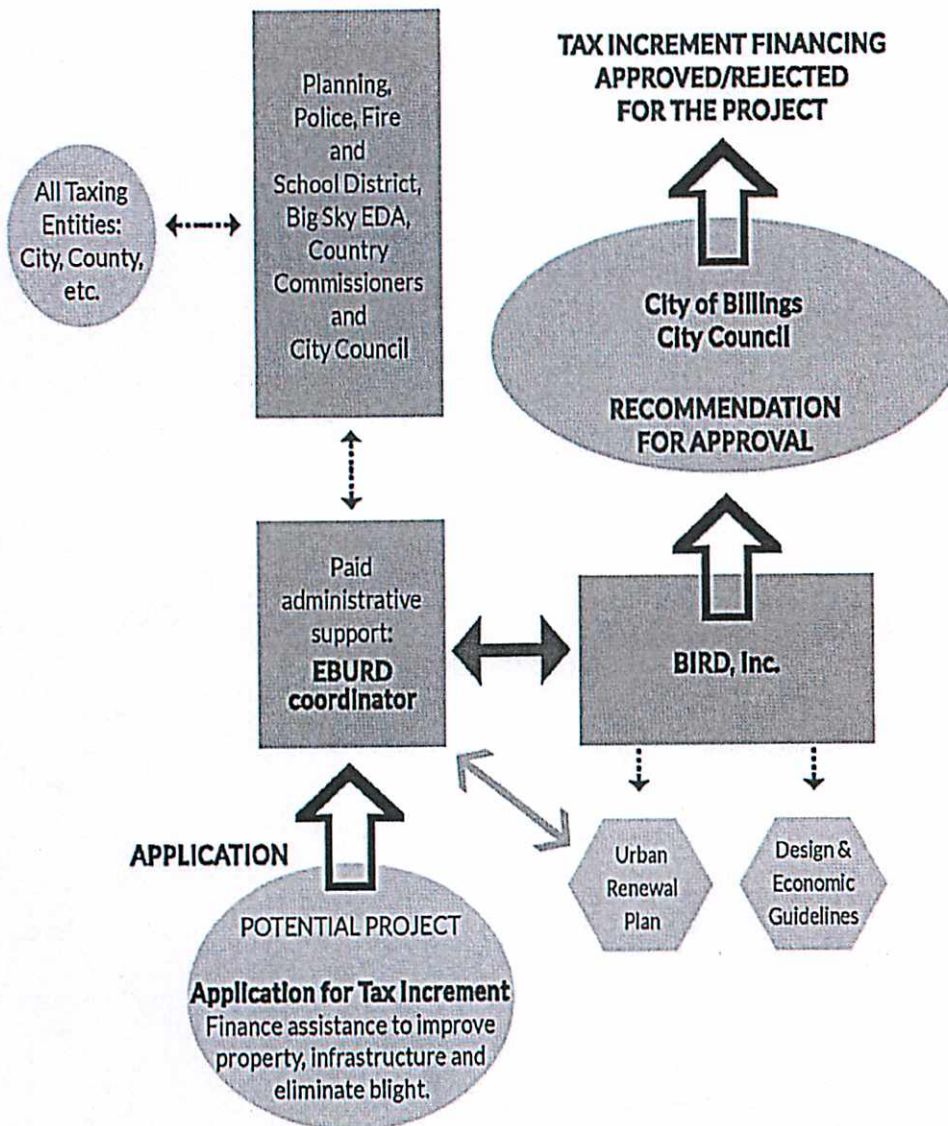


Exhibit B

EBURD ORGANIZATION





BIG SKY
ECONOMIC DEVELOPMENT

EDA • EDC CREATING MONTANA BUSINESS OPPORTUNITIES

ATTACHMENT G

Building
REMARKABLE

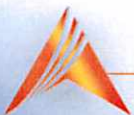
BSED Board and Staff Planning Outcomes



Board Excellence Report Out

6 Week Action Items From the Group

- Solidify Communication Messaging
- Listen to and talk with as many people as possible to champion the city and our services and mission
- Act on the Facility



Board Excellence Report Out

Takeaways From the Group

- Remind the Community of All We Do
- Accelerate Mission and Strategic Priorities
- Remain Resilient – Economic Development is a Long Game
- Ask, Listen, Learn
- There is Still Opportunity Out There
- Make Sure Our Identity is Bigger Than One Project

Staff Excellence Report Out

6 Week Action Items From the Staff Planning

- Celebrate Incremental Wins
 - Bell
 - Treasure Box
- Brand Recognition
 - Any Staff Member Could Give BSED Presentation
- Find Balance and Focus
 - Make a 6-Week Priority List

Staff Excellence Report Out



Takeaways From the Staff – Solution Circles

- Increase Brand Recognition
- Educate External Stakeholders of Our Mission and Priorities
- Define What We Don't Do
- Explore Additional Revenue Sources
- Create "Mile Markers" to Gauge Success
- Maintain Positive Public Perception

BIG SKY ECONOMIC DEVELOPMENT • 2017-2018 • 100% Satisfaction

Building
REMARKABLE



BIG SKY
ECONOMIC
DEVELOPMENT

BUSINESS GROWTH SERVICES • COMMUNITY DEVELOPMENT • NEW BUSINESS RECRUITMENT



BIG SKY
ECONOMIC DEVELOPMENT

EDA • EDC CREATING MONTANA BUSINESS OPPORTUNITIES

ATTACHMENT H

**June 2019
Executive Director's Report
(with Program Highlights)
to the Executive Committee & Board of Directors**

Strategic Priorities

- 1. Economic Diversity and Innovation—grow and diversify our economy through small business growth, entrepreneurship, fostering innovative business ideas, and maintaining a regional focus:**
 - a. ROCK31 – Connect Build Grow—See the SBDC/Rock 31 section of this report for more details, but I would highlight the Early Stage Montana pitch competition as a great effort lead by our Rock31 team. We helped to host the eastern and center Montana competition and had 8 to 10 startups pitch for a chance to be selected to compete in the statewide competition. Kevin did a fantastic job working with the Early Stage team for this event. Several of the startups in the competition are active SBDC/Rock31 clients. We were not able to pull off the summer code school event this year with the Montana Code School, but we are working toward a fall program. Stay tuned for more details.
 - b. Coal Country Coalition—No new information on the work of the Coalition.
- 2. Workforce Development and Talent Attraction—via the BillingsWorks Partnership—build and enhance our workforce development strategies/programs and further our talent attraction efforts to meet future workforce needs in support of our regional business community:**
 - a. Advocacy for MSU Billings and RMC— No new info to report.
 - b. BillingsWorks/Talent Attraction and Career and Technical Education/Career Center—With the success of the High School mill levy resources will now be placed in career and technology education by defining and strengthening career pathways and hiring a set of career counselors to help connect our high school students with work-based learning opportunities. This team will work with the CTE director position that we helped to create through our CTE Advisory Committee MOU with SD2 and 20 private industry partners. Great strides being made under the leadership of our BillingsWorks Director, Karen Baumgart. More details in this program area can be found in the BillingsWorks section of this report.
- 3. Strategic Placemaking--building-remarkable community investments to encourage and support the retention and attraction of workforce and new private investment:**
 - a. Development of Planned, Ready-to-Go Industrial Space—See the TEDD update as a part of the Community Development section of this report. The challenge remains between the City and the original plan for the Lockwood TEDD. We are meeting with the City leadership on a routine basis to develop a plan to hopefully secure an agreement between the City of Billings and the Lockwood Water and Sewer District (LWSD) that would allow LWSD to expand their service area to include the TEDD properties. We are also planning a luncheon meeting with the City Council and the Lockwood

community to hopefully inform and connect the two groups. We will stay on task with this effort. More details to follow.

- b. One Big Sky District— “Moving on to the next steps.” A handout will be provided at the Executive Committee and Board Meetings that summarizes the takeaways from briefing sessions we have conducted over the last 6 weeks. This summary is still a draft as we have key conversations still to come over the next two weeks before the “moving forward plan” is outlined. This summary will at least give our Board and the Strategy Partners a starting place for dialogue around next steps. We will review this summary with the Executive Committee at our June 5th meeting. In the meantime, we are still working on dates for a Destination Medical Center (Lisa Clarke, CEO, Rochester, MN) learning session, tentatively planned for late June. Be watching for an invitation for this event.
- c. Coulson Park Redevelopment and Entryways Now—Master Plan work is underway. See Community Development section of this report for details.
- d. EBURD Redevelopment—A new draft MOU is included in your Board Packet for your review. Dianne will review the MOU with the Executive Committee. The goal of the MOU is to create a framework for our partnership with the BIRD and the City on the redevelopment of the East Billings Urban Renewal District. We have had an MOU in place for several years. This new MOU updates our framework with BIRD and the city. I will ask Dianne to brief the Board on the redraft of the MOU at the June Board Meeting.
- e. Trailhead Hospitality Vision Steering Committee— The scope of work for a plan/design/budget for the improvement of the Metra Park backside walkway, fence and landscaping is complete. The next step is securing funding for that work. Grant applications are pending for this project. The next meeting of the Committee is set for July 5, 2019, 11:45 A.M. to 1:00 P.M. at the City/County Planning Office, First Floor Conference Room. That date may change because of the conflict with the 4th of July.
- f. Air Service—Frontier Airlines is off the ground and flying in and out of Billings. Exciting!!
- g. Space2Place—Micro-grant projects that facilitate quality of place—Space2Place grants have been awarded and projects are underway. Dianne will provide the Board an overview of these projects at our June Board meeting.

Program Updates

VBOC

Training

Boots to Business

- Malmstrom Air Force Base in Great Falls, MT: 16 graduates
- FE Warren Air Force Base in Cheyenne, WY: 12 Graduates

Other Training: Brian delivered a class on access to capital for veteran owned businesses at a Yellow Ribbon event in Kalispell, MT. This event is a post deployment event for soldiers and families of the 495th Combat Sustainment Support Battalion of the Montana Army National Guard (recently returned from deployment to Afghanistan).

Outreach

- Patriot Boot Camp – conversation about potential VBOC involvement in the next boot camp to be held in Lehi, Utah in August

- Yellowstone County Commission meeting

Counseling – The VBOC team consulted with 7 individual veteran clients so far in May as they pursue small business opportunities. These efforts also included 8 referrals to resource partners throughout our region.

Professional Development – Last month, Dustin attended the NW Boots to Business Summit at Business Impact NW in Seattle. Alongside colleagues at the Region X Veterans Business Outreach Center, he was able to learn, share ideas and collaborate on efforts to improve the effectiveness of the Boots to Business trainings for service members preparing to transition out of the military. Keep your eyes open for a new and exciting program to be announced soon in collaboration with the VBOC and other partners in Seattle!

Big Sky Finance

Big Sky Finance has had a busy and successful month. We started off with the team attending the SBA Annual Awards event in Great Falls. Big Sky Finance was recognized as the SBA 504 Lender of the Year for its SBA 504 loan production! In addition, Brandon attended the lender training event held in conjunction with the awards banquet and was able to network with several lenders and lending partners. The truly exciting part of this year's SBA awards was how many of the recipients Big Sky Finance has worked with. First, Devon Davidson, owner of MARS of Billings, was selected as the Montana Small Business Person of the Year! Big Sky Finance has assisted MARS with two separate SBA 504 loans, the most recent their state-of-the-art building here in Billings on Gabel Road. Devon and Kimberly Davidson represented Montana at the National SBA Awards event held in Washington, DC. Tanya Chemodurow with Abatement Contractors of Montana was the 8a Graduate of the Year. Big Sky Finance provided her company with an SBA 504 loan.

As part of Economic Development Week, Brandon traveled to Butte and presented at the Butte Economic Development Lender Training event. There were over 15 lenders and economic development professionals from the surrounding area in attendance. There were stops in Helena and Bozeman along the way to meet with the Helena team and prospects.

SBA 504 activity is keeping us busy as we have several prospects we are working with. We had one loan submitted to and approved by SBA totaling \$405,000 (SBA portion). We are also looking at a couple of Revolving Loan Fund requests. The team is also in the process of bringing online an enhancement to our loan software which will assist us with our workflow and processes.

SBA 504 effective rates for the month of May dropped from the previous month and are as follows: 25-year rate is 4.39%, 20-year rate is 4.27% and 10-year rate at 4.37%. It's a great rate environment for business owners to secure property with long-term, fixed rates! Our rates are fixed for the term of the loan providing borrowers with no interest rate risk! This coupled with the low equity requirement, as little as 10%, make for a very attractive financing option for our small business owners! We provide the SBA 504 loan product throughout the entire state of MT!

Community Development

Lockwood TEDD---KLJ Engineering continues with their data collection and analysis for strategic short-term infrastructure priorities and associated funding strategies. They have conducted the first workshop which reviewed the Infrastructure Master Plan for Advisory Board members, property owners, and other interested parties. Individual interviews with TEDD property owners will be completed by Friday, May 17. Discussions continue with the City regarding expansion of sewer service to the Lockwood TEDD area. Plans are to have this issue before the City Council by mid-July for a decision. The next

workshop/Advisory Board meeting is scheduled for June 19th from noon – 2 pm at BSED in the Yellowstone Conference Room to prioritize infrastructure needs. Advisory board members, property owners, city/county staff, and the public are welcome to attend. Please notify Thom if you are planning to attend as lunch will be provided.

Space2Place---Grants were awarded to eight projects at our Better Off in Billings event April 25. Those projects are:

- Always Be Creative – Interactive Musical Garden at the entrance to the new Wise Wonders Children's Museum
- Downtown Billings Alliance/RotorAction – Interactive Alleyscape artwork in alleyway between Pub Station and MoAv
- Monica Hill – Mural project in the pedestrian tunnel under Shiloh
- Healthy by Design – Creative Wayfinding project for Safer Routes to School
- MSU Billings – Mural project in N 27th St Tunnel adjacent to their campus
- Yellowstone County Museum – Prehistoric Rock Art images on the exterior wall
- Montana State Firefighters Memorial – Bench project at their memorial park in Laurel
- Montana Rescue Mission – Seating area project at their shelter.

MetraPark Entryway Beautification Project—The application is complete and ready to submit to the Montana CDBG Planning Grant program when the State begins accepting applications.

Coal Country Coalition---Now that legislature is over, we will schedule a meeting of this group soon to discuss results of that session, debrief on what Colstrip learned at NADO Coal summit in Denver, and next steps.

Tax Abatements—Patrick presented the annual tax abatement report to the Southside Taskforce meeting last week, May 16th by request of the Taskforce. A reminder, in '17 we had 20 active abatements which saw a total of \$358,964 tax savings throughout Yellowstone County and the City of Billings. In the same year, all businesses that had an active abatement or saw their abatements expire in '17 had a total of \$92,317,701 in payroll. We continue to hear from different businesses each month inquiring about potential abatement applications.

Yellowstone Fuels Reduction Program---The Community Development Team worked in partnership with Yellowstone County to complete a BLM Grant application requesting over \$100,000 to conduct fuels reduction assessments and activities within the Yellowstone County Wildland Urban Interface. The application will be submitted on Wednesday, May 22nd to the Bureau of Land Management.

Brownfields Program---Patrick presented at the Billings Industrial Revitalization District's annual meeting to discuss the Brownfields program and overview of previous projects and statistics. BSEDA has completed four different Brownfields projects with our current EPA Brownfield Assessment Grant. To date since 2008, BSEDA has completed 36 Phase I and 28 Phase II environmental site assessments within the East Billings Urban Renewal District and Downtown TIF District; of those completed projects, 96% have come back with no restrictions to reuse, expansion, or redevelopment.

Coulson Park---The Community Development Team and City Parks Department plan to meet with Consultants (DHM) to determine marketing and promotion of the Park and promote public input for the Masterplan. The Team plans to have a presence at the Strawberry Festival and multiple other events this Summer. Stay tuned for additional meetings and/or go to the Coulson Park website for more information <http://www.coulsonpark.com/>.

Thom MacLean, Community Development Project Manager graduated from the Leadership Billings program.

Member Investor & Marketing Program

BSED had a great month by celebrating Economic Development Week. We had a full week of sharing the story of economic development throughout the county. The week started with the Yellowstone County Commissioners proclaiming the week as Economic Development Week, followed by recognition from the City Council with a similar announcement. We also held two “pop up” coffee conversations, one at Black Dog Coffee on the west end and one at Harmony Coffee Bar in Laurel. Both were well attended by our community and we plan to do more of these impromptu coffees in the future. Also, that week, with the help of the boards and staff, we delivered 200 gifts to community stakeholders, elected officials and member investors, thanking them for their continued support of BSED’s work.

Also, this month we have been completing the last of the three-part strategy to grow the Member Investor program. The goal is to add 20 new member investors by the end of the fiscal year, and have the total funds received for the year reach \$370,000. We are near this goal and will have a full update at the June board meeting.

Marcell Bruski attended IEDC training in Nashville this month and will begin her new role as Marketing & Outreach Program

BillingsWorks

Your workforce development program continues to collaborate with our private and public sectors, creating innovative work-based learning initiatives. May was an exciting month due to the Yellowstone Strengths Academy graduating 8 Skyview High School students from the employability skills training program on May 22nd. This community partnership program will look to see where its next host location should be at in the upcoming weeks. Additionally, this month hosted the TEN-takeover by SD2 Culinary Arts students. Two high school seniors and one junior created, purchased, cooked and served over 20 education and community partners dinner at The Northern Hotel’s TEN restaurant under mentorship of industry experts; showing how impactful and doable getting students into the workplace is!

PTAC

MT PTAC held its annual “GovMatch” event on May 29th at the Northern Hotel. 38 federal, state and local agencies were on hand to talk with MT companies from all over the state about doing business. Northrop Grumman, Boeing, Raytheon & Lockheed Martin were also on site to discuss sub-contracting opportunities with attendees. Several federal agencies traveled from other states including Utah, Colorado, Wyoming, California, Texas, Idaho, South Dakota, Virginia, Nebraska and Washington D.C. Senator Daines kicked off the event and visited with attendees and Senator Tester sent a video message. GovMatch 19 was a terrific success and a productive day for companies interested in doing business with the public sector!

Since August 1st, MT PTAC clients (statewide, all 7 PTACs) have been successful in winning **\$56 million** in federal, state and local contracts. Of that, **\$15 million** was awarded to clients of the Billings PTAC.

SBDC|Rock31

Noteworthy:

- Rock31 hosted Early Stage Montana’s regional pitch competition in Billings on May 14th from 5:00pm-8:00pm at the Zoot building in Billings. The top regional tech-centric “Early Stage” (less

than \$10MM in Revenue.) competed for a spot in a hyper accelerator boot camp that will prepare the finalists for a State-wide pitch competition.

- 22 companies graduated the NxLevel Business course (10-week course to build a strategic business plan).

Team activity:

- We served 35 new and existing companies with technical assistance, training, loan packaging, and consulting.
- The team participated in 3 community Board meetings/Committees/Events.
- The team conducted 2 outreach site visits.
- 14 diverse business owners attended our monthly “Pre-Biz” workshop.

Ongoing projects:

- The team is working on final items needed to submit Phase 2 of the EDA grant application

Recruitment

Business recruitment has been focused on collecting the debrief information for One Big Sky and developing next steps, preparing for a site selector luncheon in Dallas that we are hosting with Butte and the Governor’s Office of Economic Development, preparing for the Foreign Direct Investment Conference in Washington DC, and fine-tuning collateral/branding for the upcoming fiscal year in order to launch greater online lead generation through LinkedIn.

Organizational/Policy Matters

1. FY 2020 Work Plans and Goals—As a handout we will provide a detailed outline of the Work Plans and Goals for each program for FY 2020. This outline is the tool we use to track and measure the outcomes/focus for each program area within the organization. Included in this document will be a recital of our current Strategic Priorities, which stay in place through FY 2020.

I will also provide the Executive Committee and Board with a separate Executive Director Work Plan and Focus, which is intended to outline my proposed work priorities for FY2020. I intend to seek the Board’s input on these priorities, starting with a dialogue at the June Executive Committee meeting.

2. Future Facilities Taskforce – Per the Board’s direction, we are moving forward on a buy-sale agreement for the Montana Bank building and our EDA grant application that would support the purchase and renovation of the building. The grant application is due June 6th. The team is working day and night to pull all the supporting material together for this grant/project. Becky will give the Executive Committee and update.
3. FY 2020 Budget –The Executive Committee will receive the proposed FY 2020 EDA and EDC budgets for review and consideration. There should not be significant changes from the drafts there were presented last month.
4. Ad Hoc Legislative Committee—Attached for your review is a recap of the outcome of our work during the legislative sessions related to our Legislative Priorities. I will discuss this recap with the Executive Committee and Board.
5. Acting Director Designation—I will be out of the office on vacation June 5th (following our Ex. Committee meeting) through mid-day June 11th. Dianne Lehm will serve as Acting Executive

Director during my time away from the office. Also, in case of emergency, Becky and Dianne will have the appropriate contact information for me, if needed. Thank you to the Board and staff for giving we the opportunity to share this time with my wife—celebrating our 37th wedding anniversary.

**Respectfully submitted,
June 5 and 13, 2019**

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

**Steve Arveschoug
Executive Director**



BIG SKY
ECONOMIC DEVELOPMENT

EDA • EDC CREATING MONTANA BUSINESS OPPORTUNITIES

ATTACHMENT I



Strategic Plan

Strategic Priorities FY20 – FY21

Program Workplans and Goals FY20

~~Final as Approved by the BSED Board of Directors~~
July 11th, 2019

***Building a remarkable community through
engagement and dynamic economic
development.***

Mission—*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.*

Vision—*A vibrant, healthy economy!*

Purpose—the purpose of Big Sky Economic Development’s Strategic plan, as adopted by the BSED Board of Directors June 14, 2018, is to set the framework for the focus and goals of the organization. In addition to the FY 2019 work plans and goals for the core programs (one year), this Strategic Plan includes the Strategic Priorities of the organization for FY 2019 and FY 2020 (two years).

These priorities and goals we set after receiving input from the 2018 Stakeholder Survey, staff planning, and Board planning work sessions. A summary of the findings from the Stakeholder Survey are included in this Strategic Plan document for quick reference.

The Board and staff of BSED are dedicated to working within the context of our public/private partnership structure (EDC and EDA) to meet and exceed the goals and aspirations outlined in this Plan.

Engagement--We will work to engage our key partners and the entire community in the execution of this Plan.

You can connect/engage with BSED in this effort through:

- 1) Service on the EDA or EDC Board of Directors
- 2) EDC Member Investor Program
- 3) Small Business Development Center (SBDC) Advisory Council
- 4) BillingsWorks Workforce Council and Steering Committee
- 5) Career and Technical Education (CTE) Advisory Council
- 6) Big Sky Finance Loan Committee
- 7) Trailhead Hospitality Corridor Vision Steering Committee
- 8) Veterans Business Outreach Center Advisory Committee
- 9) BSED Recruitment Committee
- 10) Meet Up, Mentor Up, and Biz Up (entrepreneurship place/programming) Advisory Team
- 11) Better Off in Billings Talent Attraction Committee
- 12) BEAR Resource Team
- 13) Brownfields Steering Committee
- 14) Industry Sector Partnerships
- 15) TEDD Advisory Committee
- 16) Coulson Park Master Plan Steering Committee
- 17) One Big Sky District Strategy Partners and Stakeholders

Our work for the community is all about engagement. **Be engaged...together we’re building a remarkable community.**

Contact Steve Arveschoug (stevea@bigskyeda.org) to get engaged with Big Sky Economic Development.

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Strategic Priorities FY 2020 through FY 2021

A. Strategic Priorities for the Community's Economic Growth

1. Workforce Development (via the BillingsWorks Partnership)

Continued Focus:

- CTE Partnership/Renewed Vision for the Career Center (Karen and Partnership)
- Talent Attraction (Better Off in Billings) (Karen, Chamber, other partners)
- Strengthening our higher education system's impact in healthcare, technology, the trades, and business-related workforce (Karen, Steve)

2. Strategic Placemaking (Building Remarkable Community Investments)—

Continued Focus:

- Coulson Park Master Plan/Corette Site creating as vibrant rivers'-edge, park, entertainment/recreation experience for our citizens and visitors (Dianne, CD Team, Steve)
- Trailhead Hospitality Corridor urban renewal along Montana's busiest thoroughfare (Metra Park Corridor Beautification Plan) (Dianne, CD Team)
- Ready-to-Go Industrial Space--Lockwood TEDD (Dianne, Allison, CD Team)
- Urban renewal project support—EBRD, SSBURA, Laurel Urban Renewal Agency, and Downtown Urban Renewal (DBP) (Dianne, CD Team)
- Enhanced Air Service and Airport Terminal Redevelopment (Allison, Steve)
- Trails and parks development throughout the community, including Skyline Trail project (HWY 3) (Dianne, CD Team)

Emerging Opportunities:

- One Big Sky District Development Planning for comprehensive downtown redevelopment (Steve, Allison, Strategy Partners)
- Space2Place Micro Placemaking Projects to kick-start placemaking endeavors throughout the community (Dianne and CD Team)
- Entryway Beautification Opportunities to re-set the Billings "first-impression" (Metra Park Corridor and others) (Dianne and CD Team)

3. Economic Diversity/Innovation

- "Meet Up, Mentor Up, and Biz Up" space and programming to support thriving entrepreneurship to drive new business creation and the success of our existing businesses (Dena, Steve, Founding Partners)
- Maintain Coal County Coalition Regional Partnership to drive regional economic diversification through partnerships and communication (Dianne, Steve, CD Team)
- Sector Partnerships to drive unique business growth and define workforce strategies (IT and others)

B. Organizational Opportunities to Enhance our Ability to Execute our Mission

1. Execute growth plan for Big Sky Finance (*Brandon, BSF Team, Melanie, Marcell*)
2. Grow Member Investor Program Impact/Relationships/Resources (*Melanie, Steve, Board*)
3. Work, Thrive, Live initiative for retention, recruitment, and engagement of the BSED team (*Becky, Steve*)
4. Future Facilities for BSED and Business-Up (*Becky, Steve, Board*)
5. Build Program Awareness (*Melanie, Marcell, BSED Team, and Board*)
6. Enhance Business Expansion and Retention Outreach (*Marcell, Melanie, BEAR*)
7. AEDO Reaccreditation (*Austin*)

PTAC Workplan and Goals FY2020

Billings PTAC & Subrecipients across the state

Montana Procurement Technical Assistance Centers (PTACs) offer personal, timely advice on contracting with the government. The majority of our services are free and available to businesses across Montana. Consulting, training and technical support are the key components of our program.

www.montanaptac.org

A. PTAC's client focus:

- Research and identify suitable government markets
- Determine eligibility and assist companies with applying for certifications such as HUBZone 8(a), Service-Disabled-Veteran-Owned (SDVOSB), Woman-Owned Small Business (WOSB)
- Research buying trends and contract histories
- Locate bid opportunities
- Understand government purchasing methods and contracting procedures
- Review and understand solicitations
- Respond to bids and proposals
- Complete required registrations
- Identify necessary industry codes
- Register in the System for Award Management (SAM)
- Navigate other web-based applications
- Facilitate training and "matchmaking: opportunities

B. Meet or exceed all client counseling and training goals in all categories

Billings Center goals:

- Annual Direct Client Service "Counseling & Preparation Time" – 552 hours
- Training/Outreach Events – 9
- "Active" Clients – 277 Commercial Companies, of those, 69 "NEW" clients

Expected outcome: Average annual awards realized by Billings PTAC clients - \$17-\$25 million

Statewide goals (all seven centers across the state including Billings) :

- Annual Direct Client Service "Counseling & Preparation Time" – 2856 hours
- Training/Outreach Events – 45
- "Active" Clients – 1227 Commercial Companies – Of those, 342 "NEW" clients

Expected outcome: Average annual awards realized by PTAC clients statewide - \$80-\$100 million

Continue to build capacity and develop technical expertise among all PTAC advisors across the state. Six of eight advisors have obtained their Certified Procurement Professional (CPP) certification through the Association Procurement Technical Assistance Center (APTAC). One more advisor will receive CPP certification in November 2019.

Continue to build awareness of program by outreach to the business community and federal/state agencies and **Continue** to develop high quality training workshops and expand the reach of the GovMatch event

Continue to foster productive communication, collaboration and relationships among all key stakeholders for the benefit of Montana businesses. This includes staff, host agencies, resource partners and Senators Jon Tester, Steve Daines and Congressman Greg Gianforte.

Board Engagement:

PTAC is directly engaged with BSED board members as several are “active” PTAC clients. Active clients are those that have accessed services in the last 365 days.

Kinetic Agency, Mountain Plains Equity Group, Simonsen Architect, 360 Office Solutions, Diamond B Companies & KTVQ Communications are currently “active” PTAC clients. MT Peterbilt is an active client but its owner is no longer involved with the BSED board.

Current and former board member companies that have accessed PTAC services in the past but are currently “inactive.” Inactive clients are those that have not accessed services in the last 365 days.

J&S Properties, Sanderson Stewart, Business Communications Consultants, Inc. (Chuck Tooley), It’s Elation (Chris Dimock) & St. John’s Lutheran Ministries.

Member Investor Engagement (combination of “active” and “inactive” PTAC clients)

Aspen Air, Denny Menholt Chevrolet, Entre Technology Service, A&E Architects, Arrow Solutions Group, Bartlett & West, Best Western Clocktower Inn, Costco, CMG Construction, DOWL, Bradford Roof Management, Inc., CTA, Hansers, Hardy Construction Company, Langlas & Associates, Inc., Travel Café, Weave Management, Whitewood Transport, Universal Awards, Yellowstone Electric Co., Yellowstone Kelly’s Catering & Swank Enterprises.

Big Sky Finance Workplan and Goals FY2020

A. Work Plan:

- SBA 504 Loan Program (504) – The Business Finance team administers the SBA 504 Loan program throughout the entire state of Montana. This includes marketing, underwriting, closing and servicing SBA 504 loans. Big Sky EDC is a Certified Development Company through the U.S. Small Business Administration.
- Big EDC Revolving Loan Fund (RLF) – The Business Finance team administers the Big Sky EDC Revolving Loan Fund within Yellowstone County. This includes marketing, underwriting, closing and servicing the RLF loans.
- State Small Business Credit Initiative (SSBCI) – The Business Finance team administers the funds from the SSBCI program for Big Sky Economic Development. These funds may be lent to eligible businesses located in the state of Montana, for a variety of purposes.

B. Finance Department Goals:

SBA 504 Loan Program -

1. Achieve minimum of \$9MM in SBA 504 Fundings.
 - a. Marketing of program to increase growth
 - i. Lender visits/trainings across state (10)
 1. Individual lender/institution onsite training
 2. Billings Lender Appreciation
 3. Helena Lender Appreciation, and/or
 4. Additional new site for Lender Appreciation/training – possibly Bozeman, Missoula or Kalispell
 - ii. Conferences/trade shows attendance (2)
 1. MIB (Montana Independent Bankers Annual event)
 2. MMEC Trade Show – if applicable
 - iii. Media advertising – various periodicals and newsprint media
 - iv. Newsletter – BSF newsletter monthly to lenders and key partners
 - b. Continued focus on Rural markets
 - i. Marketing efforts utilized as stated above
 - ii. New competitor in rural markets to account for
2. Maintain SBA Lender Portal rating of 1 (This rating measures our CDC up against our peers. Important to be at a 1 – demonstrates solid portfolio management and quality loan approvals).
 - a. Portfolio Management
 - i. Quality servicing of loan portfolio
 - ii. Monitor concentration levels – No industry to exceed 30% of total portfolio \$'s
 - b. Clean SBA audits
 - i. Passing grade on all audits performed by SBA
3. SBA 504 Lending Policies and Procedures
 - a. Continually update with new policies/procedures from SBA – New SOP updates
4. Loan Management Software
 - a. Upgrade and implement BMI application – Tax return reader / loan checklists / portal
 - i. Implement procedures for annual financial reporting utilizing new software

Revolving Loan Fund

1. Disburse \$200,000 in new loans to local small businesses

SSBCI

1. Develop strategy for ongoing use of funds for lending purposes
 - a. Amount per loan / terms, etc.
 - b. Possible uses
 - i. Loan Participation product – similar to original disbursements
 - ii. Target specific group – i.e. Veterans
 - iii. Government contracting – Short term, bridge notes
2. Deploy SSBCI funds - Statewide

SBDC Workplan and Goals FY2020

The Regional Small Business Development Center at Big Sky Economic Development is the premier resource for business owners to thrive! **The center provides (free) consulting, training, technical assistance and strategies to startup, stabilize or expand a business.**

Services are offered to (new and existing) for-profit companies with 500 or fewer employees located in a 9-county region: *Yellowstone, Big Horn, Carbon, Golden Valley, Musselshell, Petroleum, Stillwater, Sweet Grass and Wheatland* (98% of Montana companies are considered small business). Drawing on a talented and experienced team of accredited business consultants, community partners, and stakeholders.

- Business Planning/Strategic Planning
- Financing (startup, stabilize, grow, and expand)
- Market/Industry Research
- Business Management & Development
- Human Resources
- Buying & Selling a Business
- Specialized Business Consulting, Training, Technical assistance and strategizing
 - o Concept to Commercialization consulting through specialized advising and **Rock31 programming** (specialized programming and space for innovators and entrepreneurs on the commercialization path. (See Rock31 specific goals below).

SBDC Contract Goals: *MDOC/SBA goals follow a calendar year*

- Accelerate a client's pathway to financing their project: **\$4.8MM** Capital Infusion
 - o Identify and secure (every step in the process) funding options for projects (Commercial Loans, SBA products, revolving loan programs, grants, investor capital, and so forth)
 - o Develop fundable proposals with evidence-based assumptions.
 - o Work in partnership with lenders/brokers/private investors on feasible projects (Banks, SBA, CDC, RLF, Angels, VCs) to help clients accelerate readiness and approval timelines for accessing capital
 - o Write and manage grant applications for business owners in need of the Big Sky Economic Development Trust Fund (BSTF, Job Creation Grant) and partner with clients on the Workforce Training Grant (WTG) process as well as other funding opportunities
- **1200** client consulting hours
- **45** long-term clients (a minimum of 5 hours of consulting).
- **380** jobs supported
- **178** clients served
- **12** new business starts
- **2** publishable success stories submitted to the Lead Center

Rock31 Workplan and Goals FY 2020

Rock31 expands SBDC services. It is a hybrid approach to entrepreneurial development.

“Entrepreneurial development is defined as the process of improving the skills and knowledge of entrepreneurs through various training and classroom programs. The whole point of entrepreneurship development is to increase the number of entrepreneurs.”

Rock31 takes our existing suite of SBDC services to another level by adding concierge services to accelerate an innovators path to commercializing their concept through meetups, mentorship, specialized consulting, co-working experiences, and training.

Rock31 Goals:

- Deliver programming and resources that support the growth and creation of high-skilled, high-paying jobs in our region
- Provide commercialization consulting, training, and pathways that lead to private investment and economic diversification for our region
- Implement programming plan for meetups, mentor connections, consulting, and training (see activities section for full list)
- Be the known go-to resource for entrepreneurial development and commercialization pathways
- Design co-working space and programming for the new building space (once the BSED Board of Directors select a location)

Rock31 Engagement & Outreach:

- Communicate quarterly with Rock31 partners and leadership (Board, founding partners, key partners) through an e-letter or video message (Kevin)
- Board members / Founding Partners: Assemble the Rock31 Advisory Council every 4 months. Their mission is to collaboratively offer guidance, market insight, and support for the enhancement of services that accelerate innovators ability to commercialize their concept
- Weekly engagement with Rock31 followers on all social media platforms (Kevin & Marcell)
- Work with the Marketing department to update the Board and MI companies on Rock31 activities (take-3, invitations to events, Board meeting updates)
- Build and launch user friendly website with suite of services available at Rock31 (Kinetic & Kevin)

Rock31 Activities:

- Meetups
 - o Co-working Friday (every other week)
 - o One Million Cups “Demo Day” (every Wednesday)
 - o Custom meetups (social, hype, and educational)
- Rock31 Expert Network: Mentor Team
 - o Co-managed by Program Managers (Kevin & Lorene)
 - o Build mentor expertise
 - o Monthly mentor meetings
 - o Site visits
 - o Match connections

- Early Stage Montana
- Custom Concept to Commercialization Consulting
 - Concierge consulting
- Training
 - Startup Weekend
 - Rock31 Montana Code School
 - Early Stage Montana
 - Regional Pitch competition
 - Hyper Accelerator
 - State Pitch competition
 - Fast Trac
 - Classroom & online offerings

Community Development Workplan and Goals FY2020

Community Development Program

We provide leadership and resources to plan and initiate programs, projects, and partnerships that stimulate public and private investment, provide a better quality of place, and enhance the community's economic wellbeing, providing the foundation for economic development and a vibrant economy.

Community Development Work Plan:

- Programs and Projects:
 - o Deliver project management and leadership for key planning, redevelopment, quality of place, and infrastructure projects from concept to completion
 - o Develop the Lockwood TEDD Industrial Park
 - o Cultivate and manage the Yellowstone County Inter-Local Agreement proposals
 - o Lead Brownfields Grant Program
 - o Manage Tax Abatement Applications
 - o Manage Yellowstone County Wildland Fire Fuels Reduction
- Partnerships and Placemaking:
 - o Build and maintain strategic regional partnerships
 - o Foster strategic placemaking, economic resilience, and quality of life investments
 - o Direct the Coal Country Coalition implementation strategies

Community Development Program Goals

- Fulfill 100% of the Interlocal Agreement and Emergency Services Agreement
- Prepare a minimum of five grant applications
- Foster development of Lockwood TEDD Industrial Park (And Strategic Priority)
 - o Manage Advisory Board for Yellowstone County
 - o Host monthly Advisory Board meetings
 - o Develop annual work plan and budget
 - o Provide monthly update to the Advisory Board
 - o City of Billings/Lockwood Water & Sewer District—amend agreement
 - o
 - o Develop timeline and plan to secure infrastructure funding
 - o Build and maintain partnerships with property owners
- Administer Brownfields Assessment grant
 - o Complete the Quality Assurance Project Plan
 - o Maintain a Brownfields Advisory Committee
 - o Provide quarterly updates to Brownfields Advisory Committee
 - o Complete four Phase I or Phase II Assessments
 - o Prepare new Brownfields Grant Application for additional funding
- Tax Abatements
 - o Provide information on the Tax Abatement Program at 10 public meetings
 - o Administer property owner/business owner requests
 - o Assess property owner/business owner eligibility

- Guide property owner/business through process
- Complete annual tax abatement report
 - Present to City and County elected officials

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BillingsWorks Workplan and Goals FY2020

BillingsWorks is a local workforce development collaboration hosted by Big Sky Economic Development and supported by members of a Steering Committee and over 80 public and private businesses. Workforce Development continues to be a strategic priority for Big Sky Economic Development and its many partners for our community and region.

The 2018 State of the Workforce Report confirmed again the strategic goals set for BillingsWorks, including BillingsWorks as a community and employer resource, training and education alignment with the jobs available in our market, being the business hub for work and learn opportunities, and helping businesses find qualified workers through talent attraction.

BillingsWorks' Strategic Priorities and Workplan for 2019-2020

GOAL 1: Partnership Accountability. As a workforce council will commit to continual collaboration and follow through to move the needle on workforce development in the Yellowstone County.

2019-2020 Goal 1 Priorities:

- Re-strategize with the Steering Committee what BillingsWorks 3.0 looks like.
- Expand collaborations that elevate STEM understanding in our students by working on STEM Billings and Girls in Science initiatives bringing in at least 2 new business partners and increasing participant numbers
- Director of BillingsWorks is taking on the Chair of SWIB Subcommittee encouraged to strategize as a State for workforce development initiatives.
- Attend Leadership Montana (if accepted)
- If granted, BillingsWorks will help lead PAYA grant for the expansion of youth apprenticeships for the state with Helena.

Additional tasks:

- State of the Workforce Focus Groups and Event
 - Conduct Industry, Education, NextGen and Workforce focus groups.
 - Hold a State of the Workforce Event in Spring of 2020-Better Off in Billings
- Maintain MOUS Partnership and Collaboration
 - Maintain the BillingsWorks Steering Committee
 - Maintain Steering Committee meetings (quarterly)
 - Transition Workforce Council meetings to 2 a year that are half-day seminars/learning conferences.
- Continue updates to www.billingsworks.org so that it provides easy access to resources for employers, job seekers, and the workforce council
 - Links to other resources from government agencies and programs such as the Billings Job Service, Department of Labor and Industry, Billings 365, etc.
 - Serve as the educational/resource platform for employers seeking an intern linking to RMC and MSU-B's Career Link.
 - Provide "quick data" sheets containing information about workforce issues on our social media outlets
- Maintain our diverse MOU Partnerships and expand communication to provide timely information to current Workforce Council Members and to reach potential new members in the community.

- Add a Workforce Wednesday segment to the Take Three newsletter to replace additional newsletter focused on BillingsWorks
- Steering Committee will meet quarterly each year, with the State of the Workforce Event (Better Off in Billings) counting as one Steering Committee meeting
- Expand the social media presence of BillingsWorks through LinkedIn.

GOAL 2: *Employer ToolKit. BillingsWorks will serve local employers in town by providing resources and counseling when needed*

2019-2020 Goal Priorities

- Continue to support the Yellowstone Tech Alliance getting them directly connected to STEM Billings, Project Lead the Way, School District 2 IT curriculum reviews/discussions, etc.
- Launch an Architecture/Design Sector Partnership by the end of 2019
- Continue to build work-based learning (internships, job shadowing, mentorships) connections for industries. Possibly partnering with UM and MSU on summer intern cohorts for immediate summer workforce for local businesses
- Work with Rock 31 on immediate need training such as Montana Code and additional programs.

Additional Tasks:

- 2020 State of the Workforce Report
 - Conduct a 2020 Employer Survey collecting and synthesizing feedback from regional employers to put together a 2020 State of the Workforce Report
- Jobs/Career Fairs
 - Continue to support Jobs Jamboree
 - Support "Let's Get to Work," mandatory job fair for high school seniors
- Complete at least 4 presentations or workshops for employers on recruiting, hiring, HR, training and retention issues.
- Partner with NextGen and the Billings Chamber for continued presentations on workforce development.
 - Partner with SHRM, JSEC, SBDC, NextGen, staffing companies, and others to present workshops for employers
 - Explore options for webinars or record presentations so they can be accessed on the BillingsWorks.org website as a resource

GOAL 3: *Ensure the alignment of education and training systems with current and future workforce demand.*

2019-2020 Goal Priorities:

- Lead the CTE Advisory Board and support the creation and implementation of an effective CTE Business Liaison position.
- Support Superintendent Greg Upham's shift to career and college readiness vision
- Building more robust pathway development and expand work-based learning opportunities for students in grades K-12.

- Play an integral role in exploring facility and infrastructure needs for the implementation of innovative and successful CTE programs specifically focusing on the Career Center.
- Continue to support employability training program such as the Yellowstone Strengths Academy at Skyview High School and possibly launch another session at the Career Center.
- Continue to work with MT DLI to expand youth apprenticeships in industries such as Healthcare, IT, Hospitality and STEM fields.
- Increase computer science/tech education via STEM Billings, Project Lead the Way, CTE funding, curriculum reviews.
- Partner with SD2 on implementing mindfulness curriculum in elementary school

Additional Tasks:

- BillingsWorks in coalescence with the Chamber's NextGEN Inspire group will continue to support the mentorship program with RMC and MSUB students.
- BillingsWorks will connect students not only with NextGEN mentors but help build a sustainable process for the colleges/universities to ensure mentorships are included in a student's experience.

GOAL 4: *Develop a talent attraction campaign that promotes the benefits of living and working in Billings and Yellowstone County.*

2019-2020 Goal Priorities

- Continue to launch 6 week "Better Off in Billings: There's space for you here.." campaigns; geo-targeting to single 26-38 year old men and women in designated areas such as Minnesota, Washington, Wyoming, Colorado, etc.
- Gather data from chat bot and "clicks" to create a database of leads
- Launch the Second Phase of the campaign by the end of 2019 which works to convert leads to actively seeking information to relocate/complete job application
- Create Better Off in Billings Ambassadors program in collaboration with Trailhead Leadership Academy
- Partner with industries to craft a Better off in Billings message directly linked to their workforce needs
- Get more regional and state placement of Better Off in Billings-There's space for you here (Airline magazines, trade magazines).

Additional Tasks:

- College Career Fair Recruitment
 - Continue to support MSUB and RMC's career fairs.
- Co-Promotion with Community Partners
 - Work with the Chamber to develop materials that co-promote Next Gen and Better off in Billings.
 - Promote Billings "outdoor recreation" activities in materials for the college career fairs and connect students with resources on the betteroffinbillings.com site.

Specific board member engagement:

- Steering Committee Members: Ken Lutton, Jennifer Owen, Greg Upham, Andy Gott, Bob Wilmouth, Dan Edelman, David Ellis, and Katy Easton

- Attend Workforce Council Meetings-Ken Lutton, Judi Powers, Jennifer Owen, Mike Nelson, Cory Moore, Greg Upham, John Brewer, Katy Easton, David Ellis, Andy Gott, Bob Wilmouth
- CTE Advisory Board Members: Greg Upham, Judi Powers, Mike Nelson, Craig Bartholomew,
- Yellowstone Tech Alliance: Ken Lutton, Shaun Brown
- Internships: Dana Pulis, Mike Nelson, Dan Edelman, Bob Wilmouth
- STEM initiatives (STEM Billings, Project Lead the Way, Girls in Science, etc.): Cory Moore, Ken Lutton, Judi Powers, Jennifer Owen, Molly Schwend
- NextGEN mentorships/leadership presentations: Bob Wilmouth, Greg Upham
- Connecting with K-12 (Let's Get to Work Job Fair, Yellowstone Strengths Academy, JMG): Molly Schwend, Greg McDonald, Ken Lutton, Greg Upham, Mike Nelson, Craig Bartholomew
- CTE programs (CNA, FCS, etc.): Judi Powers, Mike Nelson, Jennifer Owen, Cory Moore

VBOC Workplan and Goals FY 2020

The Veterans Business Outreach Center (VBOC) provides entrepreneurial development services for veterans, active duty, Guard, Reserve components and their spouses who are exploring, starting, growing or expanding a small business. The Center's mission is to: grow the number of businesses owned by veterans and members of the U.S. military community; increase the number of jobs created and retained by those businesses; and to maximize the growth rate, profitability and value of each business. Our center covers Montana, Utah, and Wyoming. The Center is fully funded under a Cooperative Agreement with the U.S. Small Business Administration.

A. TRANSITION Goal #1: Boots 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***
 - o Target: 175 airmen graduates
 - Montana Malmstrom AFB Target: 60 airmen graduates, average ≥ 14 per training
 - Wyoming FE Warren AFB Target: 45 airmen graduates, average ≥ 10 per training
 - Utah Hill AFB Target: 70 airmen graduates, average ≥ 17 per training
- **TOTAL TARGET = 175 graduates**

*# of trainings may change per Transition Assistance Program requirements

B. EDUCATE/INSPIRE Goal #2: Training for veterans, spouses, and National Guard/Reserve Component members off installation. May utilize the Boots to Business Reboot curriculum dependent upon local resource partner feedback.

- **Measure: 100% VBOC coverage of three Reboot trainings hosted annually by the Veterans Business Resource Center at the Miller Business Resource Center at Salt Lake Community College**
 - o Target: 30 veteran/spouse graduates, average ≥ 10 per training
- **Measure: 1 Training (Reboot or other 1 day training) in Montana and Wyoming**
 - o Target: 12 veteran/spouse graduates at each event > 24 combined attendees
- **Measure: Deliver 12, monthly business development workshops w/ Billings SBDC.**
 - o Target: Veterans/spouses make up $\geq 25\%$, 48 total attendees

TOTAL TARGET = 102 Veteran/spouse attendees

C. CONNECT Goal #3: Individualized consulting services to connect veterans and their spouses with the resources they need to be successful in their entrepreneurial journey.

- **Measure: 200 sessions resulting in ≥ 100 referrals to local resource partners.**

D. OUTREACH Goal #4: Outreach, Education, Professional Collaboration, Network Formation. These activities further VBOC's mission by providing education and outreach concerning key

programs and services, and by building, promoting and maintaining effective public-private partnerships that support veteran entrepreneurship.

- **Measure: ≥ 10 outreach meetings per quarter by VBOC Director, ≥ 10 outreach meetings per quarter by Training Program Manager**

E. BSED Board Engagement Goal #5: Formation of VBOC Advisory Council to bring BSED board, regional partner and veteran/spouse expertise to bear continual improvement of efforts to achieve our mission.

- ***Measure: ≥ 3 VBOC Advisory Council meetings per year. ≥ 1 BSEDA board member attendee at each meeting, ≥ 1 BSEDC board member attendee at each meeting.***

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Administrative Workplan and Goals FY2020

The administrative department is represented by the Controller and Director of Operations whose roles and responsibilities are to ensure the smooth and uninterrupted Financial, Human Resource, and day-to-day processes of BSED. The following areas offer opportunities to enhance organizational structure.

Enhance Financial Management

1. Develop a plan for BSED long-term sustainability

Secure the Future Facility of BSED

1. Create a timeline for renovations and plan for moving into a new facility
2. Transition in a new facility before July 1, 2021

Enhance Organizational Structure

1. Restructure organizational filing system including the shared drive and physical files
 - a. Centralized filing system
 - b. Systems for Records Retention
 - c. Staff access to all policies and office procedurals
2. Succession plans for each key position
3. Cross-train key financial and administrative functions
4. SOP for Operations and Controller functions

Continue Work, Thrive, Live Initiatives

Continue work with the WTL committee to attract and retain BSED talent

Member Investor Program Workplan and Goals FY2020

Big Sky Economic Development's Member Investor program is the direct conduit to private sector businesses in Yellowstone County. Through this program we have over 150 of the top companies providing expertise, financial support and a platform for economic development. Member Investors are our partners in delivering our mission and helping us to better understand what the private sector needs to grow and improve their businesses.

Goal 1: Member Investor Growth/Retention

- Maintain between 175-200 Member Investors
- Retention of 95% during the fiscal year
- Add two agriculture based Member Investors during FY20
- Membership Committee of 10 (5 board/5MI) and meet once per quarter
 - o Assist with MI prospect visits and support of board goal for MI
- Maintain 97% Board Member Companies(EDA & EDC) as MI
 - o Ask EDC board member to join in MI Visit each month
 - o Provide board with Member Investor information to give to prospects and to better understand the benefits
- One Ask from BSED If you are a BSED Member Investor (Exception for grant matching funds)
- Maintain active prospect list (minimum of 20 prospects)
 - o Secure prospects for list via existing BSED Programs (SBA504, PTAC, SBDC, VBOC, Community Development and Recruitment)
 - o Have Board Members secure one new Member Investor each/year
- Provide Executive Director a list of MI's when invoice paid for personal written thank you
- Provide Executive Director new Member Investors for a personal call

Goal 2: Member Investor Revenue at \$370,000(Cash)

- Bill Member Investors by first Friday of each quarter
- Identify 15 current Member Investor to move up to next financial level
- All revenue from private sector into MI program
 - Includes option for restricted funds to BillingsWorks, Rock31, Special Event

Goal 3: Member Investors communications, events and education

- Meeting one on one with each Member Investors during the fiscal year
 - o Calendar blocked with room for 4 MI visits per week (40 weeks)
 - o Deliver branded MI Item at each visit
- Send organizational newsletter (Take Three) to all Member Investors on a weekly basis
- Maintain five deep contact list for each Member Investor company
- Add emerging leader to each MI Contact information
- Host eight MI breakfasts/lunch with a goal of 10 member investor companies per event
- Provide two industry specific forums targeted directly to Member Investors
- Annual Meeting focused with a minimum of 75% attendance of MI companies
- Invite all MI's to BSED organizational and programmatic events

- Recognize in BSED communications community recognitions from MI Companies
- Provide updates about our member investors via email and using our partner's communications avenues when appropriate
- Attend events hosted by our Member Investors to show our support for their work in the community
- Improve internal team communication about Member Investor company activities through regular updates at the staff meetings and internal communications

Goal 4: Future Sustainability –Research & develop options through the MI Program for added revenue

- Rock 31 Club Model
- Speakers Bureau
- Trainings
- Big Sky Finance outreach

Goal 5: Oversee Business Outreach Team for successful implementation of program workplans of BillingsWorks, New Business Recruitment, Outreach, Org/Program Marketing, Member Investor

- Provide leadership, supervision, and support to BillingsWorks Director, New Business Recruitment Director & Business Outreach Program Manager in their work plans
- Build a backup system for each position to interchange

Goal 6: Board Engagement

- 90% Board attendance at organizational events
- One new member investor per board member
- 5 Board members on Membership Committee
- One board member at each MI Breakfast/Lunch

Organizational & Programmatic Marketing/Communications WorkPlan and Goals FY 2020

Organizational/Programmatic Marketing and Communications will oversee the external messaging for Big Sky Economic Development. This includes brand standards, public relations, media relations and online and social media. All communications and marketing will directly support the mission of Big Sky Economic Development.

Goal 1: Organizational Marketing to Focus on three mission focuses (Community Development, New Business Recruitment, Business Growth Services)

- Maintain brand standards
- Build 30th Anniversary Icon for use in FY20
- Update organizational and programmatic photo library
- Provide organizational collateral for use by all departments
- Provide organizational library of photos and logos for staff use
- Provide organizational marketing calendar showing all marketing opportunities available for programs
- Maintain marketing closet for BSED team use to include promotional items, organizational documents, folders
- Build BSED PowerPoint deck for staff use

Goal 2: Deliver quality organizational events

- 30th Anniversary Annual Meeting
- 30th Anniversary Dinner (Alumni Event for all Board Members) Dec 4
- Lender Appreciation Breakfasts (Billings – January, Helena – April)
- PTAC Matchmaking
- Veteran's Symposium
- State of the Workforce Event – Better Off in Billings – Space2Place
- SBDC Event/Rock 31
- Member Investor Forums x2

Goal 3: Increase focus on PR opportunities for the organization

- Continue using Building Remarkable tagline for all PR & community related activities through this fiscal year
- Gather success stories monthly from each department and write 400 word articles w/photos to create library for PR pitches to media (regional & national) and for use on social media and website
- Implement increased use of video and audio for success stories when available
- Use staff meetings, social media, traditional media, and networking to find real time news to send to constituent groups through electronic media
- Pitch BSED story monthly to regional media to keep business news front and center
- Continue 2x per month Community Seven
- Attend community and business events for awareness and knowledge
- Make one community presentation per month for BSED awareness
 - o Neighborhood Task Forces
 - o Service Clubs

- MI Boards
 - Non-Profit/Community Organizations
- Attend commissioners discussion sessions and maintain regular communications with City Council, GOED, Dept of Commerce

Goal 4: Design & Deliver quality communication documents relevant to the organization

- Annual Report (Fall)
- Community Report (Winter)
- Progress Report (February)
- Commissioners & Board Budget Report
- FY 19-20 Strategic Plan Document (August)

Goal 5: Programmatic Marketing

- Provide marketing plan template/calendar for each program
- Meet quarterly with each program team to address upcoming needs
- Implement "Powered by" for all BSED programs
- Provide event support for each departments one organizational event per year

Goal 6: Content Management

- Gather information about potential projects through media, commercial realtors, contractors, site visits, city personnel, building permits and internal program clients.
- Maintain BSED assets with current and updated information
 - Websites (BSED/BillingsWorks/Think Billings/
 - Social Media Sites (Facebook/Linked In/Twitter/Instagram)
 - Signage/Community Spaces
- Build Content matrix to show volume of communication and delivery channels
- Be the "go to" community resource for data, new business updates, reports, business growth

Goal 7: Board Engagement

- Have board members provide story ideas at Board meetings and share about their business
- Provide board quarterly communication/content matrix
- Feature board members and their companies in our social media
- Have board members attend public presentations with staff once per month

Business Outreach Workplan and Goals FY 2020

Business Outreach (Business Retention & Expansion (BRE)) is the organizational plan to be engaged with all businesses in our community. The goal is to learn what existing businesses are doing and what their needs are for growth, as well as, attracting and helping new businesses come to Yellowstone County. This will be achieved with the entire team at Big Sky Economic Development continuously outreaching to private businesses and community organizations providing education and resources while gaining a clear understanding of our business landscape. The Business Outreach Project Manager (BOPM) will maintain this program and provide quarterly updates.

GOAL 1: BSED team

(Director preferred/one staff member required) will attend one site visit per month to a business in Yellowstone county.

- Businesses will be selected based upon current projects, new to the community or companies we do not have direct contact with through our current programs.
- Business Outreach Project Manager (BOPM) will schedule these visits and businesses will come from referrals during staff meetings or Directors meetings

GOAL 2: Program Teams

Each program will conduct outreach visits as part of their regular activity.

- The team will report out under the Outreach section of the Staff Meeting agenda and report their activity monthly to the BOPM
- The Business Outreach Project Manager will maintain a database for these visits

GOAL 3: Ongoing Business/Community Outreach

- Twice per year (Sept/May) host a Community Outreach Day or Business Appreciation Day. In small teams, including staff and board, blanket the county with information about BSED and a thank you gift to share our appreciation for their business.
 - o Economic Development Week (May)
 - o Coordinate with program directors to highlight 10 businesses per program/year
 - Stories/Pictures/Events/Site Visit
- Attend and assist with community events and initiatives to promote the work of BSED and its programs
 - o Show delivery channels quarterly to the board/staff

Goal 4: Board Engagement

- Provide the board the engagement statistics twice per year
- Include board members in our community outreach days in May/September

Recruitment Workplan and Goals FY2020

Targeted In-House Lead Generation

1. Ag Processing
 - a. Research supply chain in the region to determine opportunities
 - b. Identify central businesses within the industry
 - c. Meet with processors in other communities regarding process, challenges and opportunities
 - d. Develop the business case for the types of agricultural processing that best fits area assets
 - e. Meet with companies in the industry in other communities to begin looking for synergies and opportunities
 - f. Work with existing Ag group to determine if there is a need for a sector partnership or existing infrastructure we can connect with
 - g. Utilize website optimization and targeted marketing to engage leaders in the industry regarding the opportunity in Billings**Goal: 5 active prospects**
2. Tech
 - a. Continue to enhance and support the Tech Sector Partnership
 - b. Work with key board members and area CEOs to develop a list of technology companies that would enhance/complement the existing businesses
 - c. Utilize website optimization and targeted marketing to engage leaders in the industry regarding the opportunity in Billings**Goal: 5 active prospects**
3. TEDD
 - a. Support the marketing of the TEDD for business relocation and expansion (see attached TEDD Recruitment and Marketing Strategy)
 - b. Continue attend the TEDD committee meetings

General Recruitment Prospecting

- A. Site Selectors
 1. Maintain relationships with site selectors through outbound visits (2), engaging community news emails, and holiday gifts
- B. Commercial Realtors
 1. Continue to work to add value to BSED's relationship with the commercial realtor community including a minimum of 4 BSED hosted lunch updates/roundtables
- C. World Trade Center Partnership
 1. Work with the Montana World Trade center to develop prospects in international markets that fit within our community
- D. Support Zoot Job Creation and site utilization

Special Projects

- A. One Big Sky District Project Management

1. Continue to provide project management for the analysis in coordination with the Strategy partners
2. Facilitate the invoicing and submittal processes
- B. Air Service
 1. Continued support and participation on the Chamber's Air Service Committee
 2. Participation by Director of Recruitment or Executive Director on outreach visits to site planners and participation in the Mead Hunt Conference
- C. Economic Pulse
 1. Provide the 2019 economic pulse piece in January of 2019
- D. Downtown Retail Support
 1. Support the DBA in recruiting through data, collateral pieces, and identifying retail and downtown prospects
- E. Update and refine Think Billings website, and collateral in partnership with the Marketing Department

Board Engagement

1. Board members from both the EDA and EDC serve on the recruitment committee which generally meets quarterly. The current members include: Cory Moore, Greg McDonald, George Warmer, Mike Seppala, Nicole Benge, and David Ellis.

TEDD Recruitment – Marketing Plan FY 2020

BACKGROUND

The need for more industrial space was first highlighted in the Industry Cluster Analysis and Target Industry Analysis that was completed in 2013 and 2014 respectively. Based on the industries that Billings are best positioned to attract, our community was losing out on opportunities for business growth due to a lack of industrial space. In 2014 an Industrial Park Feasibility study was completed to help us understand where the best options were for an industrial park in Yellowstone County. In that report, Lockwood was identified – with private sector activity already occurring in the area the focus was placed on that option and the development of a Targeted Economic Development District began. Following the designation of the area as a TEDD, additional analysis has been completed both on the infrastructure and the community of Lockwood.

WHO ARE WE COMPETING WITH?

Agri-Tech Park, Great Falls

PROPERTY DETAILS:

The Agritech Park is an industrial development located in central Montana. Ten lots totaling 197 acres are shovel ready for new industrial customers to locate, or existing customers to expand. The park has room for growth with 903 acres surrounding the initial development making way for a 1,110 acre rail-served industrial park.

SITE DETAILS:

- 10 individual lots totaling 197 acres
- Access to BNSF railroad
- Foreign Trade Zone
- Existing infrastructure: water, sewer, roads and rail

Montana Connections, Butte

INFRASTRUCTURE OVERVIEW:

Water: Connections Park's water supply is reliable and plentiful all year long with an available 4 million gallons per day of industrial water and 2 million gallons of wastewater.

Power: Whether your business relies heavily on power or not, NorthWestern Energy, a regulated investor-owned utility, has you covered. Large power customers also have the option to negotiate with other preferred power providers.

Natural gas: Natural gas is plentiful and affordable in the northwest United States. NorthWestern Energy, as one of the largest natural gas providers in the region, will meet your demands.

Telecommunications: In a connected world, your business can't afford a slow, unreliable communication. MCBDP parcels are ready to support your landline, high-speed internet, and mobile communications through a number of providers. In addition, high-speed fiber connections are coming soon.

FOUNDATIONS OF RECRUITMENT STRATEGY

- 1) Relationships with Property Owners
 - a) Outreach - meet with all TEDD property owners to understand their plans for their property, existing uses, development barriers (in partnership with KLJ)
 - b) Outreach to existing industrial users in the county who may be ready to expand
- 2) Infrastructure
 - a) Water
 - b) Power
 - c) Natural Gas
 - d) Telecommunications
- 3) Cooperation with Railroads
 - a) Working toward certified sites
 - b) Relationship building with BN leadership
 - c) Exploring options for how rail can be developed
- 4) Civic Leader Alignment
 - a) Engaging with all elected officials to understand strengths, weaknesses, opportunities, and threats as we work to move the TEDD forward.
 - b) Buy-in needed when we have a catalyst user or are ready to make some upfront investments in infrastructure
- 5) Identifying Catalyst Projects - to build increment and infrastructure, there needs to be a catalyst project. A project of that nature can happen with private sector leading or public sector leading.
 - a) Put together think tank of realtors, engineers, to determine what the most impactful work would be in the TEDD to make it more viable for private development (partnership with KLJ)

Understand the costs and bring solutions forward to advisory board and commission.
(partnership with KLJ)
- 6) Incentive Package for Prospects— as with all recruitment prospects, we leverage state programs along with local dollars to make a competitive package.
 - a) BSED Opportunity Fund
 - b) Job Creation – typically the proposal for job creation is \$5,000 per net new employee paid on a reimbursement basis
 - c) Infrastructure – if there is infrastructure critical to the relocating/expanding business, this fund can be used to help address those needs
 - b) State Department of Commerce Grants
 - a) Big Sky Trust Fund Grants
 - b) Workforce Training Grants
 - c) Incumbent Worker Training Program

7) Marketing – there are several best practices and cutting-edge approaches to marketing industrial properties. This effort can begin when there is a strong timeline and cost evaluation for infrastructure.

- a) Branding the industrial park
- b) Website
- c) Drone site imagery

TOTAL RECRUITMENT BUDGET INVESTMENT IN FY19/20: \$20,500

DRAFT

Strategic Priorities

1. Strategic Placemaking Initiatives
 - a. TEDD (support Dianne/Allison/Thom)
 - b. Downtown Core Catalyst Projects (OBSD Plan—Action Plan) (lead critical conversations and support Strategy Partners)
 - c. Coulson Park (support CD/Patrick)
2. Economic Diversity and Innovation
 - a. Rock31 entrepreneurial model execution and growth (support Dena/Kevin)
3. Workforce Development (support as needed)

Community/Partnership Engagement

1. Member Investor Engagement—monthly MI connections (lead/support with Mel)
2. Key Partnerships Engagement
 - MSU-B Chancellor/RMC President
 - SD2 Superintendent
 - City of Billings/Yellowstone County
 - Billings Chamber, DBP/Alliance, City of Billings, City of Laurel (includes service on Chamber Board and DBP Board)
3. Business-Community Connections—CEO dialogues to enrich our connection to the business community

Organization Leadership/Duties

1. Work, Thrive, Live/ Staff Development (lead/support role)
2. Leadership Development—building the bench for the succession of leadership
3. Future Facilities (support Becky)
4. Opportunity Fund Strategy
5. Program Support
 - Business Finance Growth Plan (support role with Melanie and Brandon)
 - Enhance Business Recruitment (support role with Allison and Melanie)
 - Others--ongoing
6. Sustainability Budget Analysis/Model (lead/support)
7. Board Engagement (lead/support)

Economic Development Leadership

1. Build the Next Generation of Economic Development Tools (lead as part of my MEDA Board President role)
2. Outreach and Preparation for Next Legislative Session (406 Impact Districts of other tools)



BIG SKY
ECONOMIC DEVELOPMENT

EDA • EDC CREATING MONTANA BUSINESS OPPORTUNITIES

ATTACHMENT J



Big Sky Economic Development
Outline of Legislative Priorities 2019 Session
As Proposed to the BSED Boards December 13, 2018
(DRAFT Update: Reflects Action from the 2019 Legislative Session)

A. Areas of Focus for 2019 Session

1. 2019 Economic Development Tools—eliminate the current sunset on the set of economic development tools; and, shift resources, within available funds, to Small Business Development Center and Certified Regional Economic Developments Corporations (Consistent with the Montana Economic Developers Association Recommendation). Without positive action by the State Legislature and Governor, these programs will expire June 30, 2019. Additionally, support current funding levels for the Workforce Training Grant Program, which supports job creation among existing and new businesses. ***Update: HB 52 passed the House and Senate and is now waiting the Governor's signature. A signing ceremony is set for Tuesday, May 7th. The legislation grants an 8-year sunset period, and shifts dollars to SBDC, MMEC, and Certified Regional Economic Development Corporations. HB 52 also takes all funding out of the Board of Research and Commercialization, shifting another \$500,000 to Growth through Ag programs.***
2. One Big Sky District Development Plan & Economic Development Tool (Value Capture Mechanism)—the development plan for One Big Sky District will include a strategy to create a unique economic development tool(s) that will encourage private investment to lead the implementation of the development plan, and then create a mechanism to capture a percentage of new economic activity to off-set the investment in associated public infrastructure and amenities. The exact tool will be proposed as a part of the final OBSD Development Plan. ***SB430 did not pass out of committee (Senate Taxation), nor did it pass a floor motion to move the bill out of committee for full Senate debate. The Committee vote was 5 to 5 and the floor vote was 2 votes shy of the needed 26 votes. The 406 Impact District legislation did peak the interests of legislators and communities who were hoping for a new economic development tool to drive private investment and public infrastructure investment. Our efforts this year do indeed set a foundation for the 2021 Session. We will be working to build statewide support for the concept, including an effort with MEDA to analysis and consider the "next generation of economic development tools." I will be presenting the 406 Impact District concept at the annual meeting of the Montana Infrastructure Coalition the end of June, in Billings.***
3. Medicaid Expansion—BSED supports the continuation of Montana's Medicaid Expansion Program. This program has a direct economic impact on Yellowstone County and supports the continuity of healthcare in rural communities throughout our region. Notwithstanding the results of I-185, the Legislature will have to appropriate funds to sustain this program. ***Update: HB 658 did pass both the House and Senate and went on to the Governor for his signature. The Medicaid expansion program now sunsets June 30, 2025. As before Montana's Medicaid program includes a work/volunteer provision, now 80 hours per month under the new law for participants between 19-55 years of age. There are***

exemptions of course for those unable to work. This work provision is subject to legal review. Funding for the State's share of this program is supported, in part, by fees on hospitals, a premium tax on MT Health Co-op and PacficoSource, and modest annual increases in premiums on beneficiaries (less than .5% per year). Effective Jan. 1, 2020 hospitals will not receive co-pays/con-insurance/deductible payments from program beneficiaries. The State's appropriation to this program is no longer a Statutory Appropriation. Funding levels will be set by the legislature during each Session.

4. Infrastructure Investment—BSED will again support the efforts of the Montana Infrastructure Coalition (MIC), and others, to develop tools to ensure funding of much needed infrastructure throughout Montana. For our community, those tools should also include some form of a local option tax to support the development of strategic public infrastructure and amenities. Our support will extend to legislation that encourages greater public/private partnership approaches to Montana's infrastructure needs. *Update: A combination of bills help to fund capital projects and infrastructure in Montana-- SB 338 (Montana Heritage Center), HB 652 (Romney Hall MSU and other MUS projects, and restoring funding to TSEP local infrastructure projects), and HB 553 which establishes a framework for the consideration of other capital projects through a "bonding bill." The Montana Infrastructure Coalition will continue their work on a funding tool for local infrastructure. The MIC Annual meeting is planned for Billings, June 28th. More details to follow.*
5. Tax Increment Financing (TIF)—tax increment financing remains one of Montana's few economic development tools that can bring resources to the table to invest in public infrastructure needed to support private development. Our goal is to encourage the sustainability of TIF for both urban renewal and to fund infrastructure investment for value-added industry. *Update: No significant changes to TIF or TEDD laws.*
6. Workforce Development-Career and Technical Education—BSED will encourage increased funding for career and technical education (CTE). Montana remains near the bottom of the list among our peer states for the investment in CTE. At the same time Montana faces a current and future workforce challenge, especially in the trades and healthcare. Through our BillingsWorks partnership we've made some impact in this area, but so much more needs to be done. *HB 387 (Create Advanced Opportunity Act for MT students) was passed and is awaiting signature from the Governor. HB 387: "Will expand personalized opportunities for students to accelerate their career and college readiness and reduce out-of-pocket costs for families; empowering students to actively engage in forming successful postsecondary pathways. Provide expanded flexibility and advanced opportunity aid to districts in supporting each student's pathway. Authorize districts to utilize limited funding in the adult education fund to support advanced opportunities. Providing rulemaking authority, providing an appropriation, amending section 20-7-701; and providing an effective date. The bill was carried by Llew Jones of Conrad, MT.*
7. Regional Economic Development and our Rural Partners (TBD)
 - a. **The extension of the 2019 Economic Development Tools** (as highlighted above) are critically important to our regional partners in economic development—Snowy Mountain Development Corporation, Southeast Montana Development Corporation, and Beartooth RC&D. Funding helps to sustain these certified regional development corporations (CRCD) and is vital to sustaining development efforts in rural Montana.
 - b. **Coal Board Funding**—many communities in our region are impacted by coal development in the area—both good and bad. Coal Trust Fund dollars are appropriated

to the Coal Board to support the funding of key infrastructure and community development projects in this region. Impacted communities ask that the funding to the Coal Board for these projects be sustained at the appropriate levels.

- c. **Support Colstrip's efforts** as they work to transition from the pending closure of Units 1 and 2.
- d. **The Coal Country Coalition** (BSED, Beartooth RC&D, SE Montana Development Corporation, and Snowy Mountain Development Corporation) advocates and encourages the legislature to consider incentives for Montana companies, investors, and higher education to commercialize technologies that lower carbon emissions and raise thermal efficiency of coal-fired generators using state tax revenues generated by the coal industry. The Coalition believes the first step should be to strengthen a partnership with the existing research and development efforts that are underway in the state of Wyoming related to "clean coal technologies."

Update: See attached outline of legislation from Jim Atchison, Southeast Montana Economic Development Corporation.

B. Monitor During Legislative Session

- 1. Program and funding needs related to MSU Billings and City College
- 2. Business Equipment Tax Changes
- 3. Business Climate Issues (workers comp rates, regulation, etc.)
- 4. Funding for the Treasure State Endowment Program (TSEP)
- 5. Protect the Integrity of the Big Sky Trust Fund with focus on its current economic development programs

C. Other Considerations

- 1. Legislatives Priorities of the City of Billings and Yellowstone County
- 2. Legislative Priorities for the Montana Chamber of Commerce
- 3. League of Cities and Towns and MACo priorities for the Session

Steve Arveschoug

From: Steve Arveschoug
Sent: Tuesday, May 07, 2019 8:46 PM
To: jatchison@semdc.org
Subject: Re: Legislative Bills - Coal / Energy

Jim,
Thank you! This info is very helpful.
I just got in from Helena. Long day.
See you soon.
Steve

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From: jatchison@semdc.org <jatchison@semdc.org>
Sent: Tuesday, May 7, 2019 8:08:24 PM
To: Steve Arveschoug
Subject: Legislative Bills - Coal / Energy

Hi Steve,
Thanks for being in Helena for the HB-52 Signing on Tuesday. As per your request below, here's a brief Update on where a few Legislative Bills concerning **Coal / Energy** are currently. These Bills would certainly impact Yellowstone County. I included the SEMDC Legislative Tracking Chart as well.

HB-292: Extend Coal Board Funding (SEMDC Strong Support): Passed the Legislature by large margins and was bi-partisan. **Currently on Governor's Desk**. He may veto it as it was not in his Budget. The current law had Coal Board funding at 5.8% and sun-setting June 2019. Rep. Usher's Bill would extend the term for 4 years and keep it at 5.8%. Unfortunately, the Governor's Budget had this sunsetting in June and thus going back to the original 2.9% level or cutting the funding in half. I believe the additional funding is about \$3.2 million over the Biennium. This funding comes from the Coal Severance Tax and MT coal production is up over 7% year to date. Last year, \$60 million was collected from this tax alone. **"This is not the time to be cutting funding assistance in Impacted Coal Country!"**

SB-191: Allow Counties to Establish Coal Fund (SEMDC Strong Support): **Governor signed into Law**. Good Bill as it would allow Counties to setup a Coal Fund to help with future impacts. I believe this would allow Federal Mineral Royalties to be set aside and not be counted in their cash reserves.

SB-278: Colstrip Power Plant Ownership Transfer (SEMDC Strong Support): Bill had good intentions but was quickly attacked by the media and radical environmental groups. Lots of mis-information was circulated. It was noted as the "Save Colstrip Bill" but actually it should have been "Save NWE Bill." The Bill would have allowed NWE to purchase an additional 150 mwts of Colstrip power out of Unit 4 and bypass the MT PSC. Bypassing the PSC would have saved 2 + years of review and lawsuits as NWE needs the power Now. They ran out of power during the recent polar vortex in February and had to purchase \$13.5 million of additional power on the open market since Renewables was not producing. (see attached NWE Bill Insert-2nd page). **Bill was Tabled**. Sponsor Senator Richmond submitted SB-331 to replace it.

SB-331: Colstrip Power Plant Ownership Transfer (SEMDC Strong Support): The Sponsor and proponents ironed out many of the issues from SB-278. Passed the Senate but was heavily amended in the House Committee on Federal Relations, Energy & Telecommunications chaired by Rep. Zolnikov. The diluted Bill did not survive the House Floor votes

even though it passed 2nd Reading, **it did not pass 3rd Reading and Died**. Attempts to add some of the parts into HB-597 failed.

Overall, Colstrip, Coal and the significant revenues that Coal brings into Yellowstone County & the State, did NOT have a good showing with the Legislature.

Hope this helps and feel free to contact me on any questions,

Jim Atchison
SEMDC



BIG SKY
ECONOMIC DEVELOPMENT

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ATTACHMENT K

May 21, 2019

RE: Ex officio student board member

Steve,

Thank you for allowing me to present this idea to the board. Below is a brief outline of the student board position. Please make changes as you see fit.

Position description:

Ex officio member to serve on EDA or EDC board. Student would be majoring in business at Rocky Mountain College. The student would likely serve for either 9 or 12 months starting in September or October of each year. The term would end in May unless the student would be staying in Billings for the summer. In this case, the term would end in August.

Selection process:

Business faculty at RMC would nominate a student each year. Ultimately, the board and staff of BSSED would determine whether or not to place the student on the board.

Benefits for student:

- Networking opportunities
- Exposure to a professional setting
- Exposure to BSSED's activities and programs

Benefits for BSSED:

- Gain insight into issues from a college student's perspective
- Network with the student....many board members are looking for quality employees

There are probably many other benefits for both parties. As I stated at the meeting last week, I see this as a 'rough draft' proposal. I look forward to hearing new ideas that will help us form this position.

Please contact me anytime to further discuss this idea.

Thank you,

James Smith
smithj@rocky.edu
406-861-0555