

*Changing lives in
our community
every day...*

EVERY DOLLAR,
EVERY CONSULTATION,
EVERY TAX ABATEMENT,
EVERY LOAN,
EVERY CONTRACT,
EVERY SMALL BUSINESS,
EVERY JOB,
EVERY EVENT,
EVERY OUTREACH,

**BIG SKY ECONOMIC
DEVELOPMENT
CHANGES & IMPROVES
PEOPLES LIVES IN
YELLOWSTONE COUNTY;**

now that's

Building
REMARKABLE™

BUILDING REMARKABLE IMPERATIVES

adjective | im-per-a-tive | \im-'per-e-tiv\
: something that demands attention or action; an
unavoidable obligation or requirement; necessity

- I. PLANNED INDUSTRIAL SPACE
- II. STATE OF THE ART
CONVENTION FACILITY
- III. STRATEGIC PLANNING
FOR HIGHER EDUCATION
- IV. UPGRADE OUR
AIRPORT/AIR SERVICE



 **BIG SKY
ECONOMIC DEVELOPMENT**



ANNUAL REPORT

2015

A LETTER FROM THE EXECUTIVE DIRECTOR

Thank you all—EDC Member Investors, our business and civic partners, and our Yellowstone County taxpayers. Together you are all contributing in so many ways to the work of Big Sky Economic Development, and together we are “building a remarkable community.”

As you participate in our 2015 Annual Meeting, or later review our Annual Report, I encourage you to seek out a few key takeaways, and be open to accepting our “**Building Remarkable™ Challenge.**” First, the takeaways:



1. Results—With your support of time and resources, the staff and programs of BSED are producing results—helping businesses grow, supporting their financing needs, funding workforce training needs, partnering in private-investment projects through incentives, and adding value to community development and redevelopment projects. Check out the numbers, you’ll be proud;

2. “Help Wanted”—The sign of the times in Yellowstone County is “help wanted.” Our businesses need workers, with the right training and ready to work. After 2 years of sharing ideas and planning, issuing the State of Workforce Report and Action Plan--April 2015, and confirming the partnership of several key partners, Big Sky Economic has hired the first Director of BillingsWorks Workforce Council. Our Director, Brittney Souza, will lead the Workforce Council as they execute the community’s workforce development strategies. Look for the BillingsWorks Internship Program and the Work Here talent attraction campaign this fall, all done under this key partnership; and

3. Building Remarkable—each of you is contributing to building a remarkable community. You’re building a business, taking risks, creating jobs. Together we’re investing in our schools, improving our infrastructure, parks and trails. But we’ve got a challenge ahead that will really be a critical turning point for our community. We absolutely have to be a community that continues to invest in itself—that is critical to retain and attract talent, and talent is fundamental to growing business. So, take the “Building Remarkable Challenge.” Check out the details in the Annual Report.

Partners, stakeholders, leaders, let’s invest. Let’s build a remarkable community.

As always, feel free to connect with me at any time with your thoughts or questions. My direct number is 839-6707.

Talk with you soon.

STEVE ARVESCHOUG



BIG SKY ECONOMIC DEVELOPMENT STAFF



BIG SKY ECONOMIC DEVELOPMENT HAS BEEN ACCREDITED BY THE INTERNATIONAL ECONOMIC DEVELOPMENT COUNCIL



OCTOBER 6, 2015 Accredited Economic Development Organization

The International Economic Development Council (IEDC) announces that Big Sky Economic Development has been recognized as one of 45 economic development organizations accredited by IEDC as an Accredited Economic Development Organization (AEDO).

The AEDO program is a comprehensive peer review process that measures economic development organizations against commonly held standards in the profession.

Earning the AEDO accreditation tells the community that Big Sky Economic Development has attained a measure of excellence assuring that their trust is well-placed and their business is in good hands.

“Big Sky Economic Development displays the professionalism, commitment, and technical expertise that is deserving of this honor.”

~ JEFF FINKLE,
IEDC President and CEO

- STEVE ARVESCHOUG**
Executive Director
- BRANDON BERGER**
Business Finance Director
- ALLISON CORBYN**
Business Recruitment & Outreach Program Manager
- TIM DONAHUE**
VBOC Director
- SARA HUDSON**
VBOC Project Manager/Business Consultant
- DENA JOHNSON**
Regional Director, SBDC
- MAC KETTERLING**
Loan Officer
- JOHN KLAMAN**
Senior Area Manager, Billing SBA
- PATRICK KLUGMAN**
Community Development Project Manager
- DEANNA LANGMAN**
PTAC Statewide Program Manager/
Government Contracting Advisor
- JEANNE LARSEN**
Executive Assistant
- DIANNE LEHM**
Community Development Director
- MARY LOU MCMILLAN**
Receptionist
- KATHY MOODY-LUND**
PTAC/SBDC Support Specialist
- CHAD MOORE**
Business Expansion Program Manager/
SBDC Business Consultant
- BEN ROSE**
Loan Specialist
- MELANIE SCHWARZ**
Director of Marketing and Member Investors
- BRITTNEY SOUZA**
Director of Billings Works
- JIM TEVLIN**
Controller

BOARD OF DIRECTORS

Big Sky Economic Development Corporation

JOHN WALSH, Chair
MSU Billings

DUNCAN PEETE, Vice Chair
Moulton Bellingham PC

CRAIG BARTHLOMEW
360 Office Solutions

KATHY BOELTER
Arrow Solutions Group

JOHN BREWER
Billings Chamber/CVB

DENNIS COOK
Crown Realty

TY ELKIN
Yellowstone Bank

DAVID ELLIS
Schnitzer Steel

DOUG HANSEN
Montana-Dakota Utilities

MICHAEL HOTALING
ExxonMobil/Billings Refinery

JOHN HURLEY
KTVQ Communications

STEVE LOVELESS
St. Vincent Healthcare

JANI MCCALL
Billings City Council

MIKE NELSON
Northern Hotel

WAYNE NELSON
Stockman Bank

JOHN OSTLUND
Yellowstone County Commissioner

JON PIERCE
Pierce Flooring & Design

SUSAN RIPLETT
First Interstate Bank

ERIC SIMONSEN
A & E Architects

DEBBIE SINGER
NorthWestern Energy

JAMES SMITH
Rocky Mountain College

DAVID TROST
St. John's Lutheran Ministries

JIM WALKER
Western Security Bank

“The foundation for economic development has been significantly strengthened in 2015. New initiatives to address workforce needs (BillingsWorks), provide planned industrial space (TEDD), and veteran business services (VBOC) are moving forward and we have streamlined BSED Board activities and realigned staff resources helping to assure BSED remains efficient and has the necessary tools to promote economic development in the future. BSED recent designation as an Accredited Economic Development Organization should provide confidence to existing and prospective businesses that economic development is done right in Billings Montana. Thank you BSED Staff, Yellowstone County Commissioners, and BSEDC member investors for your support of economic growth in the Billings area.”



~ JOHN WALSH, BSEDC Chair

Big Sky Economic Development Authority

RICHARD SCHILF, Chair
DOWL

KEVIN GUSTAINIS, Vice Chair
Montana Peterbilt

JOHN BREWER
Billings Chamber/CVB

SCOTT CHESAREK
J & S Properties

MITCH GOPLEN
Billings Clinic

GREG KOHN
Vistage

LYLE HILL
Waddell and Reed

CORY MOORE
Hardy Construction

SHERI NICHOLSON
Beartooth Bank

JENNIFER SMITH
American Title

CHUCK TOOLEY
Tooley Communications

KENT WOOD
First Interstate Bank

EX-OFFICIO

TERRY BOUCK
School District #2

HEIDI JENSEN
City of Laurel

BILL KENNEDY
Yellowstone County Commissioner

JANI MCCALL
Billings City Council

JIM RENO
Yellowstone County Commissioner

“2015 has been another banner year for Big Sky Economic Development. Our organization made significant progress in realizing our goals of business recruitment, business retention and community development. Major accomplishments included: 1) progress on the Targeted Economic Development District in Lockwood; 2) advancing workforce development through BillingsWorks; and 3) securing the regional Veterans' Business Outreach Center. But the real measure of accomplishment is the success of the people that have been served by and benefitted from the diverse programs offered through BSED. It has been an honor and a privilege for me to serve as the chair of the EDA board this past year and be a small part of these accomplishments.”



~ RICHARD SCHILF, BSEDA Chair

Yellowstone County Commissioners

BILL KENNEDY JOHN OSTLUND JIM RENO

MEMBER INVESTORS



MELANIE SCHWARZ
Big Sky Economic Development
Director of Marketing & Member Investors

Annual Platinum Investor \$5,000 – \$10,000



Annual Diamond Investor \$2,500–\$4,999

360 OFFICE SOLUTIONS	CROWLEY FLECK, PLLP	ROCKY MOUNTAIN HEALTH NETWORK
ASPEN AIR	DENNY MENCHOLT FRONTIER CHEVROLET	SANDERSON STEWART SM ENERGY STOCKMAN BANK
BILLINGS AREA CHAMBER OF COMMERCE/CVB	EMPLOYEE BENEFIT MANAGEMENT SERVICES	SYSCO FOODS OF MONTANA
BILLINGS GAZETTE	EXXONMOBIL	TERRITORIAL LANDWORKS
BROWN'S AUTO SERVICE	MONTANA DAKOTA UTILITIES	US BANCORP
BURLINGTON NORTHERN SANTA FE	NORTHWESTERN ENERGY	WESTERN SECURITY BANK
CHS, INC.	PHILLIPS 66	YELLOWSTONE BANK
CHARTER COMMUNICATIONS	REPUBLIC SERVICES	YELLOWSTONE VALLEY WOMAN

Annual Gold Investor \$1,000–\$2,499

AD Creative Group	Coal Black Cattle Co. & Consulting	Holland & Hart LLP	Rimrock Mall
Adecco Staffing	Chicago Title Company	Integra Telecom	RiverStone Health
A & E Architects	Clancy Consultants Inc.	J&S Properties, Inc.	Rocky Mountain Bank
Advanced Care Hospital of Montana	CMG Construction	Jones Construction	Rocky Mountain College
Allegra Marketing Print Mail	Coldwell Banker Commercial	KLJ	Sam's Club
Alpine Plumbing, Heating & Cooling	Con'eer Engineering	Karell Dyre Haney PLLP	Schnitzer Steel
American Title & Escrow	COP Construction	Kinetic Marketing & Creative	Sign Products
Anderson Zurmuehlen & Co.	Corning Companies	Knife River	St. John's Lutheran Ministries
Arrow Solutions Group	Costco	KTVQ Communications	St. Vincent Healthcare
Associated Employers/Job Jupiter.com	Crowne Plaza	Langlas & Associates, Inc.	Stewart Title
Avitus Group	CTA Group	McCall Development	Streeter Brothers
Ballard Petroleum	D A Davidson	MasterLube	Talen Energy
Bartlett & West	Diamond B Companies Inc.	Midland Claims Service	Tendernest
Bay Limited Montana	Dick Anderson Construction	Montana Peterbilt	Travel Cafe
Beartooth Bank	DOWL HKM	Montana State University-Billings	TrueNorth Steel
Beartooth Harley-Davidson/Buell	Downtown Billings Assoc.	Moulton, Bellingsham PC	UBS Wealth Management
Berkshire Hathaway, Floberg Home Services	EideBailly LLP	Mountain Plains Equity Group	Underriner Motors, Inc.
Best Western Clocktower Inn	Electrical Consultants, Inc.	NAI Business Properties	Universal Awards
Big Horn Resort	Energy Laboratories, Inc.	Navigator Direct	Vintage Five
Billings Association of Realtors	Executive Cleaning Company	NILE	Weave Management Group
Billings City Council	Executive Property Services	O2 Architects	Wendy's of Montana
Border States Electric	First Montana Title	Opportunity Bank	Whitewood Transport
Bradford Roofing	Fisher Construction	Pacific Steel & Recycling	Wyo-Ben, Inc.
Briggs Distributing	Gainan's Flowers	PayneWest Insurance	Yellowstone Boys & Girls Ranch
Castlerock Excavating, Inc.	Galusha, Higgins & Galusha	Pierce Companies	Yellowstone County Commissioners
	Hanser's Automotive	Radio Billings	Yellowstone Electric Co.
	Hardy Construction	Rimrock Auto Group	Yellowstone Kelly's Catering
	HGFA Architects	Rimrock Foundation	

BUSINESS FINANCE



“The Finance Department is building remarkable by providing small business with access to long-term, fixed rate financing to meet their business expansion needs.”

~ **BRANDON BERGER,**
Big Sky Economic Development
Director of Finance



- **BSEDC Revenue:**
\$341,539
- **SBA 504 loans:**
\$7.8 million funded
- **Lender of the Year**
2011, 2013, 2014
- **SSBCI:**
\$2 million from the treasury to lend in our market

Big Sky Economic Development helps many businesses throughout the state build projects through the SBA504 Loan Program.



BILLINGS WORKS



BRITTNEY SOUZA
Big Sky Economic Development
Director of BillingsWorks

Steering Committee Representatives

- | | |
|---|---|
| A & E Architects
RIC HELDT | Exxon Mobil
DAN CARTER |
| Best Western Plus
Clocktower Inn
STEVE WAHRLICH | Governor's Office
of Economic Development
LIZ CHING |
| Big Sky Economic Development
STEVE ARVESCHOUG
MELANIE SCHWARZ | MSU Billings City College
LISA SKRINER
CLIFFORD COPPERSMITH |
| Billings Career Center
SCOTT ANDERSON | MSU Billings Extended Campus
KEVIN NEMETH |
| Billings Chamber of Commerce
BRUCE MCINTYRE
JOHN BREWER | MSU Billings
MARK NOOK |
| Billings Clinic
KARLA STAUFFER | NorthWestern Energy
DEBBIE SINGER |
| Billings Job Service
JOHN HARPER | PayneWest Insurance
SHERRY DANIELS |
| Billings Public Schools
TERRY BOUCK | Rocky Mountain College
BOB WILMOUTH |
| Department of Labor/
Higher Education
KIRK LACY | St John's Lutheran Ministries
DAVID TROST |
| Elation
CHRIS DIMOCK | St Vincent Healthcare
DARREN WALKER |
| | Waddell & Reed
LYLE HILL |



BillingsWorks
Workforce Council

4 Strategic Goals

GOAL 1: Position the BillingsWorks Workforce Council as the tool for collaboration, accountability, and reporting related to workforce needs and as the go-to resource for workforce development information, coordination, and connections.

GOAL 2: Address the immediate and sector-specific talent development and talent attraction needs of Yellowstone County businesses.

GOAL 3: Ensure the alignment of our post-secondary education, career and technical education, and K-12 education and training systems with current and future workforce demand.

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

SBDC/BEAR/VBOC



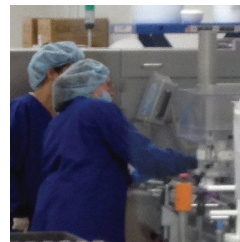
“ At Big Sky Economic Development we are Building Remarkable™ small businesses. We are creating jobs, infusing capital and mentoring professionals. The Small Business Development Center provides counseling, consulting and training for entrepreneurs to start, grow or expand a business. Home to the Veterans Business Outreach Center (VBOC) and Business Expansion and Retention (BEAR) Program, our center is a one stop shop for clients to build a remarkable business.

~ DENA JOHNSON,
Big Sky Economic Development
Regional Director, SBDC



Lasting Legacy Assisted Living opens new home.

Owner Chad Green received assistance from the SBDC team to open a new assisted living facility in Billings Heights.



- **Incumbent worker Training Dollars \$110,000;**
70 Employees;
20 Businesses
- **BSTF Workforce Training Dollars \$170,000; 39 Jobs**
- **Since 2011 businesses that were granted tax abatements created:**

317 FULL TIME JOBS / **27** PART TIME JOBS

INCREASING PAYROLL BY **\$25,691,134⁰⁰** IN 2014.

- **Recently awarded Veteran's Business Outreach Center to provide services to six states in our region.**

All American Pharmaceutical grows production facilities.

BSED assisted All American Pharmaceutical in securing \$170,000 in BSTF, category one, grant dollars. They will be creating 34 net new jobs in Yellowstone County.



MONTANA PTAC



“ The Montana Procurement Technical Assistance Center (PTAC) is building remarkable by providing personal, timely advice on contracting with the government to hundreds of businesses not only in Yellowstone County, but across the state”

~ DEANNA LANGMAN,
Big Sky Economic Development
PTAC Statewide Program Manager/
Government Contracting Advisor



- **Billings Service Area:**
577 Active Clients
- \$23,507,799 in awards.
- **Statewide:**
1541 Active Clients
- \$108,101,859 in awards.
(July '14 to July'15)



“Radio Billings is proud to live in a community that is always working to improve and enhance our city and the lives of all residents. We enjoy bringing information and entertainment to our listeners everyday as well as being involved in events and topics important to our listeners and our businesses. That is how we are helping to Build Remarkable.”

- **TERRY STRICKLAND,**
Radio Billings

“PayneWest Insurance is proud and humbled to be part of the Billings and the surrounding community. Our 85 colleagues feel the same way. We know that ‘community’ doesn’t happen by chance. Instead it requires individuals and businesses to commit, contribute and collaborate in building a remarkable community. We take the responsibility seriously and strategically align ourselves with organizations that develop a strong business climate and vibrant economy with the goal of creating and maintaining a thriving community.”

- **SARA WALSH,**
PayneWest Insurance

“Cloud Peak Energy’s Spring Creek Mine is Montana’s largest coal mine, producing high-quality coal to meet the needs of electric power plants generating low-cost, reliable electricity. Cloud Peak Energy purchased more than \$18 million in goods, services and contributions made with much of that going to Billings and Yellowstone County. We are proud to be a safe and environmentally-responsible producer and part of the Billings community.”

- **MOLLY SCHWEND,**
Cloud Peak Energy

“Stockman Bank is Montana’s largest privately owned community bank and we are proud to be a contributing partner in “Building Remarkable.” We understand the importance of working together with our clients and community partners like the Big Sky Economic Development organization to grow a diverse and stable economy and a healthy vibrant community for our families. Stockman Bank is Montana Banking. Pure & Simple.”

- **WAYNE NELSON,**
Stockman Bank

NEW BUSINESS RECRUITMENT AND OUTREACH



“Business recruitment and outreach is building remarkable by proactively marketing our community to businesses that would benefit from locating or expanding in Yellowstone County, by engaging in strong community partnerships, and by ensuring the services provided at Big Sky Economic Development meet the needs of businesses in our community.”

- **ALLISON CORBYN**
Big Sky Economic Development
Business Recruitment & Outreach
Program Manager



- 55 Recruitment packets sent from 179 leads.
- Outreach goal of 200 businesses in 2016.
- 11 Businesses actively in the continuum (info seeking, site selection, commercial realtors, hire staff, open doors).



Insulation Snakes relocates to Billings.

Insulation Snakes, a manufacturer related to oil and gas, recently relocated to Billings, Montana from Casper, Wyoming for the proximity to their customers and an improved quality of life.

BSED provided them with site information, support for relocating staff and working to find local and state incentives for job creation. They will open in September of 2015.



COMMUNITY PARTNERSHIPS



Thank you

Thank you to the Yellowstone County taxpayers and our community partners for entrusting us with your dollars.

Our work at Big Sky Economic Development would not be possible without the collaboration and support of each and every community partner. We believe that working in tandem is what makes our community unique and together we are Building Remarkable.

~ BSED TEAM



COMMUNITY DEVELOPMENT



“ 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.

~ DIANNE LEHM,
Big Sky Economic Development
Director of Community Development



Big Sky Economic Development successfully leverages tax payers dollars **3:1**

Source: Audited financial statements



- 1258 Interactions via Yellowstone County Inter-Local Agreement and Working Partnership
- 733 Attendees at Public Outreach or Education
- Grants:

Number of Staff Hours
347.8

Number of Proposals 6
Total Amount Requested
\$1,349,975⁰⁰

Total Amount Awarded
\$1,118,535⁰⁰

~ Including \$400,000⁰⁰
EPA grant



STATEMENTS OF FINANCIAL POSITION

JUNE 30



Audited financial statements are available upon request.



<i>Assets</i>	2015	2014
CASH AND CASH EQUIVALENTS	\$ 506,825	\$ 458,086
ACCOUNTS RECEIVABLE, NET	13,250	2,685
NOTES RECEIVABLE, CURRENT	221,395	272,637
PREPAID EXPENSES	905	25,433
TOTAL CURRENT ASSETS	742,375	758,841
RESTRICTED CASH	847,579	1,001,255
NOTES RECEIVABLE, NET OF CURRENT PORTION	1,414,338	1,200,452
TOTAL ASSETS	\$3,004,292	\$2,960,548
Liabilities & Net Assets		
CURRENT LIABILITIES		
ACCOUNTS PAYABLE AND ACCRUED LIABILITIES	\$ 12,521	\$ 40,506
DEFERRED SMALL BUSINESS CREDIT INITIATIVE REVENUE	-	630,915
DEFERRED PROGRAM REVENUE	-	33,000
DUE TO RELATED PARTY	126,191	25,615
CURRENT PORTION OF LONG-TERM LIABILITIES	20,991	19,802
TOTAL CURRENT LIABILITIES	159,703	603,923
LONG TERM LIABILITIES		
BUSINESS INCENTIVE COMMITMENT, NET OF CURRENT PORTION	45,835	66,825
TOTAL LIABILITIES	205,538	670,748
NET ASSETS		
UNRESTRICTED	480,036	457,082
TEMPORARILY RESTRICTED	2,318,718	1,832,718
	2,798,754	2,289,800
TOTAL LIABILITIES AND NET ASSETS	\$3,004,292	\$2,960,548

STATEMENTS OF ACTIVITIES

YEARS ENDING JUNE 30

<i>Support and Revenue</i>	2015			2014		
	UNRESTRICTED	TEMPORARILY RESTRICTED	TOTAL	UNRESTRICTED	TEMPORARILY RESTRICTED	TOTAL
SMALL BUSINESS CREDIT INITIATIVE GRANT	\$ -	\$ 485,000	\$ 485,000	\$ -	\$ -	\$ -
SMALL BUSINESS CREDIT INITIATIVE INTEREST	19,423	-	19,423	20,081	-	20,081
MEMBER-INVESTOR SUPPORT	168,812	-	168,812	186,512	-	186,512
IN-KIND SUPPORT FROM RELATED PARTY	365,908	-	365,908	407,236	-	407,236
LOAN FEES	365,949	-	365,949	396,707	-	396,707
INTEREST INCOME	13,267	-	13,267	15,120	-	15,120
RECOVERY OF BAD DEBT	3,600	-	3,600	6,989	-	6,989
OPPORTUNITY FUND CONTRIBUTIONS	-	1,000	1,000	-	1,000	1,000
PROGRAM EVENT REVENUES	107,928	-	107,928	21,637	-	20,637
OTHER INCOME	14,289	-	14,289	18,195	-	18,195
TOTAL SUPPORT AND REVENUE	1,059,176	486,000	1,545,176	1,072,477	1,000	1,073,477
Expenses						
PROGRAM EXPENSES						
BUSINESS RECRUITMENT & RETENTION	293,780	-	293,780	401,881	-	401,881
MEMBER-INVESTOR RELATIONS	255,819	-	255,819	124,112	-	124,112
BUSINESS FINANCING	381,537	-	381,537	434,872	-	434,872
TOTAL PROGRAM EXPENSES	931,136	-	931,136	960,865	-	960,865
GENERAL & ADMINISTRATIVE EXPENSES	100,482	-	100,482	112,809	-	112,809
TOTAL OPERATING EXPENSES	1,031,618	-	1,031,618	1,073,674	-	1,073,674
Operating Income/(Loss)	27,558	486,000	513,558	(1,197)	1,000	(197)
Other Expense						
INTEREST EXPENSE	4,604	-	4,604	5,758	-	5,758
CHANGE IN NET ASSETS	22,954	486,000	508,954	(6,955)	1,000	(5,955)
NET ASSETS, BEGINNING OF YEAR	457,082	1,832,718	2,289,800	464,037	1,831,718	2,295,755
NET ASSETS, END OF YEAR	\$ 480,036	\$2,318,718	\$2,798,754	\$ 457,082	\$1,832,718	\$2,289,800