

**EDA/EDC – Joint Board Meeting
Thursday, December 13, 2018
7:15 A.M. to 9:15 A.M.
Yellowstone Conference Room, First 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.

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.

7:15 A.M. Holiday Breakfast for Board and Staff

7:30 A.M. Call to Order/Pledge of Allegiance/Roll Call: Eric Simonsen, EDC Chair

7:32 A.M. Public Comment/Recognitions/Special Announcements and Introductions:

- Board Recognition
 - Outgoing EDA Board Members – Sheri Nicholson, Chuck Tooley
 - Outgoing EDC Board Members – Ty Elkin, Wayne Nelson, Duncan Peete, Debbie Singer, David Trost
 - Outgoing Board Chairs – Eric Simonsen, Jennifer Smith
- *ROCK31* Intro—Dena
- KLI Announcement

7:50 A.M. Changes to Today's Agenda

7:55 A.M. Consent Agenda

- November 8, 2018 Board Meeting Minutes
- October 2018 EDA and EDC Financials

(EDA/EDC Action)

(Attachment A)

(Attachment B)

8:05 A.M. Program-Level Reports and Action Items

- Presentation of 2018 Audit—Jim
- Nominating Committee Recommendations—Becky/Mike Nelson
 - 2019 Officers
- Future Facilities RFP/Communications/Grant Update –Becky
- SBDC 2019 Service Contract—Dena
- Recruitment Program Report—Allison/Melanie
 - Update: One Big Sky District

(Separate Email Attachment)

(EDA/EDC Action)

(Attachment C) (EDA/EDC Action)

(Attachment D) (Info)

(Attachment E) (EDA Action)

(info)

8:25 A.M. Executive Directors' Report—Steve

- Ad Hoc Legislative Committee—2019 Legislative Priorities

(Attachment F) (Info)

(Attachment G) (EDA/EDC Action)

8:35 A.M. Board Roundtable

- Your Business Takeaways from 2018

9:10 A.M. Public Comment

9:15 A.M. Adjourn-----Next EDA/EDC Board Meeting January 10, 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 CREATING MONTANA BUSINESS OPPORTUNITIES

EDA/EDC Joint Board Minutes
Thursday, November 8, 2018 – 7:30 AM – 9:15 A.M.
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: Jennifer Smith, Cory Moore, Fred Sterhan, Greg McDonald, Ken Lutton, Paul Neutgens, Robin Rude, Chuck Tooley, Greg Upham (ex-officio), Katy Easton (ex-officio), Robyn Driscoll (ex-officio) Shaun Brown (ex-officio)

EDA Board Members Absent: Dana Pulis, Sheri Nicholson, Mitch Goplen

EDC Board Members Present: Aaron Ramage, Andy Gott, Bob Wilmouth, Craig Bartholomew, Debbie Singer, David Trost, David Ellis, Dennis Pitman, Duncan Peete, Eric Simonsen, Mike Nelson, Mike Phillips, Scott Chesarek, Wayne Nelson

EDC Board Members Absent: Doug Hansen, Dan Edelman, Jon Stepanek, Mac Fogelsong, Mike Seppala, Molly Schwend, Steve Loveless, Ty Elkin

Staff and Guests: Steve Arveschoug, Austin Trunkle, Becky Rogers, Dianne Lehm, Karen Baumgart, Allison Corbyn, Dena Johnson, Lorene Hintz, Marcell Bruski, Dustin Frost, Brandon Berger, Jim Tevlin, Jack Nickels, Chris Kukulski, Perry Rockvam, Russ Fagg, Harrison Fagg, Jennifer Owens

Call to Order:

Jennifer Smith, EDA Chair, called the meeting to order at 7:30 A.M. with the Pledge of Allegiance.

Public Comment/Recognitions/Special Announcements and Introductions:

Aaron Ramage introduced the Board to Perry Rockvam, who is the new Director of Sales for LR-x Technology at Diamond B.

Steve introduced Katy Easton, CEO of the Downtown Billings Alliance, as a new Ex-Officio Board Member. Next, Jack Nickels presented a slide show for the Billings Cultural Partners. Founded in 1997, the BCP aim to promote awareness of the arts, science, and cultural components that enrich the Billings Community. Jack spoke to the economic impact that the arts contribute to our community.

Agenda Changes:

None

Consent Agenda:

Approval of the October 2018 Board Meeting Minutes and the September 2018 EDA/EDC Financials

Motion: Cory Moore, to approve the October 2018 Board Meeting Minutes and the September 2018 EDA/EDC Financials as presented to the Board.

Second: Wayne Nelson

Discussion: None
Motion carried

Program Level Reports and Action Items

Big Sky Finance – Brandon

504/RLF Loan Approvals

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. **A+ Electric Motor, Inc. / CL Rosebud Properties, LLC** – Request is for the purchase of land, new construction and equipment financing for A+ Electric Motor, Inc. A+ is an existing business currently renting a facility located on Central Avenue in Billings, MT. They will be relocating the business to 1439 Rosebud Lane in Lockwood on land previously purchased by the owners. This move will allow them additional space for current operations and future growth. A+ Electric Motor, Inc. repairs and rebuilds electric motors used in sewer lift stations, city water pumps, mining applications, central pivot irrigation systems and many other applications.

There are projected to be 10 new jobs created as a result of this project. The total SBA debenture will be \$553,000 on a 20-year note comprising 40% of the total project costs. Big Sky EDC and the SBA will be in a 2nd lien position on the real and personal property behind Western Security Bank.

Motion: Duncan Peete, to approve the A+ Electric Motor, Inc. / CL Rosebud Properties, LLC loan request, as presented to the Board.

Second: David Trost

Discussion: None

Motion carried

2. **Alpha-Omega Disaster Restoration, Inc.** – Request is for the purchase of an existing building for Alpha-Omega Disaster Restoration, Inc. Alpha-Omega is currently operating out of two locations in Laurel and will be relocating their operations to this new property located at 7069 Neihenke Avenue in Billings. This new building will provide them with more space for their entire operations, including indoor shop space and outdoor storage yard for their vehicles. Alpha-Omega is one of the leading water, fire, and mold restoration companies in Billings. They serve Yellowstone, Carbon, Stillwater and Big Horn counties. Alpha-Omega was started by Julie and Willy Johnson in 2006.

There are projected to be five new jobs created as a result of this project. The total SBA debenture will be \$483,000 on a 25-year note comprising 40% of the total project costs. Big Sky EDC and the SBA will be in a 2nd lien position on the real property behind Altana Federal Credit Union.

Motion: Debbie Singer, to approve the Alpha-Omega Disaster Restoration, Inc. loan request as presented to the Board.

Second: Duncan Peete

Discussion: None

Motion carried

3. **J/fit.com, LTD** – Request is for the purchase of land and new construction for the operations of J/fit.com, LTD. The project is to be located between Kalispell and Columbia Falls, just north of the airport. Project will consist of a 13,500 warehouse with office space. J/fit will be relocating their existing warehouse from Vancouver, WA. J/fit is an existing, wholesale distribution company, started in 1999, offering their own branded fitness, sports and outdoor equipment. A majority of their product is sold through Amazon.com and Walmart. They are primarily involved in electronic retailing, or e-tailing.

There are projected to be four new jobs created resulting from this project. The total SBA debenture will be \$690,000 on a 25-year note comprising 40% of the total project costs. Big Sky EDC and the SBA will be in a 2nd lien position on the real property behind First Interstate Bank.

Abstentions: Andy Gott

Motion: Wayne Nelson, to approve the J/fit.com, LTD. loan request as presented to the Board.

Second: Duncan Peete

Discussion: None

Motion carried

Nominating Committee Update – Becky

Becky gave an EDA Nominating Committee update. The seats open in 2019 are those of Sheri Nicholson, Mitch Goplen, Chuck Tooley. We had five applications for three open seats. The selected candidates were Jennifer Owens, Judi Powers, and George Warmer. The two other applicants were Tom Schlotterback and Mark Neale. They will be kept on an active candidate list for future Board openings. Becky then explained the next actions of the Committee will be to consider officers for the 2019 Board year.

Motion: Robin Rude, to approve the selections of the new EDA Board Members by the Nominating Committee as presented to the Board.

Second: Cory Moore

Discussion: None

Motion carried

Future Facility Update – Becky

With regard to the Future Facility effort, there has been a significant development in the form of an Federal EDA Cooperative Agreement. We learned from Kirk Keysor, the EDA representative for Montana and Wyoming, that because we reside in the newly created Opportunity Zone, we are eligible and in a competitive position to apply for EDA grant funds. This grant is aimed at bolstering Entrepreneurial supported programs such as Rock31, SBDC, VBOC and PTAC and can be to help pay for infrastructure such as a building purchase, improvements, fibers, FF&E, etc. However, the grant is only available to applicants that will be owning their property. The opportunity is significant enough that we are asking to include it to be factored into the due diligence conducted. Additionally, the grant requires a dollar-for dollar match. Becky shared a handout that identified potential funding sources for the BSED match. There is \$500,000 from the Opportunity Fund, and \$500,000 from an SSBCI Loan. There is \$147,000 of tax protest dollars earmarked for transition costs, and an additional \$20,000 for miscellaneous expenses. Becky is asking the Board for the authority to pause the RFP Process to submit a preliminary application for the grant. Dena explained that since we are in a designated Opportunity Zone, we qualify to make our application. Greg asked who can apply for this grant. There is a ten-state region with a pool of dollars totaling \$15-20M. The applicant must be involved with job creation. Dianne explained that the Opportunity Zones are a new iteration of what used to be Promise Zones. Steve mentioned that we have utilized EDA grants to bolster community owned assets such as BSED in the past. Dianne explained there are 23 Opportunity Zones in Montana and the only Zone in Yellowstone County encompasses the Downtown Billings TIF District. Board Chair, Jennifer Smith opened the discussion for Public Comment.

Public Comment

Chris Kukulski of Zoot Enterprises asked if there is any reconsideration of purchase options that were submitted previously in the RFP Process. Chris suggested that it may be wise to re-open the RFP process to purchases only. Becky gave background to the review process and identified that the building Chris spoke of, Montana Bank Building, was one of the seven proposals selected for a site visit. She explained that the extensive remodel costs of the structure pushed it past the budget range so it wasn't selected as one of the finalists. She also addressed the suggestion of re-opening the RFP. In consultation with our legal counsel, we have been advised to see the initial process through whether a selection from the current pool is made or the RFP is closed and a new one started.

Steve also mentioned that just because grant dollars may become available, that does not mean we will inflate our budget. In fact, Steve sees this as an opportunity to reduce our out of pocket cost. There was no other public comment.

Cory asked if there is a time period that the grant must be spent during. Dianne explained that usually these grants are spent within a three-year term. Mike Phillips asked if the fact that the EDA would put a lien on the property gives the Board pause. Dena explained that the reason the EDA does this is to ensure the building remains used for job creation and not private enterprise.

Abstentions: Mike Nelson

Motion: David Trost, to approve the recommendation of the Future Facility Taskforce to pause the RFP Process and submit the preliminary application to the EDA as presented to the Board.

Second: Scott Chesarek

Discussion: Included above

Motion carried

Recruitment and Outreach Update – Allison

Allison updated the Board on the USDA Request for Relocation. There were 136 letters of intent. Three of those came from Montana, one from Missoula, one from Bozeman, and one from Billings.

Allison is working with Kinetic to create a 3-minute video to help give the community a visual representation of what the OBSD project could mean to our community. Allison said the Friday Coffee Conversations are still on-going and take place throughout Billings, each week, at 7:30AM. Jack Nickels asked what the tenor of the conversation has been. Cory mentioned there are folks who are still asking if it will be a 30-story building, how it will be paid for, and if we have the workforce available.

Lastly, Allison announced a call center based out of Utah that is looking to open a new office. The firm chose Billings and expects to hire 50 individuals initially with hopes to expand to 150. They are currently reviewing lease options in town and hope to sign by the end of November. The call center offers high-level customer service to client such as Samsung, Men's Wearhouse, and Visa. The firm mentioned they are pleased with the available workforce and the overall community feel.

Rock31 Update – Dena

Dena gave an update regarding Rock31. Dena shared some marketing materials that give an overview of how the Rock31 hybrid model will work. The main tenants of the space are to "Connect, Build, Grow" local businesses with working capital and mentorship resources. There are 15 founding partners involved in our work to whom we are very grateful. The next meet-up will be on December 3rd at SteepWorld. As soon as the new facility begins to take shape, Dena will be able to give more details regarding the physical space. Greg asked how soon we expect to see success out of Rock31. Dena said a more comprehensive success matrix will be conceived soon to create specific benchmarks. She also mentioned the approach is meant to be like a marathon rather than a sprint.

TEDD Reimbursement Agreement – Dianne

Dianne was up next to explain an amendment to the TEDD Reimbursement Agreement. When the TEDD was created, there was an agreement to pay back the Opportunity Fund when it accrues increment. This is the first year that the TEDD has had increment. The agreement was that no less than 50% of the funds available be paid back. The Advisory Committee of the TEDD has requested that repayment be spread out over four-years to free-up dollars to apply for grants to keep the TEDD moving forward. The amendment is to revise the repayment schedule to a four-year schedule.

Motion: Ken Lutton, to approve the Amended Reimbursement Agreement, as presented to the Board.

Second: Duncan Peete

Discussion: None

Motion carried

Executive Director' Report – Steve

Steve opened by polling the Board about whether or not they'd like to extend Board Meetings to two-hours. The options were to begin at 7AM and end at 9AM, begin at 7:30AM and end at 9:30AM, or to remain at the current time of 7:30AM to 9AM, with adjusted times as needed. Adjusting to a 7AM-9AM Board Meeting garnered the majority of votes. Steve said the December Board meeting will begin a bit early so the Board can enjoy a light breakfast and recognize outgoing Board Members. It was determined that we will adjust Board meetings to a 7AM-9AM on an as needed basis.

Steve reviewed the 2019 Legislative Priorities Draft which was crafted with the Ad Hoc Legislative Committee. There is a suite of economic development tools that will sunset in 2020 and there will be a push to extend that sunset 8 to 10 years. Steve is currently serving as the President of MEDA and will be using this position to align our priorities with other economic developers throughout the state. The second priority is a legislative tool for the OBSD. The tool would be a private/public funding mechanism. Third is Medicaid expansion. With I-185 failing to pass, this conversation will need to be adjusted. Fourth is to partner with the Montana Infrastructure Coalition to support infrastructure investment. Fifth is TIF dollars for purposes of infrastructure improvement and why the tool is important to keep intact. Sixth is workforce development and an increase in funding for Career and Technical Education. Finally, item seven is to work with our rural partners to fund community development. There will be other items considered as the details of certain efforts are fleshed out. Steve will continue to polish this document before the December Board meeting. Eric asked if perhaps we should narrow our focus to press a select few issues forward rather than many. Steve replied that the primary ask will be for the OBSD funding mechanism but that we need to remain onboard with the other issues as well. Greg asked if there is a lobbyist we employee to further our interests. Steve said we will likely not hire a lobbyist but that it will be collective effort among the strategy partners.

Motion: Fred Sterhan, to approve the 2019 Legislative Priorities, as presented to the Board.

Second: Chuck Tooley

Discussion: Included above

Motion carried

Other Reports

Conflict of Interest Guidance – Kevin Heaney

Kevin Heaney of Crowley Fleck then presented to the Board with regard to the conflict of interest policy. Kevin explained the various corporation models and how those affect conflicts of interest. BSED is a Montana non-profit Corporation. There are also public corporations as well which would include Tradeport Authorities. The EDA side is a bit of a hybrid corporation. The rules of this corporation are its Bylaws. There are three fiduciary duties. They are the duties of care, duty of loyalty, and the duty of obedience. Conflict of interest falls under the Duty of Loyalty. Suffice it to say that you must act in the best interest of the organization and put personal or professional interests aside. Not adhering to this duty may jeopardize the organization's tax-exempt status. If there is any question regarding whether you have a conflict or not, Kevin and Steve are both a good resource to consult. Steve mentioned he will include the Conflict of Interest Policy in the January packet. Kevin said that using the Mission Statement and the Organization's purpose as a guiding principle will likely remedy 99% of conflict questions.

Public Comment:

Tomorrow night a 6pm at Mission Ridge there will be an Art for the Ages event.

VBOC is hosting a Veterans Business Event at Canyon Creek Brewing tonight and the Board is encouraged to attend from 4-6PM.

On Wednesday the 14th, the Northern Hotel will Host a Public Safety Meeting from 10AM-12PM. With several community leaders speaking to the attendees.

Jennifer gave kudos to Melanie and the team for a great Annual Meeting last month.

Meeting adjourned: 9:08 A.M.

Next Meeting – December 13th, 2018

Respectfully submitted,

Robin Rude, EDA Secretary/Treasurer

Mike Seppala, EDC Secretary/Treasurer

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

ATTACHMENT B

Internal Memorandum

Date: November 26, 2018

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

From Jim Tevlin

Subject: October 2018 EDA/EDC Financial Statements

Attached are Big Sky EDA and EDC's financial statements for the month of October 2018.

Big Sky EDA Balance Sheets

	Oct 31, 2018	Oct 31, 2017	+/-
ASSETS			
Current Assets			
Checking/Savings			
First Interstate Bank	\$ 89,331.22	\$ 40,530.50	\$ 48,800.72
Opportunity Fund - FIB	13,252.72	13,238.25	14.47
Opportunity Fund - Stockman	645,836.67	6,019,071.98	(5,373,235.31) (A)
Stockman GE Maintenance	28,479.10	29,627.46	(1,148.36)
Yellowstone County Funds	150,804.25	45,484.35	105,439.90
	<u>927,803.96</u>	<u>6,147,932.54</u>	<u>(5,220,128.58)</u>
Other Current Assets			
A/R-Dept of Defense	245,662.41	301,471.01	(55,808.60)
American Revenue Guarantee	6,887.28	25,000.00	(18,112.72)
Due To/Due From EDC	134,488.14	43,698.53	90,899.61
Miscellaneous Receivables	3,815.55	(6,648.75)	10,464.30
Tax Levy Receivable	1,163,684.33	1,118,589.10	45,095.23
Tax Levy Receivable - Protested	448.36	138,952.69	(138,504.33)
Allowance for Doubtful Accts	(448.36)	(138,952.69)	138,504.33
Prepaid Expenses	1,210.61	3,681.66	(2,471.05)
	<u>1,555,656.32</u>	<u>1,485,689.55</u>	<u>69,966.77</u>
Non-Current Assets			
Opportunity Fund - CDs	5,119,531.00	-	5,119,531.00 (A)
TEDD Receivable	75,000.00	-	75,000.00
Cabelas Conduit	4,979.27	5,004.46	(25.19)
Deferred Outflow of Resources	385,827.38	173,851.38	191,976.00
	<u>5,565,337.65</u>	<u>178,855.84</u>	<u>5,386,481.81</u>
TOTAL ASSETS	<u><u>\$ 8,048,797.93</u></u>	<u><u>\$ 7,812,477.93</u></u>	<u><u>\$ 236,320.00</u></u>
LIABILITIES & EQUITY			
Current Liabilities			
Accounts Payable	41,153.01	52,739.59	(11,586.58)
Accrued Expenses	210,826.93	44,767.10	166,059.83
Payroll Liabilities	665.13	32,599.52	(31,934.39)
Compensated Absences	146,352.75	132,298.37	14,054.38
Deferred Revenue - GE Settlement	-	3,847,304.21	(3,847,304.21)
	<u>398,997.82</u>	<u>4,109,708.79</u>	<u>(3,710,708.97)</u>
Long Term Liabilities			
Deferred Inflow of Resources	7,418.97	2,035.97	5,383.00
Pension Liability	908,810.80	615,173.80	293,637.00
	<u>916,229.77</u>	<u>617,209.77</u>	<u>299,020.00</u>
Net Assets	<u>6,733,570.34</u>	<u>3,085,561.37</u>	<u>3,648,008.97</u>
TOTAL LIABILITIES & EQUITY	<u><u>8,048,797.93</u></u>	<u><u>7,812,477.93</u></u>	<u><u>236,320.00</u></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.

Big Sky EDA
Statement of Operations-Actual vs. Budget
For the Four Months Ended October 31,

	<u>2018</u>	<u>Annual Budget</u>	<u>Budget Remaining</u>
Income			
Department of Defense	\$ 170,784.00	\$ 549,828.00	\$ 378,842.00
EDC Reimbursement	171,775.12	601,012.56	429,237.44
EPA - Brownfields	10,067.20	10,067.20	-
Grant Administration	4,268.00	17,650.00	13,384.00
Health Levy Revenue	28,527.00	90,284.00	61,737.00
Mill Levy Revenue	1,214,353.14	1,391,381.00	177,007.86
Miscellaneous Revenue	888.27	-	(888.27)
Opportunity Fund Investment	-	150,000.00	150,000.00
Recovery of Protested Taxes	148,854.25	-	(148,854.25)
SBA/MT Dept of Commerce	38,841.84	117,650.00	80,808.16
SBDC Program Income	62.81	3,211.00	3,148.19
VBOC	45,318.58	300,000.00	254,683.42
	<u>1,829,734.21</u>	<u>3,230,841.76</u>	<u>1,401,107.55</u>
Expense			
Advertising	729.83	-	(729.83)
Property Tax Protests	-	28,147.22	28,147.22
Business Recruitment	-	16,000.00	16,000.00
Community Development Projects	-	50,000.00	50,000.00
Contingency	-	17,500.00	17,500.00
Dues and Subscriptions	25,782.52	47,834.00	22,071.48
Employer Contributions	148,315.22	507,433.91	361,118.69
Insurance	10,850.00	14,768.00	4,118.00
Contract Support	-	2,000.00	2,000.00
Marketing	19,093.35	81,854.00	62,760.65
Miscellaneous	11,578.51	39,447.40	27,868.89
Office Equipment	3,330.04	8,700.00	5,369.96
Office Expense	5,808.81	19,000.00	13,191.19
One Big Sky District	-	55,000.00	55,000.00
Professional Fees	39,328.60	69,084.20	29,755.60
PTAC Satellite	27,151.61	87,714.00	60,562.39
PTAC Subcenter	75,978.74	253,543.00	177,564.26
Rent	42,208.83	111,632.00	69,423.17
Repairs	980.00	-	(980.00)
Salaries/Wages	483,073.92	1,617,320.86	1,134,246.94
Sponsorships	4,750.00	6,600.00	1,850.00
TEDD	2,409.29	5,000.00	2,590.71
Telecommunications	18,083.70	48,001.00	31,917.30
Travel/Training	26,325.17	124,621.00	98,295.83
Workforce Development	3,517.56	15,000.00	11,482.44
	<u>945,073.70</u>	<u>3,228,168.59</u>	<u>2,281,124.89</u>
Operating Income/(Loss)	<u>884,660.51</u>	<u>4,643.17</u>	<u>(880,017.34)</u>
Other Income			
Interest Income	2,026.69	87,477.23	85,450.54
	<u>\$ 886,687.20</u>	<u>\$ 92,120.40</u>	<u>\$ (794,566.80)</u>

In July 2018, the CHS refinery settled their protested taxes at approximately 90% of the protested amount. These funds will be earmarked to offset expenses associated with EDA's future facilities.

Big Sky EDA
Statements of Operations-Year Over Year Actual
(Excluding Zoot/GE)
For the Four Months Ended October 31,

	2018	2017	+/-
Income			
Department of Defense	\$ 170,784.00	\$ 162,467.00	\$ 8,317.00
EDC Reimbursement	169,403.65	159,917.18	9,486.49
EPA - Brownfields	10,067.20	24,592.55	(14,525.35)
Grant Administration	4,266.00	2,123.16	2,142.84
Health Levy Revenue	28,527.00	27,211.25	1,315.75
Mill Levy Revenue	1,214,353.14	1,171,440.90	42,912.24
Miscellaneous Revenue	888.27	1,453.70	(565.43)
Recovery of Protested Taxes	146,854.25	-	146,854.25
SBA/MT Dept of Commerce	38,841.84	38,705.72	(1,883.88)
SBDC Program Income	62.81	219.00	(156.19)
VBOC	45,316.58	109,471.93	(64,155.35)
	<u>1,827,362.74</u>	<u>1,697,602.37</u>	<u>129,760.37</u>
Expense			
Advertising	729.83	312.60	417.23
BEAR	-	523.14	(523.14)
Community Development Projects	-	-	-
Dues and Subscriptions	25,762.52	14,257.10	11,505.42
Employer Contributions	146,315.22	147,388.28	(1,073.06)
Incubator Expense	-	28,631.59	(28,631.59)
Insurance	10,650.00	16,919.11	(6,269.11)
Contract Support	-	5,163.60	(5,163.60)
Marketing	19,093.35	28,010.90	(8,917.55)
Miscellaneous	11,578.51	10,057.74	1,520.77
Office Equipment	3,330.04	-	3,330.04
Office Expense	5,808.81	4,161.88	1,646.93
Professional Fees	39,328.60	99,288.37	(59,959.77)
Program Expense	-	624.67	(624.67)
PTAC Satellite	27,151.61	28,511.99	(1,360.38)
PTAC Subcenter	75,976.74	65,309.68	10,667.06
Rent	42,208.83	42,491.04	(282.21)
Repairs	980.00	463.50	516.50
Salaries/Wages	483,043.92	470,754.05	12,289.87
Sponsorships	4,750.00	5,729.33	(979.33)
TEDD	2,409.29	-	2,409.29
Telecommunications	16,083.70	10,768.99	5,314.71
Travel/Training	25,733.81	40,557.58	(14,823.77)
Workforce Development	3,517.58	9,245.76	(5,728.20)
	<u>944,452.34</u>	<u>1,025,150.88</u>	<u>(80,698.54)</u>
Operating Income/(Loss)	<u>882,910.40</u>	<u>672,451.49</u>	<u>210,458.91</u>
Other Income			
Interest Income	1,779.40	757.21	1,022.19
	<u>\$ 884,689.80</u>	<u>\$ 673,208.70</u>	<u>\$ 211,481.10</u>

In July 2018, the CHS refinery settled their protested taxes at approximately 90% of the protested amount. These funds will be earmarked to offset expenses associated with EDA's future facilities.

Prior year amounts include \$21k for Brownfields assessments and \$66k for TEDD master plan expenses.

Big Sky Economic Development Corporation **Balance Sheets**

	Oct 31, 2018	Oct 31, 2017	+/-	
ASSETS				
Current Assets				
First Interstate Bank	\$ 304,172.88	\$ 33,112.59	\$ 271,060.27	(A)
FIB SSBCI Principal	1,233,180.03	971,643.00	261,537.03	
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	-	
First Interstate Bank-RLF	231,429.63	253,791.58	(22,361.95)	
Wells Fargo	-	81,732.95	(81,732.95)	(A)
Accounts Receivable	1,000.00	1,000.00	-	
Certificates of Deposit	-	75,114.53	(75,114.53)	(A)
Contributions Receivable	30,000.00	-	30,000.00	(C)
Miscellaneous Receivables	4,000.00	390.85	3,609.15	
Prepaid Expenses	1,398.53	-	1,398.53	
RLF Portfolio-Current	77,282.81	72,389.57	4,893.24	
SSBCI Portfolio-Current	123,590.12	184,924.65	(71,334.53)	
	<u>2,278,253.98</u>	<u>1,956,299.72</u>	<u>321,954.26</u>	
Other Assets				
FIB-OBSD/Coulson Park	215,850.00	-	215,850.00	(B)
Contributions Receivable-Non Current	42,500.00	-	42,500.00	(C)
RLF Portfolio-Non Current	239,949.98	200,559.63	39,390.35	
SSBCI Portfolio-Non Current	888,074.83	1,056,433.29	(168,358.46)	
TOTAL ASSETS	<u><u>3,684,628.79</u></u>	<u><u>3,213,292.64</u></u>	<u><u>471,336.15</u></u>	
LIABILITIES & EQUITY				
Liabilities				
Current Liabilities				
Accounts Payable	14,402.82	32,143.10	(17,740.28)	
Accrued Expenses	30,750.00	8,475.00	22,275.00	
Due to/Due From EDA	134,496.14	43,596.63	90,899.51	
	<u>179,648.96</u>	<u>84,214.73</u>	<u>95,434.23</u>	
Net Assets	<u>3,484,979.83</u>	<u>3,129,078.01</u>	<u>355,901.82</u>	
TOTAL LIABILITIES & EQUITY	<u><u>\$ 3,684,628.79</u></u>	<u><u>\$ 3,213,292.64</u></u>	<u><u>\$ 471,336.15</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 and Coulson Park master plans.

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

Big Sky Economic Development Corporation
Statement of Operations-Actual vs Budget
For the Four Months Ended October 31,

	2018	Annual Budget	Budget Remaining
Income			
504 Loan Origination	\$ 48,228.73	\$ 127,500.00	\$ 79,271.27
504 Loan Servicing	173,184.61	531,600.00	358,415.39
Member Investment	20,775.00	300,000.00	279,225.00
Miscellaneous Income	3,012.75	13,000.00	9,987.25
Private Billings/Works Funding	2,500.00	20,000.00	17,500.00
Recovery of Bad Debt	1,700.00	3,600.00	1,900.00
RLF Business Loan Interest	4,456.32	12,476.00	8,019.68
SSBCI Revenue	9,305.82	29,140.00	19,834.18
	<u>263,163.23</u>	<u>1,037,316.00</u>	<u>774,152.77</u>
Expense			
Advertising	62.64	-	(62.64)
BEAR Program	1,108.33	6,108.00	4,999.67
Business Recruitment	7,820.99	81,000.00	73,179.01
Contingency	-	10,000.00	10,000.00
Dues and Subscriptions	7,311.62	15,593.00	8,281.38
EDA Reimbursement	171,775.12	601,012.56	429,237.44
Event Expense	22,517.44	51,500.00	28,982.56
Insurance	1,910.00	11,000.00	9,090.00
Marketing	4,058.64	11,000.00	6,941.36
Membership Development	407.62	7,500.00	7,092.38
Miscellaneous	5,749.67	36,418.00	30,668.33
Office Supplies	1,206.32	2,056.00	849.68
Professional Fees	18,142.40	22,500.00	4,357.60
Rent	13,678.91	36,320.00	22,641.09
Sponsorships	-	2,000.00	2,000.00
Telephone	1,465.16	4,980.00	3,514.84
Travel & Training	10,562.97	28,500.00	17,937.03
Workforce Development	630.80	59,695.00	59,064.20
	<u>268,408.63</u>	<u>987,182.56</u>	<u>718,773.93</u>
Operating Income/(Expense)	<u>\$ (5,245.40)</u>	<u>\$ 50,133.44</u>	<u>\$ 55,378.84</u>

Big Sky Economic Development Corporation
Statements of Operations-Year Over Year Actual
For the Four Months Ended October 31,

	<u>2018</u>	<u>2017</u>	<u>+/-</u>
Income			
504 Loan Origination	\$ 48,228.73	\$ 8,805.42	\$ 39,623.31
504 Loan Servicing	173,184.81	179,166.98	(5,982.37)
Member Investment	20,775.00	10,383.88	10,391.12
Miscellaneous Income	3,012.75	1,732.75	1,280.00
Private BillingsWorks Funding	2,500.00	-	2,500.00
Recovery of Bad Debt	1,700.00	7,864.59	(6,164.59)
RLF Business Loan Interest	4,456.32	5,093.08	(636.76)
RLF Loan Fund (net)	-	357.44	(357.44)
SSBCI Revenue	9,305.82	9,980.42	(674.60)
	<u>263,163.23</u>	<u>223,184.56</u>	<u>39,978.67</u>
Expense			
Advertising	62.64	-	62.64
BEAR Program	1,108.33	-	1,108.33
Business Recruitment	7,820.99	19,517.38	(11,696.39)
Dues and Subscriptions	7,311.82	6,586.81	714.81
EDA Reimbursement	171,775.12	159,917.16	11,857.96
Event Expense	22,517.44	30,874.24	(8,356.80)
Insurance	1,910.00	92.00	1,818.00
Marketing	4,058.84	2,940.78	1,117.86
Membership Development	407.62	785.08	(377.46)
Miscellaneous	5,749.67	(705.33)	6,455.00
Office Supplies	1,206.32	563.12	643.20
Postage and Delivery	-	373.68	(373.68)
Professional Fees	18,142.40	1,735.00	16,407.40
Rent	13,678.91	9,539.16	4,139.75
Repairs	-	553.50	(553.50)
Telephone	1,465.16	1,772.05	(306.89)
Travel & Training	10,562.97	6,611.56	3,951.41
Workforce Development	630.80	-	630.80
	<u>268,408.63</u>	<u>241,166.19</u>	<u>27,242.44</u>
Operating Income/(Loss)	<u>\$ (5,245.40)</u>	<u>\$ (17,981.63)</u>	<u>\$ 12,736.23</u>



BIG SKY
ECONOMIC DEVELOPMENT

EDA • EDC CREATING MONTANA BUSINESS OPPORTUNITIES

ATTACHMENT C

November 29, 2018

**Recommendation of the Joint-Nominating Committee
For the Big Sky Economic Development 2019 Officers and Executive Committee**

The Joint Nominating Committee of the EDA-EDC met November 27, 2018 to consider officers and Executive Committee members for 2019. Following discussion and follow-up calls by staff, the Nominating Committee hereby submits the following recommendation for the Executive Committee consideration:

2019 EDA Officers/Executive Committee

Cory Moore, Chair
Robin Rude, Vice Chair
Paul Neutgens, Secretary/Treasurer
Jennifer Smith, Immediate Past Chair
Ken Lutton, Member at Large

2019 EDC Officers/Executive Committee

Mike Nelson, Chair
Mike Seppala, Vice Chair
Steve Loveless, Secretary/Treasurer
Eric Simonsen, Immediate Past Chair
Molly Schwend, Member at Large



BIG SKY
ECONOMIC DEVELOPMENT

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ATTACHMENT D

Harrison G. Fagg
1414 Mystic Dr.
Billings, Mt. 59102

Steve Arveschoug
BSEDA Director
211 Granite Tower
222 N. 32nd St.
Billings, Mt. 59102

Re: BSEDA space

Dear Steve,

Thank you for meeting with us yesterday about BSEDA space. We appreciate the hard work you are putting in, as we know how important this decision is to BSEDA's future.

We applaud you looking to purchase space. This seems like a good option for BSEDA long term.

The purpose of our meeting, and this letter, is to request BSEDA to do another RFP asking for purchase options in downtown Billings. This could be a short time frame, even two weeks.

A couple of thoughts that may have not been made clearly yesterday.

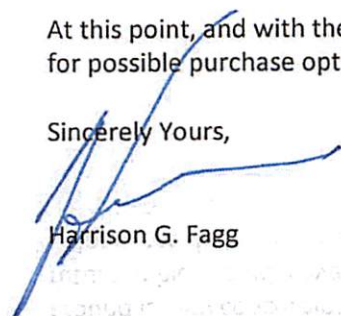
One, you are obviously quite interested in the Montana Paint building. However, being on leasehold ground is very concerning. The lease could be cancelled or lease payments increased substantially in the future, which could leave BSEDA in a difficult spot in the future. Also, our study shows the Montana Paint space does not meet your square footage requirements, and one-third of the space is in the basement, with not windows. The conference room would have large pillars in it.

Two, there may be other options come up that have not been considered. Obviously, we are interested since we have a buy sell on the Fratt Building. We would sell BSEDA the space they require, and believe it is a cost effective strategy long term. There are, however, other possible options. The Gainan's Building, the Taubert Building, the Good Earth Market building, and possibly other options.

Three, any bid should require floor plans so BSEDA knows what they are getting.

At this point, and with the EDA grant request, you have a couple of weeks to send out a new RFP asking for possible purchase options. This would seem to serve BSEDA in the long term.

Sincerely Yours,



Harrison G. Fagg



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ATTACHMENT E

**MONTANA DEPARTMENT OF COMMERCE
SMALL BUSINESS DEVELOPMENT CENTER
CONTRACT AMENDMENT # 14-51-009E**

This Contract amendment is entered into by and between **Big Sky Economic Development Authority**, Billings, Montana (Contractor), and the **Montana Department of Commerce**, Helena, Montana, (the Department).

The Contractor and the Department mutually agree to amend Contract # 14-51-009 (the Contract), executed by them on January 1, 2014 (date of the original contract) as follows:

1. Section 3. 2. (a) of the Contract is amended to read:

- a. Consistently and correctly enter client information, sessions and impact into Neoserra as required but not limited to;

178 clients served,

380 jobs supported,

1,200 client hours,

12 new business starts,

\$4,800,000 in capital funding obtained,

45 long term clients,

2 publishable success stories,

2. Section 5. (a) of the Contract is amended to read:

- (a) This Contract amendment shall take effect January 1, 2019 and will terminate on December 31, 2019, unless terminated earlier in accordance with the terms of this Contract.

3. Section 6. of the Contract is amended to read:

For 2019, The Department has allocated \$100,000.00 in federal funding for Contractor reimbursement. The Department will provide up to \$12,500.00 in cash match and the Contractor will provide the remaining 1:1 match in which at least 50% must be cash match.

4. All other provisions of the Contract remain in full force and effect.

IN WITNESS OF THE TERMS SET OUT ABOVE, the parties hereto have caused this Contract to be executed.

BIG SKY ECONOMIC DEVELOPMENT AUTHORITY:

Steve Arveschoug, Executive Director

Date

MONTANA DEPARTMENT OF COMMERCE:

Pam Haxby-Coty, Director

Date

MONTANA DEPARTMENT OF ADMINISTRATION:

State Procurement Contracts Officer

Date



BIG SKY
ECONOMIC DEVELOPMENT

EDA • EDC CREATING MONTANA BUSINESS OPPORTUNITIES

ATTACHMENT F



BIG SKY ECONOMIC DEVELOPMENT

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December 2018 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—Dena will share with you great news regarding the development of our new entrepreneurship model—*ROCK31*. We have a program manager hired!! See the SBDC/*ROCK31* Program Section for details. Remember—every 31 minutes a new business is launched out of a SBDC, incubator, entrepreneurship program, and, we're going *ROCK* that number! The next *ROCK31* meet-up event is scheduled for January 14, 8AM at Steep World, with the goal to support the launch of adventure/experience-based businesses.
 - b. Coal Country Coalition—We held our annual Summit among the partners in the Coal Country Coalition—BSED, Beartooth RC&D, Southeast Montana Economic Development Corporation (Colstrip), and the Snowy Mountain Development Corporation (Lewistown) on November 27th. It was a great opportunity to share an update on our respective work, and consider how we can support our collective priorities going into the 2019 Legislative Session. We also discussed our original workplan and the goal we established to support incentives for clean-coal technology. Toward that end, we agreed to follow-up with the principals involved in the research project in Wyoming and the Federal Department of Energy (DOE) to see if there is a route for Montana's partnership in this existing project, from an economic development standpoint (not at a policymaker level).
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 information—MSUB strategic planning work continues. No plan to share at this time. Details on that plan will be available within the next few weeks. Additionally, for both RMC and MSUB, work continues on the One Big Sky District Planning process, which will attempt to show how both schools can partner in this project.
 - b. BillingsWorks/Talent Attraction and Career and Technical Education/Career Center—See the Billings Works Update as a part of this report for details on work related to Better Off in Billings and our annual business-sector focus group meetings in preparation for the 2019 State of the Workforce Report.

3. Strategic Placemaking—building-remarkable community investments to encourage and support the retention and attraction of workforce and new private investment:

- a. Foster Development of Planned, Ready-to-Go Industrial Space — See the TEDD update as a part of the Community Development section of this report. The County Commissioners have approved the expansion of the TEDD. That decision now waits for 30 days before being enacted (a requirement of the TEDD laws). It is important to note that the expansion of the TEDD adds 624 total acres, but only 175 of those acres are developable at this time. The expansion that the total developable acres to 468, which is very close to the target size as originally determined in the Industrial Park Feasibility Study—the plan that launched the concept of developing a “targeted economic development district.”
- b. One Big Sky District— A lot of work to be done before the development plan (final draft) is presented to City Council is December 17th. Landmark will be in town next week (December 5th and 6th) to work through the development plan draft, all the design elements of the catalyst projects, and the legislative tool. On December 6th we will be in Helena to meet with— Governor’s budget director, Department of Commerce Director, and other key partners. We’ll be hosting a luncheon for MEDA and Ambassador Board members, the League of Cities and Towns, and Chambers. Next week is a big week to wrap up the plan and build legislative support.
- c. Coulson Park Redevelopment and Entryways Now—DHM Design has begun work with the City Parks team to define the scope of work for the Master Plan project. Public meetings should begin very soon. More details to follow. Exciting! The project is starting!
- d. EBURD Redevelopment—No new info to report. See the Community Development section of this report for more info, as available.
- e. Trailhead Hospitality Vision Steering Committee—No new info. 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. Recall the goal being to take steps forward in the improvement of the HWY 87 corridor as one of the major entryways for our community. The next meeting of the Committee is set for January 4, 2018, 11:45 A.M. to 1:00 P.M. at the City/County Planning Office, First Floor Conference Room. They meet every other month.
- f. Air Service—A Billings team met with planners for United Airlines at their HQ in Chicago. It was a good meeting. The direct flight to Chicago during the summer season will begin in June and run through September, adding almost 4 weeks to this schedule. We also discussed a direct flight to San Francisco, but the timing of that opportunity will be 2 years out, based upon equipment and pilot availability issues. Additional meetings with our other air-service providers will be held in March of 2019. In the meantime, remodeling/expansion of the airport continues with the design phase in full swing. The budget for this project will be a challenge. More details to follow
- g. Space2Place—Micro projects that facilitate quality of place—work on the 2019 project solicitation with begin soon.

Program Updates

SBDC

SBDC served several new and existing companies with technical assistance, training and consulting. The team partnered with the VBOC on a Vet-Biz meetup. The SBDC Regional Director is now serving on the Comprehensive Economic Development Strategy (CEDS) committee. We had an excellent planning meeting to work on the draft document that will be available for public comment and then sent to the EDA for approval. This CEDS is for 2019-2023. We are excited to show a strong focus for Innovation & Entrepreneurship as well as business development.

We trained 10 pre-venture/startup clients in our monthly pre-business workshop. We taught a pre-business workshop for students at Yellowstone Valley Bible College at the request of their business professor. We taught Rocky Mountain College students about programs and resources available to start-up or grow your business after college. We also covered industry/market research as well as access to capital. We held the first nominating committee meeting for the SBA awards. The team will select finalists in the next couple weeks.

BEAR

The BEAR team held a monthly meeting to evaluate the progress of all company referrals in the last 6 months. They are currently working with an Insurance Agency that is growing. The team has a site visit scheduled for December. The team made 4 direct referrals to volunteers in the areas of marketing, accounting, legal, and agriculture.

Rock31

Rock31 is very excited to announce Kevin Scharfe as our new Program Manager | Senior Business Advisor for SBDC. Kevin brings a wealth of knowledge, experience, and passion for serving entrepreneurs. He will do an outstanding job in this new role for our team. He looks forward to hitting the ground running on January 2nd. Stay tuned for a formal announcement and write-up on Kevin. The team is working hard to prepare a competitive cooperative agreement (to receive grant funding) proposal to the Federal EDA to enable us to leverage additional funding for the purchase of a building. The goal is to enable us to open the doors of Rock31 as well as provide space for the technical assistance programs that will serve the clients. We are working on planning our next meetup as well as building the list for the advisory committee.

VBOC

To celebrate National Veterans Small Business Week (Nov. 5 to 9), the VBOC held the #VETBIZ Billings Meetup at Canyon Creek Brewing with 45 total attendees, including 14 veterans and/or spouses. Local media outreach included a guest column in the Billings Gazette, live interviews on KTVQ, News Talk 95.5, and 730 KYYA, and a mention in the Helena Independent Record. On Nov. 14 to 15, Brian and Dustin also trained 10 transitioning airmen in the Boots to Business class at FE Warren Air Force Base.

The week of Thanksgiving, Dustin travelled to Seattle for three days at Business Impact NW, host of the Veterans Business Outreach Center serving Washington, Oregon, Idaho and Alaska. Along with providing business support services to veterans and military spouses throughout the region, Business Impact NW is a nonprofit Community Development Financial Institution and houses the Washington Women's Business Center. The trip gave Dustin the opportunity to shadow the VBOC Director, learning

how the VBOC successfully integrates with BINW's mission to better serve veterans and spouses across such a large geography. He also met with local partners like Bunker Labs – Seattle and the Small Business Administration. The trip culminated with a ferry ride to the home of the U.S. Naval Fleet's command in the Pacific Northwest to attend day 1 of the Boots to Business Introduction to Entrepreneurship training with 18 transitioning sailors and their spouses.

Community Development

The Lockwood TEDD Advisory Board met on November 28th in BSED's Yellowstone Room. The Yellowstone County Commissioners held two public hearings on October 30th and November 13th prior to a 2 to 1 vote to expand the TEDD boundary. After a 30-day comment period the expansion will become official on December 18.

The Coulson Park Master Plan consultants are working with City of Billings staff to develop the scope of work for the master plan and expect to hold the first public meeting in December. The projected completion date for the Master Plan is June 2019.

Community Development is working with Rock31 to apply for the US EDA for funding towards the Rock31 building.

Coal Country Coalition held its annual POWER Summit on November 27th in Billings. Partners from each organization discussed priorities for the coming year.

The Rimrock Subaru tax abatement request has been approved by both the City and the County.

Community Development is receiving multiple Brownfield assessment inquiries and is currently working with property owners on the application process.

Community Development staff is working with the Lockwood Pedestrian Safety District providing assistance regarding the Becraft Lane Project.

Two new fuels reduction assessments have been completed for the Yellowstone County Fuels Reduction Program.

We continue to follow the proposed guidelines for the Federal Opportunity Zone program.

Big Sky Finance

In November, the Big Sky Finance team had one SBA 504 loan request approved by SBA, and another submitted and currently under review with SBA. It was a successful month for loan fundings as we had two 504 loans fund totaling \$2.9M. Both fundings, as all are, were a culmination of a lot of hard work from our team. They do great work in taking these from application to funding! We also received final approval from SBA on both our SMART Analytical Review and a 2-year extension of our ALP status (Accredited Lenders Program). We are required to reapply for this every two years and takes a lot of work. It is important for our CDC to maintain this accreditation and to be recognized by SBA for this.

There was one significant change to our structure within the Finance team. Our Loan Officer here in Billings, Ben Rose, chose to leave Big Sky for a new opportunity. We wish him the best in his new endeavor. I am very thankful for the years of service he did provide and enjoyed watching him grow and learn. We will be looking to fill a new position very soon.

SBA 504 effective rates for the month of November are as follows: 25-year rate is 5.64%, 20-year rate is 5.59% and the 10-year rate is 5.59%. Our rates remain competitive and provide borrowers with the opportunity to lock in a fixed rate for the term of their note – especially beneficial in a rising rate

environment! If you ever know of anyone in the state looking to acquire commercial real estate and/or equipment for their business (owner occupied), please refer them over to us!

BillingsWorks

BillingsWorks is gearing up for the 5th State of the Workforce Report. Due to resources and need, we've made the decision to produce a full report every other year with an overview/workplan still produced every year. The 2019 State of the Workforce Report will be comprised of the past 4 years' Employer Survey Results, Goal Updates, 2019-2020 Workplan along with feedback from focus groups in our main industries, education sector, NextGEN and a cross section of our workforce. We've conducted 4 of these focus groups so far with 5 remaining. The report this year will be taking on a new medium as well; animation. We believe this will allow our business and education partners to better utilize this information in presentations, conversations, etc. Additionally, our Better Off in Billings Talent Attraction campaign is gaining speed as we continue to flesh out the brand getting community members such as Black Dog Coffee, The Fieldhouse, and Thirsty Street involved in creating unique menu items under the Better Off in Billings slogan.

Marketing and Member Investor

We had a successful Veterans Business Event hosting over 40 Veterans, their spouses, community partners and elected officials. Marcell Bruski has been on board for a little over a month and is making a significant impact on our team. She has increased our business outreach activity and awareness and is making a noticeable difference in our external presence.

We are currently working on an external marketing strategy for business growth services with the new addition of Rock31.

The growth of the member investor program is on track as of our mid-year checkpoint helped greatly by businesses wanting to engage with Rock31. We had two current Member investors increase their annual commitments which is also part of the revenue growth plan.

Recruitment and Outreach

Business Recruitment had a productive recruitment committee meeting focused on how we work in our community to find gaps in supply chains to focus recruitment efforts around. The Utah call center will be looking at a start date in January now due to difficulties in securing a lease, but they are still moving forward. One Big Sky District work is fast and furious at this point with the draft final report heading to Council on the 17th of December. We have yet to hear anything regarding the USDA office space expansion.

PTAC

Since August 1st, MT PTAC clients statewide have been successful in winning \$32,436,361 in federal, state and local contracts. Of that, \$12,645,230 was awarded to clients of the Billings PTAC. Yellowstone Kelly's received task orders totaling \$2,262,069 on an existing agreement with the U.S. Forest Service to provide catering for fire camps. Sandra Graham, DBA: Wildfire Hot Showers received task orders totaling \$334,996 on her existing agreement with the U.S. Forest Service to provide portable showers to fire camps. Anthony Davis, DBA: Wildfire Mobile Laundry received task orders totaling \$100,360 on his existing agreement with the U.S. Forest Service. Black Canyon, LLC received three separate awards totaling \$1,105,580 from the National Park Service for construction services to replace the lift station and sewer lines at Mount Rushmore and to replace the sewer system at Fort Union in North Dakota.

Organizational/Program/Policy Matters

1. **Future Facilities Taskforce** – We are putting the finishing touches on the EDA grant preliminary application and plan to submit it on Monday, December 3rd. The preliminary application confirms grant eligibility and, if approved, will give us the green light to submit a full grant application. We will factor those results into the due diligence conducted and will then make a final determination for the RFP and next steps. In the meantime, we have continued our due diligence on the Paint Building to assess functionality within that space. We will bring the outcomes of the preliminary application and our final determination to the next Board meeting.
2. **Nominating Committee Recommendation Regarding Officers for 2019**—the Nominating Committee met November 26th to consider the appointment of officers for 2019. A recommendation will be provided to the Executive Committee and then to the full Board for consideration at our December meetings.
3. **Strategy Plan**—The Board will receive a hand-out version of our Strategic Plan at the December Board meeting.
4. **Ad Hoc Legislative Committee**—Following the Board's preliminary approval of our outline of Legislative Priorities for 2019, I met with our regional partners to learn about their issues/priorities for the Session. I will be updating our outline to reflect our support for their issues and present that to the Board at our December meetings. Also, the Board is invited to join the staff for a breakfast meeting with legislators (December 12, 7:30 A.M. to 9:00 A.M., Northern Hotel). You should have all received an invite for this breakfast. This will give us a chance to share our priorities with our area legislators before they head off to Helena. Please try to join us if you can.
5. **FY 2018 Audit**—the Auditors have completed their work on the EDC and EDA audits for FY 2018. Those reports will be provided to the Board via a separate email on Monday, December 3rd. The auditors will then attend our Executive Board meeting on the 5th to review the Audit.

**Respectfully submitted,
December 5 & 13, 2018**



**Steve Arveschoug
Executive Director**



BIG SKY
ECONOMIC DEVELOPMENT

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ATTACHMENT G



**Big Sky Economic Development
Outline of Legislative Priorities 2019 Session
As Proposed to the BSED Boards December 13, 2018**

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.
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.
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.
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.
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.
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.

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."

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