

EDA/EDC – Joint Board Meeting
Thursday, February 14, 2019
7:30 A.M. to 9:00 A.M.
Billings Library Community Room

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.

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

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

7:35 A.M. Changes to Today's Agenda

7:40 A.M. Consent Agenda

- January 10, 2019 Board Meeting Minutes
- December 2018 EDA and EDC Financials

(EDA/EDC Action)

(Attachment A)

(Attachment B)

7:45 A.M. Program-Level Action Items

- Big Sky Finance —Brandon
 - 504/RLF Loan Approvals
- Future Facilities RFP Update —Becky
- One Big Sky District—Development Plan Update—Allison
 - Development Plan Agreement Revisions

(Attachment C) (EDC Action)

(Info)

(Attachment D) (Action as Needed)

7:55 A.M. Mid-Year Progress Report and Q&A

(Attachment E)

- VBOC—Dustin
- PTAC--Deanna
- SBDC--Dena
- Rock31—Kevin
- Big Sky Finance—Brandon
- Community Development—Dianne
- Billings Works—Karen
- New Business Recruitment—Allison
- Marketing/Member Investor Program—Melanie
- Operations/Mid-Year Budget—Becky and Jim

9:10 A.M. Public Comment

9:15 A.M. Adjourn-----Next EDA/EDC Board Meeting March 14, 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, January 10, 2019 – 7:00 AM – 9:00 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: Cory Moore, Robin Rude, Paul Neutgens, Ken Lutton, Jennifer Owen, Judi Powers, Dana Pulis, Fred Sterhan, George Warmer, Shaun Brown (Ex-Officio), Greg Upham (Ex-Officio), John Brewer (Ex-Officio), Don Jones (Ex-Officio), Matt Lurker (Ex-Officio), Katy Easton (Ex-Officio)

EDA Board Members Absent: Jennifer Smith, Greg McDonald

EDC Board Members Present: Mike Nelson, Eric Simonsen, Molly Schwend, Nicole Benge, Scott Chesarek, David Ellis, Mac Fogelson, Spencer Frederick, Andy Gott, Doug Hansen, Ann Kosempa, Mike Phillips, Denis Pitman, Aaron Ramage, Jon Stepanek, Bob Wilmouth

EDC Board Members Absent: Mike Seppala, Steve Loveless, Dave Ballard, Craig Bartholomew, Dan Edelman, Mitch Goplen,

Staff and Guests: Steve Arveschoug, Austin Trunkle, Becky Rogers, Dianne Lehm, Karen Baumgart, Allison Corbyn, Dena Johnson, Melanie Schwarz, Lorene Hintz, Dustin Frost, Brandon Berger, Jim Tevlin, Russ Fagg, John Ostlund, Evelyn Pyburn, Haley Vannatta

Call to Order:

Cory Moore, EDA Chair, called the meeting to order at 7:00 A.M. with the Pledge of Allegiance.

Public Comment/Recognitions/Special Announcements and Introductions:

With the new Board year upon us, Cory invited the Board Members and staff to introduce themselves.

Review Annual Board Member Information

Annual protocol is to have all Board Members sign a conflict of interest policy, EDC Board Members sign an annual Board Certification, and as well as update or add information to the Board Directory. Becky also circulated the 2019 Board Calendar and gave a brief overview of important dates and events.

Public Comment

John Ostlund, County Commissioner, expressed concern about the EDA using resources that are provided by the tax payer to lobby the legislature for a new project (One Big Sky District) that may end up competing with an entity (METRA Park) that is already paid for by the tax payer. Steve replied that Allison will give a One Big Sky District update today and the OBSD Partners will be presenting information surrounding this effort to the Commissioners on 1/17/2019.

Mike Phillips announced to the Board that there will be an Ag Appreciation Banquet on 1/19/19 at the METRA.

Agenda Changes:

In the Program Level Reports and Action Items, The EBURD Partnership and One Big Sky District updates will flip spots.

Consent Agenda:

Approval of the December 2018 Board Meeting Minutes and the November 2018 EDA/EDC Financials

Cory entertained a motion to approve the December Minutes and November EDA/EDC Financials.

Motion: Mike Nelson, to approve the December 2018 Board Meeting Minutes and the November 2018 EDA/EDC Financials as presented to the Board.

Second: Ken Lutton

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. Artcraft Burgers, LLC – Request is for the purchase of an existing building for the operations of Artcraft Burgers, LLC dba Backcountry Burger Bar, located in Bozeman, MT. Artcraft Burgers, LLC currently leases space in the building and has since opening in January 2017. The building is located at 125 W. Main Street. Backcountry Burger Bar was started by Albert McDonald. Albert is very experienced in the restaurant industry there in Bozeman, currently operating two other restaurants in the area. Backcountry focuses on using Montana ag products – beef, wheat and potatoes. In addition to burgers, they offer creative salads, appetizers, other sandwiches, craft beer, wine, cider and kombucha. The location is excellent in the heart of downtown. There are projected to be six new jobs created as a result of this project. A Public Policy goal will be met for rural development. The total SBA debenture will be \$758,000 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 property behind First Montana Bank in Bozeman.

Motion: Mike Phillips, to approve the Artcraft Burgers, LLC loan request, as presented to the Board.

Second: Andy Gott

Discussion: None

Motion carried

2. DJ&A, P.C. – 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: Aaron Ramage, to approve the DJ&A, P.C. loan request as presented to the Board.

Second: John Stepanek

Discussion: None

Motion carried

3. CKA Partners LLC / Excel Physical Therapy – Request is for an increase in the amount of the debenture from \$972,000 to \$1,287,000. This loan was previously approved by the Board at the June 8, 2017, meeting. This was a new construction project. At the time of our initial approval, the borrowers were not planning on finishing the entire building, only the first floor. Since that time, business has increased enough where they now need to finish off the remainder of the building for their growth. Cash flow is sufficient to cover the additional costs.

Motion: Eric Simonsen, to approve the CKA Partners LLC / Excel Physical Therapy loan request as presented to the Board.

Second: Mike Phillips

Discussion: None

Abstentions: Andy Gott

Motion carried

Original request – 6/8/2017: Request is for the purchase of land and new construction of a commercial building to house Excel Physical Therapy located in Bozeman, MT. They have seen strong growth over the past couple years and have outgrown their current facility. This new location is at the corner of 19th and College and will provide them with additional space to expand in the future. Excel Physical Therapy specializes in orthopedic and sports physical therapy practices. They have been in business serving customers in the Gallatin Valley since 2001. Excel Physical Therapy currently has ten employees. There are projected to be three new jobs created as a result of this project. The project meets an SBA Public Policy goal for Rural Development. The total SBA debenture will be \$972,000 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 to First Interstate Bank – Bozeman, on the real property.

File Audit Review

Brandon mentioned that they have had a strong year thus far and that the rates have remained low. With the Government in a shutdown, Brandon reminded the Board that the SBA is completely shut-down which hampers Big Sky Finance's ability to submit new loans.

Sent via email attachment, Brandon presented his File Audit Review. The review went quite well, and 25 loans were chosen at random. Four of the loans had originated within the last 12 months and 21 from beyond 12 months.

Findings:

1. Internal controls and procedures are deficient for performing timely site visits within 15 calendar days of a loan being placed into liquidation status because of a non-payment default as required by SBA SOP 50 55, Chapter 16(A)(2).

Response: Finance Department has updated its policies and procedures adding the following language.

Post Default Site Visits:

- Payment Default – within 60 calendar days of an uncured payment default or sooner if the collateral could be removed, lost or dissipated.
- Non-payment Default – within 15 calendar days of the occurrence of an adverse event that caused the loan to be classified in liquidation status or sooner if the collateral could be removed, lost or dissipated.

The following items were identified as non-systemic, and no further action is required. Practices are in place to alleviate these exceptions going forward.

1. Credit Standards & Borrower Equity Contribution – One deficiency/exception was noted regarding the inadequate assessment of financial ratio trend analysis.

a. Response – It is within our practice to analyze the financial ratios within each credit. Within this loan, there was a section in the P&L discussion pertaining to the industry, however, the no ratio analysis was completed.

2. Loan Authorization, Closing, and Disbursement – Four deficiencies/exceptions related to not requiring other loan appropriate insurance, general liability insurance, in the SBA Loan Authorization.

a. Response – CDC has within its Loan Policy and Procedures the requirement for other loan appropriate insurance, when deemed necessary. It is currently not a practice of the CDC to require general liability insurance on each credit. This will continue to be monitored and required on an individual credit basis.

3. Regular Loan Servicing – There were two deficiencies/exceptions identified relating to missing current financial statements, one exception regarding the timely collection of documentation to support the borrower's jobs created or retained at the two-year anniversary of loan funding, and one exception regarding the current risk rating accurately reflecting the current financial status and credit risk profile of borrower.

a. Response – CDC's Loan Policy and Procedures has been updated for rating of loans where current financials are not received. Every attempt is made to obtain on an annual basis the borrower's financial statements. The two loans identified had not yet provided their 2017 taxes at the time of the review, however the extension was provided. CDC continues to work to obtain the financials.

b. Response – The time receipt of the two-year job creation data was an oversight on this loan. CDC has an updated policy in place for the timely collection of this information utilizing our new loan software.

c. Response – This credit had recently been placed on Watch and in deferment. Loan officer subsequently downgraded the loan to Substandard based on Reviewer's recommendation. Loan has always been paid as agreed. Current Policies and Procedures include accurate risk rating schedule.

Commissioner Pitman asked what happens if a borrow does not meet the job creation criteria. Brandon mentioned that no action is taken against the borrower but then the total pool of jobs created within the portfolio would help to offset the shortfall. There must be a job created for every \$75,000 lent.

Mike Phillips asked if there were an advisory committee that had gone through this audit with a fine-tooth comb. Brandon and Steve mentioned there was not but that going forward, the Loan Committee will be used to fulfill that recommendation.

Motion: Mike Phillips, to accept the File Audit Review Results, as presented to the Board.

Second: Mac Fogelsong

Discussion: None

Motion Carried

Future Facilities RFP Update – Becky

Becky opened by thanking the Future Facility Taskforce for their dedication and work. She reminded the Board for the reasons we started this process one year ago. She then walked through the steps of due diligence that have been conducted over the past year. She gave an update that on December 21st, we learned the preliminary grant was approved and we are now eligible to submit a full grant application. On January 3rd, the future Facility Taskforce met to give final counsel. They asked us to secure an independent cost estimate for the build out of the Paint Facility. Mark Qualman is going to provide that work and a final report is expected on Friday, January 18th. And as requested at the last Board meeting, an additional tour of the Paint Building was arranged for interest Board Members. She then presented the Future Facility Taskforce's recommendation to close the RFP and continue the EDA grant process with the Montana Paint Building as the designated facility.

Becky then presented a Cost Analysis, Space Needs Analysis, and Location Analysis on the Paint Building to the Board. Ken and Don requested seeing the analysis of the Paint Building vs. the Granite Tower's lease proposal rather than the current rates, which were being presented. Becky committed to emailing a spreadsheet with the requested data after the meeting. Becky also discussed the immediate due diligence that would be conducted next and how the purchase of the Paint Building would be contingent on the outcomes. Those steps include reviewing the buildout cost estimate, consideration of the reasonableness of the purchase price, results of an appraisal, results of a preliminary engineering report, and the negotiation of a buy/sell agreement. Should one of those steps trigger a no-go scenario, we will have a new RFP prepared for immediate release.

Mike Phillips asked the Future Facility Committee to weigh in on the risk factors concerning the Paint Building. Eric spoke about how the safety has improved since St. Vincent DePaul moved and that the state of the building allows to plan a remodel efficiently and effectively. Aaron spoke to how the building can be designed to suit BSED and that it offers a street-front presence. Steve chimed in that from a budget standpoint, he's cautious about overcommitting operational dollars. The EDA grant changed that calculus significantly and presents an opportunity to gain significant square footage without overextending ourselves.

Scott shared his experience of owning space on Montana Avenue and mentioned that they've had no safety concerns. He also wanted to see historical data on the rail-owned land to see how the lease pricing changes. Further, Scott wanted to just raise awareness about the low ceiling heights in the basement and that he city may not be keen to approve that for occupancy.

Becky then made the ask of the Board to 1. authorize closing out the RFP, 2. continue the EDA Grant Application process with the Montana Paint Building as the designated facility, 3. conduct immediate due diligence steps as outlined, and 4. to enter into a letter of intent with the Montana Paint Building owners, as guided by our due diligence process.

Motion: Scott Chesarek, to approve the four-part ask, as presented to the Board.

Second: Eric Simonsen

Discussion: Included above

Abstentions: Mike Nelson

Motion carried

One Big Sky District – Development Plan Overview – Allison

Allison presented the One Big Sky District Budget Overview and Update. With respect to Phase I of the project, Landmark Development invested \$1.1M to complete a Development Concept Plan which they had presented to Council in December of 2017. In Phase II, The Development Plan, Landmark invested \$1.3M and the Strategy Partners invested \$675,000. The Phase II Analysis is nearing completion with the final product being delivered to Council this month. Phase III is focused on Advocacy and Implementation. Landmark anticipates investing between \$780,000 and \$1,104,000 and the Strategy Partner Investment is \$578,000.

Following the completion of the development plan (Phase II), there is significant work ahead to make the plan actionable. To do so, we will need to renew our agreement with Landmark and there will be additional costs associated with the next steps. Allison then presented a scope of work for the next phase and associated costs. The ask of the Board today is to use \$300,000 from the Opportunity Fund to renew our agreement with Landmark. Steve mentioned that both the Executive Committee and Opportunity Fund Committee confirmed they are comfortable with this expenditure because we see this as a significant economic development opportunity for our community's future. The funds will be managed on an as-needed, month-by-month basis rather than a lump sum check. This investment is also meant to illustrate our commitment and partnership with Landmark. Mike Phillips asked if this is considered a big risk on our part. Steve said that when the dust settles, we will have spent \$350,000 and the result will be, at very least, some very sound fiscal and developmental analysis. That game plan can be implemented with a concerted effort by our community partners. John and Katy said that their organizations are well invested in this effort and will be taking similar asks to their Boards.

The Board asked how much of our \$300,000 commitment will be spent on lobbying. The estimate, according to the projected budget, is \$94,000. Our legal counsel has provided an opinion that as a Tradeport Authority, we are able to use our funds for purposes of lobbying. The funds spent will not be BSED's alone because all funds contributed will be pooled together to pay expenses. Dana expressed that a company like Landmark making such a significant contribution to our community shows that we have a great deal of potential. Dana thinks that this project is well thought-out and comprehensive, so it makes sense to increase our investment. Jennifer Owen asked if there is a coalition of the willing ready to back this legislation we are trying to pass. Steve said that rallying support is an ongoing effort and that there is a need to revisit our legislation as Montana is operating on 20-year-old economic development policies. Don asked if there was a lobbyist being hired. Steve said yes and that it would be a Montana lobbyist. Mike brought attention to the fact that there are some significant asks of the Opportunity Fund and to remain mindful of our liquidity. Steve said the Opportunity Fund committee had the same conversation and will provide an accounting of the funds to the Board. The ask of the Board is to authorize \$300,000 from the Opportunity Fund to contribute to Phase III of the OBSD Project.

Motion: Mike Nelson, to approve the contribution of \$300,000 from the Opportunity Fund to Phase III: Advocacy and Implementation, as presented to the Board.

Second: Ken Lutton

Discussion: Above

Abstentions: Mac Fogelson, Dana Pulis, Scott Chesarek

Motion Carried

EBURD Partnership MOU – Dianne

Dianne provided some context for the EBURD Partnership MOU that will be proposed to our Board next month as it undergoes revisions. The MOU would be a 5-year extension of the agreement we are already in. Some of the BSED obligations include Brownfield Assessments and implementation of the masterplan.

Executive Director' Report – Steve

Steve brought the Board's attention to the Board Committees list and encouraged them to fill any vacancies that may interest them. There are two new committees and those are the Rock31 Advisory Council and the VBOC Advisory Council.

Next month is the mid-year programs update for the Board Members. As another reminder, Steve provided the Board with the 2019 Legislative Priorities and mentioned that he will be working in two capacities as both the Executive Director of BSED and the Chair of the Montana Economic Developers Association. Steve closed by thanking the Board for all they do to help BSED execute its Mission. Cory echoed Steve's sentiments and asked for public comment.

Public Comment:

Jon Stepanek asked if we have any idea of when the legislation will be before the State Legislature. Don Jones mentioned that there will need to be work by the drafter and that he would guess it is a couple weeks away from ending up in the bill hopper.

Russ Fagg commended Becky's work but wanted to bring to the forefront the fact that the Montana Paint Building sits on leased land and a \$2M commitment is potentially risky as Montana Rail Link has the ability to not renew the land lease. Russ also listed a number of potential buildings that are available for purchase.

Cory entertained a motion to adjourn.

Motion: Eric Simonsen

Second: Denis Pitman

Discussion: None

Motion Carried

Meeting adjourned: 9:14 A.M.

Next Meeting – February 14th, 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.

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BIG SKY
ECONOMIC DEVELOPMENT

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ATTACHMENT B

Internal Memorandum

Date: January 31, 2018

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

From Jim Tevlin

Subject: December 2018 EDA/EDC Financial Statements

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

Big Sky EDA Balance Sheets

	Dec 31, 2018	Dec 31, 2017	+/-	
ASSETS				
Current Assets				
Checking/Savings				
First Interstate Bank	\$ 514,811.18	\$ 26,451.17	\$ 488,360.01	(C)
Opportunity Fund - FIB	13,255.82	13,240.18	15.64	
Opportunity Fund - Stockman	475,283.20	6,094,992.94	(5,619,709.74)	(A), (B)
Stockman GE Maintenance	28,479.10	41,154.87	(12,675.77)	
Yellowstone County Funds	541,727.03	568,488.47	(26,761.44)	
	<u>1,573,556.33</u>	<u>6,744,327.63</u>	<u>(5,170,771.30)</u>	
Other Current Assets				
Accounts Receivable	274,195.22	267,429.54	6,765.68	
American Revenue Guarantee	6,887.28	19,965.08	(13,077.80)	
Due To/Due From EDC	210,671.99	32,659.95	178,012.04	
Miscellaneous Receivables	3,815.55	(428.75)	4,244.30	
Tax Levy Receivable	495,835.38	511,754.07	(15,918.69)	
Tax Levy Receivable - Protested	11,217.87	180,739.21	(169,521.34)	
Allowance for Doubtful Accts	(11,217.87)	(180,739.21)	169,521.34	
Prepaid Expenses	5,427.00	-	5,427.00	
	<u>996,832.42</u>	<u>831,379.89</u>	<u>165,452.53</u>	
Non-Current Assets				
Opportunity Fund - CDs	5,138,928.30	-	5,138,928.30	(A)
Loans Receivable	171,321.62	-	171,321.62	(B)
TEDD Receivable	75,000.00	75,000.00	-	
Cabelas Conduit	4,980.12	5,005.03	(24.91)	
Deferred Outflow of Resources	365,827.38	173,851.38	191,976.00	
	<u>5,756,057.42</u>	<u>253,856.41</u>	<u>5,502,201.01</u>	
TOTAL ASSETS	<u>\$ 8,326,446.17</u>	<u>\$ 7,829,563.93</u>	<u>\$ 496,882.24</u>	
LIABILITIES & EQUITY				
Current Liabilities				
Accounts Payable	64,086.65	69,389.82	(5,303.17)	
Accrued Expenses	570,817.57	404,067.10	166,750.47	(C)
Payroll Liabilities	241.31	33,777.05	(33,535.74)	
Compensated Absences	138,443.60	132,296.37	6,147.23	
Deferred Revenue - GE Settlement	-	3,847,304.21	(3,847,304.21)	
	<u>773,589.13</u>	<u>4,486,834.55</u>	<u>(3,713,245.42)</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>6,636,627.27</u>	<u>2,725,519.61</u>	<u>3,911,107.66</u>	
TOTAL LIABILITIES & EQUITY	<u>\$ 8,326,446.17</u>	<u>\$ 7,829,563.93</u>	<u>\$ 496,882.24</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 \$171k to the Downtown Billings Alliance.

(C) On December 31, 2017, Accrued Expenses consisted primarily of \$359k of contributions to Rocky Mountain College and MSU-Billings for their new science facilities. On December 31, 2018, Accrued Expenses consisted primarily of \$478k received from GE Capital for subsequent payout to Zoot Enterprises as part of Zoot's incentive package.

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

	2018	Annual Budget	Budget Remaining
Income			
Department of Defense	\$ 261,435.00	\$ 549,626.00	\$ 288,191.00
EDC Reimbursement	260,045.42	601,012.56	340,967.14
EPA - Brownfields	14,559.68	14,559.68	-
Grant Administration	4,266.00	17,650.00	13,384.00
Health Levy Revenue	43,647.00	90,264.00	46,617.00
Mill Levy Revenue	1,269,861.08	1,391,361.00	121,499.92
Miscellaneous Revenue	947.17	-	(947.17)
Opportunity Fund Investment	-	150,000.00	150,000.00
Recovery of Protested Taxes	146,854.25	-	(146,854.25)
SBA/MT Dept of Commerce	54,733.46	117,650.00	62,916.54
SBDC Program Income	62.81	3,211.00	3,148.19
VBOC	127,518.57	300,000.00	172,481.43
	<u>2,183,930.44</u>	<u>3,235,334.24</u>	<u>1,051,403.80</u>
Expense			
Advertising	729.83		(729.83)
Property Tax Protests	10,769.51	28,147.22	17,377.71
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	27,873.92	47,834.00	19,960.08
Employer Contributions	223,295.73	507,433.91	284,138.18
Insurance	6,800.09	14,766.00	7,965.91
Contract Support	-	2,000.00	2,000.00
Marketing	39,601.59	81,854.00	42,252.41
Miscellaneous	21,164.23	39,447.40	18,283.17
Office Equipment	3,400.03	8,700.00	5,299.97
Office Expense	8,124.54	19,000.00	10,875.46
One Big Sky District	-	55,000.00	55,000.00
Professional Fees	44,345.36	73,576.68	29,231.32
PTAC Satellite	42,645.14	87,714.00	45,068.86
PTAC Subcenter	106,549.38	253,543.00	146,993.62
Rent	62,473.83	111,632.00	49,158.17
Repairs	1,305.00	-	(1,305.00)
Salaries/Wages	723,636.33	1,617,320.86	893,684.53
Sponsorships	5,330.00	6,600.00	1,270.00
TEDD	2,409.29	5,000.00	2,590.71
Telecommunications	28,162.45	48,001.00	19,838.55
Travel/Training	44,630.13	124,621.00	79,990.87
Workforce Development	13,617.74	15,000.00	1,382.26
	<u>1,416,864.12</u>	<u>3,230,691.07</u>	<u>1,813,826.95</u>
Operating Income/(Loss)	767,066.32	4,643.17	(762,423.15)
Interest Income	22,677.81	87,477.23	87,477.23
Net Income/(Loss)	\$ 789,744.13	\$ 92,120.40	\$ (674,945.92)

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 Six Months Ended December 31,

	2018	2017	+/-
Income			
BillingsWorks	\$ -	\$ 10,000.00	\$ (10,000.00)
Department of Defense	261,435.00	237,737.00	23,698.00
EDC Reimbursement	260,045.42	251,559.02	8,486.40
EPA - Brownfields	14,559.68	26,165.00	(11,605.32)
Grant Administration	4,266.00	3,398.16	867.84
Health Levy Revenue	43,647.00	41,145.75	2,501.25
Mill Levy Revenue	1,269,861.08	1,223,881.75	45,979.33
Miscellaneous Revenue	947.17	80,220.38	(79,273.21)
Recovery of Protested Taxes	146,854.25	-	146,854.25
SBA/MT Dept of Commerce	54,733.46	59,936.41	(5,202.95)
SBDC Program Income	62.81	2,077.00	(2,014.19)
VBOC	127,518.57	175,821.75	(48,303.18)
	<u>2,183,930.44</u>	<u>2,111,942.22</u>	<u>71,988.22</u>
Expense			
Advertising	729.83	460.14	269.69
Property Tax Protests	10,769.51	41,786.52	(31,017.01)
BEAR	-	2,450.70	(2,450.70)
Business Recruitment	-	15,494.31	(15,494.31)
Contributions	-	359,300.00	(359,300.00)
Dues and Subscriptions	27,873.92	24,952.45	2,921.47
Employer Contributions	223,295.73	222,130.21	1,165.52
Incubator Expense	-	28,043.89	(28,043.89)
Insurance	6,800.09	19,914.12	(13,114.03)
Contract Support	-	5,163.60	(5,163.60)
Marketing	39,601.59	33,943.51	5,658.08
Miscellaneous	21,164.23	22,194.54	(1,030.31)
Office Equipment	3,400.03	-	3,400.03
Office Expense	8,124.54	13,489.32	(5,364.78)
Professional Fees	44,345.36	146,040.01	(101,694.65)
Program Expense	-	855.63	(855.63)
PTAC Satellite	42,645.14	39,945.93	2,699.21
PTAC Subcenter	106,549.38	90,782.35	15,767.03
Rent	62,473.83	63,455.56	(981.73)
Repairs	1,305.00	665.86	639.14
Salaries/Wages	723,636.33	716,036.62	7,599.71
Sponsorships	5,330.00	7,729.33	(2,399.33)
TEDD	2,409.29	-	2,409.29
Telecommunications	28,162.45	16,144.36	12,018.09
Travel/Training	44,630.13	61,938.06	(17,307.93)
Workforce Development	13,617.74	15,019.28	(1,401.54)
	<u>1,416,864.12</u>	<u>1,947,936.30</u>	<u>(531,072.18)</u>
Operating Income/(Expense)	<u>767,066.32</u>	<u>164,005.92</u>	<u>603,060.40</u>
Other Income			
Interest Income	22,677.81	964.85	21,712.96
Net Income/(Loss)	<u>\$ 789,744.13</u>	<u>\$ 164,970.77</u>	<u>\$ 624,773.36</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 Economic Development Corporation

Balance Sheets

	Dec 31, 2018	Dec 31, 2017	+/-	
ASSETS				
Current Assets				
First Interstate Bank	\$ 404,957.21	\$ 120,833.47	\$ 284,123.74	(A)
FIB SSBCI Principal	1,257,377.19	1,013,442.06	243,935.13	
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	239,897.67	169,062.88	70,834.79	
FIB-OBSD Restricted	142,417.40	-	142,417.40	(B)
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	30,500.00	-	30,500.00	(C)
Prepaid Expenses	2,648.53	-	2,648.53	
RLF Portfolio-Current	76,058.68	72,389.57	3,669.11	
SSBCI Portfolio-Current	123,590.12	184,120.35	(60,530.23)	
	<u>2,550,646.80</u>	<u>1,989,895.81</u>	<u>560,750.99</u>	
Other Assets				
Contributions Receivable-Non Current	46,250.00	-	46,250.00	(C)
RLF Portfolio-Non Current	235,625.77	191,034.15	44,591.62	
SSCBI Portfolio-Non Current	867,680.57	1,029,721.85	(162,041.28)	
TOTAL ASSETS	<u><u>3,700,203.14</u></u>	<u><u>3,210,651.81</u></u>	<u><u>489,551.33</u></u>	
LIABILITIES & EQUITY				
Liabilities				
Current Liabilities				
Accounts Payable	22,188.49	7,053.23	15,135.26	
Accrued Expenses	10,375.00	16,254.03	(5,879.03)	
Due to/Due From EDA	210,671.99	32,659.97	178,012.02	
	<u>243,235.48</u>	<u>55,967.23</u>	<u>187,268.25</u>	
Net Assets	<u>3,456,967.66</u>	<u>3,154,684.58</u>	<u>302,283.08</u>	
TOTAL LIABILITIES & EQUITY	<u><u>\$ 3,700,203.14</u></u>	<u><u>\$ 3,210,651.81</u></u>	<u><u>\$ 489,551.33</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.

(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 Six Months Ended December 31,

	2018	Annual Budget	Budget Remaining
Income			
504 Loan Origination	\$ 85,694.98	\$ 127,500.00	\$ 41,805.02
504 Loan Servicing	277,042.74	531,600.00	254,557.26
Member Investment	90,775.00	350,000.00	259,225.00
Miscellaneous Income	3,850.25	13,000.00	9,149.75
Private BillingsWorks Funding	2,500.00	20,000.00	17,500.00
Recovery of Bad Debt	2,050.00	3,600.00	1,550.00
RLF Business Loan Interest	6,443.34	12,476.00	6,032.66
SSBCI Revenue	13,691.40	29,140.00	15,448.60
	<u>482,047.71</u>	<u>1,087,316.00</u>	<u>605,268.29</u>
Expense			
BEAR Program	1,182.98	6,108.00	4,925.02
Rock31 Expenses	41,321.78	50,000.00	8,678.22
Business Recruitment	23,944.80	81,000.00	57,055.20
Dues and Subscriptions	17,678.23	15,593.00	(2,085.23)
EDA Reimbursement	260,045.42	601,012.56	340,967.14
Event Expense	24,421.51	51,500.00	27,078.49
Insurance	1,737.00	11,000.00	9,263.00
Marketing	4,828.60	11,000.00	6,171.40
Membership Development	2,406.65	7,500.00	5,093.35
Miscellaneous	1,467.18	36,418.00	34,950.82
Office Supplies	2,299.17	2,056.00	(243.17)
Professional Fees	25,104.40	22,500.00	(2,604.40)
Rent	18,495.80	36,320.00	17,824.20
Sponsorships	-	2,000.00	2,000.00
Telephone	2,783.43	4,980.00	2,196.57
Travel & Training	11,728.91	28,500.00	16,771.09
Workforce Development	-	59,695.00	59,695.00
	<u>439,445.86</u>	<u>1,027,182.56</u>	<u>587,736.70</u>
Operating Income	<u>\$ 42,601.85</u>	<u>\$ 60,133.44</u>	<u>\$ 17,531.59</u>

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

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

	<u>2018</u>	<u>2017</u>	<u>+/-</u>
Income			
504 Loan Origination	\$ 85,694.98	\$ 21,785.90	\$ 63,909.08
504 Loan Servicing	277,042.74	277,627.78	(585.04)
Member Investment	90,775.00	79,475.76	11,299.24
Miscellaneous Income	3,850.25	2,207.75	1,642.50
Private BillingsWorks Funding	2,500.00	-	2,500.00
Recovery of Bad Debt	2,050.00	9,064.59	(7,014.59)
RLF Business Loan Interest	6,443.34	7,953.12	(1,509.78)
RLF Loan Fund (net)	-	482.60	(482.60)
SSBCI Revenue	13,691.40	15,433.51	(1,742.11)
	<u>482,047.71</u>	<u>414,031.01</u>	<u>68,016.70</u>
Expense			
BEAR Program	1,182.98	-	1,182.98
Rock31 Expenses	41,321.78	-	41,321.78
Business Recruitment	23,944.80	29,928.08	(5,983.28)
Dues and Subscriptions	17,678.23	7,138.35	10,539.88
EDA Reimbursement	260,045.42	251,559.02	8,486.40
Event Expense	24,421.51	34,560.79	(10,139.28)
Insurance	1,737.00	92.00	1,645.00
Marketing	4,828.60	4,579.99	248.61
Membership Development	2,406.65	1,087.08	1,319.57
Miscellaneous	1,467.18	6,807.71	(5,340.53)
Office Supplies	2,299.17	680.24	1,618.93
Postage and Delivery	-	598.43	(598.43)
Professional Fees	25,104.40	8,609.00	16,495.40
Rent	18,495.80	14,454.40	4,041.40
Repairs	-	753.50	(753.50)
Telephone	2,783.43	2,614.95	168.48
Travel & Training	11,728.91	12,942.53	(1,213.62)
	<u>439,445.86</u>	<u>376,406.07</u>	<u>63,039.79</u>
Operating Income	<u>\$ 42,601.85</u>	<u>\$ 37,624.94</u>	<u>\$ 4,976.91</u>

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



BIG SKY
ECONOMIC DEVELOPMENT

EDA • EDC CREATING MONTANA BUSINESS OPPORTUNITIES

ATTACHMENT C

February 14, 2019 – Big Sky EDC Board Meeting

SBA 504 Loan Requests

- I. Big Sky EDC is requesting approval to submit to the US Small Business Administration the following SBA 504 loan request. The Big Sky EDC Loan Committee has reviewed the request and recommends approval to the full EDC Board for submission to the SBA for final approval. The request meets all the underwriting and eligibility requirements of the EDC.
1. **Broadwater Self-Storage, Inc.** – Request is for the purchase of an existing self-storage facility for Broadwater Self-Storage, Inc. The facility is located at 2039 Broadwater Avenue, Billings, MT. Broadwater Self-Storage, Inc. is a newly created entity owned by Roger and Kendra Daniel to hold and operate the property.

There are projected to be two new jobs created as a result of this project. A Public Policy goal will be met as this will be a woman owned business. The total SBA debenture will be \$724,000 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 on the real property behind Western Security Bank.



BIG SKY
ECONOMIC DEVELOPMENT

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ATTACHMENT D

CONTRACT REVISION

Developer: Landmark Development Services Company, LLC
10 W. Mifflin Street Suite 400
Madison, WI 53703

Date: January 1, 2019

Project No: 6601

Contract No: 6601-4000

Revision No: 001

Project: ONE Big Sky District

Account Code: 40-30-000

You are hereby authorized and directed to make the following change(s) in accordance with the terms and conditions of the Development Plan Agreement identified above:

Pursuant to the terms of the Development Plan Agreement, the Developer has presented a Development Plan to the EDC and other Strategy Partners and this Contract Revision affirms that the Phase 1 Services are complete. Developer shall provide a final accounting of costs to EDC on or before February 18, 2019. *1074 SA*

The Phase 2 Services to be provided by the Developer in 2019 (Quarter 1) are outlined below, subject to budget availability as defined by the Strategy Partner's Capital Costs.

Conceptual Design – Master Plan

Develop Presentation Materials
Development and Revisions to Conceptual Designs as Required
Public Presentations / Written and Graphic Support
Develop Baseline Cost Models – Civic Build
Site Analysis and Massing Studies

Conceptual Design – Engineering

Support Baseline Cost Models
General Engineering – Provide Details on Engineering Requirements
Associated with Civic Build as Required

Preliminary Site Analysis

Due Diligence on Target Sites (e.g. Phase 1 / Surveys / Etc.)
Site Investigation
Land Acquisition / Valuation Consultants
Land Contracts

Governmental Relations

Public & Media Relations
Lobbying and Governmental Relations

Development Management

Developer to Provide Overall Development Management, Public Finance and Strategic Advancement of the Project

Legal / Public Finance

Draft / Modify Legislation
Presentations and Hearings / Major Effort is Development of
Presentation Materials
Oversight of Public Communications
Draft Legal Documents as Required
Develop and Evaluate Structured Finance Alternatives

**Prepare Outlines of Development Structures as Project Proceeds and
Outline of Definitive Documents for Future Phases of the Work**

Other Professional Services

To Be Determined

Fiscal & Economic Impact Analysis

**Consultant Team Presentations
Modifications to Fiscal & Economic Impact Analysis
Develop Comparative Analysis as Required**

Market / Polling

**Polling and Surveys as Required
Development of Advocacy Program Among Key Stakeholders**

Reimbursable Expenses

**Travel & Subsistence for Consultant Team Including Landmark
Graphics & Presentation Materials**

Expenses:

Expenses shall include all expenses associated with the Developer's completion of the Work, other than the Developer's DPE, incurred by the Developer in the interest of the Development Plan (the "Expenses"), including:

- Costs of Subconsultants, as approved by the EDC or required to complete the Work; and
- Costs of the Work when contracts are held by the Developer; and
- Travel and reasonable subsistence expenses (e.g., living and accommodation expenses, mileage and per diems) for travel to make quarterly status reports as required by Section 2.3 of the Contract and other travel expressly requested by the EDC to conduct Project meetings, but not for travel and subsistence expenses the Developer otherwise incurs in relation to performing the Services or Work; and
- Expenses of postage, handling and express delivery; and
- Costs of printing and reproductions associated with the Work; and
- Other expenses agreed to in writing and in advance by and between the EDC and the Developer.

Expenses will be billed at 1.0 times direct cost and will not exceed a total of Three Hundred Fifty-Five Thousand and 00/100 Dollars (\$355,000.00) ("Strategy Partners' Capital Costs"). EDA will make the reimbursement for the travel and subsistence Expenses under the third bullet point above in this Expenses section from the portion of the \$355,000.00 comprising private sector contributions.

The EDC hereby commits that it has or will have secured the complete funding to support the entire Strategy Partner Capital Costs as described above.

Developer's Capital Costs:

To complete the Development Plan and Phase 2 Services, the Developer reasonably expects to incur DPE and other expenses, which are not a part of the Strategy Partners' Capital Costs (the "Developer's Capital Costs"). The Development and EDC will work together to establish an agreed upon aggregate maximum amount of the Developer's Capital Costs on or before February 15, 2019.

The Developer's Capital Costs are not payable: (1) if one or more Catalyst Projects does not move forward consistent with the Development Plan within five (5) years of the end of the term of this Contract; or (2) if the Developer is contracted to Develop a Catalyst Project (where "Develop" means to undertake a substantial, material and significant portion of the additional services necessary to create the definitive building program, determine the design, assemble land, secure approvals, and finance such Catalyst Project and cause it to be

constructed and to manage or transfer such project). The Developer's Capital Costs will be payable to the Developer if one or more Catalyst Projects moves forward and the Developer is not contracted to Develop one or more of them; in which event EDC will cause the Strategy Partners responsible for obtaining the financing for such Catalyst project to pay the Developer's Capital Costs from that financing, consistent with the categories described in Attachment 1 up to the agreed upon aggregate maximum amount, payable within 30 days of closing of the financing for such Catalyst Project which the Developer shall submit using an Application for Payment using the same process required under Paragraph 4.2 of the Contract. Interest will not accrue on the Developer's Capital Costs. Nothing herein precludes either the Developer's Capital Costs or Strategy Partners' Capital Costs from being financed by any long-term construction financing or from any equity secured for Catalyst Project(s), or from being contributed to a Catalyst Project as equity, upon mutual agreement of the parties.

TOTAL VALUE OF CONTRACT REVISION:

\$355,000.00

ADD the amount of: Three Hundred Fifty-Five Thousand and 00/100 Dollars (\$355,000.00)

Original Contract Amount	\$ <u>675,000.00</u>
Previous Revision ____ thru ____	\$ <u>0.00</u>
Current Revision Amount	\$ <u>355,000.00</u>
Net Contract Amount	\$ <u>1,030,000.00</u>

Your acceptance of this Contract Revision shall constitute a modification to the Development Plan Agreement and will be performed subject to all the conditions as contained in the Development Plan Agreement identified above, as fully as if the same were repeated in this acceptance.

EDC:

BIG SKY ECONOMIC DEVELOPMENT
CORPORATION

Signed: [Signature]

Name: Steve Armstrong

Title: Ex. Director

Date: 2-1-19

DEVELOPER:

LANDMARK DEVELOPMENT SERVICES
COMPANY, LLC

Signed: [Signature]

Name: P. B. L. P. K. N.

Title: VP of Development

Date: Jan 31, 2019

ATTACHMENT 1

CATEGORIES OF DEVELOPER'S CAPITAL COSTS

The Developer's Capital Costs – Phase 2 as shown below are subject to approval by the City Council on February 11, 2019.
The Developer's Capital Costs – Phase 1 have already been approved the City Council.

Category of Cost	Estimated Cost (Phase 1-2018)	Estimated Cost (Phase 2-2019)	Estimated Cost (Total)
Development planning / management	\$ 256,700.00	\$ 140,800.00	\$ 397,500.00
Preparation of master project budgets / schedules	93,400.00	76,600.00	170,000.00
Capital structuring / financial modeling	198,500.00	156,750.00	355,250.00
Market research & analysis	162,500.00	123,500.00	286,000.00
Site planning & evaluation	51,650.00	41,900.00	93,550.00
Design management and administration	175,000.00	116,500.00	291,500.00
Report production / design / narrative	182,250.00	48,950.00	231,200.00
Legal / deal structuring & drafting	155,000.00	225,000.00	380,000.00
Related capital expenses	65,000.00	35,000.00	100,000.00
TOTAL NOT TO EXCEED	\$ 1,340,000.00	\$ 965,000.00	\$ 2,305,000.00



BIG SKY
ECONOMIC DEVELOPMENT

EDA • EDC CREATING MONTANA BUSINESS OPPORTUNITIES

ATTACHMENT E

Building
REMARKABLE

2019 Mid-Year Progress Reports



BIG SKY
ECONOMIC
DEVELOPMENT

BUSINESS GROWTH SERVICES • COMMUNITY DEVELOPMENT • NEW BUSINESS RECRUITMENT



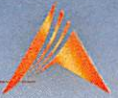
BIG SKY ECONOMIC DEVELOPMENT

CONTROLLER – MID-YEAR FINANCIAL REVIEW

1. Impact of Government Shutdown
2. EDA
 - VBOC
 - Salaries and Benefits
 - Tax Protests
3. EDC
 - Big Sky Finance Revenues
 - Member Investor Revenues
4. End-of-Year Projections

OPERATIONS

- Staffing changes
- Work, Thrive, Live Initiative
- Team Development & Staff Planning

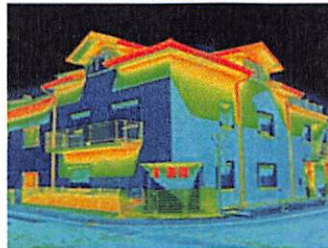




Wildfire Hot Showers
Sandra & George Graham
PTAC client since 2003
Federal to Date: \$1,656,714



Montana Infrared Services, Inc.
Mike & Billie Lehman
PTAC client since 2017
Awards to Date \$31,810



7/1/18-12/31/18

MT PTAC Billings
142 Contract Awards
\$18,170,394
260 Active Clients
7 Training Workshops

MT PTAC Statewide 7 Centers
794 Contract Awards
\$57,113,360
1047 Active Clients
24 Training Workshops





VetBiz Billings event w/ guest speaker Matt Colebank (Navy Veteran, Billings business owner)



VBOC Training Program Manager Brian Clemons w/ Boots to Business graduates at Hill AFB, Utah

Mid Year Highlights

- Change in service area beginning in May. Decrease in states (from 6 to 3) and number of bases (from 12 to 3)
- 70 Airmen Graduates at 5 B2B trainings in 3 states
- 30 outreach meetings and events including Bunker Labs-Bozeman, Veterans Upward Bound, SBA District offices, Women's Business Center, MSU, MSUB, MT Army National Guard to name a few
- Connected 16 veterans w/ counseling and other assistance at SBA Resource Partners in MT, WY, and UT





BillingsWorks
Workforce Council



**"The smartest person in the room, is the room."
-David Weinberger**



- Sector Partnerships
- JMG Sales/Customer Service Course
- Yellowstone Strengths Academy
- STEM Billings
- Skyview Career Day/Pre Interviews
- "Get to Work" Job Fair
- Jobs Jamboree 2019
- Mentorships-NextGEN
- Leadership MT Summer Student Program
- New Steering Committee Members
- State of the Workforce Animation
- 7 Focus Groups
- CTE Advisory Board (Pilot Position?)
- State Workforce Innovation Board
- NGA Education Policy Advisors
- CNA course at Career Center
- Simulated OR Room at Career Center
- Better Off in Billings-internal campaign
- Better Off in Billings-external campaign





Success Story: The Sassy Biscuit Co.



"With the SBDC's enormous efforts I was able to obtain financing. Without their assistance The Sassy Biscuit Co. wouldn't be as succesful as we are today."
Jilan Hall-Johnson

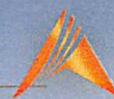
We are an education program that provides technical assistance to guide business success to startup, stabilize, and grow. We offer free consulting & low-cost training opportunities in the areas of access to capital, profitability, financial projections, business management, business development/marketing, financial analysis, market/industry research, business planning, and strategies that get results.

July 1st – Dec 31st

- Capital Infusion: \$3.275MM
- Clients trained: 174
- Consulting Hours: 541
- New Startups: 7
- Jobs created: 24



- Capital Infusion: \$33.089MM
- Clients trained: 1892
- Consulting Hours: 5136
- New Startups: 66
- Jobs created: 469



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Meet the 2018 Regional Finalists



July 1st – Dec 31st

- Rock31 startup launched
- Program Manager hired (90 day work plan in motion)
- Meetups: 8
- Mentor Team: 32 & growing...
- 300+ engaged
- Founding Partners: 13 (and growing)
- Early Stage Montana Partnership continues...
- Phase 1 EDA Grant approved
- Advisory Council gearing up

Every 31 minutes a startup company who dared to dream I'm-POSSIBLE grows out of an entrepreneurial program (incubator/accelerator/SBDC). We are going to ROCK that number.

In addition, the meaning of the number 31 serendipitously is "Creative Builder" and the numerology of number 31 represents practical, yet creative energy. Entrepreneurs are creative builders. It takes creative energy and passion to build a business. At Rock31, a company can overcome barriers and the perception of barriers with solid foundation from which to launch.

Rock31 is hybrid solution for entrepreneurial development. The program offers incubation/acceleration services to take your concept to commercialization. Coming soon is the Rock31 co-working space.



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Zero In Indoor Shooting Center
Bozeman, MT
\$1,411,000 SBA Debenture
10 new jobs
Veteran Owned Business



MARS of Billings
Billings, MT
\$1,355,000 SBA Debenture
21 new jobs
2nd SBA 504 for this borrower

SBA 504 LOAN APPROVALS

- 6 loans
- \$3,475,000 SBA/EDC portion
- 28 jobs created

SBA 504 LOANS FUNDED

- 5 loans
- \$6,192,000 SBA/EDC portion
- 36 jobs created

DEPARTMENT GOAL – 504 FUNDING

➤ \$8.5mm

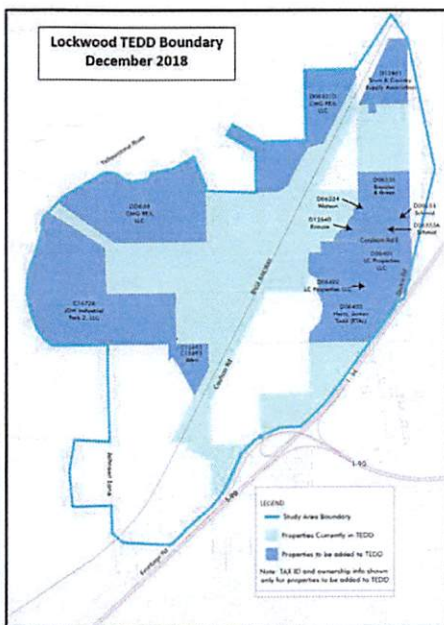
BSEDC REVOLVING LOAN FUND

- 1 new loan - \$100,000

1ST HALF HIGHLIGHTS

- ✓ SMART Audit (SBA) – Passed
- ✓ Independent Loan Review
- ✓ Top Performing CDC - 2018

Community Development **SPACE2PLACE**



Grassland
by Jennifer Tolton

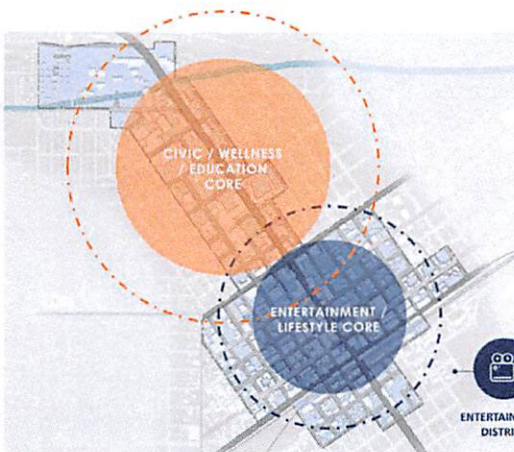
Goals

- Interlocal Agreement and Emergency Services Agreement
 - Grants and Projects
 - Tax Abatements
- Brownfields
- Coal Country Coalition
- Lockwood TEDD Progress
- Urban Renewal Districts
- Strategic Placemaking
 - Coulson Park
 - Entryway Beautification
 - Parks and Trails
- Space2Place

THINK *Billings*
MONTANA



Utah Call Center Expansion in Billings



ENTERTAINMENT
DISTRICT



LIFESTYLE
DISTRICT



CIVIC / WELLNESS
DISTRICT



EDUCATION /
INNOVATION
DISTRICT

One Big Sky District Anchors

- ONE Big Sky District Analysis
- Utah Call Center Chose to Grow in Billings
- Supported Air Service Outreach
- 2019 Economic Pulse Report



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Building REMARKABLE



2018 Annual Meeting Keynotes
(Governors Mead, Bullock & Daugaard)



Member Investors Forum - OBSD

New team member:
Marcell Briski
Business Outreach Project Manager



Team Outreach – Swanky Roots

Member Investor Update

Current # of Member Investors

151

New Member Investors

The Depot
VEEP Marketing
TBID
Zoot Enterprises
I Connect
Freyenhagen Construction
Frontier Angels/EMST
MoAV Coffee
NADC
Technology by Design

Goals

- ✓ Raise \$50,000 for Rock31
- ✓ Move MI's to new level
- ✓ Maintain 150 Member Investors
- Increase MI Revenue to \$370,000
(including R31 \$)

9 Member Investors Increased
to a new level
\$44,500 to \$107,500





Building
REMARKABLE