

**Big Sky EDA/EDC  
Executive Committee Agenda  
January 8, 2020  
7:30 A.M. to 9:15 A.M.  
Rosebud Room, 2<sup>nd</sup> 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.

**Committee Members**                      **EDC**—Mike Seppala, Steve Loveless, Ann Kosempa, Mac Fogelson, Mike Nelson  
**EDA**—Robin Rude, Paul Neutgens, Ken Lutton, Greg McDonald, Judi Powers

**7:30 A.M.— Call to Order** – Robin Rude, EDA Chair

**Agenda Changes for Today's Meeting**

**Public Comments/Board Member and Staff Announcements**

**AGENDA**

- I. Approval of EDA/EDC Exec. Comm. Minutes** (Attachment A) (Action)
- December 4, 2019 Ex. Committee Meeting
- II. Approval of EDA/EDC Financials – Shanna** (Attachment B) (Action)
- November 2019 EDA and EDC Financials
  - Financial Housekeeping Work
- III. Executive Director's Report- Steve** (Attachment C)
- Update: MEDA Next Generation Economic Development Tools Project (Info)
  - 2020 Board Planning—Mark your Calendar! (Info)
    - March 12<sup>th</sup> Bd Meeting and Planning Day
    - Set Objectives/Agenda
- IV. Program Directors/Leaders' Updates**
- A. Operations--Becky
    - 1. Update--Facilities/Rock 31 Grant Project (Info)
    - 2. 2020 Stakeholder Survey (Info)
    - 3. 2020 BSED Calendar (Handout) (Info)
  - B. SBDC Contract Amendment—Dena (Attachment D) (EDA Action)
  - C. TEDD Update—Thom/Dianne (Info)
  - D. Member Investor Program 2020 Strategy Review—Melanie (Info)
- V. Executive Session (as needed)**

**Public Comment**

**Adjourn**

**Next Executive Committee Meeting – February 5, 2020 (7:30 A.M. to 9:15 A.M.)** *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 Economic Development at 256-6871.*



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# ATTACHMENT A

**Big Sky EDA/EDC Joint Executive Committee Meeting Minutes**  
**Wednesday December 4, 2019 – 7:30 A.M. to 9:00 A.M.**  
**Rosebud Room, 2<sup>nd</sup> 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.

**Committee Members Present:** EDA – Robin Rude, Ken Lutton, Cory Moore, Jennifer Smith, Paul Neutgens  
EDC – Eric Simonsen, Mike Nelson, Steve Loveless,

**Committee Members Absent:** EDC – Molly Schwend, Mike Seppala

**Staff and Others Present:** Steve Arveschoug, Melanie Schwarz, Austin Trunkle, Becky Rogers, Dianne Lehm, Shanna Zier, Evelyn Pyburnm, Lorene Hintz, Thom MacLean, Deanna Langman, Allison Corbyn

**Call to Order:**

Cory Moore, EDA Chair, called the meeting to order at 7:31 A.M.

**Agenda Changes for Today's Meeting:**

The EDA Grant award will need action in the Future Facilities portion in item IV.

**Public Comment/Introductions**

Cory congratulated BSED on the receipt of the Federal EDA Grant. Literal years of work and thousands of hours were poured into this effort.

Mike reminded the Committee that there will be business students from Skyview and Senior High occupying the Bank Building this Friday during the Christmas Stroll.

Cory spoke about the City Council work session on Monday and potential fallout related to the public safety mill levy discussion.

**Agenda:**

Approval of the November 6<sup>th</sup> EDA/EDC Executive Committee Minutes

Motion: Len Lutton to approve the November 2019 Executive Committee Minutes as presented to the Executive Committee.

Second: Paul Neutgens

Discussion: None

Motion: Carried

Approval of September and October EDA/EDC Financials – Shanna

Shanna reviewed the September and October financials with the Committee.

On the EDA, Shanna pointed out the Accounts Receivable are slightly higher than normal due to the controller transition. Shanna was able to reconcile most of the CD interest income but will continue to work on this quarterly to better reflect those numbers.

Eric Simonsen asked about the DBA and the line of credit we had extended to them with respect to the Yesteryear Antiques Buildings. The DBA will seek proposals to see if there is interest in developing that property.

Paul Neutgens asked if we are planning to renew our CDs or if we will look at options that may yield a higher return. Shanna said that is a project she is in the midst of beginning and will provide more input as she does more research on rates.

On the EDC, Shanna is working on reconciling the current and non-current portions of the loan portfolio. She pointed out that prepaid expenses have decreased due to expenses for the annual meeting being recognized. Shanna also made some reclassifications on the 504 Servicing Revenue. She pointed out the EDA reimbursement is below budget but reminded us that is due to a change in how bills are paid.

Motion: Steve Loveless to approve and forward to the Board the September and October 2019 EDA/EDC Financials, as presented to the Executive Committee.

Second: Robin Rude

Discussion: None

Motion: Carried

### **Executive Director's Report**

#### **MEDA Next Generation Economic Development Tools Project**

Steve began his Executive Director's Report and gave an update related to the MEDA RFP. The Montana Chamber of Commerce joined the effort with a significant contribution as they see this effort as especially important. MEDA is hopeful to have the fundraising effort finished by the end of this week.

#### **Succession Plan Work Project – Org. Structure Review**

The Succession Work Plan Project was next. Steve told the Committee that he will be speaking the council of the Board and Committee about our organizational structure.

#### **December Board Meeting**

Our December Board Meeting will begin at 7:15am. The Board will get 45 seconds to give an update on what life is like in their sector. Eric asked about our participation in the Coal Country Coalition. Steve replied that we are one of the founding members of that coalition and those meetings are usually in conjunction with the Coal Board meetings. Eric asked if the aim of the group is to preserve coal or if alternative energy opportunities are being discussed.

### **Program/Org, Directors Updates**

#### **Operations: Future Facility/Grant Application Update – Becky**

Becky provided the Committee with a copy of the specific award conditions for the Federal EDA grant. The documents are still being reviewed by legal counsel, but the request was made to forward review of the documents to the Board. Once signed and returned, the EDA will schedule a kick-off call with the team and discuss next steps. Becky said a revised timeline will be drafted after that call.

Motion: Paul Neutgens to approve and forward to the Board the execution of the EDA Grant documents, as presented to the Executive Committee.

Second: Ken Lutton

Discussion: None

Abstention: Mike Nelson

Motion: Carried

#### Nominating Committee Recommendations (2020 Officers) – Becky

The Nominating Committee recommendation for the 2020 Officers is as follows:

##### EDA

Robin Rude, Chair  
Paul Neutgens, Vice Chair  
Ken Lutton, Secretary/Treasurer  
Judi Powers, Member at Large  
Greg McDonald, Member at Large

##### EDC

Mike Seppala, Chair  
Steve Loveless, Vice Chair  
Ann Kosempa, Secretary/Treasurer  
Mike Nelson, Immediate Past Chair  
Mac Fogelsong, Member at Large

Cory Moore's term ends this year which means the EDA will have no Immediate Past Chair. Instead it will have two Member at Large.

Motion: Jennifer Smith to approve and forward to the Board 2020 Officer Recommendations, as presented to the Executive Committee.

Second: Mike Nelson

Discussion: None

Motion: Carried

#### Personnel Policy Revisions

Becky also updated the Committee about the Personnel Policy Revisions which are largely centered around our Work, Thrive, Live initiative to attract and retain talent. Becky said the most significant revisions to the guidelines are the leave and flexible work policies. Becky went on to say that she and Shanna are taking a fresh look at caps on vacation and sick leave accruals as well. Ken mentioned that in past organizations he's worked with that all PTO is in one bucket. He asked if this has been given any consideration. Becky discussed the pros/cons of a PTO vs Vacation and Sick leave structure and provided insight on what was considered for the organization.

Paul asked about our current lease situation. When we renewed our lease this summer, we renewed for two years.

Becky mentioned that our January Executive Committee Meeting would fall on the 1<sup>st</sup> which is a holiday. Eric and Ken motioned to move meeting to the 8<sup>th</sup>.

Motion: Eric Simonsen to move the January 2020 Executive Committee Meeting to January 8<sup>th</sup>.

Second: Ken Lutton

Discussion: None

Motion: Carried

#### TEDD Update – Thom

Thom gave a quick TEDD update to the Committee. The CD team has met with the new members of the City Council to give them some background of this project and to provide our perspective as well. There was more dialogue around the ins and outs of the annexation question and water and sewer service.

#### PTAC Update – Bozeman Subcenter Action Plan – Deanna

Deanna gave a PTAC update about the issue with the Bozeman PTAC. Gallatin County and the City of Bozeman will contribute matching funds to Big Sky EDA to retain Phillip as an employee through the end of the performance period (July, 2020). This is an interim solution and BSED will issue an RFP for the 2020-2021 program year.

Steve is asking the Committee to approve this plan and extension of Phillip as a temporary employee of BSED. Ken and Paul. There was discussion about budget impacts and reimbursement. Allied Engineering Services will be donating office space in Bozeman for Phillip.

Motion: Ken Lutton, to approve the action plan and extension of Phillip as a temporary BSED employee, as presented to the Executive Committee.

Second: Paul Neutgens

Discussion: None

Motion: Carried

**Recruitment Update – BSTF Grant Applications**

Allison presented Big Sky Trust Fund Grant applications for Meadow Lark Transportation and WebBuy. Meadow Lark is looking at adding 63 jobs and will be expanding their footprint in our area. The application is for \$315,000.

Motion: Paul Neutgens, to approve the Big Sky Trust Fund Grant for Meadow lark Transportation, as presented to the Executive Committee.

Second: Steve Loveless

Discussion: None

Motion: Carried

Lorene then covered WebBuy. WebBuy applied for this grant two years ago and that grant will be closing this year. Now they will be applying for another grant that will create 17 new jobs. This application will be for \$85,000.

Motion: Ken Lutton, to approve the Big Sky Trust Fund Grant for WebBuy, as presented to the Executive Committee.

Second: Paul Neutgens

Discussion: None

Motion: Carried

**Executive Session: None**

**Public Comment:**

Melanie mentioned that today is our official 30<sup>th</sup> Anniversary! There are three pieces in the Gazette of note, Steve's Editorial, the article about our award from the EDA, and an invitation on the front page to our open house.

Cory adjourned the meeting at 8:55am

Next Meeting – January 8<sup>th</sup>, 2020



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# ATTACHMENT B

**Big Sky Economic Development Authority**  
**Financial Report for the Executive Committee and Board of Directors**  
**December 30, 2019**

Included with this report are balance sheets reflecting the assets, liabilities and net assets of Big Sky EDA as of November 30, 2019. Also included is the statement of revenue and expenses through five months of FY20 as compared to budget.

**Balance Sheet**

Current assets totaled approximately \$1,404,000 at the end of November. The majority of the increase in current assets from October to November is attributed to the increase in Yellowstone County Funds. Yellowstone County Funds have increased to \$609,000 following the collection of November tax funds. Accounts receivable at November 30 totaled \$296,000. This is largely comprised of PTAC receivable of \$176,000, VBOC receivable of \$76,000, and SBDC receivable of \$42,000. As of December 2019, these receivables have decreased significantly to \$121,000. We have received the majority of the outstanding reimbursements and the receivable balances only consists of one month of invoicing for the programs listed above. The tax levy receivable balance has decreased with the collection of November tax funds. The tax levy receivable totaled approximately \$579,000 with an additional \$24,000 in protested tax levy receivable. An allowance totaling approximately \$24,000, or 100% of protested tax levy receivable is reflected to allow for potentially uncollectible protested tax levy.

Big Sky EDA invested the proceeds from the sale of the GE facility (approximately \$6 million) into certificates of deposit with maturities of 18 months. These proceeds are reflected under opportunity fund-CDs. The total of these CDs has decreased by about \$530,000 over the last year as a maturing CD was placed into a money market account in June for liquidity. The balance sheet also reflects \$400,000 in loans receivable from the Downtown Billings Alliance (DBA) as part of the One Big Sky District initiative.

Due To/Due From EDC totaled approximately \$41,000 and represents the amount owed to EDA from EDC. The Due To/Due From accounts were reconciled in November. A check was cut from EDC to EDA for approximately \$32,000 to eliminate some old receivable amounts that were booked. The \$41,000 is a reflection of the current Due To/Due From amount.

Accounts payable have increased from \$44,000 at October 2019 to approximately \$114,000 at the end of November. This largely attributable to invoices received from PTAC satellite and subcenters. Accrued expenses total approximately \$105,000 and consist of Space to Place grant accruals for FY19, salary/benefits accruals, and PTAC subcenter accruals.

**Statement of Revenue and Expenses**

County tax (mill levy revenue) totaled \$1,244,000 through November 2019. This amount includes first quarter entitlement of \$60,000 in September 2019 and \$1,207,000 in 2019 property tax receivable from October 2019. Department of Defense (PTAC) reimbursement and EDC reimbursement remain below budget through November 2019. Opportunity fund investment revenue is below budget through November 2019.

Salary/wage expense totaled \$687,000 through November. This amount is slightly over-budget due to the PTAC service arrangement for Bozeman. This higher salary expense amount will be off-set by the contributions from the City of Bozeman (\$5,000) and Gallatin County (initial contribution of



\$9,000). We have invoiced for both of these amounts and have received the City of Bozeman reimbursement. Professional fees totaled approximately \$56,000 through November 2019. Professional fees include \$23,200 for the Anderson ZurMuehlen FY19 audit and \$10,000 for the contract for accounting services with Avitus during the Controller transition.

Through five months of FY20 Big Sky EDA had recognized revenue in excess of expenses totaling about \$595,000, which was approximately \$97,000 less than the budgeted amount. This variance is due to a few different things. Department of Defense (PTAC) reimbursement remains below budget, while salary/wage expense and professional fees are over budget. In addition, there is approximately a \$37,000 variance in opportunity fund investment and interest income. As I close December financials, I will continue to work on reconciling the opportunity fund investment and CD interest amounts.

**Big Sky EDA**  
**Comparative Balance Sheet**  
**As of November 30, 2019 and 2018**

	11/30/2019	11/30/2018	+/-	6/30/2019	+/-
<b>Assets</b>					
First Interstate Bank	\$102,643	\$24,642	\$78,001	\$23,571	\$79,072
FIB-Recovered Property Taxes	3,202	1,000	2,202	97,854	(94,653)
Opportunity Fund-FIB	54,378	13,254	41,124	13,265	41,113
Opportunity Fund-Stockman	3,616	646,245	(642,630)	3,612	4
Opportunity Fund-Opportunity Bank	616,319	-	616,319	613,163	3,156
Stockman GE Maintenance	15,128	28,479	(13,351)	23,479	(8,351)
Yellowstone County Funds	609,076	627,027	(17,951)	519,877	89,199
<b>Total Current Assets</b>	<b>1,404,361</b>	<b>1,340,648</b>	<b>63,713</b>	<b>1,294,821</b>	<b>109,541</b>
<b>Other Assets</b>					
Accounts Receivable	295,788	286,580	9,209	283,781	12,007
American Revenue Guarantee	6,887	6,887	-	6,887	-
Due To/Due From EDC	41,469	(5,966)	47,435	163,958	(122,489)
Tax Levy Receivable	579,435	516,650	62,786	18,231	561,205
Tax Levy Receivable - Protested	24,433	10,265	14,168	9,211	15,222
Allowance for Doubtful Accounts	(24,433)	(10,265)	(14,168)	(9,211)	(15,222)
Prepaid Expenses	11,284	10,113	1,171	39	11,245
Undeposited Funds	-	-	-	-	-
Interest Receivable	2,421	-	2,421	2,421	-
Miscellaneous Receivable	-	3,007	(3,007)	218	(218)
<b>Total Other Assets</b>	<b>937,285</b>	<b>817,271</b>	<b>120,014</b>	<b>475,535</b>	<b>461,750</b>
<b>Non-Current Assets</b>					
Opportunity Fund - CDs	4,595,943	5,119,531	(523,588)	4,590,718	5,225
Loans Receivable	400,000	171,322	228,678	400,000	-
TEDD Receivable	44,325	75,000	(30,675)	64,775	(20,450)
Cabela's Conduit	4,983	9,645	(4,662)	4,982	1
Deferred Outflow of Resources	247,689	365,827	(118,138)	247,689	-
<b>Total Non-Current Assets</b>	<b>5,292,940</b>	<b>5,741,325</b>	<b>(448,385)</b>	<b>5,308,164</b>	<b>(15,224)</b>
<b>Total Assets</b>	<b>7,634,586</b>	<b>7,899,244</b>	<b>(264,658)</b>	<b>7,078,520</b>	<b>556,066</b>
<b>Liabilities &amp; Equity</b>					
<b>Current Liabilities</b>					
Accounts Payable	114,495	84,826	29,669	119,524	(5,029)
Accrued Expenses	105,292	96,441	8,851	118,144	(12,852)
Payroll Liabilities	426	241	185	4,979	(4,553)
Compensated Absences	147,540	138,444	9,096	164,177	(16,638)
<b>Total Current Liabilities</b>	<b>367,753</b>	<b>319,952</b>	<b>47,801</b>	<b>406,824</b>	<b>(39,071)</b>
<b>Long Term Liabilities</b>					
Deferred inflow or Resources	13,741	7,419	6,322	13,741	-
Pension Liability	884,804	908,811	(24,007)	884,804	-
<b>Total Long Term Liabilities</b>	<b>898,545</b>	<b>916,230</b>	<b>(17,685)</b>	<b>898,545</b>	<b>-</b>
Current Year Excess of Expenses over Revenue	595,137	816,180	(221,042)	(73,732)	668,869
Balance at Beginning of Year	5,773,151	5,846,883	(73,732)	5,846,883	(73,732)
<b>Net Assets</b>	<b>6,368,289</b>	<b>6,663,063</b>	<b>(294,774)</b>	<b>5,773,151</b>	<b>595,137</b>
<b>Total Liabilities &amp; Equity</b>	<b>7,634,586</b>	<b>7,899,244</b>	<b>(264,658)</b>	<b>7,078,520</b>	<b>556,066</b>

**Big Sky EDA**  
**Statements of Operations**  
**For the Periods Ending November 30, 2019**

	Month			YTD			Fiscal Year
	Actual	Budget	Variance	Actual	Budget	Variance	Budget
<b>Operating Revenue</b>							
County Taxes (Mill Levy Revenue)	(\$22,447)	\$0	(\$22,447)	\$1,243,761	\$1,260,000	(\$16,239)	\$1,461,225
Health Insurance Mill Levy	9,010	8,530	480	\$41,846	\$42,650	(804)	102,360
Recovery of Protested Taxes	-	-	-	\$0	\$0	-	-
Department of Defense	45,000	52,819	(7,819)	226,533	\$264,095	(37,562)	633,828
EDC Reimbursement	42,560	48,729	(6,169)	\$217,024	\$243,645	(26,621)	584,748
EPA-Brownfields	-	-	-	\$3,160	\$0	3,160	-
SBA/MT Dept of Commerce	13,911	13,708	203	\$70,041	\$68,542	1,499	164,500
SBDC Program Income	-	-	-	\$0	\$0	-	-
VBOC	26,334	25,000	1,334	\$124,647	\$125,000	(353)	300,000
Opportunity Fund Investment	-	2,083	(2,083)	\$0	\$10,417	(10,417)	25,000
Grant Administration	-	742	(742)	\$1,300	\$3,708	(2,408)	8,900
Miscellaneous Revenue	-	-	-	-	-	-	-
<b>Total Revenue</b>	<b>114,369</b>	<b>151,611</b>	<b>(37,243)</b>	<b>1,928,312</b>	<b>2,018,057</b>	<b>(89,745)</b>	<b>3,280,561</b>
<b>Operating Expenses</b>							
Salaries/Wages	140,362	134,398	5,964	687,286	671,988	15,298	1,612,771
Employer Contributions	44,673	44,200	474	217,053	220,998	(3,946)	530,396
Contingency	-	-	-	-	-	-	30,000
Contract Support	-	-	-	-	333	(333)	1,000
Community Development Projects	-	-	-	3,625	4,200	(575)	50,000
Dues and Subscriptions	16,863	17,000	(137)	48,511	42,806	5,705	52,025
Insurance	-	1,231	(1,231)	13,116	13,000	116	14,766
Marketing - Departmental	-	1,388	(1,388)	813	6,938	(6,125)	16,652
Marketing - Organizational	4,259	5,146	(887)	19,467	25,729	(6,262)	61,750
Office Equipment	-	583	(583)	3,623	2,917	707	7,000
Office Expense	2,710	1,667	1,043	8,128	8,333	(205)	20,000
Professional Fees	8,434	17,000	(8,566)	47,192	35,126	12,066	35,126
Property Tax Protests	-	-	-	-	-	-	49,190
PTAC Satellite	8,810	11,710	(2,900)	51,047	58,550	(7,503)	140,520
PTAC Subcenter	31,516	23,190	8,326	89,277	115,951	(26,673)	278,282
Rent	11,284	10,530	754	56,451	52,652	3,800	126,364
Repairs	-	-	-	352	-	352	-
Sponsorships	2,500	1,326	1,174	12,300	6,632	5,668	15,917
TEDD	696	417	280	753	2,083	(1,331)	5,000
Telecommunications	4,225	4,520	(295)	23,772	22,600	1,172	54,240
Travel/Training	11,689	11,102	587	50,757	55,509	(4,752)	133,223
Miscellaneous	1,411	3,377	(1,966)	9,655	16,886	(7,231)	40,525
<b>Total Operating Expenses</b>	<b>289,432</b>	<b>288,784</b>	<b>648</b>	<b>1,343,179</b>	<b>1,363,232</b>	<b>(20,053)</b>	<b>3,274,747</b>
<b>Net Operating Revenue</b>	<b>(175,063)</b>	<b>(137,173)</b>	<b>(37,890)</b>	<b>585,133</b>	<b>654,824</b>	<b>(69,691)</b>	<b>5,813</b>
<b>Non-Operating Income</b>							
Interest Income	79	7,528	(7,449)	10,004	37,639	(27,635)	90,334
<b>Net Revenue Over (Under) Expense</b>	<b>(\$174,984)</b>	<b>(\$129,645)</b>	<b>(\$45,340)</b>	<b>\$595,137</b>	<b>\$692,464</b>	<b>(\$97,326)</b>	<b>\$96,148</b>

**Big Sky Economic Development Corporation**  
**Financial Report for the Executive Committee and Board of Directors**  
**December 30, 2019**

Included with this report are balance sheets reflecting the assets, liabilities and net assets of Big Sky EDC as of November 30, 2019. Also included is the statement of revenue and expenses through three and five months of FY20 as compared to budget.

**Balance Sheet**

Current assets totaled approximately \$2,245,000 at the end of November. Accounts receivable total \$31,000 and consist largely of Member Investor pledges for FY19. Contributions receivable of \$44,500 consist of CTE funding commitments for FY19.

During the last meeting, we discussed the decrease in the First Interstate Bank Balance from June 2019 through the end of 2019. This is largely attributable to EDA reimbursement for May 2019 and June 2019 expenses. We cut a reimbursement check (\$126,000) for a portion of this liability in July 2019 and then an additional check (\$73,000) in September 2019.

Due To/Due From EDA totaled approximately \$41,000 and represents the amount owed to EDA from EDC. As discussed previously, these accounts were reconciled in November to bring the Due To/Due From amounts current.

**Statement of Revenue and Expenses**

The 504 loan origination revenue remains below budget and totaled \$11,000 through November. This is approximately \$45,000 below budget. This is attributed to timing as revenue amounts are currently held in deferred revenue and will be recognized as loans fund. As of November, deferred 504 revenue totaled \$42,000. The 504 loan servicing revenue is slightly over budget and totaled \$283,000 through November 2019.

Event expense is over-budget and totaled \$66,000 through November 2019. In conversations with Melanie, this additional event expense was planned and will be supplemented with additional member investment revenue.

Through five months of FY20 Big Sky EDC had recognized expenses in excess of revenue totaling about \$39,000, which was approximately \$62,000 less than the budgeted amount.

**Big Sky EDC**  
**Comparative Balance Sheet**  
**As of November 30, 2019 and 2018**

	11/30/2019	11/30/2018	+/-	6/30/2019	+/-
<b>Assets</b>					
First Interstate Bank	\$168,315	\$512,628	(\$344,313)	\$409,998	-\$241,682
FIB SSBCI Principal	1,401,965	1,245,221	156,744	1,335,009	66,956
FIB-Long Term Reserve	250,000	150,000	100,000	250,000	-
FIB-Opportunity Fund	22,200	22,200	-	22,200	-
FIB-RLF	232,967	238,264	(5,297)	268,288	(35,321)
FIB-OBSD Restricted	-	-	-	-	-
Accounts Receivable	30,742	1,000	29,742	34,158	(3,416)
Contributions Receivable	44,500	62,500	(18,000)	44,500	-
Prepaid Expenses	4,867	1,444	3,423	4,867	-
RLF Portfolio-Current	16,609	76,183	(59,574)	46,653	(30,044)
SSBCI Portfolio-Current	73,163	123,590	(50,428)	126,448	(53,285)
<b>Total Current Assets</b>	<b>2,245,328</b>	<b>2,433,030</b>	<b>(187,702)</b>	<b>2,542,120</b>	<b>(296,793)</b>
<b>Other Assets</b>					
RLF Portfolio-Non Current	235,605	236,536	(931)	127,979	107,626
SSBCI Portfolio-Non Current	800,791	877,878	(77,087)	800,791	-
<b>Total Other Assets</b>	<b>1,036,396</b>	<b>1,114,414</b>	<b>(78,018)</b>	<b>928,770</b>	<b>107,626</b>
<b>Total Assets</b>	<b>3,281,724</b>	<b>3,547,444</b>	<b>(265,720)</b>	<b>3,470,890</b>	<b>(189,167)</b>
<b>Liabilities &amp; Equity</b>					
<b>Current Liabilities</b>					
Accounts Payable	18,812	205,218	(186,406)	62,640	(43,828)
Accrued Expenses	(1,438)	7,500	(8,938)	20,473	(21,910)
Deferred 504 Revenue	41,744	-	41,744	3,936	37,808
Due to/Due from EDA	41,469	(5,966)	47,435	163,958	(122,489)
<b>Total Liabilities</b>	<b>100,589</b>	<b>206,753</b>	<b>(106,164)</b>	<b>251,007</b>	<b>(150,419)</b>
Current Year Excess of Expenses over Revenue	(38,748)	(120,121)	81,373	(240,929)	202,181
Balance at Beginning of Year	3,219,883	3,460,813	(240,929)	3,460,813	(240,929)
<b>Net Assets</b>	<b>3,181,135</b>	<b>3,340,691</b>	<b>(159,556)</b>	<b>3,219,883</b>	<b>(38,748)</b>
<b>Total Liabilities &amp; Equity</b>	<b>3,281,724</b>	<b>3,547,444</b>	<b>(265,720)</b>	<b>3,470,890</b>	<b>(189,167)</b>

**Big Sky EDC**  
**Statements of Operations**  
**For the Periods Ending November 30, 2019**

	Month			YTD			Fiscal Year
	Actual	Budget	Variance	Actual	Budget	Variance	Budget
<b>Operating Revenue</b>							
504 Loan Origination	\$0	\$11,250	(\$11,250)	\$11,036	\$56,250	(\$45,214)	\$135,000
504 Loan Servicing	110,141	43,874	66,267	\$282,992	\$219,370	\$63,622	526,488
CTE Director Donations (Restricted)	-	-	-	\$10,000	\$0	\$10,000	-
Member Investment	35,000	35,000	-	\$56,660	\$60,000	(\$3,340)	370,000
RLF Business Loan Interest	1,616	917	699	\$7,016	\$4,585	\$2,431	11,004
SSBCI Revenue	2,228	2,005	223	\$10,149	\$10,027	\$122	24,064
Recovery of Bad Debt	8,000	300	7,700	\$9,067	\$1,500	\$7,567	3,600
Miscellaneous Revenue	-	1,083	(1,083)	2,438	\$5,417	(\$2,979)	13,000
<b>Total Revenue</b>	<b>156,984</b>	<b>94,430</b>	<b>62,555</b>	<b>389,358</b>	<b>357,148</b>	<b>32,209</b>	<b>1,083,156</b>
<b>Operating Expenses</b>							
BEAR Program	-	449	(449)	-	2,244	(2,244)	5,386
Business Incubation	2,042	1,750	292	3,075	3,000	75	3,000
Contingency	-	-	-	-	-	-	10,000
Dues and Subscriptions	5,342	1,681	3,661	12,371	8,407	3,964	20,177
EDA Reimbursement	42,560	48,729	(6,169)	217,024	243,645	(26,621)	584,748
Event Expense	774	-	774	66,189	52,500	13,689	52,500
Insurance	-	917	(917)	-	4,583	(4,583)	11,000
Marketing - Departmental	6,667	6,500	167	15,099	24,887	(9,788)	61,548
Marketing - Organizational	7,507	2,167	5,340	22,883	11,000	11,883	11,000
Membership Development	619	1,250	(632)	3,243	5,000	(1,757)	15,000
Office Equipment	-	208	(208)	-	833	(833)	2,500
Office Supplies	300	171	129	1,404	857	547	2,056
Opportunity Fund Contribution	-	-	-	-	-	-	40,000
Professional Fees	980	6,744	(5,764)	21,706	33,720	(12,014)	80,928
Postage and Printing	110	83	26	208	417	(208)	1,000
Rent	3,369	3,421	(51)	16,949	17,104	(155)	41,049
Sponsorships	-	717	(717)	2,069	3,585	(1,516)	8,603
Telecommunications	549	468	81	3,165	2,341	823	5,619
Travel/Training	8,960	5,346	3,614	36,894	26,732	10,162	64,156
Miscellaneous	3,460	3,499	(39)	5,826	17,497	(11,671)	41,992
<b>Total Operating Expenses</b>	<b>83,239</b>	<b>84,102</b>	<b>(863)</b>	<b>428,106</b>	<b>458,352</b>	<b>(30,247)</b>	<b>1,062,263</b>
<b>Net Revenue Over (Under) Expense</b>	<b>73,746</b>	<b>10,328</b>	<b>63,418</b>	<b>(38,748)</b>	<b>(101,203)</b>	<b>62,456</b>	<b>20,894</b>



BIG SKY  
ECONOMIC DEVELOPMENT

EDA • EDC    CREATING MONTANA BUSINESS OPPORTUNITIES

# ATTACHMENT C

**January 2020  
Executive Director's Report  
to the Executive Committee & Board of Directors  
(with Program-Level Highlights)**

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***Strategic Priorities***

**1. Economic Diversity and Innovation—grow and diversify our economy through small business growth, entrepreneurship, fostering innovative business ideas, and maintaining a regional focus:**

- a. ROCK31 – Connect Build Grow—See the SBDC/Rock 31 section of this report for more details. **Board members, if you haven't joined us yet for Our One Million Cups meeting, please make it part of your 2020 resolutions.** You will be enriched and will be supporting new business growth in our community—a big win/win. The weekly open-dialogue and support system for new entrepreneurs continues January 8<sup>th</sup> and every Wednesday at 9AM at Last Chance Cider House. Join us!

Also, we are planning to engage our entrepreneur community and others in the design process for the ROCK31 space. That effort should begin March 2020, immediately following the selection of a project architect, which will be determined by an RFP (request for proposal) process. Stay tuned.

- b. Coal Country Coalition—Nothing new to report in this area.

**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—There is a focused effort on the MSUB campus to growth the College of Business and the “health professions and science” programs. BSED will want to be supportive of that effort as well. Likewise, we will want to continue our support for the growth of programs and facilities at RMC. I will be meeting with the leadership of MSUB and RMC in the new year to discuss their priorities for 2020 and beyond. Stay tuned for the next steps in this advocacy process—remembering that a growing, thriving higher ed presence in our community drives the retention and recruitment of talent, which supports business expansion and new business attraction
- b. BillingsWorks/Talent Attraction and Career and Technical Education/Career Center—See the BillingsWorks section of this report for all the details of our work related to BillingsWorks and Better Off in Billings. Know that we continue to partner with the Montana Chamber as they frame a plan for a statewide effort to address the growing workforce challenges in our state. Stay tuned for more details.



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

- a. Development of Planned, Ready-to-Go Industrial Space—The Community Development Team will offer the Board an update on this project at our January meeting. Most notable is the fact that City Council will not receive an update on the proposed Lockwood Water and Sewer District (LWSD)/City agreement to extend the boundaries of the LWSD to accommodate the TEDD until February 18<sup>th</sup> Work Session. Our goal for that meeting is to present to Council a proposed agreement so that we can move forward with this project. The TEDD Advisory Committee is now preparing information to present to Council which they hope will show that annexation would be a costly consideration for the City and that the City will indeed benefit from the growth of this industrial area. We will keep the BSED Board up to date on this important project.
- b. Downtown Redevelopment-One Big Sky District— The Strategy Partners (City, BSED, Downtown Billings, and the Chamber) met just before the holidays to continue our work together on the OBSD vision. Individual redevelopment projects for downtown are now under discussion, and our role has been to support these efforts with facilitation, information, and ideas. Allison is leading this effort in partnership with Katy Easton, Downtown Billings.

We have launched the Next Generation of Economic and Community Development Tools Analysis Project with MEDA partners from throughout the state. The kickoff was in Helena (Dec. 16 and 17) with a series of key stakeholder meetings. The next set of meetings with our consulting team (TIP Strategies) will be January 20-23 in Eastern Montana, including a visit to Billings. Then meetings will continue around the state as the discovery phase of this project moves forward. This effort is now a partnership with the Montana Chamber Foundation and multiple private-sector partners. *See attached project summary for details.*

In addition, I am working on infrastructure needs in other parts of town as well that appears to be a limiting factor in attracting new development. On November 18<sup>th</sup> I asked City Council to take a closer look at the redevelopment of 32<sup>nd</sup>, between King and Gabel. For TransTech to continue to grow that roadway must be improved. The City has decided to consider plans that will only address a portion of the road (to the canal), but not all the way to the intersection of 32<sup>nd</sup> and Gabel, which is essential to new growth. We will be providing City administration with economic impact projections that will show the value of investment in the 32<sup>nd</sup> street corridor.

Lastly, I attended the November 26<sup>th</sup> meeting of the Heights Taskforce to stay up to speed on issues and opportunities in the Heights. We recently received questions from Councilman Roy Neese regarding the scope of BSED's work in the Heights. I sent Councilman Neese *the attached response*. As you can see, BSED has and will continue to dedicate time and resources to the development of the Heights, understanding the value the Heights is to our local economy, but also recognizing that 1) that the strength of our downtown speaks to the economic health of the whole community; and 2) we are all in this together, and we should celebrate development and wins in all areas of the community, not just in our own neighborhood.

- c. Coulson Park Redevelopment and Entryways Now—The final draft Master Plan will be presented to the project steering committee and then the full Parks Board January 2020. Then the Plan moves on to City council. However, City Council (on December 16<sup>th</sup>) acted to take nearly all proposed capital development dollars for City Parks out of the five-year Capital Improvement Plan (CIP). I will be working with Councilman Shaun Brown (EDA, Ex-Officio) to better understand this decision. As I have said before, the BSED team will begin work on a fundraising plan to garner the matching funds needed for the \$250,000 grant that was award to this project from the oil-spill settlement dollars administered by the State. Our goal is to not only meet the match requirement, but to assemble \$1.0

million dollars to kick-start this project. This effort assumes City Council will approve the Coulson Park Master Plan.

- d. EBURD Redevelopment—See Community Development section of this report for any details on our work related to the redevelopment of the East Billings Urban Renewal District, including our Brownfields Assessment Program
- e. Trailhead Hospitality Vision Steering Committee— See the Community Development section of this report regarding the work for a plan/design/budget for the improvement of the Metra Park backside walkway, fence and landscaping project. Our CDBG grant application is still awaiting State approval to fund this project. The next meeting of the Committee is set for January 3, 2020, 11:45 A.M. to 1:00 P.M. at the City/County Planning Office, First Floor Conference Room. We will likely consider additional work in this area as we work with the Metra Park Advisory Board on their plans to conduct a plan master process for Metra Park. Stay tuned as we learn more details about this effort.
- f. Air Service—American and Alaska Air announced adding more direct flights, Dallas and Portland, respectively. Face-to-face visits with key airlines (Delta and United) are underway. The team has met with United in Chicago and will travel to Atlanta to meet with Delta later this month. See Recruitment Section of this report for details.

## ***Program Updates***

### **SBDC/Rock31**

#### **Noteworthy:**

- The team went over the Kauffman Paybook to use as a model for the Rock 31 program.

#### **Team activity:**

- The team provided 59 counseling sessions to 34 unique companies.
- 18 diverse business owners attended our monthly “Pre-Biz” workshop.
- The team participated in Giving Tuesday Shootout at MSU Billings.
- The team participated in the Billings HS Students Art Walk sale at the MT Bank Building.
- A team member gave a presentation to the Entrepreneur class at Rocky MT college.
- A team member participated in Rocky Mountain Board meetings/committees.
- The team attended the 30<sup>th</sup> Anniversary Open House in the Yellowstone Room.
- The team conducted an outreach in downtown Billings
- A team member flew to Sidney to meet with several potential BSTF fund applicants.
- A team member attended the monthly Frontier Angel meeting to hear 3 Montana business pitch for investment dollars.
- Several team members were judges for the Billings Business Plan Competition.
- A team member worked with 3 business to apply for the Big Sky Trust fund.
  - Alpine Air – 30 jobs \$150,000
  - Meadow Lark Transport – 80 jobs \$400,000
  - Meadow Lark Transport – Feasibility Study \$24,000
  - WebBuy – 17 jobs - \$85,000
- The team attended the Member Investor breakfast to share updates on the Rock31 programs.
- The team held a SBDC Advisory Council meeting to give updates on the 2020 workplan.
- The team is working on the SBA 2020 Nominations for local business selections.
- A team member joined in Leadership Billings that meets monthly throughout the year.
- The team participated in (BSED) community Board meetings/Committees/Events.

- Several of the team are working with Christie Williams, Business Development Commercial Loan Officer from Dakota Business Lending to assist businesses that are applying for loans.
- Several team members met with SBA regional officer.

#### **Ongoing projects:**

- One Million Cups is being held weekly on Wednesdays at 9 am at Last Chance.
- Co-working Fridays at MoAv coffee, downtown location.
- Outreach to the surrounding nine counties that SBDC serves.

#### **PTAC**

Since August 1<sup>st</sup> 2019 MT PTAC clients (all 7 locations statewide) have been successful in winning **\$102 million** in federal, state, local and subcontract awards. Of that, clients served by the Billings location have been successful in winning government contracts/subcontracts valued at **\$64 million!** MT PTAC's recent newsletter features articles on cybersecurity, wildfire contracting and preparation/organization tips for government contractors. To view the newsletter, click on this link: <https://conta.cc/34TXuRk>

In January, MT PTAC in Billings is holding a lunch and learn series on the following topics:

1. Understanding, Obtaining & Leveraging the SBA's 8(a) Certification
2. Contacting the Contracting Officer

Understanding & Obtaining the SBA's WOSB & EDWOSB Certifications

#### **Community Development**

Tax Abatements:

The Community Development Team continues to work on the annual tax abatement report and has sent out letters to all businesses with active abatements and reached out to the DOR regarding active abatements. The Team looks to present the annual report in January to both City Council and the County Commissioners.

Yellowstone Fuels Reduction Program:

The RFQ has been sent out and noticed from Yellowstone County to all interested contractors throughout the region. The notice from the Commissioners was approved on November 26, 2019 and contractors will have until Monday, December 30<sup>th</sup> at 5pm to submit proposals. After recommendations from the Steering Committee in early January, we hope to start the program in February.

Brownfields Program:

Continued work providing Phase I and Phase II environmental site assessments. Phase II work will be completed on a downtown project by the end of the week and Phase I work has been started on an additional project within the EBURD. We continue to receive calls from interested property owners/buyers and provide knowledge of the Brownfield Program and its benefit to help encourage reuse, expansion, and redevelopment within the EBURD and DT TIF. CD Team Member Klugman attended the National Brownfield Conference in Los Angeles December 11<sup>th</sup>-13<sup>th</sup>. As always, we could use your help to provide awareness to the program and refer any potential Phase I & II projects to any CD Team Members.

Coulson Park:

BSED and the CD Team provided testimony in support of the Parks and Recreation Department three consecutive weeks for their proposals of parks development and additional resources regarding the City's Capital Improvement Plan. We hope to have the Masterplan presented to Council at the beginning of the year.

#### **MSUB Science Building / Coal Board:**

CD Member Klugman will continue to work with MSUB to submit invoices and reporting required for the \$500,000 Coal board grant received. Klugman forwarded and discussed templates and forms required to be submitted by MSUB with MSUB staff.

#### **Lockwood TEDD:**

We are continuing our conversations with the City regarding the sewer agreement between Lockwood Water and Sewer District and the City of Billings. We have met with current City Council members on several occasions and the four new City Council members – Kendra Shaw, Danny Choriki, Mike Boyett, and Pam Purinton. We will work with City Administrator Kukulski to get a TEDD update before a City Council work session in January. KLJ Engineering has completed the Strategic Plan for initial infrastructure development. The TEDD Advisory Board reviewed and approved it at their November meeting. The Strategic Plan was approved and adopted by the Yellowstone County Board of County Commissioners on December 17.

#### **MetraPark Beautification Project:**

Our CDBG Planning Grant was submitted September 24, ahead of the September 27 deadline. Thom spoke with the Dept of Commerce after submission with questions around the additional November 15 deadline. They clarified that this is not an additional grant cycle, but just an extended deadline for the original grant cycle. The Dept of Commerce began their review process after the November 15 deadline. They said it will likely be at least two months before they award, so we don't expect we'll know the result until January or later. In the meantime, Big Sky Trust Fund planning grants have opened for applications with a March deadline, giving us another option if a CDBG planning grant is not received. We have also spoken with Wade Salyards of MDT about their Expo and 1<sup>st</sup> project and sent him information on this project.

#### **Space2Place:**

Space2Place project were all completed by the September 30<sup>th</sup> deadline. We have one project – Montana Firefighters Memorial – that we have not been able to close due to the lack of invoices from the awardee. We will open the 2020 Space2Place grant application in mid-January with a March due date. They will be presented at our Better Off in Billings event on April 16.

#### **Coal Country Coalition:**

We did not have a CCC meeting in conjunction with the December Coal Board meeting due to a lack of availability of the participants. We have conference call on Friday, December 20 at 9:00 am to discuss location and agenda of a larger CCC meeting in the next few months to discuss what is going on in Colstrip and elsewhere and how we can help.

#### **Laurel:**

The Laurel Urban Renewal Agency held its meeting in December. We continue to participate in those meetings. The City Planner along with LURA are looking to update the Growth Management Plan and set the vision for the next several years.

#### **Fuego Fire:**

We continue to work with the fire district and Yellowstone County on submitting draw requests to the Coal Board for reimbursement of funds to build the structure. The fire department plans an open house and ribbon cutting this spring.

#### Bridger Wind Project:

The CD Team is working with Steve Simonson of Beartooth RC&D to provide resources to support the project during construction which will occur through summer of 2020.

#### **VBOC**

**Training:** 19 attendees in December.

**TRAINING 2019 year end total: 31 trainings with 641 attendees.** This represents a **30% increase** in training events with a **55% increase** in attendees compared to 2018.

**December Outreach:** 8 events w/ 48 attendees

**OUTREACH 2019 year end total: 106 events with 1,940 attendees.** This is a **13X increase** in outreach events compared to 2018.

**Counseling** –24 counseling sessions with 13 individual veteran or military spouse clients

**COUNSELING 2019 year end total: 271 sessions with 99 individual clients.** This is a **10.8X increase** in counseling sessions compared to 2018.

#### **Big Sky Finance**

Three SBA 504 loans were funded in the month of December totaling \$710,000. The projects were located in Bozeman, Kalispell, and Missoula. All three projects were for the purchase of an existing building with two having additional renovations completed. For FYE 2020, we have funded six loans for a total of just over \$4.92MM. There were no new SBA 504 loans approved for December. One Big Sky EDC Revolving Loan Fund (RLF) was approved for \$100k to Pinnacle Remodeling LLC. This loan will close in January.

Brandon, Steve and Austin travelled to Helena for a couple of days. Together we had a small Holiday lunch with the Sherry and Jo Ann and Brandon spent the rest of the time working with the Big Sky Finance team in their Helena office. While there, Jo Ann and Brandon were able to get out and make a couple lender visits discussing the SBA 504 loan program.

SBA 504 effective rates for the month of December remained stable, falling a bit from the previous month. The 20-year effective rate for loans funded in December was 3.58%. The effective rate on the 25-year debenture for November was 3.64%. No 10-year debentures were funded. The SBA 504 loan program is an excellent financing tool offering low down payment and excellent, long-term, fixed rates for borrowers' commercial real estate and/or equipment financing! We can also refinance existing commercial real estate debt!

#### **Member Investor Program**

During December we added one new Member Investor, Newman Restoration. They are also meeting with many members of our team including PTAC, SBDC and Big Sky Finance for some expected growth in the new year.

The planning for the 2020 Business Healthcare Summit is underway and is scheduled for February 27-28 at the Northern Hotel. We will be producing an updated report on the economic impact of the healthcare industry on our community and have many topics and speakers lined up for this event.

We hosted a breakfast for the Center for Translational Medicine with many of our healthcare partners. Based in Missoula the CTM is looking to add a Billings presence and this will be included in our February event.

December 4<sup>th</sup> was our official 30<sup>th</sup> Anniversary date and we hosted a well attended open house at our office for the community. Additionally, that week also included the formal announcement and press that we received the funding from the USEDPA to purchase the Montana National Bank Building and expand entrepreneurial services.

We hosted our December Member Investor breakfast at the Post at the Depot. The themes from our Member Investor companies continue to be workforce development and this month much discussion on community amenity investments such as parks.

### **Recruitment**

Over the last month in recruitment the focus was on supporting expanding businesses in our community while keeping touch with prospects. The ROI Solutions ribbon cutting went well, they should hit 300 employees any day, their executive leadership team from Utah came up for the cutting and shared that they had communities for expansion down to really equal options so it was our (BSED)'s efforts that made them chose Billings. We look forward to hearing about the Big Sky Trust Fund Grants Lorene and I teamed up to apply for over \$650,000 on behalf of businesses in our community.

### **BillingsWorks**

As we neared the end of 2019, BillingsWorks started gearing up for what's to come in 2020 regarding workforce development in Yellowstone County! There are a handful of initiatives that continue to move forward including the MT Bio Science Alliance Internship Initiative's Immersion Day (Feb 17<sup>th</sup>), 2<sup>nd</sup> Annual Let's Get to Work Job Fair, 3<sup>rd</sup> Annual Better Off in Billings Event and 2020's State of the Workforce Report. Additionally, BillingsWorks is building the Better Off in Billings Employer Recruitment Toolkit, Co-Championing a Wake-Up Call event with the DBA and Chamber for the Substance Abuse Connect Coalition's Prevention Practice, continuing to convene the Yellowstone Tech Alliance with New Business Recruitment, facilitating work session with the newly launched Architecture Sector Partnership, getting ready to implement the PAYA grant with the Montana Youth Apprenticeship Partnership (MYAP) team in healthcare and IT and last but not least, working to pull the Steering Committee together to analyze how our community currently sits regarding attracting and retaining a modern workforce.

## ***Organizational/Policy Matters***

1. **Future Facilities Project** – The Grant documents have been signed and returned to the Federal EDA. In the next few weeks, we will have a kick-off call with the EDA to receive guidelines for the next steps of the process. In the meantime, we are working on the closing procedures for the facility and drafting the RFQ for an Architect. A revised timeline for the project will be shared at the Board Meeting.
2. **Staff and Board Planning for 2020** –The Stakeholder Survey that informs our staff and Board planning process will go out to our key stakeholders in mid-January. We will review the survey questions with our Executive Committee and full Board at our January meetings. The data collected from the Stakeholder Survey (conducted every-other-year) will be considered during our staff and Board Planning. The staff will meet February 21<sup>st</sup>, followed by the Board planning meeting on March 12<sup>th</sup>. This work becomes the basis for setting our Strategic Priorities for the next two years—FY 2021 through FY 2022.
3. **Structural Evaluation Project Under Succession Plan**—We have selected Dana Pulis, Paul Neutgens, Steve Loveless., and Ken Lutton to support my work in this area. Work will begin shortly.

4. February Progress Report Meeting—The February 13<sup>th</sup> Board Meeting will by the Mid-Year Progress Report meeting. Each program leader will present the progress they have made toward their FY 2020 Work Plan and Goals. Program leaders will present as a panel and be available to address Board questions. This February Board meeting will begin early at 7:15 AM and be located at an alternative site. A notice will go out with all the details.

**Respectfully submitted,  
January 8 and 9, 2020**

A handwritten signature in black ink, appearing to read 'SA', with a stylized flourish extending to the right.

**Steve Arveschoug  
Executive Director**





## Montana NextGen Project

The Montana Economic Developers Association (MEDA), in partnership with the Montana Chamber of Commerce, has contracted with TIP Strategies (TIP), an economic strategy firm with offices in Austin, TX, and Seattle, WA, to complete an analysis of Montana's economic and community development tools, programs, and funding mechanisms. Support for the project comes from over 75 partners across the state. TIP will provide specific recommendations to improve the state's competitiveness. Although the recommendations will be designed for near-term implementation, the impacts will be focused on maintaining and improving the long-term competitiveness of the state.

***“An effort like this has not been conducted on this grassroots level for nearly 20 years. In the face of such great change and future economic opportunities and challenges, Montana needs to do its homework and consider anew what tools and strategies are needed to maximize economic future. Let's get this work done and then let's have the conversation about strengthening each of our communities.”*** Steve Arveschoug, MEDA President and Todd O'Hair, Montana Chamber

The project was launched in December 16 and 17 (in Helena) with a group of steering committee members meeting to discuss needed outreach efforts, followed by a stakeholder luncheon and initial interviews with state-level experts. Outreach meetings will be held throughout the state over the next four months in an effort to gather key rural, tribal, and urban perspectives. TIP will conduct an extensive review of the state's current economic and community development strategies. This review will include interviews, roundtables, and meetings with community leaders and stakeholders from across the state.

The outcome of the strategic planning process will include key findings and recommendations that give future guidance to MEDA, their partners, and key decision makers for strategic community economic development programs, practices, and funding structures for both near-term and long-term initiatives. These recommendations will be supported by best practices and case studies, as well as benchmarking of current tools and programs. The final recommendations will include an implementation strategy with timelines for each initiative and the key partners involved.

Questions to consider:

- What have been the **most impactful** community and economic development tools, programs, and funding mechanisms in Montana?
- What economic and community development tools, programs, and funding mechanisms have **not been as effective**?
- Which **states/regions** does Montana **compete** with for economic development projects?
- What are the **biggest concerns** around the future of Montana's community and economic development programs and strategies?
- What **outcomes** constitute success for the planning process?
- Which **additional community leaders and organizations** should be involved in this project during outreach and engagement?





## **ABOUT MEDA, MT CHAMBER, and TIP STRATEGIES**

**MONTANA ECONOMIC DEVELOPERS ASSOCIATION (MEDA).** The Montana Economic Developers Association is an association of economic development professionals. We are professional "lead" economic developers, business specialists, government employers, and staff members of affiliated non-profit organizations, which promote and foster economic development activities in Montana. MEDA sponsors educational seminars, workshops and conferences to advance the economic development profession. MEDA's excellent network provides for the interchange of ideas and experiences between individuals with mutual goals and interests. The association also develops communication systems to disseminate information and acts as a clearinghouse and contact point within Montana for other state, regional, national and international economic development organizations and agencies.

**MONTANA CHAMBER.** Business owners need someone in Montana representing their best interests every day. Since 1931, the Montana Chamber of Commerce has been that presence. We are a member-driven organization, representing small mom-and-pop operations to local chambers of commerce to large companies, from retail to manufacturing to tourism to agriculture. We are guided by business leaders, working to improve Montana's business climate. We are a not-for-profit, 501(c)(6) organization registered with the IRS and the State of Montana.

**TIP STRATEGIES, INC. (TIP).** TIP is a privately held Austin-based firm providing consulting and advisory services to public and private sector clients. Established in 1995, the firm's core competence in strategic planning for economic development has broadened to include expertise in talent strategies and in organizational development. TIP has worked with more than 300 communities across 40 states and 5 countries to develop innovative strategies, programs, and outreach campaigns.

### **For additional information, please contact:**

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Consultant & Project Manager, TIP Strategies  
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**From:** Steve Arveschoug

**Sent:** Tuesday, December 24, 2019 1:47 PM

**To:** Roy Neese <[nxnservices@gmail.com](mailto:nxnservices@gmail.com)>

**Cc:** Patrick Klugman ([Patrick@bigskyeda.org](mailto:Patrick@bigskyeda.org)) <[Patrick@bigskyeda.org](mailto:Patrick@bigskyeda.org)>; Chris Kukulski <[kukulskic@ci.billings.mt.us](mailto:kukulskic@ci.billings.mt.us)>

**Subject:** Work on Behalf of the Heights

Councilman Neese (Roy),

I was not able to attend the last City Council Work Session (I was in Helena working on new economic development tools/policies), but it is my understanding that during the December 16<sup>th</sup> City Council Work Session (maybe during the break) you asked Patrick "...what has Big Sky Economic Development done for the Heights." First, thank you for that question, as we do take your honest inquiries, and those of other City Council members, to heart.

I have attached a draft summary that highlights the work of BSED over the last several years related to the economic growth of the Heights. Also, know that in the last 45 days, I have spent time in DC working for the Build Grant and did attend the last Heights Taskforce meeting. BSED team members have also met with the Heights business group to begin understanding their priorities and needs. The summary will show years of dedicated work that has had a direct impact on the Heights, and that work continues.

BSED as an organization, and me both professionally and personally, are committed to the success of the Heights. We are likewise committed to the overall community and Yellowstone County. We believe that the majority of our work, while one neighborhood might see the immediate results, is intended to serve to economic good of the entire community, which is at the heart of our calling.

Please let me know if you have questions regarding the draft summary, and know that you can always reach out to me with questions, concerns, and needs—for the Heights and the entire community. We're all in this together.

Take care, and Merry Christmas, Roy.

Steve

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## **BSED Work/Projects/Investment in the Heights**

### **Community Development**

#### **BUILD Grant 2019**

\$25M grant application for Inner Belt Loop, assisted with grant, served on steering committee, provided letters of support, went to DC to present on project.

#### **Day of Caring 2018 & 2019**

BSED staff's day of caring were projects at High Sierra Park – staff volunteered the day working on grounds.

#### **Coulson Park (2018/2019)**

\$90k for master plan, \$250K for implementation

Heights has direct pedestrian/bike pathway to Coulson Park!

#### **Space2Place Program 2017**

New grant program to promote placemaking efforts throughout County. To date over \$28K has been awarded to projects throughout Yellowstone County. -awareness campaign for program includes Heights, no applications from Heights groups.

#### **Heights Eyecare Tax Abatement (November '16)**

Capital Investment: \$1,050,788.12

- Expansion increased exam rooms from 8 to 12. Allowed Heights Eyecare to increase workforce up to 12 FT employees and opportunity to add additional doctor! Also allowed them to bring on Med school students completing clinicals and partnering with different schools around Country.

#### **Industrial Park/Bypass/Yellowstone River Crossing with pedestrian access/trails- Ongoing**

Planning effort to create TEDD with access to Heights along the Bypass with pedestrian path/trails on bridge and throughout area. Creating a connection between Mary Street-Dover Park-Yellowstone River-to Lockwood. Additional access point to and from Heights

2015 Prepared grant application to CDBG program though Yellowstone County for Neighbor Works Reinke subdivision \$450K—unsuccessful

2002-2004 Local Emergency Planning Committee of Yellowstone County secured funding for emergency preparedness through FEMA and Department of Homeland Security. Of those funds Heights Water received funding for: Security fencing around water towers \$56K, new SCADA system at water plant \$125K, and radios \$11K. Continue to work with them through the LEPC. Funding also secured for services that cover the Heights: sheriff, Billings Fire, and Billings Law Enforcement received mobile and portable radios P25 compliant 115K, interoperable communication system between city and county emergency services 55K,

#### **2017 21 Mile Road Coal Board Grant**

\$89K toward repair of 21 Mile Road

Secondary access to/from Heights

2016 Yellowstone County Fuels Reduction Program-grant funded through Bureau of Land Management: Fuels mitigation work around property owner homes within the High and medium risk areas. 2 completed projects in heights for \$4K each, county received 40K total

2016 All Hazard Mitigation Plan covering entire county to update plan (required every 5 years) \$38.5K from Dept of Homeland Security. Required to completed and adopted by all incorporated communities and the county for residents to be eligible for federal disaster funding to cover any event. Secured funding for both previous versions, \$60K, and \$40K  
2012 TIGER grant application prepared for intersection at Main and 6<sup>th</sup> requested \$12.5M—not funded 300 plus hours to prepare

2018 Coal Board Grant for Fuego Fire-previously served through city's BUFSA \$138,80 to build fire station to protect the area.

1995--? Funding for Heights Trails \$136K, other funding was completed for trails under Main Street, Two Moon Park, through Metra-Earl Guss section, don't have exact amounts or dates on these. We did these applications until the Alternate Modes Coordinator was hired by the City of Billings.

And, all three CD team members use Heights Eye Care! --One for almost 30 years! All golf at Lake Hills!

#### **Big Sky Finance**

504 Loans awarded to Heights businesses over the last four years. These loans are executed in partnership with local banks and the SBA.

2015—Taco Treat	Loan: \$ 349,000	Total Project Investment: \$ 962,000	Jobs: 22
2015—3G's	Loan: \$ 829,000	Total Project Investment: \$2,301,000	Jobs: 13
2015—Shipton's	Loan: \$3,036,000	Total Project Investment: \$7,400,000	Jobs: 51
2017—Best Friends	Loan \$1,109,000	Total Project Investment: \$3,093,000	Jobs: 15

#### **Procurement Technical Assistance Center (PTAC)**

Since December of 1999, PTAC at BSED has provided 980 hours of government contracting assistance to approximately 100 unique businesses that are physically located in the 59105 & 59037 zip code. Some of these companies were successful in winning \$2,720,654 in federal, state and local prime and or subcontract awards. See attached PTAC Reports.

#### **Small Business Development Center**

SBDC has served 209+ clients in the 59105 zip code since 2002. This is as far back as our records will provide detail on the zip code. We have record of assisting with capital infusion for these clients of roughly \$10 million. We are currently working with 5 active clients in the 59105 zip code.

Below is a video on one of our showcase success stories located in Billings zip code 59105. Lasting Legacy continues to be a client of the center. They have doubled in size (two residence homes) and occupancy creating over 40 jobs.

Watch Full Stories:



#### **New Business Recruitment**

Currently working on the phase two expansion of a new business to Yellowstone County from the Salt Lake area. This expansion is projected to add 100 to 200 new jobs to the Heights area.

#### **Workforce Development**

The Billings Works initiative, now five years of focused effort, impacts the entire community in important works. Specific to the Heights, I was a member of SD2' first career and technology education (CTE) analysis (2013), which lead to the CTE Advisory Board, which now focuses time, resources, and private sector vision into all of our CTE programs. Additionally, we work directly with the CTE team and business education team at Skyview HS to support education related to entrepreneurship and other career discovery.





BIG SKY  
ECONOMIC DEVELOPMENT

EDA • EDC    CREATING MONTANA BUSINESS OPPORTUNITIES

# ATTACHMENT D

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

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;

222 clients served,

476 jobs supported,

1,800 client hours,

15 new business starts,

\$6,000,000 in capital funding obtained,

62 long term clients,

3 publishable success stories,

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

(a) This Contract amendment shall take effect January 1, 2020 and will terminate on December 31, 2020, unless terminated earlier in accordance with the terms of this Contract.

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

For 2020, The Department has allocated \$103,000.00 in federal funding for Contractor reimbursement. The Department will provide up to \$60,000.00 in state funding for reimbursement for match. Funding allocation is based on direct costs for 3 FTE's. 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:**

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Steve Arveschoug, Executive Director

Date

**MONTANA DEPARTMENT OF COMMERCE:**

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Tara Rice, Director

Date