

EDA/EDC – Joint Board Meeting
Thursday, March 14, 2019
7:00 A.M. to 9:00 A.M.
BSED Yellowstone Conference 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.

7:00 A.M. Coffee Warm-Up

7:10 A.M. Call to Order/Pledge of Allegiance/Roll Call: Mike Nelson, EDC Chair

7:11 A.M. Public Comment/Recognitions/Special Announcements and Introductions:

- VBOC Event—March 29, 2019—"Turn the Ship Around"—Dustin (Handout)
- FY Budget Process/Schedule Update—Jim/Becky (Handout)

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

7:16 A.M. Consent Agenda

- February 14, 2019 Board Meeting Minutes (EDA/EDC Action)
 - January 2019 EDA and EDC Financials (Attachment A)
- (Attachment B)

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

- Big Sky Finance —Brandon
 - BSEDC Asst. Secretary Appointment (Attachment C) (EDC Action)
 - 504/RLF Loan Approvals (Attachment D) (EDC Action)
 - Portfolio Review (Handout) (EDC Action)
- Future Facilities Task Force Update/Recommendation—Becky (Handout) (EDA/EDC Action)
- Recruitment/Rock31 Prospect Request – Kevin/Allison (Handout) (EDA/EDC Action)
- One Big Sky District/406 Impact Districts Update—Allison/Steve
 - Status of the OBSD Plan (Info)
 - Legislative Initiative Update (Info)
 - Debrief Meeting (Spring 2019) (Info)
- BIRD/City/BSED MOU Consideration—Dianne/Patrick (Attachment E) (EDA Action)

8:45 A.M. Executive Director Report

- MEDA Legislative Update—HB52 (Attachment F) (Info)

8:55 A.M. Public Comment

9:00 A.M. Adjourn

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



BIG SKY
ECONOMIC DEVELOPMENT

EDA • EDC CREATING MONTANA BUSINESS OPPORTUNITIES

ATTACHMENT A



EDA • EDC CREATING MONTANA BUSINESS OPPORTUNITIES

EDA/EDC Joint Board Minutes
Thursday, February 14, 2019 – 7:30 AM – 9:00 A.M.
Billings Library, 1st Floor -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.

EDA Board Members Present: Cory Moore, Robin Rude, Ken Lutton, Jennifer Owen, Judi Powers, Dana Pulis, Fred Sterhan, George Warmer, Jennifer Smith, Greg McDonald, Shaun Brown (Ex-Officio), Greg Upham (Ex-Officio)

EDA Board Members Absent: John Brewer (Ex-Officio), Paul Neutgens, Don Jones (Ex-Officio), Matt Lurker (Ex-Officio), Katy Easton (Ex-Officio)

EDC Board Members Present: Mike Nelson, Eric Simonsen, Nicole Bengé, Scott Chesarek, David Ellis, Spencer Frederick, Andy Gott, Ann Kosempa, Mike Phillips, Aaron Ramage, Jon Stepanek, Bob Wilmouth, Mike Seppala, Dan Edelman, Mitch Goplen,

EDC Board Members Absent: Steve Loveless, Dave Ballard, Craig Bartholomew, Mac Fogelsong, Doug Hansen, Denis Pitman, Molly Schwend

Staff and Guests: Steve Arveschoug, Austin Trunkle, Becky Rogers, Dianne Lehm, Allison Corbyn, Dena Johnson, Melanie Schwarz, Lorene Hintz, Dustin Frost, Brandon Berger, Jim Tevlin, Jack Nickels, Marcell Bruski, Kevin Scharfe, Deanna Langman

Call to Order:

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

Public Comment/Recognitions/Special Announcements and Introductions:

Public Comment

Becky opened public comment by asking the Board what their preference between two dates regarding Board Planning in April.

As a Billings Public Library Board Member, George Warmer explained the name sake of the Royal Johnson Community Room and the work of several community members that made the new library a reality.

Cory Moore commend everyone who worked on the One Big Sky District Development Plan and congratulated them on the Plan being approved by City Council on Monday.

Agenda Changes:

None

Consent Agenda:

Approval of the January 2019 Board Meeting Minutes and the December 2018 EDA/EDC Financials

Motion: Cory Moore, to approve the January 2019 Board Meeting Minutes and the December 2018 EDA/EDC Financials as presented to the Board.

Second: Jon Stepanek

Discussion: None

Motion carried

Program Level Reports and Action Items

Big Sky Finance – Brandon

SBA 504 Loan Requests

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.

Motion: Mike Phillips, to approve the Broadwater Self-Storage, Inc. loan request, as presented to the Board.

Second: Eric Simonsen

Discussion: None

Abstentions: Mike Seppala

Motion Carried

2. **A+ Electric Motor, Inc. / CL Rosebud Properties, LLC** – Request for an increase in the amount of the SBA debenture from \$553,000 to \$726,000. Original request approved at the November 8, 2018, Board meeting. This is a new construction project. Project/construction costs increased from original approval. Loan committee reviewed the additional costs and approved of the increase. Borrower demonstrates sufficient cash flow to service the additional debt. Project still under construction.

Original request – 11/08/2018. Request is for the purchase of land, new construction and equipment financing for A+ Electric Motor, Inc. A+ is an existing business currently renting a facility located on Central Avenue in Billings, MT. They will be relocating the business to 1439 Rosebud Lane in Lockwood on land previously purchased by the owners. This move will allow them additional space for current operations and future growth. A+ Electric Motor, Inc. repairs and rebuilds electric motors used in sewer lift stations, city water pumps, mining applications, central pivot irrigation systems and many other applications.

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

Motion: Andy Gott, to approve the A+ Electric Motor, Inc loan request as presented to the Board.

Second: Jon Stepanek

Discussion: None

Abstentions: Mike Seppala

Motion carried

Future Facilities RFP Update – Becky

Becky then presented a Future Facilities Update. Becky reminded the Board of the recent emails noticing them that the Board Chairs and Board Members made the decision to walk away from the Paint Building purchase due to infrastructure issues and the cost estimate exceeding our budget. As discussed at our last Board Meeting, a new RFP was drafted and released on Friday, February 8, 2019. The next step is to continue with the new RFP. The submission deadline will be Monday March 4th. We were able to extend our EDA Grant application deadline to April 15th. The RFP timeline will be expedited to meet that deadline. The project budget is roughly \$2.5m and a mandatory proposal meeting will be held on February 19th. When asked if there has been any push-back with the accelerated timeline, Becky said not yet, but that may change after meeting with proposers on the 19th.

One Big Sky District – Development Plan Overview – Allison

Allison gave an update on the OBSD Project. As Cory had mentioned, the City Council approved the Development Plan on Monday night. Allison explained there is an amendment to the agreement with the Landmark Development group that was presented before City Council but needs further work before approving. Landmark is requesting to raise the reimbursement amount from the original agreement to cover additional investment they have made. In the original agreement, if Landmark participates in at least one of the catalyst projects, no recovery of their investment is required. If they aren't selected for any project, the City would have to reconcile how to reimburse Landmark's costs. It was asked if Landmark chooses not to do a project, are they still entitled to reimbursement? Steve and Allison said that will be worked out as the agreement is revised but Steve reiterated it is Landmark's intent to commence a project in Billings.

Mid-Year Progress Report and Q&A

Steve introduced how the team was going to present the mid-year progress reports. Attached to the Board Packet was a copy of the slides from the presentations. Each slide reported out on the progress met in the first half of the fiscal year. Each Director took a few minutes to speak about a success story that resulted from their work.

Admin – Becky and Jim

Becky and Jim kicked off the Admin side of the organization. Becky addressed staffing changes, progress with the Work, Thrive, Live initiative, and the Team Development and Staff Planning event we held last Thursday. Jim spoke to the impact of the Government Shutdown. On the EDA side, he said the things to highlight are watching the VBOC reimbursement from the SBA, vacancy savings from salaries and benefits for staff, and the potential positive impact of the Tax Protests. With respect to the EDC, he spoke about the progress for Big Sky Finance and Member Investor Revenues.

PTAC – Deanna

Deanna was next with PTAC. She highlighted two companies that she has worked with this year, Wildfire Hot Showers and Montana Infrared Services. Wildfire Hot Showers has a national agreement with the Forest Service and provides a measure of comfort at fire camps all across the country. To date, they have received nearly \$1.7M in federal awards. Montana Infrared Services are a newer client of the PTAC and provide services to monitor the integrity of a building's infrastructure components. They have received \$32,000 in federal awards.

VBOC – Dustin

Dustin then presented for VBOC. He addressed how the region reduction has impacted the VBOC's work. Dustin also spoke about the Boots2Business Trainings and how they had 70 graduates at 5 Air Force Bases. Further, VBOC has hosted 30 outreach visits during the current fiscal year.

BillingsWorks – Melanie

Melanie did BillingsWorks for Karen as she is out sick after having traveled to Austin, Texas. Their work in Texas revolved around a Tech-Sector Partnership. The other main focus for Karen is bridging the gap between education and workforce. Lew Anderson will be retiring and that means there will need to be a new Director of Career and Technical Education. Superintendent Upham wants to "shift the paradigm". Rather than having students just college ready, they will also be career ready. Finally, the Better off in Billings campaign will be testing the market in Minnesota to gauge the interest of young professionals and their willingness to relocate to Billings.

SBDC/BEAR/Rock31 – Lorene and Kevin

Lorene and Kevin jointly updated the state of the SBDC. Lorene mentioned the SBDC will be celebrating 30 years of service this year and highlighted the expertise and diversity on the SBDC team. With the addition of Kevin Scharfe, this makes the team even more well-rounded. Kevin presented for Rock31. The new program under the SBDC umbrella. Rock31's aim is to help entrepreneurs go from concept to commercialization. Kevin informed the Board that he had attended a Google Start-up Weekend in Colorado Springs this past weekend. Kevin mentioned Billings will be hosting a Start-Up Weekend at some point this year.

Big Sky Finance – Brandon

Brandon presented numbers for the Big Sky Finance Team. During the fiscal year, BSF has had 6 loan approvals for a total of \$347,000 with 28 jobs created. BSF has also had 5 loans approved for a total of \$6,192,000 with 36 jobs created. The 2019 goal is \$8.5M of funded loans. Brandon is confident that BSF will reach this mark.

Community Development – Patrick

Dianne gave the update for Community Development. The major projections they are undertaking at the moment are the Lockwood TEDD and the Space2Place Grants. With respect to the TEDD, 175 developable acres were added to the District at the request of Lockwood Land Owners. The Space2Place program is entering its second year and is open to groups, organizations, and individuals to develop and submit their ideas on how to transform the community into a more beautiful and welcoming space. The recipients of the grants will be announced at the Better Off in Billings event in April.

Recruitment – Allison

Allison demonstrated some wins for our community that came from the Recruitment Program. ROI solutions out of Utah have opened a call center this year and are very pleased with the workforce Billings has. They expect to grow to at least 100 employees. Also, the annual Economic Pulse report was released last month. Additionally, another direct flight was added from Billings to Denver. Finally, OBSD work continues and they're hopeful to be successful in the legislature with their proposed bill.

Member Investor Program – Melanie

Melanie was last to speak about the Member Investor Program. Melanie began by remarking on the impact Marcell has made on our team and the increased capacity she has been able to create. Melanie readdressed that the Member Investor revenue goals have increased substantially this year and reaching that mark will be her focus for the balance of the fiscal year.

Q&A – Board Members

Mike Phillips asked more about the new Finance Team Member and if there is any new information regarding the USDA Relocation. Brandon explained that Johnna was leaving Wells Fargo and has a great deal of banking experience. Allison said that the USDA has not released any new information, presumably because of the Government Shutdown.

Jon Stepanek asked Steve about the temperature of the Legislature after the passing of the OBSD Development Plan. Steve mentioned that Llew Jones sees this sort of mechanism as the future for economic development in the state of Montana.

Greg McDonald asked if the VBOC award agreement had been adjusted since the region was reduced. Dustin said it was reduced from \$360,000 to \$300,000.

Steve asked Ken to share his impression of the visit to Austin, TX. Ken mentioned that it helped to reaffirm what their identity is as the Tech Sector Partnership in Billings. Ken said the diversity of the contingent that went down to Texas made the visit even more fruitful.

Public Comment

Melanie mentioned that December 4th, 2019 is the 30th Anniversary of BSED.

Mike entertained a motion to adjourn.

Motion: Jennifer Smith

Second: Cory Moore

Discussion: None

Motion Carried

Meeting adjourned: 9:06 A.M.

Next Meeting – March 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

EDA • EDC CREATING MONTANA BUSINESS OPPORTUNITIES

ATTACHMENT B

Internal Memorandum

Date: February 28, 2019

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

From Jim Tevlin

Subject: January 2019 BSEDA Financial Statements

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

Big Sky EDA Balance Sheets

	Jan 31, 2019	Jan 31, 2018	+/-	
ASSETS				
Current Assets				
Checking/Savings				
First Interstate Bank	\$ 67,028.04	\$ 34,160.82	\$ 32,867.42	
FIB-Recovered Property Taxes	147,854.25	-	147,854.25	
Opportunity Fund - FIB	13,257.40	13,241.26	16.14	
Opportunity Fund - Stockman	376,638.09	6,095,518.75	(5,718,880.66)	(A), (B)
Stockman GE Maintenance	26,479.10	26,479.10	-	
Yellowstone County Funds	387,293.96	488,163.46	(100,869.50)	
	<u>1,020,560.84</u>	<u>6,659,563.19</u>	<u>(5,639,012.35)</u>	
Other Current Assets				
Accounts Receivable	305,101.48	288,909.64	6,191.82	
American Revenue Guarantee	6,887.28	19,965.08	(13,077.80)	
Due To/Due From EDC	87,857.98	53,213.29	34,644.69	
Miscellaneous Receivables	3,815.55	(3,578.75)	7,394.30	
Tax Levy Receivable	491,306.07	508,288.84	(14,980.77)	
Tax Levy Receivable - Protested	11,117.77	180,573.44	(169,455.67)	
Allowance for Doubtful Accts	(11,117.77)	(180,573.44)	169,455.67	
Prepaid Expenses	5,427.00	163.05	5,263.95	
	<u>900,395.34</u>	<u>874,959.15</u>	<u>25,436.19</u>	
Non-Current Assets				
Opportunity Fund - CDs	5,138,928.30	-	5,138,928.30	(A)
Loans Receivable	220,481.36	-	220,481.36	(B)
TEDD Receivable	64,775.00	75,000.00	(10,225.00)	
Cabelas Conduit	4,980.68	5,005.21	(24.53)	
Deferred Outflow of Resources	365,827.38	173,851.36	191,976.00	
	<u>5,794,992.72</u>	<u>253,856.59</u>	<u>5,541,136.13</u>	
TOTAL ASSETS	<u>\$ 7,715,938.90</u>	<u>\$ 7,788,378.93</u>	<u>\$ (72,440.03)</u>	
LIABILITIES & EQUITY				
Current Liabilities				
Accounts Payable	42,752.78	73,561.95	(30,809.17)	
Accrued Expenses	97,261.12	463,744.88	(366,483.76)	(C)
Payroll Liabilities	1,868.83	281.72	1,587.11	
Compensated Absences	138,443.60	132,296.37	6,147.23	
Deferred Revenue - GE Settlement	-	-	-	
	<u>280,326.33</u>	<u>669,584.92</u>	<u>(389,258.59)</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>6,519,382.60</u>	<u>6,501,284.24</u>	<u>18,098.36</u>	
TOTAL LIABILITIES & EQUITY	<u>\$ 7,715,938.90</u>	<u>\$ 7,788,378.93</u>	<u>\$ (72,440.03)</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 \$220k to the Downtown Billings Alliance.

(C) On January 31, 2018, Accrued Expenses consisted primarily of \$359k of contributions to Rocky Mountain College and MSU-Billings for their new science buildings. Big Sky EDA issued payments to RMC and MSU-B for these obligations in February and August 2018, respectively.

Big Sky EDA
Statements of Operations - Actual vs. Budget
For the Seven Months Ended January 31,

	<u>2019</u>	<u>Annual Budget</u>	<u>Budget Remaining</u>
Income			
Department of Defense	\$ 305,435.00	\$ 549,626.00	\$ 244,191.00
EDC Reimbursement	299,672.93	601,012.56	301,439.63
EPA - Brownfields	14,559.68	-	(14,559.68)
Grant Administration	4,268.00	17,650.00	13,384.00
Health Levy Revenue	51,207.00	90,284.00	39,057.00
Mill Levy Revenue	1,270,757.48	1,391,361.00	120,603.52
Miscellaneous Revenue	1,447.17	-	(1,447.17)
Opportunity Fund Investment	-	150,000.00	150,000.00
Recovery of Protested Taxes	148,954.35	-	(148,954.35)
SBA/MT Dept of Commerce	80,998.29	117,650.00	36,653.71
SBDC Program Income	62.81	3,211.00	3,148.19
VBOC	150,267.76	300,000.00	149,732.24
	<u>2,325,628.47</u>	<u>3,220,774.56</u>	<u>895,248.09</u>
Expense			
Advertising	729.83	-	(729.83)
Property Tax Protests	10,769.51	28,147.22	17,377.71
Business Recruitment	417.05	18,000.00	15,582.95
Community Development Projects	(8,000.00)	50,000.00	58,000.00
Contingency	-	17,500.00	17,500.00
Dues and Subscriptions	34,597.88	47,834.00	13,236.12
Employer Contributions	265,340.31	507,433.91	242,093.60
Insurance	6,800.09	14,768.00	7,968.91
Contract Support	-	2,000.00	2,000.00
Marketing	45,007.06	61,854.00	36,846.94
Miscellaneous	22,134.04	39,447.40	17,313.36
Office Equipment	3,580.02	8,700.00	5,119.98
Office Expense	8,939.04	19,000.00	10,060.96
One Big Sky District	50,000.00	55,000.00	5,000.00
Professional Fees	49,356.31	59,017.00	9,660.69
PTAC Satellite	46,488.76	87,714.00	41,225.22
PTAC Subcenter	108,549.38	253,543.00	144,993.62
Rent	72,441.83	111,832.00	39,390.17
Repairs	1,305.00	-	(1,305.00)
Salaries/Wages	851,510.42	1,617,320.86	765,810.44
Sponsorships	5,330.00	6,600.00	1,270.00
TEDD	7,220.34	5,000.00	(2,220.34)
Telecommunications	32,712.21	48,001.00	15,288.79
Travel/Training	49,016.84	124,621.00	75,604.36
Workforce Development	15,000.00	15,000.00	-
	<u>1,677,247.74</u>	<u>3,216,131.39</u>	<u>1,538,883.65</u>
Operating Income	<u>648,278.73</u>	<u>4,643.17</u>	<u>(843,635.56)</u>
Other Income			
Interest Income	<u>24,220.93</u>	<u>87,477.23</u>	<u>63,256.30</u>
Net Income	<u>\$ 672,499.66</u>	<u>\$ 92,120.40</u>	<u>\$ (560,379.26)</u>

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

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

	2019	2018	+/-
Income			
Billings/Works	\$ -	\$ 10,000.00	\$ (10,000.00)
Department of Defense	305,435.00	285,621.00	19,814.00
EDC Reimbursement	299,572.93	273,507.39	26,065.54
EPA - Brownfields	14,559.88	28,165.00	(11,605.12)
Grant Administration	4,268.00	5,898.16	(1,632.16)
Health Levy Revenue	51,207.00	48,353.25	2,853.75
MHI Levy Revenue	1,270,757.48	1,223,152.11	47,605.37
Miscellaneous Revenue	1,447.17	80,255.38	(78,808.21)
Recovery of Protested Taxes	146,954.35	-	146,954.35
SBA/MT Dept of Commerce	80,998.29	68,978.08	12,018.21
SBDC Program Income	62.81	2,217.00	(2,154.19)
VBOC	150,267.76	168,696.61	(48,728.85)
	<u>2,325,526.47</u>	<u>2,223,143.66</u>	<u>102,382.49</u>
Expense			
Advertising	729.83	480.14	249.69
Property Tax Protests	10,769.51	41,620.75	(30,851.24)
BEAR	-	2,539.07	(2,539.07)
Business Recruitment	417.05	15,494.31	(15,077.26)
Contributions	-	359,300.00	(359,300.00)
Dues and Subscriptions	34,597.88	26,065.35	8,532.53
Employer Contributions	285,340.31	248,089.22	17,251.09
Incubator Expense	-	28,043.89	(28,043.89)
Insurance	6,800.09	22,657.42	(15,857.33)
Contract Support	-	5,163.60	(5,163.60)
Marketing	46,007.06	48,547.98	(3,540.90)
Miscellaneous	22,134.04	25,580.17	(3,428.13)
Office Equipment	3,580.02	-	3,580.02
Office Expense	8,939.04	14,387.80	(5,428.76)
One Big Sky District	50,000.00	-	50,000.00
Professional Fees	41,358.31	147,590.17	(106,231.86)
Program Expense	-	1,014.09	(1,014.09)
PTAC Satellite	48,488.78	49,029.54	(2,540.76)
PTAC Subcenter	108,849.38	110,792.66	(4,243.28)
Rent	72,441.83	73,773.32	(1,331.49)
Repairs	1,305.00	1,082.88	212.14
Salaries/Wages	851,510.42	788,404.67	65,105.75
Sponsorships	5,330.00	7,729.33	(2,399.33)
TEDD	7,220.34	-	7,220.34
Telecommunications	32,712.21	18,718.29	13,993.92
Travel/Training	49,016.64	73,292.10	(24,275.46)
Workforce Development	15,000.00	17,855.22	(2,855.22)
	<u>1,677,247.74</u>	<u>2,125,201.83</u>	<u>(447,954.19)</u>
	<u>648,278.73</u>	<u>97,942.05</u>	<u>550,336.68</u>
Other Income			
Interest Income	24,220.83	1,653.33	22,567.50
Net Income	<u>\$ 672,499.86</u>	<u>\$ 89,585.38</u>	<u>\$ 572,904.28</u>

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

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.

Represents contributions and challenge matches for the Rocky MT College and MSU-B science buildings.

Includes \$83k related to the TEDD master plan.

Big Sky Economic Development Corporation

Balance Sheets

	Jan 31, 2018	Jan 31, 2017	+/-	
ASSETS				
Current Assets				
First Interstate Bank	\$ 269,055.39	\$ 221,573.97	\$ 47,481.42	(A)
FIB SSBCI Principal	1,269,535.31	1,036,988.74	232,536.57	
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	245,234.23	176,388.20	68,886.03	
FIB-OBSD Restricted	108,148.92	-	108,148.92	(B)
Accounts Receivable	1,000.00	1,000.00	-	
Certificates of Deposit	-	75,114.53	(75,114.53)	(A)
Contributions Receivable	20,500.00	-	20,500.00	(C)
Prepaid Expenses	2,848.53	-	2,848.53	
RLF Portfolio-Current	74,951.44	72,389.57	2,561.87	
SSBCI Portfolio-Current	123,580.12	175,987.67	(52,397.55)	
	<u>2,386,861.94</u>	<u>2,031,632.68</u>	<u>355,229.26</u>	
Other Assets				
Contributions Receivable-Non Current	43,750.00	-	43,750.00	(C)
RLF Portfolio-Non Current	234,008.29	185,828.75	48,078.54	
SSBCI Portfolio-Non Current	856,679.39	1,016,419.74	(159,740.35)	
	<u>3,521,297.62</u>	<u>3,233,979.17</u>	<u>287,318.45</u>	
TOTAL ASSETS				
LIABILITIES & EQUITY				
Liabilities				
Current Liabilities				
Accounts Payable	3,683.30	21,586.16	(17,902.86)	
Accrued Expenses	10,000.00	16,254.03	(6,254.03)	
Due to/Due From EDA	87,857.98	53,213.29	34,644.69	
	<u>101,541.28</u>	<u>91,053.48</u>	<u>10,487.80</u>	
Net Assets	<u>3,419,756.34</u>	<u>3,142,925.69</u>	<u>276,830.65</u>	
TOTAL LIABILITIES & EQUITY	<u>\$ 3,521,297.62</u>	<u>\$ 3,233,979.17</u>	<u>\$ 287,318.45</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 Seven Months Ended January 31,

	<u>2019</u>	<u>Annual Budget</u>	<u>Budget Remaining</u>
Income			
504 Loan Origination	\$ 92,711.98	\$ 127,500.00	\$ 34,788.02
504 Loan Servicing	304,635.93	531,600.00	226,964.07
Member Investment	98,275.00	350,000.00	251,725.00
Miscellaneous Income	20,392.37	13,000.00	(7,392.37)
Private Billings/Works Funding	7,250.00	20,000.00	12,750.00
Recovery of Bad Debt	2,350.00	3,600.00	1,250.00
RLF Business Loan Interest	7,588.01	12,478.00	4,889.99
SSBCI Revenue	16,015.51	29,140.00	13,124.49
	<u>549,216.60</u>	<u>1,087,316.00</u>	<u>538,099.20</u>
Expense			
Advertising	329.00	-	(329.00)
BEAR Program	1,383.28	6,108.00	4,744.72
Rock31 Expenses	43,205.79	50,000.00	6,794.21
Business Recruitment	26,296.16	81,000.00	54,703.84
Dues and Subscriptions	16,769.38	15,693.00	(1,176.38)
EDA Reimbursement	289,572.93	601,012.56	301,439.63
Event Expense	24,421.51	51,600.00	27,078.49
Insurance	2,580.00	11,000.00	8,420.00
Marketing	4,828.60	11,000.00	6,171.40
Membership Development	2,611.32	7,500.00	4,888.68
Miscellaneous	7,366.46	36,418.00	29,051.54
Office Supplies	1,472.95	2,056.00	583.05
Professional Fees	32,604.40	22,500.00	(10,104.40)
Rent	21,940.09	36,320.00	14,379.91
Sponsorships	1,000.00	2,000.00	1,000.00
Telephone	2,936.17	4,980.00	2,043.83
Travel & Training	12,848.87	28,500.00	15,653.13
Workforce Development	2,660.90	59,695.00	57,034.10
	<u>504,805.79</u>	<u>1,027,182.56</u>	<u>522,376.77</u>
Operating Income	<u>\$ 44,411.01</u>	<u>\$ 60,133.44</u>	<u>\$ 15,722.43</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 Seven Months Ended January 31,

	<u>2019</u>	<u>2018</u>	<u>+/-</u>
Income			
504 Loan Origination	\$ 92,711.98	\$ 21,785.90	\$ 70,926.08
504 Loan Servicing	304,635.93	321,997.98	(17,332.03)
Member Investment	98,275.00	87,475.76	10,799.24
Miscellaneous Income	20,392.37	3,671.30	16,721.07
Private Billings/Works Funding	7,250.00	-	7,250.00
Recovery of Bad Debt	2,350.00	9,364.59	(7,014.59)
RLF Business Loan Interest	7,446.69	9,208.87	(1,762.18)
RLF Loan Fund (net)	139.32	542.38	(403.06)
SSBCI Revenue	16,015.51	18,137.79	(2,122.28)
	<u>549,216.80</u>	<u>472,154.55</u>	<u>77,062.25</u>
Expense			
Advertising	329.00	-	329.00
BEAR Program	1,363.28	-	1,363.28
Rock31 Expenses	43,205.79	-	43,205.79
Business Recruitment	26,296.16	40,285.10	(13,988.94)
Dues and Subscriptions	16,769.36	10,958.33	5,811.03
EDA Reimbursement	299,572.93	273,507.39	26,065.54
Event Expense	24,421.51	34,660.79	(10,239.28)
Insurance	2,580.00	10,159.00	(7,579.00)
Marketing	4,826.60	5,466.02	(657.42)
Membership Development	2,611.32	3,239.38	(628.06)
Miscellaneous	7,366.46	9,569.58	(2,203.12)
Office Supplies	1,472.95	930.42	542.53
Postage and Delivery	-	603.26	(603.26)
Professional Fees	32,604.40	22,740.30	9,864.10
Rent	21,940.09	16,746.48	5,193.61
Repairs	-	853.50	(853.50)
Sponsorships	1,000.00	-	1,000.00
Telephone	2,936.17	2,849.64	86.53
Travel & Training	12,846.87	13,310.56	(463.69)
Workforce Development	2,660.90	408.75	2,252.15
	<u>504,805.79</u>	<u>446,288.50</u>	<u>58,517.29</u>
Operating Income	<u>\$ 44,411.01</u>	<u>\$ 25,866.05</u>	<u>\$ 18,544.96</u>



BIG SKY
ECONOMIC DEVELOPMENT

EDA • EDC CREATING MONTANA BUSINESS OPPORTUNITIES

ATTACHMENT C



MEMO-Personnel Action

March 14, 2019 – Big Sky Economic Development Corporation Board Meeting

RE: Appointment: BSEDC Assistant Secretary

Action Item

Per Section 6.1 (Officers) of the Big Sky Economic Development Corporation (BSEDC) Bylaws (11-9-17), the Board of Directors of Big Sky Economic Development Corporation hereby appoint the following two individuals as Assistant Secretary of the Corporation.

- Johnna Jablonski

This appointment allows for the Assistant Secretary to attest to the signatures of the Executive Director and Vice Executive Director.

The Board of Directors of Big Sky Economic Development Corporation do hereby approve of this action at the March 14, 2019, Board meeting.



BIG SKY
ECONOMIC DEVELOPMENT

EDA • EDC CREATING MONTANA BUSINESS OPPORTUNITIES

ATTACHMENT D

March 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. **Montana Center for Somatic Psychotherapy PLLC** – Request is for the purchase and renovations of an existing duplex for the operations of MT Center for Somatic Psychotherapy PLLC, located in Missoula, MT. This will be a relocation for this business from their currently leased space. The duplex is an up/down duplex and the borrower will occupy just over 64% of the building consisting of the main floor as well as the half story second floor. The basement is a one-bedroom apartment which will be sublet. Renovation costs are needed in order to convert the duplex from residential space to professional office space for this borrower.

MT Center for Somatic Psychotherapy PLLC is owned 100% by Hillary Welzenbach. She is a Licensed Clinical Professional Counselor and has been practicing since 2006. The business provides body-oriented psychotherapy to families, teens, adults and couples. They specialize in providing services to clients in need of treatment for anxiety, depression and/or PTSD.

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 \$135,000 on a 25-year note comprising 40% of the total project costs. Big Sky EDC and the SBA will be in a 2nd lien position on the real property behind Stockman Bank of Missoula



BIG SKY
ECONOMIC DEVELOPMENT

EDA • EDC CREATING MONTANA BUSINESS OPPORTUNITIES

ATTACHMENT E

**MEMORANDUM OF UNDERSTANDING BETWEEN
BIG SKY ECONOMIC DEVELOPMENT,
THE CITY OF BILLINGS
AND
THE BILLINGS INDUSTRIAL REVITALIZATION DISTRICT, INC.
FOR THE IMPLEMENTATION OF THE MASTER PLAN FOR THE
REVITALIZATION OF THE EAST BILLINGS URBAN RENEWAL
DISTRICT**

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

I. TERM & TERMINATION OF THIS MOU

This MOU shall be in effect for three (3) years from the Effective Date, and the parties agree to conduct an annual progress-review meeting to consider any necessary changes to the implementation strategies and roles and responsibilities as set forth in this Agreement. Any Party may terminate this MOU by giving the other Parties - 90 days prior written notice to a fiscal year end of June 30. Days are defined in this Agreement to be business days.

II. BACKGROUND AND PURPOSE OF THIS MOU

- A. The EBURD was created by the City of Billings in 2006 and expanded in 2015 (Ordinance No. 06-5395, Ordinance No. 15-5652) and is defined in the attached Exhibit A map.
- B. The City of Billings has adopted a Tax Increment Finance Policy (Resolution #18-10750). The BIRD will maintain compliance with the Policy in operating under this MOU and the City will use the Policy in its decisions related to TIF programs and projects.
- C. This MOU is a cooperative effort among the City of Billings, BSED and the BIRD, with the mutual objective of enhancing economic development opportunities in the EBURD by promoting the ideals of sustainable industry, outstanding quality of life, public infrastructure improvement, and fair, predictable land use decision-making embodied in the 2009 EBURD Master

Plan, 2012 EBURD Code (Ordinance No. 12-5581) Exhibit "B", 2013 Exposition Gateway Concept Plan, 2013 Hospitality Corridor Planning Study, as well as other City-adopted ordinances, plans and programs affecting the EBURD, provided said ordinances, plans and programs were approved in writing by the BIRD board.

- D. The BIRD is actively working on annexation of County lands in and around the EBURD. Collectively the EBURD and relevant County Land shall be called ("The Study Area").
- E. A Master Plan for the Revitalization of the EBURD has been completed pursuant to a grant by the U.S. Department of Commerce – Economic Development Administration. The purpose of this MOU is to define the mutual understanding of BSED, the BIRD, and the City regarding the implementation of the Master Plan the Study Area.
- F. The EBURD, as its foundation, is an Urban Renewal District with a Tax Increment Financing Provision.

III. RELATIONSHIP OF THE PARTIES

- A. The BIRD will maintain itself as a non-profit advisory board to make recommendations to the Billings City Council regarding all TIF expenditures and land use in the EBURD. This MOU relates only to the cooperative efforts of BSED, the City, and the BIRD described herein in connection with the EBURD and the Study Area.
- B. The BIRD Board By-Laws in Article IV specifies the Board shall be made up of stakeholders that represent both business and property interests in the EBURD. The BIRD must carry Errors and Omissions Insurance for its board members and provide proof of insurance to the City. The Board will provide a current copy of its By-Laws to the City.
- C. This MOU is not intended to create or constitute any joint venture, partnership, joint powers agency, or other formal organization of any kind.
- D. Nothing herein shall be interpreted to require the Parties to exercise their discretion in any particular way or to require the Parties to take any future action regarding the EBURD.
- E. No Party is authorized herein to act as the agent of the other.
- F. This MOU is not intended to create any benefits, rights or entitlements for persons or entities not a party to this MOU.
- G. Sections IV through XIV of this MOU describe a basic outline of roles and responsibilities related to the EBURD and the Study Area. These Sections

identify lead organizations for each identified role and responsibility. The Parties shall collaborate with the identified lead organization to carry out these identified activities.

IV. BIRD BOARD AND STAFF

- A. TIF funding used for operations and staff must be approved by the City Council through its annual budgeting process as part of its review and approval of the EBURD annual budget.
- B. The BIRD Board has adopted a policy that board members and staff cannot receive TIF funding for Development Incentives while in the employment of the BIRD or serving as a member of the board of directors of the BIRD.

V. TAX INCREMENT FINANCING AUTHORITY AND ADMINISTRATION

- A. The City Council shall have the ultimate decision-making authority regarding any expenditure of TIFD Funds related to the EBURD. Recommendations for expenditures shall be presented by the BIRD to the City Council.
- B. The BIRD and the City has developed an application form and assistance guidelines for parties seeking the use of TIFD Funds.
- C. The BIRD will accept and review a complete application for TIF Funds related to the EBURD. The BIRD will review the application and if approved, the application will be submitted to City Planning for review and recommendations, which shall be returned to the BIRD within (10) ten days of receipt. The BIRD shall review the recommendations of City Planning and upon BIRD approval, meet with the applicant. The recommended changes will be incorporated into the application, then the BIRD and City Planning will complete a Development Agreement for submittal to City Council for approval. This Development Agreement will be completed within (10) ten days of BIRD receipt of City Planning recommendations. The application shall be processed and sent to the City Council within sixty (60) days after receipt of a properly completed application from the applicant.

VI. BIRD TRAINING AND CONFLICT OF INTEREST

- A. Training – The BIRD Board & staff, upon election to the Board or upon being hired, will participate in training conducted in coordination with City staff and URD (Urban Renewal District) support staff. The training shall include review of URD and TIF laws, Administrative Rules, ethics, conflicts of interest, meeting management, and maintenance of minutes and records.
- B. Conflict of Interest – The BIRD will adopt a resolution stating the Board and any employees of the BIRD will follow the conflict of interest rules adopted by the City under BMCC Article 2-507 (8)(b) (15) and BMCC Article 2-702. The BIRD Board also addresses elements of conflict of interest in Section IV (B) of this MOU.

If the City finds an appearance of conflict of interest during review of a program or project seeking TIF funding, the matter will be reviewed by the City Attorney's Office.

VII. LAND USE DECISION AUTHORITY

- A. The City shall have final decision-making authority regarding any land use or zoning decision related to the EBURD, provided those items are first reviewed by the BIRD which shall present its recommendation to the City Council for action.
- B. The City staff shall provide to the BIRD of any proposed land use regulation changes related to EBURD property within ten (10) days of receipt or consideration of such proposal for the review and approval by the BIRD. The BIRD shall submit its recommendation to the City Council within 10 days of receipt.
- C. Subject to existing land use law, the City may develop and administer land use and design regulations consistent with those proposed in the Master Plan as recommended by the BIRD. The City and the BIRD shall cooperatively explore potential incentives for developers and property owners subject to such regulations.

VIII. BROWNFIELDS ASSESSMENT

- A. BSED has and is currently administering two (2) grants from the Environmental Protection Agency (EPA) to undertake brownfields assessments of petroleum and hazardous substance contamination on sites within and adjacent to the EBURD.
- B. BSED has assembled a steering committee to help recommend assessed sites. The City and BIRD have both contributed their time to this steering committee and will help prioritize potential assessment sites. This steering committee will also apply EPA's Brownfields criteria of future reuse, expansion, and/or redevelopment in recommending assessment sites throughout the life of the project to BSED.

IX. SEEKING AND ADMINISTERING GRANT AND INCENTIVE FUNDING

- A. BSED will seek, apply for, and administer grant opportunities well-suited for the EBURD. Specifically, in development projects where there will be an increase of additional new jobs, BSED will apply on behalf of, or assist in the preparation of, applications to the Montana Department of Commerce New Worker Training Grant and Big Sky Economic Development Trust Fund incentive programs. All applications for grants and any acceptance of any grant awards must be approved by the City Council, if TIFD funds are used.
- B. When an appropriate grant or funding opportunity is not available to BSED, for eligibility reasons, BSED will identify a potential applicant among the Parties and

will notify such Party of the funding opportunity. BSED will assist these Parties in preparing applications for these funding opportunities on a fee-for-service basis at the hourly rate normally charged by BSED for grant-writing services.

- C. Whenever possible, funds secured by BSED for implementation of Master Plan recommendations should be matched with local dollars, including TIFD funds, in order to maximize impact.

X. MAINTENANCE, PRIORITIZATION, AND IMPLEMENTATION OF THE EBURD MASTER PLAN

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

XI. RECRUITMENT OF PRIVATE INVESTORS AND DEVELOPERS TO THE EBURD

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

XII. IDENTIFY FUNDING SOURCES AND FACILITATE INFRASTRUCTURE IMPROVEMENTS

- A. The City will identify and make application for appropriate funding sources in order to facilitate necessary infrastructure improvements as identified in the Master Plan and the Study Area.
- B. The Parties, under BIRD leadership and direction, will assemble an “Infrastructure Improvements Task Force” of Party representatives to guide infrastructure improvement efforts and assist the City with funding applications, as appropriate.
- C. BSED will seek, assist in the preparation of grants, and administer grant opportunities well-suited for the EBURD in partnership with the BIRD. Specifically, in development projects where there will be an increase of additional new jobs, BSED will assist in the preparation of applications to the Montana Department of Commerce New Worker Training Grant and Big Sky Economic Development Trust Fund incentive programs in

partnership with the BIRD. All applications for grants and any acceptance of any grant awards must be approved by the BIRD prior to being presented to City Council, if TIF funds are used.

- D. When an appropriate grant or funding opportunity is not available to BSED, for eligibility reasons, BSED will identify a potential applicant among the Parties and will notify such Party of the funding opportunity. BSED will assist these Parties in preparing applications for these funding opportunities on a fee-for-service basis at the hourly rate normally charged by BSED for grant-writing services per hour through December 31, 2019.
- E. Whenever possible, funds secured by BSED for implementation of EBURD Master Plan recommendations should be matched with local dollars, including TIF funds, in order to maximize impact, if first approved by the BIRD.

XIII. OTHER SERVICES

- A. BIRD may, at its sole option, contract professional services with an outside party or the City to potentially provide planning, security and maintenance services within the EBURD funded through property owner participation in a business improvement district or sub-district.

XIV. PUBLIC MEETING NOTICE

BIRD meetings are considered public meetings and notice of all meetings is posted on the BIRD web page as required by law. www.BillingsBird.com

XV. PUBLIC RELATIONS

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

XVI. NOTICE

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

BSED:	Dianne Lehm Director of Community Development 222 North 32nd Street, Suite 200 Billings, MT 59101 lehm@bigskyeda.org (406) 869-8409	Patrick Klugman Senior Community Development Project Manager 222 North 32nd Street, Suite 200 Billings, MT 59102 patrick@bigskyeda.org (406) 869-8418
City:	Wyeth Friday Planning Director Planning and Community Services Dept. 2825 3 rd Ave. North, 4 th Floor Billings, MT 59101 fridayw@ci.billings.mt.us (406) 657-8249	Monica Plecker Planning Manager City-County Planning Division 2825 3 rd Ave. North, 4 th Floor Billings, MT 59101 pleckerm@ci.billings.mt.us (406) 247-8660
BIRD:	Marshall Knick President, BIRD, Inc. 1413 4 th Ave. North, Ste C Billings, MT 59101 marshall_knick@pacific-steel.com (406) 245-3133	Lenette Kosovich Secretary BIRD, Inc. 1413 4 th Ave. North, Ste C Billings, MT 59101 lkosovich@rimrock.org (406) 248-3175

XVII. AUTHORITY AND EXECUTION

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

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

-- BIG SKY ECONOMIC DEVELOPMENT --

Dated: _____

By: _____
Steve Arveschoug, Executive Director

-- CITY OF BILLINGS --
"City"

Dated: _____

By: _____
William Cole, Mayor

-- BILLINGS INDUSTRIAL REVITALIZATION DISTRICT, INCORPORATED --
"BIRD"

Dated: _____

By: _____
Matthew McDonnell, Vice President

By: _____
Sam Westerman – Treasurer

By: _____
Marshall Knick, President

By: _____
Ken Kunkel - Director

By: _____
Lenette Kosovich - Secretary

Exhibit A

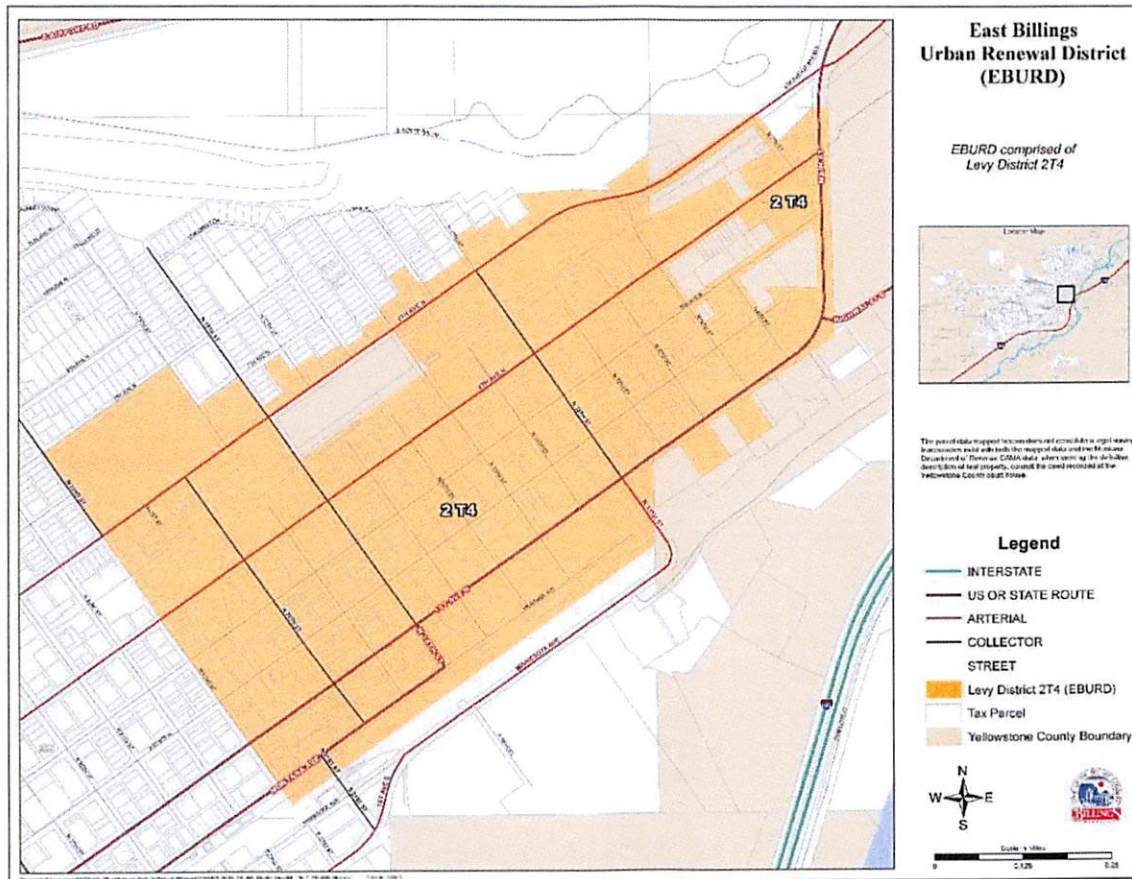
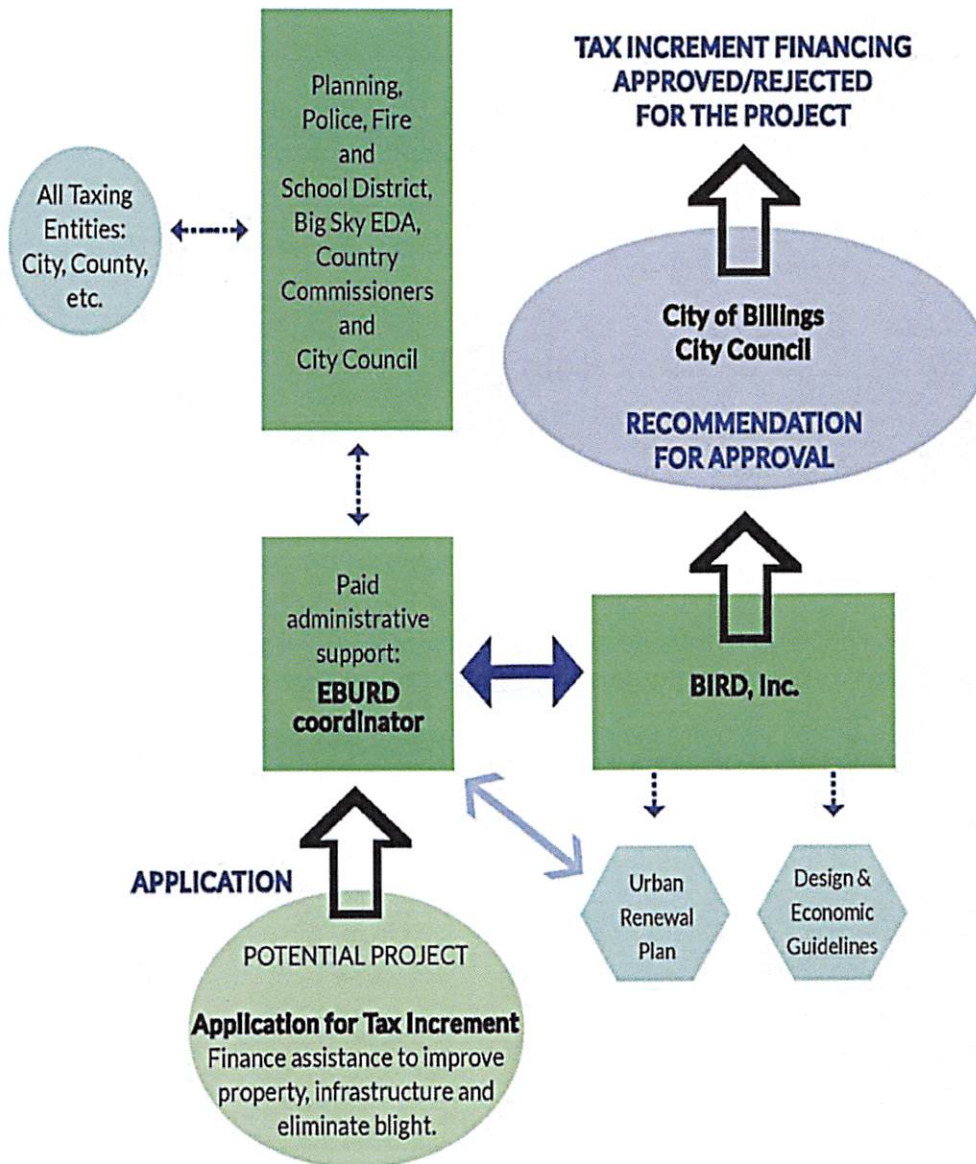


Exhibit B

EBURD ORGANIZATION





BIG SKY
ECONOMIC DEVELOPMENT

EDA • EDC CREATING MONTANA BUSINESS OPPORTUNITIES

ATTACHMENT F



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

Strategic Priorities

- 1. Economic Diversity and Innovation—grow and diversify our economy through small business growth, entrepreneurship, fostering innovative business ideas, and maintaining a regional focus:**
 - a. ROCK31 – Connect Build Grow—MeetUp events are now underway, and Kevin is building the mentorship team for our new ROCK31 entrepreneurship program. Kevin is also working on a partnership with CTA to utilize their space for twice-monthly MeetUps and training events. See more details in the Program Report.
 - b. Coal Country Coalition—No new information on the work of the Coalition.
- 2. Workforce Development and Talent Attraction—via the BillingsWorks Partnership—build and enhance our workforce development strategies/programs and further our talent attraction efforts to meet future workforce needs in support of our regional business community:**
 - a. Advocacy for MSU Billings and RMC—MSUB strategic planning is underway. I will ask Chancellor Edelman to give the Board an update on this planning effort. I will also ask Dr. Wilmouth to provide an update on the status of growth at RMC. Stay tuned for those updates.
 - b. BillingsWorks/Talent Attraction and Career and Technical Education/Career Center—See the Billings Works Update as a part of this report for details on work related to Better Off in Billings and preparation of the 2019 State of the Workforce Report. The CTE Advisory Committee will be meet March 7th to begin work with Greg Upham (SD2 Superintendent) on the next chapter of the CTE Partnership.
- 3. Strategic Placemaking--building-remarkable community investments to encourage and support the retention and attraction of workforce and new private investment:**
 - a. Development of Planned, Ready-to-Go Industrial Space—See the TEDD update as a part of the Community Development section of this report. We are working with Dave Mumford on a presentation to City Council on the relationship between the City's waste water system and the need for Lockwood Water and Sewer to provide service to the TEDD. The City and LWS have an existing service agreement. That agreement will need to be amended to allow LWS to expand their service area to include the TEDD. The first presentation of this proposal is set for April 1st City Council Work Session. In the meantime, work is now underway with KLJ on series for meetings with individual property owners in the TEDD to determine our best opportunity to identify a catalyst project or projects. Those meetings should begin within the next few weeks.

- b. One Big Sky District—The Recruitment section of this report will provide you with more details on the One Big Sky District Planning project but let me offer you a few important details:

1) the OBSD Plan was approved by City Council on Feb. 18th (7 to 3 vote);

2) Council did not approve an amendment to the Development Plan Agreement with Landmark (5 to 5 vote). That action stopped work by the Landmark team on the scope of work that we had outlined together for this phase of the project. Without an Agreement in place, they are unclear of the on-going relationship with the City. That means no more due diligence related to site-selection and private-investment partnerships, as well as the legislative work, at least from the Landmark team;

3) the Strategy Partners have now met three times since the Monday-night Council vote. We strongly believe we have the platform by which we can continue our work on the development of the economic development tool in partnership with our legislative delegation. We have an approved plan and all the supporting fiscal and economic analysis that is needed to support our legislative work. To that end, we held a breakfast meeting with all our partners and contributors Feb. 27th. The group felt strongly that we need to continue to move forward, with focus on the economic development tool. With that support in hand, we held a 2-hour long conference call with Senator Webb (February 28th) to work through the final draft of the legislation. The bill draft should be ready within two days, and the bill introduced March 7th or 8th. First hearing on the legislation will be March 13, 14, or 15—most likely March 15th. Stay tuned for more details; and

4) As a part of this reorganized effort, I will be closing-out budget issues with Landmark related to our Phase II scope of work (payout of the final invoices through February 26th). I will then re-structure the budget around the focus on the legislative effort. I'm cautious, but this should reduce BSED's original commitment of \$300k. I will provide the Board with an updated project budget as soon as possible.

- c. Coulson Park Redevelopment and Entryways Now—A contract with DHM Design has been approved, so now the public outreach meetings can begin. Stay tuned for more details. This will be an important project for our community—2019 is off to a great start with key community development projects.
- d. EBURD Redevelopment—No new info to report. See the Community Development section of this report for more info, as available.
- e. Trailhead Hospitality Vision Steering Committee— The scope of work for a plan/design/budget for the improvement of the Metra Park backside walkway, fence and landscaping is complete. The next step is securing funding for that work. Recall--the goal being to take steps forward in the improvement of the HWY 87 corridor as one of the major entryways for our community. The next meeting of the Committee is set for May 3, 2019, 11:45 A.M. to 1:00 P.M. at the City/County Planning Office, First Floor Conference Room. They meet every other month.
- f. Air Service—No new info.
- g. Space2Place—Micro projects that facilitate quality of place—work on the 2019 project solicitation with begin soon. See Community Development section of this Report.

Program Updates

PTAC

Since August 1st, MT PTAC clients (statewide) have been successful in winning \$50,085,650 in federal, state and local contracts. Of that, \$14,495,205 was awarded to clients of the Billings PTAC. American Welding & Gas, Inc. is a new Billings PTAC client. We have been working with the company to refine its marketing strategy for the government customer. The company has done business with the VA, U.S., Indian Health Service, National Park Service and the Department of the Army but managers would like to expand government business to include other agencies. The company recently signed up for PTAC's bidmatch service in order to receive daily email notices of federal, state and local opportunities that match its capabilities. Statewide, 209 companies are utilizing PTAC bidmatch services, 37 of those in Billings. Mark your calendars for Wednesday, May 29th for our annual MT PTAC "GovMatch" event. Buyers from over 30 federal, state and local agencies will be on hand to meet with companies from all over the state to get acquainted and talk about doing business. We are looking forward to a fantastic event!

BillingsWorks

February may be the shortest month of the year but, that didn't stop your workforce council from kicking butt and taking names. BillingsWorks has been working with School District two and a handful of organizations to coordinate Yellowstone County's first ever mandatory job fair for high school seniors. This event takes place on April 2nd at Metra Park and will expose our graduating high school students to local industries, career pathways, immediate job opportunities and the training/education programs offered right here in our region. Additionally, New Business Recruitment and Workforce Development continues to work together to support the creation and success of sector partnerships. The Yellowstone Tech Alliance chairs, Ken Lutton and Derek Eaton, joined Allison Corbyn, Karen Baumgart, Job Service Partners, as well as School District 2 principal, Scott Anderson to a Next Generation Sector Partnership training in Austin, TX. The cohort spent two full days learning how to better convene the tech industry for future economic success. This group also included Nick Pancheau, Collaborative Design, as BSED is looking to launch a new partnership in the Architecture/Engineering industry.

Community Development

The Lockwood TEDD Advisory Board met on February 20th. The primary discussion at the meeting is to contract with KLJ on preparing the area for future grant funding opportunities for the needed infrastructure. MDT does not plan to go for a BUILD grant for the Bypass this year and is uncertain of their plan for next year. Without a partnership with MDT, a BUILD grant application is not feasible at this time. KLJ and the Advisory Board will look at prioritizing infrastructure needs and identify projects and funding through workshops and interviews with property owners to create a two year strategy for the TEDD.

The Community Development Block Grant funding announcement was released. We administered the community needs public hearing process for the Yellowstone County. Grants are due March 15th for most of the programs.

Community Development staff participated in the Billings Cultural Partners planning session at the Yellowstone Art Museum.

The Coulson Park Master Plan consultants are working with City of Billings begin the planning process.

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

Staff continues to work with the Yellowstone County Local Emergency Planning Committee (LEPC) on the spring Preparedness Conference set for April 2nd. The All Hazard Mitigation Plan for Yellowstone County is close to wrapping up the evaluation process with the consulting team and will have a draft document for review later this spring.

The Yellowstone County fuels reduction grant closed on December 31st and the closeout process is completed. We will be preparing a new grant application later this spring when the funding announcement is released by BLM.

The MOU renewal between BSED, the City of Billings and the BIRD is still being revised by the BIRD.

We continue to follow the proposed guidelines for the Federal Opportunity Zone program. Thom is officially serving on the City County Parks Board as of January 1st. We continue to work with Healthy By Design on a southside grocery concept. The South Billings Sports Facility steering committee met with Thom representing BSED. Patrick continues to serve on the Traffic Study steering Committee. The CD team provide two grants training workshops to local nonprofit volunteers.

Dianne is on the committee to plan the annual Yellowstone County Local Emergency Planning Committee set for April 2nd, Preparedness 2019: In This Together. Planners, responders, businesses, and government agencies all MUST work together in planning, preparedness, and disasters. This networking and training summit will provide attendees the opportunity to hear about best practices, case studies, new techniques, approaches, and area preparedness programs. More information is available at: <https://www.eventbrite.com/e/preparedness-2019-in-this-together-tickets-56346127785>

Space2Place micro placemaking grant applications are currently being accepted with a due date of March 14. CD Team is collaborating internally on the planning the Better Off in Billings event scheduled for April 25th.

VBOC

Training

In this month, Brian delivered the Boots to Business Intro to Entrepreneurship training with SBA partners at Malmstrom Air Force Base (8 Airmen graduates) and F.E. Warren AFB (5 Airmen graduates). In coordination with Lorene and the Billings SBDC team, Dustin also helped to deliver our monthly Pre-Business Development workshops on January 31st and February 21st. Of the 40 attendees, 10 veterans or veteran spouses participated in these classes. This effort will continue every month into the future.

Outreach

- Stockman Bank
- MSU Billings Center for Engagement
- MSU Billings Veteran Success Center
- Billings Heights Exchange Club
- SCORE Billings Chapter

Counseling – The VBOC team consulted with 12 individual veteran clients in February as they pursue small business opportunities. These efforts also included 6 referrals to SBA resource partners throughout our region.

Upcoming events (mark your calendars)

1. March 27th: Boots to Business Reboot at Fort Harrison – Helena, MT.

2. March 29th: Intent Based Leadership Training David Marquet, best-selling author of Turn the Ship Around. Check bigskyeconomicdevelopment.org for details and registration information

Big Sky Finance

The Federal shutdown ended, and another diverted. Through all this Big Sky Finance continued to process SBA 504 loans. For the month of February, we received SBA approval on two 504 loans totaling nearly \$1.5MM. No 504 loans funded this month; however, we did close on two loans with anticipated funding in April. Additionally, our Loan Committee did approve a 504 loan for a new project which will be submitted to SBA shortly for approval. We continue to be busy looking at new projects, working on closings and servicing our portfolio.

Brandon and Sherry traveled to Bozeman for a loan closing and had the opportunity to meet with a couple lenders in the community. We hired our new Loan Specialist who will be joining us on March 4! We are very excited to have Johnna Jablonski joining our team and the organization!

SBA 504 effective rates for the month of February once again dropped from the previous month: 25-year rate is 4.77%, 20-year rate is 4.65% and 10-year rate remained at 5.06% (10-year notes are priced every other month). These rates are fixed for the term of the loan providing borrowers with no interest rate risk!

Rock31 | SBDC

Noteworthy:

- SBDC and team testified for House Bill 52 in Helena to advocate for the 2019 programs scheduled for funding sunset including the SBDC.
- Rock31 team participated in the Frontier Angels breakfast pitch in Billings.

Team activity:

- Served **59** new and existing companies with technical assistance, training, loan packaging, and consulting.
- The team participated in 3 Board/Committees/Events.
- Held 5 outreach site visits.
- SBDC State Network held a quarterly meeting with all the centers in Montana

Ongoing projects:

- Rock31 model development and website design is underway by Kevin and the team.
- Kevin visited Colorado Springs where he participated in a Startup Weekend for tech companies as well as toured an existing co-working space. Plans are now underway to host one of these startup weekends here in Billings.
- The program workplan including a schedule of trainings is being developed for the next fiscal year.
- Kevin connected with Montana Code School to determine the necessary steps to happen to add a location here in Billings. We have several full stack developers here in Billings who are enthusiastic about mentoring students if MCS decides to branch out of Bozeman and Missoula.

- This week we will present an attractive offer to a new innovative company out of Washington to house their pilot manufacturing in Billings.
- Starting March 22nd Rock31 will begin hosting, “Coworking Fridays” with a group of startup founders, programmers, designers and entrepreneurs. This event will take place every other Friday and consist of a short morning meeting, dedicated worktime, and end late afternoon with demos and/or pitches by each member.

Marketing and Member Investor

February and March are the two months that we work to attract new Member Investors. We will be using our board members and current member investors to help bring in approximately 25 new member investors. We have a strong prospect list and with this addition plan to add the additional 60K needed for the increased MI budget this year. We also hosted a Member Investor Forum early in February updating everyone on One Big Sky District.

Work continues on the local communication for both One Big Sky District and 406 Impact Districts(Statewide Legislative Tool).

Working on two major organizational events; Better Off in Billings, April 25th and VBOC Intent Based Leadership Training, March 29th.

Recruitment

Over the last month in recruitment, I attended the NextGen sector partnership training in Austin which provided greater context to how we can work to build collaboration in our key industries. With IT in place, the next sector that we are looking to launch (in partnership with BillingsWorks) is architecture and engineering. Also, in partnership with BillingsWorks, we had a great second conversation with a VP of a company regarding how Billings can meet their workforce needs, encouraging them to grow in Billings, we provided them a workforce availability analysis which helped set the table for the opportunity. We will be circling back with that company in June for another discussion. We are also preparing to participate in Select USA this summer which will be in partnership with others around the state. The goal being to begin the ground work for attracting foreign direct investment in Billings. Statewide, there have been some good success out of this approach to business recruitment, so we look forward to having strong, meaningful conversation about Billings with companies that fit within our industries. Work is also ongoing on One Big Sky District.

Organizational/Policy Matters

1. Future Facilities Taskforce – The new RFP was released on Friday, February 8th. The Pre-Proposal Mandatory Meeting was held on Tuesday, February 19th. There were six entities in attendance at that meeting. Proposals are due on Monday, March 4th and the Future Facility Taskforce will begin reviewing the proposals immediately after. An update will be given at the Board Meeting on March 14th that will include the number of proposals received and results of the preliminary screening.
2. Work Thrive Live - During our discovery work last year, we assessed the need to revamp our performance review process. Trends in performance management show that frequent feedback models are more effective than once-a-year review models. We also assessed the need to more closely tie performance to compensation outcomes. The finishing touches are being put on a revamped yearly review process, including a new real-time feedback model, with the expectation to roll it out later this month for Staff to begin implementing.

3. Ad Hoc Legislative Committee—HB52—lifting the sunset on the 2019 suite of economic development tools—was up for its first hearing on February 19th. We gave strong testimony as did our economic development colleagues from across Montana. Action on the bill should come soon.

**Respectfully submitted,
March 6 & 14, 2019**

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

**Steve Arveschoug
Executive Director**