

**EDA & EDC Joint Board Meeting  
Thursday, October 10, 2019  
7:30 A.M. to 9:00 A.M.  
Yellowstone Conference Room  
Granite Tower  
222 North 32<sup>nd</sup> Street  
Billings, MT**

***BIG SKY ED Mission Statement: - Focused on sustaining and growing our region's vibrant economy and outstanding quality of life, Big Sky Economic Development provides leadership and resources for business creation, expansion, retention, new business recruitment and community development.***

Agenda items may be rearranged unless an item is listed as having a "time certain". Action may be taken on any item listed on the Board Agenda.

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

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

- Intro New Controller—Shanna Zier
- BSED Team-Member Anniversaries
- Start-Up Weekend Update—Kevin
- Veterans' Small Business Week Update—Dustin

**7:40 A.M. Changes to Today's Agenda**

**7:45 A.M. Consent Agenda**

Sept. 12, 2019 Board Meeting Minutes  
July 2019 EDA and EDC Preliminary Financials

(EDA & EDC Action)  
(Attachment A)  
(Attachment B)

**7:55 A.M. Program-Level Action Items/Reports**

- Big Sky Finance —Brandon
  - 504/RLF Loan Approvals (Attachment C) (EDC Action)
  - Update: RLF Default/Collections Status (Attachment D) (Info)
- Operations—Becky
  - Nominating Committee Update—EDC Election and EDA Appointments (Info)
  - Future Facilities Update (Info)
- Member Investor Program—Melanie
  - Update: Annual Meeting—"Building Remarkable" (Oct. 24<sup>th</sup>)

**8:45 A.M. Executive Director Report**

- Update: Public Safety Meeting Oct. 2<sup>nd</sup> and Next Steps (Info)
- MEDA Next Generation of Community and Economic Development Tools Analysis (Info)
- Awareness of Potential NDO Initiative (Letter) (Attachment F) (Info)

**8:55 A.M. Public Comment**

**9:00 A.M. Adjourn**

**Next EDA/EDC Board Meeting November 14, 2019. Big Sky Economic Development Board of Directors will make reasonable accommodations for known disabilities that may interfere with an individual's ability to participate. Persons requiring such accommodations should make their requests to Big Sky Economic Development as soon as possible before the meeting day. Please call Big Sky ED at 256-6871.**



BIG SKY  
ECONOMIC DEVELOPMENT

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# ATTACHMENT A

**EDA/EDC Joint Board Minutes**  
**Thursday, September 12<sup>th</sup> 2019 – 7:30 AM – 9:00 A.M.**  
**Big Sky Economic Development – Yellowstone Conference Room**  
**Granite Tower 222 N. 32<sup>nd</sup> Street, Billings, MT**

***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, Greg McDonald, Jennifer Smith, Jennifer Owen, Judi Powers, Ken Lutton, Paul Neutgens, Shaun Brown (Ex-Officio), Don Jones (Ex-Officio), Katy Easton (Ex-Officio)

**EDA Board Members Absent:** Dana Pulis, Fred Sterhan, George Warmer, Robin Rude

**EDC Board Members Present:** Aaron Ramage, Andy Gott, Ann Kosempa, Bob Wilmouth, Dave Ballard, David Ellis, Denis Pitman, Mac Fogelson, Mike Phillips, Mike Nelson, Nicole Benge, Scott Chesarek, Spencer Frederick, Steve Loveless, Elaine Labach (EDC Representative for Chancellor Dan Edelman)

**EDC Board Members Absent:** Craig Bartholomew, Dan Edelman, Doug Hansen, Eric Simonsen, Jon Stepanek, Mike Seppala, Mitch Goplen, Molly Schwend

**Staff and Guests:** Lorene Hintz, Melanie Schwarz, Becky Rogers, Austin Trunkle, Patrick Klugman, Dustin Frost, Brandon Berger, Allison Corbyn, Kevin Scharfe, Karen Baumgart, Jenna Peete, Nick Altonaga, John Ostlund

**Call to Order:**

Cory Moore, EDA 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 received news this morning that Roz is headed to the hospital to have her baby.

Introductions

Becky introduced Dr. Elaine Labach, Dean of the College of Business at MSUB, who will be attending in lieu of Chancellor Edelman. The Chancellor's schedule makes it difficult to always be in attendance on Board Meeting days and asked to have a non-voting representative present on his behalf through the end of the calendar year.

Jenna Peete with the Moss Mansion was next. Jenna wanted to extend an invitation to our Board to visit the Mansion. The mansion was built in 1900 by PB Moss and remains 95% original. This is the only museum house in the state that offers self-guided and guided tours. The Moss has recently partnered with the Western Heritage Center to create a youth ambassador program. This past legislative session, the Moss received \$400,000 to help with restoration and deferred maintenance. On September 25<sup>th</sup>, the Moss will have an open house and would like our Board to attend as well.

Nick Altonaga introduced himself and is the new City Planner for Laurel. Nick comes to our community from the New England area and is excited to tackle the new growth in Laurel.

Dr. Bob Wilmouth gave a State of Rocky Mountain College update. Bob began by saying that Rocky is undergoing an evolution. The 200 students that graduate each year, have empathy and critical thinking skills in addition to the degree they've earned. Rocky continues to add value to their College and Bob will elaborate more on that when he introduces their new doctorate program. Bob used the analogy that they have gone from a AA team to a AAA team. A few years ago, Rocky decided they wanted to introduce doctoral medical studies. At present, they have launched their Occupational Therapy program. Bob went on to commend his graduates as they effect change in our community. Bob closed by speaking to higher education as a whole. Bob is of the mind that a higher education institute must be run like a business. These institutions spend every penny they make and ought to reinvest in themselves. Bob thanked the community at large for the support they provide RMC and how important their collective leadership is.

**Agenda Changes:**

1. We will be moving introductions to accommodate some early departures.
2. We will also be moving the consent agenda up so that it follows the Big Sky Trust Fund Request.

**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. Restyle Clothing Exchange, Inc. (River City Properties, LLC)** – Request is for the purchase of land, building and renovations for Restyle Clothing Exchange, located in Missoula, MT. This is an existing business relocating to a larger building in order to facilitate expansion opportunities, as well as alleviating the need to utilize storage units for inventory. Restyle is a woman-owned used clothing business which has been in existence since 2012. They buy and sell gently used, brand name clothing and accessories for cash or in-store credit. Clientele is primarily teens and young adults.

No new jobs are projected to be created at this time as a result of this project. The project does meet two Public Policy goals: woman-owned business and business located in a HUBZone. The total SBA debenture will be \$310,000 on a 25-year note comprising approximately 40% of the total project costs. Big Sky EDC and the SBA will be in a 2nd lien position behind First Interstate Bank of Missoula on the real property.

Motion: Mike Phillips, to approve the Restyle Clothing Exchange, Inc. loan request as presented to the Board.

Second: Steve Loveless

Abstention: Andy Gott

Discussion: Brandon explained further how a HUBZone functions

Motion carried

**2. Polson Theatres Inc. (Showboat Land Holdings, LLC)** – Request is for the renovations to an existing building currently owned by the borrowers, as well as the purchase of new equipment. Polson Theatres Inc. currently operates a two-screen movie theatre (Showboat Theatre) in Polson, MT. They are requesting the funds to expand the existing building from two screens to a six-screen cinema. Polson Theatres Inc. also operates theatres in 10 other rural communities across MT (one in Idaho). This is a family owned business and has been for the past 47 years.

There will be two new jobs created as a result of this project. The project meets two Public Policy goals: rural development and being located in a HUBZone. The total SBA debenture will be \$1,245,000 on a 25-year note comprising approximately 33% of the total project. This is a special purpose building so borrowers must inject additional cash. Big Sky EDC and the SBA will be in a 2nd lien position on the real

and personal property behind Glacier Bank in Polson.

Motion: Dave Ballard, to approve the Polson Theatres, Inc. loan request as presented to the Board.

Second: Bob Wilmouth

Discussion: Mike Phillips personally attested to the quality of this company

Motion carried

**3. Advanced Therapy Clinic LLC** – Request is for an increase in the amount of the SBA debenture from \$403,000 to \$405,000. Loan was originally approved by the Board on May 9, 2019. The increase is the result of the addition of professional fees (appraisal cost) added to the project costs at submission to SBA. Loan has been approved by the SBA and is currently in the closing process. No other changes to the loan as approved.

**Original Request – 05/09/2019:** Request is for the purchase of an existing building with minor renovations for the offices of Advanced Therapy Clinic LLC. The project is located at 1701 Avenue E, Billings, MT. The renovations are minimal and necessary to convert a portion of the space suitable to their practice. Advanced Therapy Clinic LLC is owned by Patrick and Anna Brown. They provide pediatric speech, occupational, physical and behavioral therapy and counselling. Services are primarily offered to children, but they also work with adults. They have outgrown their leased space and this new building will provide them with room for growth. They also have offices in Butte and Bozeman.

There are projected to be six new jobs created resulting from this project. The total SBA debenture will be \$403,000 on a 25-year note comprising 40% of the total project costs. Big Sky EDC will be in a 2nd lien position behind First Interstate Bank on the real property acquired

Motion: Spencer Frederick, to approve the Advanced Therapy Clinic LLC loan request as presented to the Board.

Second: Aaron Ramage

Abstention: Andy Gott

Discussion:

Motion carried

#### Approval of New Loan Committee Member

Brandon would like to recommend to the Board of Directors the addition of Paul Neutgens to serve on the Corporation's Loan Committee. Paul currently serves on the Big Sky EDA Board of Directors. Having him as a member of the Big Sky Finance Loan Committee will provide us with a representative from the EDA Board of Directors, to go along with having a representative from the EDC Board.

Paul is owner of American Steel. He brings to the committee strong small business knowledge, as well as his background in the construction and steel industry. Additionally, Paul has gone through the SBA 504 process as American Steel has a loan with Big Sky EDC, therefore he has experience with the program.

Motion: Andy Gott, to approve the Paul Neutgens as a new Loan Committee Member, as presented to the Board.

Second: Aaron Ramage

Discussion:

Motion carried

#### RLF Default and Past Due Loan Policy

Brandon updated the Board that we have had to write off two loans recently and that a new collection policy for past-due loans will be put into place. Brandon has convened his loan committee to help map this policy out.

The two write-offs were Magic City Doors and El Corral Mexican Restaurant.

Brandon is in contact with both owners and has continued his efforts to recover funds.

Dave Ballard asked how often borrowers are late. Brandon said that aside from these two, all the other loans are current. Mike Phillips offered his opinion that borrowers may need to put up additional collateral. Ann asked how long the borrowers stayed current. Brandon said about two years.

#### Operations Update – Becky

Future Facilities Update – Becky said that we have submitted our revisions to the grant application requested by the Federal EDA. Their review team will now do a final, comprehensive review of our application with the amendments we submitted.

Melanie and Dena attend an EDA conference in Denver and had the opportunity to speak with the group that is reviewing our application. Becky said that she doesn't expect to hear a final response from the EDA until November.

In the interim, we've been working with the owners of the facility throughout this process and made a few small amendments to the purchase agreement in order to align better with the EDA's timeline.

#### Controller Update – Becky

Becky thanked the search committee for their time and expertise that they provided. Becky is pleased to announce that our offer of employment to Shanna Zier has been accepted. Shanna comes to us from Riverstone Health where she is a Financial Services Manager. The exact start date has yet to be determined.

Jim has moved to a temporary, part-time employment to help finish up his work on the audit and to wrap-up a few odds and ends with the financials. His last day as an employee will be next Friday, September 20<sup>th</sup> and he will then move to Contract Status with us to finish up a handful of items for the audit. We have been contracting interim accounting help through Avitus group and have that secured through the middle of October. July Financials will be coming at the next Board Meeting.

#### FY 2020 Budget Considerations

Becky presented adjustments made for consideration of the final budget and started with the EDA. The County Commissioners finalized their budget and we were pleased to receive a full Mill Levy. We also received additional funds from the State via House Bill 52 and will see approximately \$60,000 more each year. The additional funding will also allow us to draw down less on the Opportunity Fund dollars we had set aside. Additionally, there will be some contingency set aside for the carrying cost of the Montana National Bank Building, should we receive the grant and move forward with that purchase. We also added to our budget for contract/intern work to hold space for Jim's contract work on the audit and for a taking on the Bozeman PTAC advisor temporarily for 3 months while we search for a new host in Bozeman. Finally, Steve asked for \$5,000 to for the MEDA RFQ that will help develop the next generation of community and economic development tools. On the EDC, \$10,000 was shifted from the Recruitment budget for the purpose of work towards Legislative Priorities.

Mike Phillips referred to the year-end financials and asked for some clarification on the balance sheet. Mike had questions about our 406 Impact Districts spending and how it was reflected on the EDC financial statement cover sheet.

The budget will be voted on separately by both the EDA and EDC.

#### EDA Vote

Motion: Ken Lutton, to approve and adopt the Final Budget Considerations, as presented to the Board.  
Second: Jennifer Smith  
Discussion: Above  
Motion Passes

#### EDC Vote

Motion: Mike Phillips, to approve and adopt the Final Budget Considerations, as presented to the Board.  
Second: Mac Fogelsong  
Discussion: Above  
Motion Passes

**Beartooth RC&D MOU (EDA Action Only)**

We have an ongoing relationship with Beartooth RC&D in Joliet as one of our rural economic development partners. This is a yearly MOU we sign with them and the assessment fee is part of our yearly operational budget.

Motion: Ken Lutton, to approve the execution of the MOU, as presented to the Board.  
Second: Jennifer Smith  
Discussion: None  
Motion Passes

**EDC Nominating Committee (EDC Action Only)**

Becky explained how our EDA and EDC appointments are determined. The EDA is appointed by the County Commissioners and EDC is determined by a recommendation from the Nominating Committee and then a vote from our Member Investors.

The Committee recommends that the ballot includes Steve Loveless for a second term and Kim Jakub to fill Molly's seat beginning January 1, 2020. (Molly is no longer employed by a Member Investor Company and thus, her seat will need filled by an individual who is).

Motion: Spencer Frederick, to approve the recommendation of the Nominating Committee, as presented to the Board.  
Second: Bob Wilmouth  
Discussion: None  
Motion Passes

**Big Sky Trust Fund Application – Lorene and Allison**

The Big Sky Trust Fund is a state funded program that was created in 2005 by the Montana Legislature to assist in economic development that creates good-paying jobs, promotes long-term growth, and encourages workforce development in Montana.

Lorene presented the application for Island Mountain Development Group. The group is based out of Hays, Montana. IMDG is pursuing a \$375,000 Job Creation Grant as they expand their business interests in the state. IMDG plans to increase the number of employees in their Billings call center by adding 75 jobs with the help of this grant.

Motion: Judi Powers, to approve the BSTF Grant Application, as presented to the Board.  
Second: Ken Lutton  
Discussion: None  
Motion carried

Allison presented for Healthy Is, a wellness business connected to Zoot Enterprises. The business aims to encourage healthy behaviors and healthy work habits. They anticipate creating 30 jobs throughout the state of Montana.

Motion: Paul Neutgens, to approve the BSTF Grant Application, as presented to the Board.  
Second: Greg McDonald  
Discussion: None  
Motion carried

**Consent Agenda**

## July 11<sup>th</sup>, 2019 Board Minutes and June 2019 EDA EDC Financials

Motion: Mike Phillips, to approve the July 11<sup>th</sup>, 2019 Board Minutes and June 2019 EDA EDC Financials, as presented to the Board.

Second: Ken Lutton

Discussion: None

Motion carried

### Rock 31 Update – Kevin

Kevin announced that the Kaufmann Foundation has designated Billings as an official One Million Cups chapter. One Million Cups gives companies the opportunity to meet every week to garner support from the community. The first meetup will be on October 9<sup>th</sup> and will continue every Wednesday at 9am.

Kevin also brought the Boards attention to the November 1<sup>st</sup>, Startup Weekend. Entrepreneurs will gather on Friday, they will be paired up, and then they will have 54 hours to develop their idea, to complete their market analysis, and develop a working prototype. Kevin asked the Board to recommend any companies or individuals that may be interested.

### Recruitment Update – Allison

Allison spoke to the next steps for our 406 Impact Districts work. In the packet, there was a draft provided of the strategy as we look ahead. We are aiming to increase discussion around the state about how we can drive increased private investment in our communities.

Katy Easton of the DBA went on to speak about the TIF dollars situation and the increase that they will be expecting to see.

Jennifer Owen asked questions regarding our contract with Landmark Development and our prospective community education and outreach efforts.

Allison spoke further about the Opportunity Zone in our downtown core. The State Department of Commerce has put out an RFP asking how Montana can put its best foot forward in making our OZs attractive to private investors.

Allison provided an update on the TEDD. Allison has been using a lead-generation company who is helping us identify companies who may be interested in locating in the TEDD.

Allison gave a brief update on the airport and the work they've been doing. American Airlines has been very pleased with their direct flight to DFW and are perhaps looking at other opportunities in the Billings market. Jet Blue has begun service in Bozeman and will be assessing if that flight would serve the Billings area too. Allison wants to illustrate that Billings is its own market and flight service in our community is important.

### Member Investor Program Update – Melanie

Melanie gave an update about our Annual Meeting and would like every Board Member to be in attendance. Our meeting will be on October 24<sup>th</sup> and will be featuring Todd Johnson of Gallup as the Keynote Speaker. The meeting will be at the Metra Park Pavilion.

Being our 30<sup>th</sup> year, Melanie has asked that if any Board Members have information regarding the National Bowling Congress Event that used to take Billings. Melanie is working on tracking significant events over the past 30 years. Scott Chesarek told Melanie to speak with Bill Dutcher at Metra.

### Executive Director's Report - Patrick

Patrick spoke to the public safety meeting that will be on October 2<sup>nd</sup> at the Northern. Public safety is fundamental to economic development and we want to be an educated partner as we look to tackle this issue with partners across our community.



**Public Comment**

Cory mentioned that there is a very large travel blogger conference here in town.

**Adjourn**

Cory entertained a motion to adjourn and received the motion from Aaron Ramage.

**Meeting adjourned: 9:02 A.M.**

Next Meeting – October 10<sup>th</sup>, 2019

Respectfully submitted,

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Paul Neutgens, EDA Secretary/Treasurer

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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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# ATTACHMENT B

**Internal Memorandum**

**Date:** September 27, 2019

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

**From** Becky Rogers, Operations Director

**Subject:** Big Sky EDA Preliminary Financial Statements

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Attached are the Big Sky EDA preliminary financial statements for the month of July 2019.

# Big Sky EDA

## Preliminary Balance Sheet

	July 31, 2019	July 31, 2018	+/-
<b>ASSETS</b>			
<b>Current Assets</b>			
<b>Checking/Savings</b>			
First Interstate Bank	\$ 98,924.33	\$ 163,369.87	\$ (64,445.54)
FIB-Recovered Property Taxes	193,704.71	1,000.00	192,704.71
Opportunity Fund - FIB	54,368.41	13,248.04	41,120.37
Opportunity Fund - Stockman	3,612.55	645,598.75	(641,986.20)
Opportunity Fund - Opportunity Bank	613,994.30	-	613,994.30
Stockman Bank	15,127.87	28,479.10	(13,351.23)
Yellowstone County Funds	293,220.57	440,067.65	(146,847.08)
	<u>1,272,952.74</u>	<u>1,291,763.41</u>	<u>(18,810.67)</u>
<b>Other Current Assets</b>			
Accounts Receivable	203,518.20	211,287.33	(7,769.13)
American Revenue Guarantee	6,887.28	6,887.28	-
Due To/Due From EDC	79,073.07	126,456.37	(47,383.30)
Miscellaneous Receivables	-	3,007.00	(3,007.00)
Tax Levy Receivable	8,781.37	12,187.20	(3,425.83)
Tax Levy Receivable - Protested	9,211.16	1,437.48	7,773.68
Allowance for Doubtful Accts	(9,211.16)	(1,437.48)	(7,773.68)
Interest Receivable	2,420.67	-	2,420.67
Opportunity Fund - CDs	-	-	-
Prepaid Expenses	-	5,427.00	(5,427.00)
Undeposited Funds	-	9,041.66	(9,041.66)
	<u>300,660.59</u>	<u>374,293.84</u>	<u>(64,591.59)</u>
<b>Non-Current Assets</b>			
Opportunity Fund - CDs	4,590,718.00	5,328,831.00	(738,113.00)
Loans Receivable	388,530.93	-	388,530.93
TEDD Receivable	64,775.00	75,000.00	(10,225.00)
Cabelas Conduit	4,982.40	4,977.58	4.82
Deferred Outflow of Resources	459,995.38	365,827.38	94,168.00
	<u>5,509,001.71</u>	<u>5,774,635.96</u>	<u>(265,634.25)</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 7,082,615.04</u></u>	<u><u>\$ 7,440,693.21</u></u>	<u><u>\$ (358,078.17)</u></u>
<b>LIABILITIES &amp; EQUITY</b>			
<b>Current Liabilities</b>			
Accounts Payable	72,850.66	92,604.86	(19,754.20)
Accrued Expenses	99,998.00	408,619.64	(308,623.64)
Payroll Liabilities	175.45	257.78	(82.33)
Compensated Absences	164,177.36	146,352.75	17,824.61
	<u>337,199.47</u>	<u>647,835.03</u>	<u>(310,635.56)</u>
<b>Long Term Liabilities</b>			
Deferred Inflow of Resources	18,115.97	7,418.97	10,697.00
Pension Liability	1,166,466.80	908,810.80	257,656.00
	<u>1,184,582.77</u>	<u>916,229.77</u>	<u>268,353.00</u>
<b>Net Assets</b>	<u>5,560,832.80</u>	<u>5,876,628.41</u>	<u>(315,795.61)</u>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<u><u>\$ 7,082,615.04</u></u>	<u><u>\$ 7,440,693.21</u></u>	<u><u>\$ (358,078.17)</u></u>

# Big Sky EDA

## Preliminary Statements of Operations - Actual v Budget

For the First Month Ended July 2019

	<u>2019</u>	<u>Annual Budget</u>	<u>Budget Remaining</u>
<b>Income</b>			
Department of Defense	\$ 50,253.00	\$ 633,828.00	\$ 583,575.00
EDC Reimbursement	40,045.48	584,747.81	544,702.35
EPA - Brownfields	502.50	-	(502.50)
Grant Administration	-	8,900.00	8,900.00
Health Levy Revenue	7,812.00	102,380.00	94,548.00
Mill Levy Revenue	(333.08)	1,481,225.00	1,481,558.08
Opportunity Fund Investment	-	25,000.00	25,000.00
SBA/MT Dept of Commerce	14,394.92	184,500.00	150,105.08
VBOC	22,003.88	300,000.00	277,996.12
	<u>134,678.68</u>	<u>3,280,560.81</u>	<u>3,145,882.13</u>
<b>Expense</b>			
Community Development Projects	-	50,000.00	50,000.00
Contingency	-	30,000.00	30,000.00
Contract Support	-	1,000.00	1,000.00
Employer Contributions	41,360.63	630,398.25	489,035.62
Insurance	12,632.20	14,768.00	2,133.80
Marketing - Departmental	297.38	18,652.33	18,354.95
Marketing - Organizational	10,649.27	61,750.00	51,100.73
Miscellaneous	11,671.43	92,550.33	80,878.90
Office Equipment	-	7,000.00	7,000.00
Office Expense	958.68	20,000.00	19,043.34
Professional Fees	602.50	35,125.55	34,523.05
PTAC Satellite	6,980.30	140,520.30	133,540.00
PTAC Subcenter	27,037.79	278,281.50	251,243.71
Rent	11,315.87	126,383.80	115,047.93
Salaries/Wages	132,449.26	1,812,771.24	1,480,321.98
Sponsorships	7,600.00	15,916.94	8,116.94
Tax Protests	-	48,190.40	48,190.40
TEDD	13.25	5,000.00	4,986.75
Telecommunications	4,802.82	54,240.00	49,437.18
Travel/Training	6,013.69	133,222.70	127,209.01
	<u>274,583.05</u>	<u>3,274,747.34</u>	<u>3,000,164.29</u>
<b>Operating Income/(Loss)</b>	<b>(139,904.37)</b>	<b>5,813.47</b>	<b>145,717.84</b>
<b>Other Income</b>			
Interest Income	1,317.85	90,334.12	89,016.17
<b>Net Income/(Loss)</b>	<b>\$ (138,586.42)</b>	<b>\$ 96,147.59</b>	<b>\$ 234,734.01</b>

**Big Sky EDA****Preliminary Statement of Operations - Year over Year****For the First Month Ended July 2019**

	2019	2018	+/-
<b>Income</b>			
Department of Defense	\$ 50,253.00	\$ 40,025.00	10,228.00
EDC Reimbursement	40,045.46	41,678.19	(1,632.73)
EPA - Brownfields	502.50	7,348.29	(6,845.79)
Grant Administration	-	4,266.00	(4,266.00)
Health Levy Revenue	7,812.00	7,207.50	604.50
Mill Levy Revenue	(333.08)	-	(333.08)
Recovery of Protested Taxes	-	146,854.25	(146,854.25)
SBA/MT Dept of Commerce	14,394.92	9,041.86	5,353.26
SBDC Program Income	-	62.81	(62.81)
VBOC	22,003.88	14,712.77	7,291.11
	<b>134,678.68</b>	<b>271,196.47</b>	<b>(136,517.79)</b>
<b>Expense</b>			
Advertising	699.03	-	699.03
Dues and Subscriptions	7,349.33	9,780.58	(2,431.25)
Employer Contributions	41,360.63	37,129.65	4,230.98
Insurance	12,632.20	6,485.00	6,147.20
Marketing	10,946.65	3,665.00	7,281.65
Miscellaneous	3,447.07	(881.75)	4,328.82
Office Equipment	-	1,710.00	(1,710.00)
Office Expense	956.66	1,434.80	(478.14)
Professional Fees	602.50	7,443.29	(6,840.79)
PTAC Satellite	6,980.30	7,455.79	(475.49)
PTAC Subcenter	27,037.79	25,117.09	1,920.70
Rent	11,315.87	11,021.00	294.87
Repairs	176.00	80.00	96.00
Salaries/Wages	132,449.26	118,464.92	13,984.34
Sponsorships	7,800.00	-	7,800.00
TEDD	13.25	2,018.37	(2,005.12)
Telecommunications	4,802.82	4,185.10	617.72
Travel/Training	6,013.69	6,356.66	(342.97)
Workforce Development	-	284.46	(284.46)
	<b>274,583.05</b>	<b>241,749.98</b>	<b>32,833.09</b>
<b>Operating Income/(Loss)</b>	<b>(139,904.37)</b>	<b>29,446.51</b>	<b>(169,350.88)</b>
<b>Other Income</b>			
Interest Income	1,317.95	298.76	1,019.19
<b>Net Income/(Loss)</b>	<b>\$ (138,586.42)</b>	<b>\$ 29,745.27</b>	<b>\$ (168,331.69)</b>

**Internal Memorandum**

**Date:** September 27, 2019

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

**From** Becky Rogers, Operations Director

**Subject:** Big Sky EDC Preliminary Financial Statements

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Attached are the Big Sky EDC preliminary financial statements for the month of July 2019.

# Big Sky EDC

## Preliminary Balance Sheet

	July 31, 2019	July 31, 2018	+/-
<b>ASSETS</b>			
<b>Current Assets</b>			
First Interstate Bank	\$ 256,212.28	\$ 343,988.22	\$ (87,775.94)
FIB SSBCI Principal	1,348,444.37	1,178,252.55	170,191.82
FIB-Long Term Reserve	250,000.00	150,000.00	100,000.00
FIB-Opportunity Fund	22,200.00	22,200.00	-
FIB-RLF	171,182.94	211,035.88	(39,842.92)
FIB-OBSD Restricted	-	263,341.00	(263,341.00)
Accounts Receivable	41,709.29	1,000.00	40,709.29
Contributions Receivable	44,500.00	71,000.00	(26,500.00)
Prepaid Expenses	20,367.00	407.73	19,959.27
RLF Portfolio-Current	44,338.55	78,487.44	(34,150.89)
SSBCI Portfolio-Current	126,447.71	137,241.12	(10,793.41)
	<u>2,325,410.14</u>	<u>2,456,853.82</u>	<u>(131,543.78)</u>
<b>Other Assets</b>			
RLF Portfolio-Non Current	257,352.15	262,881.07	4,691.08
SSBCI Portfolio-Non Current	789,746.18	924,440.15	(134,693.97)
<b>TOTAL ASSETS</b>	<u><u>3,372,508.47</u></u>	<u><u>3,634,055.14</u></u>	<u><u>(261,546.67)</u></u>
<b>LIABILITIES &amp; EQUITY</b>			
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Accounts Payable	9,230.45	10,680.78	(1,450.33)
Accrued Expenses	6,437.50	36,045.00	(29,607.50)
Deferred 604 Revenue	37,514.50	-	37,514.50
Due to/Due From EDA	84,680.32	126,466.37	(41,776.05)
	<u>137,862.77</u>	<u>173,182.15</u>	<u>(35,319.38)</u>
<b>Net Assets</b>	<u>3,234,645.70</u>	<u>3,460,872.99</u>	<u>(226,227.29)</u>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<u><u>\$ 3,372,508.47</u></u>	<u><u>\$ 3,634,055.14</u></u>	<u><u>\$ (261,546.67)</u></u>



**Big Sky EDC****Preliminary Statement of Operations - Actual v Budget\***

For the First Month Ended July 31,

	<b>2019</b>	<b>Annual Budget</b>	<b>Budget Remaining</b>
<b>Income</b>			
504 Loan Origination	\$ 10,630.60	\$ 135,000.00	\$ 124,369.40
504 Loan Servicing	44,456.91	526,488.00	482,031.09
Member Investment	11,000.00	370,000.00	359,000.00
Miscellaneous Income	(2,487.50)	13,000.00	15,487.50
Recovery of Bad Debt	300.00	3,600.00	3,300.00
RLF Business Loan Interest	512.01	11,004.28	10,492.27
SSBCI Revenue	1,840.25	24,063.88	22,223.63
	<u>66,252.27</u>	<u>1,083,156.16</u>	<u>1,016,903.89</u>
<b>Expense</b>			
BEAR/Advisory Council	-	5,386.00	5,386.00
Business Incubation	-	3,000.00	
Contingency	-	10,000.00	10,000.00
Dues and Subscriptions	771.39	20,177.23	19,405.84
EDA Reimbursement	40,045.48	584,747.81	544,702.35
Insurance	-	11,000.00	11,000.00
Marketing - departmental	5,510.00	61,547.67	56,037.67
Marketing - organizational	2,858.80	11,000.00	8,141.20
Membership Development	396.80	15,000.00	14,603.20
Miscellaneous	453.91	41,992.38	41,538.47
Office Equipment	-	2,500.00	2,500.00
Office Supplies	98.56	2,056.00	1,957.44
Opportunity Fund Contribution	-	40,000.00	40,000.00
Organizational Event Expense	3,650.00	52,500.00	48,850.00
Postage and Printing	-	1,000.00	1,000.00
Professional Fees	2,061.30	80,928.45	78,867.15
Rent	3,419.47	41,049.08	38,987.78
Sponsorships	-	8,603.06	8,603.06
Telecommunications	382.17	5,619.12	5,236.95
Travel & Training	5,882.04	64,155.80	58,273.76
	<u>65,529.90</u>	<u>1,062,262.60</u>	<u>995,090.87</u>
<b>Operating Income</b>	<u>\$ 722.37</u>	<u>\$ 20,893.56</u>	<u>\$ 21,813.02</u>

\* Excludes restricted funds.

**Big Sky EDC****Preliminary Statement of Operations - Year Over Year Actual\*****For the First Month Ended July 31,**

	<b>2019</b>	<b>2018</b>	<b>+/-</b>
<b>Income</b>			
504 Loan Origination	\$ 10,630.60	\$ 7,708.87	\$ 2,923.73
504 Loan Servicing	44,456.91	42,886.22	1,570.69
Member Investment	11,000.00	1,500.00	9,500.00
Miscellaneous Income	(2,487.50)	375.00	(2,862.50)
Recovery of Bad Debt	300.00	700.00	(400.00)
RLF Business Loan Interest	512.01	726.64	(214.63)
SSBCI Revenue	1,840.25	2,646.29	(806.04)
	<u>66,252.27</u>	<u>56,541.02</u>	<u>9,711.25</u>
<b>Expense</b>			
Dues and Subscriptions	771.39	835.97	(64.58)
EDA Reimbursement	40,045.46	41,678.19	(1,632.73)
Event Expense	3,650.00	-	3,650.00
Marketing	8,368.80	351.65	8,017.15
Membership Development	396.80	12.00	384.80
Miscellaneous	453.91	2,582.04	(2,128.13)
Office Supplies	98.56	1,875.17	(1,776.61)
OBSD Expense	-	12.42	(12.42)
Professional Fees	2,061.30	-	2,061.30
Rent	3,419.47	3,430.12	(10.65)
Telephone	382.17	298.26	83.91
Travel & Training	5,882.04	2,935.11	2,946.93
	<u>65,529.90</u>	<u>54,010.93</u>	<u>11,518.97</u>
<b>Operating Income</b>	<u><u>\$ 722.37</u></u>	<u><u>\$ 2,530.09</u></u>	<u><u>\$ (1,807.72)</u></u>

**\* Excludes restricted funds**



BIG SKY  
ECONOMIC DEVELOPMENT

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# ATTACHMENT C

**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. **S2 Corporation** – Request is for the purchase of an existing building located in Bozeman, MT for the operations of S2 Corporation. S2 currently leases two separate facilities and this relocation will allow them to consolidate all their operations in one building. S2 Corporation is a research and development company that was incorporated in 2005 and has been located in Bozeman since that time. One of their primary customers is the United States Government.

It is estimated borrowers may create up to 40 jobs as a result of the project over the next two years. 30 jobs would be required to fulfill the full debenture. The project does meet a Public Policy goal of Rural Development. The total SBA debenture will be \$2,471,000 on a 25-year note comprising approximately 40% of the total project costs. Big Sky EDC and the SBA will be in a 2nd lien position behind First Security Bank of Bozeman on the real property.



BIG SKY  
**ECONOMIC** DEVELOPMENT

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# ATTACHMENT D

# MEMORANDUM

Date: October 2, 2019

To: Big Sky Economic Development Executive Committee

From: Brandon Berger

RE: El Corral Authentic Mexican Restaurant – Revolving Loan Fund collection efforts

As the Committee is aware, our Revolving Loan Fund (RLF) borrower, El Corral Authentic Mexican Restaurant LLC, has closed their business and is in default. Big Sky Economic Development wrote off their note in FY2019 in the amount of \$38,083. Original loan amount was \$50,000 originated on May 17, 2016.

At this time, I am working on liquidating the equipment. A Notice of Sale was sent to the obligors and guarantors on September 27, 2019. The sale date would be after October 8, 2019. There is another business wanting to locate in the space previously occupied by El Corral. They have contacted us regarding purchasing the equipment in the restaurant. It appears they would like to purchase everything in one package, even though they would not utilize it all. This would include the commercial hood, convection oven, 4-burner, refrigerators and freezers, sinks, dishwasher, tables and chairs and other equipment and furniture.

I have spoken with an individual in the industry that did go out and view the equipment per the request of the potential buyer and their realtor. His opinion of most of the equipment was that there was not much value, and more importantly would need a lot of investment and work to pass any inspections. The hood is the asset with the most value. We know the cost to purchase and install the hood was approximately \$18k. The hood itself was around \$5,000, purchased new in 2016. It is my opinion that the hood should stay with the property and not be removed. This would be expensive and result in a lot of repairs to the building. I do not want to do this to the landlord. I recommend we sell the hood to the prospective new tenant. Additionally, I would recommend selling everything in a package deal, so we do not have to worry about removing, storing and trying to sell later. I also don't feel the current owner of the equipment should take any of it to try and sell. I am willing to let him in to get some of the smaller items, such as pots and pans, and other personal items, but nothing more. My recommendation would be to sell all between the price of \$5,000 - \$7,500. This is what I would recommend to the potential buyer. Most likely we would not get more than the \$5,000. This should be commercially reasonable based on the condition of the equipment.

Should the Executive Committee have no objections, I would move forward with this offer. I would ask for the authority to negotiate with any prospective buyer. If the committee has a floor (lowest value) they are willing to take, please advise. Otherwise I recommend we take what we can get. As an FYI, I was not able to run this by my Loan Committee.

Thank you,  
Brandon Berger  
Finance Director



BIG SKY  
**ECONOMIC** DEVELOPMENT

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# ATTACHMENT E



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

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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. 1 Million Cups was officially announced on September 26<sup>th</sup> and our first meeting is scheduled for October 9<sup>th</sup> at Last Chance Cider Mill. The Rock31 team should be commended for their extensive work in getting Billings as a Kauffman Foundation 1 Million Cups Chapter. Also, coming up the first weekend in November is Start Up Weekend. There is great momentum in the area of entrepreneurship!
  - 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— Nothing new to report at this time.
  - b. BillingsWorks/Talent Attraction and Career and Technical Education/Career Center—The Career and Technical Education(CTE) Advisory board met this month. The focus was to introduce Bo Bruisma as the new Career Outreach Director and meet the four new Career Coaches. The advisory board share their expectations and ideas with the new group and emphasized the need for additional outreach and more frequent updates on progress.
- 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. The TEDD Advisory Board, landowners, a community leaders will be having a tour and meeting on October 10<sup>th</sup> for discussion of next steps with the TEDD.
  - b. One Big Sky District— See the Recruitment update for more details on OBSD. We are working with the Taylor Luther Group (406 Impact District Lobbying team) to convene industry, state leadership, and legislators to begin the process of defining what is needed for legislation in the next session. There will be a meeting held in Helena for further discussion and planning.



- c. Coulson Park Redevelopment and Entryways Now—After two very successful public meetings and presentations, the Coulson Park Master plan is in the final revisions with preparation to present to city council in late October/early November.
- 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— Please see Community Development for updates.
- f. Air Service—There were two events showing progress on the airport redevelopment. First, the community breakfast where airport officials and Mead Hunt (Airport Consultants) presented the current data for Billings' air service and an update on the new terminal. Additionally, the ground breaking for the new terminal took place and that project is now officially underway and will continue in a phased approach through 2022.

## ***Program Updates***

### **Member Investor Program**

We had our monthly Member Investor lunch this month with the businesses from Transtech. The lunch, co-hosted with Diamond B Companies, was a rich discussion about what the needs of the Transtech area are and how they are working to attract new business. They also want to strengthen their relationship with Big Sky Economic Development and have more regular dialogue with our leadership. They also expressed one of their major concerns is the upgrade of 32<sup>nd</sup> street as it comes down the hill into the Transtech area. This road is very narrow with a steep decline and is hindering new business from coming to the area. We will facilitate a discussion with all of the interested parties to try and find a resolution.

The upcoming annual meeting preparation is going well. The event, October 24<sup>th</sup> at MetraPark Pavilion, will celebrate BSED's 30-year history as we well as outline our "blueprint" for the next 30 years. Please make sure to let Melanie know that you are attending.

### **Business Outreach & Marketing Update**

Business Outreach has been assisting with the Annual Meeting planning. Also, the Better Off in Billings Ambassador program has started. This is a small group of interested business owners and citizens who want to champion our talent attraction and community pride through Better Off in Billings.

Billings has been selected as one of 50 cities to participate in Civic Dinners. This is a new program based out of Atlanta. The premise is that your city host "civic dinners" during the month of October and answer three basic questions about Billings. That information will be compiled into a report that we can use to support our many community initiatives. If you would like to host a civic dinner or want more information please contact Marcell Bruski at [marcell@bigskyeda.org](mailto:marcell@bigskyeda.org).

### **Community Development**

**Tax Abatements:** Community Development continues to work with Opportunity Bank Leadership to discuss the finalization of the tax abatement application. We have asked for the application to be provided and finalized in order to present the application to City Council and Yellowstone County Commissioners. Presentation is now expected for late October to November if application is provided.

**Yellowstone Fuels Reduction Program:** BSED submitted and finalized financials for the BLM Fuels Reduction Grant. We received notice in the beginning of September the grant has been awarded!

Yellowstone County will be able to continue its great work to providing fuel reduction work to property owners within the medium-high risk wildland urban interface areas of Yellowstone County. The next steps will be to work with County Commissioners and DES partners to notice an RFQ to consultants/contractors to complete fuels reduction work.

**Brownfields Program:** Continued work providing Phase I and Phase II environmental site assessments. The CD Team has identified two new projects, one within the EBURD, and one within the DT TIF District. A Phase I has been approved by EPA for the DT project and we hope to have approval soon for the EBURD project. We continue to receive calls from interested property owners/buyers and provides knowledge of the Brownfield Program and its benefit to help encourage reuse, expansion, and redevelopment within the EBURD and DT TIF. We could always use your help to provide awareness to the program and refer any potential Phase I & II projects to any CD Team Members.

**MSUB Science Building / Coal Board:** CD Member Klugman attended the Coal Board Dinner and MacLean attended the board meeting the following morning. Mr. Kennedy with MSUB provided an update and discussed the construction timeline. The CD Team continues to work with MSUB to submit invoices and reporting required for the \$500,000 Coal Board grant received

**Coulson Park:** We are getting close to the Masterplan being completed! The CD Team, along with Melanie and Steve, attended the Phillips 66 community picnic at South Park where we partnered with the Parks Department and DHM Design to provide additional outreach and awareness to the project. The same team attended Ales for Trails the following evening and discussed the concept designs with attendees and gained additional awareness. We anticipate the final design to be in front of City Council in October with formal approval/denial of the Masterplan in early November.

**Lockwood TEDD:** In an effort to resolve the impasse with the City over extension of the LWSD sewer boundary to include the TEDD, we are arranging a tour of the TEDD and the Billings industrial area that was considered as an alternative to Lockwood in 2016. Following this tour, we will host and facilitate dialogue between County and City policymakers and TEDD property owners to seek resolution of differences. Becky Bey of KLJ has agreed to be our facilitator.

**KLJ Engineering** is nearing completion of the Strategic Plan for initial infrastructure development. They are accepting comments and input through September's Advisory Board meeting on the two proposed projects. Following that, they will complete the report and should have a final plan by October.

**MetraPark Beautification Project:** CDBG Planning Grants are due by September 27. Thom prepared and submitted the application on behalf of Yellowstone County.

**Space2Place:** Space2Place projects are to be completed by September 30. Monica Hill's Shiloh Tunnel Project is complete and closed. Other projects are finishing their projects and completing their reporting requirements.

**Southside Grocery:** NADC received word that their application for the Investment Connections program was accepted. They will be pitching their idea to investors at the event on September 27.

**Community Builders, Building Better Places Training (BBPT):** Our local team, BSED, Billings Chamber, Downtown Billings, City/County Planning, Native American Development Corp, Health By Design, and TrailNet, applied and was selected to participate in this training in Grand Junction, CO. Over

2 ½ days, Community teams build leadership and understanding of planning, policy, development tools, community engagement and strategies for implementation.

Yellowstone County, Fuego Fire Service Area: Fuego Fire has started construction on their new fire station. Funding was secured through a Montana Coal Board grant for \$135,080 and local funding.

## **PTAC**

August 1<sup>st</sup>, 2019 was the beginning of MT PTAC's new program year and we are off to a great start. Since August 1st, MT PTAC clients (statewide, all 7 PTACs) have been successful in winning **\$13.5 million** in federal, state, local and subcontract awards.

On August 21<sup>st</sup>, Rosalind Dix held a workshop in Billings titled, "Creating a Winning Proposal-Improve your Chances of Winning a Government Contract." The workshop was well attended and well received. Shari Endy, Senior Project Manager with Energy Labs in Billings had this to say,

*"Rosalind – I came in a little late yesterday and left a few minutes early but wanted to compliment you on a great session yesterday. I really enjoyed it and found it to be so useful with these government RFPs. It was so funny because yesterday I received a RFP solicitation and I am much more comfortable looking at it now! If I have questions, I may contact you. I appreciate the knowledge you have in this area and want to thank you for a great class."*

In October, MT PTAC will hold the last of its workshops on "How to Do Business with the State of Montana." This is an annual series in partnership with procurement staff from the MT Department of Administration. Information on registering as a vendor, who buys what, where to find bids and proposals and how to successfully respond will be presented. The October workshops will be on October 2<sup>nd</sup> in Billings and October 3<sup>rd</sup> in Bozeman. Workshops in Missoula, Kalispell, Helena and Great Falls have already taken place.

## **SBDC | Rock 31**

### **Noteworthy:**

- The team received a confirmation that we would receive the full award of the EDA grant for the Rock 31 program.
- Billings now is a One Million Cups Official Chapter. The team rolled out the promotion on Sept 25<sup>th</sup>. The first IMC will be held on October 9<sup>th</sup> at Last Chance.
- Tickets for the Startup Weekend Nov 1-3 are now available. Kevin and Dustin promoted the program to the business and entrepreneur classes at MSU and Rocky. Poster were distributed all around downtown, the Heights, and the West end. The SBDC in Missoula and Bozeman will be promoting the event to the University students.

### **Team activity:**

- We provided 43 counseling sessions to 21 new and existing companies with technical assistance, training, loan packaging, and consulting.
- 12 diverse business owners attended our monthly "Pre-Biz" workshop.
- The team attended the annual ASBDC Conference in Long Beach, CA.
- Because of an extensive outreach effort, many successful entrepreneurs volunteered their time to mentor during the Hyper Accelerator event. The team organized the event and seven businesses attended the weeklong mentoring program.
- Assistance with the Big Sky Trust Fund application to create 94 jobs was applied for and submitted for Island Mountain Group.

- The team partnered with NADC & DBE to provide QuickBooks Workshop to 30 clients.
- The team participated in (BSEDA) community Board meetings/Committees/Events.
- The team joined in the Billings community outreach site visit to paint the wall.
- The team participated in Rocky Mountain Board meetings/committees.
- The team participated in the Beartooth RC&D Board meeting in Red Lodge.
- The team conducted an outreach and lender visits to Red Lodge and Joliet.

#### **Ongoing projects:**

- One Million Cups will be held weekly on Wednesdays at 9 am (location TBD).
- Co-working Fridays at MoAv coffee, downtown location.
- Outreach to the surrounding nine counties that SBDC serves.

#### **Big Sky Finance**

September signals the end of the SBA fiscal year, and another very productive year for Big Sky Finance with SBA 504 loan approvals. FY2019 is ending up being one of our more productive years for loan approvals. We will finish SBA's fiscal year having approved 16 loans totaling \$14,464,000 and 120 new jobs projected to be created as a result of these projects. These loans have been approved in communities across Montana. For the month of September, we had one loan approved by SBA in the amount of \$1,245,000, and one loan funded in the amount of \$816,000. Two loan committee meetings were held resulting in two 504 loans approved internally for submission to SBA.

The Big Sky Finance team has been busy. Jo Ann has been working with prospects and lenders underwriting new requests. As a side note, she has been involved with approving over \$9MM in new over the last four months! Sherry has kept busy working on several loan closings and will have two significant loans wrap up and close by the end of the month! Johnna is busy working on various servicing actions within our portfolio and collecting annual financials. Brandon serves on the loan committee for Beartooth RC&D and participated in their meeting this month to approve a loan request. He also presented, along with Allison Corbyn, to a group of commercial realtors, the SBA 504 program highlights. He continues to work on collection efforts for a Revolving Loan Fund, advanced servicing actions for SBA loans and marketing efforts with lenders and prospects.

SBA 504 effective rates for the month of September again came in lower than the previous month! The 20-year effective rate for loans funded in September was 3.36%! The effective rate on the 25-year debenture for September was 3.46% and the 10-year debenture rate was 3.56%. 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!

#### **VBOC**

##### **Training: 45 attendees**

- B2B Reboot at Salt Lake Community College in Sandy, Utah: 6 veteran and/or spouse attendees
- Pre-Biz Business Development Workshop at Big Sky Economic. Delivered in partnership with the SBDC- 13 attendees, including 1 veteran & 1 military spouse
- Montana Joining Community Forces Career Mini Summit at Reserve Center in Billings: Veteran entrepreneurship resources introduction – 26 veteran, spouse, national guard, reserve and/or active duty attendees

### **Outreach highlights: 6 events w/ 40 attendees**

- Utah meetings with the Utah Veterans Business Resource Center and Utah Department of Workforce Services
- Montana Joining Community Forces Key Service Area meeting
- Early Stage Montana Hyper Accelerator Mentoring (with at least 2 veteran owned companies)
- Bunker Labs Bozeman – planning for National Veterans Small Business Week Events (stay tuned!)
- Montana JCF, Citizen Soldier for Life and Veterans Upward Bound

**Counseling –22 counseling sessions with 12 individual veteran clients** so far in September as they pursue small business opportunities. These efforts also included 8 referrals to resource partners throughout our region. For less than 5 months of the program year so far (May 1 to Sept. 24), these efforts already put us at 70% of our counseling session goal and over 50% of our referral goal.

### **BillingsWorks**

BillingsWorks has started cashing in on its 15% braver coupon and is excited to start new workforce development initiatives. The Better Off in Billings Ambassadors program kicked off in September and we're stoked to have 13 stellar community representatives willing to inform and welcome outsiders into Billings. We're also getting ready for our Reverse TAP event on November 7<sup>th</sup> working with the Yellowstone Valley SHRM Chapter, MSUB's Success for Military and Veterans Dept., and the VBOC to equip employers on successful tactics to locate, attract and retain veterans and their spouses.

BillingsWorks moved the conversation of virtual reality workforce training on safety in the Trades Industry forward with a successful meeting of the minds between industry, local VR entrepreneurs and education partners. And, finally, the Better Off in Billings campaign continued to gain recognition having the new BOIB Photo Frame at the State of the Airport event and both RMC's and MSUB's Intern and Volunteer Fairs. Check out the fantastic pictures on the BOIB FB and Instagram pages!

### **Recruitment**

In the past month there have been a number of successful events that Recruitment participated in. First, the State of the Airport event, the Big Sky Air Service Rendezvous where I met with 8 flight planners in partnership with the Airport Director, and a quarterly commercial realtors breakfast to hear what we can do better to add value to their processes with their clients. Additionally, I have received several data requests from City Council candidates and am working with an engine manufacturer out of Utah who is looking at either Billings or Boise for their new location. Finally, I am supporting a Boise and Wyoming company partnership that is working to build a car wash – they are now working with Patrick on a Tax Abatement.

### **Operations**

1. **Future Facilities Taskforce** – Our revised application is still under review with the EDA. They recently reached out to notify us that if we are given the award, it's likely to be with FY2020 funds. We anticipate hearing final word in November. We also recently learned that Angela Martinez, the Regional Director of the Denver Office with the EDA, will be attending our Annual Meeting in October. She has been invited to say a few words so we look forward to hearing from her.
2. **Controller Transition** – Shanna Zier has been hired as the new BSED Controller and will be starting with us on October 1<sup>st</sup>. Shanna comes highly recommended by her previous colleagues and brings with her rich experience working with grants, audits, and organizational budgets. We are very excited to welcome her to the team and to introduce her to the Board on October 10<sup>th</sup>. To aid in her onboarding, we will continue our interim accounting services with Avitus through the end of October. Because of the transition, the financials for July and August will be presented as

**“Preliminary” financials in order to give Shanna time to get acclimated to her new position and to review the reports for consistency moving forward. Jim is now working with BSED as an independent contractor over the next few weeks to finish up the FY2019 Audit Reports. We met with our Auditor last week and confirmed we are on track to present the Audit Reports at our Executive Committee and Board meetings in November.**

**Respectfully submitted,**

**Prepared by Melanie Schwarz  
Acting Executive Director  
October 2<sup>nd</sup> and 10<sup>th</sup>, 2019**



BIG SKY  
**ECONOMIC** DEVELOPMENT

EDA • EDC    CREATING MONTANA BUSINESS OPPORTUNITIES

# ATTACHMENT F

Brent R. Cromley  
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Billings MT 59101  
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September 16, 2019

Steve Arveschoug, Executive Director  
Big Sky Economic Development Authority  
222 North 32<sup>nd</sup> Street, Suite 200  
Billings MT 59101

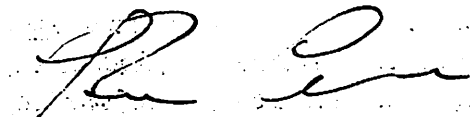
Dear Steve:

I recently gave notice to the Billings City Council that at our first Business Meeting in October I would present an Initiative to have Council consider passing a nondiscrimination ordinance (NDO). Attached is a copy of the Initiative I will propose, along with a little supporting information. That meeting will occur on Tuesday, October 15, due to October 14 being a holiday.

The basis for the initiative is economic growth. Billings has to become a more attractive place for younger workers to visit, move to, and stay in. The competition within the state and around the country to attract these workers, especially Millennials, is fierce. The lack of an NDO makes Billings a less desirable place for these workers to call home. Adopting an NDO will help attract younger workers and, thus, create a stronger business climate

Undoubtedly the Authority has a keen interest in the economic viability of Billings. For that reason, it would be appropriate for the Authority as a body, or individual members thereof, to make themselves heard on whether they believe that a more inclusive environment would contribute to greater economic growth in the City. Your opportunity to express an opinion can either be through emailing the City Council ([council@ci.billings.mt.us](mailto:council@ci.billings.mt.us)) or appearing at the October 15 meeting. Comment on "Non-Agenda Items" comes near the end of each Business Meeting. Any circulation of this information would be helpful.

Sincerely yours,



Brent R. Cromley