



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.

EDC—Mike Nelson, Mike Seppala, Steve Loveless, Eric Simonsen, Molly Schwend
EDA—Cory Moore, Robin Rude, Paul Neutgens, Jennifer Smith, Ken Lutton

Agenda Changes for Today's Meeting:

AGENDA

- August 7, 2019 Ex. Committee Meeting (Attachment A) (Action)

• July 2019 EDA and EDC Financials	(Info)
• June 2019 (FY 2019 Year-End) Financials	(Via Separate Email) (Action)
• FY 2020 Budget Adjustments Review	(Handout) (Info)
• Beartooth RC&D MOU	(Attachment B) (Action)

- Acting Executive Director Appointment (Info)
- Public Safety Concerns/Action Plan (Info)
- October 2nd Executive Committee—7AM at the Northern (TBD) (Info)

A.	Operations--Becky	
	1. Future Facilities/Grant Application Update	(Info)
	2. Transition Plan for Controller Position Update	(Info)
	3. Nominating Committee Recommendation—Mike Seppala	
	- EDC Board Elections	(Handout) (Action)
	- Chancellor Edelman Request for Temporary MSUB Representation	(Attachment D) (Info)
	- Temporary EDC Ex-Officio Position	(Info)
B.	PTAC Program—Bozeman Subcenter Update—Deanna	(Info)
C.	Big Sky Finance Loan Liquidation Policy Outline--Brandon	(Handout) (Info)
D.	Big Sky Trust Fund Grant Application—Lorene	(Attachment E) (Action)

Adjourn

Next Executive Committee Meeting – October 2, 2019 (7:00 A.M. to 8:00 A.M.) *Big Sky Economic Development Board of Directors will make reasonable accommodations for known disabilities that may interfere with an individual's ability to participate. Persons requiring such accommodations should make their requests to Big Sky Economic Development as soon as possible before the meeting day. Please call Big Sky Economic Development at 256-6871.*



BIG SKY
ECONOMIC DEVELOPMENT

EDA • EDC CREATING MONTANA BUSINESS OPPORTUNITIES

ATTACHMENT A

Big Sky EDA/EDC Joint Executive Committee Meeting Minutes
Wednesday, August 7th, 2019 – 7:15 A.M. to 9:15 A.M.
Hart Albin Room, 2nd Floor – Northern Hotel

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

Committee Members Present: EDA – Robin Rude, Ken Lutton, Paul Neutgens,
EDC – Eric Simonsen, Mike Nelson, Steve Loveless, Mike Seppala, Molly Schwend

Committee Members Absent: EDA - Cory Moore, Jennifer Smith

Staff and Others Present: Steve Arveschoug, Melanie Schwarz, Austin Trunkle, Patrick Klugman, Brandon Berger, Roz Dix, Karen Baumgart, Becky Rogers, Allison Corbyn

Call to Order:

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

Agenda Changes for Today's Meeting:

Brandon will present a Revolving Loan Fund update after the financials update.

Public Comment:

Patrick spoke about the success of the three Coulson Park picnics that were conducted over the past 3 weeks. Patrick mentioned that there was strong turnout with representatives of the City, the County, and the public. Steve said it is important to engage our leadership at the right time with these sorts of projects and Patrick did a great job executing.

Becky gave a brief update on the EDA/EDC Nomination Committee. Cory Moore's seat will come up at the end of the year on the EDA. Steve Loveless' term will also be up, but he is eligible for a second term. EDA members are appointed by the County Commissioners and EDC members are confirmed via a vote by the Member Investors after being recommended by the Nomination Committee.

Agenda:

Approval of the July 3rd EDA/EDC Executive Committee Minutes

Motion: Paul Neutgens to approve the July 2019 Executive Committee Minutes as presented to the Executive Committee.

Second: Mike Seppala

Discussion: None

Motion: Carried

EDA/EDC Financials (FYI) – Becky

Becky, filling in for Jim, let the committee know that because of the audit fieldwork being held a month earlier due to Jim's transition, the FY2019 year-end financials will be presented at the September meeting. A draft is currently being reviewed and will be finalized and reviewed in depth at the September meeting.

Revolving Loan Fund Update

Brandon updated the Committee on the status of two Revolving Loan Fund loans. Both El Corral Mexican Restaurant and Magic City Doors are significantly delinquent on their payments and both will be written-off for FY2019. Brandon said collection attempts will continue to be made. The total write-off will be around \$116,500. Mike Seppala added a bit more perspective from his banking background with regard to how this process usually goes. Mike S. asked Brandon if we have a Loan Loss Reserve which Brandon said we do not, which is not atypical for small loan portfolios. Steve went on to say that Brandon will present a game plan to the Committee in September as we move forward. Further, Brandon will review our RLF policy should we encounter a similar situation in the future.

Program Updates

EDA Grant/ Facility Update/Controller Position Search – Becky

Becky gave an EDA Grant update next. The EDA has given our application a “merits further consideration” which means they would like to fund our project but had a few more questions we need to respond to. We are waiting to hear a determination concerning how much of the third floor of the building will be allowable for grant dollars. We provided additional information concerning how certain programs have a direct relationship with Rock31 and the success of its clients. Becky went on to explain different scenarios they are considering and how each would impact our project budget.

Becky continued, giving an update about the PCE Plume that stretches into downtown Billings. Our prospective building sits just within the plume. Becky is reaching out to the company that conducted the partial Phase I assessment to discuss possible next steps and will reach out to the owners with options to consider. The goal is to assess if there is a health risk at the facility and then add the mitigation efforts to the construction budget, if a health risk indeed exists.

Finally, Becky spoke about the Controller Position search process. Becky updated the Committee that we have received 7 applications and 5 will be given phone interviews this week. With any luck, face-to-face interviews will begin shortly after that. Becky has been training with Jim to document the standard operating procedures to help ease the transition over the next few weeks. We will have interim help beginning next week to help with day-to-day financial operations.

Dialogue with the Executive Director

Steve brought the Committee’s attention to a document in their packet that relates to budget sustainability and resource allocation. Steve gathered a group of directors a month or so ago to discuss how we will approach our resource allocation over the coming years. Steve assigned each director the role of one of their peers and made them think in terms of other programs rather than their own. One of the overarching themes was “why do we do what we do?”. Jim provided some very preliminary number projections for the next few years to help give the team some idea of what our sustainability looks like years down the line.

Working from a recent podcase, the team discussed four mistakes we must avoid: Continuing status quo, underfunding programs that bear fruit, overfunding programs that don’t bear the same fruit, and avoid being too risk averse.

They also discussed priorities we would like to achieve: Build up our people, smart allocation of resources, create margin to seize opportunities.

Steve then asked the Committee to answer a few questions that were posed to the group of directors.

1. Where do you see momentum in the organization?

Mike Seppala answered first and said that our efforts with regard to OBSD and 406 Impact Districts have spurred talk about downtown redevelopment. Mike also mentioned that the TEDD has as much or more potential than any other project on the horizon. Mike anticipates with a bit more investment to make the site shovel-ready, buyers will be more willing to locate in Lockwood.

Steve mentioned to Mike that he agrees about the momentum behind OBSD. Steve said he will be travelling across the state with Melanie and Allison in a few weeks to explain the benefit of the 406 Impact Districts. Additionally, Steve sees the TEDD as a very important priority and one we are actively working to advance.

Ken Lutton wanted Karen to know that she has been doing an excellent job with the BillingsWorks programs. Ken mentioned this community has never seen an effort like this be so successful.

Workforce will continue to be a need and the importance of constantly evolving our strategies to engage the workforce will always be a guiding principle.

2. If _____ is successful, it would be a game changer.

Paul and Ken said the Economic Development Tool we are pursuing would be a game changer. Were there more incentive for private investment, we could potentially see a significant uptick in development.

Molly thinks that advancing the Trades sector in Billings will stand to benefit us as the decommissioning of Units I and II in Colstrip continues over the next few years. Hundreds of jobs have been or will be lost due to the changes in our energy economy and finding a place for those skilled workers will position us well as time progresses.

3. Where is status quo allocation of resources not working?

Paul asked if the TEDD is still worth our investment.

Steve said there have been some hurdles concerning future annexation of TEDD property by the City that have slowed our progress. Once issues concerning the water and sewer agreement has been resolved, planning and implementation of infrastructure improvements can move forward.

Mike Seppala broached the subject of approaching some of the clients we serve and asking them to be Member Investors to contribute to the Economic Development of the community.

Melanie mentioned to Committee that they have created a new MI level for new entrepreneurs. The new tier would be half cash, half in kind donation of time i.e. offering themselves as a mentor.

Eric suggested we assess the status quo with our new facility as there can be cost benefits with how we configure our physical office space.

Leadership Development

Steve said it is very important to him to develop the next generation of leaders in our organization. Part of the Succession Plan has a section about the leadership development of the team. A current practice is appointing acting directors in Steve's absence. This gives valuable experience to the team and will be a practice moving

forward. Steve is also developing a leadership curriculum to deepen the leadership development of the team as a whole.

Steve also shared some challenges our organization faces. With respect to talent attraction and retention, Steve said we remain committed to the Work, Thrive, Live concept and have adopted a flexible schedule policy for our staff. Steve also mentioned that staying competitive with salaries are a financial pressure point and something to pay attention to as well.

Steve then turned the time over to the Committee to discuss topics of their choice. Mike Nelson asked Allison how the recruitment pipeline looks. Allison is working with a lead development firm that has been helping find businesses with a focus on back-office operations and distribution centers. The intent would be that distribution centers would likely find their home in the TEDD.

Steve Loveless asked Steve to share what the staff had to say about Momentum, Game Changers and Resource Allocation in our budget conversations. Steve shared a page in the packet that showed the items the directors identified as such.

Eric Simonsen asked more about the Opportunity Zones. Steve spoke about some work he has done with MEDA to utilize Opportunity Zones in rural communities. The thought is they could have a match-making event to better utilize these tools. Allison also mentioned that we had a speaker come in last month to better explain how OZs could be used.

Steve let the Committee know he will be having a medical procedure on September 10th and will be out of commission for the September Board Meeting. He will appoint an acting director in his place.

Executive Session: None

Public Comment: None

Mike Nelson adjourned 9:11am

Next Meeting – September 4th



BIG SKY
ECONOMIC DEVELOPMENT

EDA • EDC CREATING MONTANA BUSINESS OPPORTUNITIES

ATTACHMENT B

Beartooth Resource Conservation & Development Area, Inc.
PO Box 180, 128 South Main Street, Joliet, MT 59041

August 1, 2019

Big Sky EDA
222 N. 32 St., Suite 200
Billings, MT 59101

Re: 2019 Memorandum of Understanding with Beartooth RC&D

Dear Steve,

Enclosed is our MOU for Yellowstone County EDA grant sponsors for the 2019-2020 year. We renewed this agreement with the other county entities at the beginning of the year.

The per capita calculation is .19 using the most current population available from the US Census Bureau, and the base fee for the county is \$4,500. The total assessment is allocated to the four participating entities (Yellowstone County, Big Sky EDA, City of Billings and City of Laurel) using the same percentages as previous years.

I have also prepared an invoice for the BSEDA portion of the countywide assessment, reflecting the allocation mentioned above.

Steve, it continues to be our privilege to work with you and the staff at Big Sky. Thank you all for being such great partners.

Sincerely,



Joel Bertolino
Executive Director
Beartooth Resource Conservation & Development Area, Inc.

A
MEMORANDUM OF UNDERSTANDING
between
Yellowstone County Commissioners, Big Sky Economic Development Authority,
City of Billings, City of Laurel
and
Beartooth Resource Conservation & Development Area, Inc.

THIS MEMORANDUM OF UNDERSTANDING is made and entered into this ____ day of _____, 2019, by and between **Beartooth Resource Conservation & Development Area, Inc.**, whose principal business address is P.O. Box 180, Joliet, Montana 59041, hereinafter referred to as “Beartooth RC&D” and **Yellowstone County Commissioners (in cooperation with the City of Billings, City of Laurel, and Big Sky EDA)**, and hereinafter referred to as “**the Entity**”.

WHEREAS, The Beartooth RC&D has been formally recognized by the U.S. Department of Commerce, Economic Development Administration (EDA) as a designated Economic Development District (EDD), and as a District, the Beartooth RC&D has been awarded funding to carry out its Comprehensive Economic Development Strategy (CEDS). This funding will provide a staff person, administrative support and operating costs. This is a continual grant, renewable based on successful program operation and availability of federal funds. Local match is required.

WHEREAS, each entity participating in the District will designate a representative and an alternate to the regional Economic Development Committee. This individual will convey the needs and development goals of the local entity to the committee. Regular meetings will be held every two months to assess project status, assign workload and evaluate progress.

NOW THEREFORE IT IS UNDERSTOOD AS FOLLOWS:

ARTICLE 1: SCOPE OF WORK:

Beartooth RC&D employs an Economic Development Coordinator to assist in Economic Development efforts in the region. The Coordinator’s time will be allocated consistent with the goals in the Comprehensive Economic Development Strategy by the regional Economic Development Committee. The Committee is composed of one representative and an alternate from Big Horn, Carbon, Stillwater, Sweet Grass and Yellowstone Counties, Crow Tribe and Big Sky Economic Development Authority. Input to this Committee by local entities is essential for obtaining the services of the Coordinator.

Higher priority will be assigned projects of regional scope or projects with strong local leadership. Grant funding for this position is from EDA, therefore, emphasis will be on regional economic development planning and projects which have a correlation to job creation. Matching funds are from participating entities and emphasis will be placed on their specified projects. Specific items of work for this project year are detailed in the attached “Annual Report and Update”. It is understood that this Annual Report will be presented each year.

Annual Evaluation:

The performance of the Economic Development Coordinator will be evaluated annually by local entities participating on the regional Economic Development Committee. Progress and/or

accomplishments on each program/project will be evaluated to ensure resources are being utilized in the most effective and efficient manner possible.

ARTICLE 2: PERIOD OF PERFORMANCE:

The term of this Memorandum of Understanding shall be from the date it is signed through **June 30, 2020**, unless extended by mutual agreement by both parties. Such extension must be in writing, signed by authorized representatives of both parties, and made a part of the original Memorandum of Understanding by modification reference. This Memorandum of Understanding supersedes the prior Memorandum for participation in the Economic Development District.

ARTICLE 3: PAYMENT:

The Entity's annual contribution will be **\$4,500.00** as a "Membership" fee plus a per capita assessment of .19 cents per person. These funds will provide the necessary match to obtain the \$70,000.00 in federal funds. Entities who do not participate financially in the match requirement will not receive services from the Economic Development Coordinator. The calculated fee for **Yellowstone County** is **\$34,706.20**. This figure is a total of the **\$4,500.00** county fee plus **\$30,206.20** per capita formula using a population of 158,980 as per the 2017 Census data. Yellowstone County's full payment will be separated into a four-way payment system. Each entity within the county will pay a percentage (%) similar to the previous year. Big Sky EDA- 34% or **\$11,800.11**, City of Billings- 36% or **\$12,494.23**, City of Laurel- 6% or **\$2,082.37** and Yellowstone County- 24% or **\$8,329.49**.

Annually, the Beartooth RC&D/EDD staff will provide a comprehensive report of the past year's activity. A new Memorandum of Understanding will be prepared and a request for the following year's match submitted. Entities will be billed for match funds after January 1, 2019, for the current year's assessment.

Payment as provided in this section shall be full compensation for work performed, services rendered and for all materials, supplies, equipment, and incidentals necessary to complete the work.

ARTICLE 4: EXAMINATION OF RC&D RECORDS:

The Entities or their representatives shall have the right to examine any books, records, or other documents of the Beartooth RC&D directly relating to costs when such costs are the basis of compensation hereunder.

ARTICLE 5: OWNERSHIP AND USE OF DOCUMENTS:

Reproducible copies of all documents and other materials produced by the Beartooth RC&D in connection with the services rendered under this memorandum of understanding shall be provided to the Entity for the Entity's use whether the project for which they are made is executed or not. The Beartooth RC&D shall be permitted to retain originals, including reproducible originals, of

drawings and specifications for information, reference and use in connection with Beartooth RC&D's endeavors.

ARTICLE 6: WARRANTY:

The Beartooth RC&D warrants that all services performed herein shall be performed using that degree of skill and care ordinarily exercised in and consistent with generally accepted practices for the nature of the services and shall conform to all requirements of this Memorandum of Understanding.

ARTICLE 7: SAFETY:

The Beartooth RC&D agrees to fully comply with the Occupational Safety and Health Act of 1970, all regulations issued there under and all state laws and regulations enacted and adopted pursuant thereto. The Beartooth RC&D shall take all necessary precautions in performing the services hereunder to prevent injury to persons or damage to property.

ARTICLE 8: CONFIDENTIALITY AND CONFLICTS OF INTEREST:

The Beartooth RC&D agrees to hold in strict confidence any proprietary or other data, findings, results, or recommendations deemed to be confidential by the Entity and obtained or developed by the Beartooth RC&D in connection with the work under this memorandum of understanding. The Beartooth RC&D warrants and agrees they do not and will not have any conflicts of interest regarding the performance of services hereunder.

ARTICLE 9: APPLICABLE LAW:

This Memorandum of Understanding shall be governed in all respects by the laws of the State of Montana. No changes, amendments or modifications of any of the terms and conditions hereof shall be valid unless agreed to in writing. Venue of any proceeding arising hereunder shall be the Thirteenth Judicial District.

ARTICLE 10: COMPLIANCE WITH LAWS:

The Beartooth RC&D shall in performing the services contemplated by this Memorandum of Understanding, faithfully observe and comply with all federal, state, and local laws, ordinances and regulations, applicable to the services to be rendered under this Memorandum of Understanding.

ARTICLE 11: CHANGES:

The parties, by mutual agreement, may, at any time during the term of this Memorandum of Understanding and without invalidating the Memorandum of Understanding, make changes within the general scope of the Memorandum of Understanding. The Beartooth RC&D agrees to perform

such changed services. The Entity's priority list for project work within their county can be changed at any time. In such case, Beartooth RC&D will be informed of this change at the Entity's earliest convenience.

ARTICLE 12: TERMINATION:

This Memorandum of Understanding may be terminated in whole or in part, in writing, by either party in the event of substantial failure by the other party to fulfill its obligations under this Memorandum of Understanding through no fault of the terminating party, provided that no termination may be effected unless the other party is given: (1) not less than ten (10) days written notice (delivered by certified mail, return receipt requested) of intent to terminate, and (2) an opportunity for consultation with the terminating party prior to termination.

Upon such termination the Entity shall pay the Beartooth RC&D amounts due and unpaid for services rendered as of the effective date of termination, and the Beartooth RC&D shall provide to the Entity all materials, surveys, reports, data, and other information performed or prepared as of such date.

ARTICLE 13: INDEMNIFICATION:

The Beartooth RC&D agrees to and does hereby indemnify and save the Entities, their officers, officials and employees, harmless against and from:

1. Any and all claims and liabilities, including but not limited to costs, expenses, and attorney fees arising from injury to, or death of, persons (including claims and liabilities for care or loss of services in connection with any bodily injury or death) and including injuries, sickness, disease, or death to Beartooth RC&D employees occasioned by a negligent act, omission, or failure of the Beartooth RC&D;
2. Any and all claims and liabilities, including costs and expenses, for loss or destruction of or damage to any property belonging to the Beartooth RC&D or the Entities caused by a negligent act, omission, or failure of the Beartooth RC&D and;
3. Any fines, penalties, or other amounts assessed against the Entities by reason of the Beartooth RC&D's failure to comply with all health, safety, and environmental laws and regulations applicable to the services; resulting directly or indirectly from, or occurring in the course of the Beartooth RC&D's performance of the services. However, this indemnity shall not extend to claims and liabilities for (i) injury or death to persons or (ii) loss of or damage to property to the extent that these claims and liabilities result directly from the Entity's negligence or willful misconduct.

ARTICLE 14: INSURANCE:

The Beartooth RC&D shall maintain and demonstrate the following types of insurance:

1. The Beartooth RC&D agrees that its employees and particularly the employees designated to work on this memorandum of understanding are covered by applicable Worker's Compensation

provisions. The Beartooth RC&D further agrees that if the Entities should legally incur any costs whatsoever under the Worker's Compensation laws by reason of the Beartooth RC&D employees' injury or death while engaged in the contract work, the RC&D will indemnify and hold harmless the Entities' for such costs which the Entities' may be legally be required to pay to employees of the Beartooth RC&D.

2. Comprehensive general liability insurance for bodily injury, death, or loss of or damage to property of third persons or other liability due to the negligent acts of the Beartooth RC&D in the minimum amounts of \$500,000 per occurrence and \$1,000,000 aggregate for personal injury; and \$500,000 per occurrence/aggregate for property damage. Proof of coverage as required by this section shall be delivered to the Entity within fifteen (15) days of execution of this Agreement.

3. Professional liability errors and omissions insurance in a minimum amount of \$100,000.00.

ARTICLE 15: NONDISCRIMINATION:

The Beartooth RC&D will not discriminate against any employee or applicant for employment relating to this project on the basis of race, color, religion, creed, political ideas, sex, age, marital status, physical or mental handicap or national origin. All hiring associated with any project shall be on the basis of merit and qualifications related to the requirements of the particular position being filled.

ARTICLE 16: INDEPENDENT CONTRACTOR:

The Beartooth RC&D and the Entity agree that the Beartooth RC&D is an independent contractor with respect to the services provided pursuant to this Memorandum of Understanding. Nothing in this Memorandum of Understanding shall be considered to create the relationship of employer and employee between the parties hereto. Neither the Beartooth RC&D nor any employee of the Beartooth RC&D shall be entitled to any benefits accorded Entity employees by virtue of the services provided under this Memorandum of Understanding. The Entity shall not be responsible for withholding or otherwise deducting federal income tax or social security or for contributing to the state Worker's Compensation program, nor shall the Entity be deemed in any way to assume the duties of an employer with respect to the Beartooth RC&D, or any employee of the Beartooth RC&D.

ARTICLE 17: ASSIGNMENT:

The Beartooth RC&D shall not sublet or assign any of the services covered by this Memorandum of Understanding without the express written consent of the Entity.

ARTICLE 18: NON-WAIVER:

Waiver by the County of any provision of this memorandum of understanding or any time limitation provided for in this memorandum of understanding shall not constitute a waiver of any other provision.

ARTICLE 19: NOTICES:

Any Notice to be served hereunder may be served upon the parties personally or served by certified mail, return receipt. Notice served by mail shall be deemed complete upon deposit of said notice in any United States Post Office, postage prepaid, directed to the party to be served, at the following addresses:

ENTITY: Big Sky EDA
222 N. 32 St., Suite 200
Billings, MT 59101

RC&D: Beartooth RC&D
P.O. Box 180
Joliet, MT 59041

ARTICLE 20: INTEGRATED AGREEMENT:

This Memorandum of Understanding together with attachments or addenda represents the entire and integrated Agreement between the Entity and the Beartooth RC&D and supersedes all prior negotiations, representations, or agreements, written or oral. This Memorandum of Understanding may be amended only by written instrument signed by both the Entity and the Beartooth RC&D.

IN WITNESS WHEREOF, the parties have hereunto set their hands and seals to this Memorandum of Understanding the day and year in this instrument first above written.

Big Sky EDA

BEARTOOTH RC&D/EDD

Steve Arveschoug, Executive Director

Chairman

ATTEST: _____

Date: _____

INVOICE

Beartooth RC&D Area, Inc.
Building Stronger Communities!

DATE: 8/1/2019
INVOICE #: 19-115

BILL TO

Big Sky EDA
222 N 32nd St Suite 200
Billings, MT 59101



JOB

PAYMENT TERMS

2019 EDD Memorandum of Understanding
Sponsor Assessment

Due on receipt

DESCRIPTION

AMOUNT

2019 Beartooth RC&D/EDD Assessment

Population 158980 (2017 Census)

Base Fee \$ 4,500.00

Per Capita (.19 x 158,980) \$ 30,206.20

Countywide Assessment Total \$ 34,206.20

34% of Total Assessment per agreement

\$11,800.11

TOTAL

\$11,800.11

Make all checks payable to Beartooth RC&D Area, Inc.. Thank you for supporting our programs!

128 So. Main Street, P.O. Box 180, Joliet, MT 59041

ph. 406-962-3914



BIG SKY
ECONOMIC DEVELOPMENT

EDA • EDC CREATING MONTANA BUSINESS OPPORTUNITIES

ATTACHMENT C

**September 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—See the SBDC/Rock 31 section of this report for more details. See how you can be a part of the EarlyStage Montana event, StartUp Weekend, and the One Million Cups launch. Kevin is doing great things to rev-up the entrepreneur community even before the opening of the Rock31 space. Exciting!
 - 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—Bids have been reviewed and an award in is process for the MSUB science building project. Groundbreaking is coming soon. The new Dean of the College of Business (Elaine Labach, Ph.D.) will be sitting in our BSED Board meetings for the next few months as Dr. Edelman attends to business with the Regents, etc. Please extend a great BSED welcome to Elaine at our September 12th meeting. Dr. Wilmouth will be presenting a State of the College report to our Board in September.
 - b. BillingsWorks/Talent Attraction and Career and Technical Education/Career Center—See the BillingsWorks section of this report for all the details of our work related to BillingsWorks and Better Off in Billings. Also take note of the update on the CTE Advisory Board work, the new CTE Liaison, and the Career Counselors that are now at work in SD2 building partnerships with private industry. Great work from the entire BillingsWorks team.
- 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. Our work with City Administration, TEDD Advisory Committee, Lockwood Water and Sewer, and landowners has not yet produced a solution to the issue of future annexation. We are now asking our City and County leadership to get directly involved. A letter will be sent to Council and the Commissioners asking for their participation in a series of facilitated meetings to see if we can move this issue forward. We hope to kick off this effort in September.

- b. One Big Sky District— Allison will present our final game plan related to the OBSD redevelopment plan and the 406 Impact District economic development tool at our September Board meeting. We had a great learning opportunity last month with Lisa Clarke (CEO, Destination Medical Center, Rochester, MN) and an Opportunity Zone Workshop with a national consultant. Allison will brief the Board on both of these visits/meetings as they have both educated our strategy to move forward with essential community development projects in our downtown core. Additionally, we have begun a series of meetings with our colleagues across the state, beginning with Missoula, Butte, and Bozeman. Our next meeting (Sept.30th) will be in Helena with key legislative strategists. The work continues.
- c. Coulson Park Redevelopment and Entryways Now—Next week (Sept. 5), the Coulson Park Steering Committee will review the draft master plan for Coulson Park. Exciting, indeed. We will then conduct a series of public review sessions, including an information booth at the Ales for Trails event on Sept. 6th. Stop by the booth and take a look at the draft plan.
- d. EBURD Redevelopment—See Community Development section of this report for any details on our work related to the redevelopment of the East Billings Urban Renewal District, including our Brownfields Assessment Program
- e. Trailhead Hospitality Vision Steering Committee— The scope of work for a plan/design/budget for the improvement of the Metra Park backside walkway, fence and landscaping is complete. We are now working on a CDBG grant application to secure \$45,000 to support the funding of this project. The next meeting of the Committee is set for Sept. 6, 2019, 11:45 A.M. to 1:00 P.M. at the City/County Planning Office, First Floor Conference Room.
- f. Air Service—Invites went out for an Air Service Summit at Billings airport—September 10th. Connect with Allison (allison@bigskyeda.org) if you need more info.

Program Updates

SBDC|Rock31

Noteworthy:

- The One Million Cups organizing team completed their final onboarding meeting with the Kauffman foundation and received the green light for Billings to become an official chapter.
- We launched the Rock31 website, (rock31.org) on August 28th
- Because of an extensive outreach effort, many successful entrepreneurs have agreed to volunteer their time to mentor during the HyperAccelerator and Startup Weekend events.
- The SBDC is partnering with DBE & NADC to put on QuickBooks training on Sept 18 & 19.
- Tickets for the Startup Weekend Nov 1-3 are now available. The new dean of business at MSU-Billings has agreed to partner with us to promote the event to faculty members and encourage students to attend.

Team activity:

- We provided 38 counseling sessions to 19 new and existing companies with technical assistance, training, loan packaging, and consulting.
- The team conducted a site visit to Apex Manufacturing with the Rock31 Mentor Network.

- The team conducted outreach visits to Broadus to provide a Customer Service Workshop in partnership with the Mile City SBDC.
- We arranged a photoshoot of the Rock31 mentor network for the new website. It's been exciting to see the network grow as we continue to connect with successful business owners in our community.
- We attended the Parks and Rec meeting to discuss the Colson Park master plan.
- The team participated in (BSEDA) community Board meetings/Committees/Events.
- The team conducted an outreach site visit to Rebel River Creative.
- We attended the ribbon cutting for the Shepherd Senior Citizens parking lot revisions.
- The team presented their individual programs to the County Commission candidates.
- Dena and Melanie attended the EDA Conference in Denver Co.
- We conducted an outreach site visit to Montana Beauty Institute.
- 18 diverse business owners attended our monthly "Pre-Biz" workshop.

Ongoing projects:

- The team is working to provide answers to the EDA grant application as it relates to Rock31

Community Development

Tax Abatements: Community Development continues to work with Opportunity Bank Leadership to discuss the finalization of the tax abatement application. Operation of the bank is still anticipated for October; presentation of the application to City Council and Yellowstone County Commissioners is anticipated for late September or early October.

Yellowstone Fuels Reduction Program: The Community Development Team is working with BLM Representatives to complete finalization of financials and award regarding Yellowstone County's May application. It is anticipated the Grant and award will have the green light to send out an RFQ to consultants/contractors this Fall to complete fuels reduction work within the medium-high risk wildland urban interface areas within Yellowstone County.

Brownfields Program: Continued work providing Phase I and Phase II environmental site assessments. We could use help identifying new projects and marketing the program to as many people as possible! The CD Team continues 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.

Coulson Park: Coulson Park Picnics! All three picnics were completed Thursday, July 25th, Friday July 26th, and August 1st. These picnics were a great opportunity to update and ask for input from our City Councilmembers, interested residents, County Commissioners, and business leaders. 8 out of 11 Councilmembers attended and all 3 Commissioners attended. We had fantastic conversation regarding the theme IPO.... Ice Cream, Perspective, and Opportunity! The next public meeting is at South Park during the Phillips 66 Community Picnic on Thursday, September 5th, starting at 5:00pm

Lockwood TEDD: We are still working to resolve an impasse with the City over extension of the Lockwood Water and Sewer District sewer boundary to include the TEDD study area. Discussions with the City staff have stalled, so we are considering a request to County and City leadership to meet and

discuss ideas for resolution of this issue. KLJ Engineering presented a draft of the Strategic Priority Project plan to the Lockwood TEDD Advisory Board at the August 21 meeting. Cost estimates for the two projects they studied were provided. Project 1 – the extension of water and sewer from Old Hardin Road to Coulson Road – would cost about \$765,000. Project 2 – Water, sewer, and road extension along I-90 Frontage Road – would run about \$4,839,000. The Advisory Board will review the document and offer comment. The TEDD Annual Work Plan was revised to sync with the Fiscal Year instead of the calendar year. That plan has been present to the Yellowstone County Commissioners and approved.

Southside Grocery: Marguerite Jodry should present the completed business plan soon. NADC is submitting an application for the Investment Connections program with a neighborhood grocery store project. If selected to present, they will make their pitch on September 27.

MetraPark Beautification Project: CDBG Planning Grants have opened for applications due September 27. The second CDBG Public Hearing is set for September 10, 2019 at the BOCC meeting. The grant application is being revised to match the 2019 application format. Letter of Commitment and Letters of Support need to be obtained. The RFP is ready to go if a grant is received.

SBURA Sorts Facility: A & E Architects have completed the Master Plan and Feasibility Study. https://www.billingsparks.org/wp-content/uploads/South-Billings-Aqua-Rec-Center_Mas_Plan_Feas_Study.pdf

Big Sky Finance

Just as August passes by and summer begins to slow down, so had the SBA 504 loan activity for Big Sky Finance this month. This is the first month in a while we have not had any 504 loans approved or funded. However, the team continues to be very busy with prospect calls, underwriting, servicing and working towards loan closings. Brandon spent a couple days in the Flathead area meeting with several different banks and their commercial lenders, updating them on the SBA 504 program. These were productive visits as some institutions were able to bring in their lenders from surrounding communities in the NW part of the state to get caught up on the program.

We closed on one Revolving Loan Fund totaling \$100,000 for Neecee's LLC. We are also currently working with our SBDC on another RLF prospect.

SBA 504 effective rates for the month of August once again came in lower than the previous month! The 20-year effective rate for loans funded in August was 3.53%! The effective rate on the 25-year debenture for August was 3.63%. 10-year debentures were not priced as they are only offered every other month. 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

- Boots to Business: FE Warren Air Force Base in Cheyenne, WY: 3 graduates
- Pre-Biz Business Development Workshops at Big Sky Economic. Delivered in partnership with the SBDC- 13 attendees, including 6 veterans and/or spouses.

Patriot Boot Camp - Dustin served as a mentor at the most recent 3 day 2019 Patriot Boot Camp in Lehi, UT with 47 veteran or military spouse entrepreneurs, 21 guest speakers, and 45 other mentors. What an experience and connections with some of the most impressive veteran entrepreneurs and business experts in the country! Ask Dustin for more details.

VBOC Annual Conference in Washington, D.C. – Dustin attended the conference to connect with the 21 other VBOC directors from around the country, learn from SBA leadership and national partners.

Outreach highlights

- Meeting at SBA Utah District Office in Salt Lake City with entire Utah team
- Meeting with new director of the Utah Veterans Business Resource Center in Sandy
- Montana Joining Community Forces Career Key service area call – note upcoming veteran and families Career Mini Summit on Sept. 18th at the Billings Armed Forces Reserve Center
- Call with US Chamber Hiring Our Heroes program and Mayor Cole

Counseling – The VBOC team completed 16 counseling sessions with 7 individual veteran clients so far in August as they pursue small business opportunities. These efforts also included 5 referrals to resource partners throughout our region.

BillingsWorks

As we head into fall, BillingsWorks wanted to be sure to thank its tireless Steering Committee members thus, held an Appreciation Breakfast on August 27th. During this meeting, it was noted that over the past four years the program has retained all of its original MOU partners and gained the following four: Mark Rite Lines, Freyenhagen Construction, Cellular Plus, and Kampgrounds of America (KOA). In this past year, the Committee has either spearheaded or supported the following workforce development initiatives: “Let’s Get to Work” mandatory job fair for high school seniors, Career Outreach Director for SD2 MOU extension, STEM Billings, MT Bio Science Alliance Internship Program, Summer Intern Leadership Institute, Yellowstone Strengths Academy at Skyview High School, Better Off in Billings talent attraction campaign launch to Minnesota, Better Off in Billings Community Event, Work-based Learning at The Northern Hotel for High School Culinary Students, Native American Development Corporation’s first Job Fair, Project Lead the Way Industry Connection Modules for 2nd grade, Jobs Jamboree, and the recruitment for the Better Off in Billings Ambassadors Program. Whew! Now challenged with being 15% braver, we are exploring new workforce development strategies working to attract, retain and grow a diverse talent pool.

Member Investor Program

Plans for the Annual Meeting are now complete, and registration is set to open the week of Labor Day. Todd Johnson, Global Channel Leader with Gallup, will be the keynote and will also facilitate two workshops during his visit. The Annual meeting will be October 24th at the Metra Park Pavilion from 11:30-1:30pm. The new platform for Member Investor data is fully implemented, making engagements, invoicing and contacts easier to manage and also allowing us to quantify our engagements with each member investor.

Business Outreach & Marketing Update

We have had several outreach visits this month including a full team outreach event at Rocky Mountain College’s Aviation program. We celebrated with the Shepherd Community Center on the paving of the parking lot, many of the Space2Place projects were unveiled including two pieces of public art at MSUB and on the West End Shiloh Tunnel, and we had a booth at the RDO Equipment Customer Appreciation event.

BSED hosted the city council candidates for a “BSED 101” outreach. Each program gave a brief overview and then Steve provided them his economic growth blueprint for the future. This allowed a private setting for them to learn more about all of our programs, meet our staff and learn how our organization works with city government.

Recruitment

Business recruitment has been focused on continuing the One Big Sky District dialogue with local developers about their interest in projects downtown, facilitating dialogue with our economic development peers via our August road trip, working through the Think Billings Brand Audit, developing collateral related top Opportunity Zones, and preparing for the air service event and flight planner meeting in Big Sky. Additionally, the recruitment committee met and helped prioritize business recruitment, identifying an anchor tenant in the TEDD, air service development, and recruiting a tech related company as the top three things that need to be accomplished in the year ahead.

PTAC

Since August 1st 2018, MT PTAC clients (statewide, all 7 PTACs) have been successful in winning \$76.4 million in federal, state and local contracts. Of that, Billings PTAC client were awarded contracts valued at \$20.2 million!

Montana Peterbilt LLC has been a client of the Billings PTAC since 2016. PTAC has assisted its owner, Kevin Gustainis with registrations, market research, finding opportunities, understanding affiliation rules and more. The company has done some business with the National Park Service, Yellowstone County and the City of Billings. This winter, the company had an opportunity to participate in Fritos Lay's supplier diversity program through its parent, PepsiCo but needed to obtain a certification through one of the company's approved certifying agencies. The U.S. Small Business Administration 8(a) certification is a federal contracting program but was on the approved list so PTAC assisted Kevin with beginning the application process and gathering the proper documentation. After diving into the details, we determined that Peterbilt did not qualify for 8(a) certification. Kevin was frustrated and ready to give up but Deanna assured him there was another way and found another approved certification through the National Minority Supplier Development Council. The documentation we had assembled for 8(a) was also required for this certification so Kevin was able to easily apply. He was accepted and recently received an order from Frito Lay for 79 units worth over \$12 million dollars! In addition to its commercial customers, Old Frito-Lay, Inc. sells millions to DoD and the Federal Bureau of Prisons each year. Kevin recently sent the messages below.

"Deanna,

We received some outstanding news this morning. We've been certified by the Northwest Minority Supplier Development Council. Our first opportunity is for a contract for over 750 trucks. Thank you so much for your help in this regard, we literally would have given up if not for your perseverance."

"We just received our first order from Frito Lay for 79 units worth over \$12M. There will be many more to come this year and next. Our being able to bid on this package is a direct result of Deanna's hard work and perseverance. Can't thank y'all enough. I will be sending that letter this week."

Thanks again.

Kevin"

Organizational/Policy Matters

1. Future Facilities Taskforce – Becky, Dianne, and Dena have submitted the revisions for our EDA grant request and are hopeful to hear word back in the coming weeks. We'd like to acknowledge the work of Kirk Keysor, our Regional EDA Rep, and the EDA team at large for helping to shepherd us through the process.
2. Controller Transition – Becky and the Search Committee have done an outstanding job with the search process for our new controller. We now have two strong candidates that have made it

through first and second round interviews. I have selected a finalist and we will now conduct a staff meet and greet. I should be prepared to extend a offer by September 6th or 9th. In the meantime, Becky and working with on temporary accounting support to continue our payroll, accounts payable, reporting and reimbursement functions. Our July financial statements will be delayed during this transition, as we have asked Jim to focus his close-out work on our FY 2019 audit.

3. Acting Executive Director – I will be out of the office for a combination of sick time (knee surgery) and vacation during the month of September. As is the practice, I will appoint an Acting Executive Director to carry on the duties and responsibilities of my position. For the first 9 days of my absence (Sept. 10-18) Patrick Klugman will serve, then Melanie Schwarz will serve for the balance (Sept. 19-27). I will return to full-time status on September 30th. As always, Becky and the Acting Director will have my personal contact information as needed. BSED will be in good hands during my leave.

Do wish me luck. When I return, I will have a rebuilt knee, and I'll be ready to run faster and jump higher (maybe).

**Respectfully submitted,
September 4 and 12, 2019**

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

**Steve Arveschoug
Executive Director**



BIG SKY
ECONOMIC DEVELOPMENT

EDA • EDC CREATING MONTANA BUSINESS OPPORTUNITIES

ATTACHMENT D



Office of the Chancellor

August 15, 2019

Steve Arveschoug
Executive Director
Big Sky Economic Development
222 North 32nd Street, Suite 200
Billings, MT 59101

Dear Steve:

Looking ahead to the end of the year, I find my work commitments conflict with my ability to attend monthly board meetings. In order to stay abreast of the valuable work being done and to keep continuity between community leadership and the University; I am requesting a non-voting replacement on my behalf during this time.

Please consider Dr. Elaine Labach, Dean of the College of Business. Dean Labach brings the best interest of the University to the table and this opportunity will be of value to her to better understand the need for partnerships, resources, retention, recruitment and development to sustain and grow our local economy.

I appreciate your consideration of this request as I am committed to continue supporting the mission of Big Sky Economic Development.

Sincerely,

Dan Edelman
Chancellor



BIG SKY
ECONOMIC DEVELOPMENT

EDA • EDC CREATING MONTANA BUSINESS OPPORTUNITIES

ATTACHMENT E

September 12, 2019

Big Sky Economic Development Trust Fund
Montana Department of Commerce
P.O. Box 200500
Helena, Montana 59620-0505

Big Sky Economic Development Trust Fund Category I

Dear Grant Administrator:

This letter is to express Big Sky Economic Development Authority's support for Planning and Development Corporation dba Fort Belknap Island Mountain Development Group and their efforts to secure grant funding from the Big Sky Economic Development Trust Fund Job Creation Grant.

This project was brought before the Big Sky Economic Development Authority Board on September 12, 2019 to authorize the submittal of the Big Sky Economic Development Trust Fund Job Creation grant application through our organization on behalf of Fort Belknap Island Mountain Development Group. The BSEDA board requires board approval of businesses seeking BSTF assistance; this application was approved at the September 12, 2019 meeting.

In the next 24 months Fort Belknap Island Mountain Development Group is planning to add 94 employees at their processing and servicing center located in Billings. All 94 of the employees will meet the wage requirements for the Big Sky Economic Development Trust Fund Job Creation Grant. Fort Belknap Island Mountain Development Group is planning to use the grant funds to help offset the cost of the building purchase.

Big Sky Economic Development Authority takes pride in providing the best possible solutions for businesses in our community. Our job as the economic development arm of Yellowstone County is to recruit, retain and support viable businesses that impact our economy.

Planning and Development Corporation dba Fort Belknap Island Mountain Development Group is a vital part of our region's economy. They will provide revenue for Montana's economy by doing business within the state and with states beyond our borders. Their services support small business, offer good paying jobs for our community, and support business located within our state who add a vital component to economic growth in Montana. They have chosen to invest in Montana and with our support they can grow and impact our economy.

Sincerely,

Cory Moore
EDA, Board Chairman
Big Sky Economic Development

GRANITE TOWER
222 NORTH 32ND ST. SUITE 200
BILLINGS, MT 59101-1948

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BIGSKYECONOMICDEVELOPMENT.ORG