



BIG SKY ECONOMIC DEVELOPMENT

EDA · EDC CREATING MONTANA BUSINESS OPPORTUNITIES

Big Sky EDA/EDC Joint Executive Committee Meeting Minutes

Wednesday, May 3, 2017 – 7:30 A.M. – Rosebud Room – Granite Tower

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

Committee Members Present: EDA – Sheri Nicholson, Cory Moore, Robin Rude,
EDC – David Trost, Eric Simonsen, Mike Nelson, Duncan Peete

Staff and others Present: Steve Arveschoug, Jim Tevlin, Brandon Berger, Melanie Schwarz, Allison Corbin,
Mary Lou McMillan (recording secretary)

At 7:33 the meeting moved forward, as we were waiting for a board member to show to officially call the meeting to order. Everything will be informational until we have a quorum.

Steve spoke of the edited article from the Gazette titled 'GE's Exit Ushers in the Era of Zoot Enterprises'. There was a paragraph in the article mentioning the transition related to GE. It also mentioned Big Sky Economic Development will exit the real estate business. Steve said the Tradeport Authority Act specifically authorizes Tradeport Authority's to buy and sell real estate for the purposes of executing their economic development mission. It's important to continue to remind ourselves that that is a tool available to us.

Executive Director's Report – Steve

Board/Staff Planning Session Notes/Next Steps.

Steve mentioned the one major take away from both the Staff Planning and the Board Planning sessions was to look at developing a plan envisioning our own facilities as an organization. What Steve recommends to the Board is to assign three board members to serve with a couple staff members to create a small task force and start the work of articulating our needs and what are our best options are on moving forward.

Update: Operations Director Position Announcement

Steve announced we have a signed offer from Becky Rogers. She will be our new and first Director of Operations. She will start May 24. While we had many qualified candidates, Becky will be bringing a great deal to Big Sky Economic Development in terms of her experience and knowledge.

Update: Higher Education Investment – MSU Billings Science Building

Steve spoke of the outcome of the legislative session which resulted in no bonding bill. We as a community still need to raise \$6.5 million to build the Science Building on the MSU Billings campus. If we want to continue to grow our community, we must invest in our university.

David Trost, EDC Chair, called the meeting to order at 7:45 A.M.

Public Comments: None

Changes to the Agenda: Executive Director's Report given before meeting called to order.

➤ **Approval of EDA/EDC Executive Committee Minutes**

April 5th Executive Committee Meeting

Motion: Sheri Nicholson, to approve and forward to the Board of Directors, the April 2017 Executive Committee Minutes as presented to the Executive Committee.

Second: Cory Moore

Discussion: None

Motion Carried

➤ **Approval of EDA/EDC Financials – Jim Tevlin**

March 2017 Financials

Jim reviewed the financial statements for EDA and EDC. For EDA there are a couple items on the balance sheet he elaborated on. One of the items he spoke of was the American Airlines Revenue Guarantee. The other item Jim spoke of was GE's unapplied lease payment. There was nothing additional to add for EDC. Motion: Sheri Nicholson, to approve and forward to the full Board, the March 2017 Financials, as presented to the Executive Committee.

Second: Eric Simonsen

Discussion: None

Motion Carried

Review Draft FY 2018 Budgets

Jim discussed the budget of EDA and EDC. He spoke of the budget and salary adjustments from the EDA side. Steve mentioned he would ask Sheri Nicholson, David Trost and Debbie Singer to work with him on evaluating salary adjustments. On the EDC side, Jim discussed the budget and expenses. He noted to the Board that the EDC has significant increase potential. At present, Big Sky Economic Development has quite a bit of cash that needs to be invested. We'll have the cash from the GE sale, and we'll have some cash related to the SBCI funds. We also have some reserve dollars related to GE that would be left over which we need to aggressively invest. Right now, most of our cash is sitting in bank accounts that earn 0.1% interest.

➤ Program Directors Updates

Business Finance – SBA Merger Application/Bylaws Consideration – Brandon

Brandon discussed the proposed changes in the bylaws as a result of the merger and what SBA came back with.

Motion: Mike Nelson, to approve and forward to the full Board the proposed changes in the bylaws as presented to the Executive Committee.

Second: Duncan Peete

Discussion: None

Motion carried

Brandon spoke of an agreement change for services between EDA and EDC. The agreement has a total possible term of six years. This is submitted to SBA every year. This year SBA came back saying there cannot be a term longer than five years. We're amending this agreement which will be redone as part of our budget process and will now be a term of four years.

Motion: Eric Simonsen, to approve and forward the agreement changes to the full Board.

Second: Sheri Nicholson

Discussion: None

Motion carried

Business Recruit/Outreach – GE-Zoot Project Update – Allison

Allison gave an update on the GE-Zoot transaction. She mentioned Kevin Heaney is working with Zoot's lawyer to work through the buy/sell agreement. The buy/sell agreement will address issues with the federal EDA and SID issue that may arise on the GE facility, as well as ensuring that in the agreement they acknowledge the lease will remain in place between GE and Big Sky Economic Development. We're addressing some time issues between GE and Zoot. There is a flooding issue on the property that needs to be resolved. The initial conversation with the appraiser sounds like we'll have a number that is in the realm of what we sold the building for.

Public Comment:

Steve spoke of the TEDD Infrastructure. We were asked to discuss with the Executive Board how we were going to fund the commitment we've made to the TEDD Master Plan, fronting the \$75,000. Also, we will contemplate \$500,000 from the opportunity fund as an incentive to Zoot. Looking at Jim's budget discussion, we anticipate the \$75,000 being a loan to be repaid by mills. From a timing standpoint, we're in good shape.

Melanie mentioned we're going to do several things to celebrate Economic Development Week going on next week all over the country. First will be the Proclamation by the Mayor on Monday night. On Tuesday morning, there will be a Member Investor breakfast. Also, on Tuesday, there will be a celebration with the

County Commissioners to talk with them about Economic Development. Wednesday Steve will be at Community Seven doing an interview with some of the staff. Thursday is the full Board Meeting and Melanie will talk to Sheri and David regarding Economic Development Week. Friday there will be an internal staff celebration.

Sheri Nicholson took over chairing, as David Trost had to leave.

Meeting Adjourned at 9:05 am

Next Meeting – June 7, 2017 – Rosebud Room, Granite Tower

Respectfully submitted,
David Trost, EDC Chair
Sheri Nicholson, EDA Chair

When approved, minutes will be filed electronically in the Big Sky EDA office.