

**EDA/EDC – Joint Board Meeting****April 9, 2020****7:30 A.M. to 9:00 A.M.****(Zoom Meeting- refer to meeting notice for link)**

**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: Robin, EDA Chair**

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

- Meeting Instructions--Becky

**7:38 A.M. Changes to Today's Agenda**

**7:30 A.M. Consent Agenda**

- March 12 and 23, 2020 Board Meeting Minutes
- February 2020 EDA and EDC Financials

**(EDA/EDC Action)**

(Attachment A)

(Attachment B)

**7:35 A.M. Program-Level Action Items**

- BSED Covid-19 Response for Local Businesses: Incident Response Team Report
  - Business Services Section—Dena
  - Business Stabilization/SBA—Brandon
  - External Communications—Melanie
  - Operations/Resource Allocation—Becky
- Member Investor Program Update—Melanie (Info)
- BSED Budget/Financial Matters---Shanna (Info)
- Big Sky Finance--Brandon
  - 504 Loan Approvals (Attachment C) (EDC Action)
- Big Sky to Sky Point Project (Future Facilities) Update –Becky
  - RFQ Update
- Economic Pulse Report/Economic Impact—Allison (Attachment D) (Info)
- Community Development Projects Update—Dianne (Info)

**8:25 A.M. Executive Directors' Report**

(Attachment E) (Info)

- Unified Command—Economic Response/Recovery Team (Info)
- Strategic Priorities—New Opportunities and Challenges (Board Dialogue) (Handout)
- "Coming Back Stronger"

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

**Next EDA/EDC Board Meeting May 14, 2020** *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.*



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ECONOMIC DEVELOPMENT

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# ATTACHMENT A



EDA · EDC CREATING MONTANA BUSINESS OPPORTUNITIES

**EDA/EDC Joint Board Minutes**  
**Thursday, March 12<sup>th</sup>, 2020 – 7:25 AM – 8:15 A.M.**  
**Prescott Hall, Rocky Mountain College**  
**1511 Poly Drive, 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:** Bryce Terpstra, George Warmer, Greg McDonald, Jennifer Smith, Jennifer Owen, Ken Lutton, Paul Neutgens, Riley Bennett, Robin Rude, Shaun Brown (Ex-Officio), Katy Easton (Ex-Officio)

**EDA Board Members Absent:** Dana Pulis, Judi Powers, Don Jones (Ex-Officio), Greg Upham (Ex-Officio), John Brewer (Ex-Officio), Nick Altonaga (Ex-Officio)

**EDC Board Members Present:** Aaron Ramage, Andy Gott, Ann Kosempa, Bob Wilmouth, Kim Jakub, Mike Nelson, Mike Phillips, Mike Seppala, Scott Chesarek, Steve Loveless

**EDC Board Members Absent:** Craig Bartholomew, Dan Edelman, Dave Ballard, David Ellis, Denis Pitman, Doug Hansen, Eric Simonsen, Jon Stepanek, mac Fogelsong, Mitch Goplen, Nicole Bengel, Spencer Frederick

**Staff and Guests:** Jack Nickels, Steve Simonson, Steve Arveschoug, Brandon Berger, Shanna Zier, Dustin Frost, Kevin Scharfe, Becky Rogers, Austin Trunkle, Dena Johnson, Lorene Hintz, Karen Miller, Dianne Lehm, Marcell Bruski, Johnna Jablonski

**Call to Order:**

Mike Seppala, EDC Chair, called the meeting to order at 7:25 A.M.

**Public Comment/Recognitions/Special Announcements and Introductions:**

**Public Comment**

None

**Agenda Changes:**

None

**Consent Agenda**

Approval of February Minutes and January Financials were deferred to April due to lack of quorum.

**Program Level Reports and Action Items**

**BSTF Grant Applications – Lorene**

**Alpine Aviation**

Alpine Aviation Express LLC, doing business as Alpine Air, is planning to expand its operations in Billings, MT over the next two years.

In 2018, Alpine Air finished its cargo conversion for the Beechcraft 1900D; it was then approved by the FAA. The Alpine Super Freighter is now the largest single piloted cargo aircraft in the world. The 1900D aircraft will haul large quantities of cargo while being extremely cost effective when compared to its counterparts. They can now ship more with less giving Alpine a competitive edge in our industry.

This extraordinary achievement is due to many years of engineering and planning to bring a conversion that was created with the carrier and client in mind. In 2020, Alpine Air will continue expanding their aircraft fleet and staff to meet the growing demand for services. In Billings, they anticipate creating 30 net new jobs comprised of: 17 new pilots, 3 parts clerks, 5 mechanics, and 5 mechanic helpers in the next two years. To accommodate the growing staff and fleet of aircrafts, they will be expanding their facility in Billings. The current facility is insufficient for current staff, so they have leased office space in downtown Billings until the new facility is constructed.

They gathered the needed funds for construction and are now ready to draw up plans for the new facility. Alpine aims to finish the planning portion of the project by fall of 2020 and finish construction by the end of 2021. Alpine is requesting a \$25,000 planning grant from the Big Sky Trust Fund with the State Department of Commerce. This grant will help pay for pre-engineering and planning. The total planning costs are well over \$200,000.

Motion: Paul Neutgens to approve the Alpine Air Planning Grant, as presented to the Board.

Second: Robin Rude

Discussion: Above

Motion carried

### **Meadowlark Brewing**

Meadowlark's creation came about like any other American dream, it was just that, a dream. Our founder, Travis, an avid craft beer "researcher", moved home to Sidney, Montana in 2010 to help with the other family business Sidney Red-E-Mix, which is when the real encouragement from his parents came into play. Sidney, a small town in Eastern Montana was ready for some locally made beer. As with the rest of the country, the people of Sidney, were becoming more aware of and thirsty for craft beer. Travis and family saw this new "thirst" very inline with their new goals and dreams, and so the journey began.

Meadowlark has now outgrown its brewing space and is looking for better distribution and more space in Billings. They have 20,000 square foot building planned out on Zoo Drive. They were approved for a \$25,000 planning grant will help them with the planning a feasibility around the layout of the facility.

They are currently planning to hire 13 employees at the facility in Billings and are applying for a Job Creation Grant to help with building materials, furniture & fixtures, and wages. Positions include Front House manager, Head brewer, brewery manager, assistant brewer, servers, and sales reps.

The job creation grant would provide \$5,000 per job created for a total of \$65,000.

For more information on the company you can visit: <https://meadowlarkbrewing.com/>

Motion: Robin Rude to approve the Meadowlark Brewing Job Creation Grant, as presented to the Board.

Second: Jennifer Smith

Discussion: Above

Motion carried

### **Member Investor Program Update – Melanie**

Melanie updated on the 2020 Board Member Challenge. Mel has about 70 potential prospects on the list and considers half of those in the "High Possibility" category. The goal is to have 30 new member investors for our 30<sup>th</sup> anniversary. Scott Chesarek will be treating everyone who participates to lunch.

Big Sky Finance – Brandon

**SBA 504 Loan Requests**

Brandon read the loans he has up for approval but the vote was deferred to April due to lack of quorum.

By-Laws Changes

The SBA has made changes to their corporate governance laws and that will impact our By-Laws. Brandon had BSF's lawyer propose the necessary changes. Brandon then went over the changes with the Board.

*The vote will be held electronically due to lack of quorum.*

Big Sky to Sky Point Project – Becky

Becky updated on the Big Sky to Sky Point project. Becky and Shanna are still finishing up the financial transactions related to the closing which will be completed in the next few weeks if all goes to plan.

Also, an update was provided that some of the tenants at the Bank Building were unable to move out by our closing date on February 28th, so we have allowed them to stay on an additional month in order to aid in their transition. The Billings Symphony, however, will stay in the building until this summer. The U.S. EDA gave approval for these temporary arrangements.

Becky submitted a revised RFQ draft to the U.S. EDA yesterday and is waiting to hear back from them. The draft is now going through the EDA's legal review. We plan to release the RFQ as soon as they approve the draft. She's hopeful to hear back soon.

**Executive Director's Report – Steve**

Steve covered the Board Committees openings and asked Board Members to lend a hand where they're able.

Steve also mentioned that with the pandemic virus going around, we will be placing travelling staff persons on a work-from-home status as they return, which is consistent with the guidance we've been given from partners and healthcare institutions.

MEDA decided to cancel TIP Meetings this month out of caution.

**2020 State of the Workforce Report – Karen**

Karen gave a quick State of the Workforce presentation highlighting growth trends, educational attainment, employer feedback, and projected exits and growth.

**Public Comment**

None

**Adjourn**

Mike Seppala Adjourned the meeting at 8:10 AM

Next Meeting – April 9<sup>th</sup>, 2020

Respectfully submitted,

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Ken Lutton, EDA Secretary/Treasurer

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Ann Kosempa, EDC Secretary/Treasurer

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

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EDA · EDC CREATING MONTANA BUSINESS OPPORTUNITIES

**EDA/EDC Joint Board Minutes (Special Meeting)  
Monday, March 23<sup>rd</sup>, 2020 – 3:30 P.M. – 4:30 P.M.  
Zoom Teleconference Call**

***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:** Bryce Terpstra, Dana Pulis, Greg McDonald, Jennifer Smith, Jennifer Owen, Ken Lutton, Paul Neutgens, Riley Bennett, Robin Rude, Shaun Brown (Ex-Officio), Katy Easton (Ex-Officio), John Brewer (Ex-Officio),

**EDA Board Members Absent:** George Warmer, Judi Powers, Don Jones (Ex-Officio), Greg Upham (Ex-Officio), Nick Altonaga (Ex-Officio)

**EDC Board Members Present:** Aaron Ramage, Ann Kosempa, Bob Wilmouth, Dave Ballard, David Ellis, Eric Simonsen, Kim Jakub, Mac Fogelsong, Mike Nelson, Mike Seppala, Scott Chesarek, Steve Loveless

**EDC Board Members Absent:** Andy Gott, Craig Bartholomew, Dan Edelman, Denis Pitman, Doug Hansen, Jon Stepanek, Mike Phillips, Mitch Goplen, Nicole Bengel, Spencer Frederick

**Staff and Guests:** Evelyn Pyburn, Steve Arveschoug, Brandon Berger, Shanna Zier, Dustin Frost, Kevin Scharfe, Becky Rogers, Austin Trunkle, Dena Johnson, Lorene Hintz, Karen Miller, Dianne Lehm, Marcell Bruski, Johnna Jablonski

**Call to Order:**

Robin Rude, EDA Chair, called the meeting to order at 3:37 P.M.

**Public Comment/Recognitions/Special Announcements and Introductions:**

**Public Comment**

Steve opened the floor to Brent Donnelly, the Montana State Director of the Small Business Administration. Brent spoke about the effort at the federal level to release loan funds to business affected by the Covid-19 outbreak. Business owners are able to apply for up to \$2M with an interest rate of 3.75%. Brent spoke about the high demand for aid and what may come of a proposed stimulus bill in Washington. There was also discussion about how soon these funds can be released.

**Agenda Changes:**

None

**Consent Agenda**

Approval of February Minutes, January Financials, and the EDC By-Laws revisions. These items were deferred during the regular March Board Meeting due to lack of quorum.

### Approval of the Financials and Minutes

Motion: Mike Seppala to approve the February Minutes and January Financials, as presented to the Board.  
Second: Paul Neutgens  
Discussion: Above  
Motion carried

### Approval of the EDC By-Laws Revisions

Motion: Mike Seppala to approve the EDC By-Laws revisions as presented to the Board.  
Second: Dave Ballard  
Discussion: Above  
Motion carried

### **Program Level Reports and Action Items**

#### Economic Injury Survey Summary – Steve

Steve continued by providing an update to the Board regarding businesses who have filled out an economic injury worksheet.

Of the 196 completed sheets, revenues were estimated to have been \$24M at this time last year. Survey respondents are now estimating revenues to be \$8.8M in light of the shutdowns.

The amount of employees at this time last year were estimated to be 3,545, but are now reported at 1,316.

Steve went on to mention the letter sent out by the Montana Economic Developers Association. MEDA held a call last week to speak about tools our business communities need. Senator Daines, Congressman Gianforte, Lieutenant Governor Mike Cooney, and Pam Haxby-Coate of Senator Tester's Office joined the call.

#### Operations Update

BSED has made some changes in light of the social distancing measures. We have adopted a work from home option for our staff and have been using teleconferencing options for staff meetings and other regular meetings. We have also expanded our sick leave policy to support employees who are now obligated at home to take care of their children while school is out.

#### Member Investor Program Update – Melanie

Melanie updated on the 2020 Board Member Challenge. Mel has about 70 potential prospects on the list and considers half of those in the "High Possibility" category.

The goal is to have 30 new member investors for our 30<sup>th</sup> anniversary. Scott Chesarek will be treating everyone who participates to lunch.

#### BSF Finance Short-Term Loan Program –Brandon/Dena

Dena began by answering how we arrived at the idea of providing a short-term loan program to help companies stay afloat amid lay-offs and drastically reduced revenues.

Brandon explained that in 2010, the Treasury granted money to states to lend to small businesses in need. The State Small Business Credit Initiative that BSED manages has loaned more than \$2m and has about \$1m it can still use. Brandon is asking the Board to authorize \$250,000 from that fund to lend to businesses affected by the shutdowns. One of the conditions of offering this financing would be that those applying must also have applied for the SBA disaster loans. The maximum amount we would lend to a business owner would be \$15,000. Brandon continued to review the specific criteria, lending scenarios, and terms of the loans. The funds can be used as working capital and we anticipate most will use it to cover short term needs. Brandon also mentioned that Big Sky

Finance and the Revolving Loan Fund borrowers have reached out about deferred payments. Brandon is asking the Board to authorize an internal team to review and underwrite these loans. Brandon continued to list eligibility requirements for borrowers and what we will consider in reviewing applications. To expedite the application and review process, the team will be using DocuSign and Survey Monkey to approve applicants. There was also discussion about how the team arrived at an interest rate of 2%. Brandon and Dena fielded additional questions and considerations from the Board.

Motion: Mike Seppala to approve the BSF Short-term Loan Program and release of SSBCI funds, as presented to the Board.  
Second: Mac Fogelsong  
Discussion: Above  
Motion carried

Brandon mentioned that BSF has already received 19 requests for payment deferments. BSF cash flow should not be affected.

#### PTAC Base Year Approval - Deanna

Deanna began explaining that this is a new base year for the PTAC with subsequent option years to follow. The application does not obligate BSED and is a usual step in the process.

Motion: Jennifer Smith to approve the PTAC Base Year Application, as presented to the Board.  
Second: Riley Bennett  
Discussion: Above  
Motion carried

#### Better Off in Billings Update – Melanie

Melanie gave a quick Better Off in Billings update. The physical event has been cancelled but there is alternate planning ongoing and the keynote has been rescheduled to later in the year. The Space2Place micro-grant program will continue as scheduled and applicants are currently being reviewed.

#### **Public Comment**

Steve is working with Shanna to review our operational budget and what FY2021 will look like. Several moving pieces are being considered, including loan origination and servicing fees and Member Investor revenues.

#### **Adjourn**

Robin Rude Adjourned the meeting at 4:37 PM

Next Meeting – April 9<sup>th</sup>, 2020

Respectfully submitted,

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Ken Lutton, EDA Secretary/Treasurer

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Ann Kosempa, EDC Secretary/Treasurer

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# ATTACHMENT B

**Big Sky Economic Development Authority**  
**Financial Report for the Executive Committee and Board of Directors**  
**March 25, 2020**

Included with this report are balance sheets reflecting the assets, liabilities and net assets of Big Sky EDA as of February 29, 2020. Also included is the statement of revenue and expenses through eight months of FY20 as compared to budget.

**Balance Sheet**

Current assets decreased slightly and totaled approximately \$1,224,000 at the end of February. Current assets decreased from \$1,355,000 at the end of January. We will see some additional fluctuation in the current assets amounts in March as we complete the transfer of the building from EDC to EDA. Accounts receivable increased significantly in February and total approximately \$516,000 and at the end February. This is largely comprised of the Coal Board Grant receivable. As some of you may recall, Big Sky EDA is acting as the intermediary for this \$500,000 grant because MSUB is a state agency and language in the Montana Code Annotated restricts them from giving an award that exceeds more than 7% of available funds. MSUB asked Big Sky EDA to become the applicant and receive the award on their behalf. We received the first grant draw (\$268,734) from MSUB in February. I checked with Anderson Zurmuehlen on the revenue recognition piece of this and they agreed this is an agency relationship, so we will not need to pick this up as revenue. The remaining receivable consists of PTAC (\$101,000), VBOC (\$95,000), and SBDC (\$43,000). As of March 2020, these receivables have decreased to about \$160,000. The tax levy receivable balance continues to decrease with the collection of November tax funds. The tax levy receivable totaled approximately \$504,000, a decrease from \$508,000 in January. Protested tax receivable totaled an additional \$23,000 in protested tax levy receivable. An allowance totaling approximately \$23,000, or 100% of protested tax levy receivable is reflected to allow for potentially uncollectible protested tax levy.

Big Sky EDA invested the proceeds from the sale of the GE facility (approximately \$6 million) into certificates of deposit with maturities of 18 months. These proceeds are reflected under opportunity fund-CDs. There was one CD that matured in January 2020 (\$617,000). This was renewed into a short-term CD in order to maximize interest income until funds are needed for construction. There were two additional CDs that matured at the end of February (total of \$1,222,505). One of these CDs was renewed for \$250,000 and the remainder of it cashed out for the purchase of the building. The second CD was put into a money market account for liquidity as we begin the building project. We have two additional CDs (approximately \$1,100,000) maturing in March. One CD has been renewed for 24 months to take advantage of the rate and the other will be renewed for 12 months.

Due To/Due From EDC totaled approximately \$0 at the end of February.

Accounts payable have increased from \$38,000 at January 2020 to approximately \$333,000 at the end of February. This is due to the Coal Board grant draw. Accrued expenses total approximately \$92,000 and consist of salary/benefits accruals.

**Statement of Revenue and Expenses**

County tax (mill levy revenue) totaled \$1,325,000 through February 2020. Department of Defense (PTAC) reimbursement and EDC reimbursement continue to remain below budget. Opportunity fund investment revenue is also below budget through February 2020.

Salary/wage expense totaled \$1,110,000 through February. This amount is slightly over-budget due to the payout of vacation and sick leave to employees no longer with the organization, combined with the PTAC service arrangement for Bozeman. This higher salary expense is off-set by a few items including the contributions from the City of Bozeman (\$5,000) and Gallatin County (initial contribution of \$9,000). We have also invoiced Gallatin County for the remaining \$12,000 commitment based on actual expenses incurred for the Bozeman service arrangement. The PTAC Subcenter expense is about \$89,000 below budget. This expense line item will remain below budget through the remainder of the fiscal year due to the Bozeman PTAC arrangement. Professional fees totaled approximately \$85,000 through February 2020.

Through eight months of FY20 Big Sky EDA recognized revenue in excess of expenses totaling about \$386,000, which was approximately \$37,000 less than the budgeted amount. This variance continues to be driven by a few different things. Department of Defense (PTAC) reimbursement remains below budget, while salary/wage expense and professional fees are over budget. In addition, there is approximately a \$33,000 variance in opportunity fund investment and interest income.

**Big Sky EDA**  
**Comparative Balance Sheet**  
**As of February 29, 2020 and 2019**

	2/29/2020	2/28/2019	+/-	6/30/2019	+/-
<b>Assets</b>					
First Interstate Bank	\$50,315	\$91,670	(\$41,355)	\$23,571	\$26,744
FIB-Recovered Property Taxes	148,202	147,854	348	97,854	50,348
Opportunity Fund-FIB	29,346	13,259	16,088	13,265	16,081
Opportunity Fund-Stockman	3,617	377,011	(373,394)	3,612	5
Opportunity Fund-Opportunity Bank	618,652	-	618,652	613,163	5,489
Stockman GE Maintenance	15,128	28,479	(13,351)	23,479	(8,351)
Yellowstone County Funds	358,262	280,086	78,177	519,877	(161,615)
<b>Total Current Assets</b>	<b>1,223,522</b>	<b>938,359</b>	<b>285,163</b>	<b>1,294,821</b>	<b>(71,299)</b>
<b>Other Assets</b>					
Accounts Receivable	515,660	240,512	275,147	283,781	231,878
American Revenue Guarantee	6,887	6,887	-	6,887	-
Due To/Due From EDC	41,374	148,407	(107,032)	163,958	(122,583)
Tax Levy Receivable	504,457	488,559	15,898	18,231	486,226
Tax Levy Receivable - Protested	22,521	11,118	11,403	9,211	13,309
Allowance for Doubtful Accounts	(22,521)	(11,118)	(11,403)	(9,211)	(13,309)
Prepaid Expenses	11,284	-	11,284	39	11,245
Undeposited Funds	-	-	-	-	-
Interest Receivable	2,421	-	2,421	2,421	-
Miscellaneous Receivable	-	3,000	(3,000)	218	(218)
<b>Total Other Assets</b>	<b>1,082,083</b>	<b>887,365</b>	<b>194,718</b>	<b>475,535</b>	<b>606,548</b>
<b>Non-Current Assets</b>					
Opportunity Fund - CDs	4,626,040	5,119,531	(493,491)	4,590,718	35,322
Loans Receivable	400,000	220,481	179,519	400,000	-
TEDD Receivable	44,325	64,775	(20,450)	64,775	(20,450)
Cabela's Conduit	9,648	4,980	4,668	4,982	4,666
Deferred Outflow of Resources	247,689	365,827	(118,138)	247,689	-
<b>Total Non-Current Assets</b>	<b>5,327,702</b>	<b>5,775,595</b>	<b>(447,893)</b>	<b>5,308,164</b>	<b>19,538</b>
<b>Total Assets</b>	<b>7,633,308</b>	<b>7,601,320</b>	<b>31,988</b>	<b>7,078,520</b>	<b>554,788</b>
<b>Liabilities &amp; Equity</b>					
<b>Current Liabilities</b>					
Accounts Payable	333,263	85,307	247,956	119,524	213,739
Accrued Expenses	91,658	85,538	6,121	118,144	(26,486)
Deferred Revenue	2,889	-	14,000	-	-
Payroll Liabilities	587	290	296	4,979	(4,392)
Compensated Absences	147,540	138,444	9,096	164,177	(16,638)
<b>Total Current Liabilities</b>	<b>575,936</b>	<b>309,578</b>	<b>266,358</b>	<b>406,824</b>	<b>169,112</b>
<b>Long Term Liabilities</b>					
Deferred inflow or Resources	13,741	7,419	6,322	13,741	-
Pension Liability	884,804	908,811	(24,007)	884,804	-
<b>Total Long Term Liabilities</b>	<b>898,545</b>	<b>916,230</b>	<b>(17,685)</b>	<b>898,545</b>	<b>-</b>
Current Year Excess of Expenses over Revenue	385,676	528,629	(142,953)	(73,732)	459,408
Balance at Beginning of Year	5,773,151	5,846,883	(73,732)	5,846,883	(73,732)
<b>Net Assets</b>	<b>6,158,827</b>	<b>6,375,512</b>	<b>(216,685)</b>	<b>5,773,151</b>	<b>385,676</b>
<b>Total Liabilities &amp; Equity</b>	<b>7,633,308</b>	<b>7,601,320</b>	<b>31,987</b>	<b>7,078,520</b>	<b>554,788</b>

**Big Sky EDA**  
**Statements of Operations**  
**For the Periods Ending February 29, 2020**

	Month			YTD			Fiscal Year
	Actual	Budget	Variance	Actual	Budget	Variance	Budget
<b>Operating Revenue</b>							
County Taxes (Mill Levy Revenue)	\$1,489	\$0	\$1,489	\$1,324,606	\$1,320,000	\$4,606	\$1,461,225
Health Insurance Mill Levy	9,010	8,530	480	\$68,876	\$68,240	636	102,360
Recovery of Protested Taxes	-	-	-	\$0	\$0	-	-
Department of Defense	45,000	52,819	(7,819)	\$393,924	\$422,552	(28,628)	633,828
EPA Reimbursement	3,140	-	3,140	\$3,140	\$0	3,140	-
EDC Reimbursement	43,030	48,729	(5,699)	\$341,705	\$389,832	(48,127)	584,748
EPA-Brownfields	15,630	-	15,630	\$30,339	\$0	30,339	-
SBA/MT Dept of Commerce	13,911	13,708	203	\$112,614	\$109,667	2,947	164,500
SBDC Program Income	139	-	139	\$2,418	\$0	2,418	-
VBOC	23,640	25,000	(1,360)	\$193,591	\$200,000	(6,409)	300,000
Opportunity Fund Investment	-	2,083	(2,083)	\$0	\$16,667	(16,667)	25,000
Grant Administration	-	742	(742)	\$1,800	\$5,933	(4,133)	8,900
Miscellaneous Revenue	3,645	-	3,645	\$13,061	\$0	13,061	-
<b>Total Revenue</b>	<b>158,635</b>	<b>151,611</b>	<b>7,023</b>	<b>2,486,074</b>	<b>2,532,891</b>	<b>(46,817)</b>	<b>3,280,561</b>
<b>Operating Expenses</b>							
Salaries/Wages	139,908	134,398	5,511	1,110,294	1,075,181	35,113	1,612,771
Employer Contributions	44,335	44,200	135	350,515	353,598	(3,082)	530,396
Contingency	-	-	-	-	-	-	30,000
Contract Support	-	-	-	-	333	(333)	1,000
Community Development Projects	-	-	-	(400)	4,200	(4,600)	50,000
Dues and Subscriptions	2,830	2,800	30	54,282	49,106	5,176	52,775
Event Expense	-	-	-	2,559	-	-	-
Insurance	9,976	-	9,976	23,092	14,231	8,861	14,766
Marketing - Departmental	1,102	1,388	(286)	4,251	11,102	(6,851)	16,652
Marketing - Organizational	6,847	5,146	1,701	43,227	41,167	2,060	61,750
Office Equipment	110	792	(682)	3,733	5,083	(1,350)	9,500
Office Expense	731	1,667	(936)	12,542	13,333	(791)	20,000
Professional Fees	7,381	7,400	(19)	85,079	42,526	42,553	35,126
Property Tax Protests	-	-	-	20,706	21,000	(294)	49,190
PTAC Satellite	16,638	11,710	4,928	84,895	93,680	(8,786)	140,520
PTAC Subcenter	12,504	23,190	(10,686)	105,217	185,521	(80,304)	278,282
Rent	11,284	10,530	754	90,696	84,243	6,453	126,364
Repairs	-	-	-	352	-	352	-
Sponsorships	400	-	400	19,880	15,917	3,963	15,917
TEDD	19	417	(397)	871	3,333	(2,462)	5,000
Telecommunications	5,060	4,520	540	38,144	36,160	1,984	54,240
Travel/Training	12,234	12,044	190	78,276	90,700	(12,424)	144,533
Miscellaneous	2,387	3,377	(991)	16,148	27,017	(10,869)	40,525
<b>Total Operating Expenses</b>	<b>273,745</b>	<b>263,578</b>	<b>10,167</b>	<b>2,144,359</b>	<b>2,167,430</b>	<b>(25,631)</b>	<b>3,289,307</b>
<b>Net Operating Revenue</b>	<b>(115,110)</b>	<b>(111,966)</b>	<b>(3,144)</b>	<b>341,715</b>	<b>365,460</b>	<b>(21,186)</b>	<b>(8,747)</b>
<b>Non-Operating Income</b>							
Interest Income	23,967	7,528	16,439	43,961	60,223	(16,262)	90,334
<b>Net Revenue Over (Under) Expense</b>	<b>(\$91,144)</b>	<b>(\$104,439)</b>	<b>\$13,295</b>	<b>\$385,676</b>	<b>425,683</b>	<b>(\$37,448)</b>	<b>\$81,588</b>

**Big Sky Economic Development Corporation**  
**Financial Report for the Executive Committee and Board of Directors**  
**March 25, 2020**

Included with this report are balance sheets reflecting the assets, liabilities and net assets of Big Sky EDC as of February 29, 2020. Also included is the statement of revenue and expenses through eight months of FY20 as compared to budget.

**Balance Sheet**

Current assets totaled approximately \$1,276,000 at the end of February, a decrease from \$2,285,000 at the end of January. This is due to the purchase of the bank building at the end of February. Similar to EDA, we will see some fluctuation in the current assets amounts in March as we complete the transfer of the building from EDC to EDA. Accounts receivable total \$87,000 and consist largely of Member Investor pledges for FY20 (\$77,700), Member Investor pledges for FY19 (\$4,500) and CTE receivable (\$5,000). RLF Portfolio increased in February with disbursement of the final portion of the Pinnacle Remodeling loan.

Total Assets increased in February due to the purchase of the bank building. You will see this reflected under the fixed asset portion of the balance sheet. The breakdown of the building and land values was not presented in the appraisal, so following the direction of Anderson Zurmuehlen, the book value of the building and land was divided based on the values from the Yellowstone County Property Tax information. This asset will be moved over to EDA in March.

Accounts payable are low and totaled a little over \$13,000 at the end of January. Due To/Due From EDA totaled \$0 and represents the amount owed to EDA from EDC.

**Statement of Revenue and Expenses**

The 504 loan origination revenue totaled \$102,000 through February. This is approximately \$12,000 over budget. There is an additional \$42,000 in deferred 504 revenue that will be recognized as loans fund. The 504 loan servicing revenue remains slightly over budget and totaled \$358,000 through February 2020. Member investor revenue totaled approximately \$196,000 and remains slightly below budget through February 2020. In February, EDC financials reflect \$600,000 in in-kind revenue (presented under the non-operating income). This in-kind income is related to the in-kind donation from Zoot as the building was purchased for \$600,000 less than market value.

With the exception of EDA reimbursement, event expense, marketing, and professional fees, all other expenses remain close or in line with budget amounts through February.

Through eight months of FY20 Big Sky EDC recognized revenue in excess of expenses totaling about \$623,000, which was approximately \$616,000 more than the budgeted amount. When excluding the non-operating, in-kind income, Big Sky EDC recognized revenue in excess of expenses of about \$23,000, which is about \$16,000 more than budgeted.

**Big Sky EDC**  
**Comparative Balance Sheet**  
**As of February 29, 2020 and 2019**

	2/29/2020	2/28/2019	+/-	6/30/2019	+/-
<b>Assets</b>					
First Interstate Bank	\$123,027	\$413,972	(\$290,945)	\$409,998	-\$286,971
FIB SSBCI Principal	443,137	1,281,666	(838,529)	1,335,009	(891,872)
FIB-Long Term Reserve	250,000	250,000	-	250,000	-
FIB-Opportunity Fund	22,200	22,200	-	22,200	-
FIB-RLF	194,692	245,801	(51,109)	268,288	(73,596)
FIB-OBSD Restricted	-	-	-	-	-
Accounts Receivable	82,348	1,000	81,348	34,158	48,190
Contributions Receivable	5,000	52,500	(47,500)	44,500	(39,500)
Prepaid Expenses	3,175	46	3,129	4,867	(1,692)
Undeposited Funds	3,000	-	3,000	-	3,000
RLF Portfolio-Current	108,968	74,951	34,016	46,653	62,315
SSBCI Portfolio-Current	40,175	123,590	(83,415)	126,448	(86,273)
<b>Total Current Assets</b>	<b>1,275,722</b>	<b>2,465,726</b>	<b>(1,190,004)</b>	<b>2,542,120</b>	<b>(1,266,398)</b>
<b>Other Assets</b>					
RLF Portfolio-Non Current	232,539	233,772	(1,233)	127,979	104,559
SSCBI Portfolio-Non Current	800,791	846,524	(45,733)	800,791	-
<b>Total Other Assets</b>	<b>1,033,330</b>	<b>1,080,296</b>	<b>(46,966)</b>	<b>928,770</b>	<b>104,559</b>
<b>Fixed Assets</b>					
Bank Building - Building	1,328,000	-	1,328,000	-	1,328,000
Bank Building - Land	272,000	-	272,000	-	272,000
<b>Total Fixed Assets</b>	<b>1,600,000</b>	<b>-</b>	<b>1,600,000</b>	<b>-</b>	<b>1,600,000</b>
<b>Total Assets</b>	<b>3,909,052</b>	<b>3,546,022</b>	<b>363,030</b>	<b>3,470,890</b>	<b>(1,161,839)</b>
<b>Liabilities &amp; Equity</b>					
<b>Current Liabilities</b>					
Accounts Payable	13,096	87,399	(74,303)	62,640	(49,544)
Property Tax Payable	3,659				
Accrued Expenses	7,500	5,563	1,938	20,473	(12,973)
Deferred 504 Revenue	41,744	5,522	36,222	3,936	37,808
Due to/Due from EDA	-	148,407	(148,407)	163,958	(163,958)
<b>Total Liabilities</b>	<b>65,999</b>	<b>246,890</b>	<b>(180,891)</b>	<b>251,007</b>	<b>(185,008)</b>
Current Year Excess of Expenses over Revenue	623,169	(161,681)	784,850	(240,929)	864,098
Balance at Beginning of Year	3,219,883	3,460,813	(240,929)	3,460,813	(240,929)
<b>Net Assets</b>	<b>3,843,052</b>	<b>3,299,131</b>	<b>543,921</b>	<b>3,219,883</b>	<b>623,169</b>
<b>Total Liabilities &amp; Equity</b>	<b>3,909,052</b>	<b>3,546,022</b>	<b>363,030</b>	<b>3,470,890</b>	<b>438,161</b>

**Big Sky EDC**  
**Statements of Operations**  
**For the Periods Ending February 29, 2020**

	Month			YTD			Fiscal Year
	Actual	Budget	Variance	Actual	Budget	Variance	Budget
<b>Operating Revenue</b>							
504 Loan Origination	\$0	\$11,250	(\$11,250)	\$102,287	\$90,000	\$12,287	\$135,000
504 Loan Servicing	43,586	43,874	(288)	\$357,882	\$350,992	\$6,890	526,488
CTE Director Donations (Restricted)	-	-	-	-\$2,000	\$0	(\$2,000)	-
Member Investment	64,000	64,000	-	\$195,610	\$226,500	(\$30,890)	370,000
RLF Business Loan Interest	1,587	917	670	\$11,219	\$7,336	\$3,883	11,004
SSBCI Revenue	1,751	2,005	(255)	\$15,921	\$16,043	(\$121)	24,064
Recovery of Bad Debt	-	300	(300)	\$9,067	\$2,400	\$6,667	3,600
Miscellaneous Revenue	288	1,083	(796)	\$2,638	8,667	(\$6,029)	13,000
<b>Total Revenue</b>	<b>111,212</b>	<b>123,430</b>	<b>(12,218)</b>	<b>692,624</b>	<b>701,937</b>	<b>(9,314)</b>	<b>1,083,156</b>
<b>Operating Expenses</b>							
BEAR Program	63	50	13	2,775	2,544	231	5,386
Business Incubation	-	-	-	2,519	3,000	(481)	3,000
Contingency	-	-	-	-	-	-	10,000
Dues and Subscriptions	776	1,577	(801)	14,153	13,243	910	18,927
EDA Reimbursement	43,030	48,729	(5,699)	341,705	389,832	(48,127)	584,748
Event Expense	8,750	-	8,750	75,039	52,500	22,539	52,500
Insurance	837	917	(80)	2,525	7,333	(4,808)	11,000
Marketing - Departmental	7,714	8,000	(286)	45,339	44,887	452	61,548
Marketing - Organizational	736	-	736	19,031	11,000	8,031	11,000
Membership Development	3,298	1,250	2,048	8,408	8,750	(342)	15,000
Office Equipment	-	-	-	-	-	-	-
Office Supplies	421	171	250	2,859	1,371	1,488	2,056
Opportunity Fund Contribution	-	-	-	-	-	-	40,000
Professional Fees	-	6,744	(6,744)	39,493	53,952	(14,460)	80,928
Postage and Printing	156	83	73	1,011	667	344	1,000
Rent	5,028	3,421	1,607	27,677	27,366	311	41,049
Sponsorships	1,250	717	533	3,819	5,735	(1,917)	8,603
Telecommunications	874	468	406	5,072	3,746	1,326	5,619
Travel/Training	4,580	4,445	134	43,952	40,969	2,983	53,345
Miscellaneous	16,733	3,499	13,234	34,079	27,995	6,084	41,992
<b>Total Operating Expenses</b>	<b>94,246</b>	<b>80,072</b>	<b>14,173</b>	<b>669,455</b>	<b>694,890</b>	<b>(25,435)</b>	<b>1,047,703</b>
<b>Net Revenue Over (Under) Expense</b>	<b>16,966</b>	<b>43,357</b>	<b>(26,391)</b>	<b>23,169</b>	<b>7,047</b>	<b>16,122</b>	<b>35,454</b>
<b>Non-Operating Income</b>							
In-Kind	600,000	-	600,000	600,000	-	600,000	-
<b>Net Revenue Over (Under) Expense</b>	<b>\$616,966</b>	<b>\$43,357</b>	<b>\$573,609</b>	<b>\$623,169</b>	<b>7,047</b>	<b>\$616,122</b>	<b>\$35,454</b>





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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 requests. The Big Sky EDC Loan Committee has reviewed the requests and recommends approval to the full EDC Board for submission to the SBA for final approval. The requests meet all the underwriting and eligibility requirements of the EDC.

1. **Daniels Gourmet Meats LLC (Daniels Properties, LLC)** – Request is for the purchase of an existing building for the operations of Daniels Gourmet Meats LLC, located in Bozeman, MT. Purchase is only for the existing land and building. The property is located at 520 W. Griffin Dr. Daniels Gourmet Meats currently leases a portion of this building. The purchase will allow them to expand their operations. Daniels Gourmet meats is owned 100% by Austin Daniels and was started in February 2017. It is a locally owned and operated artisan meat market featuring local beef, pork, poultry and lamb. They specialize in small batch artesian style products and charcuterie, along with doing game processing year-round. They offer retail and wholesale services.

The total SBA debenture will be \$459,000 on a 20-year note comprising 40% of the total project costs. Big Sky EDC and the SBA will be in a 2<sup>nd</sup> lien position on the real property behind First Montana Bank out of Bozeman. There are projected to be six new jobs created as a result of this project. The project also meets a Public Policy goal for Rural Development.

2. **Fun and Fancy Free Learning Center, LLC (Wall Wilbert, LLP)** – Request is for the purchase of land, new construction and equipment/FF&E for the Fun and Fancy Free Learning Center located in Polson, MT. This is an existing daycare facility in Polson which serves this rural community as well as the reservation population. The business currently operates out of three separate buildings located throughout Polson. This new building will allow them to have all operations under one roof as well as take on more clients. They consistently have a sizable wait list. Lisa Wall-Wilbert and Alex Wilbert are 50/50 owners of the operating company and have been operating the daycare since 1998.

The total SBA debenture will be \$770,000 on a 25-year note comprising 40% of the total project costs. Big Sky EDC and the SBA will be in a 2<sup>nd</sup> lien position on the real and personal property behind Glacier Bank in Polson. Ten new jobs are expected to be created as a result of this expansion. A Public Policy goal for Rural Development will be achieved.



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# ATTACHMENT D

# ECONOMIC PULSE

## THE PURPOSE OF ECONOMIC PULSE IS TO:

- Follow economic trends in Billings and our peer communities
- Keep a 500-mile perspective of our regional competitiveness for private investment and talent attraction
- Identify future opportunities and challenges for our community

## 2018 GDP & Year Over Year Percent Change

	GDP in Millions of Dollars	YOY Percent Change
Bozeman, MT (MSA)	5,822,537	7.4
Great Falls, MT (MSA)	4,209,414	7.37
Billings, MT (MSA)	3,441,251	7.23
Boise City, ID (MSA)	39,391,872	6.8
Casper, WY (MSA)	5,672,135	6.39
Fort Collins, CO (MSA)	18,783,482	6.3
Missoula, MT (MSA)	5,664,746	5.67
Cheyenne, WY (MSA)	5,742,537	4.76
Bismarck, ND (MSA)	7,764,018	4.17
Rapid City, SD (MSA)	6,561,571	3.25

## Billings GDP has finally exceeded 2015 numbers



## Billings has the

# 3<sup>rd</sup>

largest economy based on both GDP and Total Personal Income.

However, Billings has one of the slowest population growth rates at 1.4% annually over the last 10 years.

## Based on LinkedIn Data, Denver has the highest concentration of Billings graduates outside of Billings.



## 4.85%



Largest loss is to Denver (4.85%) followed by Seattle.

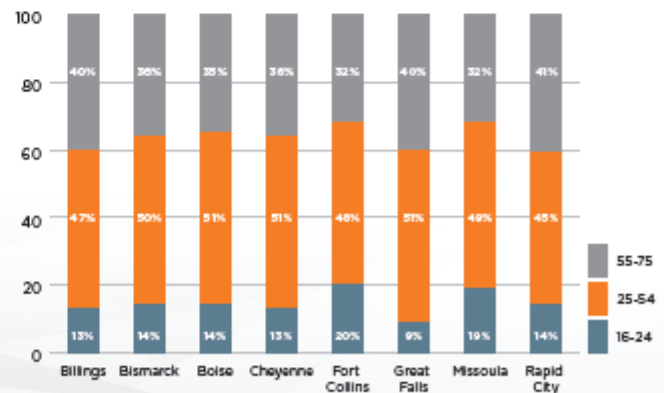


40% of the Billings workforce will reach/exceed retirement age in the next 10 years

22% of our current workforce is 65+



## Employment by Age



**HOUSEHOLD INCOME**  
8<sup>th</sup> - \$59,623



**COST OF LIVING**  
3<sup>rd</sup> lowest - 94.9% of the US Average



**AVERAGE MONTHLY HOUSING COSTS**  
5<sup>th</sup> lowest - \$1,256 per month

Learn more at [www.blgskyeda.org](http://www.blgskyeda.org)





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# ATTACHMENT E

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

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***Covid-19 Response Plan***

1. ***Internal Structure/Work Plan Changes*** – the BSED team is in work-from-home status, with the exception of essential operations team members that will move in and out of the office as needed to conduct BSED business. Those team members include: Executive Director, Operations Director, Controller, and Big Sky Finance Director (with loan functions needing to be on an established, secure platform. Work does continue in every program area with some shift in resources and workplans. Staff meetings and team meetings, as well as meetings with clients and community partners continues via Zoom meeting or an old-fashioned phone call.
2. ***Responding to Immediate Business Needs***— The needs of our business community are significant at this time. We are fielding calls on everything from loan deferments, SBA Disaster Relief, the CARES Act, and the Governor's "stay at home order." The expectation is that we will be able to answer every question and get the caller/emailer plugged into the right resource. We are doing our best to make that happen. We do have a **Covid-19 Business Resources Page** on our website- [www.bigskyeconomicdevelopment.org](http://www.bigskyeconomicdevelopment.org)

We have reorganized our team in such a way that we can focus resources to better respond to the volume of inquiries we receive from businesses asking for help. We have established four divisions (Business Resources and Response, External Communications and Information, Operations and Resource Allocation, and Business Finance) to better focus and organize our work. These divisions will be led by Dena, Becky, Brandon, and Melanie, and they have been given the authority to act as a team to set game plans in each area. The goal is to be as responsive as possible to the needs of our business community at this critical time.

3. ***Business Stabilization Loan Program***—With the Board's approval (March 23<sup>rd</sup>), our team has developed a loan program and online application process that will launch March 30<sup>th</sup>. The purpose of these loans (not to exceed \$15k) is to fill the 4 to 8-week period that exists between SBA Disaster Relief Loan application and actual funding. Our Stabilization Loans will come with an interest-only payment for the first 6 months. It could be that we will need much more than the \$250,000 appropriated for this purpose, so we are actively looking for partners/grants to build this Business Stabilization Fund. If you have ideas for added funds, please let me know asap.
4. ***Unified Command—Economic Response/Recovery***—I have been asked to assume responsibilities to lead the Economic Response/Recovery branch of the coordinated response to the Covid-19 crisis. As you all know, the economic impact from the initial response is significant and especially harmful to small businesses in our community. As a part of this effort we are building a Resource Team who will work to coordinate immediate response efforts in support of our business community. The Resource Team will also have the responsibility to plan for near-term and long-term economic recovery. This effort requires two meetings per day, 7 days per week with the Unified Command, with added Resource Team meetings every-other-week for the next several months. In light of this responsibility, I have delegated authority for the BSED-specific response plan to an internal team as referenced above. I will provide the Board more details on this Economic Response/Recovery work at our April meetings.

## *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, but do know that the One Million Cups meet up with entrepreneurs continues as a Zoom meeting, Wednesdays at 9AM. Stay tuned for details.

Work continues with the Federal EDA to finalize the RFQ for solicitation of architectural services for the redevelopment of the Montana Bank Building—future home of Rock31 and the one-stop shop for all BSED services. We are hopeful that the RFQ will go out in the next few weeks, understanding that all schedules have been altered.

- b. Coal Country Coalition—An update on the Coal Country Coalition can be found in the Community Development section of this report. Do know that the Coalition met March 11<sup>th</sup> and had an outstanding meeting with our regional partners. Jim Atchison gave the group an update on the closure of Colstrip Units 1 and 2 and how his community is responding.

### **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— The first meeting of the Billings Healthcare Education Advisory Committee, formed by MSUB’s Chancellor Edelman, was held February 26<sup>th</sup>, the second meeting has been postponed until further notice. Also note, that our work with both RMC and MSUB will likely take on a new level of importance as both institutions will be working to reengage their students when we move past the Covid-19 crisis. Do mark your calendar for Sept. 15 and 16 for the MSU Board of Regents meetings that are planned to be in Billings. I will keep you updated as plans for these meetings will likely be adjusted. However, the meeting with the BOR, whenever that happens, will be an important opportunity to encourage new investment in essential programs and infrastructure at MSUB.
- b. Business Healthcare Summit—February 27<sup>th</sup> we held the Business of Healthcare Summit. Mel will provide the Board the highlights at our April Board meeting.
- c. 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. Please note that the April 16<sup>th</sup> Better Off in Billings event will shift to a virtual format. More details to follow.

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

- a. Downtown Redevelopment-One Big Sky District and Other Project Areas— Nothing new to report at this time.

Work continues on other infrastructure needs in other parts of town where lacking infrastructure is a limiting factor in attracting new development. We facilitated a meeting with the TransTech team and City leadership last week. We are hopeful the City will prioritize development opportunities in this area.

- b. Coulson Park Redevelopment and Entryways Now—City Council approved the Coulson Park Master Plan. See the Community Development Section for details. Now the work will begin to fund the first phase of this project.
- c. EBURD Redevelopment and Other Urban Renewal Districts—See the 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, as well as work on other urban renewal districts in the County.
- d. Trailhead Hospitality Vision Steering Committee— We did receive the CDBG Grant--\$45,000, so work can begin on a plan/design/budget for the improvement of the Metra Park backside walkway, fence and landscaping project. RFP for that project was issued and proposals are under review. This work will dovetail with the proposed Metra Park Master Plan which will be launched this spring as well.

The next meeting of the Committee is set for May 1, 2020, 11:45 A.M. to 1:00 P.M. at the City/County Planning Office, First Floor Conference Room.

- e. Air Service—See Recruitment Section of this report for details.
- f. Next Generation of Economic and Community Development Tools (MEDA and Montana Chamber Foundation)— The focus group meetings are now being held virtually. Those meetings continue this week in Missoula and Hamilton areas. The MEDA Board does plan to delay the release of the final report given the immediate issues being faced in communities across Montana. The Board remains committed to this project, seeing this work as more critical than before with the economic recovery work that will follow the Covid-19 crisis.

## ***Program Updates***

### **Community Development**

#### Tax Abatements:

The Community Development Team has presented the annual report and works to answer any inquiries from businesses and residents as they present themselves. This past month no potential eligible projects were discussed. Staff Member Klugman spoke with Commissioners regarding the potential of legislative modifications to the tax abatement program in 2021 to expand both the 5-year and 10-year eligibility requirements.

#### Yellowstone Fuels Reduction Program:

The Community Development Team helped Yellowstone County, and contractor Advanced Arbor Care, fully execute the Memorandum of Understanding for the fuels reduction program. The grant is scheduled to last through 2024 and BSED will work as a contractor to help administer the program, manage homeowner projects, and submit reporting requirements. We have currently suspended projects to begin until a minimum of April 15th in response to COVID 19.

#### Brownfields Program:

Continued work providing Phase I and Phase II environmental site assessments. We continue to receive calls from interested property owners/buyers and provide knowledge of the Brownfield Program and its benefit to help encourage reuse, expansion, and redevelopment within the EBURD and Downtown TIF.



As always, we could use your help to provide awareness to the program and refer any potential Phase I & II projects to any CD Team Member. Staff member Klugman hopes to receive approval for two separate new projects to send eligibility forms to EPA within the EBURD and Downtown TIF.

#### Coulson Park:

The Community Development Team, along with Steve and Melanie, attended the March 2nd City Council Work Session meeting for the first presentation of the master plan. All members presented support and public testimony at the meeting. Conversations were positive and Council was very impressed with the support provided both at the meeting and online. The final formal vote to approve the plan was held Monday, March 23<sup>rd</sup> and the plan passed through Council with a unanimous vote for approval.

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

Staff Member Klugman attended the March Coal Board meeting in partnership with MSUB for the Science Building project. MSUB Foundation President Kennedy provided an update. BSED received \$268,733.71 as the 1st reimbursement request and forwarded funds to MSUB's Foundation. CD Members Lehm and Klugman have since received the second draw request and is working to submit the request for funds to Coal Board. Klugman and Lehm continue to work with MSUB regarding all draw requests and reimbursement for the total \$500,000 awarded, as well as make sure the required quarterly reports are submitted to Coal board from MSUB.

#### Lockwood TEDD:

On February 18, the Billings City Council considered the extension of the Lockwood Water and Sewer District sewer boundary to serve the TEDD area. Our position was that the City Council should allow the extension under the existing Wastewater Service Agreement between the City and LWSD, as allowed and anticipated, without requiring the "Waivers of the Right to Protest Annexation" suggested by City staff. By a 6 – 5 vote, the Council instructed the City Staff to proceed with the extension WITH the Waivers as a condition – property owners would be required to sign the Waivers if and when they hook into the extended system. Since then, we have been working to address some of the concerns brought up during the Council's discussion. Primarily, we need to address the unique and exceptional circumstances that make it unnecessary or impractical for the City Council to require Waivers in exchange for the extension of the sewer boundary under the WSA. We developed a list of these reasons and met with Mayor Cole, Councilperson Choriki, Councilperson Shaun Brown, and City Administrator Kukulski. Following that meeting, we have been developing a letter to City Council outlining these reasons. We have discussed with the County Commissioners the possibility of them sending a cover letter for our request asking the City to partner with them on the TEDD project.

Regarding the flood mapping issue, there was a meeting scheduled between the County, MDT, and DNRC scheduled for March 25 to review options. Thom has asked to be included in that meeting. Due to the Coronavirus pandemic, the March TEDD Advisory Board meeting was cancelled.

#### MetraPark Beautification Project:

We conducted the mandatory pre-proposal meeting on March 9. Two firms, Sanderson Stewart and DHM Designs participated. Proposals were due to Yellowstone County by 5:00 pm March 23. Proposals will be scored by a review committee which will provide a recommendation to the Yellowstone County Commissioners.

#### Space2Place:

The Space2Place grant applications were due March 5. We received 23 total applications. The grant review committee is currently reviewing these applications. The first group review was held Friday,

March 20. The final review will be March 27. Though the Better Off in Billings event has been cancelled due to COVID 19, it is still our plan to award these grants in April.

Peter Tolton is also working on a Better Off in Billings video featuring former Space2Place projects. Filming for most of those projects has been finished.

#### Coal Country Coalition:

We hosted a Coal Country Coalition meeting on March 11. Attendees discussed the latest developments affecting the coal counties and the statewide implication of the recent closure of Colstrip Units 1 & 2. Liz Ching presented on her work with the POWER grant and workforce retraining effort. Jennifer Owen presented on the Trauma and Resiliency Considerations in Community Planning. The Coal Country Coalition will develop and send a letter to the Governor's office and the Department of Labor and Industry requesting an extension of the timeframe for the POWER grant past its current December 2020 deadline so that it can be used for the workers affected by the expected March 2021 layoffs in the Sidney area.

#### Laurel:

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

#### Community Partnerships:

The CD Team meets with a group of Parks Advocates that are interested in joining together to better strategize how best to move community projects forward and continue to advocate for the importance of parks and parks funding to build a vibrant, healthy economic to keep and retain our workforce talent.

### **VBOC**

#### Training: 25 attendees

- Boots to Business at Malmstrom AFB, Great Falls, MT: 25 transitioning service member, veteran and/or military spouse attendees
- Pre-Biz Business Development Workshop at Big Sky Economic: CLASS POSTPONED DUE TO COVID-19. Stay tuned for Pre-Biz Virtual edition to start online in early April.

#### Outreach highlights: 4 events w/ 22 attendees (2 of these online or phone)

**Note: Covid19** also postponed Dustin's attendance as a mentor at Patriot Boot Camp-San Francisco (event postponed) as well as Dustin and Brian's attendance at the SBA's Veteran Entrepreneur Summit in New Mexico (event cancelled)

- Montana Joining Community Forces Career Key Service Area meeting
- Veterans Navigation Network - stay tuned for more info about this new veteran transition nonprofit to come soon
- Montana Coal Country Coalition meeting
- Meeting with Senator Daines Montana Military Liaison

Counseling –**42 counseling sessions with 18 individual veteran or military spouse clients** so far in March as they pursue small business opportunities (3 of these sessions specifically related to Covid 19 challenges). These efforts also included 9 referrals to resource partners throughout our region.

#### Professional Development – 17 hours

- Brian attended the Seattle VBOC's Boots to Business Train the Trainer Summit in Seattle
- Dustin and Brian both participated in the SBA's Advanced Neoserra training

## **SBDC | Rock31**

### Noteworthy:

- The team hosted Headwaters Economic Development team from Butte. Tours were provided to the Bank Building, Woods Power Grip, Sassy Biscuit, and several other businesses on March 3 & 4.
- Team members participated in BSTF's Onboarded Process of Meadowlark Brewing – planning grant and Meadow Lark Transportation – job creation grant.
- One Million Cups went virtual this month.

### Team activity:

- The team provided 106 counseling sessions to 44 unique companies.
- Team members on-boarded two companies that were approved for Big Sky Trust Fund grant opportunities.
- The team participated in (BSED) community Board meetings/Committees/Events.
- There were three application submitted for the Big Sky Trust Fund grant opportunities this month. Team members assist with the application process and submission.
- Team members attended the Strategic Planning session with board members on March 12.
- Team members attended Early Stage Montana practice pitch sessions to give feedback to presenters.
- The team has been working off site since March 16<sup>th</sup>.
- The SBDC is getting many calls for assistance from local business who are in distress due to closure from the threat of Coronavirus.
- Team members are working to create a BSED Sustainable Loan fund for Yellowstone business in distress.
- The Billings SBDC planned a Quarterly meeting, SBDC Day, and Early Stage Montana for March 16 -18. All the events were cancelled because of the Coronavirus and social distancing.

### Ongoing projects:

- One Million Cups is being held weekly on Wednesdays at 9 am – March 25 it was held virtually on Zoom. Average weekly attendance continues to grow.
- Team members will be hold virtual workshops using the Zoom platform.

The following are cancelled for the time being:

- Co-working Fridays at MoAv coffee, downtown location
- SBDC outreach to the surrounding nine counties
- Leadership Billings meets monthly throughout the year

## **BillingsWorks**

As you are all aware, March saw drastic changes in our economy as well as our state of the workforce. During this time, BillingsWorks is reaching out to its Steering Committee and local and state-wide partners to decipher how we continue our coalition and work with employers on interim unemployment plans, potential shared voluntary work programs, re-skilling dislocated workers, etc. We have also decided to shift the 2020 State of the Workforce Report as most of the data collected no longer illustrates an accurate picture.

## **Member Investor Program**

Due to the COVID19 situation we have postponed the completion of the Member Investor Board Challenge. We will resume as soon as we get through this difficult time for most businesses. Currently, we are working at reaching out to all Member Investors, just to check in, and see if they need any assistance from our team. We will also begin a Zoom Leader Check in during the week of March 20<sup>th</sup>,

giving our MI's and other key stakeholders an opportunity to talk to each other and members of our team. Allison Corbyn is helping with the coordination of these events.

### Marketing/Org Communications

We are working with the entire BSED team to keep our clients/stakeholders/Member Investors informed about what is current with the SBA Disaster programs, our BSED Stabilization Loan program and other credible information from our vetted sources.

### **Big Sky Finance**

As one could imagine, March has been anything but ordinary with the Big Sky Finance team and our workflow. Considering everything going on, we have received approval on two new SBA 504 loans this month – one project in Billings and the other in Polson, MT. We also continue to take applications and inquiries on new projects, which is very positive! We have not had any loans fund this month. The first couple weeks were close to business as usual with good activity.

The second half of March, our attention has turned to helping our existing borrowers and other small businesses in our communities. We have been fielding numerous inquiries from our borrowers requesting payment relief on both our SBA 504 loans and our RLF loans. We were up to over 40 requests for payment deferment on the SBA loans. We can provide up to six months of payment relief in various formats. We work through these with our borrowers. We had a very short window to get these processed in order to be effective with the April payment. Then the CARES Act was signed! With this, we found out that potentially all our SBA 504 borrowers may be receiving six months of payments from the SBA. Because of this, we have had to pause our deferment processing as we await further guidance on how this will be implemented.

The important thing I want everyone to know is that the Big Sky Finance team has been working diligently to address all our borrowers' needs and questions. There is a lot of uncertainty out there at this moment on the programs that will be available. These are great programs and we will educate our borrowers as we receive final information. Everyone is being taken care of, and our portfolio remains strong. Thank you to Sherry O'Donnell, Jo Ann Jones and Johnna Jablonski for all they are doing for our borrowers!

One positive note pertains to the rates on the SBA 504 notes. SBA 504 effective rates for March dropped further from the drop we saw in February rates. The 20-year effective rate for loans funded in March was 2.81%. The effective rate on the 25-year debenture for March was 2.88% and the effective rate for the 10-year debentures remained at 2.85%. These rates are unprecedented and should continue in the coming months. The rates offered through the SBA 504 Loan program provide borrowers with a great, fixed rate financing option for the acquisition of real property and/or equipment. We can also refinance existing commercial real estate debt, and with rates this low it is a great time to consider the SBA 504 option!

### **Recruitment**

Recently returned from a trip to Atlanta that included an event in partnership with other communities in the state and a site selector conference. This resulted in one active prospect, our first call was last Thursday.

With the changes due to COVID, recruitment is taking time to finish data updates online and reach out to existing prospects both those that are existing and expanding and those that we were working to recruit to Billings.

## **PTAC**

Since August 1<sup>st</sup>, MT PTAC clients (all 7 locations statewide) have been successful in winning \$128.7 million in federal, state, local and subcontract awards. Of that, clients served by the Billings location have been successful in winning government contracts/subcontracts valued at \$64.9 million.

Northern Engineering & Consulting, Inc. won a \$38,232 contract with BIA for professional construction monitoring. DOWL, LLC won a \$40,360 contract with BIA for the Tyhee Siphon design. Yellowstone Kelly's, Inc. won two contracts with the Department of Army for catering, one for \$15,000 and the other for \$25,000.

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

1. Big Sky to Skypoint Project—Becky is meeting with the U.S. EDA this week to get an update on the RFQ document and the revisions that came out of their legal review. A more detailed update with timeline revisions will be presented at the Board meeting. We are also preparing our first reimbursement request to receive grant funds for the purchase of the building. That reimbursement request will likely be submitted later this week.
2. 2020 Board Planning and Stakeholder Survey – Thank you Board members for your engagement in the March 12<sup>th</sup> Board Planning Session. You all provided great input. We also received insight from three Hot Topic Panels that highlighted the issues surrounding 1) Getting civic leadership on the same page; 2) the challenges and opportunities to retain and attract tech-orientated companies; and 3) What's the key ingredients behind the redevelopment of our downtown core. It was a day that surfaced many needs and opportunities related to our community's economic future.

I have all the notes and recommendations from Board Planning, Staff Planning, the Stakeholder Survey, and the Hot Topic Panels; however, I will not have an outline of proposed Strategic Priorities until the May Board meeting. It is likely that are priorities are being altered as each day of the Covid-19 crisis continues.

3. Structural Evaluation Project Under Succession Plan—Work is pending — (Board participants include: Dana Pulis, Paul Neutgens, Steve Loveless., and Ken Lutton). Hope to kick off this effort as we move into our budget and staffing work.
4. Build Grant Partnership— We held a very productive meeting with City and County officials, and we all believe a partnership was struck that will allow the City and County to support both the By-Pass grant from MDT and the Inner Beltloop/Skyline Trail grant from the City. I'm hopeful this partnership approach will lead to success in 2020 and 2021.
5. NDO Assessment Team— The Committee's work continues with research on the economic development implications as experienced in other cities being the benchmark. Details to follow.

**Respectfully submitted,  
April 1 and 9, 2020**



**Steve Arveschoug**

**Executive Director**