

**Big Sky EDA/EDC  
Executive Committee Agenda  
December 2, 2020  
7:30 A.M. to 9:15 A.M.  
Zoom Meeting Only Access/Participation  
(link provided in meeting notice)**

**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** EDC –Mike Seppala, Steve Loveless, Ann Kosempa, Mac Fogelsong, Mike Nelson  
EDA –Robin Rude, Paul Neutgens, Ken Lutton, Greg McDonald, Judi Powers

**7:30 A.M.— Call to Order** – Robin Rude, EDA Chair

**Agenda Changes for Today's Meeting**

**Public Comments/Board Member and Staff Announcements**

- Meeting Protocols—Update--Austin

**AGENDA**

**I. Approval of EDA/EDC Exec. Comm. Minutes**

- November 4, 2020 Ex. Committee Meetings (Attachment A) (Action)

**II. Approval of EDA/EDC Financials – Shanna**

- Oct. 2020 EDA and EDC Financials (Attachment B) (Action)

**III. Executive Director's Report- Steve (Executive Directors' Report provided at Board Mtg.)**

- Year-End Q&A
- Dec. 10<sup>th</sup> Board Meeting—Industry Roundtable (Info)

**IV. Program Directors/Leaders' Updates**

- A. BSED's Covid-19 Response Update
  - Stabilization Loan/EDA RLF Grant Program Update—Brandon (Info)
  - Economic Response/Recovery Update--—Thom/Steve/Melanie (Info)
- B. Operations—Becky
  - Nominating Committee- Election of Officers for 2021—Becky/Steve L. (Attachment C) (Action)
  - Wishneff and Associates Contract (Attachment D) (Action)
  - Big Sky to Sky Point Project Update—Becky (Info)
- C. Big Sky Finance Update-Staffing—Brandon (Info)
  - SSBCI Loan Recommendation (Handout)(Action)
- D. Recruitment/Business Outreach/ ED Policy Update—Allison (Info)
  - Recruitment Projects Update (Info)
  - BSTF Grant Applications—Lorene (Attachment E) (Action)
  - Legislative Priorities Update—Austin (Info)

**V. Executive Session (as needed)**

**Public Comment**

**Adjourn**

**Next Executive Committee Meeting – January 6, 2020 (7:30 A.M. to 9:15 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.



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# ATTACHMENT A



federal grant received during the fiscal year. AZ issued an unmodified opinion and indicated that they did not identify any deficiencies in internal control over compliance. There were no audit findings to review.

Stefeni then reviewed the EDC financials. For the EDC, there were new accounting practices related to revenue recognition that needed to be implemented. The Financial Accounting Standards Board did allow for a one year delay for implementation, but these changes were implemented during the fiscal year and AZ completed the audit in accordance with these changes. Stefeni mentioned that these changes did not have a significant effect on how we recognize revenue. AZ issued a clean opinion and concluded that the financial statements present fairly. Stefeni also noted that the EDC is in a strong cash position with a high current ratio.

The staff and Committee went on to commend Shanna and her excellent work.

Motion: Steve Loveless to refer to the Board, the FY2020 Audit Review, as presented to the Executive Committee.

Second: Robin Rude

Discussion: Above

Motion: Carried

#### Approval of September EDA/EDC Financials – Shanna

Shanna then reviewed the September EDA balance sheet where current assets increased due to the first draw on the Federal EDA Grant. Accounts receivable decreased by that same amount. Protested taxes remains at \$21,000. Accrued expenses increased with the bulk of the amount going toward salary and benefits.

On the August EDA Statement of Revenues and Expenses, most revenue items remain in line with budget amounts through the first three months of the fiscal year. The SBDC is slightly under budget since we did not fill the COVID-19 advisor position. Professional fees are under budget due to timing around when we forecasted architectural fees.

On the EDC balance sheet, a portion of the Stabilization Loan was moved to non-current assets. Accounts receivable are in line with projections. We received two stabilization loan payoffs which will reduce the balance of that portfolio.

On the statement of operations, loan origination and servicing revenue is a bit under budget and MI revenues will be increasing with the quarterly invoices having been sent out and returned. Event expense is slightly over budget with the annual meeting having just taken place and professional fees increased with the audit being conducted by AZ.

Motion: Ken Lutton to approve and forward to the Board, the September 2020 EDA/EDC Financials, as presented to the Executive Committee.

Second: Judi Powers

Discussion: None

Motion: Carried

#### **Executive Director's Report – Steve**

##### Staffing Assignments and Reorganization

Steve began by reiterating the staffing changes and restructuring of the team. Kayla has been elevated to a SBDC Small Business Advisor. Marcell has taken on marketing for all of BSED's programs and has been elevated to Marketing Manager for BSED. Allison has taken on additional responsibilities and is reporting directly to Steve. Allison will now oversee Austin as he has been moved to the Business Outreach and Economic Development Policy Project Manager. Finally, Roz has been elevated to Senior Advisor status within the PTAC.

#### Legislative Priorities Update

Austin and Steve updated the Committee about the BSED Legislative Priorities. Austin is working with partner organizations to understand their priorities and to see where there is alignment with BSED's. Steve and Austin will also be meeting with State Legislators once the results of the elections are finalized.

#### FY 2021 Salary Adjustment Reconsideration Update

Steve also addressed considerations for salary adjustments for the organization. At the beginning of the fiscal year, we held off on pay increases until we had better line of sight to the effects of the pandemic on the organization. Some money was set aside at that time in the case we could offer mid-year adjustments. Steve is intending to give mid-year adjustments to the team and shared a plan for how to fund those adjustments.

#### MSUB Chancellor Search Update

Steve updated the Committee about Dr. Stefani Hicswa, the new Chancellor of MSUB. Steve is excited about Stefani and she will introduce herself next week at our Board Meetings. Stefani has experience in Montana and Wyoming's higher education.

#### **Program Directors/Leaders' Updates - BSED's IRT COVID-19 Response Update**

##### Stabilization Loan Program/EDA RLF Grant Update – Brandon

Brandon updated the Committee about the EDA RLF Grant program and the Stabilization Loan program. BSF has received three payoffs for those loans and there are now eight loans in that portfolio. Brandon went on to explain a bit about our Management Services Agreement between the EDA and EDC and must be approved by the SBA. This year, the SBA is asking for a new confidentiality clause. Brandon will bring this to the Board next week for their approval.

##### Economic Response and Recovery Plan Next Steps – Thom/Steve

The ERRP rollout was changed due to the spike in cases across the state. The ERR Team will move back to weekly meetings on each Thursday. Melanie mentioned there will be a healthcare appreciation day next week to show our support of our workers. The whole community will be coming together to thank them for their hard work over these trying months.

##### Enhanced Training Offerings – Melanie/Dianne/Lorene

Melanie spoke about the additional trainings we will be offering through our programs and how we've extended them to the five county region that Beartooth RC&D serves. Most trainings are offered at no cost and are centered on how companies can work through COVID-19.

##### Operations: Big Sky to Sky Point Project – Becky

Becky gave a Big Sky to Sky Point update. The team is working to submit the first part of the historic tax credits application and Becky thanked the help of Randy Hafer in that work.

##### Nominating Committee EDA Board Appointment Update – Becky/Steve L.

The EDA applications for Board positions has yielded one applicant. The opening for that position will close next week. From there the nominating Committee will interview the applicant and make a recommendation to the County Commissioners for approval or not.

##### Community Development – TEDD Update – Dianne/Thom

Thom gave a TEDD update and the City Council voted to approve the amendment to the Waste Water Services agreement. Next is for the property owners to ratify the amendment. Steve added that this is a very significant vote by the Council and Thom's steadfast and patient work has been instrumental to getting over this hurdle. The team is hopeful moving forward.

Big Sky Finance Staffing Update – Brandon

Brandon was back up for a staffing update for Big Sky Finance. Sherry O’Donnell has taken a position with another CDC and we are looking to fill that position quickly. We have posted the listing in Billings and will also post it in Helena. In the meantime, Brandon will be handling most of the closing functions.

Annual Meeting Feedback - Marcell

Marcell was next with an Annual Meeting update. Marcell asked for feedback from the Committee regarding the Annual Meeting. Mike S. thought the meeting went very well, especially given the circumstances. Mike enjoyed the video and was glad it highlighted the work BSED has undertaken over the past year. Steve thanked everyone for their help with the video. Ann and Sean made an appearance in the video and were thanked by the team.

Steve went on to commend Marcell’s work on the video and Annual Meeting as a whole.

**Executive Session:** None

**Public Comment:**

None

**Adjourn:**

Mike adjourned the meeting at 9:12am

Next Meeting – December 2<sup>nd</sup>, 2020



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# ATTACHMENT B

**Big Sky Economic Development Authority**  
**Financial Report for the Executive Committee and Board of Directors**  
**November 24, 2020**

Included with this report is balance sheet reflecting the assets, liabilities, and net assets of Big Sky EDA as of October 31, 2020. Also included is the statement of revenue and expenses through four months of FY21 as compared to budget.

**Balance Sheet**

Current assets increased to about \$5,148,000 at the end of October from \$4,709,000 in September. The fluctuation in current assets is attributed to repayment of the Downtown Billings Partnership Loan. A portion of this money (\$250,000) has been invested in a short-term CD. The remaining portion (\$150,000) will also be invested in a CD after gathering the necessary information to open the account. Accounts receivable decreased from \$217,000 to \$141,000. The receivable consists of PTAC (\$101,000), VBOC (\$22,000), and SBDC (\$18,000).

Due To/Due From EDC totaled approximately \$48,000 at the end of October and consists of the October amount due from EDC. The tax levy receivable increased to \$1,239,000 with the addition of the 2020 property tax receivable. Protested tax receivable remains unchanged and totaled an additional \$21,000. An allowance totaling approximately \$21,000, or 100% of protested tax levy receivable is reflected to allow for potentially uncollectible protested tax levy. Interest receivable and loans receivable decreased to \$0 with the payoff of the Downtown Billings Partnership loan.

Total fixed Assets increased in March 2020 due to the transfer of the bank building from EDC to EDA. As discussed previously, the breakdown of the building and land values was not presented in the appraisal. 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. Corresponding depreciation was also booked to begin depreciating the value of the building over 39 years. Total fixed assets totaled \$1,577,000 at the end of October.

Accounts payable have decreased slightly from \$86,000 at September 2020 to approximately \$47,000. The majority of the decrease is attributed to the payment of outstanding September invoices for PTAC subrecipients. Accrued expenses total approximately \$100,000 and consist largely of salary/benefits accruals (\$73,000) and Space2Place Grant accruals (\$17,000). Deferred revenue increased to \$65,000. Deferred revenue consists of \$50,000 conditional grant award amount from Beartooth RC&D and \$15,000 from MSU/City of Bozeman for PTAC support.

**Statement of Revenue and Expenses**

Revenue is about \$92,000 over budget through the first four months of the fiscal year. There are a few factors attributing to this variance in revenue. In October, Mill Levy Revenue increased \$1,236,000 with the recognition of the 2020 property tax receivable. This revenue is about \$16,000 over budget. As a reminder, when we budgeted for FY21, we took a conservative approach and budgeted for 3% in property tax protest. In addition, based on revenue recognition guidance, \$150,000 of the \$200,000 from the Beartooth RC&D CARES Act Grant is recognized immediately. The remaining \$50,000 will be recognized at the end of the next year following all conditions being satisfied (this amount is in deferred revenue).

Department of Defense (PTAC) and VBOC revenue remains under budget due to actual expenses. EPA-Brownfields is about \$38,000 below budget due to timing of when revenue/expenses are



budgeted for the fiscal year. SBA/MT Dept of Commerce revenue (SBDC) is about \$18,000 below budget as we have decided not to fill the SBDC COVID-19 position. With this change in hiring plans, we have received approval for reimbursement for our SBDC Business Advisor salary, benefits, and rent through December. This will add about \$28,000 in revenue for FY21.

Most expenses remain under budget through October. Salary/wage expense totaled \$514,000 through October. This amount is about \$43,000 under budget due to vacancy savings. Professional fees remain significantly under budget and totaled \$34,000 through October. This expense line is under budget as we have not incurred budgeted architectural fees and Brownfields fees through October. We have received the first invoice from Cushing Terrell, so we will see an increase in professional fees in December. Travel/training expenses remain under budget and totaled approximately \$9,000 through October.

Through four months of FY21 Big Sky EDA recognized revenue in excess of expense totaling about \$1,055,000, which was approximately \$324,000 more than the budgeted amount. When excluding the non-operating income/expenses (contribution revenue, in-kind revenue, interest income, and depreciation expense), Big Sky EDA recognized revenue in excess of expense of about \$1,062,000, which is about \$385,000 more than budgeted.

**Big Sky EDA**  
**Comparative Balance Sheet**  
**As of October 31, 2020 and 2019**

	10/31/2020	10/31/2019	+/-	6/30/2020	+/-
<b>Assets</b>					
First Interstate Bank	\$448,198	\$75,599	\$372,599	\$164,986	\$283,212
FIB-Recovered Property Taxes	148,202	53,202	95,000	148,202	-
Opportunity Fund-FIB	521,369	54,376	466,993	16,169	505,200
Opportunity Fund-Stockman	44,528	3,614	40,914	44,519	9
Opportunity Fund-Opportunity Bank	622,630	616,319	6,312	621,300	1,331
Stockman GE Maintenance	15,128	15,128	-	15,128	-
Rocky Mountain Bank Money Market	493,009	-	493,009	492,843	166
Opportunity Fund - CDs (current)	2,654,278	3,063	2,651,215	2,404,278	250,000
Yellowstone County Funds	200,958	24,827	176,131	535,969	(335,011)
<b>Total Current Assets</b>	<b>5,148,300</b>	<b>846,127</b>	<b>4,302,173</b>	<b>4,443,392</b>	<b>704,907</b>
<b>Other Assets</b>					
Accounts Receivable	140,857	239,783	(98,926)	680,373	(539,516)
Grants Receivable	150,000	-	150,000	-	150,000
American Revenue Guarantee	6,887	6,887	-	6,887	-
Due To/Due From EDC	48,380	103,664	(55,284)	57,548	(9,168)
Tax Levy Receivable	1,238,532	1,208,538	29,994	26,597	1,211,935
Tax Levy Receivable - Protested	21,479	2,455	19,024	21,479	-
Allowance for Doubtful Accounts	(21,479)	(2,455)	(19,024)	(21,479)	-
Prepaid Expenses	16,324	11,284	5,040	18,556	(2,233)
Deposit	1,390	-	1,390	1,390	-
Undeposited Funds	-	-	-	-	-
Interest Receivable	-	2,421	(2,421)	8,509	(8,509)
Miscellaneous Receivable	-	-	-	-	-
<b>Total Other Assets</b>	<b>1,602,369</b>	<b>1,572,576</b>	<b>29,793</b>	<b>799,860</b>	<b>802,510</b>
<b>Non-Current Assets</b>					
Opportunity Fund - CDs (non-current)	1,251,137	4,592,880	(3,341,743)	1,250,358	779
Loans Receivable	-	400,000	(400,000)	400,000	(400,000)
TEDD Receivable	34,100	64,775	(30,675)	34,100	-
Cabela's Conduit	9,649	4,983	4,666	9,649	0
Deferred Outflow of Resources	146,350	247,689	(101,340)	147,067	(717)
<b>Total Non-Current Assets</b>	<b>1,441,236</b>	<b>5,310,327</b>	<b>(3,869,092)</b>	<b>1,841,173</b>	<b>(399,938)</b>
<b>Fixed Assets</b>					
Bank Building - Land	272,000	-	-	272,000	-
Bank Building - Building	1,328,000	-	-	1,328,000	-
Accumulated Depreciation	(22,701)	-	-	(11,350)	-
<b>Total Fixed Assets</b>	<b>1,577,299</b>	<b>-</b>	<b>-</b>	<b>1,588,650</b>	<b>-</b>
<b>Total Assets</b>	<b>9,769,204</b>	<b>7,729,032</b>	<b>2,040,172</b>	<b>8,673,075</b>	<b>1,096,129</b>
<b>Liabilities &amp; Equity</b>					
<b>Current Liabilities</b>					
Accounts Payable	46,542	31,894	14,648	51,901	(5,359)
Accrued Expenses	99,861	104,239	(4,379)	109,334	(9,474)
Deferred Revenue	65,000	-	14,000	1,598	-
Payroll Liabilities	(757)	687	(1,444)	355	(1,112)
Compensated Absences	164,026	147,540	16,486	170,250	(6,224)
<b>Total Current Liabilities</b>	<b>374,671</b>	<b>284,360</b>	<b>90,311</b>	<b>333,438</b>	<b>41,233</b>
<b>Long Term Liabilities</b>					
Deferred inflow or Resources	68,045	13,741	54,304	68,045	-
Pension Liability	825,316	884,804	(59,488)	825,316	-
<b>Total Long Term Liabilities</b>	<b>893,361</b>	<b>898,545</b>	<b>(5,184)</b>	<b>893,361</b>	<b>-</b>
Current Year Excess of Expenses over Revenue	1,055,613	772,976	282,637	1,673,125	(617,512)
Balance at Beginning of Year	7,445,559	5,773,151	1,672,408	5,773,151	1,672,408
<b>Net Assets</b>	<b>8,501,172</b>	<b>6,546,127</b>	<b>1,955,045</b>	<b>7,446,276</b>	<b>1,054,896</b>
<b>Total Liabilities &amp; Equity</b>	<b>9,769,204</b>	<b>7,729,032</b>	<b>2,040,173</b>	<b>8,673,075</b>	<b>1,096,129</b>

**Big Sky EDA**  
**Statements of Operations**  
**For the Periods Ending October 31, 2020**

	Month			YTD			Fiscal Year
	Actual	Budget	Variance	Actual	Budget	Variance	Budget
<b>Operating Revenue</b>							
County Taxes (Mill Levy Revenue)	\$1,235,690	\$1,220,100	\$15,590	\$1,236,386	\$1,220,100	\$16,286	\$1,220,100
Entitlement	-	-	-	59,832	58,750	1,082	\$235,000
Health Insurance Mill Levy	7,950	9,922	(1,972)	33,390	37,863	(4,473)	117,236
Recovery of Protested Taxes	-	-	-	1	-	1	-
Department of Defense	40,000	45,868	(5,868)	169,426	183,474	(14,048)	550,421
EDC Reimbursement	47,992	48,251	(259)	191,921	193,004	(1,083)	579,012
EPA-Brownfields	4,721	10,833	(6,112)	8,446	45,833	(37,387)	132,500
SBA/MT Dept of Commerce	18,129	21,779	(3,651)	69,422	87,048	(17,626)	261,282
SBDC Program Income	-	-	-	-	-	-	-
VBOC	21,977	25,965	(3,988)	88,926	101,903	(12,977)	300,000
Rents/Leases	-	-	-	1,912	1,912	-	-
Grant Administration	-	292	(292)	2,000	1,167	833	3,500
Beartooth RC&D CARES Act	150,000	-	150,000	150,000	-	150,000	-
Other Intergovernmental Revenue	5,000	-	-	6,598	-	6,598	-
Miscellaneous Revenue	-	-	-	5,000	-	5,000	3,862
<b>Total Revenue</b>	<b>1,531,459</b>	<b>1,383,010</b>	<b>143,449</b>	<b>2,023,259</b>	<b>1,931,054</b>	<b>92,205</b>	<b>3,402,913</b>
<b>Operating Expenses</b>							
Salaries/Wages	124,797	140,435	(15,638)	514,847	557,572	(42,725)	1,679,819
Employer Contributions	40,415	46,893	(6,478)	169,658	182,453	(12,795)	559,084
Contingency	-	4,208	(4,208)	-	16,833	(16,833)	50,497
Community Development Projects	2,851	2,500	351	4,989	10,000	(5,011)	30,000
Dues and Subscriptions	1,245	1,166	79	28,822	28,267	555	64,643
Event Expense	-	-	-	-	-	-	-
Insurance	1,226	1,236	(10)	6,047	7,992	(1,945)	23,984
Marketing - Departmental	374	2,036	(1,662)	1,917	8,144	(6,227)	24,432
Marketing - Organizational	6,612	2,667	3,945	15,926	10,667	5,259	32,000
Office Equipment	335	-	335	395	4,500	(4,105)	6,500
Office Expense	2,526	1,597	929	6,044	9,388	(3,344)	23,289
Professional Fees	1,250	41,833	(40,583)	33,811	189,931	(156,120)	167,958
Property Tax Protests	-	-	-	-	-	-	37,350
PTAC Satellite	9,588	12,481	(2,893)	39,803	49,924	(10,122)	149,773
PTAC Subcenter	12,253	14,764	(2,511)	53,268	59,057	(5,789)	177,171
Rent	11,622	11,724	(102)	47,276	47,297	(22)	142,295
Repairs	-	-	-	-	-	-	-
Sponsorships	-	-	-	-	-	-	2,500
Strategic Priorities	-	1,250	(1,250)	-	5,000	(5,000)	15,000
TEDD	-	-	-	60	500	(440)	2,000
Telecommunications	4,646	5,161	(515)	19,060	20,645	(1,585)	61,933
Travel/Training	3,559	7,804	(4,244)	9,095	30,882	(21,787)	100,258
Utilities	829	2,000	(1,171)	4,233	8,000	(3,767)	24,000
Miscellaneous	772	1,687	(915)	5,913	6,518	(605)	23,200
Total Operating Expenses	224,900	301,442	(76,541)	961,164	1,253,570	(292,406)	3,397,686
<b>Net Operating Revenue</b>	<b>1,306,559</b>	<b>1,081,569</b>	<b>219,990</b>	<b>1,062,096</b>	<b>677,484</b>	<b>384,611</b>	<b>5,227</b>
<b>Non-Operating Income/Expense</b>							
Interest Income	2,181	1,687	494	4,763	6,749	(1,986)	20,247
US EDA Reimbursement	-	14,600	(14,600)	105	58,400	(58,295)	148,822
Grant Revenue (GASB 68)	-	-	-	-	-	-	-
Architectural/Professional Fees	-	-	-	-	-	-	302,492
Pension Expense	-	-	-	-	-	-	-
Depreciation Expense	2,838	2,838	-	11,350	11,350	-	34,051
Total Non-operating Income/Expense	(657)	13,450	(14,106)	(6,483)	53,799	(60,281)	(167,474)
<b>Net Revenue Over (Under) Expense</b>	<b>1,305,902</b>	<b>1,095,018</b>	<b>205,884</b>	<b>1,055,613</b>	<b>731,283</b>	<b>324,330</b>	<b>(162,247)</b>

**Big Sky Economic Development Corporation**  
**Financial Report for the Executive Committee and Board of Directors**  
**November 24, 2020**

Included with this report is the balance sheet reflecting the assets, liabilities, and net assets of Big Sky EDC as of October 31, 2020. Also included is the statement of revenue and expenses through four months of FY21 as compared to budget.

**Balance Sheet**

Current assets totaled approximately \$1,998,000 at the end of October, an increase from \$1,810,000 at the end of September. This is partially attributed to the collection of the \$100,000 from the State of Montana Coronavirus Relief Funds. Accounts receivable increased with the invoicing for the first two quarters of member investor pledges. The receivable totals \$73,000 and consists of Member Investor pledges for FY21 (\$51,500), Member Investor pledges for FY20 (\$19,000) and Business Healthcare Sponsorship receivable (\$2,500). The receivable balance has decreased to about \$54,000 in November.

The RLF portfolio totaled \$405,000, the SSBCI portfolio totaled \$641,000, and the Stabilization Loan portfolio totaled \$125,000 through the end of October. We received two stabilization loan payoffs in October and an additional payoff in November.

Accounts payable remained relatively consistent and totaled \$20,000 at the end of October. Accrued expenses totaled \$10,000 and consisted of amounts accrued for legal expenses associated with the 504 loan portfolio. Deferred 504 revenue totaled \$28,000, an increase from \$24,000 in September. This deferred 504 revenue will be recognized as loans fund. As mentioned previously, we received \$100,000 in State of Montana Coronavirus Relief Funds in October. This revenue is being recognized as we incur expenses and will need to be expended by the end of December. The balance of this grant is in deferred revenue and totaled \$97,000 at the end of October. Due to/Due from EDA totaled approximately \$48,000 and represents the amount owed to EDA from EDC for October reimbursement.

**Statement of Revenue and Expenses**

The 504 loan servicing revenue totaled \$178,000 through October. This is approximately \$2,000 over budget. The 504 loan origination revenue totaled \$53,000 through October, which is approximately \$39,000 below budget. This variance is attributed to timing of budgeted revenue. Member investor revenue totaled approximately \$94,000. Member investor revenue increased \$86,000 with the quarterly invoicing that was completed in early October. We have received \$50,000 in payments for these invoices. Miscellaneous revenue totaled approximately \$13,000 through October and consists largely of \$10,500 in loan fees. I have added a new account to the Statement of Revenue and Expenses to better track the State of Montana Coronavirus Relief Funds. Through October, these funds total a little over \$17,000. The restricted donations for the Coulson Park project are also being tracked in a separate Coulson Park revenue account and total \$32,000 through October.

Expenses remain close to or in-line with budget as we begin the fiscal year. Through October, event expense totaled approximately \$16,500. Professional fees increased and totaled \$30,000 through October. This consists of \$12,500 in expenses related for Anderson ZurMuehlen's financial statement audit, \$10,000 in legal fees related to the 504 loan program, \$2,000 in consulting fees, and \$5,000 in other professional fees. Sponsorship expense totaled \$7,000 and remains below budget through October. This is also attributed to timing of budgeted expenses.

Through four months of FY21 Big Sky EDC recognized revenue in excess of expenses totaling about \$84,000, which was approximately \$64,000 more than the budgeted amount. When excluding the non-operating income/expenses (Coulson Park donations), Big Sky EDC recognized revenue in excess of expenses of about \$52,000, which is \$32,000 more than budgeted. This is largely attributed to the State of Montana Coronavirus Relief Funds. In addition, member investment revenue is currently over budget based on the timing of the invoicing compared to budgeted revenue.

**Big Sky EDC**  
**Comparative Balance Sheet**  
**As of October 31, 2020 and 2019**

	10/31/2020	10/31/2019	+/-	6/30/2020	+/-
<b>Assets</b>					
First Interstate Bank	\$403,330	\$187,833	\$215,497	\$245,165	\$158,165
FIB SSBCI Principal	1,050,513	1,388,592	(338,079)	1,005,566	44,947
FIB-Long Term Reserve	250,000	250,000	-	250,000	-
FIB-Opportunity Fund	22,200	22,200	-	22,200	-
FIB-RLF	69,872	221,050	(151,178)	179,960	(110,088)
FIB-OBSD Restricted	-	-	-	-	-
Accounts Receivable	72,810	9,500	63,310	58,684	14,126
Contributions Receivable	-	44,500	(44,500)	2,500	(2,500)
Miscellaneous Receivable	-	148	(148)	-	-
Prepaid Expenses	8,281	2,500	5,781	8,276	5
Undeposited Funds	-	-	-	-	-
Stabilization Portfolio - Current	40,175	-	-	137,000	(96,825)
RLF Portfolio-Current	41,425	18,588	22,836	42,141	(717)
SSBCI Portfolio-Current	39,552	83,758	(44,206)	48,307	(8,755)
<b>Total Current Assets</b>	<b>1,998,158</b>	<b>2,228,669</b>	<b>(230,511)</b>	<b>1,999,799</b>	<b>(1,641)</b>
<b>Other Assets</b>					
RLF Portfolio-Non Current	363,655	236,477	127,178	268,210	95,445
SSBCI Portfolio-Non Current	601,615	800,791	(199,176)	601,051.9	563.09
Stabilization Portfolio-Non Current	84,825	-	-	-	-
Allowance for Loan Losses	(21,934)	-	(21,934)	(21,934)	-
<b>Total Other Assets</b>	<b>1,028,160</b>	<b>1,037,268</b>	<b>(9,108)</b>	<b>869,262</b>	<b>96,008</b>
<b>Fixed Assets</b>					
Bank Building - Building	-	-	-	-	-
Bank Building - Land	-	-	-	-	-
<b>Total Fixed Assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Assets</b>	<b>3,026,318</b>	<b>3,265,937</b>	<b>(239,619)</b>	<b>2,869,060</b>	<b>94,367</b>
<b>Liabilities &amp; Equity</b>					
<b>Current Liabilities</b>					
Accounts Payable	19,551	7,646	11,905	14,200	5,351
Property Tax Payable	-	-	-	-	-
Accrued Expenses	10,000	(1,438)	11,438	-	10,000
Deferred 504 Revenue	27,684	52,043	(24,360)	35,811	(8,128)
Deferred Revenue	97,021	-	97,021	-	-
Due to/Due from EDA	48,380	103,899	(55,519)	57,548	(9,168)
<b>Total Liabilities</b>	<b>202,635</b>	<b>162,151</b>	<b>40,485</b>	<b>107,559</b>	<b>95,077</b>
Current Year Excess of Expenses over Revenue	84,116	(116,097)	200,213	(480,316)	564,432
Balance at Beginning of Year	2,739,567	3,219,883	(480,316)	3,219,883	(480,316)
<b>Net Assets</b>	<b>2,823,683</b>	<b>3,103,786</b>	<b>(280,103)</b>	<b>2,739,567</b>	<b>84,116</b>
<b>Total Liabilities &amp; Equity</b>	<b>3,026,318</b>	<b>3,265,937</b>	<b>(239,619)</b>	<b>2,847,126</b>	<b>179,192</b>

**Big Sky EDC**  
**Statements of Operations**  
**For the Periods Ending October 31, 2020**

	Month			YTD			Fiscal Year
	Actual	Budget	Variance	Actual	Budget	Variance	Budget
<b>Operating Revenue</b>							
504 Loan Origination	\$0	\$5,455	(\$5,455)	\$52,539	\$91,364	(\$38,825)	\$135,000
504 Loan Servicing	50,805	40,500	10,305	177,771	175,500	2,271	499,500
Float Income	-	-	-	-	-	-	-
CTE Director Donations (Restricted)	-	-	-	-	-	-	-
Member Investment	86,400	-	86,400	93,900	63,250	30,650	253,000
RLF Business Loan Interest	1,549	1,417	132	3,111	5,667	(2,556)	17,000
RLF Origination Fees	-	-	-	-	-	-	5,000
Stabilization Loan Interest	253	417	(163)	963	1,667	(703)	-
SSBCI Revenue	1,766	1,500	266	6,884	6,000	884	18,000
Recovery of Bad Debt	-	-	-	-	-	-	-
Coronavirus Relief Funds	2,979	-	2,979	17,598	-	17,598	-
Miscellaneous Revenue	1,298	-	1,298	12,501	-	12,501	-
<b>Total Revenue</b>	<b>145,051</b>	<b>49,288</b>	<b>95,762</b>	<b>365,269</b>	<b>343,447</b>	<b>21,822</b>	<b>927,500</b>
<b>Operating Expenses</b>							
Business Incubation	-	125	(125)	-	500	(500)	1,500
Business Recruitment	-	208	(208)	851	833	18	2,500
Bad Debt Expense	-	1,042	(1,042)	1,500	4,167	(2,667)	12,500
Contingency	-	1,667	(1,667)	-	6,667	(6,667)	20,000
Dues and Subscriptions	1,841	4,546	(2,705)	5,480	7,310	(1,830)	21,561
EDA Reimbursement	47,992	48,251	(259)	191,921	193,004	(1,083)	579,012
Event Expense	6,427	15,000	(8,573)	16,485	16,500	(15)	33,500
Insurance	843	865	(22)	3,367	3,460	(93)	10,380
Investment in Economic Activity	-	-	-	-	-	-	5,000
Marketing - Departmental	2,494	1,958	536	7,867	8,233	(366)	23,900
Marketing - Organizational	2,181	1,292	889	5,011	5,167	(155)	15,500
Membership Development	122	700	(578)	247	2,800	(2,553)	8,400
Office Supplies	2,201	300	1,901	5,755	1,200	4,555	3,800
Professional Fees	2,708	2,583	125	29,689	21,333	8,355	67,500
Postage and Printing	49	75	(26)	425	300	125	900
R31 Outreach	94	75	19	188	300	(112)	2,300
Rent	2,519	2,588	(69)	10,090	10,352	(262)	31,629
Repairs	-	-	-	-	-	-	-
Sponsorships	3,500	-	3,500	7,000	15,200	(8,200)	19,700
Telecommunications	623	555	69	1,894	2,219	(325)	6,656
Travel/Training	4,224	5,213	(988)	8,141	10,580	(2,439)	27,505
Miscellaneous	1,922	1,782	140	17,242	13,028	4,214	39,884
<b>Total Operating Expenses</b>	<b>79,739</b>	<b>88,825</b>	<b>(9,086)</b>	<b>313,154</b>	<b>323,153</b>	<b>(9,999)</b>	<b>933,628</b>
<b>Net Revenue Over (Under) Expense</b>	<b>65,312</b>	<b>(39,537)</b>	<b>104,848</b>	<b>52,115</b>	<b>20,294</b>	<b>31,821</b>	<b>(6,128)</b>
<b>Non-Operating Income/Expense</b>							
Coulson Park	-	-	-	32,000	-	32,000	-
Total Non-operating Income/Expense	-	-	-	32,000	-	32,000	-
<b>Net Revenue Over (Under) Expense</b>	<b>65,312</b>	<b>(39,537)</b>	<b>104,848</b>	<b>84,115</b>	<b>20,294</b>	<b>63,821</b>	<b>(6,128)</b>



BIG SKY  
ECONOMIC DEVELOPMENT

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# ATTACHMENT C



**December 2, 2020**

**Recommendation of the Joint-Nominating Committee  
For the Big Sky Economic Development 2021 Officers and Executive Committee**

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The Joint Nominating Committee of the EDA/EDC met on November 10, 2020 to consider officers and Executive Committee members for 2021. Following discussion and follow-up calls by staff, the Nominating Committee hereby submits the following recommendation for consideration:

2021 EDA Officers/Executive Committee

Paul Neutgens, Chair  
Ken Lutton, Vice Chair  
Judi Powers, Secretary/Treasurer  
Dana Pulis, Member at Large  
Riley Bennett, Member at Large

2021 EDC Officers/Executive Committee

Steve Loveless, Chair  
Ann Kosempa, Vice Chair  
Mac Fogelsong, Secretary/Treasurer  
Mike Seppala, Immediate Past Chair  
Kim Jakub, Member at Large

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BIG SKY  
ECONOMIC DEVELOPMENT

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# ATTACHMENT D



# Brian Wishneff & Associates

## Brian Wishneff & Associates

Becky Rogers  
Big Sky Economic Development Authority  
Director of Operations  
222 N. 32nd St., Suite 200  
Billings, MT 59101

30 W. Franklin Road, Suite 503  
Roanoke, Virginia 24011  
540-982-1317  
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1090 Vermont Ave., NW, Suite 420  
Washington, DC 20005  
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540-982-1568 FAX

[www.wishneff.com](http://www.wishneff.com)

November 16, 2020

Dear Becky:

Enclosed is a proposal to provide tax credit consulting services related to the rehabilitation of the building located at 201 N. Broadway in Billings, Montana. Brian Wishneff & Associates (BW&A) is a full-service real estate consulting firm that specializes in the finance and operations of tax credit enhanced development projects. BW&A has served a myriad of clients over the last 25 years ranging from Economic Development Agencies to non-profit organizations, housing agencies, municipalities, IDAs, universities, for-profit developers, business owners, and many other entities in a variety of industry segments. Focusing most of our work on high-impact incentive programs such as Historic, New Market, Low-Income and Renewable Energy Tax Credits, BW&A has been able to secure over \$650 million of equity for our clients since our inception.

With an established national practice, BW&A has worked on projects in over 35 states including many that involve state tax credits and/or other incentive programs as a component of funding. A small sample of our projects includes the Borden Hotel in White Hall, MT; the Arvon Hotel in Great Falls, MT; the Bighorn Valley Health Center in Lewistown, MT (current project); the YWCA of Helena, MT; the Emory & Henry School of Health Sciences in Marion, Virginia; the Robinson Grand Theater in Clarksburg, WV; the Interfaith Partnership for the Homeless in Albany, NY; the Food Bank of the Rio Grande Valley in Pharr, Texas; the Harrison County Courthouse in Marshall, Texas; The Central Union Mission in Washington, DC; the Geva Theatre in Rochester, NY; churches in Virginia and Iowa; historic theaters in [California](#), [Virginia](#), [Florida](#) and Georgia; museums in [Oklahoma](#), [Pennsylvania](#) and [North Carolina](#), and [many more](#).

BW&A is a multi-faceted consulting firm with deep expertise in accessing Historic Tax Credits for tax-exempt entities developers all around the country. As a result, we bring a level of experience and a professional network that can be effectively leveraged in your efforts to renovate the Montana National Bank Building.

BW&A employs an aggressive and client-centered approach, utilizing a success-based fee structure that incentivizes our firm to maximize the benefit to our clients from the applicable incentive programs. We have been able to secure project investments at as much as 50% above market rates using this unique strategy. To our knowledge, we are the only firm in the country that offers a comprehensive scope of work that includes management of the tax credit financing process, including tax counsel, through to receipt of equity, all on a success-based fee. This involves not only assimilating financing and securing tax credit investments, but also complex deal structuring tailored to the specific facts of a project that will optimize the economics for our clients.

We are excited about the opportunity to bring this expertise to your revitalization project in Lewistown and we look forward to growing our relationship with the Big Sky EDA and your team. Thank you for your consideration.

Sincerely,



Adam Markwood

**MONTANA NATIONAL BANK BUILDING IN BILLINGS, MT  
TAX CREDIT AGREEMENT**

**This agreement**, made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2020, by and between **the Big Sky Economic Development Authority**, or its assignee (the "Developer") and **Brian Wishneff & Associates, LLC**, a Virginia limited liability company located in Roanoke, Virginia (the "Consultant");

**WHEREAS**, the Developer intends to renovate the building located at 201 N. Broadway in Billings, Montana (the "Property") to provide collaboration and coworking space geared toward entrepreneurs within the Rock31 program, create a large training/conference space, as well as house the associated programs run by Developer (the "Project");

**WHEREAS**, the Property may be eligible to be or is already listed on the National Register of Historic Places;

**WHEREAS**, the Developer desires to utilize Federal and Montana Historic Tax Credits (collectively "HTC") to assist in funding a portion of the renovation cost for the Property;

**WHEREAS**, the Developer desires to attract Certified Development Entities ("CDE") that have existing allocation of Federal New Market Tax Credits ("NMTC") to invest some portion of their NMTC allocation in the Project to assist in funding a portion of the Project costs;

**WHEREAS**, the Developer may require Bridge Financing and/or Debt Financing (as those terms are defined herein) for the Project;

**WHEREAS**, the Consultant is experienced in managing HTC and NMTC (collectively, the Tax Credit Programs) projects involving Bridge Financing and Debt Financing; and

**NOW, THEREFORE**, the Developer and Consultant agree as follows:

**SCOPE OF WORK**

1. Managing the Tax Credit Process. The Consultant shall manage the facilitation of each of the Tax Credit Programs through to payment by Investors that will utilize the tax credits ("Tax Credit Investor(s)").
2. Review of the Architect's Work to Increase Qualified Rehabilitation Expenses (QRE). The federal HTC for certified historic structures provides a tax credit of 20% of the Project's Qualified Rehabilitation Expenditures ("QRE") and the Montana HTC provides a tax credit of 5% of QRE. Generally, QRE includes the cost of renovation and soft costs such as architect fees, but does not include new construction, site work, furniture, fixtures and equipment. The way in which the Project is designed

and built can have a significant impact on the amount of expenses classified as QRE. For example, the manner in which equipment is affixed to the structure can determine whether the costs associated with such equipment can be considered QRE. The Consultant will work with the Developer's architect to ensure such design elements are integrated into the construction drawings and that the design results in the Developer receiving the greatest possible amount of QRE. The Consultant will review all aspects of the construction plans at every phase of the design and recommend changes if necessary that will cause certain items to be classified as QRE.

3. Review of General Contractor's Work to Increase QRE. The Consultant will have two roles in working with the General Contractor ("GC"):

- a. The Consultant will assist the Developer's architect in making the GC aware of portions of the Project that are historically significant and require additional sensitivity in way they are renovated.
- b. The Consultant will work with the GC to ensure that project expenses are correctly characterized and allocated for QRE purposes. Often assumptions made by the architect and GC incorrectly characterize certain expenses resulting in lost QRE for the Developer.

4. Evaluation of Hard and Soft Costs for QRE. The Consultant will evaluate all potential hard and soft costs over and above the actual renovation of the building that can be classified as QRE and if necessary, work to persuade the Accountant, as that term is defined below, for inclusion of those costs as QRE.

5. Incorporating Existing Project Work and Expenses as QRE. The Consultant will work with the Developer to capture any past Project expenses and make necessary adjustments to existing contracts for services that are necessary to ensure the highest possible amount of QRE. If necessary, the Consultant shall advocate for the inclusion of these previously incurred expenses as QRE with the Accountant and Tax Credit Investor(s).

6. Selecting and Working with an Accounting Firm to complete the Cost Certification. The Consultant will be the Developer's primary contact with the accounting firm ("Accountant") hired by the HTC Investor(s) to complete a Cost Certification Audit ("Audit") at the end of construction. This Audit is

critical as it determines the final QRE amount, which determines the total investment to be made by the Tax Credit Investor(s). The Consultant will assist the Developer throughout the Project to ensure proper bookkeeping and record keeping practices are followed in order to obtain the most accurate Project QRE. The Consultant will also assist in the preparation of information to be presented to the Accountant so the Audit will be completed in the most efficient manner possible. The Consultant will also be present during any site visits to by the Accountants in order to answer any questions that may arise related to the Audit. The Consultant shall review the initial drafts of the Audit to bring to the Accountant's attention any discrepancies or items that may have been overlooked. The Consultant's experience has been that every draft Cost Certification Audit for which it has analyzed and provided comments has resulted in the QRE contained in draft Audit being adjusted upward in the final version, sometimes as much as 50%.

7. New Market Tax Credit (NMTC) Recruitment. The Consultant has relationships with a myriad of CDEs around the country and is knowledgeable of the type and geography of projects that individual CDEs are seeking. The Consultant shall review available information about the Project and prepare a marketing package to use to approach CDEs. The Consultant will tailor the marketing package to each CDE by emphasizing the components of the Project that are attractive to the respective CDE. The Consultant shall work to recruit as much Federal NMTC allocation from a CDE(s) with existing NMTC allocation as is feasible.

8. NMTC Term-sheet(s). CDE(s) interesting in making an investment in the Project will indicate their desire in the form of a term sheet. Generally, the term sheet describes the amount of NMTC allocation a particular CDE is offering and the pricing, fees and expenses related to the offering. The Consultant shall negotiate draft term sheets from a CDE(s) to provide the greatest net financial benefit to the Project. If any CDE desires to provide a term sheet to the Project and that CDE would not invest in the tax credits generated by its Federal NMTC allocation, the Consultant shall recruit an investor for these tax credits. The terms and conditions of their investment would then either be incorporated into the CDEs term-sheet or the investor would provide a separate term-sheet. Once a term-sheet(s) is signed, all parties will begin working toward a closing where all relevant documents between the parties are executed ("Closing").

9. Evaluate and Determine the Optimum Structure for Implementing the Tax Credit Programs. The Consultant will review and analyze the facts current and future owners and users of the Project as well as proposed funding sources and expenses incurred to date. Based on this review, the Consultant shall propose an ownership and use structure that is both cost effective and efficient for the Project. The

Consultant will work on behalf of the Developer to create an ownership structure that both respects any existing agreements related the Project, while at the same time working to generate the greatest amount of QRE and NMTC eligible expense. This analysis and structuring will affect the amount of financial benefit from the tax credits as well as the ultimate cost of implementing the tax credit process for the Developer.

10. Creating Tax Credit Entities and Agreements. In concert with third-party legal counsel Consultant engages as part of its team to represent the Developer's interests, this counsel, in close consultation with Consultant, shall draft a variety of documents for the Developer that are necessary to access the NMTC program. Examples of these documents include new legal entity organizational documents, initial partnership documents, reimbursement agreements, and loan agreements. Both the timing of the creation of these documents as well as the content of these agreements can make the difference in whether the Project ultimately attracts Tax Credit Investor(s), and if successful, the pricing and size of the investment. The Consultant will work to ensure that it protects and preserves the Project's ability to use NMTCs and will work to obtain the proposal providing the greatest net benefit to the Developer. Notwithstanding the above, the Consultant shall not be responsible for any legal opinions that may be required by potential investors.

11. Working with existing Project Funds. The Consultant will work to make sure that other Project funding sources are spent in a way that optimizes the benefit from the Tax Credit Programs. The way in which certain funds are characterized and/or the funds flow into a project can potentially have a great impact on the ultimate amount of QRE and NMTC eligible expense generated for a given project. For example, it may be possible for improvements made by tenants of the Property to be included in QRE, and the Consultant will work to ensure such expenses are characterized and funded in a manner that optimizes this opportunity.

12. Preparing Information Packages for Potential Tax Credit Investors. The Consultant will collect and prepare informational packets about the Project for potential Tax Credit Investors. The quality of the information and the way in which it is characterized can be critical in determining the Tax Credit Investor's level of interest and potential investment pricing.

13. Tax Investor Recruitment & Evaluation. The Consultant will work to recruit Tax Credit Investors. The recruitment effort will include local, statewide and national investors. The Consultant shall secure

term sheet(s) or offer(s) from Tax Credit Investors. There are numerous variables in a Tax Credit Investor's offer that can affect the amount of money the Developer receives as well as the Closing costs incurred by Developer. Taking these variables into account as well as the specific needs of the Project, the Consultant will recommend to the Developer the Tax Credit Investors that make the best proposal based in part on various pricing terms as well as the anticipated expenses over the life of this investment.

14. Creating and Collecting Information Needed by Tax Credit Investors for Closing. Once Investor(s) are selected and a term sheet is signed with those Investor(s), the parties shall work towards a simultaneous closing on all of the Tax Credit Programs. The Consultant will manage and coordinate this Closing. The Consultant shall collect and package information needed for Closing and provide that information to the Investor(s) on a timely basis. This will allow for gradual approval of necessary documents and other due diligence over the course of several months. The Consultant shall review draft documents provided by the Investors' legal counsel and advocate on behalf of the Developer to ensure that the documents contain the most favorable terms for the Developer. The Consultant shall also coordinate conference calls and/or meetings between the various parties to provide a forum to address issues in advance of Closing and to ensure that any party responsible for providing information and/or documents does so in a timely manner. Generally, at Closing, agreements will be signed that will lock in the pricing and other business terms between the parties and will describe the conditions upon which the Investor(s) makes their equity investment. These agreements will also describe the duties of each party during the period that the Investor(s) remains in the Project and how the Investor(s) might exit any partnerships in which it is a member. The Consultant will work towards this Closing in an attempt to match the Developer's desired construction schedule. During planning and construction, based on the Project circumstances, the Consultant will also evaluate the potential benefit of dividing any portion of the construction of the Project into phases.

15. Payment by Investors. The Consultant will do the work necessary to obtain the investment by the Investor(s). The Consultant's work on this project and this Agreement shall be complete after the final investment is made by the Investor(s). This final equity payment is typically related to certain approvals related to the HTC program and occurs about 90 days after the end of construction.

#### **OPTIONAL SERVICES AT THE DISCRETION OF DEVELOPER**

16. Bridge Financing in Support of NMTC and HTC Closings (OPTIONAL). In order to close on both NMTCs and HTCs, it is often necessary to secure up-front financing that bridges and will ultimately be



paid down using sources that are received after closing, including but not limited to HTC equity, donor pledges and reimbursable grants (“Bridge Financing”). Specifically, most NMTC projects utilize what is called a ‘leveraged’ model through which all other project funding sources are leveraged by the NMTC equity. To facilitate this structure, cash in the amount of NMTC allocation(s) must be available at Closing. This requires complex coordination of the mechanics, requirements and schedule of other Project funds. Often short-term financing tools ranging from Bridge Financing to a mechanism called a one-day loan (to capture prior expenses) are used to facilitate this financial structuring. For HTC projects, Bridge Financing is typically required given the majority of HTC equity is not contributed until the project is nearing completion or complete. If Developer elects for Consultant to execute this scope of work #16, with such election memorialized in writing from Developer to Consultant, the Consultant shall assist Developer in securing such Bridge Financing to support the closing on both NMTCs and HTCs. Consultant’s role may include making Developer introductions to and managing the financial closing with lenders that have experience providing NMTC leveraged and/or HTC bridge loans. It may also include helping to educate other prospective lenders on the tax credit programs including timing, risk and process. Consultant shall help Developer provide any due diligence materials that a prospective lender will require to underwrite the Project and manage the closing on Bridge Financing.

17. Debt Financing (OPTIONAL). As outlined in #16, NMTC projects are subject to unique mechanics and collateral requirements for debt financing. The Consultant shall assist Developer to secure and close on debt financing that accommodates such requirements (“Debt Financing”). If Developer elects for Consultant to execute this scope of work #17, with such election memorialized in writing from Developer to Consultant at some point after the effective date of the Agreement, Consultant’s role may include making Developer introductions to and managing the financial closing with lenders that have experience providing NMTC leveraged loans. It may also include helping to educate other prospective lenders on the tax credit programs including timing, risk and process. Consultant shall help Developer provide any due diligence materials that a prospective lender will require to underwrite the Project and manage the closing on such Debt Financing.

## **FEES AND SCHEDULE**

The Consultant shall earn a fee of 13% of the total equity payment and/or other form of investment made by any Historic Tax Credit Investor, New Markets Tax Credit Investor and/or Renewable Energy Tax Credit Investor. The Consultant shall be paid its fee on the same schedule as the Developer receives

any equity payments from a Tax Credit Investor. For example, if a Tax Credit Investor(s) pays 50% of its equity at Closing then the Consultant shall also be paid 50% of its fee at this time.

If Developer elects for Consultant to assist in securing Bridge Financing and/or Debt Financing pursuant to Sections 16 and 17, the Consultant shall receive a fee of 2% of any Debt Financing and/or Bridge Financing that the Developer utilizes for the Project. The Consultant's fee for Debt Financing and/or Bridge Financing shall be paid simultaneous with the Project's closing on such Debt Financing and/or Bridge Financing. Notwithstanding the above, Consultant shall engage third-party tax credit counsel specifically to represent the Developer, and Consultant shall be responsible for such counsel's fee on behalf of the Developer.

The Consultant shall also be reimbursed for pre-approved travel expenses whether a tax credit closing occurs or not. However, the Consultant's expenses to be reimbursed shall not exceed \$5,000.

The Consultant will begin work upon the signing of this Agreement.

## **MISCELLANEOUS**

1. Assignment. The Developer will assign this Agreement to the appropriate entity that will carry out the tax credit transaction if necessary. Developer will remain liable under this Agreement should such an assignment occur.
2. Consultant's Authority. The Consultant recognizes they do not have the authority to commit the Developer to financial obligations related to this contract.
3. Disputes. If any lawsuit arises in connection with the performance of this Agreement, the prevailing party therein shall be entitled to receive from the losing party the prevailing party's costs and expenses, including reasonable attorneys' fees actually incurred in connection therewith, in preparation therefor and on appeal therefrom, which amounts shall be included in any judgment entered therein.
4. Notices. All notices given pursuant to this Agreement shall be in writing, delivered in person, mailed by certified mail, return receipt requested, or delivery by a recognized overnight courier, postage or courier fees prepaid, sent to the address given below, and shall be deemed effective upon the date

received, via personal delivery, certified mail, or overnight delivery service. The parties hereto shall be responsible for notifying each other of any change of address. Addresses for notices are as follows:

If to the Developer: Becky Rogers  
Big Sky Economic Development Authority  
Director of Operations  
222 N. 32nd St., Suite 200  
Billings, MT 59101

If to the Consultant: Brian Wishneff & Associates  
Professional Arts Building  
30 W. Franklin Road  
Suite 503  
Roanoke, Virginia 24011

5. Entire Agreement. This Agreement may not be changed orally, but only by an agreement in writing signed by all of the parties. No waiver of any provision of this Agreement shall be valid unless in writing and signed by the party against whom it is sought to be enforced. If assigned by the Developer, the provisions of this Agreement shall inure to the benefit of and be binding upon such assignee and the Consultant. The provisions of this Agreement shall be subject to and construed and enforced in accordance with the laws of the Commonwealth of Virginia. In the event that any one or more of the provisions contained in this Agreement shall, for any reason, be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision hereof, and this Agreement shall be construed as if such invalid, illegal, or unenforceable provision has never been contained herein.

**IN WITNESS WHEREOF**, the parties have caused this Agreement to be signed in their respective corporate names by their duly authorized officers as of the date first written above.

**BIG SKY ECONOMIC DEVELOPMENT AUTHORITY**

By: \_\_\_\_\_

Name:

Title:

Date \_\_\_\_\_

**BRIAN WISHNEFF & ASSOCIATES**

By: \_\_\_\_\_

Brian Wishneff, President

Date \_\_\_\_\_



BIG SKY  
ECONOMIC DEVELOPMENT

EDA • EDC    CREATING MONTANA BUSINESS OPPORTUNITIES

# ATTACHMENT E

## Big Sky Trust Fund Application

The Burger Dive

Job Creation: 10

The Burger Dive is a thriving business located in the heart of Billings. Brad and Andi Halsten started the Burger Dive 10 years ago and have made it a destination stop. The recognition they have received through winning many awards draws people from all over the country and world. Through the COVID pandemic, they have had to pivot the business model to add expanded evening hours to stay profitable. They are now in the process of purchasing a building and relocating to 27th and Minnesota Ave to expand the eating space and hours of operation. The 10 jobs that will be created over the next year will include an evening manager, line order cooks, and servers. The forecasted positions will qualify for at least a partial BSTF grant, with the majority qualifying for the full \$5000 per net new job. (\$14.70 per hour is the minimum and qualifies a company for \$3,500 – the \$5,000 award is reached when the wages plus benefits total \$20.88.