

## Big Sky Economic Development Joint Board Meeting Minutes February 11, 2010

### Yellowstone Conference Room, 1<sup>st</sup> floor Granite Tower

**EDA Board Members Present:** Ty Elkin, Jim Gallup, Pat Kimmet, Greg Kohn, Justin Mills, Kirk Porter, Gordon Tryan, Ed Workman and Ex-officios Jack Copps, John Ostlund and Alex Wilkins

**EDA Board Members Absent:** Patrice Elliott, Jon Ness, John Roberts, John Brewer and Jani McCall

**EDC Board Members Present:** Dennis Cook, Bill Lundberg, Steve Nitz, Duncan Peete, Jim Reno, Susan Riplett, David Trost, Jim walker, John Walsh and John Whitman

**EDC Board Members Absent:** John Brewer, Kate Hamlin, Rick Leuthold, Mike Mace, Jani McCall, Jon Pierce, Rick Reid, Todd Sherman and Debbie Singer

**EDA/EDC Staff and Guests:** Susan Ockert, Jim Tevlin, Patty Nordlund Shari Nault, Brandon Berger Steve Arveschoug and Cheri Galt, recording secretary

**Call to order:** Pat Kimmet, EDA Chair, called the meeting to order at 7:30 a.m. with the Pledge of Allegiance

**Public Comment:** Pat asked if there were any public comments. There were no comments today.

**Special Recognition:**

There were no special recognitions today.

**Consent Agenda**

Pat asked if there were any corrections or additions to the minutes of January 14, 2010. Hearing none, Pat asked for a motion for approval of the minutes as presented.

Motion: Jim Reno - To approve the January 14, 2010 minutes as presented to the board.

Second: Jim Walker

Motion Carried

**Regular Agenda**

➤ **Financial Matters: – Jim Tevlin**

Jim reviewed the financials with the board members. He pointed out that the USEDA Grant in the amount of \$698,000 has been closed out. Jim also noted that the EDA and EDC Mid 6 Year Budgets will be reviewed at the next board meeting. Jim is in the process of preparing the responses from the report of the auditors on areas that need some attention. Jim noted that some of those areas have already been addressed and he will be prepared to address all areas at the next Executive Committee meeting. There were no other questions at this time.

Motion: Jim Gallup 6 to approve the December EDA and EDC financials as presented.

Second: John Whitman

Motion Carried

➤ **Otter Creek Coal Development Report has been moved to the March Board Meeting**

➤ **Census 2010 – Susan Ockert**

The 2010 Census process is about to take place and Susan Ockert, with the Census Bureau a report on how the census process takes place, the guidelines that are used and the importance of demographics and how they are

used in determining information in community surveys, housing figures, income, insurance numbers, historical population numbers as well as information on poverty and school funding. The information is used at the local, state and federal level of government.

➤ **School District #2 Report – Jack Copps**

Superintendent Jack Copps updated the board on current information and activities in different areas of School District # 2. Those areas include increases and decreases in the numbers of enrolled students as well as geographical areas of enrollment; how enrollment figures affect school funding from the state; the current financial situation of the schools; as well as building maintenance, and discussions taking place about clustering of schools if funding resources are not found for the maintenance of the schools. Mr. Copps also reported that the school board will be meeting to decide what areas should be included for considered for requesting mill levy dollars. He also stressed the importance of support for an elementary school levy. Jack also expressed the importance of community representation and involvement on the school board. There were some questions and discussions with the board members.

➤ **SBA 504 Loan Approval – Brandon Berger**

Brandon has 3 loans to submit for approval today. 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.

- Jake's of Billings, Inc. ó This request is for the acquisition of land and construction for the new Jake's restaurant on Gabel Road. The request is for a portion of the permanent financing associated with the project. There is projected to be a total of 34 jobs created with this project. The total gross debenture is projected to be \$960,000 on a 20 year note. Big Sky EDC and the SBA will be in a 2<sup>nd</sup> lien position on the real property. First Interstate Bank is the participating lender. Brandon discussed and answered questions from some board members.

Motion: John Whitman- To recommend approval to submit to SBA for final approval of this loan request.

Second: David Trost

Motion Carried ó Note for the record EDC Board Member Susan Riplett abstained from this vote.

- Proper Supply Incorporated ó This request is for the acquisition of land, an existing building and equipment for Proper Supply Incorporated. This will be relocation for Proper Supply and will allow the business the space needed for expansion. Proper Supply is a distributor of commercial and industrial insulation products. They also manufacture an insulation product for installation on industrial piping. There is projected to be up to 10 jobs created with this project. The total gross debenture is projected to be \$239,000 on a 20-year note. Big Sky EDC and the SBA will be in a 2<sup>nd</sup> lien position on the real property. Stockman Bank is the participating lender. Brandon discussed and answered questions from some board members.

Motion: John Whitman ó To recommend approval to submit to SBA for final approval of this loan request

Second: Dennis Cook

Motion Carried

➤ **Executive Director Report – Steve A**

Steve distributed a recap of the City's proposed Federal Appropriation requests for the coming budget cycle. Steve reminded the board that Big Sky Economic Development is requesting \$1.5 million for the EBURD project to provide infrastructure improvements and land acquisition in the East End TIFD to help facilitate the development of the Master Plan. The city of Billings is also making appropriations requests and they have asked us to write a letter of support for their appropriation requests. Item # 2 - Storm Water Improvements in the East End TIFD and Item # 8 - Downtown Bicycle /Pedestrian Trail Connections. Commissioner Ostlund commented that the City has built a great trail system throughout the area and that system is very well utilized. However there have been no dollars set aside for maintenance of these trails. Steve noted that the city is aware of the maintenance issue and is in the process of addressing that issue. There was also some discussion of writing a letter of support for Item # 3 ó Sharptail Storm Water Retention System that refers to developing a water collection system. It was noted that this conversation refers to requested letters of support for Items # 2 & 8. Big Sky EDA was not asked to write a letter of support for Item #3. Steve noted that our approach has been not to "overload" our requests, which is why Big Sky EDA generally will make a request for appropriations for one project. After much discussion and input from many board members, Pat Kimmet has asked for a motion to approve writing letters of support for the city's appropriation requests for Storm Water

Improvements to the East End Industrial Area as well as the Downtown Bicycle/Pedestrian Trail Connections. There was again some discussion on item # 3 as well as discussions among board members about the City's complete priority list. The question was asked if Big Sky EDC/EDC was being asked to support all 8 items on the City's list or just Items # 2 & 8. It was noted and discussed at length that at this time the City is only asking us to write letters of support for Items 2 & 8. Steve noted that at this time we should write the letter of support for the East End TIFD and later if asked we could perhaps write other letters of support for the additional items on the list.

Motion: John Whitman to write a letter of support for Item #2 on the Federal Funding Project List

Second: David Trost

Motion Carried

There was more discussion on writing a letter of support for Item #8. After a motion was made it was noted that Big Sky EDA/EDC cannot change the terms of the appropriation request.

Motion: Commissioner Reno - to write a letter of support for Item #8 on the Federal Funding Project List and add to that support letter a request for dollars for maintaining the trail system.

Second: Steve Nitz

No vote was taken. The motion was withdrawn and a suggestion was made to write a letter to the City suggesting they add maintenance funds to their appropriation request.

Motion: Commissioner Reno -to write a letter of support for Item # 8 on the City of Billings Federal Funding Project List

Second: Steve Nitz

Motion Carried

Those voted against: John Ostlund and John Whitman

It was noted that Steve will write a letter to the City expressing the concerns of maintenance funding for the trail system and send a copy to the board members.

Steve noted that we are moving forward with the Planning Session. The Staff Planning Session will be on Friday, February 12 and the EDA/EDC Board Planning Session will be held on February 24. There will be a new board member orientation on February 23 from 8 to 10 a.m.

Steve reported that we are in discussions regarding the Montana Business Incubator. The incubator has been dormant for while and now there is a group of people who are meeting to see if this project can and should be revived. Tech Ranch out of Bozeman has been part of these discussions. Suggestions have been made that if there is a revival of the incubator perhaps it could be energy focused. There has also been discussion of a Business Development Center that would include the incubator.

➤ **Other Projects/Staff Reports as needed**

- **Member Investor Engagement Plan – Shari Nault:** - In the interest of time today, Shari handed out the plan she has put together to more engage Member Investors. Further discussion will take place at the Planning Session on February 24. Shari also announced that she will be resigning on June 4, 2010 to pursue other interests.

**Public Comment:** Those wishing to speak may address the board at this time.  
No one came forward to speak.

With no other items, the meeting was adjourned at 9:20a.m.

The next regular meeting will be March 11, 2010

Respectfully submitted,

Pat Kimmet, EDA Chair

Steve Arveschoug, Executive Director, Big Sky EDA-EDC

When Approved, Minutes will be filed electronically in the Big Sky EDA office.