



118 E. Seventh St; Suite 2A Anaconda, MT 59711
 Ph: 406.563.5259 www.medamembers.org
info@medamembers.org

CRDC/EDD Working Group Meeting
August 11 – 12, 2015
DA Davidson Building
8 Third Street North; 4th Floor Davidson Conference Center
Great Falls, MT

Present: Paul Tuss, Chair; Rob Gilmore, Kathie Bailey, Jason Rittal, Barbie Durham, Gypsy Ray, Carolyn Jones, Anne Pichette, Sarah Converse, Paul Reichert, Brian Obert, Sue Taylor, and Gloria O'Rourke.

Tuesday, August 11th

12:30pm	<p>Introductions and Agenda Review – Paul Tuss Dan McLaughlin, Director of Community Relations, DA Davidson & Companies, welcomed everyone to Great Falls and to the DA Davidson Conference Room. Chairman Paul Tuss requested additions or changes to the agenda; the Super Circular topic was added.</p>
12:30pm – 1:30pm	<p>Role of CRDCs/EDDs in Implementing MEDA's Strategic Imperatives. Gloria O'Rourke reviewed highlights of the new directions MEDA is taking. The four focus areas were discussed including: 1. Restructure MEDA's Role, Relevancy and Identify, 2. Clarify and Strengthen MEDA/MDOC Relationship, 3. Improve Membership Relations and Services and 4. Identify and Strengthen Organizational Partnerships. Those present discussed these areas and were encouraged to participate in related action items. ⇒ Action Item: Jason and Gloria will follow-up with MDOC to initiate a regular meeting schedule.</p>
1:30pm – 2:00pm	<p>CRDC/EDD Role in Financing and Managing the Construction of Community Infrastructure: Working with Communities and Engineers. Jason Rittal Jason requested this topic to explore how each CRDC/EDD works with communities and engineers on infrastructure projects. Some organizations charge a membership or dues fee and others negotiate an administration fee for a project. At times, engineers and economic development organizations clash over the administration dollars built into a project. CRDC/EDDs have found that the situation must be taken community by community and each situation worked out. In most examples, there is room for both to be at the table with communication being the key between community leadership, engineers, and economic developers. Economic developers most often have the community contacts and inside knowledge that an engineer from out-of-town does not possess. Overall, small communities are in greater need for services provided by an economic development organization. Just as MEDA is building relevancy, so must each economic development organization; each organization must find the middle ground that works for them. Engineering firms are more involved than they used to be; now some are duplicating what economic</p>

JOIN US AT <http://www.medamembers.org>

- BOARD OF DIRECTORS: JASON RITTAL, PRESIDENT, TERRY * PAUL TUSS, VICE PRESIDENT, HAVRE *
 * RICK EDWARDS, TREASURER, BUTTE * TRACY MCINTYRE, PAST PRESIDENT, EUREKA * GLORIA O'ROURKE, SECRETARY *
 * JIM ATCHISON, COLSTRIP * PAM HAXBY-COTE, BUTTE * JAMES GRUNKE, MISSOULA * BRETT DONEY, GREAT FALLS *
 * LESLIE MESSER, SIDNEY * ANNE BOOTHE, MALTA * SEAN BECKER, HELENA * CHRIS CERQUONE, MISSOULA * SARAH CONVERSE, GREAT FALLS *
 * PAUL REICHERT, BOZEMAN * BRIAN OBERT, HELENA * STEVE ARVESCHOUG, BILLINGS * LUKE WALAWANDER, JOLIET * LINDA KINDRICK, HELENA *
 * KELLIE DANIELSON, KALISPELL * KATHIE BAILEY, LEWISTOWN * KEN RICHARDSON, MISSOULA * TIM GUARDIPEE, GREAT FALLS *

	<p>development organizations do. Grant writing by engineering firms is on the increase.</p> <p>Eastern Plains No dues; contributions based on the size of the projects. Jason requests a annual contribution from partners over a multi-year period. Jason is upfront and explains leadership can go through an RFQ to hire a consulting/engineering firm and that the dues are not contractual but rather are a voluntary “hand shake” agreement for the benefit of the organization and the local entity.</p> <p>Bear Paw Dues; local governments pay per year. Paul said that managing infrastructure projects is an area that produces income for Bear Paw.</p> <p>Lake County No dues structure; collects payments. Sweetgrass Flat fee. Snowy Mountain Fee structure for doing RFPs, etc.; earns 3% on successful grants with collection of the full administration fee each grant allows.</p>
<p>2:00pm to 2:30pm</p>	<p>Workforce Availability and New Worker Attraction. Brian Obert shared that in the Helena area, workforce is becoming a huge issue. Hi-tech companies are stealing state workers and taking workers from other communities, such as Bozeman. Normal growth is able to be accommodated through graduates in the field, but faster growing sectors of the economy are the workforce challenge.</p> <p>Rob Gilmore shared information about the MT High Technology Business Alliance organization that is striving to meet the need to attract, train, and bring together those working and doing business in the technology field. It was noted the younger workforce has a new mind set: decide where you want to live and then find work. Some people who are 40-something would like to change jobs, but hang on because of his/her retirement package.</p> <p>Co-work space in rural areas is very important as individuals need a place to socialize. Mile High Innovation Network in Butte, tried this and offered a location to meet. The workspace designed for this purpose is not used as the group prefers to meet in various breweries. Paul Reichert said this is called the Network Economy as people may work long distance, but they still want and need to network.</p> <p>MEDA’s role could be to assist Montana’s small towns to find their particular niche to attract workers. MEDA could work with the Tourism Office to create videos that tell current success stories as in Ennis and Twin Bridges. Sue suggested CRDC/EDDs read the Montana Brand books provided by MDOC that share what type of person is attracted to various features of Montana.</p> <p>Suggested Pilot Project: Similar to the 24 hour “anytime fitness” model, discover the inventory and build a network so that people working from the road would know where to find technology access at any time. Many downtown buildings have a second story that is empty with the capacity for a high-speed connection.</p>
<p>2:30pm to 3:00pm</p>	<p>2019 Programs: Funding Increase from 2015 Legislature and Strategy to Remove Sunset. Carolyn Jones reviewed funding levels for the 11 CRDCs as a result of the 12.5% increase from the 2015 Legislature. Regarding the sunset, MEDA and MDOC will continue to make the removal of the sunset a priority in the 2017 Legislative Session. The sunset is tied to the pension fix which complicates the issue. A draft bill was written for the sunset removal for the 2015 session but was not submitted. Brian suggested MEDA strives for an extension of the sunset rather than a removal of the sunset. Everyone agreed it will be essential to continue to demonstrate the impact of these programs. It is hoped at the very least the Bullock Administration will include in the budget to extend the sunset and request the other 12.5% increase. Bi-partisan support from the beginning of the session will be essential.</p>
<p>3:15pm to 3:45pm</p>	<p>The Critical Relationship Between Regional Development Organizations and Local Development Organizations: Best Practices and Shared Responsibility. Discussion summary:</p> <ul style="list-style-type: none"> * It is essential to clearly differentiate between the duties of each organization. * The goal is to work together better as there is enough work for everyone.

- * Spend time with boots on the ground together working on a project.
- * The staff person on the local level is key to engage; engage the board as well, if possible.
- * It is important for economic developers to educate communities that when one community does well, the region does better, too.
- * Be sure to include both economic development organizations' names when working on a project together.

3:45pm to
4:45pm

Dues Structure and Justifying Membership Benefits: Are They Getting the Bang for Their Buck?

Each CRDC/EDD reviewed its dues or administration structure, corporate structure, and board size:

- * Prospera: 501c4; dues varies from entry level of \$200 to \$7,500. Members are able to vote during its annual meeting. Board is limited in size based on Prospera's fee structure.
- * Northern Rocky Mountain: EDD; 27 member board and 7 member executive board. Funding from city/county members: \$45,000; contracts provide income for additional work on a case by case basis which generates another \$45,000; funds are received from EDA. Contract income is from conducting impact studies, analysis of impact fees, research, etc.. Unincorporated communities provide support, too.
- * Snowy Mountain: 501c3; no members thus no dues. Contributions are aligned to a dues type structure. There are six counties but some have more active communities than others and pay accordingly. The board has a maximum of three seats per county. Contributions generate about \$25,000; funds are collected for grant writing and administration. CRDC funds are critical.
- * Sweetgrass: 501c3; five counties with each paying \$2,000 and EDA funds are used. By-laws will allow for private investment dollars. Glacier County has a contract with Sweetgrass for \$25,000 which pays for assistance, research, etc.. Cascade County provides in-kind for a fax line and office space. Sweetgrass is also provided a vehicle.
- * Headwaters: 501c3; dues based on per capita. Headwaters has some very poor counties as well as some wealthy counties. They have a BLM contract which provides income and finished out DNRC grants that were too expensive to administer. Headwaters does not charge for grant writing yet but does charge to administer grants when possible.
- * Beartooth: 501c3; large board with positions from those that pay dues. Counties and incorporated towns pay a fee along with conservation districts. Beartooth is undergoing a strategic planning process that may change the board structure. The organization has focused more on natural resource issues rather than economic development; Sue is encouraging Beartooth to respond to RFPs.
- * Lake County: 14 employees and 11 board members. No dues are charged; \$10,000 is received from Lake County and no one else so there is heavy reliance on administration fees from grants. They also serve as a Fiscal Agent for several nonprofits (charge \$500 per year) and started the Mission Valley Nonprofit Network. Gypsy's task is to balance the budget and raise un-attached funds. She is planning a fundraiser in September with a goal of \$10,000. Gypsy is building relationships with county officials; Lake County receives no funding from the tribes. The organization also obtains income from its RLF and from the Mission Mountain Enterprise Center.
- * Bear Paw: 501c3; all members are city, county, or tribal governments. There is a two-tiered dues structure with the larger entities (Havre and Hill County) paying \$20,000 per year with others contributing \$5,000 for a total of \$90,000. Thanks to a dues increase, the total next year should be \$105,000. Bear Paw is starting a corporate donation program to provide unencumbered dollars for Bear Paw.

Note: CRDC/EDDs said it can be challenging to generate admin fees. It was suggested to use a program called ClickTime to keep track of work in 15 minute intervals.

	<p>* Eastern Plains: 501c3; 19 member board with 12 automatic board members representing seven municipalities and five counties. There are no dues but each county pays \$5,000 with other contributions based on projects in process or completed. This year \$64,000 was raised in total contributions. The largest contributors are Fallon County at \$22,000 and Dawson County at \$11,000 but others will raise their contributions as large projects (tangible results) are seen.</p> <p>* Gateway Economic Corporation is a 501c3 and MBAC is a 501c6. Brian is pushing for 40 memberships in MBAC by the end of the year. Gateway is funded with small counties paying \$1 per head; Broadwater County pays one mill for about \$15,000. Broadwater Economic Development uses its PILT money. Brian is relationship building with Lewis and Clark County as well as the City of Helena. Currently Gateway manages \$4m in RLFs and monitors about 400 loans at this time. Brian hopes to hire more staff soon to become more involved with projects.</p> <p>⇒ Action Item: Gloria is to share the 1023EZ form, the ACF Fiscal Sponsor Form, and a powerpoint from Montana Community Foundation of the pros and cons of serving as a fiscal sponsor.</p>
4:45pm to 5:15pm	<p>CRDC Contract Renewals for Next Seven Year Cycle. Carolyn Jones, MT Dept. of Commerce, shared overall performance numbers for the CRDCs and provided financial breakouts for each organization. The CRDC contract expires the end of this year; an RFP will be out earlier in September Regarding the new contract language, MDOC will likely seek more recognition for its partnership with CRDCs. For example, at an annual dinner if corporations have banners, MDOC should have a banner, too. CRDCs need to do a better job of marketing themselves and with that, recognize MDOC as a partner.</p> <p>Carolyn also shared that success stories submitted by CRDCs need to be more market ready. Carolyn suggested that this would be helpful to MEDA as well in that as MEDA increases its outreach, success stories would be easy to pull and market.</p>
5:15pm to 5:45pm	<p>Wage Scales for CRDC/EDD Employees. The CRDC/EDDs agreed that a wage structure is needed within organizations, including job descriptions for each staff position. It was noted the new Super Circular requires a written policy with a description of how wages are determined, etc. Several CRDCs shared their salary schedules and benefits with the group.</p> <p>In smaller offices, with one staff person the person receives a raise when they are given more responsibilities. Larger offices are challenged with paying staff competitive professional wages. Compensation for lower wages can be made with more vacation time or other non-financial benefits.</p> <p>Paul said Bear Paw typically provides a cost of living increase each year based on the Consumer Price Index. In addition, there is an annual set aside of \$10,000 organization-wide for merit pay which is a significant benefit for staff morale for work well done.</p>

Wednesday, August 12

Present: Gypsy Ray, Paul Tuss, Jason Rittal, Brian Obert, Paul Reichert, Rob Gilmore, Kathie Bailey, Barbie Durham, Sue Taylor, Sarah Converse, and Gloria O'Rourke; after 10:00am Anne Pichette and Carolyn Jones joined the meeting.

8:00am to 10:00am	<p>Sharing Best Practices and Horror Stories. The Do's and Don'ts of Running a Regional Development Corporation. Closed Session for Executive Directors Only</p> <p>The CRDC/EDDs discussed the following issues in a closed session:</p> <ol style="list-style-type: none"> 1. Housing – Connections are needed within MDOC to address housing needs and programs as the application criteria can make it difficult for people to qualify. Perhaps part of the issue is workforce housing which is different from low income housing. MEDA is seeking workforce housing. In addition, issues need to be resolved with the private sector. Housing studies are key to showing the private sector just where the needs are in each community.
-------------------	---

This is a great opportunity for MEDA to address housing issues and it is a fit with MEDA's new strategic imperatives regarding infrastructure. MEDA could provide information as to what communities need so that developers have less risk. Gloria shared that Doug Mitchell had recently sent an email requesting a conversation with MEDA's leadership regarding housing.

Next steps:

- a. Gloria will re-connect with Doug Mitchell and share MEDA's interest in moving forward with meeting housing needs; in addition to state programs partners such as CHDOs, HRDCs, CDFIs, etc., need to be included. Individuals who should also be consulted: Herb Kulow, David Ewer and John Rogers. It was thought that programs such as HOME and NeighborWorks focus on low income housing.
- b. MEDA will explore funding for workforce housing and possibly help create the criteria for funding. Income will not so much be a factor but rather the price of the house.
- c. Workforce and workforce housing are connected: develop more public private partnerships to meet needs. Join with Job Service, Montana High Tech Alliance, MACo, Montana Hospital Association, banks, schools, the energy industry, etc., and become involved with CEOs who are seeking solutions. MEDA could serve as an advocate for urban and rural housing needs. The key is to find the initial source of RLF dollars without grant or federal restrictions.
- d. Explore tools such as Targeted Economic Development Districts which work similarly to TIFs.

2. Words of Wisdom

Gypsy Ray asked for feedback on "words of wisdom" for those who are new to economic development.

- * Ask forgiveness later and do pick up the phone to talk.
- * Manage expectations.
- * Employees are your most important constituency – in other words, care and feeding of employees make you successful.
- * Self-promote along the way.
- * Don't get bogged down with small problems; they will work themselves out.
- * Remember you can't please everyone.
- * Take time off because the projects and problems will be there tomorrow.
- * Don't let the pursuit of the perfect get in the way of the good. Sometimes things have to go out the door without being perfect.
- * All you can do is manage what is in front of you right now.

3. Misc. Discussion Items

- a. **Meeting frequency.** CRDCs/EDDs would like to meet more often, but it is challenging to find the time.
- b. **Start-Ups.** Several reported positive results from holding and/or participating in a start-up event. Bozeman currently has 70 new ventures and is seeking connections so that young entrepreneurs will remain in the state rather than going home when they graduate.
- c. **Signage.** Work with MDT to remove the old Certified Community signs around the state as some look terrible.
- d. **Economic Development Timeline.** Paul Reichert suggested creating a timeline of how (and who) businesses could contact along their journey, beginning with having an idea, becoming a start-up, needing an incubator, finding an SBDC, BEAR, etc. Paul suggested it would show in a visual way where economic development services are plugged in and by whom.

10:15am to 10:45am

Alternative Funding Opportunities for CRDCs and EDDs. Marcy Allen

Marcy could not be present for this discussion. Marcy does a fabulous job with alternative funding; others would like to learn from her and what she is doing.

Ideas shared:

- * Sarah shared that some economic development organizations in other states have contracts with USDA Rural Development to serve as the field office for the statewide organization. This allows USDA/RD to hire less staff and support regional needs.
- * Consider funding from private nonprofits, such as foundations.

	<ul style="list-style-type: none"> * Gypsy noted that often corporate sponsorships are more easily sold than with a foundation and suggested getting on a corporation's advertising budget. * Paul suggested using start-up assistance as a reason to secure alternative funding from banks and other entities. For example, if doing SBDC type work, visit with the banks and ask for donations as the economic development organization is providing business counseling, business plan assistance, etc., which makes a bank's clients better customers.
<p>10:45am to 11:30am</p>	<p>Vacant School Buildings as a Model for Redevelopment. Jim Atchison Jim Atchison could not attend but wanted this topic discussed. Those present had the following to suggest regarding vacant buildings overall:</p> <ul style="list-style-type: none"> * Evaluate demand, condition of the building, and if hazardous materials are involved. If you think historic factors are involved, it is essential that a group keeps the building in stable condition (good roof/water free) until funding decisions are made. * Vacant school examples: Baker - a furniture store bought their old school and uses it for storage; Lewistown - a developer took an old school and made it into high level condominiums; Havre – vacant school building is a Boys and Girls Club. Red Lodge is currently conducting a feasibility study on a building. * Jim Davison used a hospital building that had been vacant for 13 years and turned it into a business incubator. * Utilize military buildings that have been decommissioned. <p>Paul Reichert offered this advice: use the Conservation Code when remodeling an old building. A very common mistake is to think a building has to be “brought up to code” which is often very expensive. The goals of the Conservation Code are to make the building safer.</p>
<p>11:30am to 12:00pm</p>	<p>RLF Management, Best Practices and Software. Paul Tuss Paul shared that the MEDA RLF Working Group was active about two years ago under the leadership of Christin Hileman at Bear Paw. When CHristin left, the meetings faded.</p> <p>⇒ Action Item: Gloria will re-start the MEDA RLF Working Group</p>
<p>12:00pm to 3:00pm</p>	<p>Working Lunch</p> <p>Present: MDOC - Deny Staggs, Karyl Tobel, Dave Desch, Carolyn Jones, and Anne Pichette. Pondera Port Authority - Cyndi Johnson and Cheryl Curry; GFDA – Rebecca Engum. CRDC/EDDs - Sarah Converse, Paul Tuss, Jason Rittal, Brian Obert, Paul Reichert, Rob Gilmore, Kathie Bailey, Sue Taylor, and Barbie Durham.</p> <p>Montana Department of Commerce Programmatic Changes and Training for MDOC Programs. Paul Tuss welcomed everyone to the meeting and thanked the representatives from MT Dept. of Commerce for participating in the CRDC/EDD Working Group.</p> <p>Items reviewed and discussed included:</p> <ol style="list-style-type: none"> 1. MDOC New Organization Chart Montana Office of Tourism and Business Development now has six circles including: Finance Assistance Bureau – Commerce Loan Fund - BSTF/WTG, and MBRCT – Karyl Tobel. Marketing Bureau – Public Relations - Social Media - Japan Office – Jennifer Pelej. Research and Information – Industry Development – Mary Craigle. Budget and Operations – Administration – Anna Marie Moe. Sales and Constituent Services Bureau – Travel Grants – Made in Montana – Web

Development – Jeri Duran.

Business Development Bureau - Indian Country, Film, MTIP, SBDC and STEP - Casey Lozar.

2. Montana Board of Research and Commercialization Technology Bureau Program Updates
<http://businessresources.mt.gov/Portals/94/shared/MBRCT/docs/ProgramResultsSummary.pdf>
3. Big Sky Trust Fund Application Guidelines Changes
<http://businessresources.mt.gov/Portals/94/shared/BSTF/docs/DraftGuidelines.pdf>
4. Webgrants – Primary Sector Workforce Training Grants and Big Sky Trust Fund
<http://businessresources.mt.gov/WTG> <http://businessresources.mt.gov/BSTF>
5. Film Grant Program
6. <http://www.montanafilm.com/incentive-packages/big-sky-film-grant/>
7. Tourism Grant Program
<http://tourism.mt.gov/MarketingDevelopment/GrantProgram>
8. Branding – “It’s Time”
<http://visitmt.com/>

Following a roundtable discussion of the information shared, the meeting was adjourned.