Leadership Dedicated to Building Montana’s Economy

MEDA Board Retreat
“Focus for Future Success”

Bitterroot Room
July 15 and 16, 2019 (Noon to Noon)
Fairmont Hot Springs Resort

Present: Steve Arveschoug, Marie Hirsch, Paddy Fleming, Paul Reichert, Ken Fichtler, Wayne Gardella, Kirk Keysor, Beth Epley, Sarah Converse, Kim Morisaki, Charles Robison, Tara Rice, Rick Edwards, Tash Wisemiller, Chris Cerquone, Adam Vauthier, Grant Kier, Tracy McIntyre, Brian Obert, Joe Willauer, Russ Fletcher, Toni Schneider, Kathie Bailey, Mike O’Rourke, and Gloria O’Rourke.

Via phone: Craig Erickson, Tori Matejovsky, Kathie Bailey, Tim Guardipee

July 15, 2019

1. Welcome and Meeting Purpose
   a. Time to Connect – What is going on in your world?
      Following introductions, Steve opened the meeting by asking each person to give an update on what is happening in their region.
      
      • MMEC – Paddy reported three new advisors have been added as staff members (Billings, Great Falls, Kalispell); Montana is seeing a lot of activity in ag manufacturing.
      
      • ALDC: Today is Adam’s first official day as Executive Director of ALDC. The brewery is expanding, brownfields options are activated, a housing development is pending, blight is being addressed (14 homes), and manufacturing is expanding.
      
      • Chris Cerquone – Newfields is expanding (54 employees) due to mining, environmental projects, and water resources; brownfields clean up, etc.; MEDA membership ideas are being generated.
      
      • Ken Fichtler – GOED: plans for a cheese plant in Great Falls continue. Elisa (Main Street Montana Project) just finished visiting all Tribal Nations in Montana. She is working on themes and action plans for each. GOED interns are conducting interviews in towns about what is working and what is not working. GOED is working on business recruitment opportunities. Innovate Montana is coming together. A climate change action plan is underway.
      
      • MBAC: Brian reported over 300 loans are out totaling $10 million. A brewery is working on a four-phase growth plan. Helena Wins is a newly formed workforce group. Helena city leadership is in transition. MBAC is working on marketing. Brownfields projects and a mining project in White Sulphur Springs are pending.
      
      • Tash Wisemiller – MDOC is looking at ways to better coordinate programs to improve ease of use and avoid overlap. Interest is increasing with the Montana Main Street Program. Montana Downtown Conference will be held in October; Montana Healthy Communities conference will be in April 2020. Tash is presenting at several national conferences sharing success stories from Montana.
      
      • Wayne Gardella – SBA: loan guarantees in Montana are down but not as low as national levels. Wayne shared information on the federal budget and requests from the agency to guarantee loan programs at the current rates. If funding is not received, loan rates will sky


The agency is on a lockdown hiring freeze; Wayne is retiring in February.

- Tracy McIntyre: By 2021 all of Eureka will have fiber and expanded broadband capacity; progress is being made in bringing broadband to Libby and the Tobacco Valley.

- EDA: Kirk Keysor reported Opportunity Zones are a priority for the agency; boundaries have changed for the program. Disaster funding is pending. EDA still has some planning funds available for this year. Kirk expects to have coal impact funding again next year.

- Paul Reichert: Prospera started reaching beyond small business support and is now also working with emerging growth companies. Prospera is growing and trying to add staff and office space. The challenge faced daily is the duo-combination of workforce and housing. Bozeman might be losing its PTAC center; a rescue is underway. Bozeman will soon have a Food and Ag Development Center. Prospera published a regional economic development profile which will soon be on the internet.

- Beth Epley: In Eastern Montana there is a lot of pipeline activity. This activity is keeping small businesses afloat. Eastern Plains is partnering with GNDC to have a Food and Ag Center in Eastern Montana. Prairie County, Montana, is exploring irrigation opportunities. This switch to irrigation from dry land farming is challenging but will be worth it. Infrastructure projects with a hospital, wastewater, etc., continue to be in the works.

- Big Sky EDA – Steve: Lisa Clark is arriving in Billings this week to share knowledge on redeveloping downtowns with a medical corridor. Lessons will be learned from her work in the Mayo Clinic, Rochester, MN. Rock 32 Opportunity Program is moving forward as a support system for entrepreneurs. Big Sky EDA just renewed a contract with the school district and the Career Technical Education group to continue to create career pathways and mentorships.

- Toni Schneider: CTA has 450 employees with 15 offices across the United States and one opening in Atlanta soon. Telecommuting is essential for CTA. Projects include healthcare, schools, breweries, One Big Sky District progress, etc.

- Joe Willauer: The BLDC/Headwaters joint venture is going well with a total of 8 staff. Brownfields work is going well in every community. The call center is ramping up to about 300 employees and is taxing the workforce. The TIF district and the airport are growing; Precision Products is expanding. Multiple breweries have opened; a craft malting facility is in progress. Butte is glad to have a Food and Ag Center once again. BLDC is working with a retail consultant to dig deep into the purchase data of the area. Opportunity Zone projects are being developed.

- Grant Kier – Missoula Economic Partnership: Workforce is a major issue as well as space due to growth in Missoula. For the first time in the last decade, Missoula is becoming concerned about growth. MEP is taking time to improve communication on economic development and utilize their Opportunity Zone to address growth, housing and child care needs.

- Kim Morisaki – Montana West: Kim said in the Flathead there are three incorporated cities with booming populations. The demographics and face of the communities are changing, particularly in Columbia Falls. Kalispell is utilizing Opportunity Zones. The Rail Park is expanding with businesses. Young people aged 30 – 40 are moving to the area and opening businesses. Housing is critical; Kalispell adjusted rules to improve inner-city housing development. The Kalispell Regional Hospital nurses just unionized.

- Charles Robison – USDA: WEP and Community Facilities are in full pooling mode, so new projects will begin mid-August. Rural Business Development Grants have been issued; great projects in Montana this year. Charles attended a Region VIII SBA conference last week to discuss USDA-SBA collaboration. USDA intends to reach out to PTAC’s and SBDC’s to ensure those local organizations are fully informed on USDA resources. Heart of the Rockies is bringing on a person to work in rural Montana communities to make USDA RD programs and other resources more accessible. IRP training is set for August 14-15 in Great Falls. USDA is recruiting a new Business-Cooperatives Programs Director. USDA is looking
for farm labor housing projects to fund in Montana. Workers in some agriculture shipping/handling/processing facilities are eligible to live in USDA-funded farm labor housing, which can be located in urban areas.

- Marie Hirsch – Lake County CDC: Housing, workforce and childcare are big issues in Lake County. JORE manufacturing positions have been filled (a total of 23 new jobs over 2 years -- BSFT Award.) JORE has experienced some loss of revenue due to the loss of the SEARS contract. Opportunity Finance Network (OFN) is hosting a meeting with Northwestern region CDFI’s in Missoula on July 23rd. Billie has been the interim Executive Director for six months; the new ED search will begin again soon. Food and Ag funding was received by the Mission Mountain Food Enterprise Center, and Jan is busy with her team on facilities upgrades and expansion projects. Food sovereignty is a high priority, and Jan is working with the tribal communities on several projects. Polson downtown small business have recently benefited from access to TIF district funding, and a collaboration with the City, Chamber, a local foundation, and LCCDC has provided a great leverage of resources and program funding. Handmade Montana/Recreate Designs recently opened in downtown Polson providing a retail outlet for many handmade Montana products. The CRDC focus is on Opportunity Zones and a potential alternative energy project.

- Russ Fletcher – MATR: A Montana company recently successfully completed the new MATR website. New functionality is available including the option for anyone to post job openings and events over which the submitter has complete editing control. Warnings from San Francisco: changes in energy and transportation are coming. Prime delivery vans are everywhere; Uber cars are everywhere as are self-driving cars. Curbs are currently prime real estate. Russ noted “impossible burgers” sold out as soon as they were offered. Russ encouraged MEDA to examine the model of 1 million cups in Missoula.

- Rick Edwards – NorthWestern Energy: Rick reported the company is busy with four themes: a. storm response, b. growth, (although natural resource, i.e. Golden Sunlight Mine is closing), growth in Bitcoin facilities, interest in data centers, artificial intelligence, etc.; c. technology upgrades to improve how the company functions as well as customer service; and d. infrastructure.

- Tara Rice – MDOC: Tara said staff is working hard on the outcomes from the legislative session. Tara mentioned the Local Assistance Program which helps access gas, and coal assistance dollars. Montana Facility Finance Authority is generating opportunities; housing is a critical need and out of the legislative session there is now a new housing loan program. Board of Housing has a new bond offering which is going well. With the passage of HB52 SBDC funding distribution is being considered. Tara shared information she gathered from an Opportunity Zone presentation on what this tool will look like for rural communities. Bed tax collection remains strong; visitation is down but receipts are higher, thus targeted tourism is working. The Film Tax Credit is rolling out; MDOC and the state are gearing up for Census2020.

- Sarah Converse – Sweetgrass: Applications are in for various water and sewer projects. A new brownfields assessment grant is in as well as a CDBG grant. Outreach is ongoing with multiple businesses; workforce is an issue. Multiple grants are being administered as turnover takes place in rural community leadership. A charging station is in the works in Sunburst. Shelby has lost downtown businesses; Indian Equity Training has taken place in Browning. Sweetgrass is rebranding to the name North Central Montana Development District. Conrad now has a technical training partner in their school via John Deere.

- Tori Matejovsky – Great Northern Development: Tori mentioned the Eastern Plains partnership to set up the new Food and Ag Center. Poplar was selected as a USDA/RD site (one of 47 in the nation) to develop a masterplan for the downtown with a focus on small business attraction. Tori credited the Community Review that was held in Poplar for paving the way to receive this USDA opportunity.

- Kathie Bailey – Snowy Mountain Development Corporation is organizing a Brownfields Workshop on September 11th for practitioners managing RLFs, just prior to the MEDA conference. SMDC is working on 35 brownfields projects. Housing, workforce, and childcare are also issues in the SMDC region. A new grocery store is opening; developers are meeting
for housing needs. Regarding Colstrip closure and the coal industry—there is a huge impact within Musselshell County. Kathie encouraged everyone to get involved with their Community Complete County Committees for Census2020. SMDC has a new website and branding materials. Kathie said their organization is busier than they have ever been in the past 20 years.

- Tim Guardipee – Tim encouraged everyone to attend the NADC Conference July 30th – August 1st which will involve PTAC matchmaking, Government Contracting, and other with presenters and topics that pertain to Indian Country and all of Montana. A new wing is opening for a chemical dependency program in Billings. NADC continues to serve as the PTAC for a four-state region. The Microbusiness loan program continues to be useful; there is hope for additional funding next year. The NADC Loan fund continues to be developed; work with tribes continues on long term economic development projects such as alternative energy.

Steve noted common themes heard were: capacity, workforce, housing, childcare and “can’t grow because we can’t find workers.”

b. Put on your "WITT" Hat: **We’re in This Together.**

Steve has ordered for each board member a WITT hat which stands for We’re In This Together. It is obvious from the above discussion that we are in this together with common problems, challenges, and successes to share.

2. **Strategic Focus A**: Defining a strategy for the Next Generation of Economic Development Tools—Brian O.

a. **Final Review of Project Objectives**

A discussion was held regarding “Defining the Essential Economic Development Tools/Strategies to Drive Montana’s Economic Future” objectives. Discussion highlights:

- MEDA needs to be clear on the purpose of the need for this study so there is no question of duplication, i.e., Main Street Project.
- Montana is seeking the best tools to do economic development in Montana; a bag of tools that work for all. The programs that originated 20 years ago need empowerment today to meet today’s Montana needs. There is a difference between tools and policy. This RFQ would help define the tools and eventually come together with the policies of an administration. This information will empower MEDA and its partners to no longer ask for morsels but the whole loaf of bread.
- It is hoped the results are something that could be presented to any policy maker to share what MEDA and economic development practitioners need to move forward, build in resiliency, and prepare for the future.
- Economic Developers do great work; we want to do it even better; Appreciative Inquiry needs to be a part of this process.
- What will the deliverables be? Suggestion: Make this a living document so when you tap in to (for example) a DNRC program and have a successful or unsuccessful effort you can document it. This would serve as an educational tool for members and other audiences and create an active database of the programs.
- This study is not:
  - An economic development strategy. It may contribute to a strategy eventually.
  - An identification of winning programs and losing programs.
  - An analysis of MDOC programs.

b. **Discussion Conclusions:**

- **We’re In This Together (WITT)**
- Report needs to be autonomous and nonpolitical.
- Describe the burning needs; what tools do we need to address them? Keep focus on needs and tools that will impact all areas now and in the future.
- Inventory what we have; serve as an educational piece.
- This analysis will help maintain a broader perspective in a legislative session; no longer asking for morsels but the whole loaf of bread.
- This document identifies the tools; then the implementation side can be addressed.

c. **Deliverables Discussion Summary:**
Inventory of tools and points of impact
What are the pressure points in our economic future? Workforce, housing, child care, i.e. This answers the “why” for the project.
Recommend what Montana could do and here is how it is working in other states (the meat of the report), including how those tools are funded.
Contain good data that demonstrates the opportunity that is available. Given what we know, here is what we need and the resources required to get projects done.

### d. Goals for the Study- Discussion:
- Analysis of points of impact of what we do
- Independent comparison of five similar states
- Identify the pinch points: housing, childcare, workforce, capacity
- Make us more resilient; quality of life that drives livability
- Work with Western Governor’s initiative
- Consider a study similar to a CEDS for MEDA; next the MEDA Membership drives strategy, followed by implementation.

### e. RFP/RFQ Discussion:
- This study could be done in two phases with the first three “objectives” separated from the last two objectives. Phase 1 could involve what are the challenges and opportunities in the state? What tools are available? What tools do other states have and how do they fund them; and finally, recommend next steps.
- Do not take much time between Phase 1 and Phase 2 or value will be lost.
- Take today’s discussion to the consultant and ask them how they would go about finding these answers.
- Short timeline: have distribution of RFQ as soon as possible and have consultant hired prior to the MEDA conference so the consultant can attend.

**Action Items:**
Wordsmith the objectives based on the dialogue today: Sarah, Paul, Brian, Steve, Toni

Hold a board meeting within two weeks to approve the RFP/RFQ.

3. **Tour – TIF District Success in Downtown Anaconda**
   Adam Vauthier provided a tour of multiple downtown projects that have resulted from Anaconda’s TIF. The tour concluded at Donivans and the board enjoyed honoring Jim Davison for his years of service to MEDA, Anaconda, and the state. Jim was a founding board member for MEDA in 1993.

**July 16, 2019**

**Present:** Steve Arveschoug, Adam Vauthier, Wayne Gardella, Paddy Fleming, Russ Fletcher, Toni Schneider, Marie Hirsch, Tash Wisemiller, Ken Fichtler, Grant Kier, Mike O’Rourke, Joe Willauer, Chris Cerquone, Paul Reichert, Kim Morisaki, Charles Robison, Beth Epley, Sarah Converse, Tracy McIntyre, Tara Rice, Mike O’Rourke, Gloria O’Rourke.

**On the phone:** Tori Matejovsky, Tim Guardipee, Kathie Bailey

4. **Summary of Previous Day’s Work**
   Steve provided a summary of yesterday’s meeting and then shared a Scope of Work several worked on last night for the next generation of economic development tools study. Brian shared the four objectives below.

   **Objectives:**
   1. Define the challenges and opportunities facing Montana’s economic and community development.
   2. Research and analyze the current economic development strategies that are driving growth and how those strategies impact Montana’s economic future.
3. Define the economic and community development tools that best respond to Montana’s future opportunities for economic growth. Identify best practices among our regional competitors and how those efforts are initiated, funded and supported.

4. Identify key findings from the analysis and recommend an implementation strategy.

Action Item: Within the next few days, a meeting will be called to review the RFQ and establish a timeline for this work. Brian Obert, Chair; Sarah Converse, Paul Reichert, Steve Arveschoug, and Toni Schneider.

Action Item: Gloria is to begin a google drive spreadsheet to keep track of partners and funders. The goal is to raise at least $100,000.

5. **Strategic Focus B:** Develop a framework for MEDA’s Sustainability—Mike and Chris C.
   a. Review of proposed 2020 Budget and Future Challenges
      Mike reviewed the proposed 2020 budget. Cuts were made so as to not take $10,000 in funds from savings. The draft budget is a typical framework to meet MEDA’s day to day needs. Recommendations for future growth: increase membership person-to-person contact; utilize conferences for funding and growth. The 2020 budget will be adopted at the fall conference board meeting.

   b. Consider Membership Growth Plan and Dues Structure
      Chris shared a membership report and included ideas on how to grow MEDA’s membership and increase income. The membership report clarified that sectors are missing from our organization such as chambers, Tribal representatives, realtors, college university reps, contractor associations, large development companies, ag-based businesses and associations, and tech companies. The goal is to target some of these groups and share bullet points as to their particular benefits of joining MEDA. It was noted that firms that benefited from our partnership with MIC would be interested in joining. Craig and Chris will continue to identify MIC partners for MEDA membership.

      Chris noted MEDA makes money on its conferences. One suggestion was to have targeted, topic conferences to raise funds. Examples of topics: workforce, Opportunity Zones, housing, etc.

      Chris would like to see more relevant topic choices in our existing conferences so that as our membership expands, the topics expand and are attractive.

      Discussion Summary:
      - Consider a group rate for larger corporations. Grant noted, for example, that he would pay more for his organization to be a member than to have an employee leave and take their membership with them.
      - Add to our membership: realtors, labor and housing, corporations.
      - It is each board member’s responsibility to encourage membership.
      - Russ recommended MEDA serving as the umbrella organization to begin City Clubs in MEDA membership communities. This would expand MEDA membership and bring in funding.
      - Review waived memberships; use subscriptions.
      - Add a “join MEDA” option when people sign up for a conference.
      - Membership structure could include:
        - Individuals
        - EDOs
        - Private/Corporation Membership
        - An overall lean structure with a narrow scope for higher partner payment.

   Action Item: The Membership Committee will create a membership plan for the board’s review. Committee: Chris Cerquone, Rick Edwards, Grant Keir, Joe Willauer, Toni Schneider, and Gloria.

   c. Develop Objectives for 2020 Budget
      Rick and Mike studied the $10,000 gap in the working budget and suggested raising dues to $150 and increasing conference fees by $25. In addition, the Golden Shovel contract would be reduced to $3,600.
In looking at the bigger picture, Steve mentioned the long-standing relationship with MDOC and its support of MEDA. MDOC provides about 60% of MEDA’s funding. This relationship is a give-and-take of value. MEDA needs to plan ahead and look for sustainability or as Steve said, “Move out of our parent’s basement.” A close working relationship would still be maintained.

Tara noted the contract may not survive an audit and that is why deliverables were reviewed and tightened this year. Tara also noted the sole source arrangement could be changed in the future, too.

Tara suggested MEDA look in to using MDLI programs such as apprentices or interns for economic developers. Tara will encourage Kathleen O’Leary to become engaged with MEDA. Tara also cautioned duplicating the work of existing conferences and agencies. MEDA could consider a statewide economic development conference with all partners gathering on labor, housing, childcare, etc., with a unifying concept. This would be a great way to integrate all issues of community and economic development.

Big Picture Budget Discussion Summary
It was noted MEDA members are those who deliver on-the-ground services. MEDA needs to be prepared to answer how MEDA is different when approaching funders.

i. Funding $5,000 MIC dues.
   1. Place an “opt in to assist paying MIC dues” on membership invoice
   2. Consider joint membership with MTA. Ken will introduce Steve to Tyler.

ii. Hold targeted conferences, for example, on workforce; would include work with community college on economic developer training

iii. Consider a large statewide conference to integrate everyone on how to build communities; a great way to integrate the issues and build partnerships.

iv. Consider foundation(s) for funding source

v. Approach banks

vi. Examine where MEDA could charge for services or seek sponsors.

vii. Identify five corporate sponsors with a one-time ask which would support conferences, website, newsletters, etc. Board members would make the ask.

Action Item: Once the Membership and Marketing Committee has identified what is needed, a Corporate Partnership Committee will be formed.

6. MEDA Business
   a. Approval of Minutes and Financial Reports
   Sarah moved to approve the last board minutes as well as the Financial Reports. Marie seconded the motion. Motion carried.

   b. MEDA Contract with MDOC
   Tara reviewed the amended contract with MEDA. Key changes included:
      i. Survey of members to identify regional and statewide needs to develop a strategic plan.
         MDOC’s Community Development Division requested this addition. This is to be a fairly informal poll of MEDA members.
      ii. Hire subcontractor and hold one-time conference on Opportunity Zones.
      iii. Serve as informational and coordination hub of Opportunity Zones.
          Dynamic things are happening with Opportunity Zones with real estate components. In rural and tribal communities, there is very little movement. MDOC is currently answering the same questions over and over, such as “how do I change my boundaries”. The subcontractor would respond to the basic questions. More sophisticated questions would go out to resources as needed.

   In summary, Tara said the basic need is to have a matchmaking event where Opportunity Zones around the state can meet with investors, in particular rural and tribal areas. Tara is reaching out to contacts who have interest in investing in rural/tribal areas. Businesses will need to come prepared. The question for MEDA: is it a priority for MEDA to be a leader across the state in serving as a resource for Opportunity Zones? The answer to this question will determine the Scope of Work and pending addendum to the contract.
Action Items:
The following committee will work with Tara and her team to develop a Scope of Work for the Opportunity Zone contractor and the roles of MDOC and MEDA: Wayne, Erik, Kim, Brian, Marie, Sara Hudson, and Steve. The committee will meet next week.

Membership Survey: Gloria is to work with Tara to compile a brief membership survey on what EDOs and communities are doing within their Opportunity Zones and what they need to take advantage of this tool. This will help identify where Montana is at in the process.

c. MEDS Contract with MEDA
   Tracy McIntyre took the following notes on the MEDS contract discussion. A motion was made by Grant to approve the contract as presented with two amendments: under section 1 (i) to assist with the coordination of the Next Generation of Economic Development Tools Analysis; under II Payment remove the language regarding MDOC funding. The motion included that a review process and the rate be completed on this contract at the spring 2020 MEDA Board meeting. The motion was seconded by Brian Obert. Motion carried.

d. Committee Updates (if not already discussed)
   • Legislative
     Marilyn Besich requested the MEDA Board endorse her as a candidate to serve on the MUS Two Year Education Restructuring Review Commission. Paddy moved to endorse Marilyn to this commission but not speak on behalf of MEDA without MEDA being informed; Marilyn would serve as an informational reporter back to this organization. Brian seconded the motion; the motion failed with three in favor and nine opposed. It was determined MEDA needs a process and/or policy in place for board commissioned appointments. Kim offered to reach out to Marilyn.

Action Item:
Place on the September Board Meeting Agenda the creation of a policy on board commissioned appointments.

   • Awards and Fall Conference - Kathie
     Awards Committee Chair Kathie Bailey encouraged every board member to submit award applications. Applications are due August 2nd. Regarding the Lewistown MEDA Fall Conference, the professional development piece will start the morning of September 12th on the topic of Gracious Space. Kathie reviewed the rest of the agenda. The board meeting will take place immediately following the conference on Friday.

7. Misc. and Next Meeting
   a. Brownfield RLF MOU with the state
      There was not a quorum present to address this issue.
   b. Census2020
      Kathie encouraged everyone to get involved in their Community Census Committees.
   c. Items for the third week in August Board Call:
      • Next Generation of ED Tools RFQ (vote)
      • MDOC/MEDA Scope of Work for O-Zone subcontract (vote)
      • Draft of membership dues strategy
      • Draft of budget strategy for 2020