

Building
REMARKABLE

BUSINESS GROWTH SERVICES • COMMUNITY DEVELOPMENT • NEW BUSINESS RECRUITMENT

REMARKABLE
BUILDERS
CELEBRATING
ENTREPRENEURS



BIG SKY
ECONOMIC
DEVELOPMENT

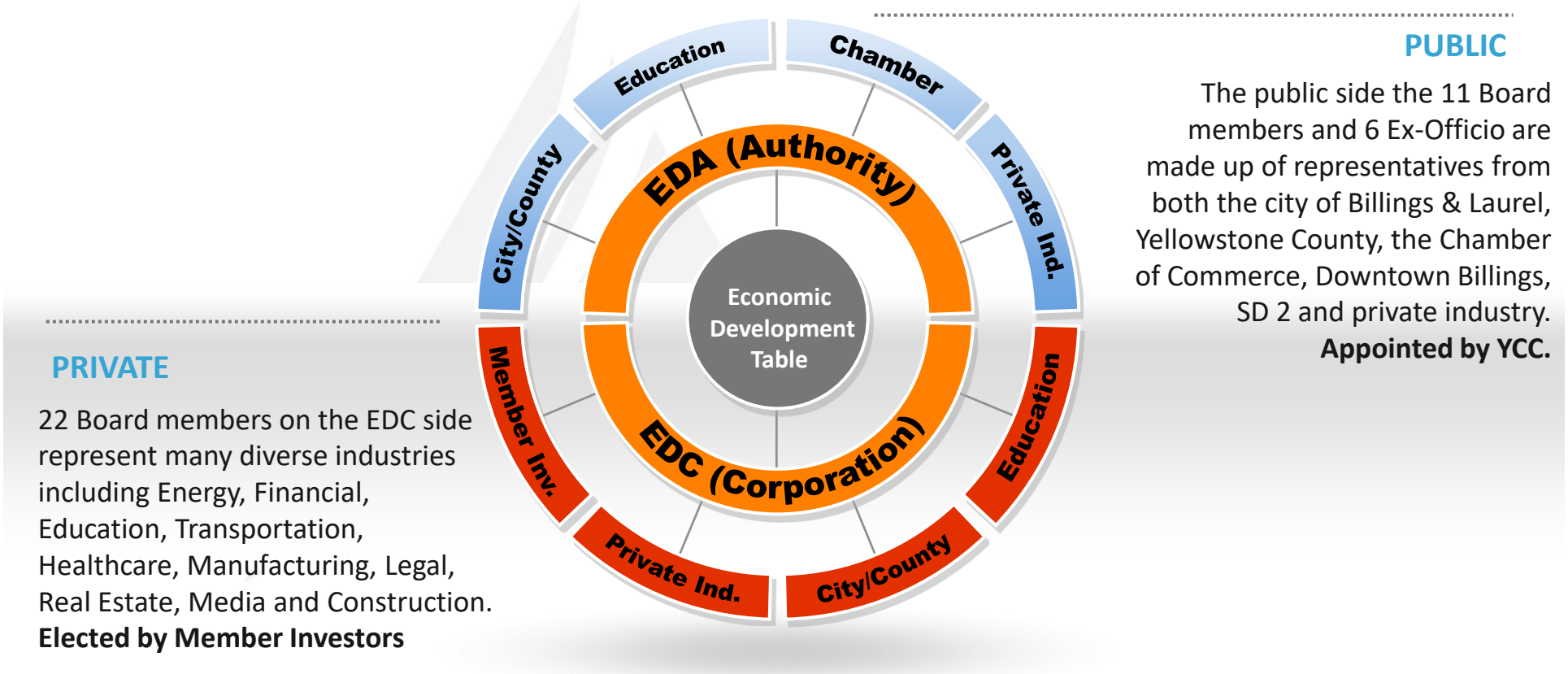
BSED
OVERVIEW

2022

BIGSKYECONOMICDEVELOPMENT.ORG

BIG SKY ECONOMIC DEVELOPMENT

PUBLIC/PRIVATE PARTNERSHIP



Economic Development in Yellowstone County

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BIG SKY
ECONOMIC
DEVELOPMENT



THE MISSION

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.

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BUSINESS

GROWTH

SERVICES

Are You Ready to Start or Grow Your Business?

Do you want to talk to an experienced professional about what the next step is? Then meet "your team for business growth services."



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COMMUNITY DEVELOPMENT

*Building the Foundation
for a Vibrant Economy*

Community Development provides the leadership and resources to plan and initiate programs, projects, and partnerships that stimulate public and private investment, provide a better quality of place, and enhance the community's economic wellbeing, providing the foundation for economic development and a vibrant economy.

*Where Blue Sky
Meets Bottom Line*

We call Billings home. We love it here. We're proud to be the regional hub for financial services, world-class healthcare and consumer product manufacturing. This is our home and the place where businesses succeed, families flourish and the life balance most can only dream of is a reality. Interested in growing your business here in Billings?



THINKBILLINGS
M O N T A N A

NEW
BUSINESS

RECRUITMENT

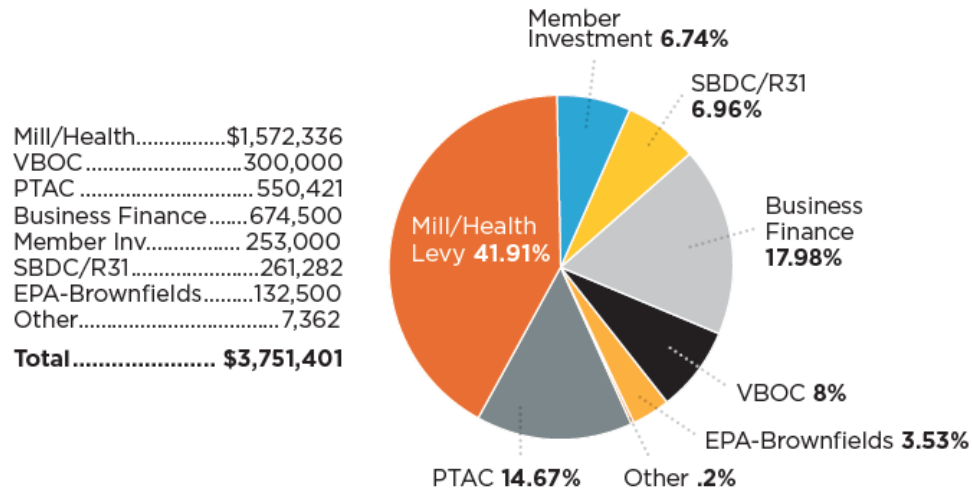
BUSINESS GROWTH SERVICES • COMMUNITY DEVELOPMENT

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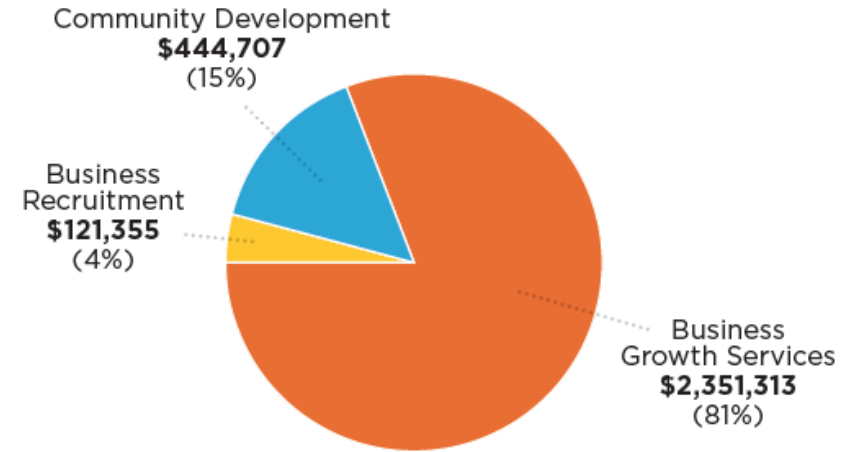


ALLOCATION OF RESOURCES

BSED REVENUE FY21 Budget



BSED EXPENSES FY21 Budget



BIG SKY ECONOMIC DEVELOPMENT SUCCESSFULLY LEVERAGES TAXPAYER DOLLARS NEARLY

3:1

WE ARE ASPIRATIONS

OUR VISION FOR THE FUTURE OF YELLOWSTONE COUNTY CAN BE REALIZED, IN PART, BY EXECUTING ON OUR STRATEGIC PRIORITIES. WE CALL THESE VISION STATEMENTS OUR “WE ARE ASPIRATIONS.”

WE ARE...

A thriving community that is open and safe for business, with a strong community wellbeing

The top choice for talent and a place that succeeds at developing its workforce

Attracting new private investment and job creation at an accelerated rate

A destination for the development and attraction of innovative companies

A growing, world-class healthcare destination

STRATEGIC PRIORITIES | FY 22

ACHIEVING OUR ASPIRATIONS THROUGH ACTION | ADDING VALUE AND MAKING AN IMPACT

1. Make community development investments for a measurable impact to our quality of place
2. Invest in essential infrastructure that directly drives new private investment
3. Build upon our leadership status as a regional healthcare hub
4. Grow and attract innovative companies
5. Retain, develop and attract the next generation of our workforce

STRATEGIC PRIORITIES | FY 22

OBJECTIVES

1. Make community development investments for a measurable impact to our quality of place

- Advocate for a comprehensive approach/investment in public safety (Board and ED)
- Incentivize downtown revitalization by identifying and securing shovel-ready sites to spur new private investment (ED, OF, RT, and DBP)
- Support the redevelopment of MetraPark, and associated private investment and entryway beautification (CD with MetraPark)
- Secure the \$250,000 match requirement for Phase I Coulson Park development, and advocate for a comprehensive approach to new parks and trails development (CD and ED)
- Support concept-development for the Native American cultural center (CD)

2. Invest in essential infrastructure that directly drives new private investment

- Secure \$6.0 million to kickoff water and sewer infrastructure development in the TEDD (CD)
- Support the development of three new business/industry parks: Laurel at west interchange; Hwy 3 Airport corridor; and I-90 South Frontage Road (RT, CD)
- Align our business recruitment efforts with these developments and secure new private investment (RT)

STRATEGIC PRIORITIES | CONTINUED

OBJECTIVES

3. Build upon our leadership status as a regional healthcare hub

- Shepherd the development of the Montana College of Osteopathic Medicine from the permit process to opening (July 2023), propose and advocate clerkship and residency program development, and facilitate private sector partnership opportunities, including applied research and bioscience (ED, RT)
- **Incentivize downtown redevelopment that complements and connects the medical corridor to downtown** (RT, ED, CD)
- Partner with the MIST initiative to secure research and lab space for the attraction of bioscience companies (RT, ED)

4. Grow and attract innovative companies

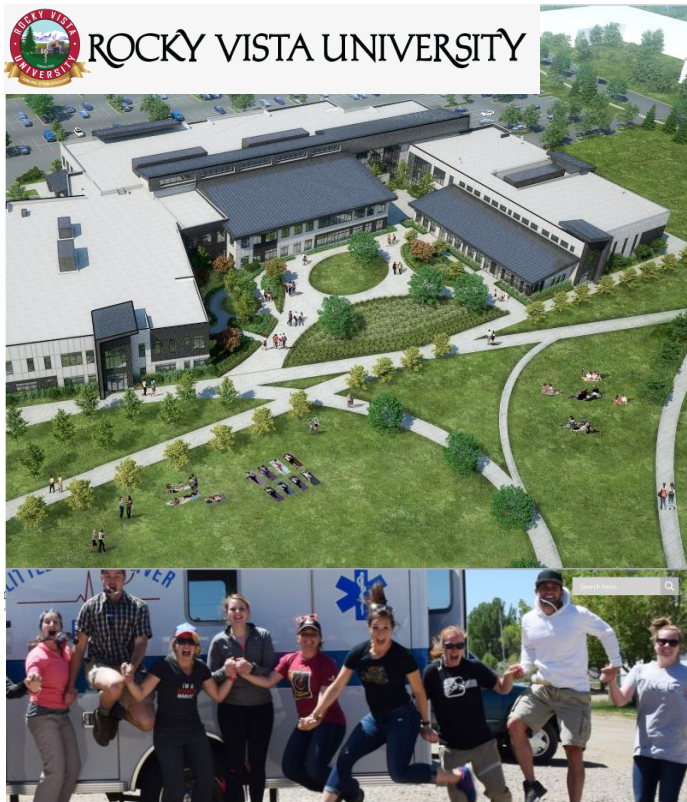
- **Complete the Rock31/BSED building to support a strong, growing entrepreneurship ecosystem and deliver BSED services** (R31, DO, ED, Bd)
- Foster the growth of a talent pool (through effective partnerships) that aligns with the needs of innovative companies (BW, R31)
- Deploy a targeted business expansion and recruitment strategy to realize measurable job growth and investment in this sector (RT)

5. Develop, retain and attract the next generation of our workforce

- Facilitate business/education partnerships that serve to strengthen the alignment of workforce needs and workforce development efforts to meet current and future workforce needs (BW)
- **Enhance our BOIB talent retention and attraction measures to support employers' efforts to recruit workforce** (BW, BOIB, ED)
- Advocate for the growth of key programs, enrollment, and capital investment at RMC and MSUB in partnership with college/university leadership/Board of Regents/legislators (BW, ED)

OPPORTUNITIES & CHALLENGES AHEAD

YOU TAKE THE LEAD

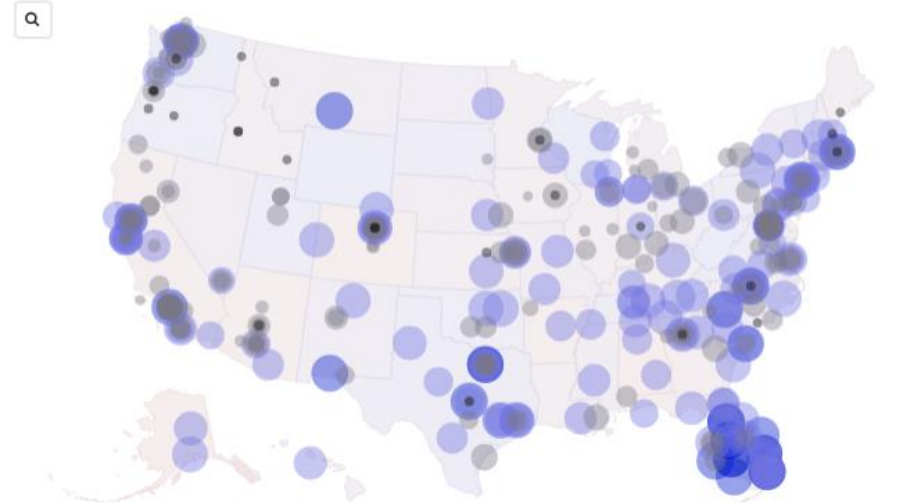


Welcome to Billings!!

2020 to 2021: Which Cities Were More Popular This Year Than Last?

- Least
- Less
- More
- Most

Billings: 1 out, 3.9 in



Note: Cities ranked by those with the greatest increase in net moves to the greatest decrease in net moves from 2020 to 2021. • Source: U.S. Census (2019 Estimates) **moveBuddha**

RESOLVE OR SEIZE:

- Survey– 1) crime, homelessness, substance abuse; 2) talent/workforce
- Future funding for parks and trails?
 - Housing!!!
- Downtown/Medical Corridor Investment

BUILDING

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ROCK31



BUILDING A THRIVING ENTREPRENEURIAL ECOSYSTEM IN BILLINGS

WHAT IS ROCK31?

Rock31 is a Business Accelerator and Future Coworking Space for Innovative Entrepreneurs, Freelancers and Creators



ROCK31

MEMBERSHIP AND SPACE

- Private Offices
- Dedicated Desks
- Shared Workspace
- Large Training Room
- Conference Rooms



BARISTA & CONSUMER PRODUCTS INCUBATOR





Building Tours

Every Thursday
at 1:30 pm

Tours end April 2022

Schedule a Tour!



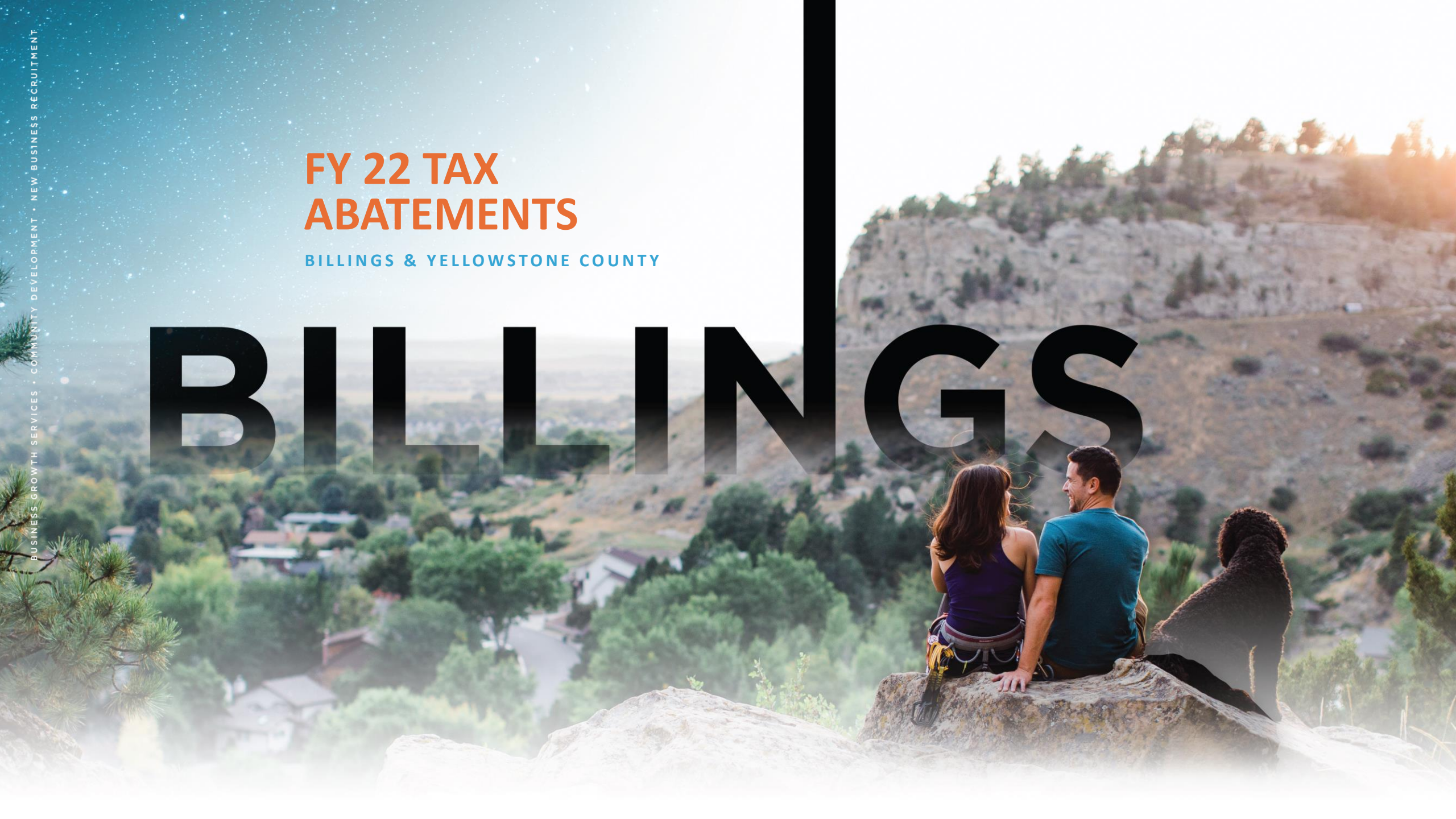
tours@bigskyeda.org



FY 22 TAX ABATEMENTS

BILLINGS & YELLOWSTONE COUNTY

BILLINGS



TAX ABATEMENT PROGRAM

YELLOWSTONE COUNTY | CITY OF BILLINGS

In 1988 the State of Montana gave local governments authority to implement tax abatement programs. Since then, Yellowstone County and the City of Billings have successfully used the program to attract new businesses and grow existing businesses.

- **October 1994** | The 10-year incentive (MCA 15-24-1401/1402) was adopted in by the Yellowstone County Commissioners.
December 2005 | the City of Billings adopted the 10-year program
- **August 2002** | Yellowstone County Commissioners adopted the five-year tax incentive for remodel, expansion, and reconstruction (MCA 15-24-1501). **December 2005** | The City of Billings adopted the program.

TAX ABATEMENT PROGRAMS

5-YEAR PROGRAM

- Allows **tax reductions** on remodeling, reconstruction, and/or expansion of existing real property when a project makes improvements exceeding \$500,000 to the property.
- **Tax relief** is received only on the incremental increase in taxable valuation of the existing property.
- Under the Remodeling, Reconstruction or Expansion Tax Incentive Program, the property taxes levied on the value of the improvements may be **reduced by 100%** for the first 5 years of the project.
- After the 5th year, the property would return to its **full taxable value**.
- A **leased building** is typically not eligible for this tax incentive program as the property owner applies.

APPLIED

5-YEAR SAVINGS INITIATED UPON CONSTRUCTION COMPLETION

1st Year Following Construction: 0% New Taxable Value (100% Savings)

2nd Year Following Construction: 0% New Taxable Value (100% Savings)

3rd Year Following Construction: 0% New Taxable Value (100% Savings)

4th Year Following Construction: 0% New Taxable Value (100% Savings)

5th Year Following Construction: 0% New Taxable value (100% Savings)

Following Years: 100% New Taxable Value (0% Savings)

TAX ABATEMENT PROGRAMS

10 YEAR PROGRAM

Allows tax reductions under the New & Expanding Industry Tax Incentive Program, the taxable value of the real property can be reduced by 50% in the first 5 years. This abatement increases 10%/year to full value.

In years 6-10, the tax obligation gradually increases, and the savings decreases until the full 100% liability is required and the abatement expires in year 10.

The 2017 MT Legislature passed House Bill 226 providing discretion to governing bodies to increase the application of tax savings regarding the 10-year program. Taxable value of the incremental increase in valuation can be reduced by 75% in years 1-5, then increased by 15% in years 6-10.

The 10-year program is for businesses owning the building and property as the owner applies. There are certain criteria; primarily that 50% of the company's revenues are generated from out of state. Job creation is also strongly encouraged for both programs.

TAXED AT 25% OF BUSINESS'S NEW TAXABLE VALUE

TAXED AT 25% OF BUSINESS'S NEW TAXABLE VALUE

Years 1-5	25% Taxable Value	75% Savings
Year 6	40% Taxable Value	60% Savings
Year 7	55% Taxable Value	45% Savings
Year 8	70% Taxable Value	30% Savings
Year 9	85% Taxable Value	15% Savings
Year 10	100% Taxable Value	0% Savings

TAXED AT 50% OF BUSINESS'S NEW TAXABLE VALUE

Years 1-5	50% Taxable Value	50% Savings
Year 6	60% Taxable Value	40% Savings
Year 7	70% Taxable Value	30% Savings
Year 8	80% Taxable Value	20% Savings
Year 9	90% Taxable Value	10% Savings
Year 10	100% Taxable Value	0% Savings

ABATEMENT SAVINGS

CAPITAL INVESTMENT & PRESENT TAX

Date Approved	Term	Abatement %	Company	Capital investment	2019 Yearly Payroll	Tax Savings 2019	2020 Yearly Payroll	Tax Savings 2020	Jobs 2019		Jobs 2020	
									Jobs 2019 FT	PT	Jobs 2020 FT	PT
7/5/2013	5yr	50%	Aspen Air	\$7,156,703.00	\$1,078,579.00	\$23,770.00	\$1,135,417.00	\$12,501.65	17	1	17	2
12/27/2016	10yr	50%	Billings Flying Service	\$2,200,000.00	\$8,086,127.00	\$13,846.00	\$10,736,125.17	\$12,594.51	96	8	119	29
2/23/2016	10yr	50%	CHS Inc., Laurel, MT Refinery	\$13,000,000.00	\$59,772,773.00	\$557,925.00	\$50,684,754.00	\$469,358.34	393	51	388	52
6/26/2018	10yr	50%	CHS Inc., Laurel, MT Refinery	\$99,028,042.00	Included above	Included above	Included above	Included above				
4/11/2017	5yr	50%	Home 2 Suites by Hilton	\$12,773,000.00	\$633,605.00	\$65,962.00	\$581,203.00	\$71,918.07	2	40	6	28
10/25/2011	10yr	50%	Subaru of Billings	\$2,150,000.00	\$1,135,013.00	\$39,239.00	\$2,434,405.00	\$40,778.24	14	2	44	0
11/19/2013	10yr	50%	Montana Peterbilt	\$5,600,000.00	\$6,337,485.00	\$16,705.00	\$6,337,485.00	\$9,138.47	102	0	90	0
11/19/2013	10yr	50%	Northwest Scientific	\$2,122,328.00	\$1,053,424.00	\$4,859.00	\$1,075,717.74	\$1,564.68	18	0	19	0
11/14/2017	10yr	75%	Phillips 66 *only approved 25%	\$298,803,000.00	\$50,000,000.00	\$3,031,263.00	\$50,000,000.00	\$2,707,497.30	311	0	319	0
12/23/2014	10yr	50%	Summit Resource International	\$2,300,000.00	\$707,726.00	\$10,133.00	\$3,715,882.59	\$6,183.05	17	21	63	9
									970	123	1065	120
Totals				\$445,133,073.00	\$128,804,732.00	\$3,763,702.00	\$126,700,989.50	\$3,331,534.31				

2020 ACTIVE TAX ABATEMENTS

TOTAL CAPITAL	TOTAL PAYROLL	TOTAL TAX SAVINGS OF ALL PARTICIPANTS
\$410,831,042	\$126,700,989.50	\$3,331,534.31
Investment of all active (11) abatements	For all businesses receiving a tax abatement or expired in 2020	Businesses in 2020

ABATEMENTS EXCLUDING P66 & CHS

TOTAL CAPITAL	TOTAL PAYROLL	TOTAL TAX SAVINGS OF ALL PARTICIPANTS
\$34,302,030	\$26,632,510	\$154,679

HIGHLIGHT

EXPIRED '19 ABATEMENT

COMPANY	CAPITAL INVESTMENT	BEGINNING MARKET VALUE	ENDING MARKET VALUE	INCREASE IN MARKET VALUE	BEGINNING GENERAL TAX BILL	ENDING GENERAL TAX BILL	INCREASE IN GENERAL TAXES
Motor Power Equipment	\$2,530,000	\$1,900,000	\$5,400,400	\$3,500,400	\$42,555	\$75,319	\$32,764
Totals	\$2,530,000	\$1,900,000	\$5,400,400	\$3,500,400	\$42,555	\$75,319	\$32,764

THANK YOU!

QUESTIONS?

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