



BIG * SKY
CHAMBER OF COMMERCE
CONVENTION & VISITORS BUREAU

Agenda
Board of Directors
Big Sky Chamber of Commerce
55 Lone Mountain Trail | Big Sky, Montana 59716

406-995-3000
8:30 AM
September 8, 2014

www.bigskychamber.com

- I. Call to Order
- II. Public Comment
- III. VBS Liaison Report

<u>Action Items</u>	<u>Responsibility</u>
IV. Approval of Minutes	DOC
V. Financial Report	John
VI. Rotary Signs Topic Memo Attached	Danielle

Discussion Items

- VII. Update of TEDD/TIF Discussion
Value of TIF White Paper Attached All
Kitty/Regan
- VIII. Tourism Development and Marketing Master Plan
Process Outline Attached Kitty
- IX. Staff Reports
 - a)VIC
 - b)Business Expo
 - c)Membership, Golf Tournament Recap
 - d)Gateway Amenities Management Plan

Adjourn



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MEETING MINUTES

Chamber Board

55 Lone Mountain Trail | Big Sky, Montana 59716

406-995-3000

August 12th, 2014

www.bigskychamber.com

Present: David O'Connor, Sarah Griffiths, Shawna Winter, Brandon Bang, Kevin Germain, Bill Simpkins and John Richardson

Absent: Pat Straub

Staff: Kitty Clemens, Danielle Miller, Regan Teat, Marci Lewandowski

Public: Ryan Hamilton, Big Sky Town Center, Project Manager
Mike DuCuennois, Vice President of Development, Yellowstone Club

Call to Order: 8:35 a.m.

ACTION ITEMS

- **Approval of Minutes**
 - Motion to approve the minutes was made by Sarah Griffiths and seconded by John Richardson with two amendments: to add Yellowstone Development and Town Center when referring those involved in creating a TIF/TEDD and the addition to July's membership report that the Chamber of Commerce added 56 new members in 2013-2014 fiscal year.

- **Approval of the Financial Report**
John Richardson, Treasurer
 - The balance sheet shows a sizeable amount in the checking account. In the past, we always had to take out lines of credit, which in the future, will not be necessary.
 - For example, the Official Visitor Guide sold over \$60,000 in advertising and cost about \$40,000 to produce.
 - Membership write-offs went from \$15,000 to \$6,000. We don't have the same year-end issues that we had in the past. We have been able to grow financially and become more financially stable as a non-profit.

- **Update on IRS Audit**
John Richardson, Treasurer

- We are being audited by the IRS. The auditor will be here August 26th, 27th and 28th. They picked the year, we didn't have an Executive Director and we were operating on a shoestring. At the time, we only had one full-time staff member and a part time book keeper.
- One issue we noticed is that someone checked YES that we had a material diversion in 2009. We believe this mistake triggered the cause for the audit.
- We are still looking for a \$25,000 APEC check. We received a 1099 from New York Life but the check was never deposited into our Quickbooks system. We are still trying to track down the check. We have filed all the documents from the fiscal year we are being audited, but we are still missing some W-2's
- We have signed a power of attorney to have the auditor speak with our accountant directly.
- The worst case scenario is that we have to pay a fine. If we need to make any changes to how we interrupt the tax laws, the auditor will make sure to instruct us how to fix them.
- Kevin Germain suggested that we consider working with a CPA that does more work specifically with non-profits since we are a unique entity.
- David O'Connor wanted to remind the board members, to continue to thoroughly review each months financials before approving them.
- A motion to approve June month end financials was made by Sarah Griffiths and seconded by Kevin Germain.
- A motion to approve year end financials was made by Kevin Germain and seconded by Bill Simpkins.

Request for Approval to Seek BSRD Funding for TIF/TEDD

Ryan Hamilton, Big Sky Town Center, Project Manager

- Ryan organized a fairly extensive meeting of Big Sky stakeholders on Aug 1st. The goal was to share the research collected over the last year on the possibility of creating a TIF/TEDD in Big Sky.
- A few community members drove to Butte last Tuesday to meet with Janet Cornish, owner and principle of Community Development Services of Montana.
- A TIF workshop was held in Joliet, Montana on Thursday, August 7th. Several key individuals attended including Brian Caldwell, Commissioner Martineau and Commissioner Schultz.
- Ryan Hamilton believes \$90,000 is needed to create a TIF/TEDD plan for Big Sky. Rob Gilmore, Executive Director of the Northern Rocky Mountain Economic Development District is working on a grant to acquire 50% of these funds. Private entities have already contributed, but another \$40,000 to \$50,000 is needed to complete the match.
- Ryan Hamilton spoke with Jamie Kabisch, Chairperson for the Big Sky Resort Tax Board, to try to apply to use Resort Tax sinking funds for this request. However, the sinking fund is reserved for emergency funds and TIF/TEDD would not fall under such funding.
- Another option to securing funding for a TIF/TEDD is by re-appropriating Resort Tax funds from one organization or multiple organizations. Ryan proposed that the Chamber of Commerce re-appropriates a portion of its 2014-2015 funds to help fund the creation of a TIF/TEDD by switching funds from a Chamber program that is lower in priority such as the entryway monument.
- A discussion followed amongst the board on which other organizations, either non-profits or for-profits, that could also contribute to the funds and what the reasoning behind requesting that the Chamber be the only organization to re-appropriate its Resort Tax application funds. Ryan Hamilton replied: there was talk of creating an Economic Development office, but since the Chamber already does an extensive amount of economic development, it was the logical choice.
- Bill Simpkins stated that if TIF/TEDD becomes a higher priority for economic development, the Chamber board should look into reallocating entryway monument rollover funds as a policy decision.
- Kitty Clemens suggested the first step is to ask Resort Tax under what conditions would they allow for the re-appropriation of Resort Tax funds.

- Kitty suggested a grant can be submitted with a match pledge. When the EDA awards the grant the funds can be solicited. Stakeholders will not want to lose the EDA funds due to lack of the match.
- Kevin Germain suggested that the money to bury the power lines might be a better candidate than the entryway monument rollover funds. He believes the Chamber needs a plan for this corner and it does not want it to be perceived that the Chamber is abandoning the project.
- Kitty suggested the Chamber ask the Department of Revenue if they concur with our intended use of the TEDD law before we expend \$90,000. Kitty referenced the Montana Supreme Court vs. Fallon County document that was sent to board members in advance of the meeting whereby the Court allowed the Department to promulgate rules over a TIF district in Montana. She also referenced an instructional letter dated April 2014 from the DOR and said she felt the letter's tone was to encourage entities to utilize Department resources for a successful outcome in creating new districts. Kitty read from the letter, "We believe it serves local government's best interest, when they work with the Department of Revenue in the earliest stages." The letter stated the Department of Revenue is trying to help communities with remittance, double taxation, and boundary issues in TIF districts, not act as a roadblock to the creation of such districts.
- Bill Simpkins made a motion for the Chamber board to ask the Resort Tax Board to move \$45,000 from the Chamber's request to bury power lines to be reallocated to create a match grant fund for a TIF/TEDD application to the EDA. Kevin Germain seconded the motion.
- Further discussion on the Department of Revenue's place in the creation of a TIF/TEDD district took place. Bill Simpkins was confident the Department of Revenue did not need to be consulted.
- The board discussed three risks involved in passing this motion including: defunding a project the Chamber wanted to complete and is prepared to accomplish, funding a project with an uncertain outcome and the political ramifications, the potential of bills jeopardizing bed tax funds should the legislature decide to replace lost general fund from tourism related TEDD districts within the state.
- There is some concern from the board on whether or not to approach the Resort Tax Board without secured match grant funding. Mike DuCuennois made a public comment and ensured he would be able to find matching funds if the Chamber is able to secure \$45,000 from the Resort Tax board
- Bill Simpkins amended the motion to request reallocated funds from the Chamber of Commerce's 2014/2015 Resort Tax Application to bury power lines on Highway 191, contingent upon securing the appropriate match funds for the creation of a TIF/TEDD plan, at the next Resort Tax board meeting and seconded by Sarah Griffiths. With all in favor the motion passed.
- The question was asked about administration of funds. Kitty stated the executive director signs contracts and approves invoices to be paid. John Richardson and David O'Connor clarified that contracts and expenditures proposed by the subcommittee must first be approved by the Board.

Conflict of Interest Forms

Kitty Clemens, Executive Director

- A motion to adopt the policy of Conflict of Interest forms discussed in July's Chamber board meeting was made by Sarah Griffiths and seconded by Shawna Winter. With no further discussion and all in favor the motion carried unanimously.
- With the action item approval, the board signed the Conflict of Interest forms. Staff also needs to sign Conflict of Interest forms.

License Agreement

Danielle Miller, Membership Sales & Events Manager

- After several updates to Chamber Master software, anyone who is a Chamber Member in good standing, can put the Chamber logo on their website. Because the Chamber logo was paid for by public funds, there is no license agreement for the logo. We feel that the more people use the logo the better. Chamber Master will track our members and can pull the logo from member's websites in case a member falls out of good standing.

- At this time, Chamber staff decided that it is not appropriate to have members print the Chamber logo on apparel. If we do decide to do this in the future, we would need to produce a license agreement that includes royalties.
- Our biggest concern is the maps. We do not want businesses reproducing our maps.
- Dave suggested that we allow members to use the logo in their email. If we add an option to use our logo in email to the membership application, we will be able to track who is using our logo in their emails.
- The motion to adopt the license agreement was made by Brandon Bang and seconded by Sarah Griffiths. With all in favor the motion passed.

INFORMATION ITEMS

VIC Report Summary & Topic Memos

Marci Lewandowski, Visitor Services Manager

- We've had a record number of walk-in traffic to the visitor center this July with 3,193 visitors.
- Our top country is Canada (Alberta is the top province). The top states are Montana, Texas, Minnesota and Washington. These states are in line with Visit Big Sky's summer drive market advertising proposed by FUSE Ideas, which targeted the state of Montana, Calgary, Alberta; Houston, Texas; Seattle and Spokane Washington; and Minneapolis Minnesota.
- Over 19 countries were represented in the month of July from Central America, Europe, Africa, The Middle East and Australia.
- The visitor center is installing a 24 hour lobby phone on Wednesday, August, 13th. This hotline phone is free to use and will allow after hours visitors to make reservations based on a lodging vacancy list that will be provided at COB each day. This will help many of our international travelers who do not have working cell phones as well as sell the remaining rooms in Big Sky.
- We are also seeking input on the placement of the Sidewalk Concierge units. The board discussed the locations in the Town Center and Meadow Village Center. We will also be asking for input from the Visit Big Sky board. Discussion as to why there is not a proposed location for the Mountain Village took place. Brandon Bang agreed to review the possibility of a Sidewalk Concierge unit in the Mountain Village.

Golf Tournament

Danielle Miller, Membership Sales & Events Manager

- Tournament planning is going well. We sent an email out last week and currently have seven teams signed-up. We are hoping to sell out with 30 teams. We currently have 12 sponsors. Danielle has been sending personal emails to members for team sign up and sponsorship.
- Bozeman Audi has committed to the hole-in-one sponsors, and will be giving away an Audi to the winner of the hole-in-one challenge.
- There are currently 4 hole prizes and we do need more.
- The Hockey Association tournament is two weeks before ours and this might have created a challenge in securing teams and sponsorship commitments.

Rotary Club Sign in Town Center

Danielle Miller, Membership Sales & Events Manager

- Danielle asked to strike the Rotary Club sign discussion from the agenda until next month's Chamber board meeting after more discussion can take place at the next Rotary Club board meeting.

Membership Report

Danielle Miller, Membership Sales & Events Manager

- Danielle has made updates to Chamber Master and members can now sign up or renew their membership online. Job openings can be posted right away. We've already have had several members upload jobs. There is a marketplace option like Craigslist and other functions that can be made live. Webinars can be uploaded. Members can sign up online for events.
 - The Keynote Speaker for the Business Expo is Ralf Garrison from Desti Metrics. The Business Expo will be Tuesday, September 30th at Big Sky Resort in Talus Room of the Summit Hotel. The after social will be at the Peaks. Members will have to pay to attend. This will be an all-day event and is geared toward the service industry.
 - Some seminars include a Business Continuity plan session and a session on the emerging Chinese market.
 - We will also be setting aside an area for mind mapping for the community at large for the Tourism Master Plan. Individuals can participate in the mind mapping throughout the day of the seminar.
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- **Motion to adjourn**

- The motion to move into Executive Session was made by Kevin Germain and seconded by Bill Simpkins at 10:45 a.m.

- The board closed their executive session at 11:15.

The Board resumed their regular meeting.

- Sarah Griffiths made a motion that Kristen Brown PC's real estate client disclosure is not in conflict with Chamber programs. Seconded by Kevin Germain. The motion passed unanimously.
- Kevin Germain made a motion to instruct Kitty to prepare a letter of intent for a long term lease to present to Corner Properties. The motion was seconded by Shawna. With all in favor, the motion passed unanimously.

Respectfully submitted,
Marci Lewandowski
Visitor Services Manager



TOPIC MEMO

Date: Sept 4, 2014
To: Big Sky Chamber Board of Directors
CC: Rotary Club of Big Sky, Scott Johnson, Robin Hoover, Yellowstone Country
From: Danielle Miller
Subject: Town Center Sign

REQUESTED ACTION

Board direction/approval to commit the Chamber of Commerce staff resources for the ongoing project management of Rotary funded informational signs in Town Center and Meadow Village.

SUMMARY EXPLANATION

- Danielle Miller is the president elect of the Big Sky Rotary Club.
 - The Rotary Club has a policy of funding projects but not assuming the responsibility for ongoing management.
 - In 2013 – 2014 they funded the Town Center information sign.
 - The Rotary Club understands the existing information sign at Meadow Village is to be discontinued and the owner, Yellowstone Country regional marketing organization, will coordinate the dismantling and dismantling costs (if any) of the existing sign structure.
 - Therefore, the Rotary is also in the planning stages for construction of a similar sign for the Meadow Village with expected construction to begin in the Fall 2014.
 - The purpose of both signs is to help visitors find their way around Big Sky and learn about activities and events in our community.
 - The new information sign at Meadow Village will be paid for by Rotary and installed by Rotary's contractor Outlaw Partners.
 - The Meadow Village sign will have 6 sides similar to the Town Center sign. The information and content has been designed by Outlaw Partners in coordination with various Big Sky organizations. The signs contain event information which is seasonal (summer events and winter events). Updating the event information and printing a new side for the signs (with minimal redesign) currently costs about \$200-300 / side.
 - The Rotary has asked the Chamber to take responsibility for ongoing management and maintenance of the signs.
 - If directed by the Board, the Chamber will assist the Rotary Club by obtaining estimated cost for updates.
 - The current members of the Rotary Club have indicated they would cover the costs and maintenance and updates if the Chamber accepts the responsibility of project management.
- Any major redesign or change of the Meadow Village or Town Center sign content would be discussed by the Chamber and Rotary Club to determine what is in the best interest of the organizations and all other stakeholders.

Big Sky Chamber of Commerce Board Meeting
September 9, 2014
TIF as Economic Development Tool

Advantages of Tax Increment Finance (TIF)

The ability to **target a specific geographic area** for new investment strengthens the argument for the use of tax increment financing. Part of the appeal of the use of tax increment financing is that no public vote is required. Many states require votes on various types of bond issuance for public purposes. Another advantage decision-makers see is that they can provide additional infrastructure for the community while not increasing property tax to fund bonds.

Leveraging TIF funds with tax exemption programs such as the New Market Tax Credits or Low to Moderate Housing Tax Credits is also popular. Utilizing multiple funding sources can sometimes facilitate public/private projects that would not happen with the help of a TIF alone. Many areas find they cannot qualify for grants due to a lack of matching funds. TIF funds can be utilized to “match” other government source funds such as Community Development Block Grant Funds.

Public Private Partnerships (P3s) are also possible when a TIF fund is available. Public sector funds such as TIF allow governments to harness the expertise and efficiencies that the private sector brings to a project. Under this scenario the private sector assets fund larger public facilities “off balance sheet” without the need to borrow and the TIF repays the partnership over time.

How This Economic Development Technique Works

The idea is to use future increases in property values, and therefore in property taxes that will be due to **finance an improvement here and now**. The increased tax that the local government is expected to collect in the TIF district over a designated period of years, is the "tax increment."

Taxes continue to be owed on the original value of the property, but the tax on the increased value of the property after development or redevelopment is the tax increment.

The municipality then typically takes the promise of the tax increment to the bond market to obtain the money it needs to construct public infrastructure improvements to support a development.

In some instances, the support may actually take the form of contributing cash to the developer's cost to give the developer an **incentive to do the project** or allow the developer to make a reasonable profit in a risky situation.

Permissible uses of TIF vary widely from state to state. Commonly they include property acquisition, demolition of existing buildings, site preparation, utility expansion, storm and sanitary sewers, roads and streets, sidewalks, parking lots or garages, parks, street lighting, and such.

The TIF district may be restricted to one property or it may include several land parcels for which specific development proposals may or may not exist.

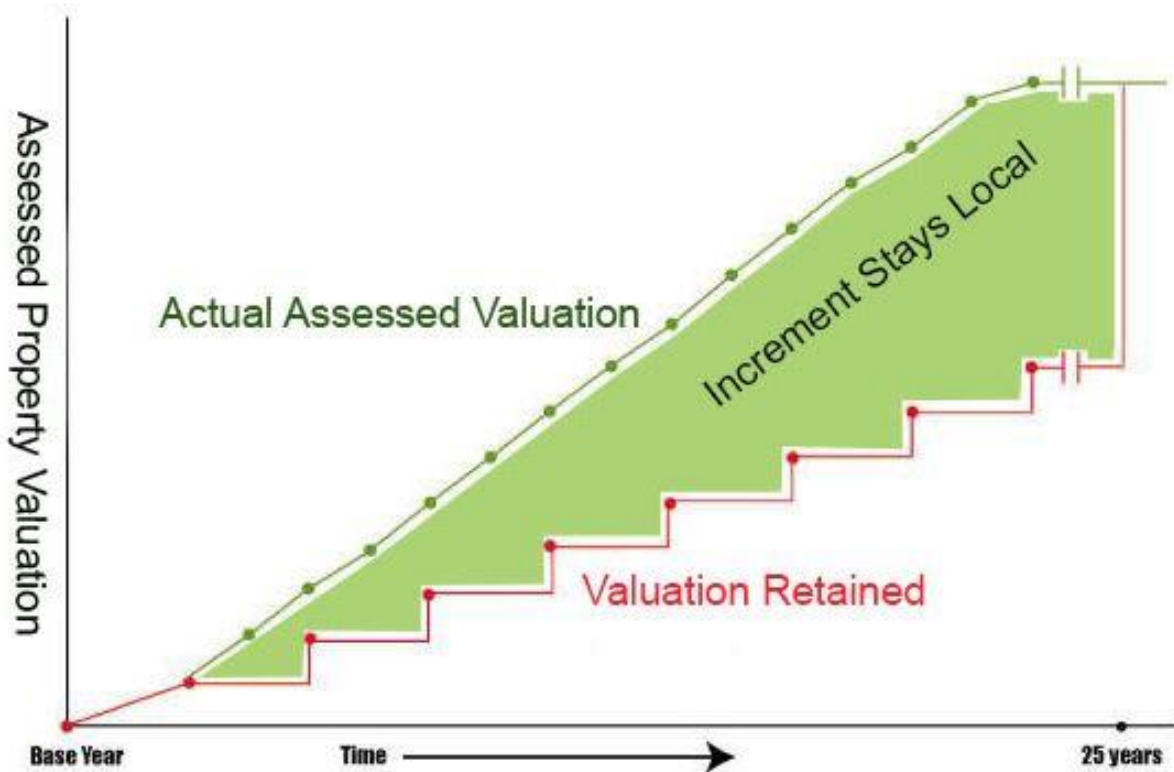
TIF funds are typically managed by a special district or designated division of government. They comply with all open record and public notice requirements when utilizing TIF funds on projects.

Developers receiving assistance with TIF funds are typically required to present project applications, utilize competitive bid processes and provide financial records to the district.

Key Points

- TIF is not a new tax, it is the captured **incremental increase** of the current property tax base redirected locally.
- By following best practices and creatively pairing district revenue with other financing tools, communities can leverage TIF to effectively provide targeted redevelopment.
- TIF can be used to fund infrastructure development projects to spur private investments that would otherwise not occur.
- TIF is most commonly used to cure blight, restore and revitalize infrastructure, solidify the tax base, encourage a high standard of development and fund projects that provide public benefit.
- Successful operation of TIF districts requires attention to both project financing and best practices for development
- Best practices are focused on the mechanics of the project. Identifying the experience and financial history of the developer is required up front when TIF funds are directed to the project. Especially if the project will require TIF bonding.

Tax Increment Financing Chart



Tourism Master Plan
Big Sky Destination Management and Marketing Action Plan
2014-2017

Executive Summary

Situation Analysis

General Economic Trends

Travel and Tourism

Product Trends

Lodging

Restaurant

Retail

Sports/Recreation

Events

Transportation

Economic Development

Destination Development Outlook

Size/Scope of Market

Resource Inventory

Real Estate

Infrastructure

Pillow Counts

Development Potential/Entitlements

Objectives (Short term/Long Term)

Tactics

Visit Big Sky Marketing Plan

Leisure/Group/Business/International Market Analysis

Key Feeder Markets (in state / out of state)

Seasonality

Objectives and Strategies

Media Plan

Budget

Policy Council

Issues and Positions

Information Sources

- Appendix A Business Data Base**
- Appendix B Resort Tax Area Map**
- Appendix C Community Survey Results (Leadership Roundtable Source)**
- Appendix D Housing Development Plan**
- Appendix E Longwoods Primary Research**
- Appendix F Secondary Research Sources**
- Appendix G MTOT Strategic Plan**
- Appendix H MTOT Media Buy 2013/14**
- Appendix J Resort Five Year Development Statistics (Water/Power/Employment)**

Visitor Services Report August 2014

People Counter			
Month	Year	Per Month	Daily Avg.
May	2013	613	20
June	2013	1273	42
July	2013	2347	76
August	2013	2278	76
September	2013	1601	53
October	2013	1005	32
November	2013	691	23
December	2013	791	26
January	2014	990	32
February	2014	1127	23
March	2014	1929	62
April	2014	1353	45
May	2014	629	20
June	2014	1265	42
July	2014	3193	103
August	2014	1653	53.3





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Date: September 9, 2014
To: Big Sky Chamber Board of Directors
From: Marci Lewandowski, Visitor Services Manager
Subject: August Visitor Center Report

SUMMARY EXPLANATION

2013. The top states are:

TOP 5 COUNTRIES FOR AUGUST VISITORS	
1	Canada
2	United Kingdom
3	Australia
4	Germany
5	China

TOP 10 STATES FOR AUGUST VISITORS	
1	Montana
2	Minnesota
3	Texas
4	New York
5	Illinois
6	Florida
7	Washington
8	California
9	Wisconsin
10	Michigan

Top States: Montana is still the top state for the month of August. Traffic from Canadian visitors was the second highest.

International Visitors: In the month of August, 19% of visitors to the visitor center were international visitors.

Percentage Change in Numbers: We do seem to be slightly down in August, but are still an overall 5% above last year for the months of July and August combined.