

WYOMING BUSINESS COUNCIL BOARD OF DIRECTORS MEETING

December 8-9, 2016 • Cheyenne, Wyoming



— INCREASING —
WYOMING'S
— PROSPERITY —

Board of Directors Agenda

Cheyenne, Wyoming • Little America Hotel & Resort • December 8-9, 2016

THURSDAY, DECEMBER 8, 2016

(Times and order of agenda are tentative and subject to change without notice)

Thursday dress code is business attire.

- 8:15 a.m.** **Annual Board member group photo shoot** (meet at Little America front entrance)
- 8:30 a.m.** **Convene Public Meeting** – Little America Hotel and Resort, Wyoming Room, 2800 W. Lincolnway
- Welcoming remarks, Board Co-Chairman Jim Espy
 - Introduction of Board members
- 8:35 a.m.** **Action Item:** Consideration of approval of minutes from Sept. 7-8 Board meeting (Section A)
- 8:40 a.m.** **Strategic Reports and Discussion**
- Regional reports (regional directors)
 - Wyoming Main Street program (Matt Ashby, Wyoming Main Street Advisory Board)
 - Communications (Ron Gullberg, Communications Director)
 - Website redesign
 - “Real Wyoming” video series
 - Manufacturing sales tax exemptions (Ben Avery, Business Initiatives Director)
Pages: A-23 – A-28
 - Association of Wyoming Manufacturers (Rex Lewis)
 - Business development update (Lisa Johnson, Business Development Director)
 - Performance report (Tom Johnson, Chief Performance Officer)
 - CEO report (Shawn Reese, Chief Executive Officer)
- 10:15 a.m.** **Break**
- 10:30 a.m.** **Discussion with WBC Co-Chairman/Governor Matt Mead**
- 11 a.m.** **Resume Strategic Reports and Discussion**
- Noon** **Lunch Break**
- Provided for Board/staff on site
 - Guests may wish to enjoy one of the local restaurants

1:30 p.m. Community Grant and Loan Committee Reports (Section B)

- Megan Goetz, Chair
- Sandy Quinlan, Community Development Block Grant program manager, will present staff recommendations for the following applications:

CDBG Application Summary				
Applicant	Project	Project Type	Amount	
			Requested	Recommendation
1 Albany County	Community Facility	Big Brothers Big Sisters Community Mentoring Center Phase II	\$499,857	\$ 488,857
2 Fort Laramie	Public Infrastructure	Sewer/Water Lines Replacement/Sewer Lagoon Project	\$322,229	\$ 322,229
3 Deaver	Public Infrastructure	Potable Water Distribution System and Fired Hydrant/Fire Flow Upgrade	\$489,000	\$ 489,000
4 Rock Springs	Elimination Slum/Blight	Demolition of Downtown Buildings	\$500,000	\$ 500,000
5 Rawlins	Elimination Slum/Blight	Adaptive Reuse of Historic Guards' Quarters	\$500,000	\$ 500,000
6 Evansville	Public Infrastructure	Sidewalk Installation	\$356,000	\$ 356,000
7 Washakie County	Community Facility	County Library Ten Sleep Branch Expansion	\$136,117	\$ 136,117
TOTAL			\$2,803,203	\$2,792,203
Available CDBG Funds				\$2,792,629
Remaining CDBG funding if projects are funded				\$426

Introductions will be made and comments received on all projects before a motion is made or vote taken.

Action Items:

- Motion needed on each application
- Consideration of staff recommendations

2 p.m. Community Grant and Loan Committee Reports (Section B)

- Megan Goetz, Chair
- Julie Kozlowski, Community Development Director, will discuss the status of previously funded projects and present staff recommendations for the following Business Ready Community grant and loan program applications:

BRC Applications Received September 1, 2016				
Applicant	Project	Type	Request	Staff Recommendation
1. Laramie, City of	HiViz Phase II	Business Committed	\$ 3,000,000	\$ 3,000,000
2. Laramie, City of	Empress Redevelopment	Community Readiness	\$ 3,000,000	\$ 3,000,000
3a. Lincoln County	Glencoe Junction	Community Readiness - Grant	\$ 3,000,000	\$ -
3b. Lincoln County	Glencoe Junction	Community Readiness - Loan	\$ 1,250,000	\$ -
4. Old Pen Joint Powers Board	Guards' Quarters Renovation	Community Enhancement	\$ 500,000	\$ 500,000
Total Requests			\$ 10,750,000	\$ 6,500,000

Introductions will be made and comments received on all projects before a motion is made or vote taken.

Action Items:

- Motion needed on each application
- Consideration of staff recommendations

3:30 p.m. Break

3:40 p.m. Personnel, Budget and Audit Committee Report (Section C)

- Pete Illoway, Chair
- Diane Joyce, Chief Financial and Administrative Officer, will present current financials

Action Item: Consideration of acceptance of financial statements

- **Audit Report – Robert Dahill of McGee, Hearne and Paiz**

Action Item: Consideration of acceptance of report

- Chava Case, Human Resources Manager, will give a personnel update

4:15 p.m. Business Contract and Loan Committee Report (Section D)

- Kelly Lockhart, Chair
- Josh Keefe, Economic Development Finance Manager, will report on Challenge Loan reporting requirements

Action Item: Consideration of acceptance of report

4:20 p.m. Other Board Matters

- Recognition of outgoing staff members Dave Spencer and Linda Hollings
- Comments from outgoing Board member Lynne Michelena
- Comments from outgoing Co-Chairman Jim Espy
- Nominating Committee appointments
- Proposed meeting dates/locations for 2017
 - March 8-9 Casper (?)
 - May 17-18 Hulett (?)
 - Sept. 13-14 Alpine
 - Dec. 6-7 Cheyenne

4:45 p.m. Closing Remarks and Adjournment

FRIDAY, DECEMBER 9

(Times and agenda are tentative and subject to change without notice)

Friday dress code is business casual.

9 a.m. Tour of Cheyenne Economic Development Sites

Note: Tour is expected to end about noon.





DRAFT

Board of Directors Meeting Worland, Wyoming – Sept. 8, 2016

BOARD MEMBERS PRESENT

Ron Harvey, Mike Easley, Aaron Sopko, Lynne Michelena, Kelly Lockhart, Cactus Covello, Jim Espy, Megan Goetz, Mike Wandler, Pete Illoway, Jay Anderson, Mike Sullivan, and Allen Hoopes

BOARD MEMBERS ABSENT

Greg Hill and Tom Scott

WBC STAFF PRESENT

Shawn Reese, Julie Kozlowski, Sandy Quinlan, Diane Joyce, Thomas Johnson, Ron Gullberg, Grant Gering, Tom Dixon, Lisa Johnson, Ben Avery, Josh Keefe, Ben Peterson, Kimberlie Rightmer, Dave Spencer, Leah Bruscino, Pat Robbins, Elaina Zempel, and Roger Bower

CALL TO ORDER/WELCOME/INTRODUCTIONS

Jim Espy convened the meeting at 8:32 p.m. Ron Harvey introduced Niobrara County Commissioner Richard Ladwig and Washakie County Commissioner Aaron Anderson. Commissioner Anderson talked about the museum facilities, medical center renovations, outdoor amenities and rock climbing in Washakie County. He talked about state investments in Worland like the community center and the Fairview Business Park. Anderson mentioned the Ten Sleep library expansion and its mission to give kids somewhere to go after school.

Board members introduced themselves.

MINUTES

Minutes from the May 26, 2016 board meeting were presented for approval.

Motion: Moved by Pete Illoway and seconded by Kelly Lockhart. Unanimous approval. Motion passed.

CEO REPORT

CEO Shawn Reese talked about the 20-year strategic plan requested by Gov. Matt Mead. He offered statistics showing Wyoming is the least diversified state in the union, including D.C. and territories. He called Washakie County among the top tier in Wyoming in terms of diversification. Wyoming has created 16 different plans since 1962. Wyoming's GDP is 15 percent government activity. Thirty-five percent of the private sector is mineral-based. Espy said the governor wants to reconvene in three weeks.

Reese said the Business Council received the federal STEP grant for export assistance. He also explained a toolkit for housing is being created. He talked about the third global tech summit in Jackson and the relationships built from it. He said the Business Council is honing in on the advanced industries it will focus on. He said the Business Council is looking for value-added opportunities. Reese said the University of Wyoming is doing comparative tax analysis between Wyoming and other western states. He called the Power Company of Wyoming's Chokecherry-Sierra Madre and TransWest wind and transmission projects a tremendous opportunity. Reese said the Legislative Service Office is evaluating the Business Ready Communities program, and he added that their recommendations should come sometime in the fall.

REGIONAL REPORTS

Northwest

Regional Director Leah Bruscano provided updates from the Northwest Region including:

- The Hot Springs Red Rocks Business Park was sold earlier this year to the Wyoming Dinosaur Center.
- The Greybull town administrator said of 15 lots in their business park, 11 have been sold. The town is planning an additional 21 lots.
- Innovention, a nine-month intensive course for inventors who want to start a business, is about to start. The inventor of the Illumibowl will kick off that course with a speech. Participants will also get space in Powell Makerspace.
- A drones, UAVs and remote-piloted aircraft conference was recently held at Northwest College. Wyoming can be a good place to develop and test the technology. The conference talked about what policy needs to be in place to encourage industry.
- Downtown Thermopolis is holding OktoberFest.
- Worland is the newest Main Street community in the Northwest Region.
- Thermopolis is holding a brownfield conference about how to turn those spaces into new projects.
- The Washakie leadership institute is in its seventh year.

Northeast

Regional Director Dave Spencer said commodities are down, which is hurting the local economy. However, local officials are committed to not losing what they have and to staying ahead of the curve. To that end, Sheridan, Johnson and Campbell counties have created the NEW Growth Alliance.

Spencer said he's been working with the university to add value, recruit industry. Several prospects have visited the Powder River Basin. Carbon nanotubes, fuel, other uses may be opportunities.

He said Sheridan has sold \$1.4 million in property, including business parks the Business Council has supported. That money is being reinvested in the community.

The region is in better position than it was in the '80s and '90s, during the last bust, Spencer said.

The ITC broke ground earlier this year. Companies will use the facility to test new uses for carbon. That piqued XPrize's interest. About 45 companies have applied to that contest. The winner gets \$10 million.

West Central

Regional Director Roger Bower discussed a research pharmacologist who works with 3M. Bower put her in touch with Bill Gern at UW. The Small Business Development Center then helped her put together a business plan and helped her get into a lab in Jackson.

He said last-mile broadband is his personal project. Worland is one of just a few gigabit cities. That was an \$8 million project for the local internet service provider.

South Central

Regional Director Pat Robbins said the Chokecherry project would be huge, drawing rail, suppliers and vendors. Robbins is working to help create a local leaders program. Retail is coming to Sweetwater County.

She talked about the importance of having a workforce ready for the trona industry.

Pete Illoway said Laramie County Community College is doing work with Sinclair Refinery. He thought it could tie in with Sweetwater County's work.

East Central

Regional Director Kim Rightmer said Converse County has suffered, but is moving forward. McGinley Orthopedics tripled its anticipated number of jobs. Many of the hires have come from the minerals industry.

Lusk is working to renovate downtown following last year's flood. The new recovery manager will work on economic development and housing.

She talked about the creation of a quilting destination in Lusk.

Southwest

Regional Director Elaina Zempel said the project to improve internet connection in Kemmerer and Diamondville is underway. She said there is a prospect looking to expand.

PERSONNEL, BUDGET AND AUDIT REPORT

CFAO Diane Joyce said year to date expenditures are about \$37.7 million. That is higher than last year, but most of that variance comes from grant activity. Personnel is lower than last year, primarily because of budget restrictions. Data services are lower because of decreases in costs and one-time expenses last year. Professional service expenditures are comparable.

Motion to accept Financial report made by Covello, seconded by Lockhart. Unanimous. Motion approved.

Reese said the Business Council cut another 4.8 percent of its budget, mostly from BRC in addition to what came out of legislative session, the budget was cut more than 22 percent.

Seven unfilled positions have gone back to state general fund. Several people are expected to retire in the next few years.

Reese highlighted some organizational changes – namely, merging Business and Industry Division and Agribusiness Division into Business Development. Lisa Johnson heads that new division. Julie Kozlowski heads the Community Development Division, which includes the State Energy Office. Two new leadership positions – Initiative directors - will be champions of the strategic plan. Interviews will be held to hire industrial development manager and advanced industries manager. Espy offered the executive subcommittee's support of the new reorganization plan.

COMMUNITY GRANT AND LOAN COMMITTEE

Committee Chair Megan Goetz asked Julie Kozlowski, Business Ready Community (BRC) Program Manager, to address the BRC grants.

Kozlowski discussed two projects previously approved but not yet started.

- \$1.5 million grant to Fremont County for a road project previously approved as a Business Committed project (with the Cameco Corporation). Staff recommended changing the project to Community Readiness, as there may be job creation potential in the future, but the road is still essential. Fremont County has committed many resources.
- \$766,665 grant to the Jackson Hole Sustainability Joint Powers Board for a compressed natural gas project. The JPB requests the ability to do a new request for proposals, to select a new site and new timeline which the project proponents provided. Staff recommends extending the deadline to Dec. 31, 2017, changing the station's ownership to the town of Jackson, revising the budget and changing the project location.

Motion: Illoway moved and Lockhart seconded approval of the staff recommendation on the Fremont County Cameco project. Motion passed.

Motion: Hoopes moved and Easley seconded approval of the staff recommendation on the Jackson Hole Compressed Natural Gas project. Motion passed.

BUSINESS READY COMMUNITIES (BRC) PROGRAM

Kozlowski said \$38.7 million is still available to the program for this budget cycle (about \$4 million per quarter based on the allocation plan). Two projects were withdrawn. Three are presented today for consideration.

Applicant	Project	Amount Requested	Amount Recommended
Old Pen JPB	Adaptive Reuse of Historic Guards Quarters	\$1,208,413	\$ 0
Lander, City of	Lander visitor and Chamber Business Complex	\$466,210 Grant \$313,710 Loan	\$466,210 Grant \$194,316 Loan
Niobrara County	Community Development Plan	\$50,000	\$44,035

Old Pen Joint Powers Board – Historic Guards Quarters

The Old Pen JPB requests \$1,208,413 for the renovation of the historic guards quarters at the Frontier Prison in Rawlins. The space will be leased to the Carbon County Visitors Council and another potential business. Public restrooms will also be constructed. Lease payments will go to operations, maintenance and future projects.

Staff does not recommend funding, as staff does not feel the project is Community Readiness; staff encourages the community to pursue this as a Community Enhancement project. Pat Robbins, South Central Regional Director, disagrees with the recommendation. She believes tourism is a target market for Carbon County, and the Old Pen is a primary asset. About 14,000 people visit the building every year. The JPB wishes to expand that infrastructure to expand the tourism base. She believes it is a Community Readiness project.

Board members discussed the project, rule requirements and rule waivers, Community Enhancement versus Community Readiness grants, setting a precedent for future request, space lease options, waiting until December meeting to consider the grant with CDBG funds, bonding or 6th penny tax assessment to fund the project and income received from the project. Community representatives spoke in favor of the project.

Motion: Lockhart moved the project be resubmitted as a Community Enhancement and be considered again at the December meeting. Illoway seconded. Motion passed.

City of Lander – Lander Visitor and Chamber Business Complex

Lander requests a \$466,210 grant and \$313,710 loan to build a new 3,400 square-foot visitor and chamber business complex. Some in the community wanted assurance that the current chamber building will be left where it is, as it used to be the railroad depot and has sentimental and historic value. The town is willing to accommodate that request and has selected a site for the new building versus demolishing the current structure and rebuilding on the site. Staff recommends a \$466,210 grant and a \$194,316 loan due to limited funding. This leaves a funding gap. Community representatives spoke in favor of the project.

Motion: Illoway moved to recommend the project to SLIB as suggested by staff. Wandler seconded. Motion passed.

Niobrara County – Community Development Plan

Niobrara County requests a \$50,000 planning grant for a housing and community development plan, which will be a flood recovery blueprint. Covello called the flood a catastrophic event and said he supports project. Illoway asked what happens if EDA does not support the project (which provides the project match). Kozlowski said the project wouldn't move forward, but she expects the project to be approved.

Motion: Hoopes moved to forward the project to SLIB as recommended by staff. Covello seconded. Motion passed.

OTHER BUSINESS

Kevin Kershnik, from Riverton IDEA, thanked the board for the Honor Farm project. The developer has brought retailers out, and he expects something by fall 2017. Allen Moore, president of IDEA Inc., talked about the history of IDEA and how grants have been used for infrastructure in the community. He reviewed a number of projects that have been completed and paid off.

BUSINESS CONTRACT AND LOAN COMMITTEE

Ben Avery described Energy Office programs. He presented the Wyoming Energy Conservation Improvement Program (WYECIP) report.

Motion: Illoway moved and Hoopes seconded to accept the WYECIP report. Vote was unanimous. Covello abstained. Motion passed.

Josh Keefe described the status of the Challenge Loan financials.

Motion: Covello moved and Illoway seconded to accept the Challenge Loan report. The vote was unanimous. Motion passed.

Keefe described the Economic Development Large Project program, its requirements, and its process. CEO Reese said that, unlike the BRC program, where money can't be loaned to private companies, the Wyoming Constitution was amended in the 1980s to allow loans for companies. The loans are known as Amendment 4 loans. Challenge loans were the next generation of these sorts of loans, and the economic development large loans are the newest iteration. The Legislature discontinued industrial development bonds, and the large loan is what took its place. Avery said repayment of any funds loaned through this program would go back to the large loan account.

Keefe recommended keeping \$4 million in the Challenge Loan account based on historical demand. The evaluation process used by staff includes a third-party projection of assessed valuation based on direct increases, not indirect or induced increases. That analysis is what staff used to recommend loan amounts. Lockhart said he was happy to see three applicants, and called all three great businesses.

Reese said SLIB will look at the recommendations as the next step in the approval process. Final approval is through the governor.

STANDARD ALCOHOL

Keefe said Standard Alcohol combines natural gas and CO2 to create a fuel additive for regional refineries. The Denver-based company has invested \$9M in its company to date.

Robert Mulverhill, company chairman, introduced his team. Standard has worked with the Business Council over the last four or five months. He was thankful for the \$17 million recommendation. He called the product a hyper-low carbon resource used in fuel additives. The company chose Wyoming because infrastructure and rail was there and ready. There is space for expansion. Standard wants to break ground in the first quarter of 2017. The company has worked with the UW School of Energy Resources and has an extensive intellectual property portfolio. Mulverhill said they can take \$2 natural gas and make a \$10 or \$12 liquid. It's a complement to corn ethanol.

Standard uses a World War I era technology, but fracking has made this a viable business. Mulverhill said the product is not being made in commercial quantity, and rather than sign long-term contracts, he wants many clients. He wants two more plants, and he says the demand is there. Mulverhill said the relationship with UW will help the company continue research. The total project cost is estimated at \$76M. Staff recommendation for the project was a loan up to \$17,440,000 with other conditions spelled out in staff report.

ATLAS CARBON

Keefe said Atlas Carbon has been in Gillette a couple years producing 16 million tons of activated carbon annually. Frank Levy and Mike Jones introduced themselves as representatives of Atlas. Activated carbon absorbs mercury and filters water. The Business Council asked them to prove the technology works. Keefe said they've done that and are now approaching the Business Council again for help with production. Levy thanked Keefe for his work reviewing the project. He said Atlas is a startup with proven technology. He called the company Wyoming-focused and a value-added opportunity for Powder River Basin Coal. He said 80 percent of the money spent on construction will be spent in Wyoming on contractors and the like. He said an international Fortune 500 company is involved with Atlas Carbon.

He added that Atlas is the only company adding value to PRB coal. Levy said the market demand is higher in the East, but there is enough business in the West. The total project cost is estimated at \$25M. Staff recommendation was a loan up to \$6,530,000 with other conditions spelled out in staff report.

CODY LABS

Keefe said Cody Labs makes medicines and employs 117 people. The Cody Labs manufacturer emphasized wanting to become as much or more of a manufacturer than a laboratory. The company was founded in 2000 and later purchased by Lannett. The expansion of the current operation would increase the number of full-time equivalent employees by 18. Bernhard Opitz, President of Cody Laboratories, Inc., stated that he was appreciative of the staff recommendation, but was unsure if the Lannett Board of Directors would accept the recommendation. The total project cost is estimated at \$45M. Staff recommendation was a loan up to \$9,865,000 with other conditions spelled out in staff report.

Motion: Wandler moved to place all three projects on a consent agenda, and Sullivan seconded. Unanimous approval with Easley abstaining. Motion passed. Illoway then moved and Hoopes seconded to forward the staff's recommendations to SLIB. Unanimous approval with Easley abstaining. Motion passed.

CONTRACTS

Contracts with Small Business Development Center in the amount of \$1,527,566 for two years, Procurement Technical Assistance Center, \$267,774 for two years, and Wyoming Women's Business Center, \$308,272 for two years, were presented by Tom Johnson. These partners and programs make money for the taxpayer, he explained.

Motion: Sullivan moved and Covello seconded to approve the contracts in the amounts recommended by staff. Unanimous approval. Motion passed.

RULE REDUCTION

Reese said this is part of the governor's initiative to both reduce and eliminate rules. Rules presented for repeal included the following:

- Community Development Block Grant rules;
- Community Facilities Program rules;
- Seed Capital;
- Wyoming Housing Infrastructure; and
- Wyoming Main Street loan rules

Reese explained the rule repeal is consistent with the governor's initiative to reduce rules by 1/3.

Motion: Illoway moved, Wandler seconded to approve the repeal of the rules as presented. Unanimous approval. Motion passed

OTHER BUSINESS/ADJOURNMENT

The Dec. 8-9 board meeting in Cheyenne was announced. There being no other business, the meeting adjourned.

Respectfully Submitted:

Tom Dixon, Recorder

Date

Pete Illoway, Secretary/Treasurer

Date





WELCOME TO CHEYENNE

Capital city targets downtown renewal, watches tech flourish, nurtures industrial sector

Underlying a tumultuous 2016 for Cheyenne and Wyoming were storylines of recent economic development efforts bearing fruit and new enthusiasm for the city's heart.

Major technology sector recruits like Microsoft and the National Center for Atmospheric Research continue to garner national headlines. Locally, a cadre of diverse entrepreneurs are showing their faith in downtown

by opening an array of businesses from restaurants and bars to tech schools and colocation studios.

A sluggish state economy and competition for business recruitment and tourism dollars from Colorado remain stiff challenges for the Magic City of the Plains, but private and public investment in economic diversification and local infrastructure are proving their worth.

Think Small, Think Local

For the first time in recent memory, many organizations with different objectives now agree on the importance of enlivening downtown.

The Cheyenne Downtown Development Authority, Cheyenne LEADS, the Greater Cheyenne Chamber of Commerce, the Cheyenne City Council, the Laramie

County Commission and more have thrown their support behind the Downtown Core Plan.

The plan calls for lighting, cleaning and building up the downtown during the next two to three years.

Cheyenne voters this spring will consider \$2.35 million in sixth-penny funds for downtown renovations, including alley upgrades and more lights.

Meanwhile, a temporary 2,400 square-foot ice rink will be installed at the Cheyenne Depot Plaza this winter, and design work is underway for a permanent summer spray park at the same location.

This fall, local business and government leaders formed the Building Revitalization Coalition to address abandoned and decrepit buildings downtown. Enforcement of the nuisance code will be part of the initiative.

The city is also expected to bid out for wayfinding signs in the coming months.

Ongoing projects include adding new murals, building on a successful initial food truck rally at the depot plaza, conducting a downtown parking study and adding art to Capitol Avenue.

Another new initiative is the bike-sharing program called ReRide, which launched this spring. The bright yellow bicycles can be found at nearly a dozen spots across the downtown area and near Frontier Park, offering visitors and locals a different way to see the city.

The public interest in downtown is helping spark buy-in by small business owners, too. A developer with a history of renovating historic hotels in Colorado and historic residences in Hawaii purchased the Plains Hotel, downtown's 105-year-old crown jewel, last winter. The 16th Street Mercantile opened inside the hotel shortly after.

Summer saw the opening of award-winning Tasty Bones BBQ and Bakery, followed in rapid succession by the Himalayan Café by a Nepali immigrant and her husband, the Accomplice Brewing Company in the historic depot, a family arcade called Flippers and a new Mexican restaurant.

It wasn't just the service sector blooming in Cheyenne. The Cheyenne DDA/Main Street and Wyoming Main Street, a program of the Wyoming Business Council, provided \$25,000 to start a one-year pilot program that provides 2,000 square-feet of shared working space for local artists.

Not far away, the owners of the Majestic and Paramount buildings finished major

renovations, including opening a coworking space.

The Second Floor at the Paramount jumped feet first into a nationwide trend of shared office spaces for entrepreneurs. The facility provides conference rooms, a kitchen and other amenities to small business owners.

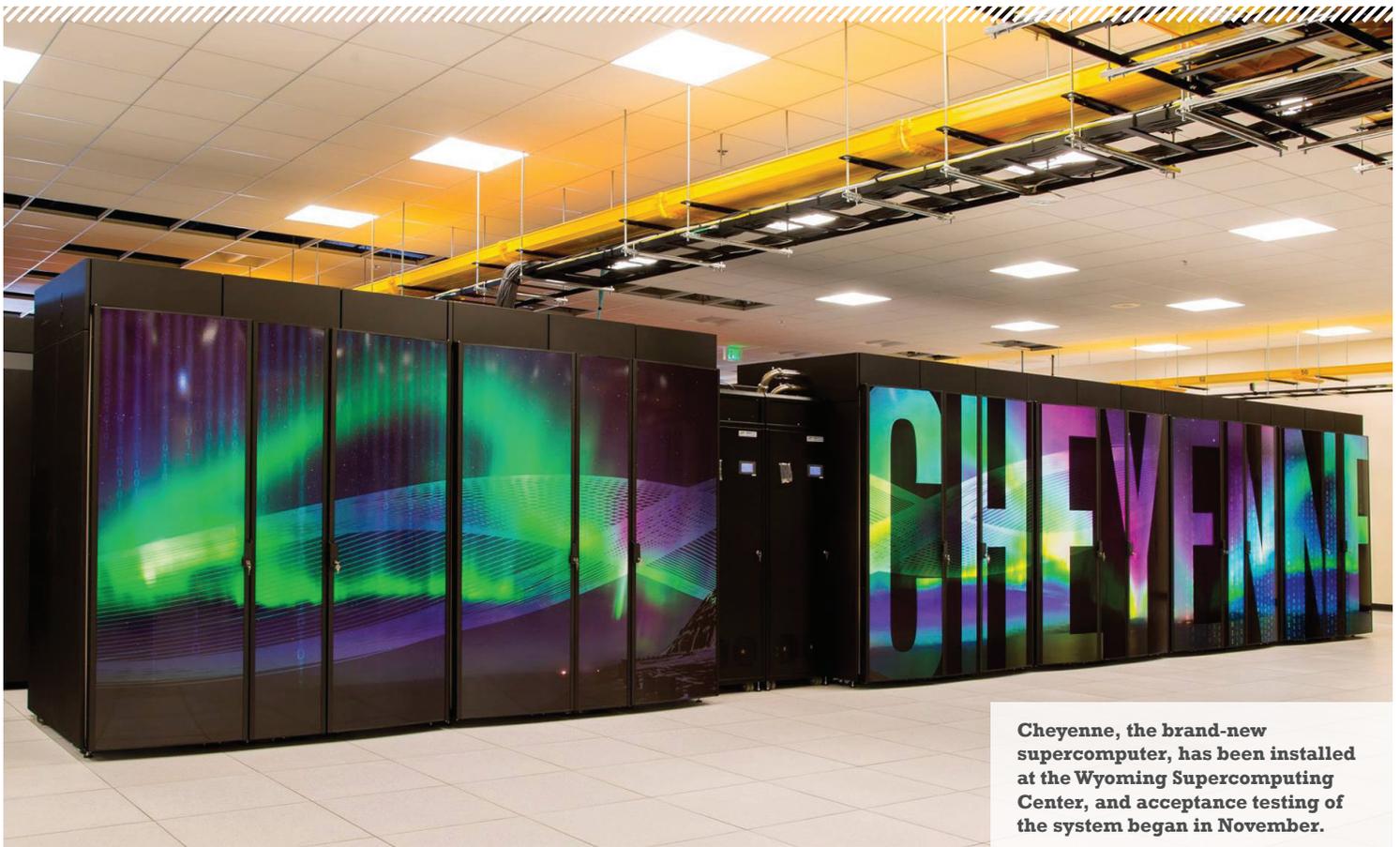
The business boasts 14 clients.

Think New

One of The Second Floor's clients is Array, School of Technology and Design. Founder Eric Trowbridge is a Cheyenne native who spent nearly a decade working for Apple. He had to go out of state for school but wanted the next generation of coders and programmers to have the option of staying in Wyoming.

Some of the dozen students in the inaugural class came from the energy field with hopes of starting new careers. Trowbridge told the Wyoming Tribune Eagle students at similar schools around the country can expect to land \$75,000 entry-level jobs within six months of graduation.





Cheyenne, the brand-new supercomputer, has been installed at the Wyoming Supercomputing Center, and acceptance testing of the system began in November.

Elsewhere in Cheyenne, technology stalwarts like Microsoft and NCAR have also made big impacts this year.

Last winter, NCAR announced it was building a new supercomputer at its North Range Business Park site. Nicknamed “Cheyenne,” the new machine is expected to be among the 30 most powerful computers in the world. Once it becomes operational in 2017, Cheyenne will be capable of making 5.34 quadrillion calculations per second, which will help researchers from around the country study everything from air pollution and climate change to solar disturbances.

Since NCAR opened in 2012 with the help of a \$4.5 million Business Committed grant from

the Business Council, the original supercomputer, “Yellowstone,” has been used by 2,200 scientists from 300 universities. University of Wyoming researchers also have dedicated access to the system.

NCAR’s neighbor, Microsoft, made headlines this fall when it committed to buying 273 megawatts of wind energy, the largest such purchase in the company’s history. More than 20 percent of that energy, enough to power 21,000 homes, will come from local wind farms Happy Jack and Silver Sage. All told, Microsoft will be able to power its Cheyenne data center entirely with wind.

Another Cheyenne data center, Green House Data, is close to outgrowing its facility and may soon need to expand. The Business

Council provided \$3.75 million in Managed Data Center Cost Reduction grants since 2010. In return, the company invested \$32.5 million to build a 10,000 square-foot facility that was later expanded into a 35,000 square-foot building.

Green House Data recently announced its space is three-fourths full.

Think Big

The tech industry wasn’t the only business sector to see big gains this year. Firearms accessories manufacturer Magpul Industries tripled its job commitments and now employs 270 workers. Fewer than 10 of those employees live outside Laramie County, according to company officials.

The Business Council enticed Magpul with an \$8.3 million grant for Cheyenne LEADS to purchase a 185,000 square-foot warehouse in the Cheyenne Business Parkway shared by Sierra Trading Post. Magpul provided a \$450,000 match.

Sierra Trading Post moved its operations to a new warehouse this year, expanding its footprint by 350,000 square feet. The move is expected to create 330 jobs. It also means Magpul is free to expand into the rest of its warehouse and add more jobs.

The near future is full of exciting developments for Laramie County. Cheyenne Regional Airport expects to break ground on its new terminal

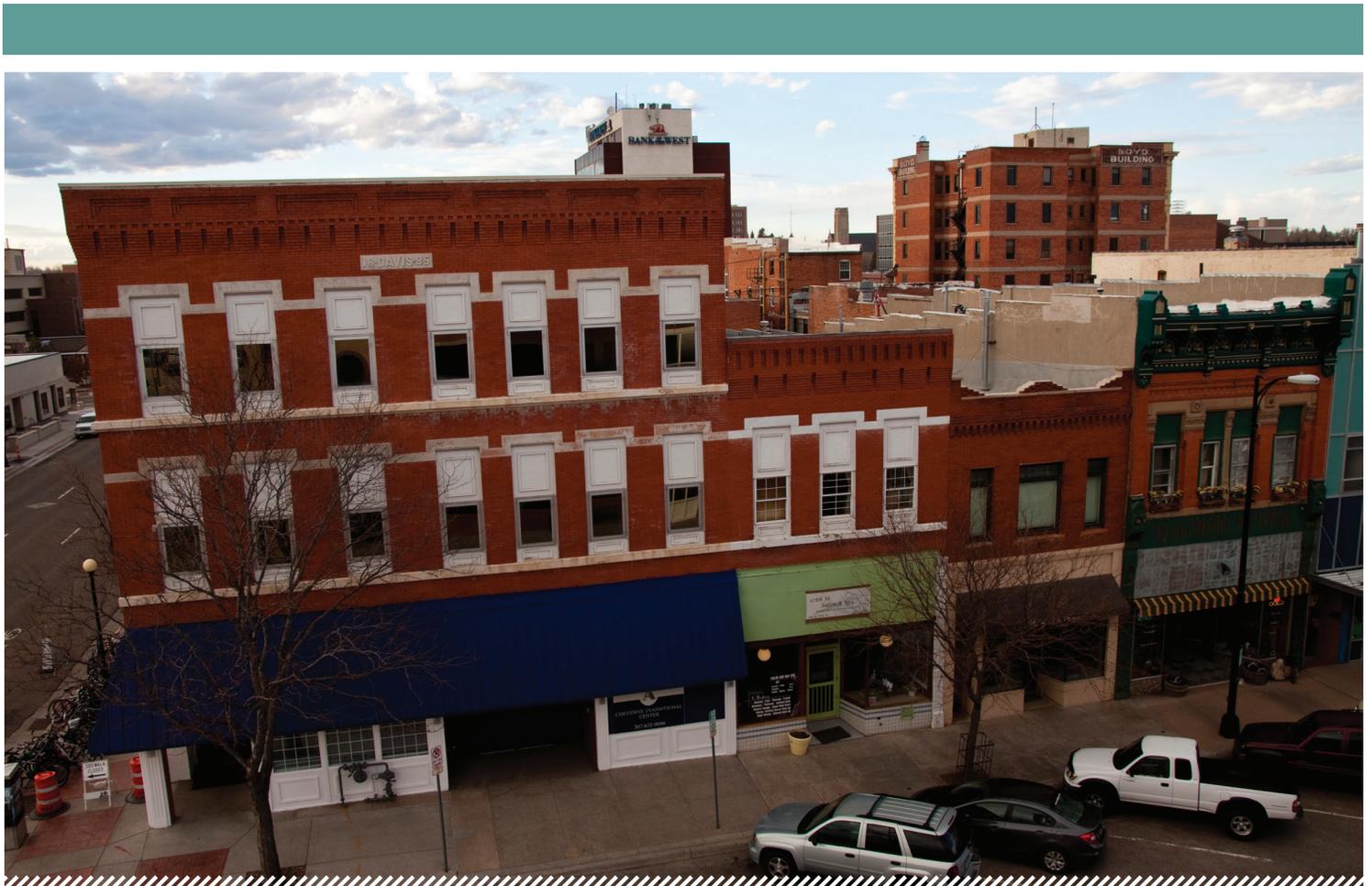
in April 2017. The Business Council provided a \$3 million grant to build the 28,700 square-foot facility, new parking lot, aircraft parking apron and road system. There will also be nine new lots available for business, industrial and retail development.

A thriving local airport is vital for the recruitment of new companies.

Elsewhere in Laramie County, Wyoming Malting Company and Pine Bluffs Distilling expects to be open for business next year. The value-added agriculture company plans to produce about 600,000 pounds of malts per year. Wyoming's 18 breweries use about 936,000 pounds. There are only 31 malting companies nationally.

The Business Council provided a \$2.86 million grant toward the project. The money leveraged about \$700,000 in private investment. The business plans to employ 10 people and Cheyenne LEADS will recapture about \$1.3 million from the project.

Like every community in Wyoming, Cheyenne will face economic strains to its school systems and government services. However, investment by both private and public entities have ensured the city is well-prepared to face the downward trend and continue to create a place where workers and families can thrive.



CHEYENNE BY THE NUMBERS

80 PERCENT
of the **1,688** business park acres in Laramie County are occupied. The Business Council awarded **\$15.89 million** toward those projects.

79 PERCENT
of the **58,500** square feet of business-ready spec buildings in Laramie County are occupied. The Business Council awarded **\$4.5 million** toward that space.

56 Laramie County businesses benefit from Business Council awards.

27 Made in Wyoming members

2 Summer farmers markets

1 Winter farmers market



Wyoming Premium Heifer Program

Of the **659** head certified in the Wyoming Premium Heifer Program, there were two producers from Laramie County that had **190** head in the program.

Wyoming Verified Program

One Laramie County producer enrolled **180** head of the **9760** in the program.



\$60,000

1 Cheyenne company received two Trade Show Incentive grants and generated \$60,000 in total sales at the events.

\$15,000

1 exhibitor from Cheyenne participating in the Wyoming at the Mart showroom at Denver mart with approximately \$15,000 in sales, and 1 part-time hire, this fiscal year.

\$4,700

16 Cheyenne companies were represented at the Wyoming Mercantile during the Wyoming State Fair resulting in approximately \$4,700 in sales (for the Cheyenne companies)

COMMUNITY PROFILE

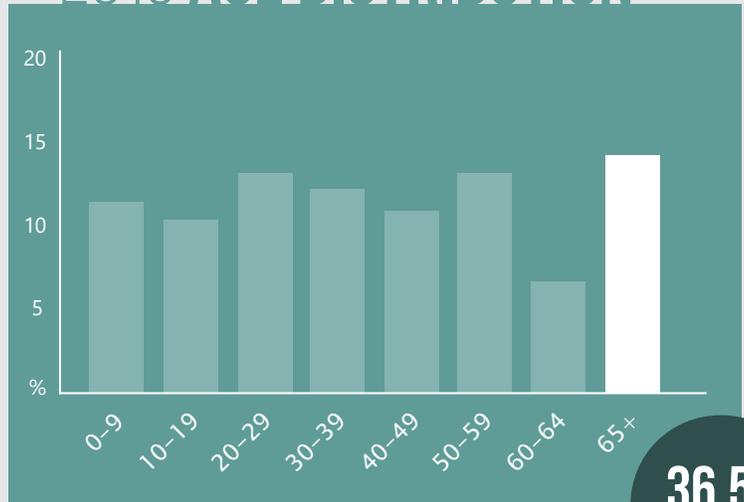
63,275

Total population of the city of Cheyenne.

49.69
MALE

50.31
FEMALE

2015 AGE DISTRIBUTION



36.56
MEDIAN AGE

HOW MANY EMPLOYEES DO BUSINESSES IN CHEYENNE HAVE?



1-4 Employees	56.86%
5-9 Employees	20.23%
10-19 Employees	11.79%
20-49 Employees	6.72%
50-99 Employees	2.29%
100+ Employees	2.13%

1-4
EMPLOYEES

TRANSPORTATION

Residents spend an average of 14 minutes commuting to work. Cheyenne is served by 4 airports within 50 miles. Interstates and rail can be accessed within the community.



14 MIN.
COMMUTE TRAVEL TIME

INCOME AND SPENDING

Workers in Cheyenne earn an average yearly household income of \$57,498. 48.08% of the households earn more than the national average each year. Household expenditures average \$55,230 per year. The majority of earnings get spent on shelter, transportation, food and beverages, health care and utilities.



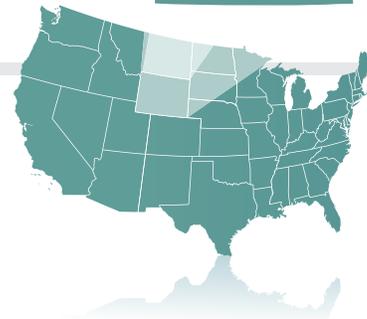
MEDIAN
HOUSEHOLD
INCOME

\$57,498

GDP GROWTH
2X

2016-2026 Strategic Framework for

INCREASING WYOMING'S PROSPERITY



VISION

- Wyoming's industries are strong, diverse and expanding.
- Small business is a big deal.
- Wyoming is the technology center of the High Plains.
- Communities have the highest quality of life.
- Wyoming knows no boundaries.

STRETCH GOAL

Wyoming will outpace the nation's GDP growth rate by a factor of two.

STRATEGIES

THINK BIG

Industrial Development

- Expand value-added opportunities for at least 3 resource bases
- Increase industrial readiness

THINK SMALL

Business Development

- Grow jobs and profitability of existing businesses with special attention to those that create the highest economic output

THINK NEW

Technology Development

- Grow technology to be the fourth largest economic sector

THINK LOCAL

Community Development

- Increase livability of communities

THINK GLOBAL

International Development

- Increase investment in Wyoming
- Increase international trade

TARGETS

- Increase jobs in advanced industries by 25%
- Increase average earnings per job by 10%

- Rank first in number of new business starts per 1,000 employees
- Increase five-year small business survival rate to 50%

- Double number of patents awarded
- Double SBIR grants awarded
- Achieve 1-gigabit-per-second internet service in 75% of municipalities

- Increase score on diversity index by 10%
- Increase total property and sales tax collections by 35%

- Double foreign direct investment in Wyoming
- Increase Wyoming exports by 50%

BUILDING BLOCKS

KEY INITIATIVES

LEADERSHIP/CIVIC DEVELOPMENT & THE ROLE OF PUBLIC POLICY

Wyoming communities leverage policies and partnerships in an efficient regulatory environment.

INFRASTRUCTURE DEVELOPMENT

Wyoming is connected and business ready.

WORKFORCE DEVELOPMENT

Wyoming's workforce is educated and ready for the future.

QUALITY OF LIFE

Wyoming's communities are destinations where people want to live and work.

ENTREPRENEUR DEVELOPMENT

Wyoming's entrepreneurs innovate, create, and compete in the global market.

EXISTING BUSINESS DEVELOPMENT

Wyoming businesses are growing and thriving.

NEW BUSINESS RECRUITMENT

Wyoming attracts world-class companies through its extensive networks.



BUSINESS COUNCIL

WHAT DRIVES US

We communicate and we are a team.

We are flexible, collaborative and get the work done.

We work in an environment of integrity, support and pride.

We make change happen and we are leaders.



Manufacturing and Other Tax Exemptions Reports

Wyoming Business Council Regional Project Assessment System (RPAS) Manufacturing sales tax incentive economic analysis

The RPAS model has been developed for Wyoming by Applied Economics, LLC of Phoenix, Arizona, www.aeconomics.com. The model identifies measurable effects associated with either a specific activity in a specific location or the value of economic and revenue impacts of existing businesses. The model has multipliers for 66 NAICS-based industry types based on Minnesota IMPLAN group data. It provides the value of additional output for job creation in addition to the direct jobs created and measures direct and indirect property and sales tax benefits to local and state revenues.

- Jobs, wages and output:
 - The tax exemption covers NAICS Sectors 31-33
 - In Wyoming, this represents over 12,000 jobs. The workforce has been growing.
 - The economic output from these direct wages is significant. The numbers below do not include indirect economic output of suppliers.

Year	Workforce	Average Wage	Total Direct Wages	Output from Employment Income
2010	11,665	\$ 44,777.00	\$ 522,320,000.00	\$ 5,562,869,804.00
2011	11,812	\$ 45,899.00	\$ 542,150,000.00	\$ 5,774,065,447.00
2012	11,949	\$ 47,078.00	\$ 562,535,000.00	\$ 5,991,172,011.00
2013	12,092	\$ 50,282.00	\$ 608,000,000.00	\$ 6,475,388,346.00
2014	12,346	\$ 52,519.00	\$ 648,399,574.00	\$ 6,905,656,324.00
2015	12,605	\$ 54,856.00	\$ 691,459,880.00	\$ 7,364,261,922.00
Total				\$ 38,073,413,854.00

* The year, workforce numbers and average wage are from data available at Department of Workforce Services, Research and Planning Labor Market Information, Demographics of Workforce Earnings by Age, Gender and Industry, 2004 - 2014, except 2015 data. Since that data is not available yet on the Workforce Services site, the WBC has calculated the statistical average increase for both workforce numbers and average wage. Accordingly, WBC has increased workforce by 2.1% and average wage by 4.45% for 2015.

* Output represents the total economic activity generated. It is derived from employment income and calculated by the WBC economic impact model. The inputs are direct employment numbers and average wages. The model then calculates additional multipliers of the wages rolling over in the community.

Wyoming Business Council Regional Project Assessment System (RPAS)

Railroad rolling stock tax incentive economic analysis

The RPAS model has been developed for Wyoming by Applied Economics, LLC of Phoenix, Arizona, www.aeconomics.com. The model identifies measurable effects associated with either a specific activity in a specific location or the value of economic and revenue impacts of existing businesses. The model has multipliers for 66 NAICS-based industry types based on Minnesota IMPLAN group data. It provides the value of additional output for job creation in addition to the direct jobs created and measures direct and indirect property and sales tax benefits to local and state revenues.

- Jobs, wages and output:

Year	Workforce	Average Wage	Total Direct Wages	Output from Employment Income
2009	180	\$ 46,727.00	\$ 8,410,860.00	\$ 47,146,255.00
2010	244	\$ 46,727.00	\$ 11,401,388.00	\$ 63,909,368.00
2011	155	\$ 46,727.00	\$ 7,242,685.00	\$ 40,598,164.00
2012	188	\$ 46,727.00	\$ 8,784,676.00	\$ 49,241,644.00
2013	188	\$ 46,727.00	\$ 8,784,676.00	\$ 49,241,644.00
2014	175	\$ 46,727.00	\$ 8,177,225.00	\$ 45,836,637.00
2015	167	\$ 46,727.00	\$ 7,747,665.00	\$ 43,428,780.00
Total				\$ 339,402,492.00

* The year and workforce numbers are from Department of Revenue annual reports, except 2012 & 2013 when there were no reports. WBC has averaged 2009, 2010, 2011 and 2015 for the estimated workforce in 2012 and 2013.

* Wage data is taken from the 2016 surveys returned by companies to the Department of Revenue. The surveys provided data on number of jobs and hourly wages for supervisors, skilled labor, sales/ customer service, admin and unskilled labor. The WBC compiled the numbers and created an average. This average is used for all prior years.

* Output represents the total economic activity generated. It is derived from employment income and calculated by the WBC economic impact model. The inputs are direct employment numbers and average wages. The model then calculates additional multipliers of the wages rolling over in the community.

- Real estate market valuation for tax assessment purposes

	2016	2015	2014	2013	2012	2011	2010
Union Tank Car	\$ 277,287.00	\$ 281,289.00	\$ 284,772.00	\$ 292,819.00	\$ 299,678.00	\$ 297,053.00	\$ 277,287.00
Big Horn Divide - Shoshoni	\$ 669,800.00	\$ 701,100.00	\$ 358,400.00	\$ 366,700.00	\$ 350,000.00	\$ 350,000.00	\$ 350,000.00
Progress Rail - Rock Springs	\$ 263,214.00	\$ 242,507.00	\$ 194,814.00	\$ 194,814.00	\$ 195,171.00	\$ 195,171.00	\$ 194,900.00
Progress Rail - Bill	\$ 583,050.00	\$ 584,100.00	\$ 527,200.00	\$ 529,900.00	\$ 495,400.00	\$ 495,400.00	\$ 503,700.00
Total	\$ 1,793,351.00	\$ 1,808,996.00	\$ 1,365,186.00	\$ 1,384,233.00	\$ 1,340,249.00	\$ 1,337,624.00	\$ 1,325,887.00

ROLLING STOCK IMPACT SUMMARY

Year	Local real property taxes	Local personal property taxes	Local sales taxes	Total local taxes	State sales tax	Total state and local taxes	Unrealized revenue from sales taxes	Net return to state and local governments
2009	\$339,665	\$32,574	\$404,232	\$776,472	\$298,303	\$1,074,775	\$ 1,076,023.00	\$ (1,248.00)
2010	\$467,833	\$59,579	\$468,265	\$995,677	\$345,556	\$1,341,233	\$ 1,098,465.00	\$ 242,768.00
2011	\$314,592	\$79,339	\$363,203	\$757,134	\$268,025	\$1,025,159	\$ 1,012,497.00	\$ 12,662.00
2012	\$385,313	\$99,688	\$392,131	\$877,132	\$289,373	\$1,166,505	\$ 1,145,416.00	\$ 21,089.00
2013	\$395,866	\$117,304	\$388,480	\$901,650	\$286,679	\$1,188,329	\$ 1,145,416.00	\$ 42,913.00
2014	\$385,832	\$132,498	\$371,667	\$889,997	\$274,272	\$1,164,269	\$ 1,394,681.00	\$ (230,412.00)
2015	\$384,135	\$145,017	\$358,957	\$888,109	\$264,892	\$1,153,001	\$ 1,270,004.00	\$ (117,003.00)
Total:	\$2,673,237	\$665,998	\$2,746,936	\$6,086,171	\$2,027,100	\$8,113,271	\$ 8,142,502.00	\$ (29,231.00)

* Approximately half of property tax revenue supports local school mill levies

* Direct and indirect property and sales tax is calculated by the WBC economic impact model. The inputs are assessed property valuation and equipment capital expenditures. Value of equipment was reported by one company. Others did not thus the model understates property tax on equipment. The model then calculates the direct property and sales tax paid to local and state. It also creates and calculates multipliers for direct employees and indirect employment increase in property and sales tax spending.

Wyoming Business Council Regional Project Assessment System (RPAS)

Data center tax incentive economic analysis

The RPAS model has been developed for Wyoming by Applied Economics, LLC of Phoenix, Arizona, www.aeconomics.com. The model identifies measurable effects associated with either a specific activity in a specific location or the value of economic and revenue impacts of existing businesses. The model has multipliers for 66 NAICS-based industry types based on Minnesota IMPLAN group data. It provides the value of additional output for job creation in addition to the direct jobs created and measures direct and indirect property and sales tax benefits to local and state revenues.

- Jobs, wages and output:
 - There has been significant growth in the last several years in data hosting jobs and wages.
 - Not all jobs created are reflected in the numbers below. Data centers often contract out a significant amount of work.
 - The economic output from these direct wages is significant. The numbers below do not include indirect economic output of suppliers.

Year	Workforce	Average Wage	Output from Employment Income
2010-12	15	\$ 51,798.00	\$ 2,231,226.00
2013	116	\$ 53,956.00	\$ 17,973,693.00
2014	106	\$ 56,158.00	\$ 17,094,401.00
2015	144	\$ 56,820.00	\$ 23,496,499.00
Total			\$ 60,795,819.00

* The year and workforce numbers are from the Department of Revenue annual reports.

* The wage data is taken from the 2016 surveys returned by companies to the Department of Revenue. The surveys provided data on number of jobs and hourly wages for supervisors, skilled labor, sales/ customer service, admin and unskilled labor. WBC compiled the numbers and created an average. This average is used for all prior years.

* Output represents the total economic activity generated. It is derived from employment income and calculated by the WBC economic impact model. The inputs are direct employment numbers and average wages. The model then calculates additional multipliers of the wages rolling over in the community. Real estate market valuation for tax purposes

The market valuation of data centers shows immense growth.

Assessed valuation for companies in the data storage industry in Wyoming				
	2016	2015	2014	2013
Greenhouse Data	\$ 8,007,395.00	\$ 7,792,972.00	\$ 351,654.00	
Microsoft	\$ 89,767,721.00	\$ 211,623.00	\$ 168,703.00	\$ 164,473.00
EcoStar	\$ 4,492,384.00	\$ 4,492,384.00	\$ 4,492,384.00	\$ 4,492,384.00
Mountain West	\$ 931,730.00	\$ 963,010.00	\$ 939,550.00	\$ 568,540.00
Ptolemy	\$ 1,477,077.00	\$ 1,598,498.00	\$ 1,530,624.00	\$ 1,469,670.00
Total	\$ 104,676,307.00	\$ 15,058,487.00	\$ 7,482,915.00	\$ 6,695,067.00

The following numbers do not include electricity tax or construction sales tax. However, data centers generate significant construction sales tax, electricity sales tax, property tax and indirect sales tax.

Year	Annual capital expenditures	Local real property taxes	Local personal property taxes	Local Sales taxes	Total local taxes	State sales tax	Total state and local taxes	Unrealized revenue from sales taxes	Net return to state and local governments
2012	\$ 63,105,174.00	\$73,195	\$343,032	\$18,228	\$434,455	\$13,451	\$447,906	\$ 3,357,195.00	\$ (2,909,289.00)
2013	\$ 316,136,131.00	\$184,251	\$2,000,924	\$55,898	\$2,241,073	\$41,250	\$2,282,323	\$17,071,351.00	\$ (14,789,028.00)
2014	\$ 164,119,341.00	\$426,914	\$2,528,934	\$142,176	\$3,098,025	\$104,919	\$3,202,943	\$ 8,862,444.00	\$ (5,659,501.00)
2015	\$ 187,851,478.00	\$1,150,612	\$2,976,384	\$174,986	\$4,301,982	\$129,131	\$4,431,112	\$10,143,979.00	\$ (5,712,867.00)
Total:	\$731,212,124.00	\$1,834,972	\$7,849,274	\$391,287	\$10,075,534	\$288,750	\$10,364,284	\$39,434,969.00	\$ (29,070,685.00)

- Approximately half of the property tax supports local school mill levies
- Direct and indirect property and sales tax is calculated by the WBC economic impact model. The inputs are assessed property valuation and equipment capital expenditures. The model then calculates the direct property and sales tax paid to local and state. It also creates and calculates multipliers for direct employees and indirect employment increase in their property and sales tax spending.