



WYOMING BUSINESS COUNCIL BOARD OF DIRECTORS MEETING

May 17-18, 2017 • Hulett, Wyoming



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— INCREASING —
WYOMING'S
— PROSPERITY —

Board of Directors Agenda

Hulett, Wyoming • Greater Hulett Community Center • May 17-18, 2017

WEDNESDAY, MAY 17, 2017

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

Wednesday dress code is business casual.

10-11:30 a.m. Sundance Main Street Tour

2:45-4:45 p.m. Hulett Economic Development Tour

THURSDAY, MAY 18, 2017

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

Thursday dress code is business attire.

Location: Greater Hulett Community Center, 401 Sager Ave.
(please see driving directions that follow this agenda).

8 a.m. Convene Public Meeting

- Welcoming remarks, Board Co-Chairman Cactus Covello
- Introduction of Board members

8:05 a.m. Action Item: Consideration of approval of minutes (Section A):

- March 9 Casper meeting
- March 30 call-in meeting

8:10 a.m. Welcoming Remarks – Vivian Odell, Hulett Mayor

8:25 a.m. Advisory Committee Reports and Discussion

- Welcoming remarks, Board Co-Chairman Cactus Covello

8:30 a.m. Industrial Development Committee Report

- Jay Anderson, Chair and staff

8:45 a.m. Business Development Committee Report

- Mike Sullivan, Chair and staff

9 a.m. Technology Development Committee Report

- Allen Hoopes, Chair and staff

9:15 a.m. Community Development Committee Report

- Ron Harvey, Chair and staff

9:30 a.m. Market Development Committee Report

- Mike Easley, Chair and staff

9:45 a.m. CEO Report (Shawn Reese, Chief Executive Officer)

9:50 a.m. Public Comment Period

10:05-10:30 a.m. Break

10:30 a.m. Personnel, Budget and Audit Committee Report (Section B)

- Megan Goetz, Chair
- Janet Marschner, Chief Financial Officer, will present current financials
- **Action Item:** Acceptance of financial statements
- Shawn Reese, CEO, will give a personnel update

10:45 a.m. Community Grant and Loan Committee Reports (Section C)

- Kelly Lockhart, Chair
- Community Development Director Julie Kozlowski will present staff recommendations for the following Business Ready Community grant and loan program applications:

BRC Applications - March 1, 2017						
Applicant	Project	Type	Request	Funds available	Staff Recommendation	Carry Forward to Next Quarter
		Business Committed		\$ 3,947,635		\$ 3,947,635
Campbell County	Advanced Carbon Products Innovation Center	Community Readiness	\$ 1,500,000	\$ 1,717,367	\$ 1,500,000	\$ 217,367
		Community Enhancement				
		Planning	\$ -	\$ -		
Total Requests			\$ 1,500,000	\$ 5,665,002	\$ 1,500,000	\$4,165,002

- Project will be presented by staff with opportunity for board members to ask questions and for the project proponents/opponents to speak.
- Consideration of staff recommendation after presentation.

11:15 a.m. Business Contract and Loan Committee Report (Section D)

- Aaron Sopko, Chair
- Josh Keefe, Economic Development Finance Manager, will present the quarterly Challenge Loan report
- **Action Item:** Consideration of report
- Keefe will present annual Challenge Loan report
- **Action Item:** Consideration of report
- Keefe will present the annual Small Business Investment Credit (SBIC) report
- **Action Item:** Consideration of report

11:30 a.m. Other Board Matters – Co-Chairman Cactus Covello

- Upcoming meeting dates and locations for 2017

Sept. 13-14 Alpine

Dec. 6-7 Cheyenne

Noon Closing Remarks and Adjournment



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Board of Directors Meeting

Casper, Wyoming – March 9, 2017

BOARD MEMBERS PRESENT

Jay Anderson, Jerry Blann, Cactus Covello, Kim DeVore, Mike Easley, Megan Goetz, Ron Harvey, Greg Hill, Allen Hoopes, Pete Illoway, Ron Kensey, Kelly Lockhart, Aaron Sopko, Mike Sullivan, Mike Wandler

WBC STAFF PRESENT

Warren Appel, Leah Bruscino, Brayden Connor, Karen Fate, Grant Gering, Andy Greenman, Ron Gullberg, Brandi Harlow, Lisa Johnson, Tom Johnson, Diane Joyce, Josh Keefe, Julie Kozlowski, Ben Peterson, Kim Porter, Noelle Reed, Shawn Reese, Kim Rightmer, Pat Robbins, Heather Tupper, Elaina Zempel

CONVENTION, INTRODUCTIONS, ROUTINE BUSINESS AND WELCOMING REMARKS

CEO Shawn Reese called the meeting to order at 8 a.m. in the Walter H. Nolte Gateway Center at Casper College. Reese extended thanks to the city of Casper for the March 8 Board tour of the work being done along the North Platte River as well as within the Old Yellowstone District, and we appreciate the enthusiasm they bring to other communities on their economic development projects.

The Board members introduced themselves, including new members Jerry Blann, Ron Kensey and Kim DeVore. Roll was called and quorum was established.

Wandler read the Nominating Committee report for the 2017-2018 Officers for the WBC Board of Directors. The members of the committee were Jim Espy, Jay Anderson, Lynne Michelena and Mike Wandler. The offices to be filled are co-chairman, vice-chairman and secretary/treasurer. All non-expiring board members were considered for the officer positions. The committee nominated Cactus Covello as co-chairman, Pete Illoway as vice-chairman and Megan Goetz as secretary/treasurer.

- **ACTION:** Motion to accept nominations as presented by Easley, seconded by Sullivan, and no discussion. Motion carried unanimously.

As newly-elected co-chairman, Covello issued assignments for standing committee chairs as follows:

- Personnel, Budget and Audit Committee Chair: Megan Goetz
- Business, Contract and Loan Committee Chair: Aaron Sopko
- Community Grant and Loan Committee Chair: Kelly Lockhart
- Executive Committee will consist of Cactus Covello (co-chair), Pete Illoway, Megan Goetz, Kelly Lockhart, Aaron Sopko and Greg Hill. Hill will also be the co-chair for ENDOW.

MINUTES APPROVAL

Minutes from the December 8, 2016 board meeting were presented for approval by Covello.

- **ACTION:** Motion to approve by Illoway, seconded by Wandler, and no discussion. Motion carried unanimously.

WELCOME TO CASPER

Kim Rightmer, WBC East-Central Regional Director, welcomed the Board to Casper and invited city of Casper Vice-Mayor Ray Pacheco to address the Board.

Mr. Pacheco extended Mayor Kenyne Humphrey's apologies for her inability to attend the meeting, and welcomed the WBC to Casper for the Board meeting and provided background on several projects in Casper which have benefited from WBC funding. As an Administrator for Casper College, Mr. Pacheco also thanked the WBC Board for holding the Board meeting at the Nolte Gateway Center.

The Board heard remarks from John Lawson (Chair) and Forrest Chadwick (Vice-chair) of the Natrona County Commission, who thanked the WBC Board for its efforts that help Casper as well as the other communities in Natrona County

The Board heard remarks from Charles Walsh, President/CEO of Casper Area Economic Development Alliance (CAEDA) and cofounder of angel investor network Breakthrough 307. Walsh welcomed the Board to Casper and spoke on the new priorities and focus for CAEDA to help diversify Casper's economy and ensure high return on investment for its economic development activities.

PRESENTATION ON AIR SERVICE IN WYOMING BY WYDOT AERONAUTICS DIVISION

Incoming Aeronautics Administrator Amy Surdam extended thanks to the WBC Board for the invitation to speak and for its commitment to economic development in primarily rural Wyoming. Key to this is workforce recruitment and retention, and air service plays a vital role in providing for quality of life in addition to providing economic impact across multiple industries and sectors. Surdam introduced Sheri Taylor for the formal presentation.

Taylor, Air Service Development Manager for WYDOT Aeronautics, delivered a presentation on the air service challenges faced by small hub airports and non-hub airports throughout the nation. This is the same presentation delivered to the Air Transportation Select Committee in Jackson in the Fall of 2016 by Bill Swalbar, Vice President of InterVistas and head of InterVistas' Regional Air Service Alliance group consisting of some 80 member airports in addition to multiple economic development groups and private businesses.

REGIONAL AND DIRECTORS' REPORTS

CEO Reese led the Board on a brief overview of the WBC Strategic Plan and introduced **Leah Bruscino, Director of Field Operations**, to introduce the regional directors and provide updates on their endeavors toward WBC's strategic goals.

Bruscino made mention that **Roger Bower, West-Central Regional Director**, is not attending this meeting as he is at the PDAC trade show in Canada this week.

East-Central Regional Director Kim Rightmer spoke about flood recovery efforts in Lusk, the "Enterprise" combined economic development entity in Douglas, and small business support and community beautification efforts in Glenrock following the loss of oil/gas, coal and uranium jobs in Converse County.

South-Central Regional Director Pat Robbins shared the changing nature of the global soda ash market owing to the entry of China and Turkey into international markets and its effects on soda ash operations in Sweetwater County and Wyoming. She also mentioned the installation of 800 horse corrals at the Sweetwater County Events Complex, a project funded by the WBC, which makes the facility one of the premier facilities for equestrian events and has resulted in the National High School Finals Rodeo choosing this facility for events in 2018 and 2019; this is a 10-day event which represents some \$10 million in economic impact to the area. She also discussed the Rawlins Main Street façade project, another project funded by the WBC, and their successes in bringing the public and private entities together to overcome challenges. Finally, she spoke of the construction of new wind energy projects and the expansion of transmission facilities in Carbon County, and the importance of that industry to the surrounding area.

Northeast Regional Director Brandi Harlow spoke about the Main Street Mercantile project in Ranchester, the Hallmark building renovation in downtown Sheridan, advanced coal technology development efforts in Campbell County and a forthcoming funding application for an advanced carbon products innovation center, aggressive business recruitment expansion efforts in Johnson County, tourism and Main Street projects in Sundance, and the

success/expansion of the Upton Logistics Center in Weston County. She also shared the communities of Hulett and Newcastle are in the early stages of organizing economic development entities.

Southeast Regional Director Heather Tupper discussed the Tungsten Heavy Powder and Parts facility in Laramie, with the completion of construction and commencement of operations in February. InMotion software is in the final stages of site selection in Laramie with a commitment due in April. The Big Hollow Food Co-op in Laramie is in the design phases of its Main Street project and is actively promoting it within the community. Goshen County rebranded its economic development efforts and the recent combination of the Chamber of Commerce and the Tourism office under the same umbrella, and she spoke of continued work by Mountain West to expand broadband access in Goshen County. The Wyoming Malting facility in eastern Laramie County is in the final stages of construction with a ribbon cutting on March 17 and commencement of operations in early June. Bids are being accepted for water and sewer upgrades for the North Range Business Park west of Cheyenne to support a planned expansion of Microsoft Data Center facilities projected to begin in fall 2017. She spoke on the Culver Hotel project in downtown Guernsey, which is progressing with remediation work completed and renovations to begin with a target completion date in late fall 2017, as well as planned expansions at Camp Guernsey, which benefits the community through construction jobs in the short term and long term through troops being stationed at the facility. Glendo is working with Wyoming State Parks ahead of the 2017 eclipse to prepare for the influx of travelers in August.

Southwest Regional Director Elaina Zempel spoke about the recent acquisition of SGL Carbon Fiber in Evanston by Mitsubishi Rayon (MRC) and the assistance provided to MRC by WBC staff for permitting and other requirements to bring them here. She also shared updates on expansion of fiber optic service in Lincoln County and Evanston and how it is spurring business growth and retention in those areas, and efforts to streamline broadband access and development in Sublette County, which is crucial for economic diversification.

Northwest Regional Director Leah Bruscino talked about the effects of recent flooding in the Big Horn Basin, particularly in Worland, and proactive work to address ice jam flooding problems including the removal of an island in the Big Horn River, which catches the ice floes. The former Hot Springs County airport is being evaluated by county officials for its utility in economic development and is engaging the community for public input. The Greybull Industrial Park currently has 12 of the 15 lots in Phase 1 sold with four buildings in varying stages of completion already in place, and the project will conclude in Spring 2017 after the completion of Phase 2 wherein eight of the 21 lots from that phase are already sold to an expanding business. Other highlights include Gluten Free Oats' expansion of export operations to China with the help of the WBC, the Wyoming Dinosaur Center in Thermopolis is holding a groundbreaking of the business park there in April, and the \$50 million expansion of Cody Labs in Cody.

Business Initiatives Director Ben Avery provided updates on Industrial Development Initiatives, including site surveys conducted in cooperation with regional directors and local WEDA entities as part of the ENDOW initiative. The team identified key industries and is working to identify the resources and infrastructure required to support them. As resources and assets are identified, they are being mapped using GIS technology through grants from the State Energy Office to prepare for reporting to the ENDOW Committee at the end of August 2017. ENDOW is also looking at large project development finance options and is working with external partners to identify financial resources available for all businesses, and targeted resources for large projects including bonds and private equities. This information will be shared with the WBC Board in May and with legislative committees as they consider these topics.

Business Development Director Lisa Johnson spoke about the business recruitment process and handling of leads with internal teams and external public and private partners. The Business Development team currently has 32 prospects being actively worked in various phases, including 13 leads, seven qualified prospects, five active prospects and four in the final phases of negotiation and site selection. To provide for a proactive workforce development plan, the Wyoming Workforce Development Council established regional Workforce Advisory Groups to collect data on workforce development needs in the healthcare, skilled trades, value-added energy and technology sectors; the WBC is sharing our business information with the local groups to generate useful information to inform the Workforce Council. She also spoke about the advanced industries growth strategy. Companies in advanced industries encompass technology, invest highly in research and development, and employ workers in technology at higher than average wages. The Wyoming Business Council is targeting existing business and attracting companies in 6 key industries to encourage growth in the STEM and research and development operations and businesses among new and existing Wyoming businesses. Target industries are advanced manufacturing, agriculture technology and food, energy and natural resource technology, information technology and data, outdoor products manufacturing, and research/development/advanced engineering.

Community Initiatives Director Kim Porter spoke on the work to compare technology procurement practices of Wyoming to other states to identify ways to leverage the state's technology purchasing power in a way that will benefit Wyoming technology companies - similar to the Wyoming Contractor Preference Act for construction companies. Broadband continues to be a major project as the team works to bring one-gigabit service to 75% of Wyoming communities in the next five years, and the WBC has engaged with telecommunications companies to advocate for the expansion of broadband services as a mechanism for economic growth and to coordinate those efforts among businesses and stakeholders. She also shared the work on the Housing Toolbox among housing agencies throughout the state, including a statewide housing survey to coordinate access to fair/affordable housing. As part of ENDOW, a community amenities survey is being undertaken to help inform a development plan that meets the needs of businesses and residents of our communities.

Community Development Director Julie Kozlowski provided updates on new rules and funding within the Community Development Block Grant program, which requires states to address the need for broadband access for low- and moderate-income citizens, effectively coupling community development with the expansion of broadband services. She also informed the board of the work between the WBC and the Wyoming Department of Environmental Quality to pursue a joint venture to address brownfield sites for future development and use.

Communications Director Ron Gullberg gave an update on market development, including recent meetings to work with business on export expansion efforts through the State Trade Expansion Program (STEP), as well as the Western United States Agricultural Trade Association (WUSATA) along with the SBA, USDA, SBDC, Manufacturing-Works and WBC staff. The WBC continues to engage in various trade shows for targeted industries to grow the export business base for Wyoming companies, as well as to interface with companies on business development and expansion in/to Wyoming. We are also working on setting up a foreign trade mission to Mexico to look at value-added agricultural businesses in Wyoming. Gullberg also informed the board about an opportunity with United Airlines and their feature on Wyoming in the April issue of their in-flight magazine called "Dossier: Wyoming." This feature is part of a series which has covered some 30 different states, regions and major cities over the past three years and will be available on all domestic and international flights with an estimated audience of roughly 3 million people. Our team provided subject matter, expert contacts and information to the Dossier: Wyoming reporters who conducted 23 interviews around the state for their content, and the WBC will have two full-page ads promoting business recruitment/expansion, manufacturing, workforce quality and workforce recruitment. The communications team is also in the final stages of the "soft rollout" of the redesigned WBC website, including added resources and information, an improved user experience for desktop and mobile users, and better search engine optimization. Overall, engagement with our website and social media platforms has increased significantly from the same period last year, particularly by mobile users.

Chief Performance Officer Tom Johnson gave a performance update to the Board on the five-year targets chosen to coincide with our 10-year GDP growth goal. Johnson also discussed the importance of economic diversification and spoke on the costs/benefits of economic development and job creation against the cost of public services and how those costs do not always correlate. The work of the WBC, in fact, helps to relieve the tax burden on Wyoming citizens through increased sales, property taxes and other revenues. Economic diversification also helps to keep Wyoming-raised and educated citizens in the state, increases innovation, helps to shrink the gender wage gap and improves the diversity of our workforce.

ASSIGNMENT OF ADVISORY COMMITTEE CHAIRS

Co-Chairman Covello made assignments of Board members to the Advisory Committees as follows below, and encouraged Board members to serve on multiple committees as feasible:

- **Industrial Development: Jay Anderson**
- **Small Business: Mike Sullivan**
- **Technology Development: Allen Hoopes**
- **Community Development: Ron Harvey**
- **-Market Development: Mike Easley**

CEO REPORT AND LEGISLATIVE UPDATE

CEO Reese spoke on a prominent theme at the recently-closed legislative session regarding economic development and diversification as it relates to the cost of public services. This issue will require a closer look, but it is important for the WBC to be leading the discussion on diversification, as it includes diversifying opportunities for upcoming generations, diversity in the approach to economic development and diversity of business models to help businesses endure economic fluctuations; it is much more than merely diversifying revenue. Additionally, the Legislature voted to extend the manufacturing sales tax exemption sunset for an additional 10 years, helping Wyoming to continue being competitive among the 37 other states that offer similar exemptions. Though the loss of sales tax revenues to this exemption totals some \$50 million over the last five years, it coincides with nearly \$500 million in capital expansion expenditures and property taxes, and the self-sufficient wages provided by these jobs reduce the demand on public services. Reese also mentioned the placement of \$25 million into the Challenge Loan account to not only carry the Challenge Loan program forward, but also to enable it to fund more large loan projects; the action was strongly supported by both chambers of the Legislature. The WBC was also successful in working with the Department of Workforce Services to provide employers in other states looking to expand to Wyoming with credit for workplace safety measures in other states on their Workers' Compensation premiums, something that has been a business recruitment barrier in the past, as that experience rating from another state was not previously recognized. The WBC also provided information to the Legislature on the economic output paid by large-scale wind projects and the benefit to minimal taxes on wind energy. Finally, the ENDOW legislation passed with a \$2.5 million appropriation to create a 15-member private-sector committee co-chaired by the Governor and Greg Hill with leadership from the House and Senate, as well as the Joint Minerals, Business and Economic Development Committee. The legislation calls for a series of studies to report on current economic conditions, an overview of existing and new/emerging markets in Wyoming and nationally, identification of innovation zones, and promulgating recommendations on each item. A draft of the 20-year strategy is due in December 2017 with a final strategy due in August 2018, from which agencies will develop four-year action plans. Those agencies include WBC, UW, Wyoming Community College Commission and the Department of Workforce Services and provides an opportunity to align opportunities and strategies among the agencies to ensure focus on developing innovative solutions for economic development in Wyoming. The ENDOW Committee is expected to be announced in late March or early April, and will likely meet monthly due to the short turnaround for the initial studies reporting in August.

COMMUNITY GRANT AND LOAN COMMITTEE

Community Development Director Julie Kozlowski provided an update on the Cheyenne Elevated Walkway Project. Spirit Hospitality was unable to secure financing for the construction of the hotel which would connect with the elevated walkway, so the application has been withdrawn by the city of Cheyenne as it continues to seek solutions on this development. The de-obligated funds from this project will be allocated to the next fiscal year in accordance with the allocation plan. Kozlowski also provided the Board a brief overview of the BRC allocation plan which ensures availability of funding through the end of the current biennium.

WBC Deliberation on Wyoming Authentic Products expansion

The City of Cody requested a Business Committed grant in the amount of \$748,360 for the expansion of Wyoming Authentic Products. The Board heard from James Klessens, CEO of Forward Cody, on behalf of Wyoming Authentic Products. The business owner, David Fales, was unable to attend the meeting due to a family emergency.

The Board asked about the possibility of the business seeking traditional bank financing instead of the grant. Mr. Klessens explained that was explored but private financing would be difficult to acquire as it is a state-funded building managed by Forward Cody. Additionally, private financing will require Forward Cody to give up its first position on the mortgage of the building in which Wyoming Authentic Products is housed.

The Board also discussed this being a second application for Wyoming Authentic Products. Several members expressed concern about the business not being able to afford growth. Mr. Klessens explained that this would be the last BRC application from Wyoming Authentic Products. However, he believes this request is vital to increasing productivity to fill the large amount of orders that are flowing into the business.

The increased production will result in new hires at good wages, which aids in Cody and Park County's efforts to diversify the local economy. The match contributed by Wyoming Authentic Products was 32% (above the required 10%), which signified that Wyoming Authentic Products was serious about the funding and wanted to do its part to ask for as little as possible from BRC funds.

Barry Cook, Cody City Manager, thanked the Board for its consideration of the grant, which is very important to the community for many reasons including diversifying Cody's largely tourism-based economy. Kim DeVore stated she believed the financing issues are wholly related to fast growth and did not perceive them to be negative.

WBC Recommendation

The WBC recommended funding, with a vote of 7-6, as a Business Committed grant in the amount of \$748,360, as requested, contingent on receipt of the \$250,000 Value-Added Agricultural Loan.

WBC Deliberation on GT Aeronautics

The city of Powell requested a Business Committed grant in the amount of \$435,400 to construct a light manufacturing facility at the Powell airport to be leased to GT Aeronautics. The Board heard from Christine Bekes, Executive Director of Powell Economic Partnership, and Tom Rullman, Owner and CEO of GT Aeronautics. The Board inquired why this company was a start-up despite having Department of Defense contracts in the past. Ms. Bekes clarified that this company would be a start-up in the commercial aspect of the business. The industry in general is "start-up," as there are no federal regulations regarding flight or licensure, and many potential uses of unmanned aerial vehicles (UAV) are only now being explored.

The Board was interested in Mr. Rullman's contribution to GT Aeronautics. Mr. Rullman explained that since its inception in 2002, he has contributed approximately \$1.6 million dollars to GT Aeronautics. The commercial market is just now starting to emerge, and GT Aeronautics will be on the leading edge of UAV development in Wyoming.

The Board was also interested whether there were any products to be manufactured or supplies that could be sourced from Wyoming. Mr. Rullman explained that he is not presently using suppliers or manufacturers from the state, but he would consider that in the future. He stated he is a firm believer in domestic products from American workers and does not use foreign-made products in his UAVs. The board also discussed SF170, recently passed by the Wyoming Legislature, which authorizes the Wyoming Aeronautics Commission to promulgate rules related to unmanned aircraft. Wyoming potentially will be one of the first states to capitalize on this new technology.

WBC Recommendation

The WBC unanimously recommended funding for this project contingent on a five-year, versus the seven-year (recommended by staff), guaranteed lease agreement with GT Aeronautics and an additional personal guarantee from Tom Rullman, the owner/CEO of GT Aeronautics. The Board believes if Powell is comfortable with five years, then the request should be sufficient.

WBC Deliberation on Bar Nunn interchange

The town of Bar Nunn requested a \$3 million Community Readiness grant to complete financing for the construction of an interchange at Westwinds Road and Interstate 25. The Board heard from Lowell Fleenor, WYDOT District 2 Engineer. Fleenor discussed the project and the planning process taken by WYDOT, the Metropolitan Planning Office, and the town in order to put this onto the 2018 WYDOT Construction Plan. The Board discussed why WYDOT wasn't using its funds for construction of the interchange. Fleenor explained the traffic congestion did not rise to the level of "failing" on WYDOT's scale.

Additionally, WYDOT projects are not prioritized for economic development. WYDOT has different criteria. The Board also asked if WYDOT anticipated future funding at the federal level that could be used, and if the WBC were to recommend any funding, could this project be phased? Fleenor said this project cannot be phased and although WYDOT hopes to see more funds made available at the federal level for highway construction, this project would still not be considered a "primary need," according to WYDOT criteria.

Bar Nunn Mayor Patrick Ford described the outer belt that would be completed after the interchange. It is a \$25 million project. A large federal grant (FAST Act - Fixing America's Surface Transportation/ FASTLANE - Fostering Advancements in Shipping and Transportation For The Long-Term Achievement of National Efficiencies Grants) from the U.S. Department of Transportation - Federal Highway Administration was applied for but was not awarded because the interchange was not yet complete.

The Board asked about job creation potential. WBC staff did not analyze specific job creation, as there was no business committed to the project with wages sufficient to comply with BRC stipulations. There is a commitment to build a travel plaza at the interchange once it is completed. The project is dependent on other factors as well.

Board Recommendation

Given limited funding and the fact that WYDOT had not prioritized this project, the Board did not recommend funding, with a vote of 10 to 2.

WBC Deliberation on Old Stoney restoration

The city of Sundance requested a Community Readiness grant in the amount of \$2,957,434 for Phase I of the renovation of Old Stoney, an historic school building in Sundance. The Board heard from Kathy Lenz, the Clerk/Treasurer for the city of Sundance, and Pam Thompson, Chairman of the Crook County Museum District Board of Trustees. Lenz described the community development plan that Sundance commissioned with a planning grant. It is Sundance's roadmap for future development, and she stressed it was critical to engaging the community.

The Board discussed the elements that make this a readiness project versus an enhancement. Staff noted that Old Stoney would have entrepreneurial and events space to market to conventions and meetings. Downtown Sundance available space is largely occupied, and this project will create additional square footage for business space in the heart of town.

The Board also discussed this project providing a venue for events in Sundance. Lenz informed the Board that it already is. Farm Bureau has held events in Old Stoney even though there is no plumbing. Other organizations have done so, as well, but the situation is not ideal. Sundance regularly turns away events such as a state banking meeting due to lack of event space in the community.

The Board also asked what could be done with less funding or perhaps a phasing of the project. Lenz noted that the old Crook County School District building next to Old Stoney would be demolished with state funding approved through the Legislature. She said infrastructure construction would be the most crucial step and that could be considered as phase one of the project. She said the town would be grateful for any consideration.

WBC Recommendation

The WBC unanimously recommended partial funding this project in the amount of \$2,452,104. The amount of funding recommended reflects available balances within the confines of the allocation plan.

WBC Deliberation on David Street Station

The Casper-Natrona County Economic Development Joint Powers Board requested a Community Enhancement grant in the amount of \$500,000 for Phase IV of the David Street Station construction. The Board heard from Brandon Daigle, Chairman of the Casper DDA. The Board asked about private and public funds invested to date. Daigle explained that approximately \$30 million has been invested by private individuals in the area, contributing to Casper's efforts to revitalize its downtown and Old Yellowstone districts.

Additionally, \$750,000 of the \$1.2 million in private funds scheduled for this project will sunset in September 2017 if the \$500,000 Community Enhancement grant is not recommended. Members of the community were present to support the project and its current impact on additional business investment and workforce recruitment.

WBC Recommendation

The WBC unanimously recommended funding in the amount of \$500,000.

WBC Deliberation on Sheridan energy planning

The city of Sheridan requested a Planning grant in the amount of \$44,000 for a renewable energy feasibility study. Roger Miller, Mayor of Sheridan, and Robert Briggs, Sheridan Planner, spoke on behalf of the project. The Board complimented Sheridan's efforts to be innovative in addressing the community's energy needs, as well as its economic development efforts.

WBC Recommendation

WBC unanimously recommended funding in the amount of \$44,000 as requested

BUSINESS CONTRACT AND LOAN COMMITTEE

Economic Development Finance Manager Josh Keefe provided the quarterly Challenge Loan report. There are two past-due loans for beet growers as of December 31, 2016; one has since been paid in full, and the WBC is awaiting final payment on the other. This represents a complete payoff of all 37 loans made to beet growers in 2007. The unallocated reserve applicable to the Challenge Loans is currently at \$107,000. There were no charge-off balances to report.

- **ACTION:** Motion to approve by Illoway, seconded by DeVore, and no discussion. Motion carried unanimously.

Keefe then presented details on a Value-Added Agricultural Loan request for \$187,500 to Wyoming Authentic Products to purchase equipment for the company's expansion. This is the first request for the USDA Rural Rehabilitation fund, a separate pool of funding from the Challenge Loan fund. There is considerable private investment to support the loan. WBC staff believes Wyoming Authentic Products is strongly positioned financially, and has strong management to satisfy the loan terms. Collateral will be held as a blanket lien on the equipment to be purchased as well as existing equipment, if needed. Enhanced Capital will be the loan participant on the credit, holding 25% (\$62,500), and the Wyoming Business Council 75% (\$187,500), for a total project cost of \$250,000.

- **ACTION:** Motion to approve by Illoway, seconded by Easley. Motion carried with Sullivan as lone "nay" vote.

BCL PUBLIC COMMENT PERIOD

Phillippe Brunet from Standard Alcohol Company of America, Inc. and Big Horn Technologies, Inc. provided the Board with a background on the company's continued efforts to build a mixed alcohols plant in Cheyenne, which has been the subject of prior Board actions.

PERSONNEL, BUDGET AND AUDIT COMMITTEE

Owing to a shortage of time, Committee Chair Megan Goetz opted to skip the Personnel Report from Human Resources Manager Chava Case.

Chief Financial Officer Diane Joyce provided her last report to the Board prior to her retirement April 1. The additional cuts proposed by the Joint Appropriations Committee on top of the voluntary reductions made internally by the WBC were vetoed by the Governor and sustained by the Senate, so the budget will not be further cut. WBC executives are unclear how hiring freezes and further reductions may affect operations and budget. As of December 31, expenditures total \$3.4 million, encumbrances total slightly over \$11 million, and these collectively represent a take against the budget of 29%. Costs for personnel and support services are lower compared to last year, owing to budget cuts and internal restructuring. Professional services expenditures and encumbrances are slightly higher this year due to the timing of encumbrances for contracts with the Business Resource Network and some other entities. Some \$35.44 million in prior-year encumbrances remain, primarily for BRC and CDBG projects. The WBC was subject to \$1.2 million in budget cuts from the operations budget and another \$3 million from the BRC program. The total biennium appropriation after these cuts is \$64,074,299. Total BRC funding availability following reconciliation is \$30,384,898.49. Following a \$25 million appropriation, the Economic Development fund balance is approximately \$27.5 million.

- **ACTION:** Motion to approve by Covello, seconded by Sullivan, and no discussion. Motion carried unanimously.
- **ACTION:** Joyce was thanked and recognized by Goetz and the Board for her many years of service to the WBC, and she is wished well in her retirement.

NEXT MEETING AND ADJOURNMENT

Co-Chairman Covello announced the next WBC Board Meeting will take place in Hulett on May 17-18.

There being no further business, the meeting was adjourned at 5:10 p.m. by Covello.

Respectfully Submitted:

Warren R. Appel, Executive Coordinator

Date

Megan Overmann-Goetz, Secretary/Treasurer

Date



TM



DRAFT

Special Board of Directors Meeting

Teleconference - Cheyenne, Wyoming – March 30, 2017

For consideration of a Declaration of an Economic Disaster Area and Economic Disaster loan assistance for Wyoming Sugar, LLC.

BOARD MEMBERS PRESENT

Jay Anderson, Jerry Blann, Cactus Covello, Kim DeVore, Mike Easley, Megan Goetz, Ron Harvey, Pete Illoway, Ron Kensey, Kelly Lockhart, Aaron Sopko, Mike Sullivan, Mike Wandler

EXCUSED

Greg Hill, Allen Hoopes

WBC STAFF PRESENT

Warren Appel, Tom Dixon, Sara Fitz-Gerald, Grant Gering, Andy Greenman, Ron Gullberg, Lisa Johnson, Josh Keefe, Ben Peterson, Shawn Reese, Briana Tanaka

CALL TO ORDER AND INTRODUCTIONS:

Board Co-Chair Cactus Covello called the special meeting to order at 10:01 AM on March 30, 2017 and welcomed Mr. Greear and Ms. Hall from Wyoming Sugar. Roll was called and quorum was established.

BUSINESS CONTRACT AND LOAN COMMITTEE REPORT

Aaron Sopko introduced Economic Development Finance Manager Josh Keefe for an overview of the Economic Disaster Declaration request from Wyoming Sugar.

Keefe discussed the role of the Economic Disaster loan within the Challenge Loan fund which provides funding for economic disasters throughout the state which exceed \$1 million dollars of economic loss and affecting four counties or fewer. The Challenge Loan fund balance is slightly more than \$17.6 million dollars.

Keefe reported on a trip to the Wyoming Sugar plant in Worland on March 15, 2017 which is owned by some 38 growers/entities across Fremont, Big Horn, Park and Washakie counties. With no documented losses for Park county, consideration is being given to growers in Fremont, Big Horn and Washakie counties. Wyoming Sugar growers are paid under a contractual agreement based on the sugar content and tonnage delivered to the plant, with gains and losses are shared among all growers in the manner of an agricultural cooperative. Five inches of rain fell in the Wyoming Sugar area during the Fall 2016 harvest making the beets muddy and difficult to process, and a subsequent deep freeze in December 2016 further complicated processing, creating a loss in the operation. This loss is estimated at \$5,675,650 based on tonnage delivered and contractual prices, with an effect on 26 direct and indirect jobs and a total economic impact of approximately \$6.6 million dollars per year.

Emergency relief funding from the United States Department of Agriculture and the Farm Service Agency was sought, but was unavailable due to the circumstances of this loss.

The Wyoming Business Council has provided a total of 123 economic disaster loans for beet growers on three occasions since 2000 totaling slightly more than \$6 million dollars. Of those, six loans have been charged off in the

amount of \$84,000 with each of those growers subsequently filing bankruptcy and exiting the business. Interest income from past loans exceeds \$940,000 and the principal of the fund has not decreased.

In the event the WBC designates an Economic Disaster Area, each grower would be asked to provide a complete loan application on or before May 15, 2017 to be analyzed by Keefe for collateral, cash flow and personal guarantees, with all loans requiring a personal guarantee and some requiring additional collateral based on the credit worthiness of the applicant. The amount loaned to each grower will not exceed their proportion of the total loss, and the aggregate of all loans will not exceed the total estimated loss of \$5,675,650. Loans will range between \$13,000 and \$500,000 with an average of \$158,000. All loans are subject to a \$100 origination fee and a 3.5% annual interest rate with a maximum term of 10 years, and each loan will be closed at the grower's local bank. Disbursements will be made to either the grower individually or to the producer and their financial institution. Cheyenne-based Markee Escrow Services will service each of the loans, and this servicer is familiar with the beet grower loans as they have serviced them in the past.

The final payment from the last round of loans made in 2007 was recently received and marks full repayment of all outstanding beet grower loans.

WBC staff recommends to the Board to designate sugar beet growers in Big Horn, Fremont and Washakie counties as an Economic Disaster Area, and further recommends the Board authorize the staff to receive, analyze and close the individual loans with status updates on origination and terms/performance of each loan to be provided at future Board meetings.

Sopko shared with the board that he is in full support of proceeding with the declaration and loans for the beet growers, having first-hand knowledge of Wyoming Sugar's economic impact in Worland and the surrounding area.

- **ACTION:** Motion by Covello to proceed with the Economic Disaster Area declaration and the loan process for affected growers and authorized staff to receive, analyze, and close individual loans with reports to the Board at subsequent meetings, seconded by Illoway.
- **DISCUSSION:** Jay Anderson asked about position of liens for growers, and Keefe clarified that the WBC would hold a first security position on this year's crop, and the preference is for a first security position on any additional collateral required for the loan. Anderson also asked about the role of crop insurance in such circumstances with Keefe explaining that crop insurance covers crops only from planting to the moment of harvest; since these losses were incurred after harvest as well as at the processing plant, crop insurance does not provide coverage. Motion carried on a unanimous "aye" vote.
- **VOTE:** A roll-call vote was taken with Blann, Covello, DeVore, Easley, Goetz, Harvey, Illoway, Kensey, Lockhart, Sopko, Sullivan and Wandler in favor of the motion and none opposed. The motion carries unanimously.

Co-Chairman Covello made final closing remarks and adjourned the meeting at 10:21 AM.

Respectfully Submitted:

Warren R. Appel, Executive Coordinator

Date

Megan Overmann-Goetz, Secretary/Treasurer

Date



WELCOME TO HULETT

Nestled on the east bank of the Belle Fourche River, 10 miles upstream from Devils Tower National Monument, lies the small town of Hulett.

Hulett's lifeblood is timber, but the 400 residents are working hard to supplement that industry.

"We saw the devastation of a lot of communities when the government shut down a lot of logging out west in the '90s," said Jim Neiman, president and chief executive officer of Neiman Enterprises.

Headquartered in Hulett, Neiman Enterprises owns Devils Tower Forest Products, one of the

company's three sawmills in the region. Neiman employs 120 people in Hulett and as many as 300 independent contractors in the Black Hills area.

Employees at the 60-year-old Hulett sawmill manufacture 40 million board feet of pine boards annually.

After work dried up in the wake of federal policy changes, Neiman and other local business leaders vowed

to diversify the town's economy.

In the last 15 years, local officials and business leaders focused on tourism.

Much of that tourism is derived from nearby Devils Tower, which draws 400,000 visitors every year. The half million motorcyclists who converge in South Dakota for the annual Sturgis Motorcycle Rally also provide a significant boon to local coffers.

“During the rally, we bulge at the seams,” Neiman said. “There are tents put up all over, the streets are blocked off, it’s a big party.”

The riders are an interesting group, Neiman added. He meets doctors, dentists, lawyers and accountants who have been growing beards since the new year in anticipation of the August event.

Hulett’s Ham ‘N’ Jam festival on the Wednesday during Sturgis’ weeklong rally is so big, local officials believe it makes the tiny town Wyoming’s largest city for a night.

Attracting more people off Interstate 90 and into town has been a longtime goal in Hulett. Local efforts include annual events like the turkey shoot in May, which brings several hundred people to town and raises \$80,000 for local and state causes. Other economic development initiatives are designed to draw people throughout the spring, summer and fall.

“We have one of the best golf courses in the state,” Neiman said.

The Golf Club at Devils Tower opened in 1996 with nine holes. Another nine holes were added in 2006. Many golfers fly into the 15-year-old Hulett Municipal Airport to play.

Visitors rave about Hulett’s two museums, one featuring work from Bob Coronato, a local artist with work featured in the Smithsonian, said town clerk Melissa Bears.

“We’re still a small Western town, and we want to be, but we are always looking for opportunities to better ourselves, too,” Bears said.

She pointed to the local industrial park, a \$520,000 project funded, in part, by the Wyoming Business Council, the state’s economic development agency.

The infrastructure is in place now, and the city is marketing the business-ready

site to potential tenants.

Other local projects include the Greater Hulett Community Center, a \$33,600 project to convert the historic school into a public venue.

“We are tickled to be able to save that school,” Bears said. “As a community center, we use it for everything. It’s nothing for us to bring statewide events here and drop them in here, and it helps all the motels and restaurants, too. It’s a vital part of our town.”

The community center houses the library, town hall offices, meeting rooms, a gym and weight room. Adult education, youth activities, weddings and funerals all happen at the venue.

With an established timber industry, a burgeoning tourism industry and a high quality of life, the town of Hulett is looking to create new opportunities.

“Here’s our biggest challenge: We are boxed in as far as available acres and housing is one of the toughest things we are going to have to tackle,” Neiman said. “Some people who work at our mill don’t live here because we don’t have a Wal-Mart, but some people have to drive in because there’s simply nowhere for them to live here.”

To address the glaring need, the town has built some speculative homes and is working to build new apartments. More housing options would complement another goal for Neiman and Hulett’s business community.

“Hulett is in the center of Crook County, so there is a huge opportunity here to expand medical





services,” Neiman said. “Why not have a doctor live in Hulett and fly or drive to other communities, rather than the other way around?”

Right now, the area is served by physicians who travel in a couple times a week. Hulett is in the midst of a \$25,000 study, funded by the Business Council, to build a new clinic. Having a local doctor would make senior housing and assisted living centers in the community more feasible. Hulett could even draw in a dentist, chiropractor or physical therapist.

Neiman hopes Hulett can marshal the resources to hire a local economic development expert to help these ideas happen, build local industry, find more uses for the community center and continue to grow Hulett.

Ultimately, Bears believes it

is Hulett’s rare combination of friendliness and amenities that will draw new people and new businesses to town.

“We’ve only got a few hundred people, but we’ve built a world-

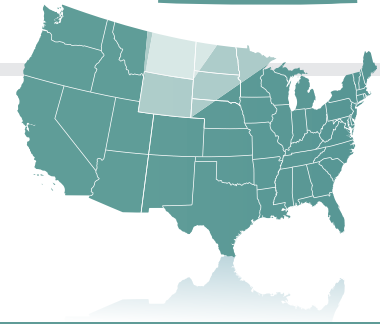
class golf course, an airport that can accommodate jets, we serve the entire world with our products,” Bears said. “At the same time, you can leave your car doors unlocked and strangers here are only strangers for a minute.”



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.



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.

PERSONNEL, BUDGET, AND AUDIT COMMITTEE



TM

AGENDA ITEMS

May 18, 2017

Personnel:

B-5 Personnel Report

B-6 Organizational Charts

Financial:

B-9 Financial Update



PERSONNEL REPORT

May 18, 2017

Recruitment Update:

Posted:

Northwest Regional Director

South Central Regional Director

Interview Phase:

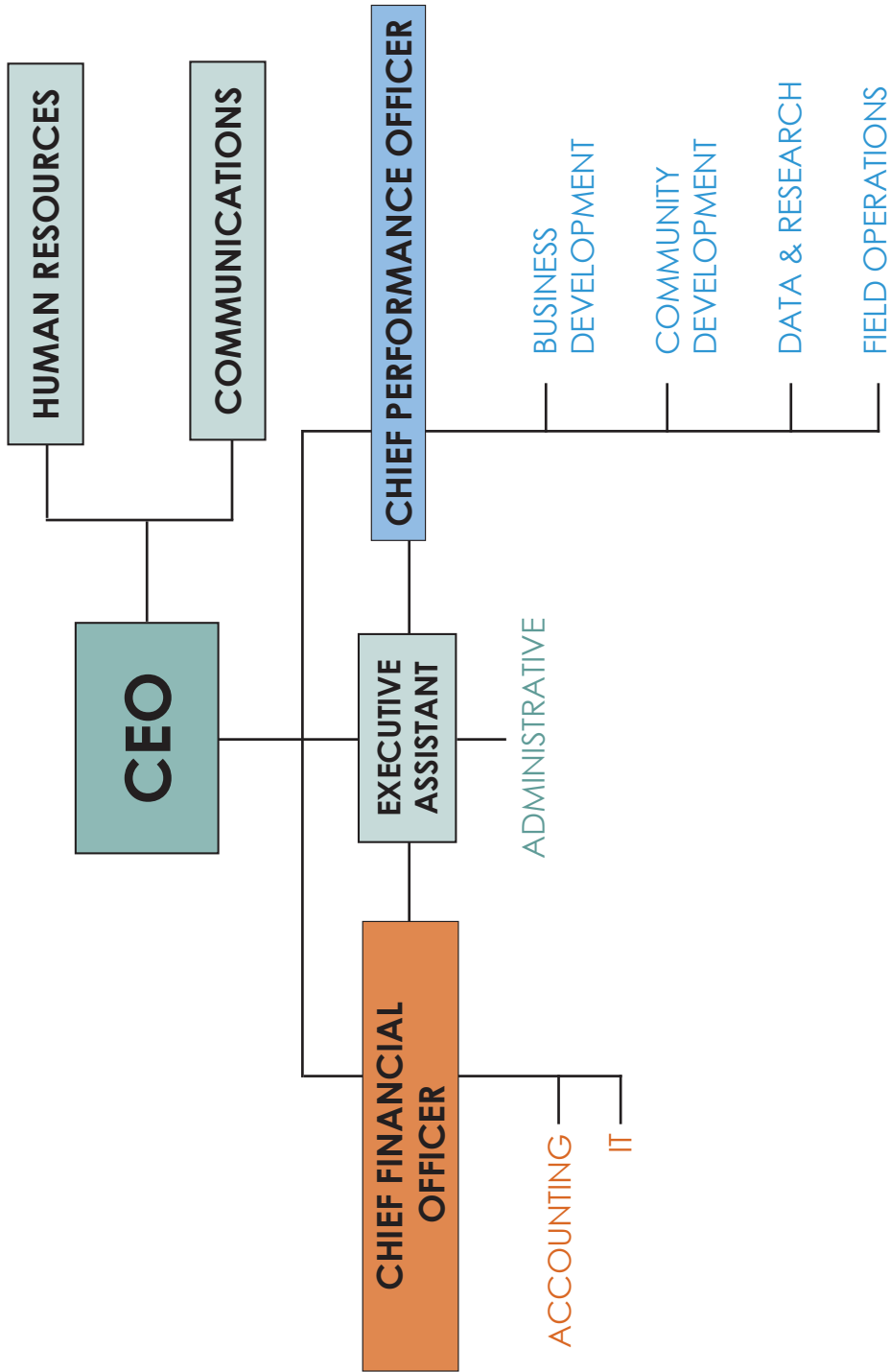
Phone interviews took place for both Regional Director positions on May 3

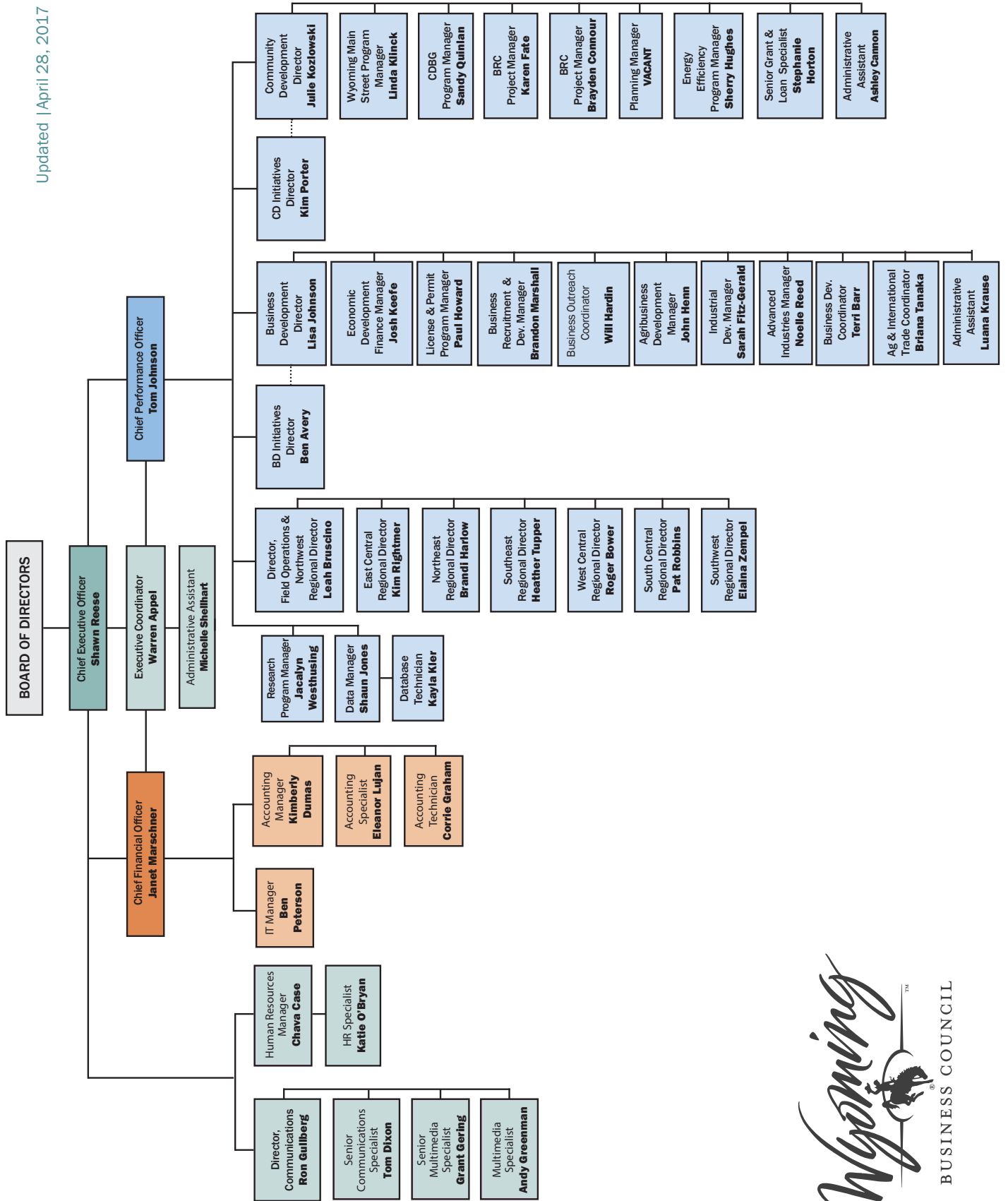
In-person interviews for Northwest Regional Director were held May 5 in Casper

In-person interviews for South Central Regional Director will be on May 30 in Rock Springs

Positions Filled:

- Database Technician - Kayla Kler, March 2017
- Chief Financial Officer - Janet Marschner, March 2017
- Business Outreach Coordinator - Will Hardin, April 2017
- Accounting Technician - Corrie Graham, April 2017









WYOMING BUSINESS COUNCIL

Financial Update

BUDGET SUMMARY - ALL FUNDS (BFY 17/18 appropriation)

FY 2017 - year to date for the period:		07/01/16 - 02/28/2017		OPTIMUM >>> 67%	
PROGRAM BUDGET SUMMARY	BUDGETED	EXPENDED	ENCUMBERED	BALANCE	% EXPENDED & ENCUMBERED /BUDGETED
General Funds					
Business Development	4,221,399	1,767,687	1,686,608	767,104	82%
Regional Offices	1,043,061	616,238	5,745	421,078	60%
Community Development	639,596	284,440	-	355,156	44%
Business Ready Communities	31,552,047	1,178,397	8,020,279	22,353,371	29%
Main Street	400,109	140,767	87,164	172,178	57%
Executive & Board of Directors	382,504	204,509	-	177,995	53%
Performance & Planning	601,691	326,002	100,873	174,816	71%
Communications & Marketing	460,956	242,868	20,464	197,624	57%
Human Resources	224,951	132,412	-	92,539	59%
Finance & Administration	1,098,997	587,856	75,469	435,672	60%
	\$40,625,311	\$5,481,176	\$9,996,602	\$25,147,533	38%
Federal Funds					
CDBG Program	3,289,256	139,358	633,515	2,516,383	23%
State Energy Repurposed ARRA funds	460,708	56,830	130,170	273,708	41%
State Energy Conservation Program	268,100	119,649	71,293	77,158	71%
State Trade and Export Program (STEP)	158,400	8,756	50,200	99,444	37%
	\$4,176,464	\$324,593	\$885,178	\$2,966,693	29%
Primary Agency Funds (See Terms on back for descriptions)					
Economic Loan Development (fund 039)	4,683,206	123,126	33,686	4,526,394	3%
Wyoming Business Council (fund 085)	25,639	10,043	-	15,596	39%
Rural Rehabilitation (fund 499)	40,804	11,679	-	29,125	29%
	\$4,749,649	\$144,848	\$33,686	\$4,571,115	4%
TOTAL	\$49,551,424	\$5,950,617	\$10,915,466	\$32,685,341	34%

FY2017 BALANCES

Loans Receivable

Balances as of 2/28/17

	Net Balance
Economic Disaster loans	5,967
Challenge loans	-
Bridge loans	484,409
Mainstreet loans	37,185
Amendment IV loans	131,352
Natural Gas Infrastructure loans	243,158
BRC loans	11,825,885
ARRA SEP loans	1,211,251
Unallocated allowance	(107,492)
TOTAL	\$13,831,714

Governor's Office Funds = \$2,676,570
Petroleum Violation Escrows



Business Ready Community program **\$15.58 million** in projects approved but not encumbered, and **\$26.44 million** available funds.



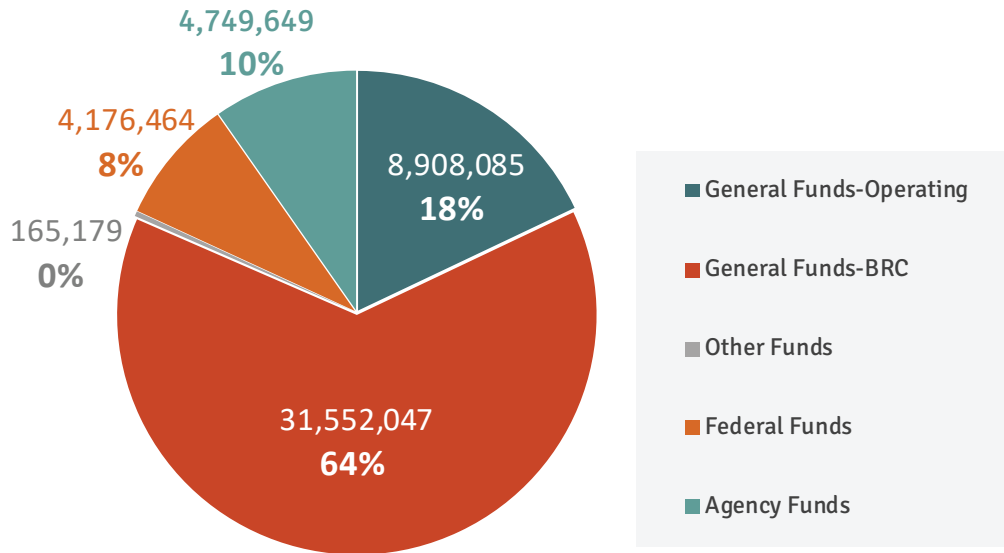
Janet Marschner
Chief Financial Officer
janet.marschner@wyo.gov | 307.777.2848



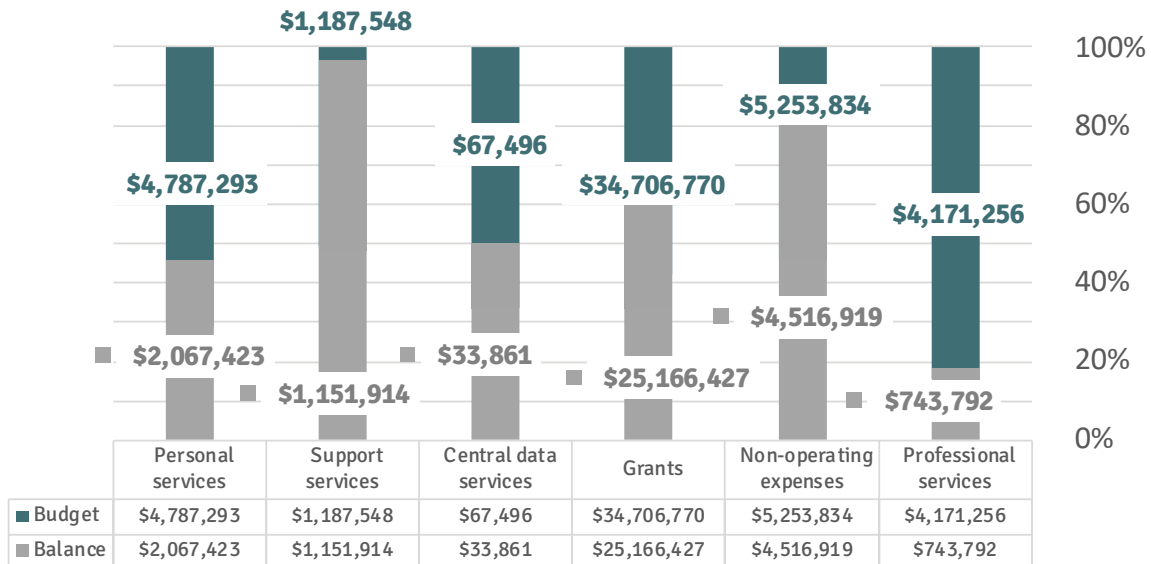
Learn more about Wyoming Business Council Financials at wyomingbusiness.org/boardbook.



BUDGETED EXPENDITURES BY FUNDING SOURCE



LINE ITEM EXPENDITURE SUMMARY



TERMS

General Fund - Appropriated by the Wyoming Legislature on a biennium budget

Federal Fund - Department of Energy, Housing and Urban Development, Commerce Funds

Budgeted - Year one of two in the biennium budget

Expended - Funds have been spent

Encumbered - Funds are committed for a specific purpose

Agency Funds - Special revenue funds that carry forward year to year

- 039 Challenge Loan - Economic Development Loans
- 085 Shared with Tourism - selling Wyoming First Program and Tourism sales
- 499 Rural Rehab - Farm Home Administration Funding for rural development
- BRC - Fully obligated



Janet Marschner
Chief Financial Officer
janet.marschner@wyo.gov | 307.777.2848



Learn more about Wyoming Business Council Financials at wyomingbusiness.org/boardbook.

WYOMING BUSINESS COUNCIL

FY2017 Comments on Financial Statements

Eight months ended February 28, 2017 - UNAUDITED

Comparative YTD Expenditures

- FY2017 is the first of 2 years in the 2017-18 biennium which started July 1, 2016 (see Note 1)
- Total expenditures and encumbrances for the current year-to-date is 34.04% of the budget as compared to 54.25% for the previous year-to-date; this is primarily due to activity in grants
 - The Business Ready Community Program has \$15.58 million in projects approved by WBC board and SLIB but not yet encumbered as of 2/28/17; as those grants agreements become effective, they will be encumbered.
- Amounts spent and encumbered in the current year for personal services (i.e. wages and benefits) and support services are lower compared to previous year (cumulatively 54.32% in FY17 vs. 59.39% in FY16) due to the organizational restructuring and budget cuts.
- Amounts for data services are higher compared to the previous year (49.83% in FY17 vs. 41.56% in FY16) due to additional costs resulting from staffing changes and restructuring.
- Non-operating expenses and encumbrances in the current year include \$116,091.56 expended for a challenge loan to the Cheyenne Family YMCA, \$117,033 encumbered for Town of Alpine commercial expansion project, and \$500,000 encumbered for Jackson Hole Airport Board loan for wastewater infrastructure project.
- Professional service expenditures and encumbrances for the current year are higher compared to the previous year (88.26% vs. 84.68%) due to the reclassification of Main Street Technical Assistance grants from professional services to grants.
- Total amount spent in the current fiscal year against encumbrances from previous bienniums is \$21.45 million (see Note 2).

Community Development Reconciliation

Total Community Development available funds per the Financial Statements as of 2/28/17 are \$25,795,217.43; after taking into account reconciling amounts, the funds available for BRC projects is \$26,440,807 including the FY18 program allocation.

Encumbrances

- \$10.94 million encumbered in current fiscal year, primarily for BRC and CDBG projects.
- \$31.63 million remains encumbered in previous bienniums, primarily for BRC and CDBG projects.

Cash Balances

- Economic Development fund has \$12.17 million in cash after obligations; year-to-date receipts total \$504,299.71 which is comprised of principal and interest payments received on loans and investment income earned through the State Treasurer's office on the cash in the fund.

Loans Receivable

- Total loans outstanding net of allowances, are \$13.83 million as of 2/28/17; total principal and interest received since 7/1/2016 is \$621,509.

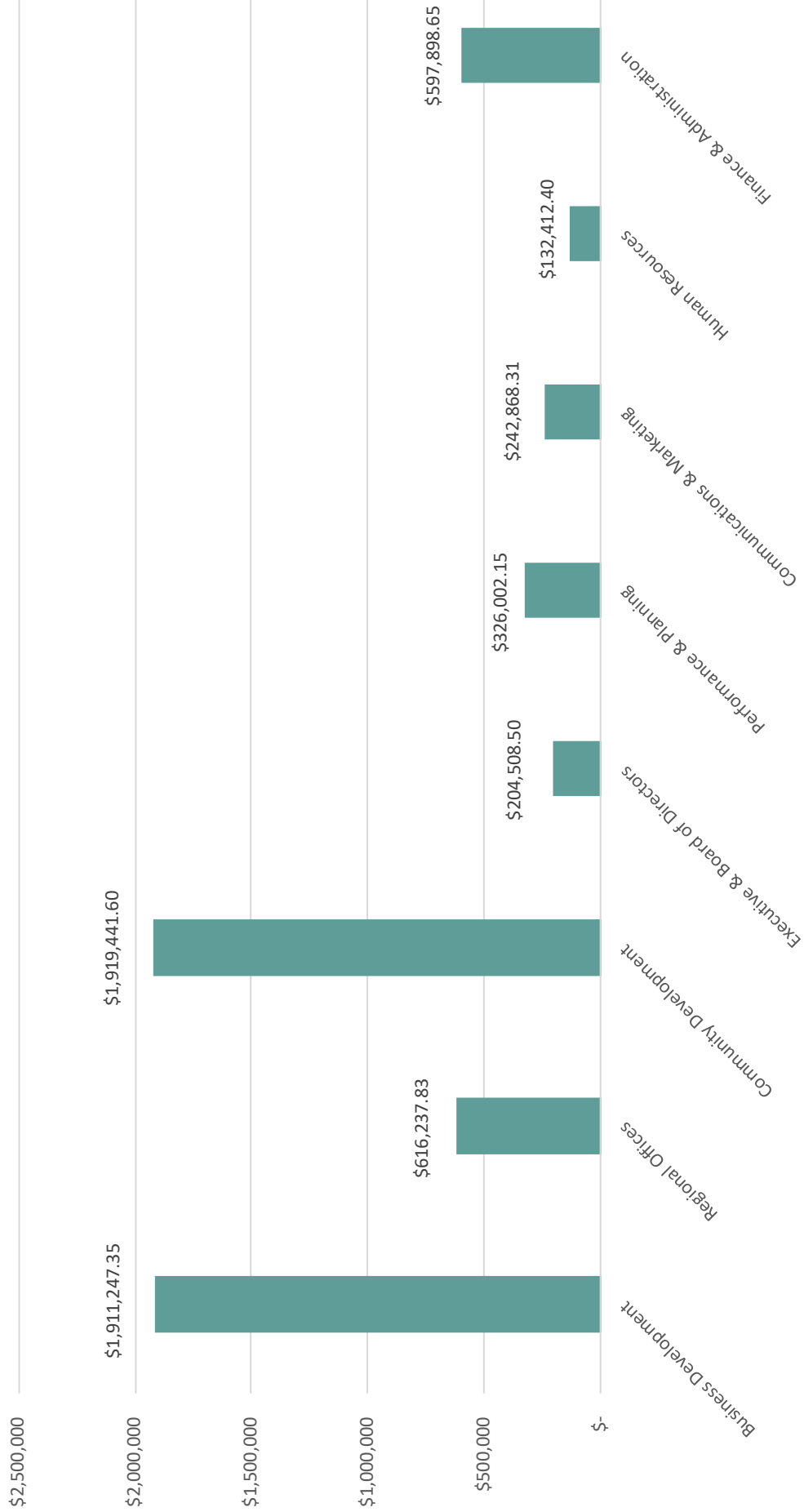
Dues and Memberships

- Total paid year-to-date for dues and memberships is \$19,665 vs. \$25,194 for the previous year.

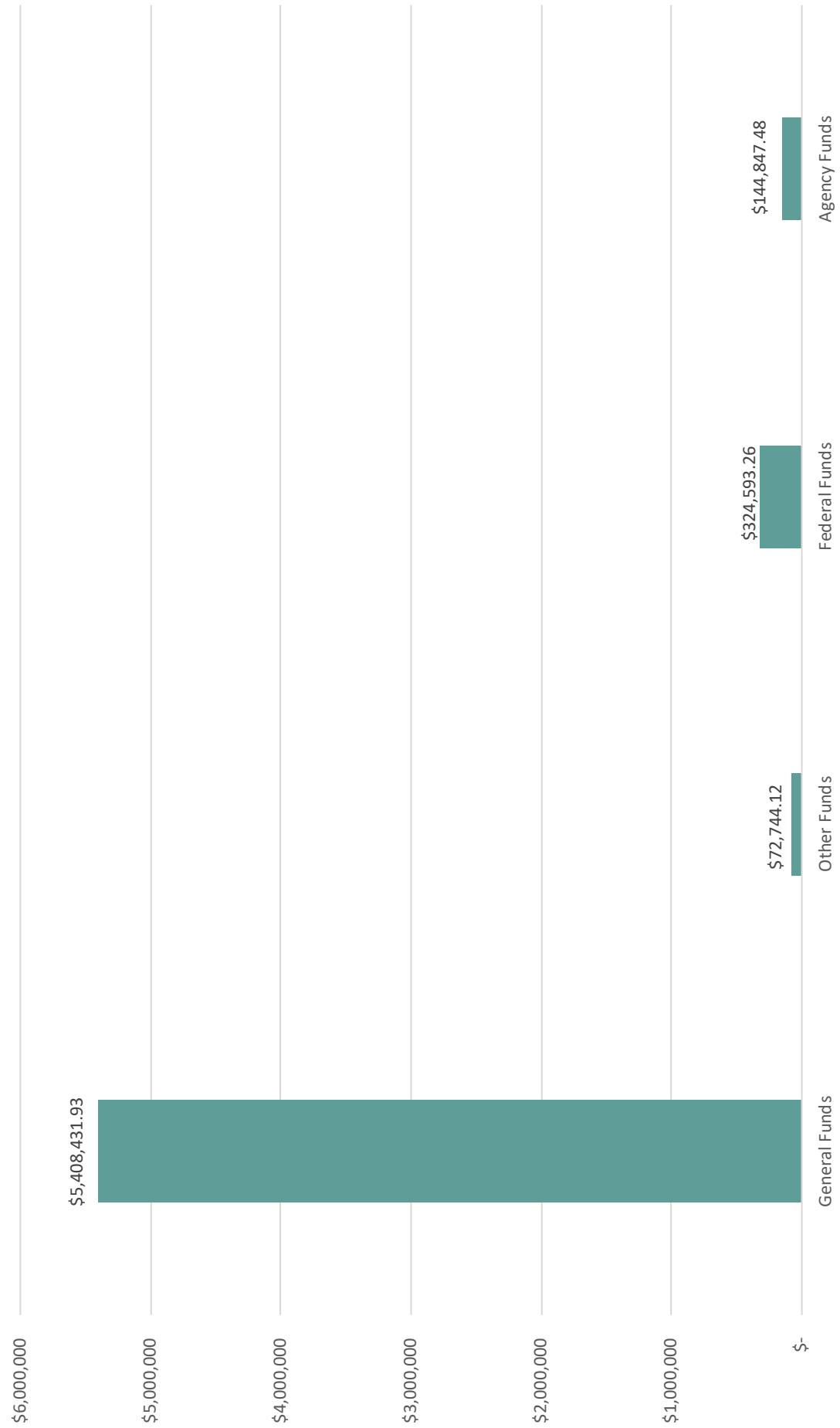
WYOMING BUSINESS COUNCIL
Comparative Year to Date Expenditures - Unaudited

		Current fiscal year to date: 7/1/2016 - 2/28/17				Previous fiscal year to date: 7/1/2015 - 2/29/16					
		BUDGETED	EXPENDED	ENCUMBERED	BALANCE	%	BUDGETED	EXPENDED	ENCUMBERED	BALANCE	%
PROGRAM EXPENDITURE SUMMARY											
Business Development	Note 3	\$ 9,103,809.18	\$ 1,911,247.35	\$ 1,770,493.36	\$ 5,422,068.47	40.44%	\$ 7,266,671.31	\$ 1,640,860.37	\$ 465,714.99	\$ 5,160,095.95	28.99%
Regional Offices		\$ 1,043,061.00	\$ 616,237.83	\$ 5,745.00	\$ 421,078.17	59.63%	\$ 1,105,694.00	\$ 689,209.57	\$ 6,395.00	\$ 410,089.43	62.91%
Community Development	Note 3	\$ 36,682,080.85	\$ 1,919,441.60	\$ 8,967,421.82	\$ 25,795,217.43	29.68%	\$ 86,658,467.18	\$ 14,738,385.48	\$ 32,344,228.85	\$ 39,575,852.85	54.33%
Executive & Board of Directors		\$ 382,504.00	\$ 204,508.50	\$ -	\$ 177,995.50	53.47%	\$ 443,124.46	\$ 265,071.14	\$ 20.00	\$ 178,033.32	59.82%
Performance & Planning	Note 3	\$ 601,691.00	\$ 326,002.15	\$ 100,872.88	\$ 174,815.97	70.95%	\$ 3,494,770.34	\$ 1,946,534.85	\$ 1,337,651.95	\$ 210,583.54	93.97%
Communications & Marketing		\$ 460,956.00	\$ 242,868.31	\$ 20,464.00	\$ 197,623.69	57.13%	\$ 484,981.11	\$ 248,231.83	\$ 77,628.00	\$ 159,121.28	67.19%
Human Resources		\$ 224,951.00	\$ 132,412.40	\$ -	\$ 92,538.60	58.86%	\$ 238,470.00	\$ 149,017.80	\$ 1,500.00	\$ 87,952.20	63.12%
Finance & Administration		\$ 1,124,635.66	\$ 597,898.65	\$ 75,469.00	\$ 451,268.01	59.87%	\$ 1,303,637.90	\$ 808,436.91	\$ 73,512.28	\$ 421,688.71	67.65%
TOTAL		\$ 49,623,688.69	\$ 5,950,616.79	\$ 10,940,466.06	\$ 32,732,605.84	34.04%	\$ 100,995,816.30	\$ 20,485,747.95	\$ 34,306,651.07	\$ 46,203,417.28	54.25%
LINE ITEM EXPENDITURE SUMMARY											
Personal services	100.00	\$ 4,787,293.14	\$ 2,719,870.45	\$ -	\$ 2,067,422.69	56.81%	\$ 4,821,386.33	\$ 3,003,178.18	\$ -	\$ 1,818,208.15	62.29%
Support services	200.00	\$ 1,182,040.21	\$ 487,221.36	\$ 35,634.00	\$ 659,184.85	44.23%	\$ 1,635,216.88	\$ 790,216.18	\$ 41,271.94	\$ 803,728.76	50.85%
Central data services	400.00	\$ 67,495.83	\$ 33,634.71	\$ -	\$ 33,861.12	49.83%	\$ 116,942.04	\$ 48,596.08	\$ -	\$ 68,345.96	41.56%
Grants	600.00	\$ 34,551,769.57	\$ 1,302,586.48	\$ 8,237,756.80	\$ 25,011,426.29	27.61%	\$ 81,513,550.27	\$ 13,992,617.38	\$ 28,950,013.81	\$ 38,570,919.08	52.68%
Non-operating expenses	800.00	\$ 5,253,833.86	\$ 119,881.79	\$ 617,033.00	\$ 4,516,919.07	14.03%	\$ 7,280,663.15	\$ 9,555.38	\$ 3,191,103.00	\$ 4,080,004.77	43.96%
Professional services	900.00	\$ 3,781,256.08	\$ 1,287,422.00	\$ 2,050,042.26	\$ 443,791.82	88.26%	\$ 5,628,057.70	\$ 2,641,584.75	\$ 2,124,262.32	\$ 862,210.63	84.68%
TOTAL		\$ 49,623,688.69	\$ 5,950,616.79	\$ 10,940,466.06	\$ 32,732,605.84	34.04%	\$ 100,995,816.37	\$ 20,485,747.95	\$ 34,306,651.07	\$ 46,203,417.35	54.25%
EXPENDITURES BY FUNDING SOURCE											
General Funds		\$ 40,460,132.15	\$ 5,408,431.93	\$ 9,996,601.42	\$ 25,055,098.80	38.07%	\$ 90,114,186.92	\$ 18,796,883.46	\$ 32,601,928.78	\$ 38,715,374.68	57.04%
Other Funds		\$ 165,179.00	\$ 72,744.12	\$ -	\$ 92,434.88	44.04%	\$ 261,585.23	\$ 119,557.37	\$ -	\$ 142,027.86	45.70%
Federal Funds		\$ 4,176,464.10	\$ 324,593.26	\$ 885,178.82	\$ 2,966,692.02	28.97%	\$ 6,297,650.15	\$ 1,474,798.46	\$ 1,493,626.68	\$ 3,329,225.01	47.14%
Agency Funds		\$ 4,821,913.44	\$ 144,847.48	\$ 58,685.82	\$ 4,618,380.14	4.22%	\$ 4,322,394.00	\$ 94,508.66	\$ 211,095.61	\$ 4,016,789.73	7.07%
TOTAL		\$ 49,623,688.69	\$ 5,950,616.79	\$ 10,940,466.06	\$ 32,732,605.84	34.04%	\$ 100,995,816.30	\$ 20,485,747.95	\$ 34,306,651.07	\$ 46,203,417.28	54.25%
Note 1 - Current fiscal year of 2017 is the first year of the 2017/18 biennium which ends June 30, 2018.											
For comparative purposes, following is the total appropriation for the WBC, excluding tourism, for these bienniums:											
	2017/18	\$ 64,074,299.00	(includes 8% cuts)								
	2015/16	\$ 92,202,246.00									
	2013/14	\$ 83,838,005.00									
	2011/12	\$ 87,093,216.00									
	2009/10	\$ 119,594,084.00									
	2007/08	\$ 141,827,683.00									
	2005/06	\$ 67,583,125.00									
	2003/04	\$ 20,855,289.00									
	2001/02	\$ 11,277,264.00									
	1999/00	\$ 11,564,998.00									
Note 2 - Current year expenditures against prior biennium encumbrances are not included in the FY17 amounts. The total amount of FY17 expenditures made out of prior biennium encumbrances is \$21,454,479.58 and is comprised of the following:											
Investment Ready Communities (BRC/CFP/CDBG)										\$ 19,862,732	
Other										\$ 1,591,748	
										\$ 21,454,480	
Note 3 - Current fiscal year-to-date amounts reflect reorganization and budget reclassifications. Previous fiscal year-to-date amounts have been restated for comparison purposes.											

Expenditures by Program



Expenditures by Funding Source



**WYOMING BUSINESS COUNCIL,
Community Development (CD) Reconciliation
February 28, 2017 - Unaudited**

Total CD available funds per Financial Statements 2/28/17		\$ 25,795,217.43
Reduce CD available funds for non-BRC amounts:		
Community Development Administration		\$ (355,156.37)
Community Development Block Grant Program		\$ (2,516,382.88)
Main Street Program		\$ (172,177.68)
State Energy Program		\$ (350,864.75)
		\$ 22,400,635.75
Add: BRC encumbrance deobligations after 02/28/17		\$ 752,820.00
Add: BRC FY18 allocation		\$ 19,294,025.00
Less: BRC loan repayments budgeted and not received as of 2/28/17		\$ (428,078.42)
Less: BRC awards approved but not encumbered as of 2/28/17		\$ (15,581,025.00)
Less: Variance		\$ 2,429.67
		\$ -
Balance per BRC Available Funds Summary		\$ 26,440,807.00

WYOMING BUSINESS COUNCIL
List of Encumbrances
February 28, 2017 - Unaudited

Vendor Name	Division	End Date	Total Encumbrance	Outstanding Encumbrances Current BFY	Prior BFY	Description	Prior Biennium or Expired Encumbrance Status
Civic Resource Group LLC	Administration	30-Jun-17	\$ 19,200	\$ 14,400	\$ -	Maintenance and support of WBC website	
Green House Data Inc.	Administration	31-Oct-17	\$ 9,096	\$ 6,064	\$ -	WBC website hosting	
Kleen Sweep Janitorial Inc.	Administration	30-Jun-17	\$ 21,144	\$ 8,810	\$ -	Janitorial services	
Land Investment	Administration	30-Jun-17	\$ 113,436	\$ 28,359	\$ -	Office Lease	
McGee, Hearne, Paiz, LLC	Administration	31-Jan-18	\$ 38,300	\$ 38,300	\$ -	Audit Services	
Travel Story GPS LLC	Administration	Various	\$ 24,500	\$ -	\$ 12,250	Cost share communities to create a suite of tours to draw visitors to Main Street	
End of year encumbrances	Administration	Various	\$ 3,500	\$ -	\$ 1,000	Women's Council for Women's Issues	
			\$ 229,176	\$ 95,933	\$ 13,250		
Farmers Market Grants	Business Development	Various	\$ 7,400	\$ -	\$ 2,334	Various	
Markee Escrow Services Inc.	Business Development	30-Jun-17	\$ 40,000	\$ 33,686	\$ -	Loan servicing and reporting	
National Council for Community Devel.	Business Development	30-Jun-17	\$ 10,000	\$ 4,167	\$ -	Reviewing, structuring, and financing projects for the Council	
Riverside Research Institute	Business Development	Various	\$ 15,000	\$ -	\$ 15,000	National Marketmaker	
ROI Research on Investment	Business Development	30-Jun-17	\$ 9,500	\$ 4,500	\$ -	Prospecting efforts to set up meetings with outdoor companies at trade show	
Trade Show Incentive grants	Business Development	Various	\$ 19,334	\$ 19,334	\$ -	Various	
University of Wyoming	Business Development	30-Jun-17	\$ 68,426	\$ 46,318	\$ -	Research Product Center	
University of Wyoming	Business Development	30-Jun-17	\$ 235,628	\$ 148,934	\$ -	SBIR-research and development products	
University of Wyoming	Business Development	30-Jun-17	\$ 403,978	\$ 275,505	\$ -	High capacity internet connectivity service to WY Tech Business Center	
University of Wyoming	Business Development	30-Jun-17	\$ 497,005	\$ 311,289	\$ -	Manufacturing Works	
University of Wyoming	Business Development	30-Jun-17	\$ 250,694	\$ 161,252	\$ -	Market Research Center	
University of Wyoming	Business Development	31-Aug-17	\$ 133,887	\$ 97,505	\$ -	PTAC	
University of Wyoming	Business Development	30-Sep-17	\$ 1,570,056	\$ 579,587	\$ 120,780	Small Business Development Center	
University of Wyoming	Business Development	29-Sep-17	\$ 24,500	\$ 24,500	\$ -	STEP grant: Small Business Development Center	
University of Wyoming	Business Development	29-Sep-17	\$ 22,200	\$ 22,200	\$ -	STEP Grant: Manufacturing Works	
US Department of Agriculture	Business Development	30-Sep-17	\$ 13,400	\$ -	\$ 13,400	Winter Wheat Variety and Sheep Death Loss survey	
Wyoming Chamber of Commerce	Business Development	30-Jun-17	\$ 21,150	\$ 15,150	\$ -	Conduct professional development	
Wyoming Economic Development	Business Development	30-Sep-17	\$ 105,985	\$ 26,566	\$ 2,200	Provide services to local economic development organizations	
End of year encumbrances	Business Development	Various	\$ -	\$ -	\$ -	Telecommunications, Central Mail, Motor Vehicles, Copiers, Workers' Comp., etc.	
			\$ 3,448,142	\$ 1,770,493	\$ 153,714		
Albany County Treasurer	Community Development	30-Sep-17	\$ 408,744	\$ -	\$ 408,744	CDBG grant: Hospice project	
Albany County Treasurer	Community Development	30-Jun-20	\$ 1,459,807	\$ -	\$ 1,051,303	BRC Grant: PL&S Quarry & Lime Plant	
Big Horn County	Community Development	31-Jul-17	\$ 50,000	\$ -	\$ 42,254	CDBG grant: Natural resources and comp land	
Big Horn County Fire District #4	Community Development	30-Jun-17	\$ 20,000	\$ 20,000	\$ -	SEP grant: Lighting, insulation, overhead doors and window replacements	
Buffalo Johnson Commerce JPB	Community Development	30-Jun-19	\$ 1,000,000	\$ -	\$ 26,604	CFP grant: Renovate portion of former Clear Creek Elementary School	
Carbon County Treasurer	Community Development	30-Jun-17	\$ 15,000	\$ -	\$ 4,547	BRC grant: Assisted Living Center study	
Cheyenne Development Partners	Community Development	30-Jun-17	\$ 5,000	\$ 2,500	\$ -	SEP grant:Energy audit and retrofits	
Cheyenne Downtown Development Auth.	Community Development	31-Dec-16	\$ 15,052	\$ -	\$ 15,052	Main Street grant: Technical assistance	awaiting final invoice-to be closed out
Cheyenne Regional Airport Board	Community Development	30-Jun-20	\$ 3,000,000	\$ -	\$ 3,000,000	BRC grant: CRA new terminal project	
City of Buffalo	Community Development	30-Jun-20	\$ 1,758,961	\$ -	\$ 1,132,380	BRC Grant: Benteen-Lobba-Fetterman	
City of Casper	Community Development	30-Jun-17	\$ 10,000	\$ -	\$ 8,949	Main Street: Technical Assistance	
City of Cheyenne	Community Development	30-Jun-20	\$ 500,000	\$ -	\$ 292,585	BRC grant: Platte River revival	
City of Cody	Community Development	30-Jun-20	\$ 500,000	\$ -	\$ 500,000	BRC grant: Cheyenne West Edge and Civic Center Commons	
City of Cody	Community Development	1-Jul-21	\$ 375,000	\$ -	\$ 306,876	CDBG grant: Cody Cupboard	
City of Evanston	Community Development	30-Jun-21	\$ 150,000	\$ -	\$ 140,764	BRC grant: Mentock Park Playground Equipment	
City of Evanston	Community Development	30-Jun-21	\$ 3,000,000	\$ -	\$ 2,927,465	BRC grant: Evanston Round House Phase II	
City of Gillette	Community Development	30-Jun-20	\$ 498,655	\$ -	\$ 7,815	BRC grant: Downtown Plaza-public facilities	
City of Gillette	Community Development	30-Jun-17	\$ 275,000	\$ -	\$ 137,388	BRC grant: Downtown Plaza-public facilities	
City of Green River	Community Development	30-Jun-20	\$ 29,164	\$ 29,164	\$ -	Main Street grant: Technical assistance	
City of Green River	Community Development	30-Jun-20	\$ 84,000	\$ -	\$ 84,000	BRC grant: Wayfinding	
City of Green River	Community Development	30-Jun-21	\$ 1,297,000	\$ -	\$ 1,297,000	BRC grant: Northside Lift Station	
City of Kemmerer	Community Development	30-Jun-19	\$ 500,000	\$ -	\$ 22,422	BRC grant: Sports Field Access & Packing Facilities	
City of Kemmerer	Community Development	31-Dec-15	\$ 15,000	\$ -	\$ 5,273	CDBG grant: Wilcox Building feasibility study	To be closed out
City of Kemmerer	Community Development	30-Jun-20	\$ 1,925,500	\$ -	\$ 927,262	BRC Grant: Water Storage Tank Project	
City of Laramie	Community Development	30-Jun-24	\$ 433,161	\$ -	\$ 41,991	BRC grant: UL Technology Center Expansion	
City of Laramie	Community Development	30-Jun-21	\$ 2,685,750	\$ 2,625,270	\$ -	BRC grant: Bright Agrotech Headquarters	
City of Laramie	Community Development	30-Nov-17	\$ 50,000	\$ -	\$ 50,000	BRC grant: Retail leakage analysis	
City of Rawlins	Community Development	30-Jun-19	\$ 297,475	\$ -	\$ 30,044	BRC grant: Rawlins Wayfinding	
City of Rawlins	Community Development	30-Jun-20	\$ 1,000,000	\$ -	\$ 1,000,000	BRC grant: Downtown Façade Easement Program	
City of Rawlins	Community Development	30-Apr-16	\$ 250,000	\$ -	\$ 111,144	CDBG grant: Downtown Façade Easement Program	To be closed out

City of Rawlins	Community Development	30-Dec-16	\$	186,395	\$	186,395	\$	-	CDBG grant: 2nd agreement for downtown easement	To be closed out
City of Rawlins	Community Development	31-Dec-22	\$	250,000	\$	-	\$	250,000	CDBG grant: Downtown Façade Easement Program phase 2	
City of Rawlins	Community Development	30-Jun-19	\$	442,000	\$	-	\$	38,153	CDBG grant: Rawlins Road Improvements/Fairfield Inn	
City of Rock Springs	Community Development	30-Jun-17	\$	28,000	\$	28,000	\$	-	Main Street grant: Technical assistance	
City of Sheridan	Community Development	30-Jun-20	\$	1,000,000	\$	-	\$	892,575	BRC grant: Daybreak Facility Senior Center	
City of Sheridan	Community Development	30-Jun-21	\$	500,000	\$	-	\$	396,892	BRC grant: WYO Theater Hallmark Building	
City of Torrington	Community Development	30-Jun-20	\$	1,887,101	\$	-	\$	1,705,191	BRC grant: Cold Springs Substation	
City of Torrington	Community Development	1-Dec-21	\$	398,361	\$	-	\$	398,361	CDBG grant: Sanitary sewer and water system improvements	
City of Worland	Community Development	1-Jul-21	\$	386,527	\$	-	\$	380,774	CDBG grant: Office expansion for Crisis Prevention and Response Center	
Downtown Sheridan Association	Community Development	30-Jun-17	\$	50,000	\$	-	\$	50,000	Main Street grant: Technical assistance	
Economic Joint Powers Board	Community Development	30-Jun-19	\$	994,193	\$	-	\$	92,408	BRC Grant: CAEDA Spec. Building	
Economic Joint Powers Board	Community Development	30-Jun-20	\$	500,000	\$	-	\$	170,982	BRC grant: 1st phase property infrastructure for Casper Downtown Public Plaza	
Economic Joint Powers Board	Community Development	30-Jun-21	\$	1,855,433	\$	-	\$	185,823	BRC grant: FabTech sewer infrastructure	
Episcopal Dioceses of WY	Community Development	30-Jun-17	\$	8,500	\$	7,000	\$	-	SEP grant: Level 2 energy audit and retrofits	
Evanson Urban Renewal Agency	Community Development	30-Jun-17	\$	19,876	\$	-	\$	3,128	Main Street grant: Technical assistance	
Fremont County Treasurer	Community Development	30-Jun-21	\$	1,500,000	\$	1,500,000	\$	-	BRC grant: Dry Creek Road upgrade	
Goshen County Treasurer	Community Development	30-Nov-16	\$	50,000	\$	-	\$	5,138	BRC grant: Goshen County regional targeted industry plan	To be closed out
Grace Consulting Services Inc.	Community Development	31-Jan-17	\$	7,350	\$	3,030	\$	-	SEP grant: Northeast regional industrial development consulting	To be closed out
J and R Hediger LLC	Community Development	30-Jun-17	\$	5,000	\$	3,354	\$	-	SEP grant: Level 2 energy audit and retrofits	
JKB Inc.	Community Development	30-Jun-17	\$	5,000	\$	5,000	\$	-	SEP grant: Level 2 energy audit and retrofits	
Jackson Hole Energy Sustainability Proj.	Community Development	30-Jun-18	\$	766,665	\$	-	\$	766,665	BRC grant: Compressed natural gas fueling station	
Jackson Hole Airport Board	Community Development	30-Jun-21	\$	1,500,000	\$	493,288	\$	-	BRC grant: Contract pipeline and infrastructure to comeey wastewater	
Jackson Hole Airport Board	Community Development	30-Jun-26	\$	500,000	\$	500,000	\$	-	BRC grant: Loan for wastewater infrastructure	
Joseph Sharkey	Community Development	31-Jan-17	\$	6,929	\$	5,707	\$	-	SEP grant: Northeast region surveying	To be closed out
Kemmerer Diamondville Water/Wastewater JPB	Community Development	30-Jun-21	\$	555,914	\$	-	\$	555,914	BRC grant: Water Storage Tank and Transmission	
Kleen Kare LLC	Community Development	30-Jun-17	\$	5,000	\$	5,000	\$	-	SEP grant: Small business energy audit and retrofits	
Kleen Sweep Janitorial Inc.	Community Development	30-Jun-17	\$	636	\$	265	\$	-	SEP: Janitorial services	
KW Enterprises LLC	Community Development	30-Jun-17	\$	5,000	\$	3,500	\$	-	SEP grant: Energy audit and retrofits	
Land Investment LLC	Community Development	30-Jun-17	\$	6,120	\$	1,530	\$	-	SEP: Office lease	
Laramie County Treasurer	Community Development	30-Jun-18	\$	5,000,000	\$	-	\$	3,000,000	BRC grant: Microsoft (project summit)	
Laramie County Treasurer	Community Development	30-Jun-18	\$	2,250,000	\$	-	\$	750,000	BRC grant: Microsoft 2013 expansion	
Laramie County Treasurer	Community Development	30-Sep-17	\$	40,000	\$	-	\$	15,000	CDBG grant: Homeowners assistance	
Laramie County Treasurer	Community Development	30-Jun-21	\$	3,417,719	\$	-	\$	672,707	BRC grant: Wyoming Malting	
Laramie Main Street Alliance	Community Development	30-Jun-17	\$	22,500	\$	22,500	\$	-	Main Street grant: Technical assistance	
Lincoln County Treasurer	Community Development	30-Jun-19	\$	1,401,456	\$	-	\$	134,799	BRC grant: Fiber Optics Extension	
Lincoln County Treasurer	Community Development	1-Jul-21	\$	58,000	\$	-	\$	58,000	CDBG grant: County Courthouse ADA accessible restrooms	
Lincoln County Treasurer	Community Development	1-Jul-21	\$	320,000	\$	-	\$	320,000	CDBG grant: Demolition of former law enforcement building	
Lincoln County Treasurer	Community Development	1-Dec-17	\$	15,000	\$	15,000	\$	-	CDBG grant: Senior Citizens Association	
Natrona County Treasurer	Community Development	30-Jun-18	\$	1,500,000	\$	-	\$	409,363	BRC grant: CCR water and sewer infrastructure	
Natrona County Treasurer	Community Development	30-Jun-20	\$	2,578,000	\$	-	\$	9,878	BRC Grant: CNC International Airport Spec Hanger	
Natrona County Treasurer	Community Development	30-Jun-20	\$	500,000	\$	-	\$	84,129	BRC grant: Casper Mountain Biathlon Facility	
Natrona County Treasurer	Community Development	30-Jun-19	\$	905,249	\$	-	\$	315,020	BRC grant: Mountain West Data Center cost reduction	
Owl Creek Ventures	Community Development	30-Jun-17	\$	5,000	\$	2,588	\$	-	SEP grant: Level 2 energy audit and retrofits	
Park County	Community Development	30-Jun-19	\$	485,391	\$	-	\$	138,855	BRC grant: Park County Fairgrounds Facility	
Platte County Treasurer	Community Development	30-Jun-17	\$	22,500	\$	-	\$	1,016	BRC grant: Feasibility study South Guernsey Tank Farm	
Rock Springs Sweetwater County Airport	Community Development	30-Jun-21	\$	1,000,000	\$	-	\$	887,440	BRC grant: Phase 1 terminal and general aviation hanger	
Sheridan Economic & Educational Dewel.	Community Development	30-Jun-17	\$	50,000	\$	-	\$	12,063	BRC grant: Arts and Cultural Economy Sheridan and Johnson County	
Sheridan County Treasurer	Community Development	30-Sep-17	\$	11,250	\$	-	\$	11,250	CDBG grant: Child Advocacy Services Planning Study	
Sublette County Treasurer	Community Development	31-Dec-15	\$	50,000	\$	-	\$	2,726	CDBG grant: ED master plan	To be closed out
Sweetwater County	Community Development	30-Jun-21	\$	2,480,769	\$	-	\$	2,379,064	BRC grant: SCEC Infrastructure Expansion	
Teton County	Community Development	30-Jun-20	\$	750,000	\$	-	\$	103,483	BRC grant: Mercill Childcare Facility	
Teton Wave Consulting Inc.	Community Development	31-Dec-16	\$	8,910	\$	-	\$	1,650	Grantsmith software customization	To be closed out
Town of Alpine	Community Development	30-Jun-23	\$	117,033	\$	117,033	\$	-	BRC grant: Commercial expansion special assistance	
Town of Alpine	Community Development	30-Jun-21	\$	1,538,944	\$	1,487,387	\$	-	BRC grant: Alpine commercial expansion project	
Town of Basin	Community Development	21-Aug-16	\$	38,800	\$	-	\$	166	CDBG grant: Town Hall ADA	To be closed out
Town of Bear River	Community Development	30-Jun-21	\$	380,000	\$	-	\$	89,935	BRC grant: Bear River Community and Visitor Center	
Town of Chugwater	Community Development	1-Jul-21	\$	407,000	\$	-	\$	3,639	CDBG grant: Gas and convenience store property	
Town of Chugwater	Community Development	30-Jun-21	\$	100,645	\$	-	\$	10,671	BRC grant: Park improvements	
Town of Cowley	Community Development	30-Jun-19	\$	500,000	\$	-	\$	32,595	BRC grant: Cowley Recreation Complex	
Town of Cowley	Community Development	30-Jun-21	\$	425,600	\$	425,600	\$	-	BRC grant: Community center expansion-Rasmussen Building	
Town of Fort Laramie	Community Development	1-Oct-21	\$	418,750	\$	400,605	\$	-	CDBG grant: Electrical distribution system upgrade	
Town of Glenrock	Community Development	30-Jun-20	\$	1,350,000	\$	-	\$	64,178	BRC grant: McGinley Orthopedic Innovations Building	
Town of Greybull	Community Development	30-Jun-21	\$	900,000	\$	840,352	\$	-	BRC grant: Greybull Business Park sewer extension	
Town of Guernsey	Community Development	30-Jun-21	\$	437,650	\$	-	\$	92,719	BRC grant: Electrical Substation	
Town of Guernsey	Community Development	30-Jun-21	\$	750,000	\$	-	\$	581,128	BRC grant: Culvert Hotel Restoration	
Town of Hanna	Community Development	30-Jun-17	\$	20,000	\$	20,000	\$	-	SEP grant: Lighting, heating, and door upgrades	
Town of Hulett	Community Development	30-Jun-17	\$	25,000	\$	-	\$	25,000	BRC grant: Hulett Clinic Feasibility Study	

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Personnel, Budget, and Audit Committee - May 2017

WYOMING BUSINESS COUNCIL
Statement of Cash Balances
February 28, 2017 - Unaudited

<i>Wyoming Business Council Funds</i>						
	Petty Cash	Economic Development (Notes 1 & 3)	WBC	Rural Rehabilitation (Note 2)	Business Ready Communities	
Cash balance before obligations	\$ 250.00	\$ 19,803,186.29	\$ 272,616.34	\$ 4,577,761.12	\$ 80,907.40	
Obligated funds:						
Undistributed WIDC challenge loan LOC	\$ -	\$ (900,000.00)	\$ -	\$ -	\$ -	-
Undistributed Value Added Agriculture Loan-Wyoming Authentic Products	\$ -	\$ -	\$ -	\$ (187,500.00)	\$ -	-
Undistributed beet grower economic disaster loans (approved 3/30/17)	\$ -	\$ (5,675,650.00)	\$ -	\$ -	\$ -	-
Encumbered funds**	\$ -	\$ (33,685.82)	\$ -	\$ -	\$ -	(25,000.00)
Accounts payable & other liabilities, and deferred revenue	\$ -	\$ -	\$ -	\$ -	\$ -	-
Large loan infrastructure program projects approved by SLIB (Atlas Carbon, Cody Labs)	\$ -	\$ (1,000,000.00)	\$ -	\$ -	\$ -	-
Unobligated 2017/2018 biennium budget	\$ -	\$ (19,880.00)	\$ (15,595.65)	\$ (29,125.40)	\$ (55,907.40)	
Total obligated funds	\$ -	\$ (7,629,215.82)	\$ (15,595.65)	\$ (216,625.40)	\$ (80,907.40)	
Cash balance	\$ 250.00	\$ 12,173,970.47	\$ 257,020.69	\$ 4,361,135.72	\$ -	
Year-to-date receipts	\$ -	\$ 504,299.71	\$ 16,101.92	\$ 58,383.68	\$ -	
Note 1 - Amendment IV, Challenge and Bridge loans						
Note 2 - Funds must be spent according to the terms of an agreement with the US Farmers Home Administration						
Note 3 - Effective 7/1/17, additional \$25 million appropriation will be added to this account.						

Governor's Office Funds - Petroleum Violation Escrows -- as of 2/28/17						
	Exxon	Diamond Shamrock	Stripper Wells			
Cash balance before obligations	\$ 3,212,127.99	\$ 39,748.48	\$ 1,107,050.97			
Obligated funds:						
Encumbered funds**	\$ (80,549.52)	\$ -	\$ (71,997.40)			
Accounts payable & other liabilities, and deferred revenue	\$ -	\$ -	\$ -			
Unspent State Energy Plan	\$ (455,000.00)	\$ -	\$ (1,968.00)			
Total obligated funds	\$ (535,549.52)	\$ -	\$ (73,965.40)			
Cash balance	\$ 2,676,578.47	\$ 39,748.48	\$ 1,033,085.57			
Year-to-date receipts	\$ 41,238.63	\$ 506.46	\$ 14,142.85			

** does not include contracts that have not been fully executed (i.e. - all signatures obtained)						

WYOMING BUSINESS COUNCIL

Loans Receivable - Unaudited

	Origination Date	Balances as of February 28, 2017				Cash Receipts Since 7/01/16		Comments
		Loan Balance	Allowance	Write-off	Net Balance	Principal	Interest	
Economic Disaster loans (see Notes 1 and 2)								
Beet growers (see attached detail)		\$ 6,667	\$ 700	-	\$ 5,967	\$ 174,936	\$ 7,755	
		\$ 6,667	\$ 700	-	\$ 5,967	\$ 174,936	\$ 7,755	
Challenge loans								
Ascent 2000 (see Note 1)	12/19/06	\$ 18,999	\$ 18,999	-	\$ -	\$ 1,928	\$ 472	100% reserve against loan balance
		\$ 18,999	\$ 18,999	-	\$ -	\$ 1,928	\$ 472	
Bridge loans (see Note 1)								
Cheyenne Family YMCA	7/28/16	\$ 111,824	\$ -	-	\$ 111,824	\$ 4,268	\$ 1,740	
Cowboy Inn	8/22/13	\$ 153,298	\$ -	-	\$ 153,298	\$ 6,947	\$ 4,096	
Gluten Free Oats	12/2/09	\$ 101,843	\$ -	-	\$ 101,843	\$ 7,885	\$ 3,635	
L & L Ventures LLC	7/23/13	\$ 88,399	\$ -	-	\$ 88,399	\$ 2,330	\$ 2,366	
Triphoto, LLC	6/12/06	\$ 29,046	\$ -	-	\$ 29,046	\$ 2,416	\$ 810	
		\$ 484,409	\$ -	-	\$ 484,409	\$ 23,846	\$ 12,647	
Mainstreet loans (see Note 1)								
65Coffee LLC	1/27/10	\$ 8,663	\$ -	-	\$ 8,663	\$ 2,110	\$ 254	
Grimshaw Investments LLC	4/20/10	\$ 28,522	\$ -	-	\$ 28,522	\$ 5,365	\$ 855	
		\$ 37,185	\$ -	-	\$ 37,185	\$ 7,475	\$ 1,109	
Amendment IV loans (see Note 1)								
Tenupah, LLC	5/12/95	\$ 331,352	\$ 200,000	-	\$ 131,352	\$ 21,686	\$ 2,043	
		\$ 331,352	\$ 200,000	-	\$ 131,352	\$ 21,686	\$ 2,043	
Natural Gas Infrastructure loans (see Note 4)								
Star Valley Natural Gas LLC	9/22/14	\$ 243,158	\$ -	-	\$ 243,158	\$ 3,020	\$ 3,628	
		\$ 243,158	\$ -	-	\$ 243,158	\$ 3,020	\$ 3,628	
BRC loans (see Note 2)								
Campbell County-Intertech land and property	4/14/16	\$ 259,392	\$ -	-	\$ 259,392	\$ -	\$ -	
City of Cheyenne (Swan Ranch) (Note 3)	4/9/15	\$ 2,453,943	\$ -	-	\$ 2,453,943	\$ -	\$ 12,270	
City of Gillette-So. Industrial Addition	6/27/16	\$ 2,645,046	\$ -	-	\$ 2,645,046	\$ -	\$ -	
City of Lander	10/23/14	\$ 92,905	\$ -	-	\$ 92,905	\$ 28,900	\$ 3,045	
City of Laramie - HIVIZ Corporation	6/25/15	\$ 494,951	\$ -	-	\$ 494,951	\$ -	\$ -	
City of Laramie - UL Labs	6/14/16	\$ 391,170	\$ -	-	\$ 391,170	\$ -	\$ -	
Goshen Care Center JPB-Goshen Care Ctr.	8/18/16	\$ 716,232	\$ -	-	\$ 716,232	\$ -	\$ -	
Jackson Hole Airport Board-1	1/7/10	\$ 465,767	\$ -	-	\$ 465,767	\$ 152,194	\$ 6,180	
Jackson Hole Airport Board-2	5/11/15	\$ 2,721,751	\$ -	-	\$ 2,721,751	\$ -	\$ -	
Teton County	12/6/10	\$ 632,281	\$ -	-	\$ 632,281	\$ 150,546	\$ 7,828	
Town of Jackson - Snow King Mountain	3/31/15	\$ 952,448	\$ -	-	\$ 952,448	\$ -	\$ -	
		\$ 11,825,885	\$ -	-	\$ 11,825,885	\$ 331,640	\$ 29,323	
ARRA SEP loans (see Note 3)								
Town of Basin	5/8/12	\$ 75,672	\$ -	-	\$ 75,672	\$ -	\$ -	
Lower Valley Energy	6/27/12	\$ 1,135,578	\$ -	-	\$ 1,135,578	\$ -	\$ -	
		\$ 1,211,251	\$ -	-	\$ 1,211,251	\$ -	\$ -	
Unallocated allowance		\$ -	\$ 107,492	\$ -	\$ (107,492)			
Total		\$ 14,155,906	\$ 327,191	\$ -	\$ 13,831,714	\$ 564,532	\$ 56,977	

Note 1 - does not include pymts received by Markee (loan service provider) but not yet remitted to WBC; pymts received by Markee in the current month are remitted to WBC after the end of the month

Note 2 - annual principal and interest payments: repayment of loan commences 1 year after fully drawn.

Note 3 - interest only payments for 3 years; principal and interest annually thereafter.

WYOMING BUSINESS COUNCIL
Loans Receivable - Economic Disaster Loans Detail - Unaudited

	Balances as of February 28, 2017				Cash Receipts Since 7/1/16		
	<u>Origination Date</u>	<u>Loan Balance</u>	<u>Allowance</u>	<u>Write-off</u>	<u>Net Balance</u>	<u>Principal</u>	<u>Interest</u>
Beef Grower Loans							
Adobe Butte Ranch	4/25/07	\$ -	\$ -	\$ -	\$ -	\$ 2,446	\$ 109
Berthod, Michael	4/27/07	\$ -	\$ -	\$ -	\$ -	\$ 2,552	\$ 116
Big Horn Land/Livestock	4/26/07	\$ -	\$ -	\$ -	\$ -	\$ 1,167	\$ 50
Christensen, Dennis	4/27/07	\$ -	\$ -	\$ -	\$ -	\$ 3,469	\$ 156
Christensen, Kent	8/3/07	\$ -	\$ -	\$ -	\$ -	\$ 2,537	\$ 116
Craft, Lloyd	4/26/07	\$ -	\$ -	\$ -	\$ -	\$ 2,572	\$ 117
Dellos Farms	4/26/07	\$ -	\$ -	\$ -	\$ -	\$ 3,958	\$ 181
Edwards Ranch	4/25/07	\$ -	\$ -	\$ -	\$ -	\$ 7,244	\$ 315
Eugene Miller & Sons	4/26/07	\$ -	\$ -	\$ -	\$ -	\$ 8,553	\$ 380
Foss, Lucas	8/2/07	\$ -	\$ -	\$ -	\$ -	\$ 3,071	\$ 131
Foss, Jerry	8/2/07	\$ -	\$ -	\$ -	\$ -	\$ 1,628	\$ 73
Geis, Nick	4/25/07	\$ -	\$ -	\$ -	\$ -	\$ 7,139	\$ 321
Haun Farms	4/26/07	\$ -	\$ -	\$ -	\$ -	\$ 2,851	\$ 125
Jordan Farms	4/26/07	\$ -	\$ -	\$ -	\$ -	\$ 7,317	\$ 329
Keller Farms	4/26/07	\$ -	\$ -	\$ -	\$ -	\$ 5,254	\$ 240
Keller, Kevin	4/25/07	\$ 6,667	\$ -	\$ -	\$ 6,667	\$ -	\$ -
Madden, Danny	8/2/07	\$ -	\$ -	\$ -	\$ -	\$ 5,727	\$ 261
Mendez Brothers	4/25/07	\$ -	\$ -	\$ -	\$ -	\$ 6,261	\$ 282
Michael Vigil Farms	4/25/07	\$ -	\$ -	\$ -	\$ -	\$ 4,395	\$ 195
Ondo, Mike	4/26/07	\$ -	\$ -	\$ -	\$ -	\$ 2,913	\$ 132
Pince, Daniel	4/27/07	\$ -	\$ -	\$ -	\$ -	\$ 9,818	\$ 442
Sage Creek Land & Cattle Co.	4/25/07	\$ -	\$ -	\$ -	\$ -	\$ 7,770	\$ 356
Sage Creek Land & Cattle Partnership	4/25/07	\$ -	\$ -	\$ -	\$ -	\$ 6,653	\$ 305
South Flat Land & Livestock	4/26/07	\$ -	\$ -	\$ -	\$ -	\$ 17,100	\$ 751
TD Farms	4/26/07	\$ -	\$ -	\$ -	\$ -	\$ 12,312	\$ 565
Taylor, Dustin	4/27/07	\$ -	\$ -	\$ -	\$ -	\$ 4,055	\$ 161
Wildman, Howard	4/25/07	\$ -	\$ -	\$ -	\$ -	\$ 8,363	\$ 382
Weber & Sons	4/25/07	\$ -	\$ -	\$ -	\$ -	\$ 4,819	\$ 221
Weber Ag	4/26/07	\$ -	\$ -	\$ -	\$ -	\$ 15,782	\$ 627
Welliver, Jearld	4/27/07	\$ -	\$ -	\$ -	\$ -	\$ 7,208	\$ 316
Allowance against loan pool (non-specific loans)		\$ -	\$ 700	\$ -	\$ (700)		
Total Beef Grower loans		\$ 6,667	\$ 700	\$ -	\$ 5,967	\$ 174,936	\$ 7,755

WYOMING BUSINESS COUNCIL
FY2017 Dues and Memberships Expenditures
Eight months ended February 28, 2017 - Unaudited

		Current Year to Date	Previous Year Totals
Vendor Name	Division		
Government Finance Officer Association	Administration	\$ -	\$ 320
International Economic Development Council	Administration	\$ -	\$ 175
Mountain States Employers Council Inc.	Administration	\$ 5,400	\$ 5,200
National Association of Commissions for Women-WCWI	Administration	\$ 150	\$ -
Society for Human Resource Management Organization	Administration	\$ -	\$ 609
Wyoming Association of Municipalities	Administration	\$ -	\$ 350
Wyoming Association of Non Profit Organizations	Administration	\$ -	\$ 300
Wyoming Economic Development Association	Administration	\$ 545	\$ 545
Wyoming Nonprofit Network	Administration	\$ 300	\$ -
Wyoming Taxpayers Association	Administration	\$ 195	\$ 195
Wyoming Press Association	Administration	\$ -	\$ 100
Wyoming Homeless Collaborative	Administration	\$ 500	\$ -
		\$ 7,090	\$ 7,794
CattleFax	Business Development	\$ -	\$ 400
Cheyenne Rotary Club	Business Development	\$ 600	\$ -
National Association of Rural Rehabilitation Corporations	Business Development	\$ -	\$ 150
National Cattlemen's Beef Association	Business Development	\$ -	\$ 150
Samson LLC (previously Ag Info Link)	Business Development	\$ -	\$ 2,000
Stockgrowers Association	Business Development	\$ 120	\$ 120
Western U.S. Agricultural Trade Association	Business Development	\$ 1,030	\$ -
Wyoming Crop Improvement Association	Business Development	\$ -	\$ 10
Wyoming Economic Development Association	Business Development	\$ -	\$ 85
American Wind Energy Association	Business Development	\$ -	\$ 500
Council of Development Finance Agencies Inc.	Business Development	\$ -	\$ 750
Industrial Asset Management Council	Business Development	\$ 1,645	\$ 1,495
International Economic Development Council	Business Development	\$ 1,410	\$ 1,360
Mid-America Economic Development Council	Business Development	\$ 300	\$ 150
National Shooting Sports Foundation Inc.	Business Development	\$ -	\$ 200
Wyoming Bankers Association	Business Development	\$ 300	\$ 300
Wyoming Economic Development Association	Business Development	\$ 255	\$ 255
Wyoming Farmer's Market Association	Business Development	\$ 50	\$ -
		\$ 5,710	\$ 7,925
Council of State Community Development Agencies	Community Development	\$ 525	\$ 1,500
Energy Services Coalition	Community Development	\$ 140	\$ 140
International Economic Development Council	Community Development	\$ -	\$ 350
Leadership Wyoming	Community Development	\$ -	\$ 30
National Main Street Center Inc.	Community Development	\$ 4,650	\$ 4,450
National Trust for Historic Preservation	Community Development	\$ -	\$ 195
Wyoming Association of Housing and Redevelopment	Community Development	\$ -	\$ 75
Wyoming Economic Development Association	Community Development	\$ 510	\$ 425
		\$ 5,825	\$ 7,165
Casper Area Chamber of Commerce	Regional Offices	\$ -	\$ 300
Cody County Chamber of Commerce	Regional Offices	\$ -	\$ 150
Douglas Area Chamber of Commerce	Regional Offices	\$ -	\$ 100
Goshen County Economic Development	Regional Offices	\$ -	\$ 200
Lovell Area Chamber of Commerce	Regional Offices	\$ -	\$ 65
Meeteetse Visitor Center/Chamber of Commerce	Regional Offices	\$ -	\$ 30
Powell Valley Chamber of Commerce	Regional Offices	\$ 150	\$ 150
Platte County Economic Development Corporation	Regional Offices	\$ -	\$ 200
Thermopolis-Hot Springs Chamber of Commerce	Regional Offices	\$ 195	\$ 195
Washakie Development Association	Regional Offices	\$ 100	\$ 100
Worland-Ten Sleep Chamber of Commerce	Regional Offices	\$ -	\$ 225
Wyoming Economic Development Association	Regional Offices	\$ 595	\$ 595
		\$ 1,040	\$ 2,310
Total		\$ 19,665	\$ 25,194

COMMUNITY GRANT AND LOAN COMMITTEE





Business Ready Community Grant and Loan Program

Report and Recommendations to the Wyoming Business Council

May 18, 2017

CONTENTS

BRC Grant and Loan Program Allocation Plan.	C-5
BRC Application and Program Summary.	C-7
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Business Ready Community Grant and Loan Program Allocation Plan

	FY17Q3													
	Total Annual Funds Available at Beginning of Quarter													
Business Committed	\$	4,926,313	\$	1,981,578	\$	963,156	\$	2,944,734	\$	978,677	\$	1,966,057	\$	230,317
Community Readiness	\$	3,869,471	\$	1,717,368	\$	434,736	\$	2,152,104	\$	2,152,104	\$	-		
Community Enhancement	\$	1,481,578	\$	660,526	\$	160,526	\$	821,052	\$	1,481,578	\$		\$	21,052
Planning	\$	132,105	\$	44,035	\$	44,035	\$	88,070	\$	132,105	\$		\$	44,070
Total	\$	10,409,467	\$	4,403,507	\$	1,602,453	\$	6,005,960	\$	4,744,464	\$	1,966,057	\$	295,439
	FY17Q4													
	Total Annual Funds Available at Beginning of Quarter													
Business Committed	\$	4,177,952	\$	1,981,578	\$	1,966,057	\$	3,947,635	\$	-	\$	3,947,635		
Community Readiness	\$	1,717,367	\$	1,717,368	\$	-	\$	1,717,368	\$	1,500,000	\$	217,368		
Community Enhancement	\$	681,578	\$	660,526	\$	-	\$	-	\$	-	\$	-	\$	660,526
Planning	\$	88,105	\$	44,035	\$	-	\$	-	\$	-	\$	-	\$	44,035
Total	\$	6,665,003	\$	4,403,507	\$	1,966,057	\$	5,665,003	\$	1,500,000	\$	4,165,003	\$	704,561
	FY18Q1													
	Total Annual Funds Available at Beginning of Quarter													
Business Committed	\$	9,349,112	\$	2,337,278	\$	3,947,635	\$	6,284,913		Staff Recommendations		Carry Forward to Next Quarter		
Community Readiness	\$	8,102,564	\$	2,025,640	\$	217,368	\$	2,243,008						
Community Enhancement	\$	3,116,371	\$	779,093	\$		\$	779,093						
Planning	\$	207,758	\$	51,940	\$		\$	51,940						
Total	\$	20,775,805	\$	5,193,951	\$	4,165,003	\$	9,358,954						



BRC Financial Summary

Available Funds Summary	
	BRC
Net Appropriations	\$ 379,549,305
Awards Adjusted by Deobligations	\$ (355,714,052)
BRC Loan Principal and Interest Payments Received to Date	\$ 2,595,554
BRC State Revenue Recapture Received to Date	\$ 10,000
Total Available Funds	\$ 26,440,807

BRC Application and Program Summary

BRC Application and Program Summary

Awards are contingent on satisfactory execution and administration of previous grants or loans by an applicant. Other contingencies, if any, are defined in the project descriptions.

Any remaining funds will be added to the allocation for the next quarter.

BRC Applications - March 1, 2017						
Applicant	Project	Type	Request	Funds available	Staff Recommendation	Carry Forward to Next Quarter
		Business Committed		\$ 3,947,635		\$ 3,947,635
Campbell County	Advanced Carbon Products Innovation Center	Community Readiness	\$ 1,500,000	\$ 1,717,367	\$ 1,500,000	\$ 217,367
		Community Enhancement				
		Planning	\$ -	\$ -		
Total Requests			\$ 1,500,000	\$ 5,665,002	\$ 1,500,000	\$ 4,165,002

If staff recommendations are accepted and recommended to the June SLIB, Q1 of FY18 funding will be as follows:

BRC Project Types	Priorities	% of Allocation	Annual Allocation	Base Quarterly Allocation	Carry Forward from FY17	FY18 Q1 Allocation Available
Business Committed & Managed Data Center Cost Reduction	High	45%	\$ 9,349,112	\$ 2,337,278	\$ 3,947,635	\$ 6,284,913
Community Readiness	Medium	39%	\$ 8,102,564	\$ 2,025,640	\$ 217,368	\$ 2,243,008
Community Enhancement	Low	15%	\$ 3,116,371	\$ 779,093		\$ 779,093
Planning	Low	1%	\$ 207,758	\$ 51,940		\$ 51,940
Totals		100%	\$ 20,775,805	\$ 5,193,951	\$ 4,165,003	\$ 9,358,954





CAMPBELL COUNTY

\$1,500,000 BRC Community Readiness Grant

Advanced Carbon Products Innovation Center

**Business Ready
Community Grant
and Loan Program**

Staff Recommendation:
Fund

Project Description

Campbell County, in partnership with Energy Capital Economic Development, Campbell County's economic development organization, requests a \$1,500,000 Business Ready Community (BRC) Community Readiness grant for the purchase of Lot 4 and Lot 7a, totaling 9.5 acres, in the Fort Union Industrial Park, construction of a 4,000 square-foot steel lab and office building, water lines to the building, a septic system, electrical and necessary data and telecommunication lines. The new Advanced Carbon Products Innovation Center facility (ACPIC) will be located on Lot 4, which consists of 6 acres and is adjacent to Atlas Carbon, a company that converts coal to activated carbon through a proprietary and patented process. Lot 7a, consisting of 3.5-acres, will provide additional space to build pilot and pre-commercialization plants.

The ACPIC will provide research space and a steady supply of raw product (coal) to drive research and value-added manufacturing of Wyoming raw minerals. Additionally, the facility will enable a variety of similar industrial uses beyond coal value-added activities. The ACPIC facility project is consistent with Energy Capital's 2015 Strategic Plan, specifically targeting Goal 4: New Business Development, by diversifying and broadening local

value-added businesses that use coal as a primary raw material to manufacture new products. This project also ties into the Governor's ENDOW initiative by building on efforts to add value to coal.

Energy Capital Economic Development receives yearly \$240,000 allocations from Campbell County and the city of Gillette. These funds comprise the organization's general operating funds. The city and county also provide in-kind services including legal services and engineering services. Energy Capital sought match assistance from both the city and county but this region has been hit especially hard by the decline in coal prices and production, and neither was able to provide cash toward the project. Energy Capital does not have the revenue to make loan payments, so bank financing is not viable.



Project Benefits and Goals

The 9.5-acre site is well suited to provide a low-cost environment that will allow for the development of value-added coal projects at the pilot or pre-commercial development stages.

The ACPIC will explore value-added potential for carbon products such as graphene, carbon nanotubes, agricultural char, coal to gas, coal to liquids and more. Project benefits include the diversification and growth that will occur by creating value-added products to help ensure long-term demands for Wyoming minerals, building manufacturing plants to provide new products and employing Wyoming workers.

Tenants will lease lab space from Energy Capital Economic Development. Tenants will be allowed automatic two-year extensions at the ends of their original leases, and will be entitled to two one-year leases at the ends of their two-year extensions. The facility's purpose is to provide lab space for front-end research on raw coal for value-added carbon products, and to provide space for pilot and pre-commercial plants with the end goal of locating their commercial plants in the state. Five companies have expressed interest in locating at the facility. Their names remain confidential at this time.

This project is expected to create 10 to 20 direct-support jobs during the next five years. Like the ENDOW initiative, this project requires short-term victories and long-term vision toward diversifying and growing Wyoming's economy. It is best envisioned in stages, beginning with constructing an operational facility and the first tenants starting research work. It will be several years before the first pilot plants are built followed by additional years for ensuing phases. It is anticipated hundreds of jobs will be created at commercial plant locations around the region as projects mature and are commercialized.

Campbell County, in partnership with Energy Capital Economic Development, received a \$1,240,000 Community Readiness grant and \$280,000 loan in 2016, for the purchase of 3.7-acres of land and three buildings. The portion of the building that is still unleased lacks space sufficient for the purposes of the ACPIC pilot plant development and does not have convenient access to coal.

The Fort Union Industrial Park is a prime location for the ACPIC facility for several reasons:

- The site was once a coal mine and contains necessary infrastructure including coal storage and handling equipment, a rail loop, wastewater disposal well and conveyors that can be used to unload feedstocks and load manufactured products. It would require millions of dollars to otherwise build coal silos and other equipment from scratch in another location.
- On-site coal crushing equipment allows feedstocks for different coal conversion processes to be prepared in volumes suitable to supporting pilot research plants and pre-commercial and commercial facilities.
- The site provides access to a high-pressure gas pipeline and heavy electrical power to support valued-added processes.
- The site is located between two medium-capacity coal mines that can supply coal to site by truck or conveyor as demand for coal increases. Larger amounts of coal can be provided by rail from other coal mines.
- The new Integrated Test Center is three miles away at the Dry Fork Station. Collaborative efforts on research could take place at both locations. The ACPIC will provide the front-end research of raw coal to value-added carbon products, while the Integrated Test Center provides research on how to commercialize technologies around carbon emissions, or the "back end" of coal.
- Discussions are underway with the University of Wyoming School of Energy Resources, Gillette College and local efforts in the development of research and related curriculum.
- The second phase of the realignment of Highway 59 is expected to be complete by summer 2018. The realignment takes Highway 59 from its current route to a new route that will run alongside and connect at three access points to the Fort Union Industrial Park.
- BNSF staff visited the Fort Union Industrial Park in early 2017 to coordinate and provide preliminary assistance to park owners, with plans to develop a fully functioning rail park.

Lease and Revenue Recapture

Energy Capital Economic Development will own the facility and will lease space to prospective tenants as follows:

- Office space: \$650 per month (includes utilities)
- Lab space: \$800 per month plus utilities
- Land/acres: \$1,000 per month
- Common Area Maintenance (CAM) fee: \$200 per month (fees may be adjusted up or down by 10% per year depending on actual expenses incurred)
- Total Monthly Rent: \$2,550

The net revenue generated after all expenses, operations and maintenance savings funds, and other covered expenses, will be distributed as follows:

- 25% - WBC recapture return
- 10% - General Reserve fund
- 10% - Opportunity/Advocacy fund
- 20% - Future Project fund
- 30% - Operations
- 5% - Business Grant/Loan fund

Timeline

If funded, the property purchase is expected to be complete by October 2017, construction bid award is projected in early 2018 and completion expected by August 2019.

Sources	
BRC amount	\$ 1,500,000
Cash Match	\$ 83,373
In-Kind Match	\$ 83,372
Total eligible project cost	\$ 1,666,745
BRC % of total eligible project costs	90%
Local % of total eligible project costs	10%
Uses	
Land Acquisition Costs	
Land	\$ 498,000
Non-Construction Costs	
Architectural and Engineering fees	\$ 77,085
Construction Costs	
Site work	\$ 300,100
<i>Building Components:</i>	
Electrical Systems	\$ 176,170
Mechanical, plumbing, HVAC systems	\$ 19,530
Foundation and/or Structural Framing system	\$ 117,180
Interior Finishes	\$ 143,610
Pre-Engineered Steel Building	\$ 153,070
Contingencies (18%)	\$ 182,000
Total Uses	\$ 1,666,745

Funding

The total eligible project cost is \$1,666,745, of which \$1.5 million represents the Community Readiness grant. The grant is matched by \$83,373 in cash, and an in-kind match of \$83,372 in property value by Greenbridge (property owner). DOWL provided cost estimates for site work, water service, sewer and septic systems; and by S&S Builders for the pre-fabricated building, foundation, interior finishes, HVAC, plumbing, electrical, and utilities for a cost of \$158.59 per square foot.

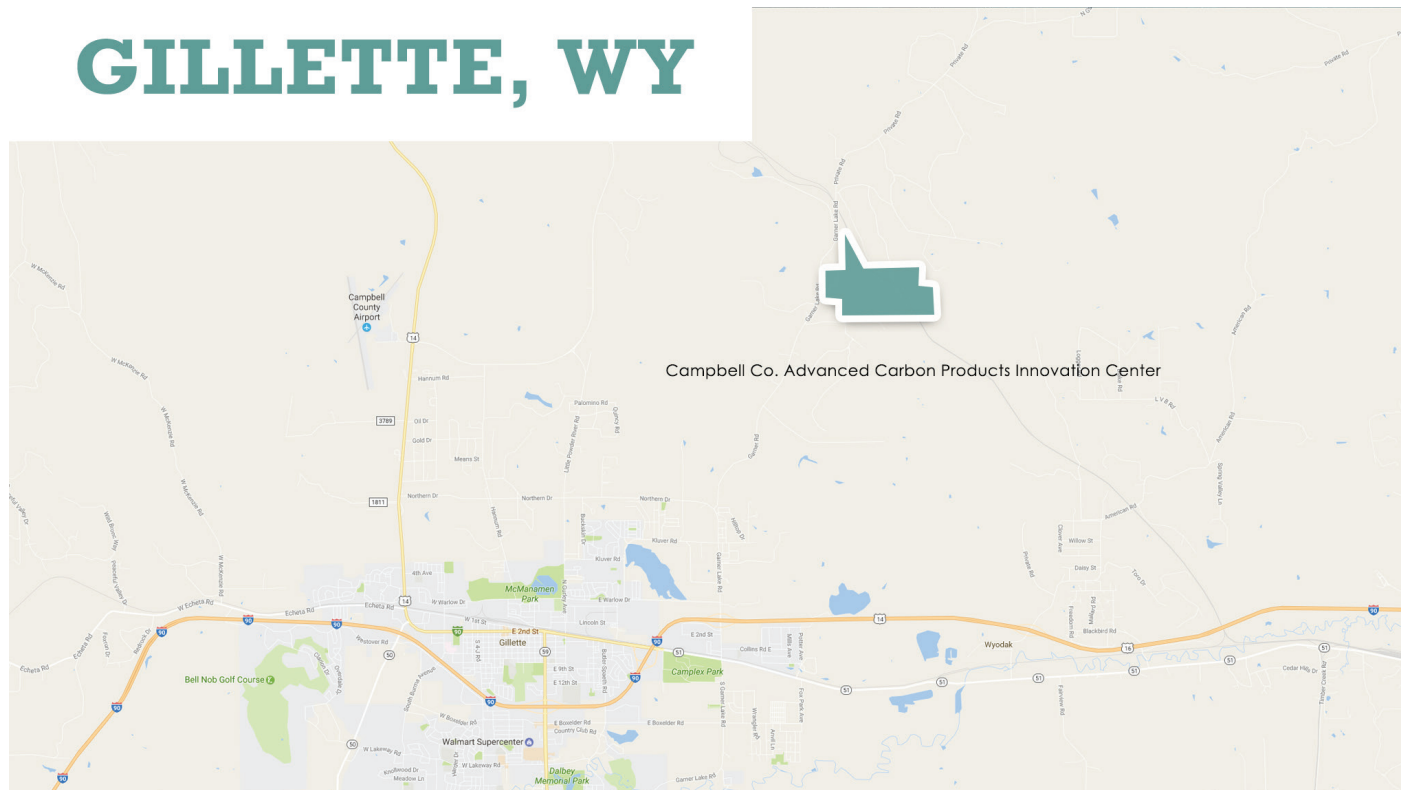
Staff Recommendation

Staff recommends funding as requested in the amount of \$1.5 million. Performance measures are listed in the chart below.

Project Overview

Campbell County Advanced Carbon Products Innovation Center				
Purpose	Campbell County, in partnership with Energy Capital Economic Development, requests a \$1,500,000 Business Ready Community (BRC) Community Readiness grant for the purchase of two lots totaling 9.5 acres, construction of a 4,000 square-foot steel lab and office building, water lines to building, septic system, electrical, and necessary data and telecommunication lines.			
Project Budget	Projected Grant Expenditure Schedule			
	Description	BRC	Match	Total
			Cash	In-Kind
	Land	\$ 331,255	\$ 83,373	\$ 83,372
	Non-Construction Costs	\$ 77,085	\$ -	\$ -
	Construction Costs	\$ 1,091,660	\$ -	\$ -
	Total Project Cost	\$ 1,500,000	\$ 83,373	\$ 83,372
	Percentage BRC of all cash:		95%	
Performance Measures	Measure	Quantity		Notes
	Revenue Recapture	\$ 250,000		
	Additional Investment/Capital Expenditures	\$ 100,000		Future site development
	Jobs to be Created (5 Year Projection)	10 - 20		Direct support jobs anticipated to be created
	Partnerships established; Curriculum Development / Research & Development			UW School of Energy Resources, Gillette College, Integrated Test Center, Atlas Carbon
Project Infrastructure	Acres Developed	9.5		Lot 4, consisting of 6-acres; Lot 7a, consisting of 3.5-acres.
	New Building Construction	4,000 square-feet		Pre-Engineered Steel Building to be located on Lot 4.
	Water	400 lineal-feet		Attach to existing system.
	Sewer	400 lineal-feet/Septic System		Install 4" sanitary sewer service, septic tank, holding tank, and leach field system.
	Other			Concrete sidewalks, foundation & slabs, signage, and bollard lighting, electrical, data and telecommunications.

GILLETTE, WY



BUSINESS CONTRACT AND LOAN COMMITTEE



AGENDA ITEMS

May 18, 2017

Business Contract and Loan Committee:

- D-5** Challenge Loan Reporting Requirements — Josh Keefe, **Action Item**
- D-7** Challenge Loan Report — Josh Keefe, **Action Item**
- D-9** 2017 Audit Report
- D-17** Loan Portfolio - December 31, 2016
- D-19** Audit Report Summary 2017
- D-21** SBIC 2017 Report — Josh Keefe, **Action Item**





BUSINESS COUNCIL
214 W. 15th Street
Cheyenne, WY 82002
Tel: (307) 777-2800 Fax: (307) 777-2838
www.wyomingbusiness.org

Memorandum

To: Wyoming Business Council Board of Directors
From: Josh Keefe
Subject: Challenge Loan Reporting Requirements
Date: May 18, 2017

1. **Past Due Report.** Challenge Loan Policy requires quarterly reporting of all loans 30 days or more past due.
 - There are no loans past due as of March 31, 2017
2. **Loan Loss Reserve Analysis.** Challenge Loan Policy requires a review of all loans that are delinquent (over 30 days past due) and a specific reserve will be allocated if the review warrants. There will be an additional unallocated reserve of one-half of one percent of the total portfolio balance.
 - Council staff recommends a reserve allocation of 10% for the combined balance of the Economic Emergency Loans (Seed Grower, Bean Grower and Beet Grower Loans). There is currently no reserve allocation as all loans have repaid as agreed. There is a potential for 35 beet grower loans. These are currently being analyzed for loan qualification.
 - The unallocated reserve is more than adequate with a balance of \$107,492 while policy requires a minimum of \$5,492.
 - There are no identified credits that are not past due but could present collection problems in the future.
3. **Charge off balances.**
 - None to report.

Staff Recommendation: Staff recommends acceptance of this report.





BUSINESS COUNCIL
214 W. 15th Street
Cheyenne, WY 82002
Tel: (307) 777-2800 Fax: (307) 777-2838
www.wyomingbusiness.org

Memorandum

To: Joint Minerals, Business and Economic Development Interim Committee
From: Shawn Reese, CEO
Subject: Challenge Loan Report
Date: May 18, 2017

W.S. 9-12-306. Audit; report

(b) On or before July 15 of each year, the council shall submit a written report to the Joint Minerals, Business and Economic Development Interim Committee reviewing rules adopted by the council during the reporting period, presenting a portfolio of the loans made under the program and presenting a risk analysis of the portfolio of loans prepared by the state banking commissioner. The report, portfolio of loans and risk analysis required under this subsection shall be public record. The risk analysis prepared by the state banking commissioner shall not be subject to the limitations of W.S. 9-1-512.

Attachment A – Rules adopted by the council during the reporting period

- Updated Challenge Loan rules were promulgated on May 28, 2015

Attachment B – Portfolio of loans in the program as of 12-31-16

- One New loan(s) during reporting period
 - Bridge Loan to the Cheyenne Family YMCA for \$116,091.56

Attachment C – Report of Examination by the State of Wyoming, Department of Audit Division of Banking

- The WBC is administrating the loans it has funded under the Program in a satisfactory manner.

Attachment D – Wyoming Business Council Loan Report of Examination Summary and Management Corrective Actions

- The Challenge Loan Program has made or participated in 169 loans since 1998
- Total loans have been \$49,855,295 with the State's portion being \$17,506,052
- Interest collected over last 16 fiscal years (2000–2016) totals \$4,455,233
- Estimated jobs created or retained of 622

Attachment E – Cumulative Loan Loss & History of Challenge Loan Portfolio

- 10 loans totaling \$311,185 have been charged off (1.78% loan loss)





STATE OF WYOMING
DEPARTMENT OF AUDIT

DIVISION OF BANKING

(307) 777-7793 Fax (307) 777-3555 Email: wyoimbankingdivision.wyo.gov

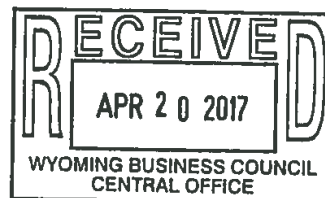
Matthew H. Mead
Governor

Jeffrey C. Vogel
Director

Albert L. Forkner
Commissioner

April 18, 2017

Shawn Reese, Chief Executive Officer
Wyoming Business Council
214 West 15th Street
Cheyenne, Wyoming 82002-0240

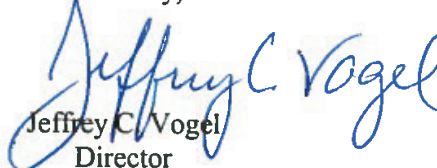


Dear Mr. Reese:

Enclosed please find the Report of Examination of the Wyoming Business Council Challenge Loan Program made by examiners of the Department of Audit, Division of Banking, pursuant to Wyoming Statute 9-12-306. This office concurs with the findings and comments of the examiners.

If you have any questions regarding the Report of Examination, please do not hesitate to contact my office.

Sincerely,


Jeffrey C. Vogel
Director

Enclosure



Report of Examination

Wyoming Business Council's

Wyoming Partnership Challenge Loan Program

Consisting of Loans to Development Organizations;

Guarantee Loan Participations; Bridge Financing;

Economic Disaster Loans; Loan Guarantee Program Loans,

Main Street Loan Participations; and

Natural Gas Fueling Infrastructure Loans.

Prepared by:

Division of Banking

Department of Audit, State of Wyoming

March 20, 2017

EXAMINATION SCOPE

The purpose of this examination is to review loans funded by the Wyoming Business Council (WBC) under the Wyoming Partnership Challenge Loan Program (Program) and the credit administration of those loans. Loans made under the Program were examined for compliance with statutes and regulations as well as prudent underwriting standards. Additionally, loans were reviewed for proper documentation and compliance with WBC's loan policy.

Wyoming Statute (W.S.) 9-12-306 mandates the examination of the Program by the Department of Audit. The Director of the State of Wyoming's Department of Audit or designee is required to annually examine loans made under the Program and submit a Report of Examination to the Governor, the Legislature, and the WBC. Per the Program's Rules and Regulations a portfolio report of all loans as of December 31 is to be submitted to the State Banking Commissioner no later than January 15. The State Banking Commissioner is then required to complete an audit of the loan portfolio on or before April 1, with a completed audit report presented to the WBC on or before May 1.

This examination was completed on March 20, 2017. The loan review included all loans made under the Partnership Challenge Loan Program (Development, Bridge, and Guarantee Loan Participations), Economic Disaster Loans (Seed/Beet/Bean Growers), and the Natural Gas Fueling Infrastructure Loan. This equated to one Development loan, four Bridge loans, one Guarantee Participation loan, two Beet loans, and one Natural Gas Fueling Infrastructure loan.

PROGRAM OVERVIEW

Article 3 of the Wyoming Economic Development Act

The Program is governed by W.S. 9-12-301 through 9-12-307. The Program is funded through the Economic Development Enterprise Fund Account and is administered by the WBC. The WBC has adopted the Rules and Regulations of the Program in order to implement Article 3. These rules include Chapter 1, Wyoming Partnership Challenge Loan Program (Loans to Development Organizations, Bridge Financing, and Guarantee Loan Participations); Chapter 2, Economic Disaster Loans; Chapter 3, Loan Guarantee Program; Chapter 4, Wyoming Main Street Loan Participation; and Chapter 5, Natural Gas Fueling Infrastructure Loans.

Chapter 1 – Wyoming Partnership Challenge Loan Program

Loans made under Chapter 1 of the WBC's Rules and Regulations consist of loans made to community or state development organizations, loans for bridge financing, and guarantee loan participations. As defined by statutes, a community development organization is a group of private citizens organized as a business entity for the purpose of providing financing for new, existing, or expanding businesses and other economic or community development purposes throughout Wyoming. A state development organization is a corporation with the authority to provide financing for new, existing, or expanding businesses and to fulfill other economic or community development purposes throughout the state. Bridge financing is for projects where a commercial lender makes the loan and WBC shares in the loan. Guarantee loan participations

are for projects where a bank has a Federal guaranteed loan to guarantee repayment of a loan to a business.

The total amount of loans and loan commitments made to a single community development organization is limited to \$500,000. Total loans and loan commitments made to state development organizations are limited to \$3,500,000. Bridge financing loans and loan commitments to a business are limited to \$1,000,000. Loans to a business qualifying for guarantee loan participation are limited to \$2,000,000.

<u>Chapter 1 Challenge Loans</u>			
<u>Loan Type</u>	<u>12/31/2016</u>	<u>12/31/2015</u>	<u>12/31/2014</u>
Development Loans	\$ 19,238	\$ 22,108	\$ 24,867
Bridge Loans	457,837	371,490	400,716
Guarantee Loan Participations	29,351	32,972	36,480
Total Loans	\$506,426	\$426,570	\$462,063
Loans 30 Days or More Past Due	\$0	\$0	\$0

At year-end 2016, there were six Challenge loans outstanding pursuant to Chapter 1 compared to five loans at year-end 2015, resulting in an increase of \$79,856. The Challenge Loans include one Development Loan totaling \$19,238; four Bridge Loans totaling \$457,837; and one Guarantee Loan Participation totaling \$29,351. One new Bridge loan was originated in 2016 totaling \$116,092.

Chapter 2 – Economic Disaster Loans

Loans made under Chapter 2 of the Rules and Regulations are intended for businesses that have been adversely affected by an economic disaster. The statutes define an economic disaster as an event occurring in Wyoming that has an economic impact with total lost revenues to impacted businesses in a twelve calendar-month period of at least \$4,000,000, or an economic impact with total lost revenues of impacted businesses in four or less counties in a twelve calendar-month period of at least \$1,000,000.

<u>Chapter 2 – Economic Disaster Loans</u>			
	<u>12/31/2016</u>	<u>12/31/2015</u>	<u>12/31/2014</u>
Seed/Bean/Beet Grower Loans	\$10,722	\$366,515	\$415,001
Number of Loans Outstanding	2	30	34
Loans 30 Days or More Past Due	\$6,667	\$54,174	\$30,625

At year-end 2016, there were two Economic Disaster loans outstanding. Payments and pay-offs resulted in a reduction of \$355,793 from the previous year. At the time of the examination, March 20, 2017, there was one remaining loan on the books as a result of the Dustin Taylor loan being paid-off on December 1, 2016. The remaining Beet loan, Kevin Keller Farms, in the amount of \$6,667 was 29 days past due as of year-end 2016 and 109 days past due at the time of

the examination. Management was in contact with this borrower and the final payment was received on March 27, 2017. There were no new Economic Disaster loans originated in 2016 and there are no remaining loans outstanding.

Chapter 3 – Loan Guarantee Program

Chapter 3 is for loan guarantees in which the WBC guarantees a portion of a bank loan made to a business. Such loan guarantees are not to exceed \$100,000 per loan guaranteed or 80 percent of any net loan loss by the bank, whichever is less. The WBC has not guaranteed any loans under this program.

Chapter 4 – Wyoming Main Street Loan Participation

Chapter 4 is for loans in which the WBC participates with a commercial lender that has made a loan to a business for building improvements to maintain the structure's historical character. The maximum participation is limited to 75 percent of the loan or \$100,000, whichever is less.

<u>Chapter 4 - Main Street Loans</u>			
	<u>12/31/2016</u>	<u>12/31/2015</u>	<u>12/31/2014</u>
Main Street Loans	\$0	\$0	\$0
Loans 30 Days or More Past Due	\$0	\$0	\$0

At year-end 2016, there were no loans funded under this program (no outstanding balance in this program since year-end 2011).

Chapter 5 – Natural Gas Fueling Infrastructure Loans

Loans made under Chapter 5 of the Rules and Regulations are intended for direct loans made by the WBC for natural gas fueling infrastructure (NGFI). This program resulted from 2013 legislation. As defined by statutes, a natural gas fueling infrastructure loan is for the costs of the engineering, design, real property, equipment, and labor necessary to install a functioning natural gas filling station to fuel motor vehicles which operate on natural gas as transportation fuel. Loans issued under this chapter may not exceed 75 percent of the total project cost or \$1,000,000, whichever is less.

<u>Chapter 5 – Natural Gas Fueling Infrastructure Loans</u>			
	<u>12/31/2016</u>	<u>12/31/2015</u>	<u>12/31/2014</u>
NGFI Loans	\$244,157	\$237,987	\$225,000
Loans 30 Days or More Past Due	\$0	\$0	\$0

At year-end 2016, there was one NGFI loan outstanding. The increase of \$6,170 from year-end 2015 is due to the note's structure. The first 24 payments are capitalized onto the existing balance of the loan and actual payments did not begin until October 2016.

Administration

The program is administered by the Business and Industry Division of the WBC, and it is supervised by the Economic Development Program Manager, Josh Keefe. Mr. Keefe was named the Program manager on March 7, 2016.

Servicing

The WBC contracts with Markee Escrow Services, Inc., of Cheyenne, WY for servicing of the loan portfolio.

FINDINGS

Overall, the WBC is administering the loans it has funded under the Program in a satisfactory manner. WBC staff completes a cash flow analysis on loans as new financial information is obtained as well as on new loan requests.

Borrower Creditworthiness

Loans funded under the Program continue to be financially sound. However, the financial condition of one Development Loan within the Challenge Loan Program, Ascent 2000 Training Solutions, LLC, continues to deteriorate. Financial analysis indicates a debt service coverage ratio of 0.99x on the remaining balance of \$19,238. Additionally, there appears to be a shortfall in the collateral as the loan-to-value position is 113 percent. The sole mitigating factor of this credit is the principles, Kenny and Trina McDaniel, who continue to cover any shortfalls within the cash flow of the business with personal income. As a result, this note continues to pay as agreed.

Loans with Documentation Exceptions

Loan file documentation exceptions are measured by dividing the dollar amount of exceptions found by the total volume of loans reviewed. The table below details the dollar amounts of documentation exceptions cited at this examination. The dollar volume of total documentation exceptions has decreased by 65 percent from the prior examination. Documentation exceptions were centered on stale financial statements and tax returns. Overall, the volume of exceptions is considered low after corrections.

<u>Loan File Documentation Exceptions</u>		
<u>Category</u>	<u>Amount (000)</u>	<u>Percentage</u>
All Exceptions – Initial	\$183	24.05%
All Exceptions – After Corrections	\$29	3.81%
Financial Statement Exceptions – Initial	\$183	24.05%
Financial Statement Exceptions – After Corrections	\$29	3.81%
Total Dollar Volume of Loans Reviewed	\$761	

Items marked with an asterisk (*) were corrected during the examination.

Cowboy Inn, LLC

- Stale financial statement*

Triphyto, LLC

- Stale financial Statement; Stale tax returns.

Exit Meeting

On March 20, 2017, discussions were held with the Program's loan servicer/Operations Manager, Ken Sherman of Markee Escrow Services, Inc. Representing the Wyoming Division of Banking were Senior Bank Examiner Michael Gross and Chief Bank Examiner Amanda Ortega. On March 21, 2017, discussions were held via telephone with Economic Development Program Manager, Josh Keefe. Representing the Wyoming Division of Banking was Senior Bank Examiner Michael Gross.


Albert L. Forkner, Commissioner



Wyoming Business Council
Loan Servicing Report
December 31, 2016

Loan #	Proj #	Loan Program	Lender	Borrower	RE Document #	Funding Date	Int Rate	Orig Date	Amount Due	Next Pymt Date	Original Balance	Current Balance	Principal Pmt	Interest Pmt	Service Fee	LC Fee	Total Payment	Date Last Payment	Interest To Date
100001	201	CHALLENGE	WBC	ASCENT 2000	ASCENT2000	12/19/06	4.00%	12/19/2006	\$308.67	1/10/2017	\$96,000.00	\$19,238.21	\$244.62	\$56.04	\$8.01	\$0.00	\$308.67	12/15/2016	12/15/2016
Totals											\$96,000.00	\$19,238.21	\$244.62	\$56.04	\$8.01	\$0.00	\$308.67		
200017	202	BRIDGE	FNW	GLUTEN FREE OATS LLC	07GLUTENFREE	12/02/09	5.25%	12/2/2009	\$1,350.00	1/5/2017	\$174,000.00	\$102,855.62	\$989.67	\$469.47	\$44.71	\$0.00	\$1,503.85	12/5/2016	12/5/2016
200029	202	BRIDGE	RNB	L & L VENTURES LLC	13LLVENTURES	07/23/13	4.50%	7/23/2013	\$790.00	1/30/2017	\$103,831.37	\$88,398.71	\$467.48	\$296.75	\$37.09	\$0.00	\$801.32	12/27/2016	12/27/2016
200030	202	BRIDGE	CNB	COWBOY INN LLC	14COWBOYINN	08/22/13	4.50%	8/22/2013	\$1,300.00	1/14/2017	\$209,925.49	\$154,056.83	\$486.19	\$755.55	\$94.44	\$0.00	\$1,336.18	12/14/2016	12/14/2016
200031	202	BRIDGE	SEC 1ST	YMCA	17CHEYENNEYMCA	07/28/16	4.00%	7/1/2016	\$761.71	1/1/2017	\$116,091.56	\$112,525.85	\$715.72	\$283.10	\$47.18	\$0.00	\$1,046.00	12/1/2016	12/1/2016
Totals											\$603,848.42	\$457,837.01	\$7,659.06	\$1,804.87	\$223.42	\$0.00	\$4,687.35		
300001	203	GUARANTEE	SEC 1ST	TRIPHYTO LLC AND OTHERS	06TRIPHYTO	06/12/06	4.50%	6/12/2006	\$400.00	1/20/2017	\$55,694.54	\$29,350.64	\$307.56	\$98.90	\$12.36	\$0.00	\$418.82	12/20/2016	12/20/2016
Totals											\$55,694.54	\$29,350.64	\$307.56	\$98.90	\$12.36	\$0.00	\$418.82		
400100	210	BEET	WBC	ADOBE BUTTE RANCH LLC	07ADOBBUTTE	04/25/07	4.50%	4/25/2007	\$2,554.92	A	\$18,670.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	11/25/2016	12/1/2016
400101	210	BEET	WBC	MICHAEL T BERTHO	07MICHBERT	04/27/07	4.50%	4/27/2007	\$2,668.71	A	\$19,788.08	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	11/30/2016	12/1/2016
400102	210	BEET	WBC	BIG HORN LAND & LIVESTOCK	07BIGHORNL	04/26/07	4.50%	4/26/2007	\$1,217.38	A	\$8,884.23	\$0.00	\$1,167.02	\$44.76	\$5.60	\$0.00	\$1,217.38	12/6/2016	12/1/2016
400103	210	BEET	WBC	DENNIS E CHRISTENSEN	07DENNCHR	04/27/07	4.50%	4/27/2007	\$3,625.07	A	\$26,475.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	11/29/2016	12/1/2016
400105	210	BEET	WBC	LLOYD JR & TERRY CRAFT	07LLOYDCRAF	04/26/07	4.50%	4/26/2007	\$2,689.70	A	\$19,765.17	\$0.00	\$2,572.36	\$104.30	\$13.04	\$0.00	\$2,689.70	12/9/2016	12/1/2016
400106	210	BEET	WBC	DELLOS FARMS INC	07DELLOSFRM	04/26/07	4.50%	4/26/2007	\$4,138.95	A	\$30,108.16	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	11/30/2016	12/1/2016
400107	210	BEET	WBC	EDWARDS RANCH INC	07EDWARDSRA	04/25/07	4.50%	4/25/2007	\$7,559.35	A	\$54,832.78	\$0.00	\$7,244.08	\$280.24	\$35.03	\$0.00	\$7,559.35	12/5/2016	12/1/2016
400108	210	BEET	WBC	EUGENE MILLER AND SONS	07EUGENEMIL	04/26/07	4.50%	4/26/2007	\$8,933.11	A	\$70,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	11/23/2016	12/1/2016
400109	210	BEET	WBC	NICK E GEIS II	07NICKGEIS	04/25/07	4.50%	4/25/2007	\$7,460.61	A	\$54,000.00	\$0.00	\$7,139.34	\$285.57	\$35.70	\$0.00	\$7,460.61	12/2/2016	12/1/2016
400110	210	BEET	WBC	HAUN FARMS INC	07HAUNFARM	04/26/07	4.50%	4/26/2007	\$2,976.39	A	\$21,685.00	\$0.00	\$2,851.25	\$111.24	\$13.90	\$0.00	\$2,976.39	12/6/2016	12/1/2016
400112	210	BEET	WBC	JORDAN FARMS INC	07JORDANFRM	04/26/07	4.50%	4/26/2007	\$7,646.74	A	\$58,900.00	\$0.00	\$7,317.45	\$292.70	\$36.59	\$0.00	\$7,646.74	12/3/2016	12/1/2016
400113	210	BEET	WBC	KELLER FARMS INC	07KELLERFAR	04/26/07	4.50%	4/26/2007	\$5,494.07	A	\$42,993.20	\$6,667.40	\$5,254.38	\$213.06	\$26.63	\$0.00	\$5,494.07	12/1/2016	12/1/2016
400114	210	BEET	WBC	KEVEN KELLER FARMS	07KEVENKELL	04/25/07	4.50%	4/25/2007	\$6,892.63	A	\$49,293.20	\$6,667.40	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	3/2/2016	3/1/2016
400117	210	BEET	WBC	LOUIS WEBER AND SONS	07LOUISWEBR	04/25/07	4.50%	4/25/2007	\$217.47	A	\$36,928.68	\$0.00	\$217.47	\$0.00	\$0.00	\$0.00	\$217.47	12/1/2016	12/1/2016
400118	210	BEET	WBC	MENDEZ BROTHERS	07MENDEZBRO	04/25/07	4.50%	4/25/2007	\$6,542.93	A	\$47,800.84	\$0.00	\$6,261.18	\$250.44	\$31.31	\$0.00	\$6,542.93	12/2/2016	12/1/2016
400119	210	BEET	WBC	MICHAEL VIGIL FARMS INC	07MICHVIGFM	04/25/07	4.50%	4/25/2007	\$4,589.80	A	\$33,540.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	11/25/2016	12/1/2016
400120	210	BEET	WBC	MIKE ONDO	07MIKEONDO	04/26/07	4.50%	4/26/2007	\$3,045.29	A	\$22,158.04	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	11/28/2016	12/1/2016
400122	210	BEET	WBC	DANIEL J PINCE	07DANPINCE	04/27/07	4.50%	4/27/2007	\$10,259.36	A	\$74,566.54	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	11/30/2016	12/1/2016
400125	210	BEET	WBC	SAGE CREEK LAND & CATTLE	07SAGECREEK	04/25/07	4.50%	4/25/2007	\$8,126.26	A	\$60,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	11/25/2016	12/1/2016
400126	210	BEET	WBC	SAGE CREEK LAND & CATTLE	07SAGECRILAC	04/25/07	4.50%	4/25/2007	\$6,958.26	A	\$54,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	11/25/2016	12/1/2016
400127	210	BEET	WBC	SOUTH FLAT LAND & CATTLE	07SOUTHFLAT	04/26/07	4.50%	4/26/2007	\$17,850.23	A	\$130,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	11/30/2016	12/1/2016
400128	210	BEET	WBC	DUSTIN L TAYLOR	07DTAYLOR	04/27/07	4.50%	4/27/2007	\$4,215.69	12/1/2016	\$31,758.68	\$4,054.72	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	1/14/2016	1/14/2016
400129	210	BEET	WBC	TD FARMS INC	07TDFARMINC	04/26/07	4.50%	4/26/2007	\$12,876.36	A	\$94,266.70	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	11/23/2016	12/1/2016
400130	210	BEET	WBC	WEBER AG LLC	07WEBERAG	04/26/07	4.50%	4/26/2007	\$16,408.04	A	\$139,525.93	\$0.00	\$15,781.53	\$556.90	\$69.61	\$0.00	\$16,408.04	12/29/2016	12/1/2016
400131	210	BEET	WBC	JEARLD W WELIEVER	07WELIEVER	04/27/07	4.50%	4/27/2007	\$7,523.89	A	\$57,258.27	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	11/23/2016	12/1/2016
400132	210	BEET	WBC	HOWARD WILDMAN	07HOWARDEW	04/25/07	4.50%	4/25/2007	\$8,744.82	A	\$70,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	11/21/2016	12/1/2016
400133	210	BEET	WBC	LUCAS FOSS	07LUCASFOSS	08/02/07	4.50%	8/2/2007	\$3,201.90	A	\$23,000.00	\$0.00	\$3,070.90	\$16.44	\$14.56	\$0.00	\$3,201.90	12/12/2016	12/1/2016
400134	210	BEET	WBC	JERRY FOSS	07JERRYFOSS	08/02/07	4.50%	8/2/2007	\$1,701.15	A	\$12,272.77	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	11/28/2016	12/1/2016
400135	210	BEET	WBC	KENT A CHRISTENSEN	07KENTCHRISTENSEN	08/03/07	4.50%	8/3/2007	\$2,653.21	A	\$19,575.74	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	11/30/2016	12/1/2016
400136	210	BEET	WBC	DANNY J MADDEN	07DANNYMADDEN	08/02/07	4.50%	8/2/2007	\$5,988.55	A	\$46,897.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	11/22/2016	12/1/2016
Totals											\$1,428,945.46	\$10,722.12	\$58,876.96	\$1,255.65	\$281.97	\$0.00	\$61,414.58		
600001	206	AMEND IV	WBC	TENUPAH	9602ANVL	01/20/06	1.00%	1/26/2006	\$3,000.00	1/10/2017	\$800,000.00	\$334,031.91	\$2,732.43	\$133.79	\$133.78	\$0.00	\$3,000.00	12/13/2016	12/13/2016
Totals											\$800,000.00	\$334,031.91	\$2,732.43	\$133.79	\$133.78	\$0.00	\$3,000.00		
700001	207	NAT GAS	WBC	STAR VALLEY NATURAL GAS	15STARVALNATGAS	09/22/14	4.50%	9/22/2014	\$1,662.10	1/20/2017	\$225,000.00	\$244,157.46	\$575.89	\$965.52	\$120.69	\$0.00	\$1,662.10	12/27/2016	12/27/2016
Totals											\$225,000.00	\$244,157.46	\$575.89	\$965.52	\$120.69	\$0.00	\$1,662.10		
900011	211	MAIN ST	WBC	65 COFFEEN LLC	1065COFFEEN	01/27/10	4.50%	1/27/2010	\$301.00	1/26/2017	\$28,000.00	\$9,932.06	\$264.72	\$32.25	\$4.03	\$0.00	\$301.00	12/27/2016	12/27/2016
900012	211	MAIN ST	WBC	GRIMSHAW INVESTMENTS LLC	10GRIMSHAW	04/20/10	4.50%	4/20/2010	\$790.00	1/20/2017	\$76,200.00	\$29,189.64	\$686.86	\$91.68	\$11.46	\$0.00	\$790.00	12/14/2016	12/14/2016
Totals											\$104,200.00	\$38,121.70	\$951.58	\$123.93	\$15.49	\$0.00	\$1,091.00		
Grand Totals											\$3,313,688.42	\$1,133,459.05	\$66,348.10	\$5,438.70	\$795.72	\$0.00	\$72,582.52		



**Wyoming Business Council (WBC) Staff Comments on Department of Audit,
Division of Banking Report (April 18, 2017) - Challenge Loan Report of Examination**

WBC staff comments address findings that begin on page 4 of the report.

1. General Comments in the Report (beginning on page 4 under FINDINGS):

- **Overall, the WBC is administering the loans it has funded under The Program in a satisfactory manner. WBC staff completes a cash flow analysis on loans as new financial information is obtained as well as on new loan requests. (page 4)**

- Staff Response:

The Challenge Loan program has been successful in helping Wyoming businesses expand and relocate to the state. There were no violations of law and the portfolio performs very well with low delinquency, minimal charge offs, interest generated to make more loans and jobs created across the state. WBC staff is diligent in carrying out its fiscal responsibility while working hard to assist new and expanding businesses.

2. Borrower Creditworthiness (page 4):

- Loans funded under the Program continue to be financially sound. There was one borrower (Ascent 2000 Training Solutions, LLC) whose position appears to be deteriorating, however, the WBC will continue to monitor this relationship and work to minimize the risk of any potential loss. This loan has performed as agreed thus far and there is a 100% reserve against the remaining loan balance.

3. Loans not in Apparent Compliance with Rules and Regulations:

- *None noted at the end of the examination.*

4. Loans with Documentation Exceptions (page 4&5): There were two financial statement exceptions at this examination. Overall, the volume of exceptions is considered low. The dollar volume of total documentation exceptions has decreased 65 percent from the prior examination.

- Staff Response:

WBC staff works throughout the year to minimize documentation exceptions. As the portfolio size decreases, one exception can significantly affect the percentage calculations. WBC staff will address documentation exceptions loan by loan. If the documentation exception(s) was cleared during the examination and noted with an asterisk (*), staff won't address it in the comments.

- There were two documentation exceptions for a stale tax return and stale financial statement of a borrower that was not collected during the examination period. This tax return has not been collected yet, but the

servicer is in regular contact with the lender and has historically been very good at passing on information once received. This loan represents 1.69% of the total loan portfolio (loan balance is currently \$18,999) and is fully reserved in the event of default.

Additional Challenge Loan Program Information (as of 12/31/16):

- a. The Challenge Loan Program has made or participated in 169 loans since 1998
- b. Total loans have been \$49,855,295 with the State's portion being \$17,506,052
- c. Interest collected over last 16 fiscal years (2000 – 2016) totals \$4,455,233
- d. 10 loans totaling \$311,185 have been charged off (1.78% loan loss)
- e. Estimated jobs created or retained of 622

2017 ANNUAL REPORT

SBIC



BUSINESS COUNCIL

Increasing Wyoming's Prosperity

The Wyoming Small Business Investment Credit (SBIC) program provides alternative sources of capital to qualifying Wyoming businesses and entrepreneurs. In 2010, the Wyoming Legislature allocated \$30 million to the program in the form of tax credits. The funds are managed by private investment companies certified and regulated by the Wyoming Business Council (WBC) to make investments in Wyoming businesses. The Business Council qualifies participating businesses, manages and markets the program and provides reports to the Legislature.

As of December 31, 2016, cumulative SBIC investments (since 12/2011):

- Total \$20,074,233
- Leveraged \$17,812,874 in follow-on capital
- Helped create 121 jobs
- Financed a total of 15 businesses in Lander, Jackson, Alpine, Cody, Wilson, Moorcroft, Laramie, Sheridan, Casper, Gillette and Pinedale.
- Financed businesses in the following industries: meat processing, tourism, interior design, motion picture and video industries, construction, energy production service companies, manufacturing analytical instruments, machinery manufacturing, HVAC services, digital media and advertising services, car wash, real estate investment/development, pet services, a brewery, a convenience store, and professional guide services.

Investment Companies

The WBC Board of Directors certifies venture capital or private equity companies to act as a Wyoming Small Business Investment Company (SBIC). To receive certification, a SBIC must be located, headquartered and licensed to conduct business in Wyoming and have at least two investment managers with a minimum of five years of experience in money management in venture capital, private investment or as an officer in a commercial bank. SBICs invest designated capital into qualified businesses. The SBIC's investments, either in the form of a debt instrument or equity purchase, stimulate job creation by making capital available to Wyoming businesses.

Participating investors in SBICs are insurance companies with premium tax liability owed to the state of Wyoming. Insurance companies, in turn, receive a tax credit equal to the amount of their investment. A participating investor earns credit against any state premium tax liability up to one hundred percent (100%) of the participating investor's investment of designated capital in a Wyoming small business investment company. The total amount of tax credits earned by participating investors totaled \$2,502,000 for the year 2016.

Per Wyoming Statute 9-12-1307

Years	2	4	6	8
Percentage Invested	25%	50%	70%	100%

*If percentage isn't met within proper time frame then investment company doesn't receive their management fee.

Wyoming Small Business Investment Companies	Designated Capital	Date of Certification	Standing	Amount of Tax Credits for 2016	Investments as a % of Designated Capital
Enhanced Capital Wyoming Fund, LLC	\$25,000,000	12/2011	Good	\$2,502,000	69.3%
Petros Wyoming Fund I, LLC	\$5,000,000	2/27/14	Good	\$0	55.1%
TOTAL	\$30,000,000			\$2,502,000	

The Businesses

To be considered for SBIC financing, a business must:

- Be headquartered and principally operated in Wyoming (at least 60 percent of the employees are employed in Wyoming or the business has committed in writing to move to Wyoming as a condition of the investment)
- Intend to remain in Wyoming after the receipt of the qualified investment
- Have 250 employees or less
- Not be a franchise or an affiliate of an SBIC and not be predominantly engaged in:
 1. Professional services provided by accountants, doctors or lawyers
 2. Banking or lending
 3. Insurance
 4. Direct gambling activities

Investments made by Enhanced Capital Wyoming Fund LLC

Business	Investment Date	Investment Amount	Debt or Equity	Industrial Classification (NAICS)	Employees at time of Investment	Employees as of 12/31/16	Follow-On Capital	Location
Wyoming Authentic Products, LLC	12/13/2012 5/28/2013 1/17/2014 9/15/2014 12/18/2015 7/12/2016	\$100,000 \$100,000 \$32,653 \$38,776 \$38,775 \$1,000,000	Equity Equity Equity Equity Equity Debt	Meat Processed (311612)	1	17	\$1,314,162	Cody
Total		\$1,310,204					\$1,314,162	
Fireside Glamping, LLC.	12/14/12	\$400,000	Debt	RV Parks and Campgrounds (721211)	4	10	\$400,000	Wilson
Total		\$400,000					\$400,000	
WRJ Design Associates, Ltd	2/11/13	\$250,000	Debt	Decorating Consulting Services, Interior (541410)	4	10	\$100,000	Jackson
Total		\$250,000					\$100,000	
Teton Gravity Research, LLC	3/12/13	\$700,000*	Debt	Motion Picture and Video Industries (512100)	20	20	\$33,000	Jackson
Total		\$700,000					\$33,000	
Peak Builders, Inc.	3/13/13	\$400,000*	Debt	New Single Family Construction (235115)	28	39	-	Jackson
Total		\$400,000						
Flowtech Fueling, LLC	7/1/13	\$250,000	Debt	Coal Mining Support Services (213113)	5	5	-	Moorcroft
Total		\$250,000						
SciApps, Inc.	7/9/2013 3/2/2015 8/17/2015 8/31/2015	\$1,000,000* \$750,000 \$250,000 \$250,000	Debt Debt Debt Equity	Design, manufacture, and sale of portable analytical instruments (334516)	11	33	\$11,540,825	Laramie
Total		\$2,250,000					\$11,540,825	



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Investments made by Enhanced Capital Wyoming Fund LLC

Business	Investment Date	Investment Amount	Debt or Equity	Industrial Classification (NAICS)	Employees at time of Investment	Employees as of 12/31/16	Follow-On Capital	Location	
Vacuum Technologies Corp.	8/21/13	\$750,000*	Debt	Other Commercial and Service Industry Machinery Manufacturing (333318)	60	128	-	Sheridan	
Total		\$750,000							
CK Mechanical Plumbing & Heating Inc.	9/27/2013 7/28/2016	\$750,000* \$650,000	Debt Debt	Plumbing, Heating & Air Conditioning (238220)	42	30	\$2,236,887	Casper	
Total		\$750,000						\$2,236,887	
Solving Tech, Inc./Fuzion Energy	2/20/14	\$1,300,000	Debt	Oil & Gas Support Services (213112)	80	90	\$1,000,000	Gillette	
	3/7/14	\$150,000	Debt						
	3/12/14	\$150,000	Debt						
	3/31/14	\$300,000	Debt						
	4/9/14	\$100,000	Debt						
	4/18/14	\$600,000	Debt						
Total		\$2,600,000						\$1,000,000	
PitchEngine, Inc.	3/16/2015 12/8/2015	\$150,000 \$150,000	Debt Debt	Digital Media & Advertising (519130)	14	14	\$600,000	Lander	
Total		\$300,000						\$600,000	
Rocky Mountain Wash, LLC	4/28/2015 4/11/2016	\$70,000 \$1,702,561	Debt Debt	Car Wash & RE Investment (811192)	31	28	-	Pinedale	
Total		\$1,772,561							
DogJax, LLC	7/31/15	\$881,500*	Debt	Pet Services (812910)	14	16	-	Jackson	
Total		\$881,500							
L2 Development Partners, LLC	8/28/15 10/26/15	\$750,000* \$2,050,000	Debt Debt	RE Acquisition & Development (651201)	3	3	-	Jackson	
Total		\$2,800,000							
Mercado, LLC	6/27/2016	\$450,000	Debt	Market/ Convenience Store (445120)	8	8	\$250,000	Jackson	
Total		\$450,000						\$250,000	
Brushbuck Guide Services, Inc.	12/9/2016	\$805,000	Debt	Professional Guide Services (812910)	9	9	\$38,000	Jackson	
Total		\$805,000						\$38,000	
GRAND TOTAL		\$17,319,265	Equity = \$560,204 (3.2%) Debt = \$16,759,061 (96.8%)		334	455	\$17,512,874		

*Indicates loan has been paid in full

Investments made by Petros Wyoming Fund I, LLC

Business	Investment Date	Investment Amount	Debt or Equity	Industrial Classification (NAICS)	Employees at time of Investment	Employees as of 12/31/15	Follow-On Capital	Location
PitchEngine, Inc.	3/16/2015 12/8/2015	\$150,000 \$150,000	Debt Debt	Digital Media & Advertising (519130)	10	14	\$300,000	Lander
Total		\$300,000					\$300,000	
Alpine Keg SPE I, LLC	10/23/15	\$259,968	Debt	Brewery (312120)	3	3	-	Alpine
Total		\$259,968						
L2 Development Partners, LLC	8/11/15	\$1,000,000*	Debt	RE Acquisition & Development (651201)	3	3	-	Jackson
Total		\$1,000,000						
Incline Real Estate Holdings II, LLC	3/10/16	\$945,000	Debt	Comm. & Ind. Building Operation (651201)	4	4	-	Jackson
Total		\$945,000						
Mercado, LLC	10/25/16	\$250,000	Debt	Convenience Store (445120)	8	8	-	Jackson
Total		\$250,000						
GRAND TOTAL		\$2,754,968	Equity=0% Debt=100%		28	32	\$300,000	

*Indicates loan has been paid in full

Combined SBIC Program Totals

Investment Amount	Debt or Equity	Employees at time of investment	Employees as of 12/31/16	Follow-On Capital
\$20,074,233	Equity = \$560,204 (2.8%) Debt = \$19,514,029 (97.2%)	341	462	\$17,812,874



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