

WYOMING BUSINESS COUNCIL **BOARD OF DIRECTORS MEETING**

September 13-14, 2017 • Alpine, Wyoming



— INCREASING —
WYOMING'S
— PROSPERITY —

Board of Directors Agenda

Alpine, Wyoming • September 13-14, 2017

WEDNESDAY, SEPTEMBER 13, 2017

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

Wednesday dress code is business casual.

1:15-5:15 p.m. Alpine Economic Development Tour

THURSDAY, SEPTEMBER 14, 2017

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

Thursday dress code is business attire.

Location: Alpine Civic Center, 250 River Circle
(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 (Pages 7-15)

- May 18 Hulett meeting
- August 3 call-in meeting

8:10 a.m. Welcoming Remarks – State Sen. Dan Dockstader

8:25 a.m. Advisory Committee Reports and Discussion (Section A)

- 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

10 a.m. Public Comment Period

10:05 a.m. Break

10:25 a.m. Regional Reports and Discussion

11 a.m. Personnel, Budget and Audit Committee Report (Section B)

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

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

- Aaron Sopko, Chair
- Economic Development Finance Manager Josh Keefe will present staff recommendations for the Cody Labs Economic Development Large Loan Fund request.

Noon Lunch

- Meal served on-site for Board/staff
- Guests may wish to enjoy one of the local restaurants

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

- Kelly Lockhart, Chair
- Community Development Director Julie Kozlowski will present staff recommendations (See Section D, page 5)

- Consent Agenda for CDBG Projects
 - Standing Committee Chairman will present a consent agenda. Items may be removed from the consent agenda at the request of any Board member.
 - Public comment on consent agenda.
- **Action Items:**
 - Vote on consent agenda
 - Consideration of staff recommendations for projects on consent agenda
- Other CDBG projects not on consent agenda
 - Presentation of staff recommendations
 - Board discussion and public comment
 - **Action Item:** Consideration of staff recommendations
- Community Development Director Julie Kozlowski will present the updated Business Ready Community grant and loan program allocation plan.
- Business Ready Community staff Karen Fate and Brayden Connour will present staff recommendations for the following Business Ready Community grant and loan applications:

BRC Applications Received June 1, 2017						
Applicant	Project	Type	Request	Available BRC Funding per Allocation Plan - A	Available BRC Funding per Allocation Plan - B	Staff Recommendation
Sheridan Economic & Educational Development JPB (SEEDA)	Vacutech Expansion	Business Committed	\$ 2,999,496	\$ 2,883,941	\$ 3,402,287	\$ 2,999,496
		Loan	\$ 1,225,000	\$ 2,499,415	\$ 2,147,670	\$ 1,225,000
Newcastle, Town of	Recreation	Community Enhancement	\$ 500,000	\$ 961,314	\$ 805,126	\$ -
Guernsey, Town of	Community Development Plan	Planning	\$ 37,500	\$ 64,087	\$ 53,675	\$ 37,500
Total Requests			\$ 4,761,996			\$ 4,261,996
Total Available BRC Funding Per Adopted Allocation Plan				\$ 6,408,757	\$ 6,408,758	
Funds remaining if awarded				\$ 2,146,761	\$ 2,146,762	

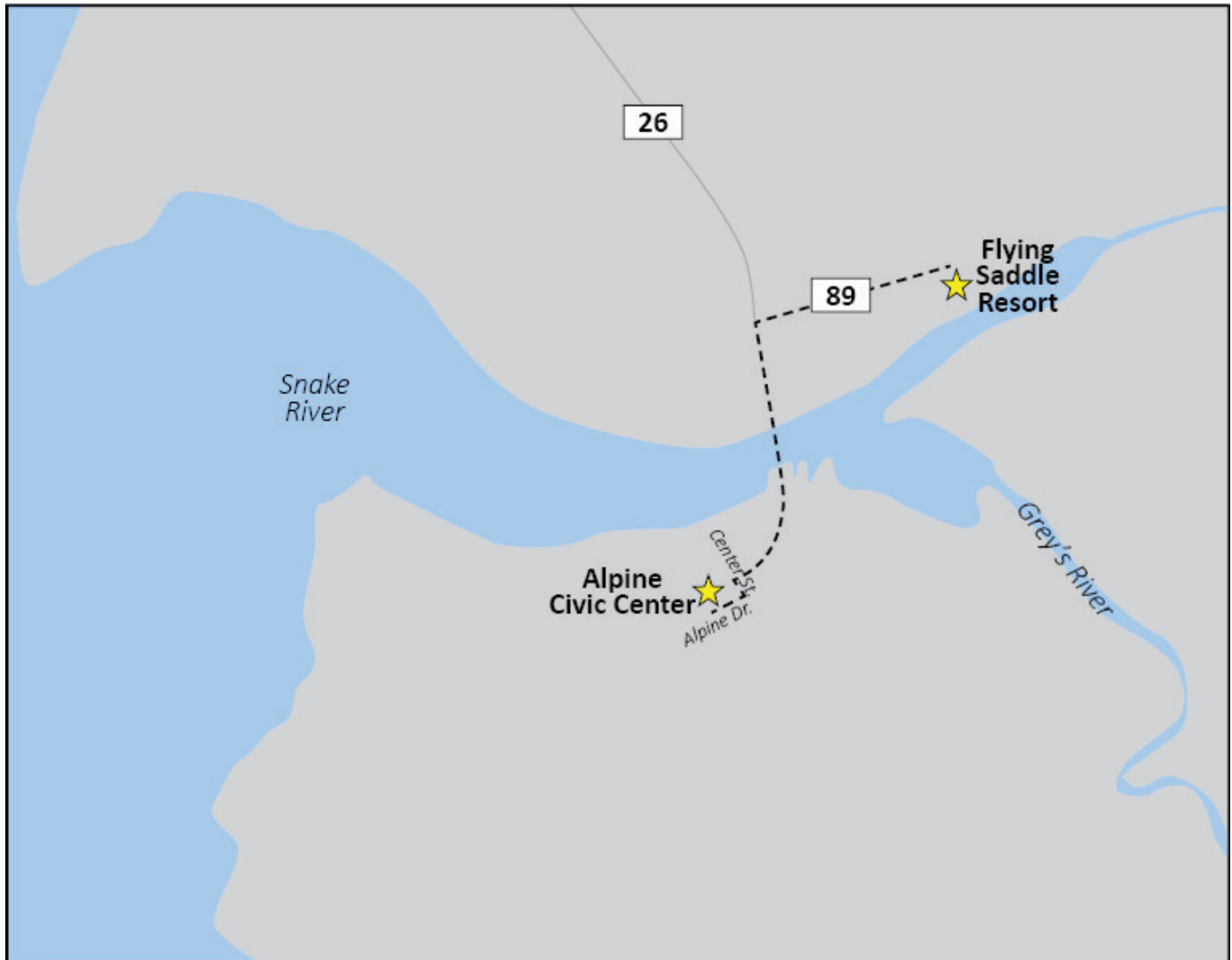
- **Action Items:**
 - Each project will be presented by staff with opportunities for Board members to ask questions and for public comment.
 - Consideration of staff recommendations after presentation of all projects

3 p.m. Other Board Matters – Co-Chairman Cactus Covello

- Upcoming meeting date and location for 2017
 - Dec. 6-7 Cheyenne

3:15 p.m. Closing Remarks and Adjournment

DIRECTIONS



- ↑ 1. Head west on US-26/US-89 toward Red Quill Ln
- ↩ 2. Use the left 2 lanes to turn left onto US-89 S (signs for Afton/Salt Lake)
- ↩ 3. Turn left onto Center St
- ↪ 4. Turn right at the 1st cross street onto Alpine Dr
i Destination will be on the right



DRAFT

Board of Directors Meeting

Hulett, Wyoming – May 18, 2017

BOARD MEMBERS PRESENT: Jay Anderson, Jerry Blann (by phone), Cactus Covello, Kim DeVore, Mike Easley, Greg Hill (by phone), Allen Hoopes, Pete Illoway, Ron Kensey, Kelly Lockhart, Mike Sullivan

WBC STAFF PRESENT: Warren Appel, Ben Avery, Brayden Connour, Karen Fate, Andy Greenman, Ron Gullberg, Brandi Harlow, Lisa Johnson, Josh Keefe, Julie Kozlowski, Janet Marschner, Ben Peterson, Shawn Reese

CONVENTION, INTRODUCTIONS, ROUTINE BUSINESS AND WELCOMING REMARKS

Board Chair Cactus Covello called the meeting to order at 8 a.m. in the Greater Hulett Community Center and led the group in reciting the Pledge of Allegiance. Covello extended his thanks to the city of Hulett, Mayor Vivian Odell and Town Clerk Melissa Bears for their hard work supporting the board meeting and the tour of Hulett, Jim Neiman and his staff at the Black Hills Forest Products sawmill for their tour, the staff of the Golf Club at Devils Tower for the board dinner and the town of Sundance for its community tour on May 17.

Covello mentioned that the WBC Board Meeting is live on GoTo Meeting Webinar as well as Facebook Live to make our meetings more accessible to the public.

The Board members introduced themselves, roll was called and quorum was established.

MINUTES APPROVAL

The Board considered for approval two sets of minutes: minutes from the March 9 meeting in Casper, and minutes from the special meeting called for the Economic Disaster Declaration for Wyoming Sugar beet growers on March 30.

- **ACTION:** Motion to approve both sets of minutes by Illoway, second by Sullivan, and no discussion. Motion carried unanimously.

WELCOME TO HULETT

Brandi Harlow, Northeast Regional Director, welcomed the Board to Hulett, and recognized local attendees from the Business Resource Network as well as the Small Business Administration. Harlow then invited Mayor Vivian Odell to address the Board.

Mayor Odell thanked the Board for choosing Hulett for its meeting, and spoke about the great support the community receives from local legislators despite the current fiscal situation. She spoke about community events which help support community resources like the Greater Hulett Community Center, which was a WBC-funded project, and the economic impacts of large events like the Sturgis Rally or catastrophic events wherein even small communities like Hulett become regional hubs of activity. Odell spoke of the great importance of WBC investments in small communities and the difference it has made for Hulett.

ADVISORY COMMITTEE REPORTS:

Covello invited Business Initiatives Director Ben Avery, Business Development Director Lisa Johnson and Community Development Director Julie Kozlowski as staff leads for the Advisory Committees to speak on their work to the Board with the committee Chairs. Covello praised the initial work being done by the advisory committees and for its value in informing the work of the Board.

Jay Anderson, Chair of the Industrial Development Advisory Committee (IDAC), thanked CEO Reese and WBC staff for their work and leadership on these committees. The IDAC is working closely with the ENDOW working group as it looks at various industries as a means to diversify Wyoming's economy, particularly at a database of business finance mechanisms to improve access to capital, as requested separately by the Legislature, and socioeconomic studies to maximize economic development opportunities. Business Initiatives Director Ben Avery also spoke highly of the resource and asset mapping work being done by Sarah Fitz-Gerald to identify Business Development and Innovation Zones for various industries in support of the ENDOW initiative. The preliminary products of these efforts have been presented to the ENDOW Executive Council.

Mike Sullivan, Chair of the Business Development Advisory Committee (BDAC), thanked the members of the committee for their work. The BDAC is focusing on building relationships with entrepreneurs, new business and, especially, existing businesses to connect them with resources to help them grow. There is also interest in participating in site visits or trade shows with WBC staff and getting more involved in the business development and recruitment process.

Allen Hoopes, Chair of the Technology Development Advisory Committee (TDAC), spoke of the struggle within the group with defining the scope of "technology" in this sense. They are relying on Department of Workforce Services industry information, which covers several sectors including: computer/electronics manufacturing, publishing industries, telcom, data processing, information services, professional scientific and technical services, educational services, machinery manufacturing, electrical equipment/component/appliance manufacturing. Recent work of the committee has focused on an in-state preference for Wyoming technology companies and vendors for related state contracts, in much the way in-state contractors are given preference over out-of-state contractors for public works projects. Community Initiatives Director Kim Porter and Chief Performance Officer Tom Johnson have been working on the development of a uniform broadband reporting tool for providers with a roughly six-month reporting interval to capture real numbers on broadband capability and availability in the various communities. Lisa Johnson has been working on identifying industry clusters, growth opportunities and challenges within the industry by engaging directly with industry leaders.

Illoway and Hill spoke of the difficulties in maintaining connectivity in Wyoming's wide-open spaces, and of the need for the industry to collaborate on solutions to provide that connectivity. Hill spoke of the barriers identified at the recent ENDOW meeting, and cellphone and broadband are two major "infrastructure" barriers that will be looked at closely as keys to Wyoming's growth.

Illoway gave the report on the work of the Community Development Advisory Committee (CDAC) in Chair Ron Harvey's absence. Housing continues to be a major topic of discussion in the committee and within Wyoming's communities, from small communities like Hulett to larger places like Teton County and Cheyenne. Board member Kelly Lockhart outlined Porter's work on the housing toolkit and has learned that similar housing problems exist, and are being studied, in northern Colorado. Board member Kim DeVore spoke on the importance of housing for business recruitment and development. Fitz-Gerald has also been working on a map of community amenities, another item ENDOW is looking at closely to identify the amenities that cater to different demographics. Another project is TravelStorysGPS, a Jackson-based company which recently created a mobile walking tour app called "WYtour" our team has been working to promote and expand to drive tourism and bring attention to the historical markers, attractions and amenities in Wyoming communities, according to Jerry Blann and Communications Director Ron Gullberg. A major marketing push on this project is scheduled to occur around Memorial Day prior to the start of tourist season.

Mike Easley, Chair of the Market Development Advisory Committee (MDAC), praised the efforts of Board members sitting on multiple Advisory Committees and the way they're working to build synergy between and among the committees. After beginning with a SWOT analysis and a meeting to clarify intent and purpose, the committee has been exploring ways to make the impression visitors get when they visit Wyoming last beyond their stay, as well as work on export readiness for businesses looking to export their products to foreign markets and the export of coal and coal technologies. Chairman Easley also spoke on the staff's trade show plan and how staff are working to sell

Wyoming to industry in a smart, efficient and targeted way. Initial goals for the committee include increasing Wyoming exports by 50%, as well as to double foreign investment in Wyoming. One potential avenue for growth and investment is Wyoming's timber and forest products industry, as seen and demonstrated during the tour of the Black Hills Forest Products sawmill.

Co-Chairman Illoway thanked the committees for their work and the informative reports provided to the Board. He pointed out that the matter of air service is one that is conspicuously absent from the committee reports, and it is widely held that air service is one of the biggest problems facing the state of Wyoming. Though this is being explored by ENDOW, Illoway encouraged the Board to remain engaged in the conversations regarding air service.

Board Chair Covello thanked the WBC staff and CEO Reese for their leadership, their work on the identified goals and the efforts to build relationships between the Board and staff.

CEO REPORT and ENDOW UPDATE

CEO Reese acknowledged and thanked the WBC staff for their engagement with the Board and the advisory committees, and pointed to the increasing workload and limited resources with which staff are accomplishing their work as evidence of the strong culture of leadership in the organization. Reese then reviewed the work of the advisory committees, including the gap analyses being done by the Industrial Development committee regarding infrastructure, workforce skill/education and finance mechanism gaps that affect large industries. Business Development is working to dispel the myth that economic development is solely about business recruitment, but also working to overcome the barriers to recruitment in Wyoming, including community amenities, workforce, education and other infrastructure. The WBC is also building a relationship-based model for recruiting that is more personal and works to involve partners in the communities and elsewhere to contribute to our own recruitment efforts, as well as contributing to the local, grassroots efforts led by community and regional economic development entities. Business Expansion continues to be another focal point for staff activity, particularly in those communities that are unlikely to be candidates for site selectors. The WBC is working to establish relationships with businesses on their immediate needs, but also to identify trends and opportunities that would make Wyoming more competitive with other states. This is being done in cooperation with the other entities, like the Business Resource Network, so information can be gathered and shared consistently and cohesively with minimal interruption to business. The Department of Education will make use of this data as it looks to training and education opportunities and programs to provide for the future workforce needs of business and industry, an effort being guided by the Workforce Development Council and its regional Workforce Advisory Groups.

Reese spoke about conversations taking place in the Technology Development committee regarding a purchasing preference for Wyoming-based technology companies for public technology procurement, like the Contractor Preference act for public works projects. The team working on broadband has been engaging with industry representatives and leaders to adopt a common language on broadband, and to identify the barriers and solutions for expanded broadband access and capacity around the state.

Community Development initiatives include the housing toolbox, working with communities to improve local tourism, and identifying the amenities expected by the up-and-coming workforce. Market Development continues to work on export readiness to bring those new dollars into the state. Wyoming's chief exports currently are soda ash and heavy machinery, so the need to diversify the state's export portfolio is recognized.

Reese then led the Board on a review of the work done during the first ENDOW Executive Council meetings held on the 11th and 12th of May. Initial discussions focused on establishing purpose and direction, as well as an overview of the landscape in which ENDOW will be operating and identifying working committees. The first report due from the ENDOW group by the end of August is an exhaustive socioeconomic analysis covering, among other things, state and local sustainability, existing/new and emerging industries and a preliminary identification of potential business and innovation zones. Much of the work being done by the advisory committees will complement and inform the needs of the ENDOW Council, so the value of this committees' work and the Board input cannot be overstated. These efforts involve the review of information from several key industries including extraction, manufacturing, information technology, utilities, wholesale and retail, healthcare and education to establish national and international trends, identify current Wyoming players in these industries, and workforce and wage comparisons. As an example, manufacturing represents only 6% of Wyoming's GDP as compared to 12% nationally and the majority of the roughly 600 domestic manufacturing operations support soda ash and heavy equipment manufacturers.

The ENDOW Council will compare the results of Wyoming's efforts with other comparably-situated states to determine industrial drivers and opportunities, but also to better identify the barriers and enablers to economic diversification as they relate to entrepreneurship and innovation, existing business expansion and business recruitment. Alignment and coordination of all the various stakeholders involved has been identified as a crucial need for the ENDOW Council. The Council has been charged by the Governor with thinking big and taking risk, and is requesting questions and input of stakeholders to drive conversation.

Greg Hill, who serves as the Chair for the ENDOW Executive Council, spoke about the early work to establish a baseline for Wyoming's economy, identification of barriers and setting up sub-teams to begin thinking about each barrier. Future meetings will focus on reports from the barrier teams and working out ideas for addressing these, working on enablers and gathering broad input on what is needed to provide for growth in various sectors. Hill stated the Business Council likely has a large role to play in guiding and informing the work of the ENDOW Council.

Reese continued that part of the ENDOW report must look at sustainability, which they are currently defining as planning for the growth and revenues needed to provide the services now and in the future. This is a more forward-looking definition than the "live within our means" definition applied historically in Wyoming.

Revenues continue to be a major topic of discussion in meeting with many Legislators around the state, which also included talks about the WBC, our partners, programs and budget, but also to receive their perspective. Budget concerns, especially related to school funding, are great and many legislators are acknowledging that further cuts are not possible and are exploring ways to increase revenues beyond cuts. These conversations promise to be both interesting and intense.

Blann thanked Reese for the report, and asked Hill about how the ENDOW Council will be bringing so many stakeholders, including the WBC, together. Hill responded that the asset mapping endeavors are a big part of it, as are a set of clear and specific strategies that speak to the goals and help outline the execution of the plan.

DeVore urged Reese to encourage the ENDOW Council not to live within our means but to proactively fund the state we want to have. She drew a parallel to the principles of responsible forestry management as shared by Jim Neiman; instead of saving every dollar that we have now simply to safeguard it, it is important to utilize those funds to cultivate new growth in our economy and make meaningful, long-term contributions to revenues and quality of life.

PUBLIC COMMENT

Jim Neiman, CEO of Neiman Enterprises, thanked Chairman Covello, CEO Reese and the WBC Board for coming to Hulett for the Board meeting, and spoke of the grassroots economic development efforts taking place in Crook County, which have centered around growth of the community school, seen as an overall barometer of the community. Housing is a problem in their area, both affordable housing and quality housing. Availability of medical services is another issue; where there has been continued talk of a new clinic, it has not happened. On the issue of broadband, fiber has been brought to Hulett but the broadband provider has been unwilling to light it up and develop it to homes and businesses, and this is a definite barrier to growth. The community remains nonetheless committed to its heritage and maintaining a "Western" theme as it works toward development, and is recognizing the need for a paid Community Director and staff in the area to take these efforts to the next level and improve cooperation with other economic development organizations in the region.

PERSONNEL, BUDGET and AUDIT COMMITTEE REPORT

Committee Chair Illoway asked CEO Reese to lead off the report with a personnel update. Reese announced that regional directors Pat Robbins (South Central) and Leah Bruscino (Northwest, and Director of Field Operations) would retire in June - positions that are critical to the communities in advancing projects and developing leadership. We are presently subject to the Legislature-mandated hiring freeze, so the filling of those positions is currently uncertain until we learn what the process will be for exceptions, if one will even be allowed. We have contingency plans in place should we be unable to fill them as we'd like, but are still working to fill them as quickly as possible.

Reese spoke to the major contributions and long tenure of both Robbins and Bruscino and thanked them for their many years of service and dedication to the WBC and the communities they serve and wished them all the best in their retirement.

Reese introduced incoming Chief Financial Officer Janet Marschner, who comes to us has broad experience as a business owner and executive, and community stakeholder, and has been charged with establishing a stronger link between the WBC budget and our strategic plan and enhancing the communication with our Board and Legislature to improve understanding of how our budget works. The WBC has also hired Will Hardin as the Business Outreach Coordinator, a new position which will allow us to enhance follow-up from recruitment as well as handling business permitting and licensing questions. Corrie Graham is new to the WBC accounting team, and Kayla Kler recently joined our database team to help us clean up our data and better tell our story.

Marschner presented the Board with the financial report. Though the WBC is currently about 2/3 through FY17, we have expended or encumbered only 34% of our FY17-18 biennium budget. The Economic Development Fund has a balance of \$12,173,970 after obligations, with YTD receipts of \$504,300 in principal and interest payments. The Rural Rehabilitation Fund has a balance of \$4,361,136 and \$54,384 in receipts. Total of all current Loan Receivables are \$13,831,714; there are \$2.6 million worth of Petroleum Violation Escrow funds, and our Business Ready Communities program has \$15.58 million worth of approved projects but not encumbered, and \$26.44 million in available funds.

Covello, Easley and Sullivan thanked Marschner for an innovative and concise look at the finances and requested similar reporting in the future. Marschner concluded with an overview of the Community Development Reconciliation, Encumbrances, Cash Balances, Loans Receivable and Dues/Membership Expenditures.

- **ACTION:** Motion to accept financial statements by DeVore, second by Hoopes, and no discussion. Motion carries unanimously.

COMMUNITY GRANT and LOAN COMMITTEE REPORT

Committee Chair Kelly Lockhart introduced Community Development Director Julie Kozlowski for updates. Kozlowski led a review of the current BRC allocation plan. During the April SLIB meeting, in addition to the recommendations made by this Board, the SLIB also funded \$1 million of a \$3 million request from Bar Nunn. This funding was drawn from categories that are lower-priority, as compared to Business Committed or Community Readiness, to minimize impact on other high-priority programs. At present, the BRC program has \$26,440,807 in available funds, and there is one project being led by Karen Fate for consideration at this meeting. In sum, if the Board approves funding for the current project in addition to the projects already funded, a carry-forward balance of \$9,358,954 to next quarter will exist. Staff anticipate some \$23 million in requests from 10 applicants at the next board meeting.

WBC Deliberation on Campbell County Advanced Carbon Products Innovation Center

BRC Project Manager Karen Fate led an overview of the request from Campbell County for \$1.5 million to fund the purchase of 9.5 acres of land and the construction of a 4,000 square-foot lab and office building for the construction of the Advanced Carbon Products Innovation Center (ACPIC), which will provide research space and raw materials to drive research and value-added manufacturing of Wyoming raw minerals. The remaining developed land will support the construction of pilot and pre-commercialization plants. There are multiple interested tenants for the facility, and it is anticipated the project will create 10-20 direct jobs in the next five years. The site is ideal due to existing infrastructure already on-site and its location immediately adjacent to the Atlas Carbon facility. If funded, land purchase is expected to be complete by October 2017, with construction put out for bid in early 2018 and the facility ready for occupancy by August 2019. WBC staff recommends funding of this project, as requested.

Phil Christopherson, CEO of Energy Capital Economic Development, spoke of the importance of this project for Wyoming industry and of the support for the project from across the state. Consultant Dave Spencer pointed to the support from the University of Wyoming School of Energy Resources to take the research done there to the pre-commercial phase, and Gillette is an ideal place for this to take place. Interested tenants are all working on clean coal technologies, but are subject to non-disclosure agreements at present.

- **ACTION:** Motion to approve staff recommendations by Illoway, second by Anderson.
- **DISCUSSION:** Mike Easley declared his company, Powder River Energy (PREcorp), is a regulated utility in northeast Wyoming and is obligated to serve power to any customer in its service area seeking it. This project is in that service area; however, he does not believe he has a conflict of interest in voting on a recommendation.
- **VOTE:** Motion carries unanimously.

BUSINESS CONTRACT and LOAN COMMITTEE REPORT

Acting Committee Chair Mike Sullivan led the Business Contract and Loan Committee Report in the absence of Committee Chair Aaron Sopko.

Economic Development Finance Manager Josh Keefe began by delivering the quarterly Challenge Loan report. As of March 31, there are no past-due loans, and the loan loss reserve is adequate, with \$107,492 held in reserve. All previous beet grower loans have been paid off, and the Wyoming Sugar loans are in-process, with 17 loans totaling some \$2 million already approved. Final numbers will be available at the September Board meeting. There are no charge off balances to report.

- **ACTION:** Motion to accept by Illoway, second by Lockhart, and no discussion. Motion passes unanimously.

Keefe then delivered the Annual Challenge Loan Report, including the results of the annual program audit. All of the WBC Loans are performing and the portfolio is being serviced satisfactorily. There were no downgrades of credits, there was one finding pertaining to a troubled loan that has good guarantor support, and otherwise loans were performing as agreed. A reserve has been added for 100% of that remaining balance, which is roughly \$18,000 at present.

- **ACTION:** Motion to accept by Hoopes, second by DeVore, and no discussion. Motion passes unanimously.

Keefe concluded with an overview of the annual Small Business Investment Credit (SBIC) program report. As of December 31, 2016, cumulative investments through SBIC are \$20,074,233 and have helped create 121 jobs and leverage some \$17.8 million in follow-on capital. Both companies managing the funds are in good standing and have been meeting expectations laid out by the program.

- **ACTION:** Motion to accept by Lockhart, second by Covello, and no discussion. Motion passes unanimously.

CLOSING REMARKS and ADJOURNMENT

Board Chair Covello reminded the Board and staff of the upcoming meetings in September on the 13th and 14th at Alpine, and on December 6th and 7th in Cheyenne. Covello extended final thanks to Jim Neiman, his family, and the staff from Hulett and Crook County for their hospitality and the experience holding our meeting in Hulett. There being no further business for consideration, Covello adjourned the meeting at 11:08 AM.

Respectfully Submitted:

Warren R. Appel, Executive Coordinator

Date

Megan Overmann-Goetz, Secretary/Treasurer

Date



DRAFT

Special Board of Directors Meeting

Teleconference - Cheyenne, Wyoming – August 3, 2017

For the approval of the Quarterly Challenge Loan report, to consider a Declaration of Economic Disaster for Western Sugar beet growers in Big Horn and Park counties, and for the consideration of a Bridge Loan Application for WYCO Recycling

BOARD MEMBERS PRESENT: Jay Anderson, Jerry Blann, Cactus Covello, Kim DeVore, Ron Harvey, Pete Illoway, Ron Kensey, Aaron Sopko, Mike Sullivan, Mike Wandler

EXCUSED: Mike Easley, Megan Goetz, Greg Hill, Allen Hoopes, Kelly Lockhart

WBC STAFF PRESENT: Warren Appel, Ron Gullberg, Tom Johnson, Josh Keefe, Taylor Kirkbride, Amy Quick, Shawn Reese

CALL TO ORDER and INTRODUCTIONS

Board Chair Cactus Covello called the special meeting to order at 4 p.m. on Aug. 3, 2017 and welcomed Mr. Rodriguez from Western Sugar. Roll was called and quorum was established.

CEO Shawn Reese noted this special meeting had been advertised as a public meeting pursuant to the Wyoming Public Meetings Act, and welcomed members of the public and media representatives joining the call.

BUSINESS CONTRACT AND LOAN COMMITTEE REPORT

Committee Chair Aaron Sopko introduced Economic Development Finance Manager Josh Keefe to carry the Board through the Committee Report.

Keefe presented the quarterly Challenge Loan Report. As of June 30, 2017, there were no past-due loans reporting, the loan loss reserve is at a balance of \$107,492 with a minimum required of \$5,375. Beet grower loans from the Wyoming Sugar co-op emergency declaration in March totaled 23 applications resulting in a combined loan total of \$4,482,675. There is potential for as many as 67 additional loans for the Western Sugar beet growers resulting in a potential combined loan amount of \$5,396,750. There were no charge off balances to report this quarter.

- **ACTION:** Motion to accept by Illoway, second by Covello, and no discussion. Motion passes unanimously by roll-call vote.

Keefe then presented the Board with recommendations for the Designation of an Economic Disaster for Western Sugar beet growers in Big Horn and Park counties. This past December, the Western Sugar beet growers in these areas experienced the same conditions that affected the Wyoming Sugar growers in the same area; a rainy, muddy harvest season and below-normal temperatures which caused freezing in the beet pile, making it more difficult to process beets and get the needed yield. The circumstances and weather conditions have been confirmed.

Western Sugar is owned by 850 growers and grower entities in four states (Wyoming, Colorado, Nebraska and Montana), and operates in five Wyoming counties (Laramie, Platte, Goshen, Park and Big Horn) with two of the company's five plants located in Lovell and Torrington. The company operates like a co-op, sharing in any gain or loss from the operation. The estimated total loss in Park and Big Horn exceeds \$5 million based on tonnage and crop prices, the equivalent of 17 direct job losses and an economic impact of \$6,881,720, with a loss of state and local revenues of \$50,680.

These circumstances did not qualify Western Sugar for any sort of federal emergency aid from the USDA or the Farm Service Agency.

Since 2000, the WBC has closed 123 loans for a total of \$6,038,396. There have only been six charge offs totaling \$84,201, with all six filing bankruptcy and exiting the business. Interest income earned totals \$941,414, and the corpus of the fund has not decreased. The 23 loans from the Wyoming Sugar declaration totaled \$4,482,675, with an average loan of \$194,899.

Should the Board declare the area an Economic Disaster, staff will ask each grower to provide financial statements, a projection for next year, and we will take a first-position UCC lien against the current crop. Each grower would only be eligible to apply for their respective share of the total loss, with the aggregate of all loans not to exceed the amount of the declaration. Keefe described the historical average methodology used for calculating the amounts for each grower; these amounts totaled between \$3,600 to \$355,600 based on production, with the average loan being roughly \$80,459. Maximum loan term is 10 years to allow growers to spread out the loss over multiple seasons, and will be subject to eligibility requirements. All loan application materials would be due to the WBC by Sept. 15, 2017.

Mike Sullivan asked for clarification on the lien against the crop and how that process works, and whether it is common. Cactus Covello indicated this is a very common practice with agricultural loans and has precedent.

Covello stated that this declaration is only one part of two requests the WBC received from Western Sugar, but is the only one that is eligible. Keefe elaborated this is due to the way the statute is written and how it defines an "event" and the minimum \$1 million loss provision for each event. The other request was associated the warmer-than-usual temperatures in February, which caused rot in the beet pile in Torrington. Since the total loss associated with this separate event did not exceed the loss threshold established by statute, totaling only \$553,312, this event does not qualify as an Economic Disaster as specified in W.S. 9-12-301(a)(v).

CEO Shawn Reese confirmed he verified with the Attorney General's office the interpretation of the statute and its definition of an "event" as "being defined by a single weather-related occurrence." Weather events in the Big Horn Basin and Southeast Wyoming are viewed as separate events.

Rick Rodriguez and Jason Bridges from Western Sugar thanked the Board for the help offered to the growers, and acknowledged Keefe's legwork in preparing this declaration.

Covello explained the Board and staff worked to find to assist growers in southeast Wyoming; however, the WBC is bound by statute and unfortunately cannot assisting the southeast Wyoming growers in this emergency declaration. Still, the WBC is concerned with the losses suffered by southeast growers.

- **ACTION:** Motion made by Illoway to designate Park and Big Horn counties as an Economic Disaster area and authorize staff to receive, analyze and close individual loans for Western Sugar beet growers in those counties in an aggregate amount not to exceed \$5,396,750, seconded by Blann, and no further discussion. Motion passed unanimously by roll-call vote.

Keefe then led the Board through a Bridge Loan participation request from Wyoming Bank & Trust on behalf of WYCO Recycling, LLC for the purchase of equipment for a single-stream recycling service, adding seven employees to an existing staff of five. The loan would have a two-month draw period for the acquisition and installation of the equipment, with the WBC's participation no more than 35% of the final project cost. The total loan amount is \$405,314, with \$305,480 going to the purchase of new equipment and the remainder as equity in the existing equipment. The WBC would hold first-position liens against both. The 85% loan-to-value loan would be subject to a 1% origination fee, interest rate at 4% for the first five years with an increase to match the bank note thereafter resulting in a blended rate of 5.46% over the six-year term. It would require monthly payments and is guaranteed by business owners Brian Heuer and Charles Atchison.

WYCO Recycling was started in July 2015 after purchasing an existing recycling business in Cheyenne. Recycling capacity has increased from 150 tons per month to 900 tons per month since the acquisition. This loan would fund acquisition of single-stream processing facility equipment, including sorting screens, conveyor belts, magnets and a high-capacity baler. The company will serve an area stretching from Fort Collins, Colorado, to Billings, Montana, and North Platte, Nebraska, to Rawlins - where all recyclables collected from that area would be combined, processed and sold/shipped to West Coast or overseas processors. The company has an executed three-year agreement with the city of Cheyenne with the option for two two-year renewable terms, and the terms of this contract saves the city \$30 per ton for recycling.

Keefe explained that the company can service the debt according to financial statements demonstrating positive cash flow, sufficient collateral and guarantor support.

Mike Sullivan asked if the contract with the city of Cheyenne is contingent on the approval of this loan. Keefe responded it is not.

Ryan Whitehead from Wyoming Bank & Trust thanked the Board for the opportunity to participate in the loan program. Kim Devore asked Whitehead the benefit in having the WBC involved in the loan from the bank's perspective. Whitehead responded that the main benefit is spreading the risk associated with the purchase of specialized equipment, which can be difficult to liquidate in the event of default. He added that the borrower would qualify for this loan without the WBC's support.

- **ACTION:** Motion to approve loan participation in the amount of \$141,859, as presented in the Credit Memorandum with Wyoming Bank & Trust as lead bank and recipient WYCO Recycling, LLC by Illoway, seconded by Sullivan, and no further discussion. The motion passed unanimously by roll-call vote.

CLOSING REMARKS and ADJOURNMENT

Board Chair Covello thanked Committee Chair Sopko and Keefe for the report, and for Keefe's hard work in preparing for this meeting. CEO Reese extended his thanks and appreciation to the Board for its quick review of, and action on, these items. Reese again expressed his regret that the statute did not allow the WBC to assist all affected growers, but expressed confidence the agency is doing its best to help as many as possible.

Chair Covello adjourned the meeting at 4:36 PM.

Respectfully Submitted:

Warren R. Appel, Executive Coordinator

Date

Megan Overmann-Goetz, Secretary/Treasurer

Date



TM



WELCOME TO ALPINE

The Greater Yellowstone region's population is exploding as international tourism to world-renowned destinations like Yellowstone and Grand Teton national parks continues to grow.

Tiny Alpine, population 865, rests in the northern mouth of the Star Valley, just an hour south of those destinations. Local officials have spent the last 10 to 15 years preparing to accept some of that growth because they know if Alpine isn't ready, people will flow into Idaho, whose border lies just minutes west of the town, instead.

"We anticipate doubling in the next census," Mayor Kennis Lutz said. "The people are here, we have the infrastructure for it,

we've worked hard last 15 years getting infrastructure in place. We are ready to handle that influx."

Key to that preparation has been the recent purchase of water and sewer infrastructure from North Star Utility. The project, supported by a \$3 million grant from the Wyoming Business Council, the state's economic development agency, allowed the town to own and operate utilities for commercial and residential areas north of the Snake River.

"That unified the area," Lutz said. "I don't think people understand the importance of that project; it was a major influence in bringing this area together."

The town is also in talks to incorporate The Refuge Air Ranch, a fly-in sporting community, into municipal limits.

The assessed value of the air park equals that of Alpine, so adding that property to the mountain town would double its value.

“Those folks at the airport are good neighbors. They want to see the money stay here,” Lutz said.

Refuge residents hold frequent fundraising events – most recently raising \$25,000 for local emergency medical services and the fire department.

At the same time, Grey’s River Cove RV Park, a 120-site, high-end facility is also looking to become part of Alpine. Lutz expects that part of the expansion process to begin next spring.

Developers in Alpine are also tackling the regionwide affordable housing challenge, beginning with the site of the former Alpen Haus

Hotel. Plans are in the works for a 24-unit complex featuring one-, two- and three-bedroom units.

Lutz hopes to see that work done by next fall.

“We need a lot more, but it’s a start,” Lutz said. “There’s another 24 units proposed after this set is done, and there are other projects in the hopper. We may be looking at as many as 180 town homes, too.”

Alpine is not interested in just housing workforce for the area, however. The town has been making strides in creating local jobs and bringing new amenities to town. The commercial lots now served by

the town’s water and sewer infrastructure point to the future, but a new brewhouse is a key example of new manufacturing happening now in Alpine.

Melvin Brewing opened its brewhouse and taproom in Alpine less than two years ago. It was built with the help of a \$2.9 million grant the Business Council awarded to the town of Alpine. The company now employs 52 people – nearly double the 28 workers they planned to hire within three years – and distributes 22,000 barrels of beer a year to six states and Canada.

Melvin is already considering increasing its annual production to 50,000 barrels.

“These are good jobs and they are bringing in money to our community and this state from all over the country,” Lutz said. “This is definitely a huge success story for us.”

Alpine is in the process of extending and upgrading roads and water lines near Melvin Brewing in hopes of attracting more commercial projects to the area. That business recruitment strategy, supported by a \$1.6 million grant and loan from the Business Council, will also improve recreation access in Alpine.

“This is a beautiful, aesthetically incredible part of Wyoming,” said Elaina Zempel, southwest regional director for the Business Council. “The growth’s going to go to Idaho or it’s going to go here, so Alpine is poising itself well to bring that growth here, and quality of life is a huge part of that.”



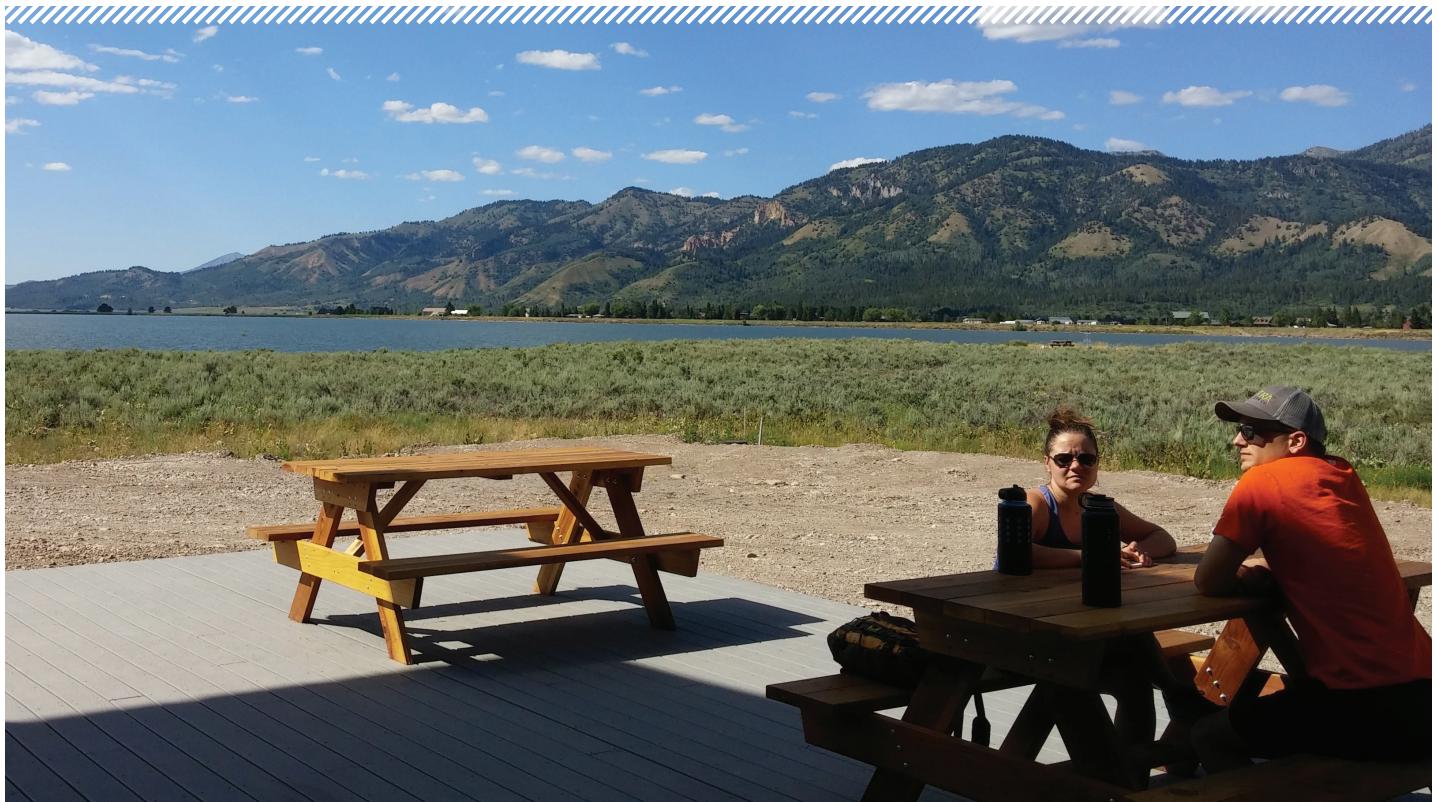
The town of Alpine is aptly named. Several prominent peaks of the Snake River Range encircle the town. The wild Snake River itself gushes through town and the Grey's River forms a border to the east.

Palisades Reservoir, the Wyoming Range and other outdoor recreation comprise Alpine's backyard. Plus, the people of Alpine know how to have a good time.

Between the Winter Jubilee in February, snowmobile races in

March, Mountain Days in June and the annual car show in August, events are plentiful throughout the year.

"This is a great place to live, and we have a lot of fun here," Lutz said.



COMMUNITY PROFILE

860

Total population of the town of Alpine.

52.44
MALE

47.56
FEMALE

WHERE ARE THE TOP JOBS BY OCCUPATION?

OFFICE AND ADMINISTRATIVE SUPPORT | 16.59% (35)

CONSTRUCTION AND EXTRACTION | 16.11% (34)

EXECUTIVE, MANAGERS, AND ADMINISTRATORS | 15.17% (32)

SALES | 13.74% (29)

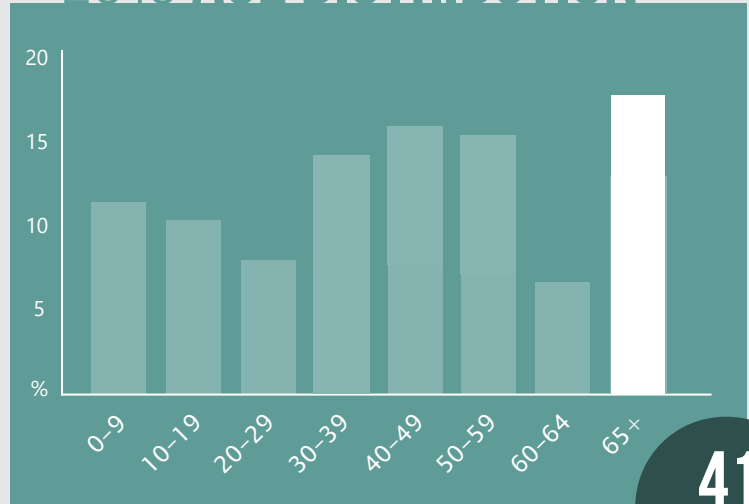
INSTALLATION, MAINTENANCE
AND REPAIR WORKERS | 7.58% (16)



MEDIAN
HOUSEHOLD
INCOME

\$93,381

2016 AGE DISTRIBUTION



41
MEDIAN AGE

TRANSPORTATION

Residents spend an average of 37 minutes commuting to work. Alpine is served by 4 airports within 50 miles. Interstates can be accessed 55 miles away and rail can be accessed 27 miles away.



37 MIN.
COMMUTE TRAVEL TIME

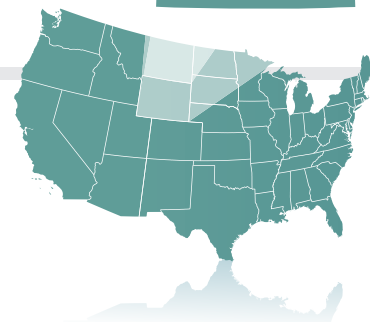
INCOME AND SPENDING

Workers in Alpine earn an average yearly household income of \$93,381. 75% of the households earn more than the national average each year. Household expenditures average \$77,365 per year. The majority of earnings get spent on shelter, transportation, food and beverages, health care and utilities.

GDP GROWTH
2X

2016-2026 Strategic Framework for

INCREASING WYOMING'S PROSPERITY



VISION

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

STRETCH GOAL

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

STRATEGIES

THINK BIG

Industrial Development

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

THINK SMALL

Business Development

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

THINK NEW

Technology Development

- Grow technology to be the fourth largest economic sector

THINK LOCAL

Community Development

- Increase livability of communities

THINK GLOBAL

International Development

- Increase investment in Wyoming
- Increase international trade

TARGETS

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

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

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

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

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

BUILDING BLOCKS

KEY INITIATIVES

LEADERSHIP/CIVIC DEVELOPMENT & THE ROLE OF PUBLIC POLICY

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

INFRASTRUCTURE DEVELOPMENT

Wyoming is connected and business ready.

WORKFORCE DEVELOPMENT

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

QUALITY OF LIFE

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

ENTREPRENEUR DEVELOPMENT

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

EXISTING BUSINESS DEVELOPMENT

Wyoming businesses are growing and thriving.

NEW BUSINESS RECRUITMENT

Wyoming attracts world-class companies through its extensive networks.



BUSINESS COUNCIL

WHAT DRIVES US

We communicate and we are a team.

We are flexible, collaborative and get the work done.

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

We make change happen and we are leaders.

ADVISORY COMMITTEES



Advisory Committees

September 14, 2017

CONTENTS

Business Development	A-3
Business Recruitment	A-4
Workforce Advisory Groups	A-5
Sector Strategies.	A-6
 Community Development	A-7
Housing Toolbox	A-8
ENDOW Community Amenities	A-9
TravelStorys GPS.	A-10
Placemaking	A-11
 Industrial Development	A-12
Business Development & Innovation Zones. . .	A-13
Financial Mechanisms.	A-15
Socioeconomic Assessment	A-16
 Technology Development	A-17
In-State Purchasing Preference.	A-18
Broadband Solutions	A-19
 Market Development.	A-20
National/International Trade & Investment . . .	A-21
Export Readiness	A-22
In-State Food and Agriculture	A-23
Trade Shows/Missions	A-24

The background is a solid teal color with a pattern of faint, light-colored icons. These icons include gears, a lightbulb, a leaf, a bicycle, a truck, a house, a person, a flame, a corn cob, a mountain, and a bar chart. The icons are arranged in a repeating pattern across the entire background.

BUSINESS DEVELOPMENT

Business Recruitment

Business Recruitment: Wyoming attracts world-class companies through its extensive networks

Scope

- Leads generated through trade shows and other events, direct contact, site selection consultants, regional directors, referrals
- WBC obtains business plan, vets company
- WBC obtains project criteria and requests site proposals from communities – statewide or according to geographic specifications of company
- WBC visits company
- Company selects list of communities for site visits; WBC coordinates tour with communities
- Company determines short list, enters negotiation
- Company announces project

Issues to be resolved

- Identify and increase pipelines
- Establish protocols with WEDA

2017 Q3 Accomplishments

- Developed job description for business recruitment coordination to add capacity
- Developed internal tracking processes for lead intake and follow-up assignments

2017 Q4 Accomplishments

- Hired Business Outreach Coordinator to improve lead follow-up and generation. Position also fills the Licensing and Permitting assistance role of the WBC
- Assisted CAEDA in recruiting the reopening of the DuraLine plant in Casper, working through a site selection consultant
- Distributed two leads
- Toured Cheyenne with a lead
- Participated in a Cheyenne FAM tour
- Generated Data Center List
- Project Cloud

2018 Q1 Goals

- Develop contact list, with annual goal of 3,500 separate companies
- Develop fall recruiting efforts, including FABTECH, CANWEA and CMTS trade shows.
- Begin business recruitment efforts for SHOTShow 2018
- Develop FAM tour protocol (Educate, Coordinate, Communicate)
- Strengthen communication with stakeholders

Team

- Tom Johnson, Brandon Marshall, Will Hardin, other Business Development and Community Development division staff, regional directors

Partners

- Local economic developers, cities, counties, utility providers, workforce development

Pipeline statistics as of 8/11/17

4 Lead	3 Qualified prospect (defined project, budget, time line)	2 Active prospect (accepting proposals, conducting site visit)	1 Serious, active prospect (short list, negotiations)	On-hold/lost
23	7	5	8	8

Workforce Advisory Groups

Background

- The Workforce Innovation & Opportunity Act (WIOA) was written to amend the Workforce Investment Act of 1998 to strengthen the United States workforce development system through innovation in, and alignment and improvement of, employment, training, and education programs.
- Formation of local Workforce Advisory Groups (WAGs):
 - As part of WIOA, the Wyoming Workforce Development Council (WWDC) created a Statewide Unified Plan. The creation of local workforce advisory groups was identified in this Plan and are charged with collecting data on workforce development needs for businesses within the four identified sectors.
 - Four sectors: Health Care, Trade, Value-added Resources, Technology
 - First sector focus: Health Care

Issues to be Resolved

- Identify NAICS codes within the Health Care Sector
- Organizing the WAGs and Reporting Structure
- Gauging the workforce needs of the health care sector in Wyoming

FY 2017 Q3 Accomplishments

- Developed a Workforce Survey Toolkit for WAGs to use, which will provide information to WBC as well
- Attendance at WWDC and committee meetings
- Review of Career Pathways Toolkit and other resources

FY 2017 Q4 Accomplishments

- Updated master guidance (sectors, stakeholder map) (Dept of WS)
- Purchased Synchronist software and Talent software
- WAGs needs survey and cover letter (Hayley, Laurie, Noelle)
- Creation of Wyoming WAG Support Team:
 - Department of Workforce Services, Community College Commission, and Wyoming Business Council
- Updated sectors with business types and expand value add
- Improved Coordination:
 - Discussion with Jim Rose regarding Wyoming Community College representative to serve on Staff Advisory Council (John)
 - Collect and input data
 - Stakeholder map and WAG letter with descriptions of roles and reporting (Hayley, Laurie, Noelle to draft for review)

FY 2018 Q1 Goals

- Meeting with WAG Members to discuss goals, needs, next steps, etc.
- Presentation at July Council meeting
- Presentation at Adult Learning Institute ~ Partnership Day
- Strategic Direction planning with Council and WAGs
 - Next Council meeting – October 18-19
- Finalize Healthcare business survey
- Begin planning for WAG Training Academy (late October/early November)

Team

- Noelle Reed, Shawn Reese, regional directors

Partners

- Wyoming Workforce Development Council
- Department of Workforce Services
- Community College Commission
- WAGs (local employers; Department of Workforce Services; adult education Director; community college; K-12 representation; local economic development group; chamber of commerce; community partners; etc)
- Local economic developers

Sector Strategies

Scope

- Relationship building
- Data gathering
- Develop strategies around intelligence
- Incorporate workforce development
- Outdoor recreation
- Information technology and data
- Agriculture technology and food products
- Advanced manufacturing
- Energy and natural resource technology
- Research, development and advanced engineering

Issues to be Resolved

- Identify target industries

FY 2017 Q3 Accomplishments

- Wyoming Distilling Industry Report created (under Agriculture Technology & Food Products sector)
- Outdoor recreation businesses identified for interviews

FY 2017 Q4 Accomplishments

- Interviews conducted with outdoor recreation businesses in Wyoming
 - Interviews represented all seven regions
 - 36 interviews total; feedback summarized
 - Report is being finalized; goal to be completed by Aug. 31 2017
 - Continue to work with Wyoming Distillers Guild on issues affecting the industry

FY 2018 Q1 Goals

- Set goals based on final Outdoor Recreation Report (August/September 2017)
- Identify technology businesses to interview
- Begin conducting interviews within all seven regions (goal = 50 interviews by Oct. 31, 2017)

Team

- Noelle Reed, Tom Johnson, Brandon Marshall, Shaun Jones, Kayla Kler, Jackie Westhusing, regional directors

Partners

- Local economic developers, workforce development, Business Resource Network



COMMUNITY DEVELOPMENT

Housing Toolbox

Background

- Wyoming has been gathering data from communities about their needs through community assessments, Tour 23 and other assessment venues for more than 15 years. Many themes are continuous and recurring across the state, such as affordable housing and workforce development and attraction. The purpose of the toolbox is to help communities successfully address common struggles by developing tools and a team that can provide resources, information and a map leading to action.

Scope

- Develop tools to address workforce housing challenges
- Develop a consolidated plan to provide people of low and moderate income decent housing, a suitable living environment and expanded economic activities
- Checklist for communities before embarking on a housing study
- County Housing Need Report by income
- Success stories – toolbox manual
- Employer Assisted Housing Benefit
- Focus on older housing stock – how to fix up what towns already have – do we need to consider absentee ownerships laws? Identify opportunities.
- Statewide housing plan in conjunction with HUD Consolidated Plan
- Zoning for housing – outdated or hindering
- How to help communities with enforcement so buildings are used/taken care of before they get to the condemnation stage

Issues to be Resolved

- Need voice of contractors

FY17Q4 Accomplishments

- Information gathering to understand problem
- Web page <http://wyomingbusiness.org/content/community-toolbox>
- Checklist for communities before embarking on a housing study

FY18Q1 Goals

- Housing Needs by County & Income Level Report
 - Will be done by Sept. WEDA conference
- Guernsey Success Story
 - Working on video, write-up
- Statewide Housing Plan to coincide with Consolidated Plan

Team

- Kim Porter, Kim Rightmer, Heather Tupper, Shaun Jones

Partners

- WCDA, UW, WHN, HUD, USDA RD, WFHOP, WEDA, WAM, WY Realtors, Volunteers of America, WYONAHRO, Casper Housing Authority

ENDOW Community Amenities

Background

- The ENDOW initiative calls for studies to identify services, facilities and amenities that are attractive to businesses and their employees seeking to relocate, but are substantially lacking or deficient in Wyoming, and identify potential solutions to address those deficiencies to create working and community life climates attractive to a modern-day workforce.

Scope

- Determine the team
- Determine resources to start gathering the data about desired services, facilities and amenities
- Create an inventory of key amenities per town/county
- Develop a plan to increase desired services, facilities and amenities

Issues to be Resolved

- Identifying key amenities for economic development

FY17Q4 Accomplishments

- Identified key amenities and solicited information from communities
- Map characteristics and develop “well-being index” (Not doing, as there are third parties that do this)

FY18Q1 Goals

- Use information for ENDOW subgroups working on quality of life
- The subgroup is especially interested in health care as part of quality of life; we are being brought into health care discussions and initiatives.

Team

- Kim Porter, Brandon Marshall, Sara Fitz-Gerald, Will Hardin

Partners

- Wyoming Cultural Trust Fund, Arts Council, municipalities, local economic developers

TravelStorys GPS

Background

- TravelStorys is a Jackson-based startup company that designs and creates mobile apps that provide audio walking tours.
- TravelStorys has clients in a handful of states, including Wyoming. Clients include downtown development associations, chambers of commerce, national and state parks, museums, etc.
- TravelStorys approached the Wyoming Business Council in 2016 about the possibility of collaborating on Wyoming “main streets” audio walking tours.
- The project addresses a Business Council strategy to grow local and state sales tax revenue by steering the traveling public into Wyoming communities. It also enhances the opportunity for local community marketing and awareness.
- Business Council and participating communities will receive quarterly analytics reports (i.e. number of app downloads, audience session time, number of unique users, etc.)
- It was determined the first-year pilot project would work like this:
 - Receive commitments from no less and no more than seven Wyoming communities before going forward with the project. Project is open to all Wyoming Main Street program members and non-members.
 - Each community would pay \$1,500 for a total of \$10,500.
 - The Business Council would provide \$24,500 in matching funds (\$3,500 per community).
 - In first quarter 2017, the seven participating communities were fully secured: Gillette, Sheridan, Casper, Rawlins, Goshen County, Meeteetse and Greybull. Gillette, Sheridan and Rawlins are Wyoming Main Street program members.

Issues to be Resolved

- Casper tour had to be taken down because ad agency the community hired had not yet completed content
- Not all communities are following/implementing marketing check list

FY17Q4 Accomplishments

- Completed creation of six of seven community member apps by end of April.
- Implemented pre-launch marketing effort (including paid Facebook boost campaign to businesses, people interested in tourism/adventure, etc.).
- Issued press release announcing tour.
- Launched tour on Thursday prior to Memorial Day weekend.
- Continued marketing efforts.
- Wyoming Office of Tourism placed the tour on its website and promoted the tour on its social media channels.
- Established baseline performance analytics.

FY18Q1 Goals

- Get Casper project finished and loaded.
- Launch advertising co-op between communities and TravelStorys.
- Develop strategy for helping communities lagging in marketing.
- Launch marketing effort tied to Aug. 21 eclipse.
- Rock Springs looking to join tour at full cost (no WBC matching funds).
- Fort Laramie looking at building walking tour playing off Goshen County driving tour (at full cost; no WBC matching funds).

Team

- TravelStorys staff; Wyoming Business Council Communications Division; Kim Porter, WBC Community Initiatives Director; representatives from the seven participating communities.

Partners

- Wyoming Office of Tourism

Placemaking

Background

- Placemaking is a global movement that inspires people to collectively reimagine and reinvent public spaces as the heart of every community.
- With community-based participation at its center, an effective placemaking process capitalizes on a local community's assets, inspiration and potential.
- It results in the creation of quality public spaces that contribute to people's health, happiness, safety and well-being.
- Lighter, quicker, cheaper
- Address common problems
 - Traffic-dominant streets
 - Little-used parks
 - Isolated or underperforming development projects
- Common vision evolves quickly into an implementation strategy
- Benefits both the space and the people who use it

Scope

- Small grants to communities that received training in May
 - Up to \$40,000 for communities that received training: \$5k per project with a 10% match, fast-track grants up to \$2,450 – from Main Street Funds
- Training and grants to be rolled out to all communities in 2018

Issues to be Resolved

- None

FY17Q4 Accomplishments

- Placemaking training completed by the National Main Street Center and Project for Public Spaces
- Guernsey, Rawlins and Glenrock completed projects; several other communities started them.

FY18Q1 Goals

- WEDA presentation in September
- Build program and build public information campaign
- Prepare program for rollout to all communities

Team

- Kim Porter, Linda Klinck, Michelle Shellhart

Partners

- Communities, National Main Street Center, Project for Public Spaces

The background is a solid teal color with a repeating pattern of various white icons. These icons include gears, a factory, a truck, a lightbulb, a leaf, a bicycle, a corn cob, a house, a cloud, a flame, a mountain, a person, and an airplane. The icons are arranged in a way that they appear to be floating or scattered across the background.

INDUSTRIAL DEVELOPMENT

Business Development and Innovation Zones

Background

- ENDOW legislation calls for defined geographic areas within the state in which local, state and federal permitting and other regulatory requirements will be met for all or significant segments of industry located in the zone, or in which industries or businesses would substantially benefit as a result of being located in proximity to each other.
- In establishing these zones, the ENDOW Executive Council is tasked with considering industries including, but not limited to, agriculture and agricultural business, renewable energy sources, advanced clean coal technologies, nuclear fuel processing and enrichment, hybrid energy sources, enhanced oil recovery, inland distribution ports, international trade, food and beverage industry distribution, promotion, marketing and development of the international trust and fiduciary business and related sectors, emerging research and technological development, existing, new and emerging economic sectors and subsectors, and value-added manufacturing involving Wyoming resources.
- Local outreach and incorporation of local perspectives are important to this effort. This is being accomplished through a continuous outreach effort, including the ENDOW Regional Assessment, which provided opportunities for communities to suggest areas for business development and innovation zones, identify specific focus industries, and inventory infrastructure and amenities in their areas.

Scope

- Create inventory of infrastructure, resources, amenities and locally defined areas
- Map statewide inventory with buffers for each two-digit NAICS code as first step toward defining business development and innovation zones
- Delineate specific business development and innovation zones
- Continuous local outreach

Issues to be Resolved

- What is a business and development innovation zone?
- Regional assessment buy-in and user friendliness
- Local economic development expectations

FY17Q4 Accomplishments

- Developed regional assessment and webinar; testing it with test group
- Developed mapping methodology
- Rolled out ENDOW Regional Assessment to municipalities, counties and local economic development organizations (EDOs)
 - Communities were supported with how-to webinars and assistance from WBC staff
 - 25 responses were received. Of those, many were collaborative, including 16 county-wide collaborations, and one multi-county response. 94 municipalities were represented in those responses, plus 10 census designated places, and four unincorporated communities.
 - Key points from the regional assessment have been incorporated with other publicly available data to provide high-level overviews of focus industries, assets, and amenities in the Aug. 30, 2017 draft report.
 - Further analyses will continue to employ this dataset, along with additional outreach to and input from communities.
- Created rough draft asset maps for eight industries
- Reviewed drafts with industry experts, made revisions (ongoing)
- Incorporated maps into draft socioeconomic report

FY18Q1 Goals

- Finalize maps and reports, submit and present to the governor and Legislature through the Joint Minerals, Business and Economic Development Interim Committee (Sept. 1, 2017)
- Incorporate results into NREX
- Continued communication with local economic development organizations and other stakeholders
- Refine Business development and innovation zone (BDIZ) concept, and industrial expansion strategy with ENDOW Executive Council and staff
 - What benefits come with being in a BDIZ?
 - How do BDIZs relate to sectors or focus sectors?
- Develop specific BDIZ delineation process incorporating Regional Assessment results and local EDO input

Team

- Sarah Fitz-Gerald, Ben Avery, Kim Porter, Sam Mallory (independent contractor), regional directors

Partners

- Governor's Office, University of Wyoming, ENDOW Executive Council

Financial Mechanisms

Background

- The 2017 Joint Minerals, Business and Economic Development Committee interim study will review state financial programs available to public and non-public entities. The committee will report and consider any associated legislation that the ENDOW committee may request

Scope

- Create a list of all existing state finance programs
- Identify possible new or recommend changes to existing finance programs to support large project financing

Issues to be Resolved

- Constitutional authority
- State budget constraints

Critical Success Factors

Accomplishments in 2017 Q3

- Two large loan applications are moving forward toward closing

Accomplishments in 2017 Q4

- Completed the list of existing state finance programs
- Completed recommendations for additional and/or changes to existing finance programs
- Presented the financial information to the ENDOW Executive Council
- Presented information to the Joint Minerals, Business and Economic Development Committee.

FY18Q1 Goals

- Haven't had time to set quarterly goals

Team

- Ben Avery, Josh Keefe

Partners

- Investment banking firms (Wells Fargo Advisors, Kaiser Wealth Management, etc.)
- Wyoming Banking Association

Socioeconomic Assessment

Background

- ENDOW legislation calls for an August 2017 “exhaustive assessment of socioeconomic data, which shall include...existing, new and emerging economic sectors and subsectors of the economy, identification of potential business development and innovation zones, an inventory of existing workforce strengths and deficiencies, economic trends and key enablers for economic growth in the state that translate to viable business development

Scope

- Employment and output (state and nation)
- Trends (state and nation)
- Economic developer
- Wyoming innovations
- Workforce wages and SWOT
- Asset maps

Issues to be resolved

- Desired approach by ENDOW Executive Council

Critical Success Factors

FY17Q4 Accomplishments

- Provided strawman for one of 13 sectors (manufacturing)
- Finalized after receiving additional data from University of Wyoming, Manufacturing-Works and Workforce Services
- Presented to ENDOW Executive Council for further direction
- Began work on 13 industry sectors

FY2018Q1 Goals

- ENDOW and industry experts review and comment on final reports (completed)
- Present to ENDOW Executive Council (completed)
- Assist with Aug. 30, 2017 required report to the Legislature (completed)

Team

- Kim Porter, Ben Avery, Jackie Westhusing, Shaun Jones, Tom Johnson, Sarah Fitz-Gerald

Partners

- Workforce Services, Governor’s Budget Office, UW College of Business, Manufacturing-Works

The background is a solid teal color with a repeating pattern of various white icons. These icons include gears, a house, a lightbulb, a leaf, a bicycle, a corn cob, a truck, a factory, a mountain, a person, a cloud, a flame, and a bar chart. The icons are arranged in a way that they overlap and create a sense of a busy, interconnected world.

TECHNOLOGY DEVELOPMENT

In-state Purchasing Preference

Background

- Wyoming technology companies In-state preference is an initiative to leverage Wyoming companies when the state lets a request for proposal (RFP) for work. Recommendations for state technology procurement policies to favor in-state companies

Scope

- This survey is specific to IT vendor preferences for state government contracts
- Determine if the state of Wyoming's IT procurement policies are competitive compared to other states

Issues to be Resolved

- Is this technology or innovation?
- Benchmarks not in line with strategic plan – need to refine

FY17Q4 Accomplishments

- Final report w/recommendations
 - 32 states offer no in-state preferences.
 - 11 states provide for in-state preference if there are tie bids.
 - 7 states (including Wyoming at 5%) offer specific percentage bid preferences for in-state suppliers ranging from 4% to 10%.
 - 27 states call for reciprocal treatment of out-of-state vendors if their states apply preferences to in-state vendors, so if Wyoming has a 5% preference for in-state vendors, a Wyoming vendor is penalized 5% in these states.

FY18Q1 Goals

- Get information from the Wyoming Procurement Technical Assistance Center (PTAC) about the number of Wyoming companies registered as in-state providers.
- Investigate a technical assistance program for other state agency directors to educate them about how to be more inclusive of Wyoming companies.

Team

- Will Hardin – lead; Ben Avery, Noelle Reed, regional directors

Broadband Solutions

Background

- The WBC's role is to find private sector-based broadband solutions, and advocate for and build awareness of broadband in Wyoming.

Scope

- The Wyoming Business Council (WBC) has a contract with the Wyoming Business Alliance (WBA) for several items, as they relate to follow-up from the Tour 23 process in 2016. Tour 23 raised several themes across all communities. Broadband was just one of several items of note.
- The WBC's specific task to the WBA was to identify seven private sector-driven strategies around broadband. For so long, we have seen governments try and take a crack at resolving these issues in Wyoming with mixed results. We feel that industry could do a better job than the public sector.
- Although we did not specify how the WBA would come up with these private sector solutions, we indicated that it had to come from the private sector with input from industry.
- As part of the process of coming up with private sector solutions, the WBA believes a survey is a good first step in getting a baseline assessment of the broadband situation in Wyoming.
- The WBA drafted a survey and asked for our input, which we gave, along with members of the WBC's board who work in the telecommunications sector. The WBA sent the survey about a month ago. At last count, I believe the response rate was very high--more than 600 responses. We have indicated to the WBA that the survey will not be used as a tool to criticize any specific providers in the state.
- The survey will only serve as a basis from which to get a baseline assessment and as a point of discussion for those private sector-driven solutions.

Issues to be Resolved

FY17Q4 Accomplishments

- Secured agreement from telecoms to start sending in download speeds
- Cheat sheet communication gap between telecoms/public
- WBA, with WBC support, started a broadband taskforce
- Technology defined
 - Sector 334 Computer and Electronic Products Manufacturing
 - 511 Publishing Industries (except Internet)
 - 517 Telecommunications
 - 518 Data Processing, Hosting, and Related Services
 - 519 Other Information Services
 - 541 Professional, Scientific, and Technical Services
 - 611 Educational Services
 - 333 Machinery Manufacturing
 - 335 Electrical Equipment, Appliance, and Components Manufacturing

FY18Q1 Goals

- Start gathering download speeds from telecoms
- Contract for solutions from Wyoming Business Alliance
- Study – Have economic development offices run speed tests at different times of day - do we pursue our own download speed site/software?

Team

- Kim Porter, Tom Johnson, regional directors

Partners

- Wyoming Business Alliance
- Telecoms

The background is a solid teal color with a repeating pattern of various white icons. These icons include gears, a house, a lightbulb, a leaf, a bicycle, a corn cob, a truck, a factory, a mountain, a person, a group of people, a flame, and a bar chart. The icons are arranged in a way that they appear to be floating or scattered across the background.

MARKET DEVELOPMENT

National/International Trade and Investment

Background

- Exports bring new wealth into the state. Wyoming's exports currently are predominated by soda ash. We are trying to grow and diversify Wyoming's export activity.
- The WBC is investigating other avenues to increase foreign direct investment (FDI) in Wyoming. The key will be attraction of corporate headquarters.

Scope

- Wyoming ag businesses that are export-ready or currently exporting should be fully utilizing the Western United States Agriculture Trade Association (WUSATA) benefits, such as the export education offerings, international trade missions and the FundMatch program.
- The WBC is investigating other avenues to increase foreign direct investment in Wyoming

Issues to be Resolved

- Reliable, appropriate FDI contact
- Understanding of costs and benefits

Critical Success Factors

- Long-term relationships

FY17Q3 Accomplishments

- Hired our intern, Taylor Kirkbride
- Developed a list of businesses that are potentially exporting

FY17 Q4 Accomplishments

- Call each Wyoming potential exporter to learn about their current exporting practices and introduce them to WUSATA
- Create exporting report on China and Japan
- Sent preliminary project descriptions to American rep who brokers Chinese FDI: Wyoming beef, shortline rail, uranium processing, iron, rare earth elements

FY18 Q1 Goals

- WBC invited a Korean firm to Cheyenne to discuss potential for a cattle slaughter and processing plant to meet demands of U.S. beef to South Korea and other Pacific Rim countries. Meetings will include leadership, DEQ and local economic development agencies
- Continue conversations with American rep who brokers Chinese FDI
- Continue discussions with Taiwan about an in-state Wyoming ag FAM tour

Team

- Ag: Briana Tanaka, Taylor Kirkbride, John Henn
- Other: Ben Avery, Shawn Reese

Partners

- Western United States Agricultural Trade Association

Export Readiness

Background

- Wyoming received a State Trade and Export Program (STEP) award from the U.S. Small Business Administration for the period Oct. 1, 2016 through Sept. 30, 2017
- Export Readiness means: training in international trade show and other marketing opportunities, international shipping and logistics, how to finance exports, manage currency exchange risk, and preparing the business to meet the projected volume of orders in quantity and quality to succeed.

Scope

- The award is in the amount of \$158,400, with the state cash match \$52,800
- There will be a series of export-ready webinars hosted by the Small Business Development Center (SBDC) and Export Tech seminars hosted by Manufacturing-Works (M-W)
- SBDC and M-W will be reimbursed through contracts funded by the STEP grant

Issues to be Resolved

- Identifying businesses ready to export and evaluating assistance they need
- Provide businesses the tools they need to be export-ready

Critical Success Factors

FY17 Q3 Accomplishments

- Small Business Development Center hosted four webinars
- Manufacturing-Works began the three-series Export Tech training

FY17 Q4 Accomplishments

- One Export Tech training—only Backwards Distilling participated
- Submitted the 2018 STEP application

FY18Q1 Goals

- Looking at one-day workshops
- Looking at ways to increase Export Tech participation

Team

- Ben Avery, Briana Tanaka, Sherry Hughes, Luana Kraus, Terri Barr, WBC Communications staff

Partners

- SBDC, M-W, Wyoming Department of Agriculture

In-state Food and Agriculture

Background

- Currently in the process of reviving and implementing a state-branded program for locally-grown food and fiber called "Grown in Wyoming."
- The Grown in Wyoming program will consist of many educational components including an informative website, a slide deck for regional directors/organizations to use, and various educational opportunities such as farmers markets, state fairs and conferences
- The program will play off of "eat local" market trends

Scope

- The branded program will be available to producers who grow the majority of their products in-state, as well as to retailers and farmers markets. The program will be available online.

Issues to be Resolved

- Provide a standard of quality and outlet of differentiation for Wyoming-based commodities
- Create a distinction with companion program "Made in Wyoming"
 - If the raw commodity is agriculturally-related and meets the criteria of "Grown in Wyoming," it falls under Grown in Wyoming
 - If the value-added product is agriculturally related and meets the criteria of "Grown in Wyoming," it falls under Grown in Wyoming.

Critical Success Factors

FY17Q4 Accomplishments

- Program proposal developed
- Membership platform identified
- Applied for Farmers State Marketing Improvement Program (FSMIP) which, if granted, would create a partnership between the University of Wyoming and the Wyoming Business Council to design and implement an economic impact study looking at the benefits, opportunities, and potential weaknesses for implementing local foods into the restaurant industry. As a part of the previously mentioned FSMIP grant, the WBC has already spoken with the Office of Tourism about teaming up to implement the Grown in Wyoming program in a way that would connect Wyoming foods with Tourism.

FY18Q1 Goals

- Create a baseline set of data for farmers markets
- Create a comprehensive communication strategy for the program
- Implement program

Team

- Briana Tanaka, Terri Barr

Partners

- Wyoming Department of Agriculture, Wyoming Farmers Market Association, Wyoming Farm to Plate Task Force

Trade Shows/Missions

Background

- Wyoming received a State Trade and Export Program (STEP) award from the U.S. Small Business Administration for the period Oct. 1, 2016 through Sept. 31, 2017 to support Wyoming businesses at international marketing and sales events
- We pared down the number of shows we attend so that we can have a better presence than the "hope-for-a-one-hit-wonder" approach. We know that showing up and hoping someone will stop by is not a successful way to exhibit. With less shows, budget is freed up to make a larger push for meetings with qualified prospects at shows. These meetings are qualified and arranged by third-party contractors experienced in locating companies looking for relocation or expansion. We've had success in this method recently with the Shooting Hunting and Outdoor Trades (SHOT) show, and will continue to employ it at our other remaining shows. SHOT show is a perfect example of the effectiveness of a sustained presence over time. We've attended the show for over 25 years, and are well known there, leading to common knowledge of Wyoming as a top location for companies in the firearms and outdoor industries.

Scope

- The STEP award is in the amount of \$158,400 with the state cash match \$52,800

Issues to be Resolved

- Export readiness continues to be an issue to get more companies engaged (transportation, contacts, pricing structure)

Critical Success Factors

- The primary challenge to this approach, as with all traditional economic development marketing, is cost. It typically costs \$16,000 (all-inclusive) for the WBC to attend a trade show for recruitment purposes. To make the show effective by adding meetings arranged by a contractor, the cost will average an additional \$10,000.
- The second challenge is picking shows or events that have the right audience present. Shows can be very heavily attended by sales staff, but not decision makers. We've used our experience at past shows to eliminate shows that were no longer effective, mostly based on not having the right audience in the building.

FY17Q3 Accomplishments

- Hosted Wyoming businesses at SHOT show
- Hosted Wyoming businesses at International Weapons Exhibition (IEW) show in Germany
- Represented Wyoming at Prospectors and Developers Association of Canada (PDAC) show in Toronto
- Many of the Wyoming businesses that attended shows received part of their expenses paid through trade show incentive grants funded by the STEP grant

FY17Q4 Accomplishments

- Continuing to work with prospect ID at SHOT show

FY18Q1 Goals

- Host an agricultural business trade mission to Mexico (distributors, buyers, ag trade office)
 - Starting tomorrow
 - 3 companies down to two (GF Oats and Preator Bean)
- Host a manufacturing business trade show and trade mission (Golden Key) to Canada
 - Have a booth at the manufacturing trade show in Canada
 - Companies ID'd by Manufacturing-Works, personal contacts
 - Communications plan post-trip

Team

- Ben Avery, Sherry Hughes, Terri Barr, Brandon Marshall, Briana Tanaka, Sarah Fitz-Gerald, Luana Kraus, WBC Communications staff

Partners

- Governor's office, Manufacturing-Works, Wyoming Department of Agriculture

PERSONNEL, BUDGET, AND AUDIT COMMITTEE



TM

AGENDA ITEMS

September 14, 2017

Personnel:

B-5 Personnel Report

B-6 Organizational Charts

Financial:

B-9 Financial Update



PERSONNEL REPORT

September 14, 2017

Farewells:

Barb Major, Accounting Technician
Corrie Graham, Accounting Technician
Leah Bruscino, Northwest Regional/Field Operations Director
Paul Howard, License and Permit Program Manager
Pat Robbins, South Central Regional Director
Lisa Johnson, Business Development Director

Recruitment Update:

Posted:

Business Development Director

Interview Phase:

Business Development Director

Under Evaluation:

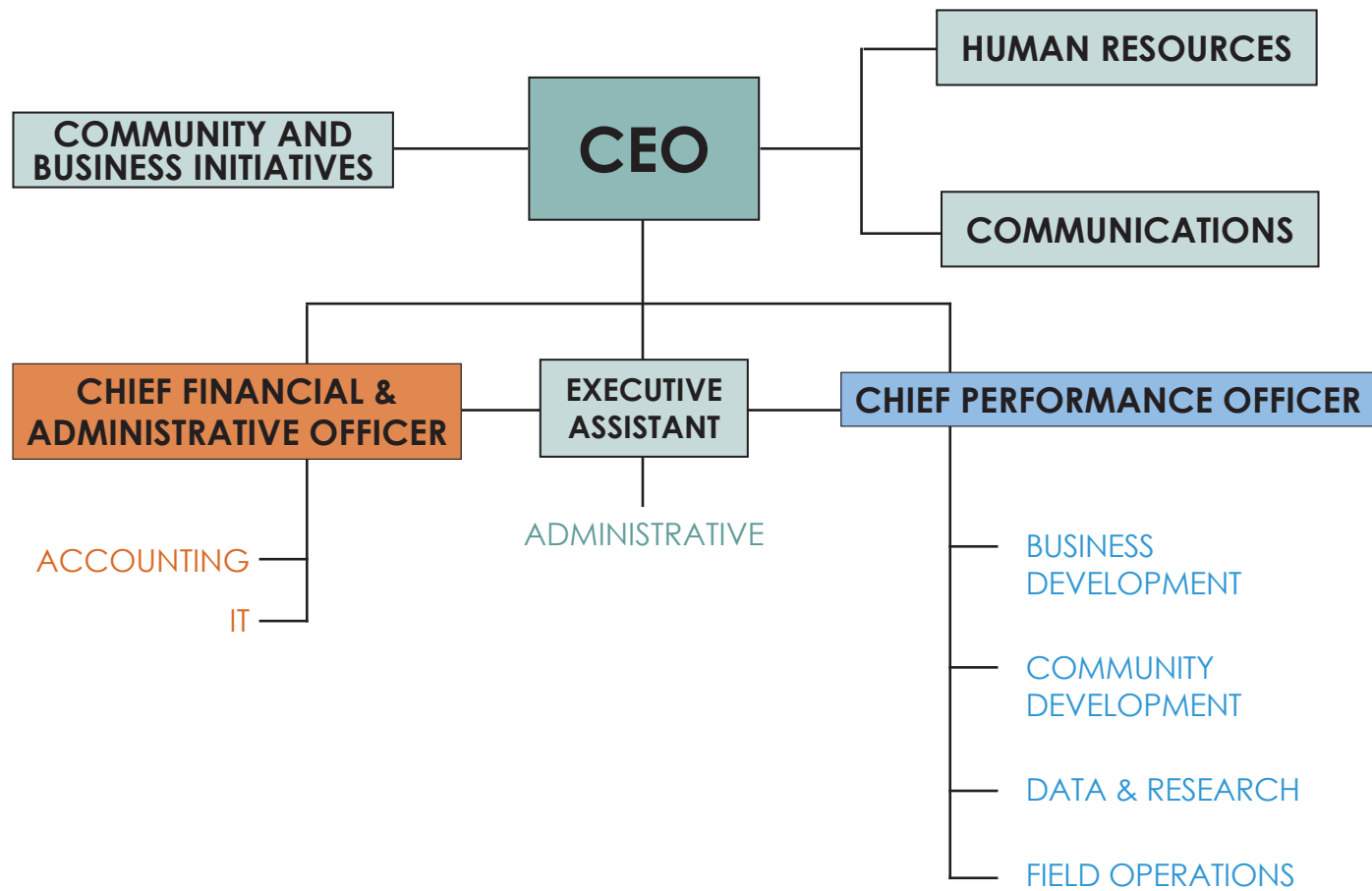
License & Permit Program Manager – Paul Howard, retired July 2017

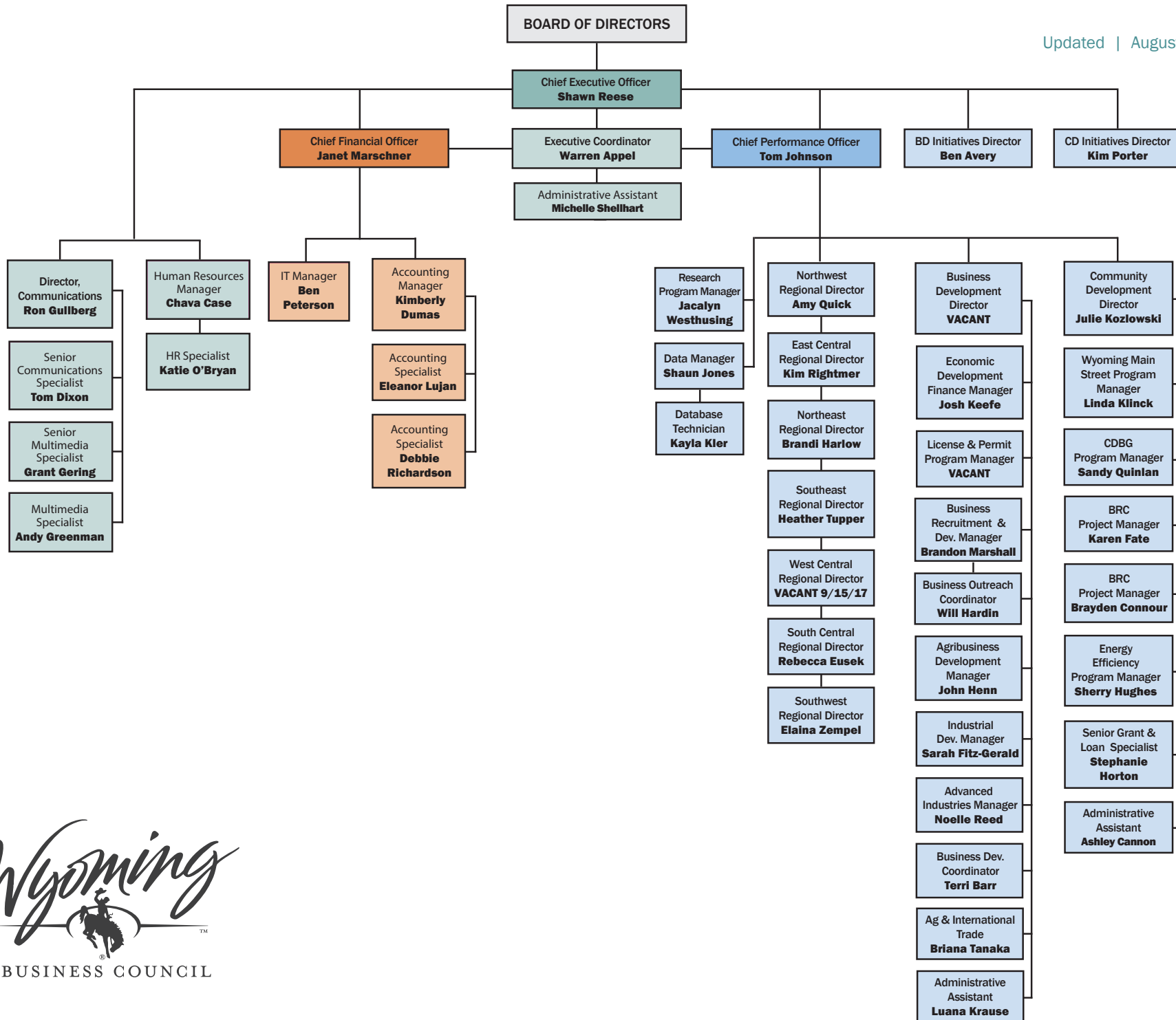
West Central Regional Director – Roger Bower, retirement September 2017

Positions Filled:

Northwest Regional Director – Amy Quick, July 2017
South Central Regional Director – Rebecca Eusek, July 2017
Accounting Specialist – Debbie Richardson, August 2017

Organization Structure Discussion









WYOMING BUSINESS COUNCIL

Financial Update

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

FY 2017 - year to date for the period:		07/01/16 - 06/30/2017		OPTIMUM >>> 100%	
PROGRAM BUDGET SUMMARY	BUDGETED	EXPENDED	ENCUMBERED	BALANCE	% EXPENDED & ENCUMBERED /BUDGETED
General Funds					
Business Development	4,220,185	3,458,872	550,541	210,771	95%
Regional Offices	1,043,061	937,812	7,027	98,222	91%
Community Development	639,096	451,438	5,056	182,602	71%
Business Ready Communities	32,331,174	2,436,439	19,353,910	10,540,826	67%
Main Street	400,609	277,886	112,729	9,994	98%
Executive & Board of Directors	382,504	313,133	2,081	67,290	82%
Performance & Planning	601,691	519,458	60,133	22,100	96%
Communications & Marketing	460,956	410,141	8,222	42,593	91%
Human Resources	224,951	200,138	766	24,048	89%
Finance & Administration	1,056,009	909,592	55,853	90,564	91%
	\$41,360,236	\$9,914,908	\$20,156,318	\$11,289,010	73%
Federal Funds					
CDBG Program	3,289,256	228,932	2,595,786	464,538	86%
State Energy Repurposed ARRA funds	460,708	86,704	130,171	243,834	47%
State Energy Conservation Program	268,100	181,845	79,390	6,865	97%
State Trade and Export Program (STEP)	158,400	51,941	28,544	77,915	51%
	\$4,176,464	\$549,422	\$2,938,991	\$793,152	87%
Primary Agency Funds (See Terms on back for descriptions)					
Economic Loan Development (fund 039)	6,683,206	1,747,524	30,588	4,905,095	27%
Wyoming Business Council (fund 085)	50,639	22,563	100	27,976	45%
Rural Rehabilitation (fund 499)	40,804	20,414	—	20,390	50%
	\$6,774,649	\$1,790,500	\$30,688	\$4,953,461	28%
TOTAL	\$52,311,349	\$12,397,059	\$23,125,997	\$17,035,623	67%

FY2017 BALANCES

Loans Receivable

Balances as of 6/30/17

	Net Balance
Economic Disaster loans	1,457,031
Challenge loans	247
Bridge loans	470,786
Mainstreet loans	33,326
Amendment IV loans	120,383
Natural Gas Infrastructure loans	240,214
BRC loans	12,256,114
ARRA SEP loans	1,014,085
Unallocated allowance	(107,492)
TOTAL	\$15,484,695

Governor's Office Funds = \$3,771,040
Petroleum Violation Escrows



Business Ready Community program **\$4.44 million** in projects approved but not encumbered, and **\$25.64 million** available funds.



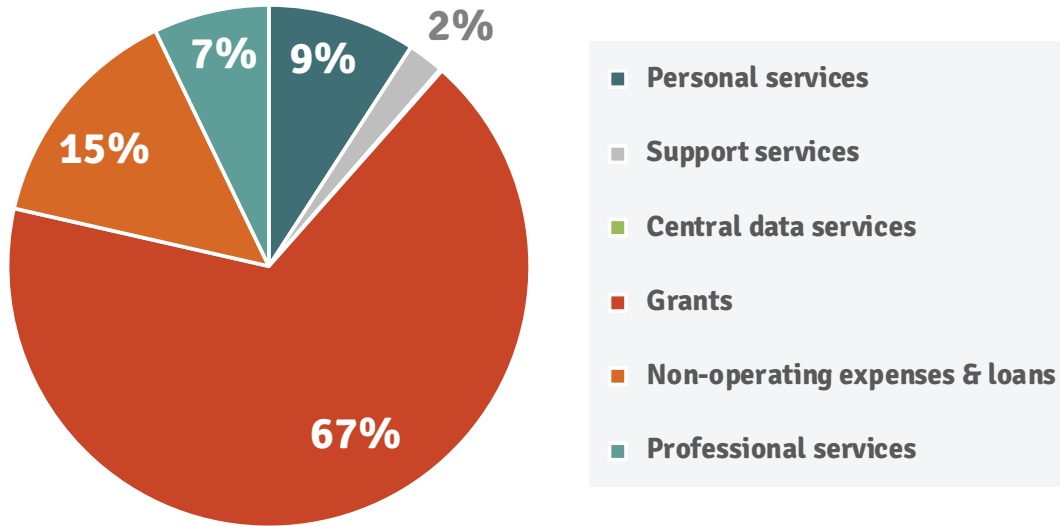
Janet Marschner
Chief Financial Officer
janet.marschner@wyo.gov | 307.777.2848



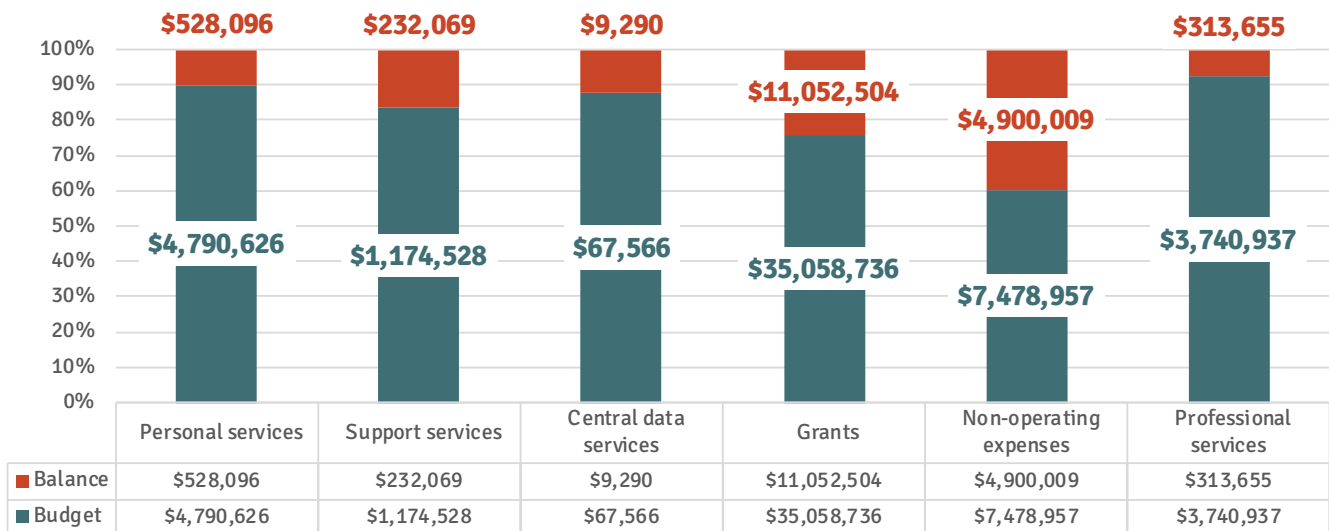
Learn more about Wyoming Business Council Financials at wyomingbusiness.org/boardbook.



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.

BUSINESS CONTRACT AND LOAN COMMITTEE



AGENDA ITEMS

September 14, 2017

Business Contract and Loan Committee:

- C-5** Increase in Loan Request Received from Cody Laboratories, Inc.
- C-10** Cody Labs Submission for Additional Funding
- C-12** Certified Economics Analysis
- C-14** Cody Labs Loan Request (Original from September 2016)



TM

MEMORANDUM

To: Wyoming Business Council Board of Directors

From: Josh Keefe

Date: September 6, 2017

RE: Increase in Loan Request Received from Cody Laboratories, Inc.

Purpose

The Cody Laboratories, Inc. (Cody Labs) expansion project has the potential to be larger than anticipated—both capital investment and jobs. On September 1, 2017, Cody Labs asked the Wyoming Business Council (WBC) to revise the methodology staff recommended in October 2016 to determine Large Project Economic Development Fund loan amounts. The State Loan and Investment Board (SLIB) in October 2016 recommended an \$11 million loan for Cody Labs. Cody Labs now wants to apply for additional loan funds for a total of \$33.75 million toward its proposed expansion. Cody Labs suggests extending the “look-forward” period and to take into consideration the company’s greater capital investment and increased jobs.

Background

- The WBC recommended a loan to Cody Labs in the amount of \$9.8 million during its September 2016 Board meeting in Worland.
- SLIB recommended an \$11 million loan to the company on Oct. 6, 2016.
- The company has begun to collect construction and equipment bids for the expansion, and these numbers are larger than originally anticipated. The company has revised numbers and has felt that with the increase in capital construction, they could also design the space to hire more people as well.
- Capital construction costs have increased by approximately \$5.5 million since October 2016, and the anticipated number of additional jobs has increased by 18 (from 39 to 57).
- The current expansion will more than double the company’s output per year from 5 metric tons to 11 metric tons of product. Cody Labs officials hope this expansion will satisfy the company’s needs until 2025, when there may be a need for more expansion.
- There will be an increase of 57 qualified jobs with salaries and benefits totaling \$8.5 million per year once the expansion facility is 100% operational.
- As a result of the expansion, increased costs and new jobs, the direct and indirect increase in assessed valuation is \$5,802,180 annually. (See Applied Economic’s analysis)
- Final rate and term(s) of the initial (October 2016) request are currently being negotiated between Cody Labs and the State Treasurer.

Process

- The WBC contacted the Treasurer's office and the Attorney General's office for guidance on procedure of Cody Labs' additional request - i.e. whether there needs to be a new application or a modification of the original request. Either way, the additional request will follow the required procedure of potential WBC Board approval (September 14) and potential SLIB approval (October 5).
- The AG's office determined the WBC can revise its original recommendation. There does not need to be a new application submitted through the statutory channels: Governor, Treasurer, then the WBC. This additional request does not change the scope of the project other than the scale, increase in capital expenditures and increased employee hiring.

Past evaluation of maximum loan amount

At its September 2016 meeting, the WBC Board recommended total loan amounts using the cumulative increase in assessed valuation over a three-year period. For example, over a three-year period, the Cody Labs project as originally proposed would have increased Park County's assessed valuation by \$9.8 million.

At its October 2016 meeting, the SLIB considered the one-size-fits-all approach the WBC used to establish loan amounts for the three requests, but thought there were differences between all three projects that should have been reflected in the equation. The SLIB asked WBC staff to revise the equation. Staff modified the three-year direct increase equation as follows:

- Include both direct and indirect increases in assessed valuation for existing businesses (direct and indirect increase in assessed valuation/economic impact model includes capital expenditures, additional workforce, the salary of this workforce, and impact on the county). This recognizes companies that made previous investments in Wyoming.
- Use only direct increases for new companies (no past investments in the state).
- Reduce the assessed valuation period for new companies to 2.5-years.
- Extend the period of calculating assessed valuation to nine years for a project in an economic depressed area.

Current Challenge Loan Budget

- Beginning balance of \$13,167,199 (as of June 30, 2017).
- Received \$25,000,000 on July 1, 2017 (Governor has ability to transfer funds for Large Loan Projects) per HB-0253.

Borrower/Project	Amount	Remaining Balance
Western Sugar Disaster Loan Designation	\$5,396,750	\$7,970,449
WYCO Recycling, LLC	\$141,859	\$7,828,590
Loan Loss Reserve (new loans)	\$886,525	\$6,942,065
HB-0253 Allocation	\$25,000,000	\$31,942,065

Other options to determine maximum loan amount

- The look-forward period could be extended to five years, for example, recognizing a term more consistent with asset-based lending of financial institutions for equipment and capital construction. The following maximum loan amounts are possible if the look-forward period is increased:

# of “Look-Forward Years”	Potential Loan Amount (less \$11M SLIB approved)	Total Loan Amount Including \$11M Approved by SLIB	Remaining Balance (Challenge Loan Fund)
3	\$6,406,540	\$17,406,540	\$25,535,525
4	\$12,208,720	\$23,208,720	\$19,733,345
5	\$18,010,900	\$29,010,900	\$13,931,165
7	\$29,615,260	\$40,615,260	\$2,326,805

Other Considerations

- Funds within the WBC Challenge Loan account may be transferred upon the direction of the Governor to this large project account (if so, they will be permanently appropriated to the large project account).
- A loan amount greater than \$7 million tap into the new \$25 million deposited in the account on July 1, 2017. This will trigger a fiduciary analysis by the Treasurer. The details of the fiduciary analysis are described in the following program description.
- The rate and term(s) of the proposed loan shall be set by the Treasurer, in accordance with 9-4-715 (m)(ii)(C); which states:
 - “the bonds bear interest at a fixed or adjustable rate, indexed to the prime or ten (10) year treasury bill rate as determined by the state treasurer, which is reasonably commensurate with risk...”*

Staff Recommendation

- WBC staff recommends extending the look-forward period from three to five years for Cody Labs. The extension of this look-forward period would result in an additional eighteen million dollars (\$18,000,000) to be lent to Cody Labs for its expansion. This would result in a total loan of twenty-nine million dollars (\$29,000,000) when combined with the eleven million dollars (\$11,000,000) approved by SLIB in October 2016. This would leave (approximately) \$13,942,065 available for future Large Loan Projects and Challenge Loan participations.

ECONOMIC DEVELOPMENT LARGE PROJECT PROGRAM

The program was established by legislation through Senate File 0097 in 2014 and revised through Senate File 0063 in 2016. The legislation created large loan or loan guarantee authority and established roles of the governor, state treasurer, State Loan and Investment Board (SLIB) and the Wyoming Business Council (WBC). Loans or loan guarantees authorized by this act shall be used exclusively to promote and aid economic development of the state by providing loan guarantees or loans to proposed or existing enterprises which will employ people within the state, provide services in the state, use resources in the state or otherwise add economic value to goods, services or resources within the state consistent with this act.

- The project shall first be submitted to the governor who may provide preliminary recommendations for the size and parameters of the proposed loan or loan guarantee.
- The project shall then be submitted to and reviewed by the state treasurer who may provide preliminary recommendations for the structure of the proposed loan or loan guarantee.
- The project shall then be submitted to the WBC for review under the process set forth under the Business Ready Community statute.
- WBC recommendations are forwarded to SLIB for approval.
- SLIB will submit to the treasurer for final rate and term(s) of the loan.
- Treasurer submits to governor for final approval.
- Projects recommended for approval shall meet the following minimum requirements:
 - Are anticipated to have an economic impact and a public benefit greater than the economic impact and public benefit of projects regularly funded under the Wyoming Business Ready Community program;
 - Based upon the findings of an independent third party approved by the Wyoming Business Council, will provide the following minimum public benefits:
 - The creation of a significant expansion of permanent jobs in the county or counties in which the project will be located;
 - Significantly increases the assessed valuation of the counties or counties in which the project will be located, by not less than the value of the loans or loan guarantees received by the applicant borrower;
 - A substantial increase in the sales, property or other tax revenues to the county where the project will be located;
 - Promotion of a stable, balanced and diversified economy; and
 - Private investment in the county or counties in buildings, equipment and direct project infrastructure of not less than twenty-five percent (25%) of the total cost of the project.
 - The project has a high likelihood of completion.

There was an initial twenty-five million dollars (\$25,000,000) appropriated for the program. An additional twenty-five million dollars (\$25,000,000) was deposited into the Challenge Loan Fund on July 1, 2017 from HB-0253, however, these funds were deposited into the WBC Challenge Loan account with the intention of funding more Large Loan projects. Along with the depositing of the latest \$25M, it is also required that the state treasurer

- *HB0253 – Section 2 “In conducting a fiduciary analysis on an economic development project considered for funding under section 1 of this act, the state treasurer shall perform an economic and fiscal analysis regarding consequential state and local impacts. The analysis shall identify any induced revenues and induced costs associated with a project under consideration for each year for the ten (10) years following completion of the project. A local cost analysis shall consider impacts on public education, public safety, fire protection, public utilities and the courts. Any analysis required by this section shall be conducted by an entity qualified to provide the analysis using nationally accepted econometric modeling techniques. Any analysis required by this section shall be paid for using funds appropriated by this act.”*



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

Subject: Cody Laboratories, Inc. Submission for Additional Project Funding Through the State of Wyoming Economic Development Large Project Program

Dear CEO Reese,

The purpose of this letter is to clarify changes to our project cost and staffing in support of Cody Laboratories' re-submission for additional project funding through the State of Wyoming Economic Development Large Project Program.

Project Cost Refinement:

Cody Laboratories, Inc. (CLI) established an original project cost budget of \$45MM based on an estimate resulting from Conceptual and Basic Engineering Design work executed in 2015-2016. Execution of Detailed Engineering Design in late 2016 through early 2017, and the establishment of a final design, build contract resulted in the final project cost being revised up to \$50.5MM.

The project consists of the following major cost breakdowns:

Contract Design & Construction Services: \$10.5MM
Property and Infrastructure: \$15MM
Major Equipment: \$25MM
Total Project Cost: \$50.5MM

Project Staffing Refinement:

Completion of Detailed Engineering Design allowed for further refinement of our internal staffing plan associated with the project. The execution of this project is estimated to impact staffing levels as follows:

Item	2028 Estimate
Original Headcount Projection	+39
Revised Headcount Projection	+57

601 YELLOWSTONE AVENUE • CODY, WYOMING 82414

OFFICE: (307) 587-7099 • FAX: (307) 587-7597

www.codylabs.com



The staffing plan consists of the following major areas:

Operations Staff: Approx. +40 FTEs

Quality Control/Quality Assurance: Approx. +7 FTEs

R&D/G&A: Approx. +10 FTEs

It is estimated that 10-15% of the above positions will be filled through the hiring of staff outside of Wyoming.

Project Funding:

Cody Laboratories was previously allocated a loan under this program and has been working through the due diligence process with the State of WY Treasurer's Office. Further refinement of our project costs and headcount have resulted in re-submission for additional funding under this program.

The requested project funding plan is as follows:

Total Estimated Project Cost: \$50.5MM

- ~66.8% Funded through Wyoming Economic Development Large Project Program:
 - \$33.75MM
- ~33.2% Funded and guaranteed by CLI's parent company, Lannett Company, Inc.:
 - \$16.75MM

Project construction was initiated in the spring of 2017 and is projected to continue into early 2019. Additional funding through the State of Wyoming Economic Development Large Project Program in the spring of 2018 will allow for realization of this timeline.

Should you have any questions related to this matter, please feel free to contact me directly.

Respectfully,

Ryan Osborne

Director, Project Engineering | Cody Laboratories, Inc. | p: 307.587.7099 x401 | osborne@codylabs.com

601 YELLOWSTONE AVENUE • CODY, WYOMING 82414

OFFICE: (307) 587-7099 • FAX: (307) 587-7597

www.codylabs.com



July 3, 2017

Mr. Ben Avery
Business and Industry Division Director
Wyoming Business Council
214 W. 15th Street
Cheyenne, WY 82002

Dear Ben,

The purpose of the analysis is to provide a third-party estimate of the assessed value associated with Cody Laboratories Inc. as required for the Large Project Loan Fund. The assessed value includes value of the company's capital investment, plus additional assessed value created by supplier and consumer businesses and their employees that would benefit from the increase demand created by Cody Laboratories, Inc.

ESTIMATED ASSESSED VALUE FOR CODY LABORATORIES INC

	2017	2018	2019	2020	2021
Direct					
Company	\$0	\$0	\$3,308,550	\$3,444,250	\$3,444,250
Employees	\$0	\$0	\$982,142	\$982,142	\$982,142
Total Direct	\$0	\$0	\$4,290,692	\$4,426,392	\$4,426,392
Supplier (Indirect)					
Related Businesses	\$0	\$0	\$344,539	\$344,539	\$344,539
Employees	\$0	\$0	\$1,031,249	\$1,031,249	\$1,031,249
Total Supplier	\$0	\$0	\$1,375,788	\$1,375,788	\$1,375,788
Consumer (Induced)					
Related Businesses	\$0	\$0	\$283,738	\$283,738	\$283,738
Employees	\$0	\$0	\$854,827	\$854,827	\$854,827
Total Consumer	\$0	\$0	\$1,138,565	\$1,138,565	\$1,138,565
Total	\$0	\$0	\$6,805,044	\$6,940,744	\$6,940,744



Mr. Ben Avery

Page 2 of 2

Direct assessed value is based on information provided by the company relative to construction and equipment costs. An average depreciation rate of 59% is applied to the manufacturing equipment based on a 12 year life. Construction costs are adjusted by 80% as a proxy for the difference between construction cost and assessed value. The assessed value figures shown for the company include the 11.5% industrial assessment ratio.

There are also several measures of the assessed value created indirectly by the company. These include expansions at supplier (indirect) and consumer (induced) businesses that sell to Cody Laboratories, Inc. and its employees. Using the supplier and consumer jobs from the economic impact results and the average real and personal commercial and industrial property per employee in Park County, it is possible to estimate the increase in assessed value from supplier and consumer businesses.

In addition, the 57 new employees of Cody Laboratories, Inc. and the new employees from the supplier and consumer businesses, generate assessed value through their residences. This can be estimated using residential per capita assessed value in Park County times the supported population (employees and their families).

If you have any questions regarding the calculations, please feel free to contact me.

Sincerely,

Sarah E. Murley

Principal

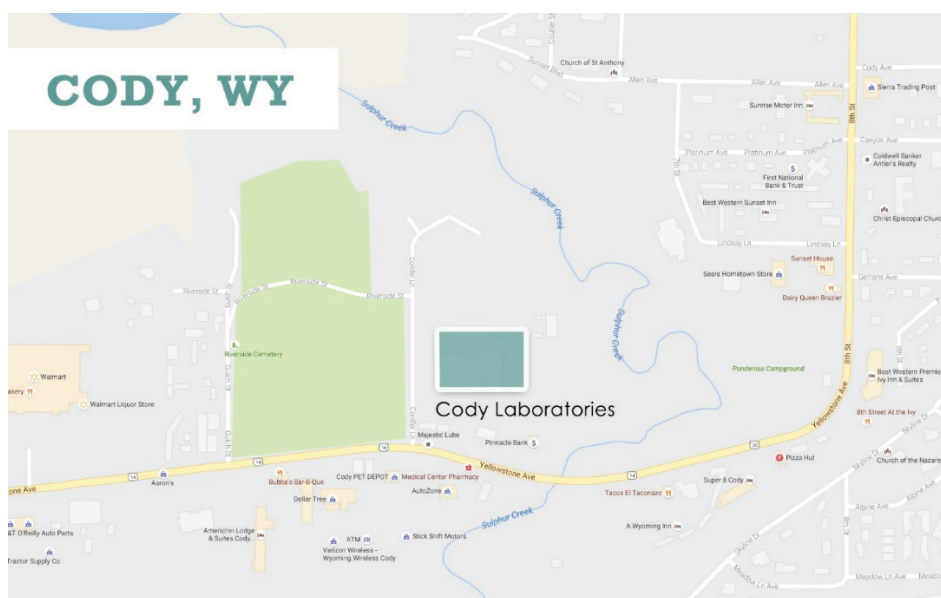


ECONOMIC DEVELOPMENT LARGE PROJECT PROGRAM FUNDING REQUEST

LOAN AMOUNT - \$33,750,000

Project Description

Cody Laboratories Inc. (Cody Labs) submitted a loan request for \$33,750,000 as part of a \$45,000,000 project to expand its Active Pharmaceutical Ingredient (API) manufacturing process. Cody Labs currently produces Drug Enforcement Agency (DEA) schedule 1-5 controlled substance APIs. These include various substances for hormones, pain medications and cough medicines. Cody Labs wishes to design and construct a new API campus on an adjoining, semi-developed parcel of land situated within an industrial park in Cody, Wyoming. The proposed project would install one multi-use production line for the main products under development at Cody Labs. Cody Labs currently produces approximately 5 metric tons of product; capacity would increase to 11 metric tons per year with the proposed expansion.



The Business

Cody Labs was established as a private corporation in 2000 and specializes in the manufacturing of APIs. Cody Labs moved into its existing location at 601 Yellowstone Ave. in 2004. Cody Labs continued to expand its API business between 2004-07 and added finished dosage form (FDF) solutions to its business portfolio. Lannett Company Inc. (LCI) acquired Cody Labs in 2007 and currently maintains ownership. Cody Labs partnered with Forward Cody, a local economic development organization, in 2015 to establish a materials warehouse at a second location at 119 Road 2AB in Cody.

Cody Labs currently employs 117 individuals, with an annual payroll of \$12 million, and is housed in a former Wal-Mart building. The proposed project would be to the east of and adjacent to the property located at 119 Road 2AB.

Project Goals and Benefits

Cody Labs wants to increase the amount of product the company produces and do it in an efficient and cost-saving manner. The company would be able to more than double its current production capacity from 5 to 11 metric tons.

There is also a qualified workforce in the Cody area to fill positions as the company expands. Additionally, the projected mean wage of Cody Labs (\$21.57/hr.) exceeds the Park County average (\$20.03/hr.). The expansion will also have strong ripple effects in not only Cody, but Park and Big Horn Counties and nearby communities, with an additional \$20,100,571 in wages over the same timeframe (204% of loan request).

Timeline

The company estimates the proposed expansion of its operations would be complete by the end of Q4 2018.

Management Team

- Arthur P. Bedrosian (President & CEO of Lannett Company, Inc.) - Bedrosian, J.D., has been the Chief Executive Officer of Lannett Company, Inc. since Jan. 3, 2006 and served as its President from May 2002 to Dec. 1, 2014. Bedrosian served as the Vice President of Business Development at Lannett Co. Inc. from January 2002 to April 2002, and as a Director from February 2000 to January 2002. Bedrosian has operated generic drug manufacturing, sales and marketing businesses in the healthcare industry for over 34 years. Prior to joining Lannett Co. Inc., Bedrosian served as President and Chief Executive Officer of Trinity Laboratories, Inc., a medical device and drug manufacturer. Bedrosian also operated Pharmaceutical Ventures Ltd., a healthcare consultancy, and Interl Corporation, a computer consultancy to Fortune 100 companies. He has been a Director of Lannett Co. Inc. since Jan. 3, 2006. Bedrosian holds a bachelor of arts degree in Political Science from Queens College of the City University of New York and a Juris Doctorate from Newport University in California.
- Bernhard W. Opitz (President of Cody Laboratories Inc.) –Opitz brings 30 years of leadership experience to the management team at Cody Laboratories. Opitz worked for 20 years with the Bayer group in Germany and Italy in engineering, manufacturing and product development, and in the U.S. as SVP Engineering. He worked for diagnostics companies Ikonisys and Nanosphere, held the position of VP Engineering/Operations at Wells' Dairy, and filled the role of SVP Operations for Unilife Medical Solutions. Opitz holds a master of science degree in Mechanical/Process Engineering from Technical University Graz/Austria.
- Barry Sugarman (Board Member) –Sugarman is a consultant, executive and entrepreneur who attended UCLA and California State University at Northridge and graduated with a degree in Mechanical Engineering. Sugarman has been the President of Diverstech Co., a dealer of appliances, chemicals, office equipment, electronics, medical supplies and medical equipment to government agencies. He is also a consultant to the government contract and regulated industries. He was also President of Liquipharm, Inc. (from 1984-1995), a manufacturer of liquid and tablet human and veterinary pharmaceuticals.

Funding

The total project cost is \$45 million, including \$33.75 million from the Economic Development Large Project program. Project costs include the components to add another production line of pharmaceuticals and construct a building to house this line.

Financial Analysis

A spreadsheet of the actual financial statements is provided in a separate attachment.

- Cody Labs is a wholly-owned subsidiary of Lannett Company, Inc., and its financials are embedded in the annual 10K report Lannett must provide the Securities and Exchange Commission (SEC). There is no way to disseminate the financial information for Cody Labs specifically; however, the borrower on the note will be Cody Laboratories, LLC and Lannett Company, Inc. will be asked to guarantee the debt.

Statutory Requirements

- This project will increase jobs and salaries compared to county average, and the increase in local and state tax benefits is expected to create an economic impact greater than most projects funded under the Business Ready Community (BRC) Grant and Loan program. For example, the BRC program cannot fund private equipment.
- A third-party analysis of the investment and jobs documents the expansion of permanent jobs and a significant increase in the combined assessed valuation by \$4 million per year after the proposed expansion (see attached letter from Applied Economics). A Business Council economic impact model projects a direct increase of state and local taxes at approximately \$370,000 per year.
- The project will help stabilize, balance and diversify the Wyoming economy.
- The private investment in the project is at least 25%. Cody Labs will invest a large amount of money to complete the project (approximately \$35 million) and has already invested millions of dollars to expand the current Cody Labs operation.
- There is a high likelihood of completion.

Staff Recommendation

Staff recommends funding the proposed project up to a maximum amount of \$9,865,000 utilizing \$1,030,000 from Economic Development Large Project Program and \$8,970,800 from the Challenge Loan Program with the proposed terms, as requested. The recommended loan amount is based on the increase in direct assessed valuation over three years of the stabilized project. This calculation was developed by Applied Economics (see attached letter). Staff has analyzed the character and capacity of the management team, market conditions, cash flow and collateral.

- The management team directly with Cody Labs is strong and has a number of years of experience in the market. The company is also a wholly-owned subsidiary of a large, publicly-traded pharmaceutical company in Lannett Company, Inc (LCI).
- Market conditions in the pharmaceutical realm are strong and the company has shown the ability/capacity to produce more goods for sale and manage their overhead costs, margins, etc.
- Cash flow projections appear realistic and are strong.

- Strong collateral position at 21.9% (loan to cost).

Loan Terms

Total Project: \$45,000,000

Total Loan Request: \$33,750,000

Total Loan Recommended: \$9,865,000

Loan To Cost: 21.9%

Collateral:

- 1st Real Estate Mortgage on 119 Road 2AB, Cody, WY 82414
- 1ST Security UCC Filing on all fixtures located at 119 Road 2AB, Cody, WY 82414

Repayment: The loan will be repaid from the ongoing business/cash flow of Cody Labs. It will be amortized over the 11-year term of the loan and Cody Labs will make quarterly payments to the State Treasurer's Office. The quarterly payments will be \$251,275 assuming an interest rate of 2.07%.

Term: 11 years

Interest Rate: 10-year treasury rate at closing plus 50 basis points.

Fees: 1% Loan Fee (\$98,650)

Other conditions:

- Appraisal on proposed land, buildings and equipment to support a maximum 75% loan to value.
- Corporate guarantee of Lannett Company Inc.
- Borrower will be responsible for all costs of appraisals, filing fees, etc.
- Copies of any subordinate financing placed on the project (i.e. promissory note, loan agreement, mortgage, security agreement, disbursement schedule, etc.).
- Proof of funds to be used for completion of the project. This may include, but not be limited to, letters of commitment from debtors, escrow accounts, special project accounts, equity injection accounts, etc.

Performance measures for this project include job creation and additional sales.

	Measure	Quantity	Notes
Performance Measures	Businesses Assisted	1	-
	Loan Amount	\$9,865,000	-
	Loan Repayment	\$251,275	Quarterly Payments @ 2.07%
	Jobs Retained	117	-
	Jobs Created	39	-
	County Average Hourly Wage	\$20.03	Park County
	Project Average Hourly Wage	\$21.57	-
	Total Wages	\$20,100,571	Life of Loan (11 years)
	Total Increase in Assessed Valuation	\$11,636,954	First five years of the project
	Total State & Local Taxes (Direct)	\$4,107,642	Life of Loan (11 years)

COMMUNITY GRANT AND LOAN COMMITTEE

Wyoming Business Council | Board of Directors Meeting
September 14, 2017 | Alpine, Wyoming





Community Grant and Loan Committee

Report and Recommendations to the Wyoming Business Council

September 14, 2017

CONTENTS

CDBG Board Memorandum	D-5
CDBG Projects	D-7
 BRC Financial Summary & Allocation Plan	 D-15
BRC Application and Program Summary.	D-16
 Sheridan Economic & Educational Authority (SEEDA) .	 D-17
City of Newcastle	D-23
Town of Guernsey	D-25
 Letters Received	 17





MEMORANDUM

TO: WBC Board of Directors

FROM: Julie Kozlowski, Community Development Director

DATE: September 14, 2017

RE: Community Development Block Grant (CDBG) Project Recommendations

The State of Wyoming receives approximately \$2.7 million annually from the U.S. Department of Housing and Urban Development, Community Development Block Grant (CDBG) program. The funding is available to Wyoming cities, towns and counties excluding Cheyenne and Casper, as they receive their own CDBG allocation.

Projects must meet a national objective:

- Benefit to low- to moderate-income clientele.
- Elimination of slum or blight
- Urgent threat

Projects must also be considered an eligible activity under CDBG rules.

To determine eligibility, staff reviews a pre-qualification form submitted by applicants early in the program year. If the project meets the program guidelines, applicants are notified the project is eligible and they are approved to submit an application by the deadline (this year, June 1). Complete applications are reviewed, a site visit is conducted, and that process results in the recommendations (attached) for your consideration. Staff recommends funding for the following projects:

Alpine Park Infrastructure and Acquisition **\$500,000**

Funds will be used to construct street, curb, gutter, water, sanitary, sewer, and storm sewer to benefit Alpine Park Apartments, a 24-unit new construction development in a single three-story walkup building.

Evansville Water System Improvements **\$498,952**

Funds will be used to construct water system improvements in three areas of the town of Evansville. The improved infrastructure will provide better fire protection and water quality.

Evansville Secondary Access Road**\$500,000**

Funds will be used to construct a 5,394-foot gravel roadway to provide secondary access to the town of Evansville.

Mills Water Line Replacement**\$498,857**

Funds will be used to replace asbestos cement water line and appurtenances with 12-inch PVC water line.

Laramie County Meals on Wheels**\$500,000**

Funds will be used to expand the existing kitchen area, construct a loading dock and update restrooms to meet ADA requirements.

Laramie County Wyoming Family Homeownership**\$40,000**

CDBG will represent a portion of funding available to families through the Wyoming Family Home Ownership Program (WYFHOP). WYFHOP assists families by preparing them to be responsible home owners.

Platte County Library Elevator Replacement**\$70,000**

Funds will be used to upgrade the county library's elevator so that it meets safety codes and handicapped accessibility requirements.

TOTAL**\$2,607,809**

WBC staff expects the 2017 award to be a similar amount to previous years. Staff will execute contracts when the award is received. As the actual amount of the award is unknown, staff may have to make small adjustments in awards but they will not exceed the application/board approved amounts.



ALPINE

\$500,000 Community Development Block Grant

Alpine Park Infrastructure and Acquisition

Community Development Block Grant Program

Staff Recommendation:
Fund as requested

	Alpine Park Infrastructure & Acquisition			
Purpose	The town of Alpine requests \$500,000 Community Development Block Grant funds to construct street, curb, gutter, water, sanitary, sewer, and storm sewer to benefit Alpine Park Apartments, a 24-unit new construction development in a single three-story walkup building. Funds may also be used for land acquisition if monies are available after final bidding of infrastructure work. Alpine Park Apartments will be reserved for low- and moderate-income households at or below 60% of the area median income. G.A. Haan Development was awarded Wyoming Community Development Authority Low Income Housing Tax Credits (LIHTC) and HOME funds were approved by Wyoming Community Development Authority on May 24, 2017. These credits will used to construct the apartments.			
Objectives	National Objective	Benefit to low and moderate income persons		
	Eligible Activity	Decent Housing		
Project Budget	Projected Grant Expenditure Schedule			
	Description	CDBG	Match	Total
	Land Acquisition	\$ 224,570	\$ 183,152	\$ 407,722
	Construction Costs	\$ 275,430	\$ 224,631	\$ 500,061
	Total Project Cost	\$ 500,000	\$ 407,783	\$ 907,783
	Measure	Quantity	Notes	
Performance Measures	Additional Investment		\$4,269,072	HOME, Equity, Deferred Developer Fee
Project Infrastructure	Acres Developed		1.56 acres	Vacant site at intersection of Highways 89 and 26
	New Building Construction		3-story bldg (22,328 sq.ft)	24-unit walkup apartment building.
	People		72	8 one-bedroom units, 8 two-bedroom units, 8 three-bedroom units
	Rent		\$500 - \$885	Variety of rates depending on number of bedroom units
	Water		759 lf	10" and 8" main line, 4" domestic and fire suppression lines
	Sewer		788 lf	
	Curb/Gutter		1,351 lf	
	Roadway		42,000 sf	Boardwalk Dr.



EVANSVILLE

\$498,952 Community Development Block Grant

Evansville Water System Improvements

**Community
Development Block
Grant Program**

Staff Recommendation:
Fund as requested

	Evansville Water System Improvements			
Purpose	The town of Evansville requests \$498,952 Community Development Block Grant funds to construct water system improvements within three areas of the town of Evansville. Installation of approximately 2,200 lineal feet of 12" main due to existing line breakage and recommendations by the Wyoming Water Development Commission. Existing lines and appurtenances will be properly abandoned. The improved infrastructure will provide better fire protection and water quality to the heavily industrial/commercial East Yellowstone Highway and Lathrop Road area.			
Objectives	National Objective	Benefit to low and moderate income persons		
	Eligible Activity	Suitable Living Environment		
Project Budget	Projected Grant Expenditure Schedule			
	Description	CDBG	Match	Total
	Non-Construction Costs	\$ 76,762	\$ 19,191	\$ 95,953
	Construction Costs	\$ 422,190	\$ 105,547	\$ 527,737
	Total Project Cost	\$ 498,952	\$ 124,738	\$ 623,690
	Performance Measures	Measure		Quantity
Business Assisted		6	Provides improved water flows, reliability and fire protection	
Additional Investment		\$124,737	Town of Evansville cash match	
Project Infrastructure	Water		2,200 lf	12" main line
Project Beneficiaries	Town of Evansville		2836	Provides water improvements to the entire town of Evansville



EVANSVILLE

\$500,000 Community Development Block Grant

Evansville Secondary Access Road

**Community
Development Block
Grant Program**

Staff Recommendation:
Fund as requested

	Evansville Secondary Access Road			
Purpose	The town of Evansville requests \$500,000 Community Development Block Grant funds to construct approximately 5,394-foot-long gravel roadway to provide secondary access to the town of Evansville. The town lies on both the north and south sides of the BNSF mainline. Approximately 80% of the Evansville population resides north of the railroad tracks. Currently, there are three access points into the northern part of Evansville and all accesses lie at grade of the BNSF mainline. On average, there are eight, 100 car trains passing through Evansville daily. One unit train (5,780 feet) can completely shut down all access to the northern portion of Evansville at once, potentially being hazardous to citizens of Evansville and emergency responders trying to enter or exit the community.			
Objectives	National Objective	Benefit to low and moderate income persons		
	Eligible Activity	Suitable Living Environment		
Project Budget	Projected Grant Expenditure Schedule			
	Description	CDBG	Match	Total
	Non-Construction Costs	\$ 76,923	\$ 32,538	\$ 109,461
	Construction Costs	\$ 423,077	\$ 178,959	\$ 602,036
	Total Project Cost	\$ 500,000	\$ 211,497	\$ 711,497
	Performance Measures	Measure	Quantity	Notes
	Additional Investment	\$211,497	Town of Evansville Cash Match, Obtained authorization to utilize the Veteran's Cemetary Bridge	
Project Infrastructure	New Road Construction		5,394 lf	Secondary Access Gravel Road
Project Beneficiaries	Town of Evansville		2,836	Secondary access will be available to the entire town of Evansville.



MILLS

\$498,857 Community Development Block Grant

Mills Water Line Replacement

**Community
Development Block
Grant Program**

Staff Recommendation:
Fund as requested

Mills Asbestos Cement Water Line Replacement				
Purpose	The town of Mills requests \$498,857 Community Development Block Grant funds to replace approximately 6,770 lineal feet of asbestos cement water line and appurtenances with 12" PVC water line. As asbestos cement pipes age becoming more brittle and vulnerable, asbestos fibers can become loose and enter the drinking water system. The presence of asbestos in the drinking water was detected and continues to stay well below the maximum contaminant level. The new pipe will be installed and the old will be abandoned properly. The replacement of water lines removes a potential health hazard to the citizens of Mills.			
Objectives	National Objective	Benefit to low and moderate income persons		
	Eligible Activity	Suitable Living Environment		
Project Budget	Description	CDBG	Match	Total
	Non-Construction Costs	\$ 76,747	\$ 19,187	\$ 95,934
	Construction Costs	\$ 422,110	\$ 105,527	\$ 527,637
	Total Project Cost	\$ 498,857	\$ 124,714	\$ 623,571
Performance Measures	Measure		Quantity	Notes
	People Assisted		51%	51% of Mills residents are low to moderate income
	Additional Investment		\$124,737	Town of Mills cash match
Project Infrastructure	Water		6,770	12" main line PVC
Project Beneficiaries	Town of Mills		3,597	Provides safe water supply to entire population of Mills



LARAMIE COUNTY

\$500,000 Community Development Block Grant

Laramie County Meals on Wheels

Community Development Block Grant Program

Staff Recommendation:
Fund as requested

	Laramie County Meals on Wheels Kitchen			
Purpose	Laramie County requests \$500,000 Community Development Block Grant funds to expand the existing kitchen area by constructing a new 2,400 square foot kitchen and entrance corridor at the Meals on Wheels facility in Cheyenne. The new building will be built at floor level, a loading dock will be constructed and a drive up window for the delivery drivers. The new kitchen will more than double square footage and efficiency of current kitchen. The current kitchen will be renovated to accommodate dry storage and installation of a walk-in cooler and freezer. Existing appliances will be moved to the new kitchen, but will be upgraded to ensure reliability. Restrooms will be renovated to meet ADA requirements with grant funds as well.			
Objectives	National Objective	Benefit to low and moderate income persons		
	Eligible Activity	Suitable Living Environment		
Project Budget	Projected Grant Expenditure Schedule			
	Description	CDBG	Match	Total
	Non-Construction Costs	\$ 72,487	\$ 198,247	\$ 270,734
	Construction Costs	\$ 427,513	\$ 1,169,222	\$ 1,596,735
	Total Project Cost	\$ 500,000	\$ 1,367,469	\$ 1,867,469
Performance Measures	Measure	Quantity		Notes
	Organization Assisted	1		Meals on Wheels - Laramie County
	Meals currently served/month	6500		With upgrades it will be possible to nearly double the meals which will meet 10 year projected needs.
	Meals prepared daily	300		250 hot meals, 50-80 frozen meals for weekends and holidays. Projections show upwards of 500+ meals needed in years to come
	Additional Investment	\$1,367,469		Private Donations, Meals on Wheels reserve accounts and other grant funds
Project Infrastructure	New Building Construction	2,400 sq. ft		Increase of square footage from 1,100 sq.ft. to 2,400 sq. ft.
	Restroom Upgrades	2		ADA compliance for men's and women's restrooms on site



LARAMIE COUNTY

\$40,000 Community Development Block Grant

Laramie County Wyoming Family Homeownership

Community Development Block Grant Program

Staff Recommendation:
Fund as requested

	Laramie County WYFHOP			
Purpose	Laramie County requests \$40,000 Community Development Block Grant funds to fund a portion of the Wyoming Family Home Ownership Program (WYFHOP). WYFHOP assists families by preparing them to be responsible home owners. Participants are required to complete a ten-week financial course in financial training. They learn budgeting, how to clean up credit scores and reports, how to communicate with lenders, realtors and insurance agents. Families build relationships with their communities through mentorships with local business people and create a support network with other families. They are required to make a contribution to their down payment in addition to the assistance through the WYFHOP program.			
Objectives	National Objective	Benefit to low and moderate income persons		
	Eligible Activity	Suitable Living Environment		
Project Budget	Projected Grant Expenditure Schedule			
	Description	CDBG	Match	Total
	Home Ownership Assistance	\$ 40,000	\$ 267,200	\$ 307,200
Performance Measures	Measure	Quantity		Notes
	Families Assisted	8		\$176,000 is directed to family assistance
	Homes Purchased	8		59,200 is directed to home purchase assistance
	Additional Investment	\$207,200		Numerous donors
Project Benefits	Currently Serving	142		Adults and children
	Average family size	4.2		
	Families helped	71		
	New homeowners	34		Zero foreclosures



PLATTE COUNTY

\$70,000 Community Development Block Grant

Platte County Library Elevator replacement

**Community
Development Block
Grant Program**

Staff Recommendation:
Fund as requested

	Platte County Library			
Purpose	Platte County requests a \$70,000 Community Development Block Grant funds to upgrade the county library’s elevator so that it meets safety codes and handicapped accessibility requirements. The mechanical room will also be updated to meet safety codes. The library’s existing elevator does not have a phone or emergency alarm, does not meet ADA requirements for placement of call buttons and braille characters are not present. The project will serve the entire population of Platte County, especially the elderly and severely disabled.			
Objectives	National Objective	Benefit to low and moderate income persons		
	Eligible Activity	Suitable Living Environment		
Project Budget	Projected Grant Expenditure Schedule			
	Description	CDBG	Match	Total
	Non-Construction Costs	\$ -	\$ 2,180	\$ 2,180
	Construction Costs	\$ 70,000	\$ 47,820	\$ 117,820
	Total Project Cost	\$ 70,000	\$ 50,000	\$ 120,000
Public Benefits	Measure	Quantity	Notes	
	Local Gov't Entity Assisted	1	Platte County Library	
	Additional Investment	\$50,000	Local Contribution - Episcopal Diocese	
	Utilization	30	30 times per day by elderly, disabled, children, new	
	Platte County residents	8,765	2013 Census - Platte County population	



BRC Financial Summary

Available Funds Summary	
	BRC
Net Appropriations	\$ 374,849,305
Awards Adjusted by Deobligations	\$ (356,971,523)
BRC Loan Principal and Interest Payments Received to Date	\$ 3,041,812
BRC State Revenue Recapture Received to Date	\$ 15,434
Total Available Funds	\$ 25,635,028

Allocation Plan—FY17 recap

FY17 planned allocation:

BRC Project Types	Priorities	% of Allocation	Annual Allocation
Business Committed and Managed Data Center Cost Reduction	High	45%	\$ 7,926,313
Community Readiness	Medium	39%	\$ 6,869,471
Community Enhancement	Low	15%	\$ 2,642,104
Planning	Low	1%	\$ 176,140
Totals		100%	\$17,614,028

FY17 actual allocation:

BRC Project Types	Priorities	% of Allocation	Funds Awarded
Business Committed and Managed Data Center Cost Reduction	High	21%	\$ 3,748,360
Community Readiness	Medium	39%	\$ 7,952,104
Community Enhancement	Low	15%	\$ 1,660,526
Planning	Low	1%	\$ 88,035
Totals		76%	\$13,449,025

A total of \$4,165,003 (24%) was not used in FY17 and will roll forward to be used in FY18.

There are two options for the board to consider in reallocating the unencumbered \$4.1M. First, the Board can reallocate the funds across all categories using the percentages used at the beginning of FY17 (See schedule A). Staff recommends a second approach which is to carry forward the funds in the same categories from which they came (See schedule B). Staff believes this better preserves funding in higher-priority categories.

Schedule A

BRC Project Types	Priorities	% of Allocation	Annual Allocation	Base Quarterly Allocation
Business Committed and Managed Data Center Cost Reduction	High	45%	\$ 11,535,763	\$ 2,883,941
Community Readiness	Medium	39%	\$ 9,997,661	\$ 2,499,415
Community Enhancement	Low	15%	\$ 3,845,254	\$ 961,314
Planning	Low	1%	\$ 256,350	\$ 64,088
Totals		100%	\$ 25,635,028	\$ 6,408,757

SCHEDULE B

BRC Project Types	Priorities	% of Allocation	Annual Allocation	Base Quarterly Allocation
Business Committed and Managed Data Center Cost Reduction	High	53%	\$ 13,609,146	\$ 3,402,287
Community Readiness	Medium	34%	\$ 8,590,678	\$ 2,147,670
Community Enhancement	Low	12%	\$ 3,220,504	\$ 805,126
Planning	Low	1%	\$ 214,700	\$ 53,675
Totals		100%	\$ 25,635,028	\$ 6,408,757

BRC Application and Program Summary

Awards are contingent on the satisfactory execution and administration of previous grants or loans by an applicant. Other contingencies, if any, are defined in the project descriptions. The office of the Attorney General conducts a review of applications that are Business Committed, that have a loan component or any extenuating circumstances.

BRC Applications Received June 1, 2017						
Applicant	Project	Type	Request	Available BRC Funding per Allocation Plan - A	Available BRC Funding per Allocation Plan - B	Staff Recommendation
Sheridan Economic & Educational Development JPB (SEEDA)	Vacutech Expansion	Business Committed	\$ 2,999,496	\$ 2,883,941	\$ 3,402,287	\$ 2,999,496
		Loan	\$ 1,225,000	\$ 2,499,415	\$ 2,147,670	\$ 1,225,000
Newcastle, Town of	Recreation	Community Enhancement	\$ 500,000	\$ 961,314	\$ 805,126	\$ -
Guernsey, Town of	Community Development Plan	Planning	\$ 37,500	\$ 64,087	\$ 53,675	\$ 37,500
Total Requests			\$ 4,761,996			\$ 4,261,996
Total Available BRC Funding Per Adopted Allocation Plan				\$ 6,408,757	\$ 6,408,758	
Funds remaining if awarded				\$ 2,146,761	\$ 2,146,762	



Business Ready Community Grant and Loan Program

SHERIDAN ECONOMIC AND EDUCATIONAL AUTHORITY (SEEDA)

\$2,999,496 BRC Business Committed Grant Request

\$1,225,000 BRC Business Committed Loan Request

**Sheridan Hi-Tech Park Manufacturing
Facility (Vacutech Expansion)**

*Staff Recommendation: **Fund as requested***

Project Description

The Sheridan Economic and Educational Development Authority Joint Powers Board (SEEDA) requests a \$2,999,496 Business Ready Community (BRC), Business Committed grant and a \$1,225,000 BRC loan for the construction of a 40,000 square-foot manufacturing facility to enable the expansion of Vacuum Technologies, LLC dba Vacutech, LLC ("Vacutech"). The new facility will be constructed on a 4-acre lot in the Sheridan Hi-Tech Business Park adjacent to Vacutech's current manufacturing facility. Vacutech owns the 4-acre lot and will donate it to SEEDA. Vacutech will also donate 1.87-acres of the property on which their current facility is located and construct a parking lot to access both facilities. SEEDA will lease the completed facility to Vacutech with an option to purchase after five years.

The city of Sheridan developed the Sheridan Hi-Tech Business Park Conceptual Plan funded through a \$25,000 Community Development Block Grant in 2009. In 2010 the city received a \$2,589,913 BRC Community Readiness grant for water and sewer extensions, roads and fiber to create business-ready lots in the Hi-Tech Business Park.

The Business

Vacutech designs, engineers and manufactures custom-designed central vacuum systems for car wash systems, mobile vacuums and industrial and commercial applications.

Brothers Tom and John Tucker built Vacutech based on their commitment to manufacturing the highest performance vacuum systems combined with

unparalleled customer care and after-sale support, according to the company's Facebook page. Their experience in the industry began with their work as teenagers in their father's central vacuum business - itself a pioneer in the industry.

Tom and John continued their work in the vacuum industry after leaving the family business. They created and ran several successful businesses before jointly starting Vacutech in 1997.

In 2012, the city of Sheridan recruited Vacutech from Centennial, Colorado. That same year, Vacutech constructed a 40,804 square-foot manufacturing facility on a 5-acre lot in the Sheridan Hi-Tech Park.

Vacutech has grown from 20 employees in 2012 to over 130 to date and has outgrown its current facility. Vacutech leases four additional facilities across Sheridan as a stop-gap measure. Combined, these annex facilities provide 75% more available floor



space, and while this has accommodated the growth in production requirements, there are significant inefficiencies and unnecessary costs with relying on multiple locations.

The company is growing in its core industry with car wash consolidation and business drawings. In 2016, Vacutech purchased a 4-acre commercial lot next to its current facility for the development of an additional facility. Vacutech is concentrating approximately \$400,000 annually in working capital to the purchase of additional manufacturing equipment and hiring new employees. This project is needed to accelerate Vacutech's business expansion in Sheridan. Without this public-private partnership, Vacutech will be required to devote its working capital toward construction of the new manufacturing facility or to continue operating inefficiently from five different locations. There are no other facilities in Sheridan that meet the company's expansion needs. This project will allow Vacutech to improve efficiency by relocating its distributed manufacturing into one centralized location.

Vacutech has been working with clients on projects in new-growth areas. For example, a wind component manufacturer needed to find a solution to cutting down on expensive replacement costs for specialized drill bits used in the manufacturing of windmill components. Vacutech created a vacuum system that removes the fine dust particles from the bits while drilling, which increased productivity by increasing the lifespan of drill bits and reducing costs. Vacutech also worked with Boeing on an extraction system for its 777-jet engine project.

Project Goals and Benefits

Vacutech projects creating up to 76 new jobs within five years. Entry-level jobs start at \$15 per hour with technical positions paying \$24 to \$28 per hour. The company also provides benefits including medical, dental, vision and life insurance; vacation, and a 401(k) with a company match up to 4%.

Many employees will be hired locally through relationships established between Vacutech and area colleges assisting in workforce recruitment through computer aided design, welding technology and machine tooling technology programs. Thirty-nine employees, or 27.5% of Vacutech's current workforce, are Sheridan College alumni - 17 of which were employed directly after graduating from Sheridan

College, and 22 of which are alumni who worked in different jobs upon graduation before joining Vacutech.

Vacutech provides welding internships for students in the Welding Technology program at Sheridan College and has hired four of those eight students as full-time employees. This project will provide job opportunities for local students trained in technical fields.

It will also inject new payroll into the community along with increased tax revenue. This project will also generate revenue from the lease and expected sale of the facility to Vacutech. SEEDA will collect an estimated \$442,681 in net revenue during the first five years in lease payments from Vacutech. Revenue will be recaptured by SEEDA and devoted to economic development efforts in Sheridan, as described in the Lease and Revenue Recapture section below.

Timeline

The applicant estimates the project will be completed by June 2019.

Sources	
BRC Grant amount	\$ 2,999,496
Cash Match (BRC Loan)	\$ 1,225,000
Cash Match (land value/parking lot construction)	\$ 786,394
Total eligible project cost	\$ 5,010,890
BRC % of total eligible project costs	60%
Local % of total eligible project costs	40%
Percentage BRC of all cash	71%
Uses	
Land Acquisition Costs	
Land value	\$ 511,394
Non-Construction Costs	
Architectural and Engineering fees	\$ 215,400
Other fees (surveys, tests, etc.)	\$ 13,700
Project inspection fees	\$ 25,500
Construction Costs	
Site work	\$ 792,000
<i>Building Components:</i>	
Electrical Systems	\$ 356,400
Mechanical, plumbing, HVAC systems	\$ 432,900
Landscaping	\$ 125,000
Foundation and/or Structural Framing system	\$ 1,632,900
Interior Finishes	\$ 164,100
Fire Protection	\$ 102,000
Other (building envelope, insulation & skin)	\$ 306,300
Contingencies (8%)	\$ 333,296
Total Uses	\$ 5,010,890

Funding

Total project cost is \$5,010,890, of which \$2,999,496 represents the BRC Business Committed grant. The grant is matched by the \$1,225,000 BRC loan, value of land donated by Vacutech to SEEDA totaling \$511,394 (established by a broker's opinion), and \$275,000 by Vacutech for parking lot construction. Cost per square foot is \$112.49.

Loan Terms

Total Project: \$5,010,890

Total Loan: \$1,225,000

Total Grant: \$2,999,496

Collateral: Building to be constructed.

Repayment: The loan will be repaid from lease payments from Vacutech to SEEDA. The loan will be amortized over a 30-year term and SEEDA will make annual payments to the WBC.

Term: 30 years

Interest Rate: 3.5%

Fees: \$3,750 loan servicing fee (\$125 per year for a term of 30 years)

Other Fees: Loan documentation, appraisal, filing fees, etc. are the responsibility of SEEDA and Vacutech.

SEEDA will repay the BRC Program \$1,422,087 in principal and interest.

SEEDA will have a mortgage on the facility. The WBC will take an assignment of that mortgage and lease payments.

DA. The property and building will be owned by SEEDA and leased to Vacutech once construction is complete. Vacutech will enter into a 10-year lease with SEEDA for the building for \$17,500 per month (\$5.25 per square foot) for the first five years with the option to purchase the facility at the end of year five for \$3,643,665, which reflects a rebate to Vacutech for its lease payments made and donated property value. If Vacutech chooses not to purchase the facility at that time, lease payments will be set at \$5.80 per square foot and appreciate 2% per each year thereafter for the next four years of the lease. Vacutech will have the option to purchase the property during that time but will not be rebated for lease payments received - only for the donated land value. Lease payments will be used to make the BRC loan payment.

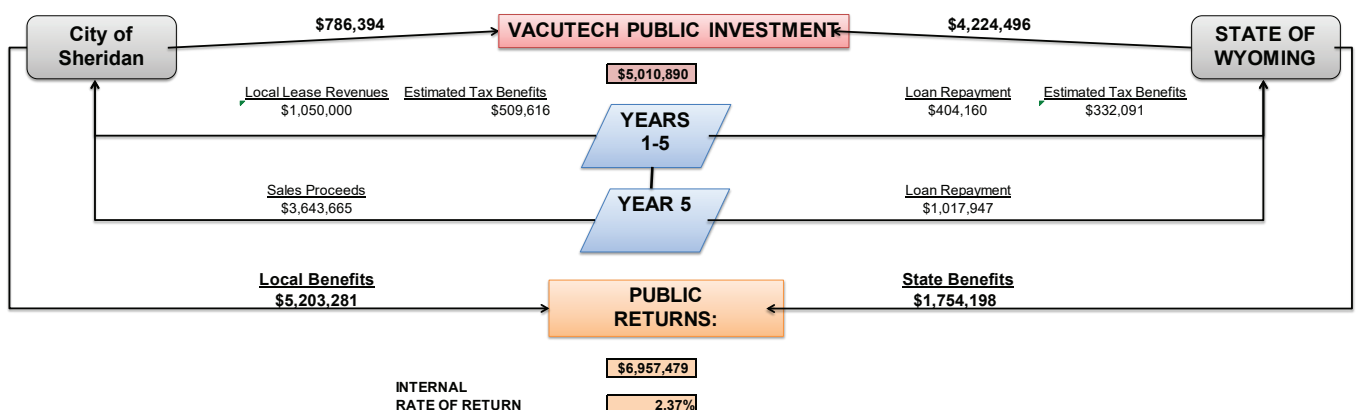
Proceeds from lease payments after loan payments are made will be set aside by SEEDA for insurance on the building (\$417 per month/\$5,000 annually). \$3,000 per month of lease payments will be deposited into a long-term maintenance fund (\$36,000 per year).

After the loan has been paid, proceeds from the sale of the building will be handled as follows:

- 25% will be set aside for SEEDA initiatives for the purposes of economic and educational development of the Sheridan community.
- 25% will be committed toward further development and maintenance of project-ready property in the Hi-Tech Business Park and other locations identified by the SEEDA Board.
- 50% will be held in reserve for business recruitment and retention efforts identified by SEEDA Board.

Lease and Revenue Recapture

Vacutech will deed the 5.87-acre properties to SEE-



Attorney General Opinion

Pending.

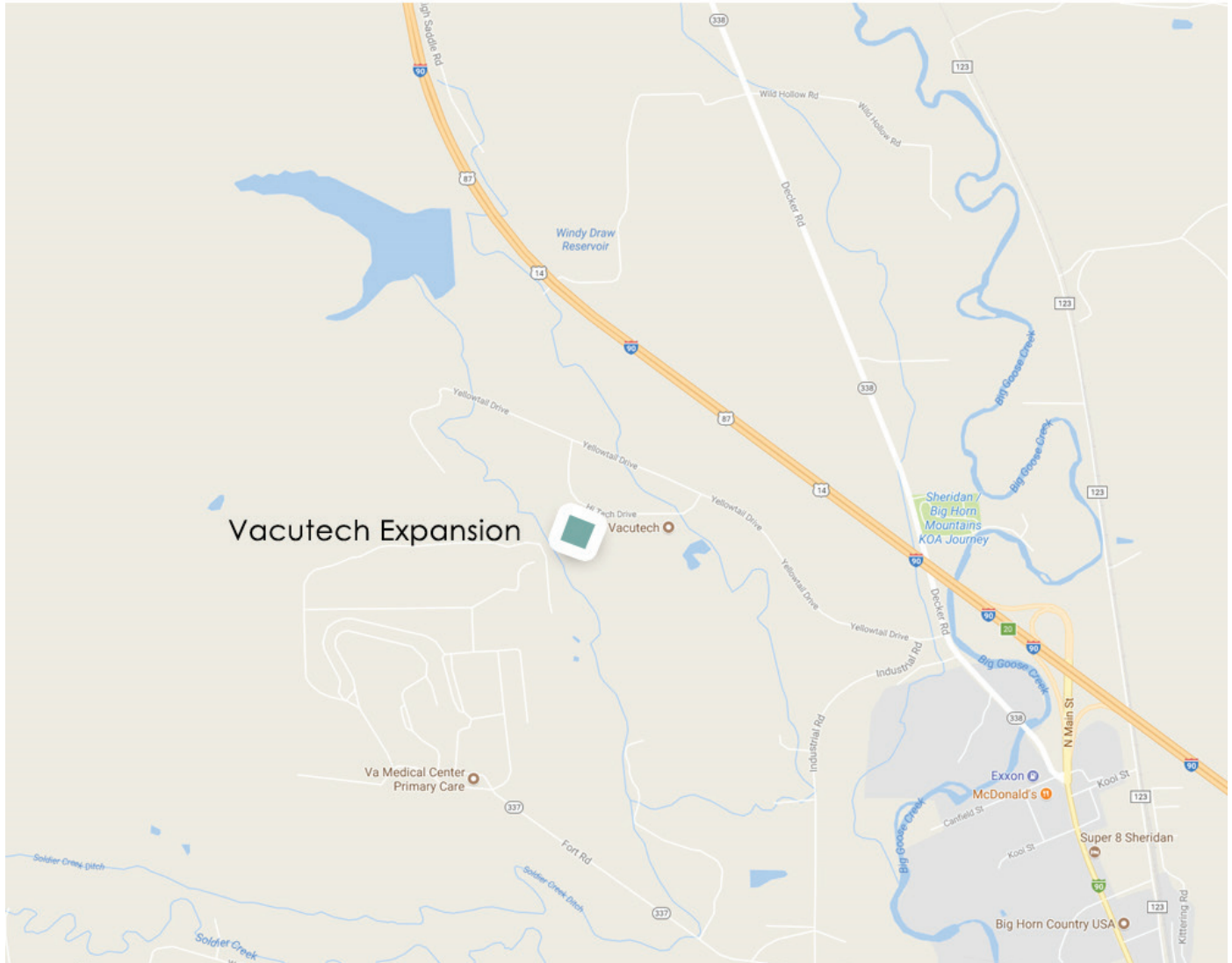
Staff Recommendation

Staff recommends funding the \$2,999,496 BRC Business Committed grant and a \$1,225,000 BRC loan, as requested.

Project Overview

Sheridan Hi-Tech Park Manufacturing Facility			
Purpose	The Sheridan Economic and Educational Development Authority (SEEDA) requests a \$2,999,496 Business Ready Community (BRC), Business Committed grant and a \$1,225,000 BRC loan for the construction of a 40,000 square-foot manufacturing facility to enable the expansion of Vacuum Technologies, LLC dba Vacutech, LLC ("Vacutech").		
Project Budget	Projected Grant Expenditure Schedule		
	Description	BRC	Match
			Cash (Loan/Land/Pkg Lot Const)
	Land	\$ -	\$ 511,394
	Non-Construction Costs	\$ 180,772	\$ 73,828
	Construction Costs	\$ 2,818,724	\$ 1,426,172
	Total Project Cost	\$ 2,999,496	\$ 2,011,394
Percentage BRC of all cash:		71%	
Performance Measures	Measure		Quantity
	Businesses Assisted		1
	Return on Investment		2.37%
	Capital Expenditures		\$2,000,000
	Loan Repayment		\$ 1,422,107
	Revenue Recapture		\$ 4,289,505
	County Median Wage		\$ 22.20
	Median Wage of Jobs Created		\$ 22.50
	Jobs to be Created (5 Year Projection)		76
	Jobs to be Retained		140
Project Infrastructure	Acres Developed		5.87
	New Building Construction		40,000 sq ft

SHERIDAN, WY







CITY OF NEWCASTLE

\$500,000 BRC Community Enhancement Grant Request

Newcastle Business Ready Recreation Enhancement

Staff Recommendation: Do not fund

Business Ready Community Grant and Loan Program

Project Description

The city of Newcastle requests a \$500,000 Business Ready Community (BRC), Community Enhancement grant to construct a bike path from Saddle Subdivision to an existing path along the Highway 16 Bypass, a restroom facility along the bike path and two tennis courts at Centennial Park.

Newcastle residents have indicated a desire for a recreation facility for some time. The city evaluated that possibility and concluded it is not feasible because of the initial construction costs and ongoing operations and maintenance costs. In the absence of a recreation facility, Newcastle proposes to link existing recreation sites including the gym, weight room, track and pool located in the high school with the tennis court across from the high school, construct a restroom facility and extend the current bike and walking path. The city will maintain the tennis courts, restroom and path. The city and school recreation board jointly funded a recreation director position to promote and manage activities.

Wyoming Refinery, a large Newcastle employer, partnered with the Wyoming Game and Fish Department to create a fishing pond with excess water from refinery processes. Local officials, local business owners and the Chamber of Commerce are in the process of developing an economic development strategy for the area. The city is highly motivated to join local businesses in creating a more livable community.

Project Goals and Benefits

The community hopes to meet the recreation needs expressed in community assessments and other public input opportunities. Additionally, by contributing to the community's quality of life, the business environment will be more attractive for recruiting and retaining businesses and their employees.

Timeline

The applicant estimates construction will be complete by summer 2018.

Funding

The total project cost is \$861,700, of which \$500,000 represents the Community Enhancement grant. The grant will be matched by \$361,700 in cash from the Newcastle Pathways Fund (\$25,000), a Wyoming Department of Transportation (WYDOT) Transportation Alternative grant (\$250,000) and the Weston County School Recreation Board and city of Newcastle (\$86,700).

Robert Hartley, a professional engineer, provided cost estimates.

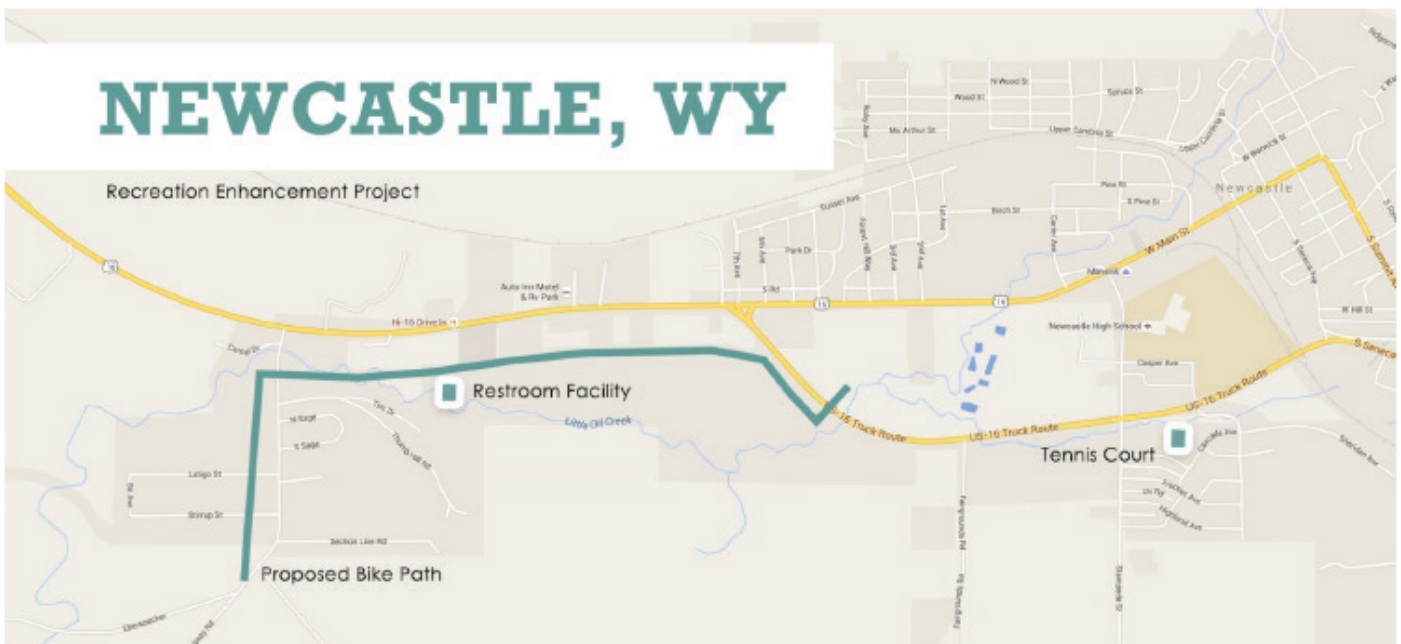
Sources	
BRC amount	\$ 500,000
Cash Match	\$ 361,700
Total eligible project cost	\$ 861,700
BRC % of total eligible project costs	58%
Local % of total eligible project costs	42%
Uses	
Non-Construction Costs	
Architectural and Engineering fees	\$ 131,511
Construction (paths, tennis courts, fencing, etc.)	\$ 670,574
Contingencies (7%)	\$ 59,615
Total Uses	\$ 861,700

Staff Recommendation

Staff recognizes the community’s accomplishments in constructing paths and recreational amenities throughout the city. This project “connects the dots” between many existing amenities with a pathway. It also adds restrooms and a tennis court. These are important amenities. However, BRC rules suggest recreation projects should have a draw greater than the jurisdictional boundaries and therefore staff does not recommend funding.

Project Overview

Newcastle Business Ready Recreational Enhancements			
Purpose	The city of Newcastle requests a \$500,000 BRC Community Enhancement grant to construct a bike path from Saddle Subdivision to existing path along Highway 16 Bypass, construct a restroom facility along bike path, and to construct two tennis courts at Centennial Park.		
Project Budget	Projected Grant Expenditure Schedule		
	Description	BRC	Match
			Cash
	Non-Construction Costs	\$ 76,309	\$ 55,202
	Construction Costs	\$ 423,691	\$ 306,498
Performance Measures	Total Project Cost	\$ 500,000	\$ 361,700
	Percentage BRC of all cash:	58%	
	Measure	Quantity	
Project Infrastructure	Additional Investment	\$50,000	in-kind donations (appx)
	Sidewalks	5382 lineal-feet	
	New Building Construction	1	1 restroom facility
	Tennis Court facility	1 - 2 court facility	
	lighting, fencing, walk-way bridge, signage		





TOWN OF GUERNSEY

\$37,500 BRC Community Development Planning Grant Request

Business Ready Community Grant and Loan Program

Staff Recommendation: Fund as requested

Project Description

The town of Guernsey requests a \$37,500 Business Ready Community (BRC) Planning grant to conduct a study that identifies projects to help the town grow and diversify its economy. Guernsey has a list of accomplishments that directly relate to past Community Development Block Grant and Business Ready Community planning grants totaling \$227,792.

1. The 2007 Community Development Plan identified the need to improve the Guernsey Industrial Park. With that came Bunning Transport, a pipe storage yard, which expanded its operation four times to meet the company's needs. Seventeen of the 28 lots in the industrial park were sold.
2. The 2007 Community Development Plan also called for the development of community space. Results can be seen in the redevelopment of Davis Park in the middle of town. A band shell was added along with additional sidewalk and lighting. The park has hosted summer movie and concert series, as well as farmers markets and an annual beer fest.
3. Tourism is important to Guernsey, as the town is positioned along the Platte River, Oregon Trail and Register Cliff. Guernsey's 2013 planning grant from the Office of Tourism addressed the community's lack of additional lodging. Guernsey added a bed and breakfast, which was funded by a \$750,000 BRC Downtown Development grant, as well as a 45-room hotel built with private capital.



4. Guernsey is working with the Wyoming Department of Transportation (WYDOT) on a master plan for community trails and pedestrian links to Guernsey's downtown and various historical sites in the area.
5. Guernsey and Platte County are currently working with WYDOT to fund Rollins Road and Tank Farm Road, which would provide oil field trucks a bypass of Guernsey. Rollins Road and Tank Farm Road are both results of 2014 planning grants from the Wyoming Business Council.

Project Goals and Benefits

The goal of this latest plan is to help the town:

1. Develop strategies to build on past planning project successes and develop new project ideas focusing on economic development and diversification.

2. Continue coordinating with the National Guard at Camp Guernsey to enhance both the town and the camp.
3. Develop a plan to improve community infrastructure
4. Identify uses for town-owned land.
5. Develop a plan to use and promote the community's historic assets to expand tourism as an economic development tool.
6. Develop a plan to address lack of available housing
7. Continue to look at ways to enhance quality of life in the community as it relates to workforce development and in support of economic development.

Timeline

The planning process will start as soon as possible. The plan will be completed within one year from the formation of the community steering committee. This will allow for implementation of a planning process that will engage all interested people in the process. The town of Guernsey will hire a consultant to work with the community steering committee when developing the community plan.

Funding

The total eligible project cost is \$50,000, of which \$37,500 is BRC Planning grant funding. The town of

Sources	
BRC amount	\$ 37,500
Cash Match	\$ 12,500
Total eligible project cost	\$ 50,000
BRC % of total eligible project costs	75%
Local % of total eligible project costs	25%
Uses	
Planning & Consultant Costs	
Planning and Consultant fees	\$ 50,000
Total Uses	\$ 50,000

Guernsey approved a \$12,500 cash match, which meets the minimum match requirement of 25% of the total eligible project cost.

Staff Recommendation

Staff recommends funding, as requested, with the following contingencies:

- The RFP should include specific public engagement strategies consultants will be required to use.
- The RFP should include specifics regarding target markets and industries the community may have previously identified.
- The RFP should draw upon the previous plan to identify any strategies that were particularly helpful, items that have not yet been addressed, and items that cannot reasonably be achieved.

GUERNSEY, WY

