

MAIN STREET MONTANA PROJECT

A BUSINESS PLAN *For Montana by Montanans*

June 29, 2016 Financial Services KIN Meeting Minutes
Montana State Capitol, Room 137
9:30 a.m. – 2:30 p.m.

Attendees:

Kay Clevidence (Co-Chair) - Farmers Bank
Bill Coffee (Co-Chair) - Stockman Bank
J.J. Adams - Consultant
Jenn Ewan - Missoula Economic Partnership
Craig Wilkins - Vizn Energy
Michael Rands - Rivertop Renewables
Mick Ringsak - Consultant
Leonard Smith - Native American Development Corporation
Dave Glaser - MT Community Development Corp
Julie Foster - Ravalli County Economic Development Authority
Bill Lamdin (Called-in) - Crowley Fleck Attorneys

Staff:

Lieutenant Governor Mike Cooney
Mary Craigle - Commerce
Amanda Casey – Governor’s Office
John Rogers– Governor’s Office
Dan Lloyd– Governor’s Office
Tom Kaiserski- Commerce
Doug Hill – Board of Investments
Melanie Hill- Administration

9:45 AM

Introductions of co-chairs, members and staff

Mary Craigle began meeting with history of Main Street Montana Project (MSMP) and an overview of MSMP booklet. Ms. Craigle’s presentation highlighted accomplishments of the project thus far and gave an overview of each of the pillars of the MSMP.

John Rogers, Chief Business Development Officer for Governor Bullock, gave an overview of the project from a business development side and explained the Governor’s overall goal of the Main Street Montana was a grass roots business plan. Mr. Rogers discussed what state government can do in regards to the MSMP and how state agencies are working with Key Industry Networks (KIN’s) explaining that some of the recommendations can only be done through partnering of the public and private sectors.

Mr. Rogers provided information on the Business Navigator site which was developed jointly with the Small Business KIN. The Business Navigator helps businesses throughout Montana start or expand. The site provides someone starting a new business the steps to take – including what permits are needed and a state contact to call. Future work on the Business Navigator will be assisted by Montana Association of Counties (MACO) and the League of Cities and Towns. Mr. Rogers and the Governor’s Office of Economic Development have won two national awards for their work on the Business Navigator.

An explanation of the Governor’s Main Street 2016 - Innovate Montana Symposium on July 13-14 in Billings was provided to members of the KIN.

10:30 AM Break

10:40 AM One Wish Section

What could help the Financial Services sector flourish in Montana?

Members of the KIN were asked if they had one wish/goal that could help the Financial Services sector flourish in the State of Montana what would it be.

Within the Public Finance sector, members came up with:

- Use of TIP and TEDS strategically structured for rural to sustain tax base
- TIF/TED as part of community business sustainable plans
- Social capital (CDFI, CDI’s) sources need state role in promoting/educating
- Funds to assist business transfer-especially rural to retain what we have

Angel Fund/Venture Capital

- Develop model for venture capital, ie...research to capital
- Statewide clearinghouse/public-private access to capital
- Specifically identifying the needed pipeline

Gap Funding:

- Need capacity of those filling out forms; requirement of terms too burdensome; timeframe to lengthy
- Fast track proven performers
- Pre-gap/Gap Funding-Fourth fund
 - \$1k-\$10k
 - Required in high school and college-every student takes a personal finance class

Education Realm:

- Money follows ideas; capture students before exit and foster early stage ideas
- PK-20 personal finance required class worked with regular reinforcement
- Business plan competition (look at WA state)
- Expand entrepreneurial classes

Main Street Montana Project

- Online predatory lending is becoming a problem
- Succession planning for businesses

- Better collaboration among communities; less competitive, more movement as a team-leadership driven from top
- More integration of all the partners (tribal economic groups, rural groups, multi-state partners)

Infrastructure:

- Sustainable partnership of natural resource development to keep industries thriving
- Broadband infrastructure

Workforce:

- Underemployed/participation rate (relates to sustaining business)

11:15 AM

Setting the Context-Venture Capital and Financing

Discussion of work that has been done to date to create/increase capital for businesses.

Ms. Craige began the discussion by explaining access to capital within Montana was an area of need that has come up across a number of KINs. John Rogers began a discussion into venture capital and financing programs past and present. Dave Desch, Director of the Montana Board of Research & Commercialization Technology (MBRCT) at the Department of Commerce was introduced and discussed and the group reviewed a history he prepared on financing efforts.

12:00 PM Lunch

12:30 PM

Lieutenant Governor thanked KIN members for being part of the MSMP. He provided a brief history of his and the accomplishments of the project thus far and offered his support as the members craft recommendations for Governor Bullock.

12:40 PM

J.J. Adams presentation of survey-Montana Access to Capital Research. Highlights of the presentation include the survey result of Montana's business community having capital needs but not having access or knowledge of venture capital sources. The study also showed the state has a low ranking relative to neighboring states in attracting capital and university research dollars compared to follow-on investment as a metric.

Recommendations from Mr. Adams include:

- Support – efforts to pursue capital must have focused support. The Financial Services KIN in partnership with the Governor's Office could provide a core working team.
- Develop – Montana needs to develop capital or risk falling further behind other states in attracting and growing business
- Fund the Costs – there needs to be financial support dedicated to the effort of capital development

- Recruit Angel Investors (14,000 millionaires within Montana) – this is a pool of individuals that could be a starting point for angel
- Collect and analyze data – again, the Financial Services KIN in partnership with the Governor’s Office could provide a core working team to collect more complete information about Montana by surveying more businesses about needs.

1:05 PM Break

1:20 PM Framing the work for the Financial Services KIN

The KIN discussed areas of work that would assist the Sector. The group provided ideas from which an action plan will be developed

2:00 PM

Mary Craige asks members to sign up for subgroups:

- Public Finance
- Gap Funding
- Angel Fund/Venture Capital
- Education Efforts
- Infrastructure Development
- Main Street Montana Project / Governor’s Office led Financial Services Initiatives
- All above subtopics in context of Indian Country

2:15 PM

Wrap up of meeting. Co-Chair Bill Coffee thanks the members for attending and looks forward to working together in the future. Co-Chair Kay Clevidence thanks members as well and again looks forward to continuing working together.

2:20 PM

Adjourn