



July 28, 2020

RE: GFDA Quarterly Investor Letter

Dear GFDA Investors:

Last quarter was challenging for everyone and we continue to deal with challenging and rapidly changing markets. I'm very proud of the way the GFDA team has responded to help businesses in our region to stabilize and begin to recover, while also doing our regular economic development work to help get new businesses started, companies to expand, real estate developments to break ground, and pursue business attraction opportunities. Attached please find a summary of our COVID Response to date.

We closed our FY 2020 fiscal year on June 30th. In addition to our COVID Response, in FY 2020 we expanded our business development team and our business coaching/training team, launched our talent attraction effort, and developed the downtown Great Falls block redevelopment visions. Later this summer we'll send out a more detailed summary of the past year.

Today, I would like to give you a preview of FY 2021. Your GFDA Board of Directors has adopted an ambitious budget to tackle the most aggressive economic development workplan in our history. We are doubling down on business retention and expansion, entrepreneurial startups, business attraction, and talent attraction to help the region recover and pursue new opportunities created by the economic upheaval.

How an organization invests its time and money is the true test of its priorities. Our FY 2021 Budget invests your dollars in three priorities: 1) helping existing businesses in the region to survive, adapt and thrive in the changed economic landscape and helping local entrepreneurs to start new businesses; 2) attracting new business and real estate investment in our region with an emphasis on primary sector jobs, capital investment, downtown and riverfront revitalization, and housing development; 3) attracting talent to relocate to our labor area to help you fill open positions and enable us to grow our economy.

Your investment is making this possible, along with great support from some of our partners. The budget invests \$408,026 in business attraction and business retention/expansion work. We've awarded a \$75,000 contract with DCI, a top economic development marketing firm, to develop new business attraction leads, and a six-month \$15,000 marketing contract with CoStar/Loopnet to market the Great Falls AgriTech Park. If the CoStar effort works, we've budgeted it extend it another six months. Leads generated for the AgriTech Park have proven to attract investment across the region. We don't care where a company invests, so long as it's in the Golden Triangle!

The budget invests \$156,986 in Talent Attraction efforts to help deal with the ever-present workforce

challenges and to help grow our market. Steady growth of our population not only helps employers, but it also creates its own economic gain by growing the market for local developers, businesses and institutions.

The budget puts \$155,712 of your dollars to work as match for our Small Business Development Center, Procurement Technical Assistance Center, and Food & Ag Development Center, leveraging an additional \$349,999 from state and federal partners. Our Small Business Development Center will be launching a mentor program to engage experienced business volunteers across the region to help support existing businesses and would-be entrepreneurs.

The budget invests \$11,000 in important community partnerships including the Montana Defense Alliance, Downtown Development Partnership, Kids Education Yes, the Great Falls Area Chamber of Commerce's airline flights initiative, and the Great Falls Wayfinding project. We plan to use \$21,000 for specialized grant consultants to help us pursue more opportunities to leverage your investment. Interest on the debt we borrowed to launch the AgriTech Park and all the new initiatives over the last few years will cost \$26,100 and principal payments another \$126,716. And, we will spend an estimated \$94,378 on investment fundraising and investor relations.

Add that up and it totals \$999,918. We are budgeting for total local investment income of \$425,000. We know it will be a difficult year for some investors to financially support our work, but now is the time for GFDA to go all in to get our regional economy back on its feet and growing again. We will figure out a way to make the numbers work to close the gap. We practically always find a way to end each fiscal year with positive net income. We received word last week that the state is approving \$18,189 in CARES Act grants to GFDA which will help. And, we believe that we will earn forgiveness of our entire \$191,398 PPP loan.

In addition to our local investor dollars, we have the new \$300,000 EPA Brownfield Assessment competitive grant we won that this spring that will enable us to provide free hazardous materials assessments for proposed redevelopment projects across Cascade County. And, we have \$18,700 from the Montana Pulse Committee to pay for travel focused on attracting pulse crop processing operations to grow the market for these important agricultural crops.

Now for some very exciting news. Based on our A-rated longstanding EDA revolving loan fund, the U.S. Economic Development Administration today awarded us a major grant of \$4,390,000 in new loan capital and \$439,000 to support our deployment of these COVID-recovery funds over the next two years!!!

This increases our total available loan capital from \$12.6 to \$17 million which increases our firepower to get more deals done that otherwise would not happen. We have over \$6 million in pending loan requests to help projects get going, so we will quickly put this new capital to work.

Thank you for your continued support! And, thank you for the support of several key partners that are making this aggressive budget possible: Cascade County for its continued investment in GFDA's work; the Great Falls Business Improvement District which is splitting the cost of our Downtown Business Development Officer; the Montana Department of Commerce which has allocated some of its supplemental COVID federal funds to expand our Small Business Development Center; and, First Interstate Bank and the SBA for our PPP loan.

We will continue to leverage your investment to secure more resources to put to work in the Great Falls trade area – Montana’s Golden Triangle. We have a pending application at the Community Development Financial Institution Fund, matched dollar for dollar by your investment and by a \$500,000 loan commitment from the Montana Board of Investments. We are pursuing long term loans from US Bank, Wells Fargo, the Opportunity Finance Network, and other institutions to continue to expand our loan capital. And, we are partnering with Great Falls Tourism to pursue an Economic Adjustment Assistance grant from the U.S. Economic Development Administration that would help our tourism partner through these tough times and give us resources to address childcare, broadband, supply chain, and target industries challenges and opportunities.

We have an exceptional Board and staff team in place to start the new fiscal year. Attached please find our updated Board of Directors list which includes the new Directors you just voted to add to the Board.

Thank you again for your support, your investment, the leads you send our way, and most importantly, for everything you do day-in and day-out in your company, organization or agency that supports our economy and improves the economic opportunity and quality of life in our region.

Working together, we are going to make many great things happen in FY 2021 that otherwise would not happen!

Please let me know if you have a challenge or opportunity that we may be able to help with.

Very truly yours



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President & CEO

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The Great Falls Development Authority is a 501(c)3 charitable Montana non-profit corporation and a certified Community Development Financial Institution. We accredited by the International Economic Development Council and earned GuideStar’s 2019 Gold Seal of Transparency.

If you have not yet invested or reinvested, contact Teresa Schreiner at 406-781-9499, TSchreiner@GrowGreatFalls.org. In addition to investment, we also have sponsorship opportunities for companies and organizations looking to enhance their marketing efforts.

Attachments:

- GFDA COVID Response as of 7/28/20
- GFDA Board of Directors List as of 7/2/20