



FY21 QUESTIONS: ROUND 1

Organization: Big Sky Chamber of Commerce

1. What happens to your projects/programs or organization if you do not receive Resort Tax funding?

Under normal circumstances, as a 501(c)(6) nonprofit business membership organization, the Big Sky Chamber would have private funds raised via dues paying member businesses to help support its projects/programs and the organization. However, having just issued almost \$200,000 in microgrants to 57 small businesses through the Big Sky Save Small Business Relief Fund in partnership with Resort Tax, the Big Sky Chamber Board projects a 35% decrease in collections in FY21 budget which may be low based on when that was decided and where we are now. The decision to indefinitely suspend the organization's 60-day collection policy with drop notification within 30 days was made at the April board meeting having recognized the inability of many of our businesses to pay dues at this time. Again, 83% of our members businesses are nonprofits, sole proprietors, and small businesses paying \$350 or less annually. Further, our two major annual fundraising events, the Black Diamond Business Awards Dinner held in June was just cancelled, and the Fore-O-Six Golf Tournament in September is on hold. So private monies raised via sponsorship of these events are not expected. With that said, if the Big Sky Chamber does not receive Resort Tax funding, the organization will have to cut projects/programs and staff.

2. Why do you choose not to have your financials audited?

The IRS does not require nonprofits to obtain audits, but federal and state government agencies do, depending on a nonprofit's size or spending. Independent audits are very expensive, costing upwards of \$5,000-\$10,000. Considering that the Big Sky Chamber's budget excluding Resort Tax funding is in the range of \$200,000-\$250,000, it does not make financial sense to do so. The monies received from Resort Tax which have ranged from \$21,000 in 1992 to \$595,000 more recently are allocated only after submitting receipts directly related to purpose for which they were requested and funded.

3. Have you received any grants due to COVID-19?

As a 501(c)(6) the Big Sky Chamber is not typically eligible to apply for and receive grants. Governor Bullock's newly announced \$123 million in emergency grants includes a Social Services Nonprofit Grant for up to \$10,000. The Big Sky Chamber applied on the day the grant portal opened, May 8th, and is awaiting response to its request.

4. Which projects can be removed from this year's request or postponed?

The Big Sky Chamber already went through the process of removing all projects and programs that are not essential at this time of a public health pandemic to it meeting its



mission and in service to the Big Sky community at-large. The events that remain include the bi-annual *Eggs&Issues* | Gallatin-Madison Joint County Commission Meetings (JCCM), Coordinating Council of Big Sky meeting of the group convened to ensure the implementation of the Our Big Sky Community Strategic Plan, the Montana Chamber Business Days at the Capital leading into the 67th Legislative Session and the Bureau of Business and Economic Research's 2021 Economic Outlook Seminar as part of the statewide, 10-city tour.

Another attempt at cost savings is related to rent. The Big Sky Chamber and Visit Big Sky will be moving in mid-June having signed a 5-year lease with the new landlord at our current monthly rent amount. At our current location, rent has gone from \$3,000/month to \$4,500/month and was slated to go to \$5,500/month with no lease in place. The ability to ensure our financial commitment for our tenancy was a priority of the two organization's Boards, and we believe we have successfully done that.

5. Have you considered the potential impacts to your budget if events/ conferences/ trainings etc. were to go virtual?

If the Big Sky Chamber's events go virtual, obviously there will be no expenses incurred related to facility rental, food and beverage, or sponsorship fees. Virtual events do require technology and staff time to orchestrate, and advertising expense to promote them. However, advocacy and networking are huge components of the Big Sky Chamber's in-person events. The events detailed in response to the previous question provide opportunity for civic engagement for our Big Sky residents and facilitate relationship building between and among government officials, nonprofits, businesses, employees, and residents. The JCCM specifically brings our two local governing entities – Madison and Gallatin County Commissioners – physically to the Big Sky community to hear from us what we need from them. Normally County Commission meetings are held in Virginia City and Bozeman so the opportunity to have our Commissioners in market twice a year to see for themselves Big Sky's continued development is invaluable. If it is an option to host our events in-person we would hope to be able to do so.

6. What impact will travel restrictions/social distancing guidelines have on your operations budget?

Travel restrictions/social distancing guidelines will not really impact the Big Sky Chamber's business directly, but rather indirectly, by negatively impacting many of our members' businesses operations. This will present itself in a drop in private support via their inability to pay membership dues.

7. Please explain the Visit Big Sky management fee and other revenue with more detail:

The Visit Big Sky management fee is the amount reimbursed to the Big Sky Chamber for the organization's salaries for VBS staff. VBS has no employees. It also includes VBS' half



of the rent, utilities, and insurance expense for the shared offices. All contracts including the lease, and utilities are in the name of the Big Sky Chamber. The Big Sky Chamber birthed out VBS as a separate organization in 2013. This is an important point. Each organization has its own 501(c)(6) designation, articles of incorporation, bylaws, 11-member boards, budgets with different funding sources, and file separate tax returns. They try to leverage the interrelated missions to reduce costs, but each is its own organization.

Other revenue comes from sponsorship of our two major fundraising events that we produce annually, again the Black Diamond Business Awards Dinner (June) which was just cancelled, and our Fore-O-Six Golf Tournament (September) that is on hold.

Philanthropy – be it donations from individuals, or grants from corporate and private foundations – is not a funding tool for the Big Sky Chamber since it is not a 501(c)(3) like all the other nonprofits who apply to Resort Tax.



FY21 QUESTIONS: ROUND 2

Organization: Big Sky Chamber of Commerce

1. Do you have any funds from FY20 you are able to release?
 - a. If yes how much can you release?

The Big Sky Chamber in partnership with Visit Big Sky worked with Resort Tax to repurpose \$210,000 of their combined FY20 Allocations with \$90,000 specifically coming from the Big Sky Chamber. These monies were utilized to create the Big Sky Save Small Business Relief Fund which granted out \$192,500 to 57 local small businesses: \$2,500 to those with 1-5 employees including sole proprietors and \$5,000 for those with 6-20 employees. Additionally, 80 Reopening bundles were purchased which included PPE of masks and gloves, hand sanitizer, and Open for Business and other social distancing signage, and delivered to local businesses on the Friday morning leading into Memorial Day Weekend. These programs evoked expressions of sincere thanks from business owners and even caused some of them to tear up with gratitude for the Big Sky Chamber's vital assistance in such a difficult time. The remaining funds are being used to purchase plexiglass shields for consumer-facing retailers and to print additional materials for businesses to communicate expected behavior by our visitors when coming to Big Sky. With that being said, we have no additional monies to release.

2. Using the table below please provide us with a month by month budgetary breakdown of all projects you applied for:

Month	Predicted Resort Tax Request PROJECT 1 LEADERSHIP, STAFFING & OPERATIONS	Predicted Resort Tax Request PROJECT 2 LOCAL GOVERNANCE FACILITATION	Predicted Resort Tax Request PROJECT 3 ADVOCATING FOR OUR COMMUNITY	
July 2020	26,725	875		
August 2020	31,600			
September 2020	31,600			
October 2020	29,725	875		
November 2020	26,850	3,750		
December 2020	29,600			
January 2021	27,225	875	3,500	
February 2021	24,100		7,500	
March 2021	30,600			
April 2021	26,975	4,625		
May 2021	32,600			
June 2021	39,911			
July 2021				



3. Given your recent suspension of membership dues, why do you need this funding?

Membership dues have NOT been suspended. The Big Sky Chamber Board at its April Board meeting made the decision to suspend its Membership Dues Collections Policy for those businesses unable to make payment. Typically, businesses have 60 days to pay once signing up for membership. If they have not paid by that time, they then receive a letter stating they have 30 days to make payment or they will be dropped and no longer receive membership benefits. With 83% of the Big Sky Chamber's membership comprised of sole proprietors and small businesses, coupled with the organization working with Visit Big Sky to put forth a micro grant program to help support small businesses that weren't able to make payroll or pay their rent, it seemed counter-intuitive and disrespectful to expect them to turn around and make payment to us for membership dues with that money, all at a time when they need the Big Sky Chamber's services now more than ever. Below is the actual language that went out in an email to the membership on May 13th that included how we ourselves as the Big Sky Chamber are a small business and depend on membership dues and other private support to fund our operations so if able, to please continue to make payment.

UPDATE: Membership Dues Collection Policy Suspension

The Big Sky Chamber's number one priority is always to Advocate for YOU - our member businesses and thousands of employees. We understand the financial burden the COVID-19 pandemic has put on every Big Sky business, and we are dedicated to helping you through this economic downturn.

As a result, the Big Sky Chamber Board of Directors has decided to relax the organization's membership dues collection policy. If you are not financially capable of paying your annual dues at this time, we will not revoke your membership status. This gesture, coupled with the recently launched EMPLOYEE | EMPLOYER Assistance Hotline and the Big Sky Save Small Business Relief Fund which awarded \$192,500 in micro grants to 57 small businesses, demonstrate our commitment to seeing your business survive and eventually thrive.

However, please recognize that the Big Sky Chamber is itself a small business and dependent on your private support to operate. So, if you are able to pay your membership dues, please do so by check or credit card.

Additional funding for Chamber operations comes from Resort Tax. As we begin the FY 21 Resort Tax Allocation process, we hope that you will voice your support for our organization which has been working on your behalf, and on behalf of the Big Sky community at large.

4. In Program 2, how much of the \$11k is just for the joint county commission meetings? Typically, an Eggs&Issues | Joint County Commission Meeting event costs \$3,500-\$4,500 depending on venue rental rates and amount of advertising and promotion done in advance along with meeting materials. It equates to \$8,375 for the two meetings in FY21.



5. How will your services to businesses change with the change in tourism climate for our community this year?

The Big Sky Chamber's Mission is to serve as the **VOICE** of Business, as it **CHAMPIONS** a healthy economy and works collaboratively with community stakeholders as a **CONVENER** and a **CATALYST** to improve the overall quality of life in the region. Through *Elevate Big Sky 2023*, the Big Sky Chamber's Strategic Plan, it works to deliver on this mission by 1) Advocating for our Member Businesses and their Employees, 2) Creating a Positive Business Climate 3) Encouraging Community Infrastructure Investment, and 4) Facilitating Local Governance. Our services provided under these strategic pillars will not change. They constitute our value to our membership and feed the membership benefits provided in our private dues structure. Significant additional services in response to COVID-19 have been provided by the Big Sky Chamber already within its existing structure to include establishing a Business Assistance Hotline, disseminating vital timely information to access federal/state funding, developing a Save Small Business micro-grant program which could be duplicated should the need arise now that the operating framework is in place, and deploying resources i.e. Reopening Bundles with PPE and signage to deal with doing business in the “new normal.” These activities fall within our strategic pillars. So ultimately, we will address our businesses’ pain points due to the change in tourism climate as necessary. These continue to evolve on a daily basis so it is difficult to predict future needs outside of additional PPE and signage, information on how to keep their workplace and employees safe with the virus living among us, and recruitment of workforce which has always been an issue addressed by the Big Sky Chamber. Construction and real estate are actually two verticals that are “benefitting” from the pandemic, and knowing that, the Big Sky Chamber will more actively solicit their investment in our organization and look to provide some additional programming for these industry partners.

6. What amount of your reserves, if any is the Board willing to utilize this next season to support operational funding shortfalls?

The Big Sky Chamber’s designated reserves are from the sale of the property that formerly housed its operations, along with that of Visit Big Sky/Big Sky CVB including the Big Sky & Greater Yellowstone Visitor Information Center. They are still needed for this original purpose, and in light of COVID-19 driving up real estate prices in desirable, rural states like Montana, now more than ever, it is crucial that the organization try to preserve and build upon these reserves in its attempt to purchase something in the future. To be fiscally responsible, the Big Sky Chamber and VBS are moving to Big Sky Town Center where a 5-year lease has been secured, maintaining rent at its current level for the first 3-years and then small increases tied to the cost of living index for years 4-5. During this time, the goal is to fundraise and secure a permanent location for the organization that will allow for more financial sustainability over the long term. The Big Sky Chamber is prepared to adjust its operating budget based on the level of funding received.

7. Dan Clark had previously mentioned a shift in Local Governance Facilitation to BSRAD, how would you ensure a cooperative hand off to another entity so you can focus on supporting creation of healthy businesses?



In Dan Clark's report, he did not mention a shift in Local Governance FACILITATION to BSRAD, he recommended that the BSRAD take on more of a "government entity" mindset since it oversees the distribution of upwards of \$8 million annually to organizations serving the Big Sky community much like a municipality budgeting and allocating to its departments. During the Big Sky Chamber's 9-month strategic planning process, it heard repeatedly from Big Sky community members and businesses alike that it needed to conduct strategic planning on behalf of the greater Big Sky community in its entirety. The Big Sky Chamber felt this was better suited for BSRAD to undertake as the primary funder of the Big Sky community's evolution from a destination ski resort to a sustainable community, and hired Dan Clark with the Montana State University Local Government Center to do some research into the local governance tools available to Big Sky as an unincorporated, Census-Designated Place (CDP) straddling two counties, to better manage itself, although recognizing how much has already been accomplished via the Power of Partnership time and time again. This excluded incorporation, and instead focused efforts on how to fully utilize tools already in the toolbox. As a result, Dan recommended that the BSRAD conduct the community strategic visioning process, which you as a Board and staff did. Further, the Big Sky Chamber in its role of Facilitating Local Governance also hosts the biannual *Eggs&Issues* and Gallatin-Madison Joint County Commission Meeting. In its role of Convener and Catalyst, the Big Sky Chamber's ability to bring together our two governing counties in market to educate, inform and request assistance on critical issues is a vital and valuable service to not only our member businesses, but the Big Sky community at-large. As part of the *Elevate Big Sky 2023* Strategic Plan, this pillar was identified as core to the Big Sky Chamber's work, and during the past three years this program has grown from what was an ad hoc Joint County Commission Meeting called by the Chamber when the need arose to much-anticipated and highly successful events held twice a year that was expanded to include *Eggs&Issues*, providing even greater opportunity to address community issues with our counties along with more than 100 participants which is a BIG turnout for a business event in Big Sky. The Big Sky Chamber has repeatedly taken on issues, for example affordable workforce housing, and birthed out new entities, in this case the Big Sky Community Housing Trust, to benefit the greater good. Although the Big Sky Chamber Board feels strongly that these signature events are part of its core program offering, and benefits related to it are fully integrated into its membership offering, it is always willing to discuss what is best for greater good of the bigger community. After all Our Community. Our Business.



FY21 QUESTIONS: ROUND 1

Organization: Big Sky Community Housing Trust

1. What happens to your projects/programs or organization if you do not receive Resort Tax funding?

Without Resort Tax funds BSCHT will not be able to operate, as currently 90% of our operations costs are covered with Resort Tax funds. The significant portion of our request is for investing in future Workforce Housing developments. Without funding, those efforts will be put on hold.

2. Why do you choose not to have your financials audited?

Our financials will certainly be audited at the end of our first fiscal year, Dec 31, 2020. As a new entity which was incorporated on December 18, 2019 and had no funds of its own until receiving 501©3 status on April 17, 2020, thus we had nothing to audit. HRDC, our previous parent organization has an audit of the entire organization, which we are happy to share.

3. Have you received any grants due to COVID-19?

No. We did not apply for any grants as COVID 19 did not impact our operations.

4. Which projects can be removed from this year's request or postponed?

Some of the \$1,500,000 requested for future Workforce Housing Development could be reduced or postponed. See below for explanation for how this money is planned to be used. The Down Payment Assistance funds (\$200,000) are critical for the households planning to purchase MeadowView units this Fall and Winter. The Long Term Rental Funds (\$20,000) will greatly enhance this program which is finally getting traction.

5. What properties are you looking at for future development and what is the planned offer amount(s)?

BSCHT has had preliminary discussions with Scott Maybee and his "sliver" property along Lone Mountain Trail (east of American Bank). The asking price for the 4.4 acre property is \$2.25M though BSCHT is not willing to pay that price for this limited buildable property. We have not negotiated in earnest without having a commitment for Resort Tax Funds. The plan is to build a 48 unit apartment complex on the property if setbacks can be sufficiently relaxed. As with the MeadowView project, Resort Tax Funds would be used to purchase the land and the construction costs would be financed through a loan.



We also are working to partner with Big Sky Rocks, LLC and their Quarry project along 191, to provide deed-restricted single family condominium homes at attainable prices. Our hope is to

purchase 2 of every 12 homes produced and place them into the Community Land Trust, at a buy down rate of approximately \$50-60,000 per home. The homes would be deed restricted and sold for about 25-35% below the cost of the other homes produced in this development. This subsidy per unit amount is based on the subsidy amount per square foot of home spent at Meadowview. The Quarry project would be spread over several years, with BSCHT desiring to buy into 16 homes in phase 1 at a cost of approximately \$880,000

Several other possible locations for Apartment Buildings have been discussed with property owners, but those deals would be in future years.

6. Do you foresee more short-term rentals converting to long term rentals as a result of COVID-19?

Yes, in fact we are pleased to have 4 new listings up on our recently launched LandingLocals website as of May 20. We are watching Craigslist and FaceBook for Short Term listings and are reaching out to owners about renting long term to locals instead. We are also contacting all target HOAs to reach more owners. Funding for the program will used to incentivize owners to list long term, by providing them with alternate accommodations when they visit Big Sky.



FY21 QUESTIONS: ROUND 2

Organization: Big Sky Community Housing Trust

1. Do you have any funds from FY20 you are able to release?
NO. The approximate \$390,000 we will have left over after our 4th quarter operations draw is needed for future development projects. BSCHT already gave \$100,000 from our FY20 award to the COVID Response Fund.
2. Using the table below please provide us with a month by month budgetary breakdown of all projects you applied for:

Month	Predicted Resort Tax Request PROJECT 1 OPERATIONS SUPPORT	Predicted Resort Tax Request PROJECT 2 DOWN PAYMENT ASSISTANCE	Predicted Resort Tax Request PROJECT 3 FUTURE PROPERTY DEVELOPMENT	Predicted Resort Tax Request PROJECT 4 LONG TERM RENTAL PROGRAM
July 2020	10,000			
August 2020	10,000			5,000
September 2020	11,000	100,000		
October 2020	11,000	100,000		5,000
November 2020	11,000			
December 2020	11,000		500,000	
January 2021	11,000			5,000
February 2021	11,000			
March 2021	11,000		500,000	
April 2021	11,000			5,000
May 2021	11,000		500,000	
June 2021	11,000			
July 2021	11,000			

3. What have you learned from your first project that you can carry forward for the future?
The Overrun on the MeadowView Project taught us to better forecast for construction cost increases and delays. In this environment, these are likely occurrences.
4. How can you work with developers and/or contractors to ensure they have some accountability after Meadowview went over budget and was delayed?
The MeadowView project was not mismanaged, though bureaucracy may have caused some project slowdowns. The developer fee at 2% allowed very little room for penalties. Future contracts will include higher development fees which will be at risk if cost and performance targets are missed. This unfortunately drives higher costs to the eventual buyers, which is what we are trying to avoid.



5.

What are you doing to work toward having more of your operations funded outside of BSRAD so we can focus our dollars on more projects for the Housing Trust?

BSCHT continues to look at available State and Federal program funding and affordable housing grants. Unfortunately, our community has not qualified for any of these to date, as our unincorporated status make us ineligible to apply, or Big Sky income rates and building costs are too high. The LIHTC (Low Income Housing Tax Credit) program can provide viable financing for a rental property project which has land cost contributed. That is why we seek Resort Tax Funding to help us purchase land and then plan to cover the construction costs with other funding. Philanthropic and investment support from the community is planned, but with the recent large asks (BSCO and COVID help) the timing for us to make a major appeal has been delayed.

6. How many applicants utilized the Down Payment Assistance program last year?

Of the 18 households which have already closed on MeadowView Units, 11 used Down Payment Assistance totaling \$475,750. Of the 34 remaining units which will start closing in September 2020, it is forecasted that at least 30 of them will need Down Payment assistance for a total of over \$500,000. The cap amount provided to each household will be lowered from \$55,000 to \$20,000. Federal Loans requiring only 5% down are being aggressively explored.

7. The property request is a very large amount in a year where funds are tight. What happens if we are unable to fund?

a. Can the development begin without the Housing Trust?

Lack of committed funding prevented BSCHT from making an offer on the Maybee Sliver Property and that property is now under contract to another buyer. This is the concern, we are not able to move quickly and make offers without a committed award amount, and yet forecasting timing of available property availability is not a sure thing.

b. Does Project 3- Future development need to proceed this year? The funds for our second proposed project investment can be delayed until the second half of the year. We are exploring other properties for purchase, but due to the sensitivity of real estate transactions and competition for land, we are unwilling to share details. Delaying land purchases just delays the addressing of the #1 critical community need.

8. Are there any opportunities for matching funds on the property?

None that we have found. Incorporated communities outside of Montana have other options for funding available including assessing all new developers with an allocation which goes to Workforce Housing and Real Estate Transfer Taxes. These are not allowed to be dictated here, but could be approached on a voluntary basis, which is being explored. Resort Tax IS our current funding source to solve this most critical community problem, given the structure of our community.



9. Are you partnering with any developers or other non-profits?

We work with Montana Non Profit Association to explore Grant opportunities, and Neighborworks Montana for funding and training information. We have met numerous times with BlueLine Development who has extensive background in workforce housing projects throughout mountain communities. We have met with three local developers, with varying success, to see how we can partner with them on projects.

10. What details can you provide for specific project opportunities under consideration for this funding?
Please refer to details already shared in Round 1 answers.

11. Regarding Program 3, what additional funding do you anticipate needing from BSRAD to complete the 52 Apartments?

The expectation is that the funds requested would be sufficient to cover land and basic infrastructure costs, so no additional funds were anticipated. As mentioned, the desired property has recently gone under contract to another buyer, so the situation has changed greatly. We have approached the developer and have a meeting set up to discuss possible partnership but there are no details available at this time. If this opportunity is lost, funds will be used on another project. Without funding we cannot make offers. This is a fast moving and fluid environment. It does not fall in the same level of predictability of a typical Resort Tax organizational request.

- a. Who will be the developer and how is it being structured so that the developer has the risk of cost over runs? See above

12. "What deliverables are you providing to the community from the almost \$2.5M allocation your received FY20 from BSRAD?"

The FY20 allocation allowed 52 perpetually affordable housing units to be added to the community, a first for Big Sky. The total (across several years) Resort Tax subsidy amount per unit was \$51,000. This is a very competitive investment amount for mountain town housing projects. The Resort Tax award also allowed us to make significant progress in the development and launch of a robust Long Term Rental program and on line tool for converting short term rentals into properties available for rent to local workers. In the past year a new independent 501c3 organization was established to continue to meet these community needs.

13. When do you expect to start seeing a return from Project 2- down-payment assistance, investments?



The households borrowing Down Payment Assistance funds are not obliged to repay until they sell their units, so it is unlikely we will see any payback for at least 3-5 years.

- a. How will those re-payments be utilized? Repayments will remain in the DPA fund and be used for additional loans to other qualified households attempting to buy affordable homes.



FY21 QUESTIONS: ROUND 1

Organization: Big Sky Community Organization

1. What happens to your projects/programs or organization if you do not receive Resort Tax funding?

If BSCO does not receive funds from BSRAD for FY21, we have enough reserves to keep our parks and trails open for the summer months, but would then close all public parks and trails to the community until funding could be secured to properly maintain and operate these incredibly valuable and highly utilized assets to our community.

2. Have you received any grants due to COVID-19?

BSCO received a PPL Loan as well as a Social Services grant from Montana Department of Public Health & Human Services through state COVID-19 relief funds.

We plan to utilize the \$10k grant from the State of Montana to cover the additional expenses we are incurring to meet the Phase 2 state guidelines for operating our public facilities and summer camp program. This includes extra cleaning of facilities, additional cleaning and sanitizing supplies, and PPE for our staff. None of these expenses are included in our FY21 budget, so these funds will go directly to cover the additional costs related directly to the COVID-19 pandemic.

We received a \$91,900 PPP Loan. We will be applying for forgiveness of this loan, once we are able to. Once we understand how much of the loan is forgiven we plan to decrease our allocation request for the second half of FY21 to reflect the portion of this additional revenue that would normally be requested of BSRAD.

3. Which projects can be removed from this year's request or postponed?

Project 2 The Master Trail Plan build out can be removed from our request for a total reduction of \$50,667.00. Our board has chosen to utilize some of our reserves to self-fund the majority of these projects to ensure their completion, allowing us to prioritize our request to BSRAD for only our essential needs. This change includes the following capital projects and how we are addressing them:

- A. Resort Connection: We will be delaying this as Big Sky Resort is not able to build a section of trail that provides a necessary connection.



- B. Spruce Cone Trail: We have begun work on the trail and are able to self-fund the remainder of this trail project.
 - C. South Fork Trails: We are currently securing the easements needed for the project. Additionally, we plan on reducing the number of trash and dog waste stations to be installed on the project to reduce the cost so that we can self-fund the improvements.
 - D. Andesite Road Safety Improvements: We are currently, self-funding and working to improve safety for pedestrians and cyclists on Andesite Road. Improvements include installation of road signs and painting of center lane and shoulders for cyclists.
4. Why is your forecasted FY22 request so large?
- A. FY22 includes 50% for trail projects based on our trails master plan 10-year projections. Total projects are estimated to be \$471,311 with the BSRAD portion of \$235,656.
 - B. BSCO is also estimating requesting 100% of our Park Project of a new maintenance building \$206,900 and a professional mower \$25,000. We had anticipated asking for these in FY21 but due to the COVID-19 crisis, we pushed the project back a year, but will need this project completed in order to properly maintain the new trails that will be completed through the TIGER grant funds.
 - C. BSCO anticipates asking BSRAD for \$75,000 to help with the facility maintenance and operations for BASE and Len Hill Park, which was estimated to be open for 9 months of FY22.
 - D. BSCO Operations & Maintenance only increased by 3% which is an estimate based on prior years' cost increases. Estimated ask is \$590,791.
 - E. BSCO is not asking for any of the BASE staff wages in this year and the current programming staff is moved to BASE as well.
5. When will the Parks & Trail District seek a levy?

The Parks & Trails District is currently not structured to be able to seek a levy. The following process needs to occur before voters could approve a levy. The soonest we believe this process could be complete is end of 2021 or 2022.

- 1) Expand current District boundary in Gallatin County to include all of Big Sky through a resolution. On track to be completed summer of 2020.



- 2) Rewrite interlocal agreement to allow District to put a vote forward to residents for a property tax levy or parcel assessment. A new resolution and interlocal agreement would need to be passed by both Gallatin & Madison County. Expected timeline 6-12 months after boundary re-alignment.
- 3) Put a levy on the ballot for voter approval. Expected timeline 6 months after updated resolution and interlocal agreement is complete.

6. What are the Dues & Fees for BASE?

FY21 does not have any BASE dues and fees as it will not be open by June 30, 2021. In FY22 BASE will have 9 months of collected dues and fees. BSCO is anticipating \$338,100 in earned revenue each year to cover the staffing and programming expenses along with some of the maintenance and operational expenses associated with the facility.

7. How much of next year's request is for operations expenses of BASE?

BSCO anticipates asking BSRAD for \$75,000 to help with the facility operations and maintenance of BASE and Len Hill Park which is estimated to be open for 9 months of FY22.

BSCO anticipates asking BSRAD for \$100,000 annually to help with the facility operations and maintenance of BASE and Len Hill Park for the future years when open year-round.

8. Can the Parks & Trails District fund BASE?

The District can only fund the direct expenses of maintaining the facility and park.





FY21 QUESTIONS: ROUND 2

Organization: Big Sky Community Organization

1. Do you have any funds from FY20 you are able to release? Yes.
 - a. If yes how much can you release? The \$29,088 that we already released to the Big Sky Relief Fund.
2. Using the table below please provide us with a month by month budgetary breakdown of all projects you applied for:

Month	Predicted Resort Tax Request PROJECT 1 OPERATIONS & MAINTENANCE	Predicted Resort Tax Request PROJECT 2 MASTER TRAIL PLAN BUILD OUT
July 2020	100,645	0
August 2020	42,532	0
September 2020	45,032	
October 2020	43,747	
November 2020	31,565	
December 2020	50,960	
January 2021	42,660	
February 2021	37,833	
March 2021	30,982	
April 2021	37,505	
May 2021	39,316	
June 2021	50,961	
July 2021		

3. What is the status of working with the Parks District to form a taxing district to cover operating costs of the parks and trails?

The Parks District Board of Directors voted to move forward a resolution to Gallatin County to re-align the District boundaries at their May 27th, 2020 Board meeting. This is the first step to re-forming the current District to allow future taxing to property owners within the District to cover parks, trails and recreation operating costs. The next step is to update the BSCO Board of Directors and ask for their collaboration and support from staff at the BSCO board meeting June 25th. From there, the two entities will work together to follow the steps we outlined previously:

- 1) Expand current District boundary in Gallatin County to include all of Big Sky through a resolution. On track to be completed summer of 2020.



- 2) Rewrite interlocal agreement to allow District to put a vote forward to residents for a property tax levy or parcel assessment. A new resolution and interlocal agreement would need to be passed by both Gallatin & Madison County. Expected timeline 6-12 months after boundary re-alignment.
 - 3) Put a levy on the ballot for voter approval. Expected timeline; potentially as early as May 2021 or no later than November 2021.
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4. What percentage of BSCO's annual operating costs are proposed to be covered by BSRAD funds? BSRAD request is 43% of predicted revenue and covers 44% of predicted expenses.
 5. Can the trail projects in Program 2 be pushed to next year? Yes. We have removed this from our FY21 application. Please see update below on our plan to complete some of these projects this year with reserve funds and postpone the most expensive one until next year.
 - A. Resort Connection: We will be delaying this as Big Sky Resort is not able to build a section of trail that provides a necessary connection.
 - B. Spruce Cone Trail: We have begun work on the trail and are able to self-fund the remainder of this trail project.
 - C. South Fork Trails: We are currently securing the easements needed for the project. Additionally, we plan on reducing the number of trash and dog waste stations to be installed on the project to reduce the cost so that we can self-fund the improvements.
 - D. Andesite Road Safety Improvements: We are currently, self-funding and working to improve safety for pedestrians and cyclists on Andesite Road. Improvements include installation of road signs and painting of center lane and shoulders for cyclists.
 - a. If not, why? N/A
 6. Is there a way to proceed with the trail plan without this funding and depending on summer income potentially receive funding later?

We are proceeding with 3 of the 4 projects as outlined in the plan using our own reserve funds to address the highest priority safety concerns and trail connections outlined in our Master Trails Plan. We do not plan to ask for any trail construction funds in our Jan-June FY21 application, however plan to ask for the M2M connection we put off this year in our FY22 application. We will reassess in the Spring of 2021, and prioritize projects with the funds available before we make our request. We will update our Master Trails Plan timeline accordingly to ensure these projects do not get abandoned but instead are executed as funds are available in the order of highest priority.



FY21 QUESTIONS: ROUND 1

Organization: Gallatin River Task Force

1. What happens to your projects/programs or organization if you do not receive Resort Tax funding?

If the Task Force does not receive Resort Tax funding, we would strive to achieve our proposed FY2021 budget goals through increasing the percent time spent on development for each staff member. With the reallocation of staff time, we would have less forward progress and impact in our programmatic areas and ultimately watershed health, as described in detail below.

If we were unable to meet our FY2021 budget goals with the reallocation of staff time, then we would reduce program/project activity or potentially eliminate projects, with the following potential impacts:

Operations (\$233,081 Request): Our FY2019 operational request augments other revenue to fund the minimal operational expenses required to move forward FY2021 projects we feel are critical to watershed health. These include withholding new staff benefits or raises, limited training and travel, remaining in our current office space which is inadequate for our current staff size and meeting needs, and utilizing AmeriCorps and interns as much as possible. Further reduction in operations would result in:

- Employee salary cuts, reduction in hours or release of employees.
- Reduced impact on watershed health from resort tax requested projects, projects funded through other revenue streams or projects, which costs are primarily associated with staff time (watershed monitoring, communications, and education).

Education and Outreach (\$15K Request of which 100% is for communications): We have requested Resort Tax funds to support half of our communications budget so that we can leverage resort tax dollars to acquire other funding. Reduction in the communications budget would result in:

- Incorrect messaging from ill informed sources that could be detrimental and hinder forward progress of water and wastewater management in Big Sky. The community needs to have a sound scientific local organization representing all relevant information related to water and water management.
- Reduced engagement in our project work and landowner activities to protect watershed health, critical to implement now with community growth.
- Reduced success in development efforts.



Watershed Monitoring (\$4K): Our community leans heavily on our 20 years of monitoring data to develop restoration projects and guide water management decisions and that would be compromised with a lapse or inaccurate data collection. Aside from the staff time required for data collection, analysis, management and sharing, we would be unable to measure spring runoff streamflow. Without these data points, our streamflow calculations for the rest of the year at our four streamflow gauges on the West Fork, Middle Fork, and South Fork would be less accurate because they are computed by a statistical relationship between measured streamflow and continuously recorded water level.

Watershed Restoration and Enhancements (\$30,500 Request):

- Deer Creek & Porcupine Creek Restoration Projects: the impact would be reduced forward motion on Porcupine/Beaver Creek project creating potential loss of interest from the Forest Service and prioritization in the NEPA process which could delay project start indefinitely or permanently. The \$10,000 requested for Porcupine is intended to be used as a match to secure other funding for the full cost of the next phase at \$39,000.
- Nutrient Abatement Project Feasibility Studies: The Middle Fork, West Fork, and South Fork streams draining the Big Sky community are all on the state impaired list for nutrients, which greatly limits the potential options for our community's wastewater reuse. These studies will help address nutrient loading and aim to lift state impairments on these streams. We have the opportunity with a \$9,000 investment for one project to leverage \$25,000 in pro bono engineering to design additional nutrient abatement projects. Without funding, we would lose this opportunity to leverage funding.
- River Cleanup: Each year our cleanup removes significant trash from the river (1.2 tons in 2019), which would remain along the streambanks and likely enter the river impacting river health.

Water Supply Resiliency Projects (\$61,020 Request):

- Water Supply Resiliency Planning (\$35,000): We would risk losing the opportunity to receive the largest grant ever awarded from the Montana Department of Natural Resources and Conservation (MT DNRC) Watershed Management grant program of \$35,000 towards a \$105,000 project to prepare our community for water shortages created by growth, infrastructure failure, wildfire, and climate change by assessing and coordinating action amongst the 25 public water systems in Big Sky. This project will perform water audits of each of the public water systems, develop scientifically based trigger values that prompt a coordinated response for the 25 public water systems to water shortages, and allow us to strategically develop our water conservation program. As part of the contract to receive this MT DNRC grant we need to raise an additional \$35,000 in matching funds and another \$35,000 to complete the project.



- **Water Conservation Program:** The impact would be that our community delays addressing, what we believe is one of the biggest potential threats facing our community, which is not having adequate water supplies to sustain our growing community and a healthy river exacerbated by the predicted impacts from climate change. Our Resort Tax request is for \$10,000 to use as match in securing additional funding for this program.
- **Town Center Purple Pipe:** With the paving of a parking lot in Town Center this summer, we would lose the opportunity for a private/public partnership to link purple pipe infrastructure that would add a beneficial wastewater reuse option for the Big Sky Water and Sewer District while providing irrigation water to Town Center without using groundwater that augments community water supplies and streamflow of the Middle Fork.

Gallatin Canyon Groundwater Discharge Modeling, Planning, and District Formation Support (\$100K Request): This proposed project is the next step to move forward wastewater management for both the Canyon and the Big Sky Water and Sewer District by determining the potential amount and locations for wastewater effluent discharge into the groundwater in Gallatin Canyon. This assessment will provide answers as to which landowners may benefit from retiring their septic drain fields for this purpose and how these be negotiated with the Big Sky Water and Sewer District and future Canyon District to lower hook up costs, which are the main driver for most landowners in the Canyon to upgrade their wastewater treatment systems. These answers are critical to forward momentum and assistance in district formation in Gallatin Canyon, which needs to happen within the next three years to receive the benefit from the 1%.

2. Have you received any grants due to COVID-19?

We received a PPP loan on April 20 for \$47,200.00, which will be spent by June 15. These funds allowed us keep operations and programming we sacrificed for our FY2020 Resort Tax released for COVID relief and reallocate funds restricted for development that we will need in light of the economic downturn. We were able to make these changes and stay in alignment with our Resort Tax contract and PPP requirements for loan forgiveness.

3. Which projects can be removed from this year's request or postponed?:

In light of the projected loss in Resort Tax collections and priorities to assist the Big Sky community with COVID relief, we carefully scrutinized which projects we requested for resort tax funding in FY2021. We could eliminate \$10,000 request for our Upper Deer Creek



restoration project without impact to the success of project completion. We included this \$10,000 request so that the Resort Tax could contribute to the construction of this project (total cost = \$280,000), which will be a tremendous asset for the Big Sky community with improved river access for recreation, including an accessible fishing platform.

4. Our understanding was that donations would increase with the funding of a development director, why have donations decreased?

With all respect and gratitude to the Resort Tax Board and Team, and in deference to our actual and audited financial data--our donations have in no way decreased but have increased significantly since our Director of Development (DOD) began in November of 2018. FY2019 (closing June 30) was the first year on record for the Task Force to ever log more than 1 million in revenue, and FY2020 will be in line with sustaining that growth, even in the midst of a global pandemic. In closing FY 2019 with our new DOD, we finished approximately \$60k over FY2018 in general fundraising and memberships. We additionally closed for auditing purposes our Gallatin River Forever Campaign, with total revenue over the next four years (through 2023) being a gross of over 1.4 million to allocated and contracted conservation and restoration projects and organizational sustainability. From the time period of our DOD joining our team, from November of 2018 to the close of the Capital Campaign, we raised over \$600,000 new dollars from many new donors for capital projects and pledges to close the campaign fund, using the excess to cover our Capital Campaign costs. As required by our auditors, our FY2019 numbers included in total 2019 revenue, the next 4 years of pledged, allocated/staggered revenue, which may give the appearance of a decrease in revenue from FY2019 to FY2020, at first glance. But, as of this writing our FY2020 fundraising numbers for our general fund and membership program are more than \$54,000 dollars total over FY2019 (more than double those programs in 2019) and our banquet which was initially planned for the end of FY2020 is being rescheduled to Q1 of FY2021. We have more FY2020 Friend of the Gallatin members than ever before, with over 215 community supporters. The Hooked on the Gallatin Banquet this year already has as much cash revenue PLEDGES for sponsors as in 2019, with much of that received, a few uncertain to make payment due to COVID, and a few lost outright due to COVID (and made up for in other areas). The uncertainty in revenue with our banquet lies in a.) the ability to hold that in person in August and b.) the resulting success of the silent and live auctions which last year brought in over \$75,000 dollars. To date--we have no data reflecting in either FY2019 or FY2020 any loss of donations that have not been made up for greatly in other areas. Our goal is to continue to lessen our Resort Tax burden and change our organizational culture to reflect that. Huge steps have been taken and progress made in doing that in the last 19 months, and we will continue to do this in what amounts to a year's long strategic process



for any organization seeing the growth in fundraising and project work that the Task Force has had since 2018, and plans to continue. In summary, our last two years have had 100% non-resort tax revenue growth in every development/fundraising area over FY2018, a number which we are proud of and feel emboldens us to continue growing and diversifying our revenue sources.

5. Why do your Resort Tax requests continue to grow?

Our Resort Tax requests have not continued to grow. Our FY2021 request of \$433,601 is less than the last two years – our FY2020 request was \$690,803 and our FY2019 request was \$599,709. Furthermore, our FY2021 Resort Tax request is the lowest percentage of our total budget (33%) in our entire history of Resort Tax requests. For example, in recent years, FY2020 was 48% and FY2019 was 53% of our total budget. Prior to these years, our requests have generally hovered between 50 and 60% of our total budget. The percent of our budget funded through resort tax has declined in light of significant growth in our project work and overall impact. Our budget has had an average 64% growth rate over the past five years in order to address water issues and priorities outlined most recently in the Resort Tax funded Big Sky Sustainable Watershed Stewardship Plan. All of these changes are direct result of the effectiveness of our Director of Development, which is not funded through resort tax.



FY21 QUESTIONS: ROUND 2

Organization: Gallatin River Task Force

1. Do you have any funds from FY20 you are able to release? We have released \$24,989.61 from FY2020. We may be able to release a small amount of funding from FY20 but are uncertain at this time.
2. Using the table below please provide us with a month by month budgetary breakdown of all projects you applied for: The table reflects when we would spend the proposed funding, although we would aim to invoice the Resort Tax the month following.

Month	Predicted Resort Tax Request PROJECT 1 OPERATIONS	Predicted Resort Tax Request PROJECT 2 EDUCATION & OUTREACH	Predicted Resort Tax Request PROJECT 3 WATERSHED MONITORING	Predicted Resort Tax Request PROJECT 4 WATERSHED RESTORATION & ENHANCEMENT PROJECTS	Predicted Resort Tax Request PROJECT 5 WATER SUPPLY RESILIENCY PROJECTS	Predicted Resort Tax Request PROJECT 6 GALLATIN CANYON GROUNDWATER...
Jul 20	\$19,423.45	\$1,250.00		\$2,250	\$9,090	\$8,333
Aug 20	\$19,423.45	\$1,250.00		\$2,250	\$9,090	\$8,333
Sep 20	\$19,423.45	\$1,250.00		\$3,250	\$9,090	\$8,333
Oct 20	\$19,423.45	\$1,250.00		\$2,250	\$3,750	\$8,333
Nov 20	\$19,423.45	\$1,250.00		\$10,000	\$3,750	\$8,333
Dec 20	\$19,423.45	\$1,250.00			\$3,750	\$8,333
Jan 21	\$19,423.45	\$1,250.00			\$3,750	\$8,333
Feb 21	\$19,423.45	\$1,250.00		\$5,000	\$3,750	\$8,333
Mar 21	\$19,423.45	\$1,250.00		\$5,000	\$3,750	\$8,333
Apr 21	\$19,423.45	\$1,250.00		\$500	\$3,750	\$8,333
May 21	\$19,423.45	\$1,250.00			\$3,750	\$8,333
June 21	\$19,423.45	\$1,250.00	\$4,000		\$3,750	\$8,333
Jul 21						

3. What percentage of your annual operating costs would your BSRAD request cover? 45.67%
4. Comparing Gallatin River Task Force to the Gallatin Watershed Council:

The Gallatin Watershed Council has struggled with long term stability, funding and impact-- and consequently has had very limited impact on watershed health in the Gallatin Valley. We have modeled our strategic initiatives and growth after other successful watershed groups in Montana, like the Big Hole Watershed Committee, Clark Fork Coalition, and the Blackfoot Challenge, and in the region, like Henry's Fork Foundation and Friends of the Teton. We would still be very much needing to



grow our work and expand our financial and fundraising capacity to be at the level of work, staffing and funding that these groups are at---and to be able to impact our watershed in the way that these groups do and that our community has continued to ask of us.

Furthermore, different from the Gallatin Watershed Council, the Task Force has stepped up to tackle projects that would typically be executed by municipal government, like our water conservation program, drought and water supply resiliency planning, and the more recent Gallatin Canyon Wastewater Upgrade assessment.

- a. How many river miles does GRTF oversee versus GWC?: The GWC oversees approximately 2000 river miles, which runs through four municipalities that can fund watershed related activities; while, the Task Force oversees approximately 800 river miles running through the Big Sky area or land managed primarily by the Forest Service, with essentially no budget to fund watershed related activities. In addition, many of the river miles overseen by the Task Force are an iconic nationally treasured resource that will likely be designated as Wild and Scenic in the near future, deserving a higher level of protection.
 - b. How many staff does GWC have? .75FTE contracted staff and an AmeriCorps
 - c. What is GWC annual budget? \$75,975.93
 - d. Operations Budget (Admin, Overhead and Contracted Work): \$51,030.75
 - e. How is GWC funded? GWC is primarily funded through state and federal grants followed by foundations and limited individual and business donations
5. Regarding the projects in Program 4, why can they not be pushed out a year or two?
- a. What constraints dictate they need to happen this year?
 - i. Our Upper Deer Creek restoration project (10K) which is almost entirely funded through legally restricted and contracted committed campaign dollars was intended to start in the fall of 2019 at the Deer Creek access site. We were forced to delay construction because of the unexpected need to replace the Green bridge. Consequently, we moved up the timeline for our next river access project, just upstream at Baetis Alley (Upper Deer), which is linked to the Deer Creek project through the re-routing of boat traffic. With already being delayed a year, we feel obligated to show impact and success on the ground to our donors or we may risk requests for future support. We are now under contract for construction and have all of our official state and government permits to start construction in late August. Meanwhile, river use continues to increase threatening to do further damage to the river and the cost of restoration far exceeds the cost of protection. Furthermore, any deferment of this campaign project would result in increased construction and overall project costs. As stated in the first round of questions, we can pull the \$10K request for this project and still complete this project



- ii. Porcupine/Beaver Creek (10K): Similar to our prior answer, increasing threats to further damage streamside areas will result in a more expensive project. Our resort tax request is for 25% of the total cost to further design to use as a match. As stated in the first round of questions, momentum with the Forest Service is needed to ensure we do not lose priority in the NEPA process, which could delay the project indefinitely.
- iii. Nutrient Abatement Projects (9K): We feel these projects are critical to avoid another environmental crisis, like the 2018 algae bloom, and open up potential wastewater reuse options in the West Fork Watershed that would be beneficial to watershed health. Three streams draining the Big Sky area are listed as impaired for nutrients. If we can reduce nutrient inputs into the West Fork Watershed and remove these stream impairments, we will lessen the threat of nuisance algae which threatens our fisheries and open up more hydrologically beneficial options for wastewater reuse in the West Fork Watershed.

6. Regarding Program 5, what portion of the purple pipe project is GRTF funding? 26%
- a. Why isn't program 5 100% funded by the BSSWD and the Town Center entities?

The BSWSD has not historically installed reuse lines for developments. We view this project as providing greater community benefit, outside of the BSWSD and Town Center, towards watershed health addressing goals outlined in the Big Sky Sustainable Watershed Stewardship Plan that was funded through Resort Tax and Gallatin and Madison counties.

7. Regarding Program 6, could this be funded and overseen by the BSSWD utilizing the recently passed 1% for infrastructure initiative?

This project is outside of the scope of interlocal agreement between the Resort Tax and the BSWSD; however, according to Ron Edwards, the interlocal agreement could be amended with an increased budget to include this project.

8. What amount of your reserves or excess from FY19, if any, is the Board willing to utilize this next season to support operational funding shortfalls?

Prior to submitting our resort tax application, we took a hard look at our projects and were able to return funds allocated last year to support the Big Sky Relief effort and the local community needs. We applied for and received a PPP loan to support our operations in the interim. When thinking about our resort tax application this year we utilized this same lens. We took a hard look at our funding streams and existing reserves when preparing the application and tightened our belts on projects, both on timing and cost, on the front end as part of our commitment to the community and while striving to maintain our mission. As such, we have already allocated our reserves in our fiscal year 20 planning.



9. How do you plan to sustain your organization long-term with such a drastic variance in decrease of revenue to increase in expenses?

The premise of this question is incorrect, our revenue has increased while we have taken on more community needs. Organizations like the Task Force throughout the American West and in Mountain Towns like Big Sky are nearly all, (apart from the Task Force) funded by lucrative municipal fees, impact fees and dedicated conservation programs supported by municipalities and government (see Bozeman's Water Conservation program and St George, or Park City, Utah's impact fees that go to watershed health.) Even as our work has increased in scope to meet community growth, demands and water supply/condition combined with river health---we have increased our revenue apart from Resort Tax far beyond our asks to Resort Tax, which has decreased by \$247,202 in this application over last year. The Task Force's revenue apart from the Resort Tax has continued to increase while organizational demands sought by our community (to increase our capacity to take on more governmental and watershed conservation functions) have also increased. It is our intention and belief that this will level off and sustain minimal growth in coming years as the community and individuals continue to step up, engage and support us in greater numbers and in larger sums. There will however remain a need and growing intention of the community to continue our project and watershed work (as aligned with our mission) throughout the watershed as we did in the Capital Campaign, at such areas as Porcupine, Beaver Creek and more (which could go beyond the scope of basic annual revenue generation and be on the scale of another, larger Capital Campaign). An integral part of our Gallatin River Forever campaign has been and is allocated to organizational sustainability, something that is a top priority for the Task Force, with already established success (documented in the first round of this questioning). We are continually working towards this sustainability with the aforementioned revenue growth (apart from BSRT) in the version 1 of RT questions we received. We intend to continue this growth in support from private foundations (nationally and locally), individual donors and public-private partnerships (outlined in below questions) while diversifying our funding in as many ways as possible to increase the health of our financial position annually. Again, as noted in the previous set of questions--we have had NO decrease in revenue--our 2019 numbers were inflated at the direction of our auditors, to include all of our campaign pledges that will occur over the next five years as being realized in 2019. **It is very important to the Task Force staff and board that the Big Sky Resort Tax Board understands this point: our revenue has not decreased, and our donors and donations have grown exponentially while our Resort Tax asks have decreased. Since this has been brought up multiple times in this questioning process, we wanted to make that as clear as we can. If necessary, we would be happy to reach out to our auditors and ask for comment or documentation on this question and the related question asked previously.**

10. When do you anticipate decreasing need from BSRAD on your Operational Budget to allow for more project-based funding for your organization?



We have significantly decreased the need for BSRAD to fund operations in this request, in which we are requesting 45.67%, compared to 69% in FY2020, 65% in FY2019 and 65% in FY2018. We also want to make clear that project-based funding also requires operational expenses, that in some cases can be the significant portion of a project budget.

11. The community sees clear deliverables in your projects, what will they see from your operations vs projects?

The community has made clear that a priority in the Our Big Sky: Community Visioning process was protection of our natural resources. The continuance of our operations is what most guarantees that. Operations are absolutely critical to complete projects - without operations we would not be able to fundraise for, plan, coordinate, execute, and track projects. Staff time that the Resort Tax application classifies as operations is the primary or only expense of some of our projects that move forward goals and strategies within the Our Big Sky Vision and Strategy. Without operations, we will not have project deliverables. As was noted by the Big Sky Resort Tax board itself, during last year's allocation, without our operational functions--as is the case for all Big Sky nonprofits: our mission, goals, projects and strategic plan would not be able to forward. With the threats facing the Upper Gallatin in water scarcity, changing climate and growing development, growing every day--our work only becomes more important. Additionally, with the operational staffing of our organization over the last 24 months, we have finally reached close-to average staffing for an organization of our size and breadth to maximize impact and efficiency.

12. What active role will you play in forming a Gallatin Canyon Water Sewer District? We foresee this being a vital role that we should take on and one that we would love to play an active role in; however, our role will depend on whether or not our operations are fully funded. This is an example of one of the projects that we oversee which without staffing and operational costs, would not be possible for us to continue to take on and execute as these are its primary expenses.
13. Please describe your sources and plans for Other Public Grants, Private Donations and Fundraising.

The Task Force has begun ambitious efforts beyond our already strong growth plans and actualities in this area to cover all bases outlined in the above question and any others, such as planned giving, peer to peer fundraising, an endowment and water fund to help perpetually support our work on an annual basis, and other options for public and private funding.

Our team has been working on and will be submitting a large number of grant requests (more than ever before) to private foundations, many that we are engaging with for the first time or re-engaging with to further grow our relationships and grant funding. We have invested, as allocated by our capital campaign-- in time and resources being used to research national, state and local foundations that would support our work and to begin reaching out regarding letters of inquiry and grant application processes. This outreach has already resulted in a \$2,100 grant from REI in Bozeman, which is a new source for us that can be grown and cultivated in the coming years, amongst other small but encouraging successes. This was already planned but has been accelerated with the threats of, and



actual donor/sponsor attrition due to the COVID public health and economic crisis. Recently, we have also engaged Gallatin County, Trout Unlimited and the National Forest Foundation.

We have continued to engage the donors that supported our capital campaign and increased our membership over the last 18 months, and to great results. These donors will be our continued focus along with major donor cultivation programs and relationship building, something that was lacking prior to 2019. We will be over in our general fund/membership goals for this FY year, even as we are “all hands-on deck” to try to make up the difference from a deferred Hooked on the Gallatin Banquet and uncertainty around the pandemic and applicable legal guidelines our organization must adhere to. Our general fund donation goals from individuals and memberships will continue to grow each fiscal year, to ensure organizational sustainability and revenue diversification. We continue to also look to approach new individuals and sponsors that have not been approached before but have an interest in watershed conservation and have weathered well, the financial and health storm around COVID. We are looking forward to success in engagement and casting our net ever wider in order to meet our goals across the board. We will also be/have been engaging more than ever our Board of Directors to establish new cultivation and networking opportunities to inform our greater community of our existence, work and to ask for support. We will be having private home events this year as allowed and engaging supporters in new areas that we haven't before. We have a thorough calendar and strategic planning document for revenue growth that guides us every year and though postponed and switched up somewhat in 2020 because of COVID, we have continued to be dynamic and flexible in our ability to diversify and seek new types and sources of funding, while sustaining those that have gotten our organization, projects and work to this point. Additionally, we are looking at a new fall golfing event that is being discussed and led by community leaders and would help to continue diversification of funding.

We will be announcing soon the creation of a new and local Peer to Peer--socially distant fundraising event (in the lead up to our Summer 2020 Banquet) that will amplify our sponsors and create additional ways to crowdsource funding in a socially distant way that also funds our most important work. This watershed-wide activity and event will be amplified through social media and communications and engage the community in new and exciting ways, while helping educate our present community about the importance of the watershed to our health and well-being.

Late this winter, we rolled out our License Plate Revenue Project officially with a new “Friend of the Gallatin” license plate that once promoted and purchased by people across Montana, can and will be a steady stream of revenue and marketing for our work and mission. Additionally--we are collaborating and planning extensively with the Nature Conservancy of Montana to formally roll out and establish a Water Fund that would most likely include an endowment and corporate support for the Upper Gallatin Watershed and the main focal points of the Task Force’s work and mission. The goal of this fund would also be to grow our revenue diversity and donor pool, and further our programmatic and conservation work throughout the watershed as threats increase and must be mitigated sustainably.



Lastly--we will continue to focus on the sustenance and growth of our established efforts to achieve sustainable growth through donor retention, acquisition of new donors, board members and supporters and to more than make up for any natural or unexpected COVID attrition. We have increased our ability to use data and database management to track these metrics and numbers and be able to regularly measure where we are at so that we can meet and exceed given goals and objectives in fundraising in development.



FY21 QUESTIONS: ROUND 1

Organization: Visit Big Sky

1. What happens to your projects/programs or organization if you do not receive Resort Tax funding?

Visit Big Sky is almost entirely publicly funded excluding monies received from lodging partners to underwrite the publication and printing of the Official Visitor Guide. The original FY21 budget projection of \$350,000 from the Montana Office of Tourism and Business Development based on the Big Sky Resort Area District's percentage of the 4% Montana Facility Use Lodging Tax was lowered by the VBS Board to \$250,000 for budgeting purposes. If Resort Tax funding to VBS was to be cut, projects/programs and staff would be cut to reflect what the budgeted Big Sky Convention and Visitor Bureau bed tax monies coupled with the Resort Tax amount allocated. The decision was made to not print the OVG at this time, thus saving nearly \$25,000 in printing and distribution costs.

2. Why do you choose not to have your financials audited?

The IRS does not require nonprofits to obtain audits, but federal and state government agencies do, depending on a nonprofit's size or spending. Visit Big Sky is a state-designated Convention and Visitor Bureaus (CVB) and fiscal sponsor for a percentage of the 4% Montana Lodging Facility Use Tax or "bed tax" designated for tourism promotion per Montana Annotated Code. These funds are distributed by the Montana Office of Tourism and Business Development under the Department of Commerce and require VBS to undergo an audit of these funds only which is conducted by the state on an annual basis. VBS has been a model held up to the other 19 state-designated and 7 Tourism Regions for its exemplary compliance. Resort Tax funding has constituted the majority of VBS' budget with allocations ranging from \$450,000 in 2014 when the organization was created to \$640,000 more recently. These monies are allocated only after submitting receipts directly related to purpose for which they were requested and funded. Being that independent audits are very expensive, costing upwards of \$5,000-\$10,000, it does not make financial sense to undergo a second audit.

3. Have you received any grants due to COVID-19?

As a 501(c)(6), Visit Big Sky is not typically eligible to apply for and receive grants. The PPP Loan which forgiveness is another instance of ineligibility for VBS. Governor Bullock's newly announced \$123 million in emergency grants includes a Social Services Nonprofit Grant for up to \$10,000. Eligibility was expanded beyond 501(c)(3)s to include 501(c)(6) nonprofit organizations so VBS applied on the day the grant portal opened, May 8th, and is awaiting response to its application.



4. Which projects can be removed from this year's request or postponed?

PROMOTE the Destination: VBS's primary focus is to market the Big Sky destination to bring visitors back in the wake of the COVID-19 pandemic once the Governor's mandated 14-day self-quarantine is lifted as of June 1. These marketing dollars designated to support this effort are not "optional" in our opinion, but rather were dependent on moving into Phase II of Montana's reopening which has been announced.

DEVELOP/STEWARD the Destination: – Sustainability initiatives slated for spring 2021 in the amount of \$10,000 could be postponed.

LEAD the Destination: – Continuing professional education for staff in the amount of \$10,000 could be removed from this program.

5. What portion of your "Team Big Sky-People and Place" budget is conferences/events that may be affected by travel and social distancing restrictions?

TEAM Big Sky-People and Place is comprised solely of salaries, benefits, rent, utilities, and insurance expense. There are no conference/events expenses in this program that may be affected by travel and social distancing restrictions.

6. What are your decision points to stagger marketing to increase and cut-back on marketing based on surges?

Marketing at present consists of a PPC (Pay-Per-Click) and retargeting campaign which was initiated on March 1, totally demand driven by people actively searching for lodging in and around Yellowstone National Park. As of May 1 it was expanded to include Montana residents as well with the 14-day self-quarantine in effect. There is a monthly budget cap in place due to the limited marketing dollars remaining in FY20 with VBS' repurposing of \$110,000 of its allocated funds to underwrite the Big Sky Save Small Business Relief Fund microgrant program that distributed \$192,500 to 57 small businesses. Demand is far outpacing what this campaign has been able to serve, and it is our intent to increase those dollars to meet it with future funding.

A retro fenced, geo-targeted campaign designed to reach individuals who visited the Big Sky destination during the Winter 19/20 season was scheduled to begin May 1st.

According to summer '19 consumer research conducted by Destination Analysts, 83% of summer visitors were repeat visitors to the destination. VBS was going to serve up summer offerings to those who had come this past winter. Trigger points to move forward with this campaign are the expiration of the 14-day self-quarantine for non-residents entering the state, coupled with the opening of the three Montana entrances to Yellowstone National Park. We are awaiting the Governor's recommendation to Superintendent Cam Sholly of Yellowstone on the latter.



In-state marketing to reach Montana residents is underway with a Yellowstone Country Tourism Region coop placing digital ads with Lee Enterprises' Montana newspapers including the Billings Gazette, Helena Independent Record, The Missoulian, The Montana Standard in Butte and Hamilton's Ravalli Republic. Further, regionally a AAA campaign encompassing Montana and other drive market states is also being negotiated with tourism sentiment research by Destination Analysts showing significant intent by prospective travelers to drive to destinations within a 539-mile radius rather than fly, once travel opens up again.

Yellowstone specific National Parks Trip media lead-generating campaigns continue targeting people specifically looking to travel to the park. The names of individuals garnered via this placement provide for customized email marketing campaigns. In addition, an ad placed in USA Today's National Park specific magazine insert this summer continues to position Big Sky as a Gateway Community to Yellowstone. Summer '19 research conducted in Big Sky by Destination Analysts showed 33% of visitors to Big Sky were also visiting Yellowstone as a part of their vacation.

Owned media including VBS' website continues to see traffic with requests for Official Visitor Guides to assist with trip planning. Social media channels including VBS' Facebook and Instagram pages support inspirational messaging to plan today for #TravelTomorrow and direct prospective visitors to the website to learn more. With the Governor's announcement of the 14-day self-quarantine being lifted as of June 1, VBS will be more direct in its marketing message inviting visitors back to Big Sky.



FY21 QUESTIONS: ROUND 2

Organization: Visit Big Sky

1. Do you have any funds from FY20 you are able to release?
 - a. If yes how much can you release?

Visit Big Sky in partnership with the Big Sky Chamber worked with Resort Tax to repurpose \$210,000 of their combined FY20 Allocations with \$110,000 specifically coming from VBS. These monies were utilized to create the Big Sky Save Small Business Relief Fund which granted out \$192,500 to 57 local small businesses: \$2,500 to those with 1-5 employees including sole proprietors and \$5,000 for those with 6-20 employees. Additionally, 80 Reopening bundles were purchased which included PPE of masks and gloves, hand sanitizer, and Open for Business and other social distancing signage, and delivered to local businesses on the Friday morning leading into Memorial Day Weekend. These programs evoked expressions of sincere thanks from business owners and even caused some of them to tear up with gratitude for Visit Big Sky's vital assistance in such a difficult time. The remaining funds are being used to purchase plexiglass shields for consumer-facing retailers and to print additional materials for businesses to communicate expected behavior by our visitors when coming to Big Sky. With that being said, we have no additional monies to release.

2. Using the table below please provide us with a month by month budgetary breakdown of all projects you applied for:

Month	Predicted Resort Tax Request PROJECT 1 TEAM BIG SKY	Predicted Resort Tax Request PROJECT 2 PROMOTE THE BIG SKY DESTINATION	Predicted Resort Tax Request PROJECT 3 DEVELOP & STEWARD THE DESTINATION	Predicted Resort Tax Request PROJECT 4 LEAD THE DESTINATION
July 2020	6,326	25,533	3,000	2,141
August 2020	11,144	14,215		4,641
September 2020	13,220	86,139		641
October 2020	13,220	15,889		891
November 2020	13,220	12,389		3,391
December 2020	13,220	168,389		1,041
January 2021	13,220	15,739	10,000	1,291
February 2021	13,220	5,489		3,641
March 2021	13,220	13,139		1,641
April 2021	13,220	11,389		10,391
May 2021	13,220	15,639	1,500	641
June 2021	18,108	16,501		649
July 2021				



3. What are you able to accomplish as outlined in your plan of work for FY21 with your restricted CVB funding already in hand?

It is very important to note that FY21 projected Montana Lodging Facility Use Tax collections are just that, projected, and do not get dispersed to Visit Big Sky until the third month of the current quarter for which it they are being collected. They are not automatically “in hand” with the start of the fiscal year. VBS will receive its 1st Quarter (July-September) allocation for FY21 in September based on actual monies collected from July-September which at the moment is completely unknown with the current environment due to the COVID-19 pandemic, economic recession and protesting/rioting go on nationwide. CVB monies are utilized to maintain the core underlying operating framework required to run a destination marketing and management organization from fully funding our Visitor Services Manager and Tourism Stakeholder Manager staffer, a portion of our .5 Compliance Manager and .5 CEO, as well as website hosting and development, technology platforms to manage email marketing and social media, and content sourcing and storage. Finally, monies also fund the DestiMetrics lodging platform that provides critical data upon which marketing decisions are made in collaboration with 9 lodging partners along with other consumer research. Finally, they include monies for summer/YNP specific marketing campaigns, and air route development marketing support to promote the Big Sky destination, but very limited monies of roughly \$130,000 compared Jackson Hole for example has a \$3 million budget.

4. What is included in the contract paid to the Big Sky Chamber annually from the VBS budget?

Reiteration of the Response to the Big Sky Chamber’s Round 1, Question #7: Please explain the Visit Big Sky management fee and other revenue with more detail.

Visit Big Sky and the Big Sky Chamber leverage their interrelated missions to reduce costs, but each is its own organization. The management fee contract is a statement of the transfer of funds from VBS to the Big Sky Chamber for the organization’s salaries for VBS specific staff. VBS has no employees. It also includes VBS’ half of the rent, utilities, and insurance expense for the shared offices. All contracts including the lease, and utilities are in the name of the Big Sky Chamber. The Big Sky Chamber birthed out VBS as a separate organization in 2013. This is an important point. Each organization has its own 501(c)(6) designation, articles of incorporation, bylaws, 11-member boards, budgets with different funding sources, and file separate tax returns.

5. Are you promoting locally or nationally or both? *Reiteration of Round 1, Question #6: What are your decision points to stagger marketing to increase and cut-back on marketing based on surges?*

Marketing at present consists of a PPC (Pay-Per-Click) and retargeting campaign, which was initiated on March 1, totally demand driven by people actively searching for lodging in and around Yellowstone National Park, so nationally. As of May 1, it was expanded to include more local market efforts meaning Montana residents, with the 14-day self-quarantine in effect. There is a monthly budget cap in place due to the limited marketing dollars remaining in FY20 with VBS’ repurposing of \$110,000 of its allocated funds to underwrite the Big Sky Save Small Business Relief Fund microgrant program that



distributed \$192,500 to 57 small businesses. Demand is far outpacing what this campaign has been able to serve, and it is our intent to increase those dollars to meet it with future funding.

A retro fenced, geo-targeted campaign designed to reach individuals who visited the Big Sky destination during the Winter 19/20 season was scheduled to begin May 1st. According to summer '19 consumer research conducted by Destination Analysts, 83% of summer visitors were repeat visitors to the destination. VBS was going to serve up summer offerings to those who had come this past winter. Trigger points to move forward with this campaign are the expiration of the 14-day self-quarantine for non-residents entering the state, coupled with the opening of the three Montana entrances to Yellowstone National Park which Governor Bullock has done effective June 1, so with that this campaign is scheduled to begin immediately.

In-state marketing to reach Montana residents is underway with a Yellowstone Country Tourism Region coop placing digital ads with Lee Enterprises' Montana newspapers including the Billings Gazette, Helena Independent Record, The Missoulian, The Montana Standard in Butte and Hamilton's Ravalli Republic. Further, regionally a AAA campaign encompassing Montana and other drive market states is also being negotiated with tourism sentiment research by Destination Analysts showing significant intent by prospective travelers to drive to destinations within a 539-mile radius rather than fly, once travel opens up again.

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Owned media including VBS' website continues to see traffic with requests for Official Visitor Guides to assist with trip planning. Social media channels including VBS' Facebook and Instagram pages previously supporting inspirational messaging to plan today for #TravelTomorrow and direct prospective visitors to the website to learn more will now communicate that Montana, and Big Sky in particular is welcoming visitors back with the Governor's announcement of the 14-day self-quarantine being lifted and the 3 Montana entrances to YNP open as of June 1.

6. What areas can you trim in your budget? *Reiteration of Round 1, Question #4: Which projects can be removed from this year's request or postponed?*

PROMOTE the Destination: VBS's primary focus is to market the Big Sky destination to bring visitors back in the wake of the COVID-19 pandemic once the Governor's mandated 14-day self-quarantine is lifted as of June 1. These marketing dollars designated to support this effort are not "optional" in our opinion, but rather were dependent on moving into Phase II of Montana's reopening which has been



announced. The marketing efforts of VBS support the Big Sky destination as a whole, taking the state tourism offices' messages from top of funnel to get people to choose Montana, Yellowstone Country's messages to choose our region, and then finally our organization's messages to specifically choose Big Sky for their trip. Local businesses then market their specific goods and services to visitors once they have made their decision to come here. Again, the return to Resort Tax for their investment in Visit Big Sky is additional Resort Tax collections from our tourism business stakeholders collecting the luxury tax, primarily from our visitors to continue to build the Big Sky economy.

DEVELOP/STEWARD the Destination: – Sustainability initiatives slated for spring 2021 in the amount of \$10,000 could be postponed.

LEAD the Destination: – Continuing professional education for staff in the amount of \$10,000 could be removed from this program.

7. Does travel seem realistic for your team right now considering everything happening?

There are no travel plans for staff at present other than the state-mandated participation in the quarterly Tourism Advisory Council (TAC) meetings should they revert to in-person meetings in Helena. The only other potential travel is that of the CEO as a sitting board director of the U.S. Travel Association for quarterly board meetings and programs should they revert to in-person meetings. At a time when the travel and tourism industry has been decimated by the COVID-19 pandemic and resulting economic decline, the need for the industry to gather, and to collaborate on the road to recovery is critical. To have a Montana tourism industry representative with a seat at the national table where policy and programming are being created as part of the solution is a true asset not only for the Big Sky community, but for the state of Montana.

8. With the Montana Office of Tourism's adoption of the tag line "Montana is Worth the Wait" how do you plan to adjust the scope of your activities in these uncertain economic times?

The MOTBD tag line was being utilized while Governor Steve Bullock's mandated 14-day self-quarantine for out-of-state travelers was in effect. It expired as of June 1. Marketing to attract visitors back to Montana is set to begin immediately and to include messaging around traveling and recreating responsibly, meaning the need for frequent hand washing, wearing a mask, and practicing safe social distancing. VBS will transition its previous inspirational messaging that encouraged potential visitors to Keep the Dream Alive and Plan Today for #Travel Tomorrow to a proactive visit Big Sky marketing message beginning June 1.

9. Why does the Expenses and Revenues section of your application show nothing in terms of Private Donations, Fundraising and Other Revenue? *Reiteration of Background Information Responses from FY21 Application (some much abbreviated due to word count limitation on the response)*

Under the Revenue category in the FY21 Application there is Other Revenue of \$33,500 which includes private dollars raised from lodging partners for advertising in the Official Visitor Guide, as well as sponsorship of VBS' annual events like the Marketing Outlook Luncheon and other programs. As stated in various responses in the FY21 Application to a number of questions, it was explained that philanthropy – be it donations from individuals, or grants from corporate and/or private foundations such as the Yellowstone Club Community Foundation, Spanish Peaks Community Foundation and Moonlight Basin Community Foundation – are not funding options for VBS since it is a 501(c)(6) nonprofit, not a 501(c)(3) charitable nonprofit like all the other nonprofits who apply to Resort Tax for



funding with the exception of the Big Sky Chamber. Another current example of this difference in VBS' ineligibility for philanthropic funding versus other Big Sky nonprofits is that of the COVID-19 CARES Act PPP Loan program – (c)(3)s are eligible and (c)(6)s are not. VBS is a 501(c)(6) nonprofit membership organization, however a typical membership dues structure is not leveraged to raise private support so to not cannibalize membership in the Big Sky Chamber which was established in 1986, and was the original fiscal sponsor for the Big Sky Convention and Visitor Bureau. Instead lodging partners contribute confidential occupancy and rate data for the destination's collective benefit to help guide decision-making on how to market and manage the destination. With 83% of the 450 member businesses of the Big Sky Chamber paying \$350 or less annually, the proposition to make them pay dues to Visit Big Sky as well would lead most small businesses to choosing membership in one organization over the other.

10. "Is VBS considering changing the goals of Program 2 in light of COVID-19? i.e. the goal discusses year-round, but is VBS considering helping ""jump start"" our winter visitation?"

As referenced in a previous response, VBS will begin a retro fenced, geo-targeted campaign designed to reach individuals who visited the Big Sky destination during the Winter 19/20 season be it on a pass product or a day-pass. It will allow VBS to begin to build a targeted email list for future winter marketing campaigns. Additional winter marketing efforts with Yellowstone Country Tourism Region. For the first 2 months, it will serve up a summer marketing message, and then switch to winter one as we enter August. Being that Big Sky Resort owns the names of all season passholders of their eponymous Season Pass, IKON or Mountain Collective pass products and VBS does not have access to that customer list, it only makes sense that BSR lead that invitation to return for Winter 20/21, again with VBS playing a supporting role with its owned media for the time being.

11. Are the marketing efforts in Program 2 working in unison with the large private business marketing campaigns (i.e. BSR and LMLC) to have larger, well-coordinated marketing campaigns leveraging VBS dollars with the private dollars?

Visit Big Sky strives to work collaboratively with all private tourism stakeholders within its defined geographic footprint of the Big Sky Resort Area District boundary and 20 miles both north and south from the intersections of U.S. Hwy 191 and MT Hwy 64. There are 5 VBS Board-designated committees in addition to the Board of Directors, for businesses to engage with directly throughout the year, in addition to the daily engagement by TEAM Big Sky staff, and frequent electronic communications to keep everyone informed. Further, a reason for creating the VBS Annual Marketing Outlook Meeting three years ago was to provide a vehicle to continually engage the Big Sky community in VBS' current research, destination experience development, destination management and marketing efforts. Both Big Sky Resort and Lone Mountain Land Company have representatives on the VBS Board and have participated in the annual industry events since their inception 3 years ago. There is a difference however with VBS' relationship with these two private partners.

To begin, Big Sky Resort (BSR) is a destination ski-resort and golf course open to the public, and highly dependent on the visitor economy. BSR is owned by Boyne Resorts, a privately held, Michigan-based



company with 10 ski resorts and 11 golf courses across the country. BSR's positioning as *The Biggest Skiing in America*® and its corporate participation in the IKON and Mountain Collective pass product offerings have cemented their reputation for providing a world-class winter experience. Many of BSR's *Big Sky 2025 Plan* capital improvements, including the recent Ramcharger-8 which was the first 8-seat D-line chairlift in North America, are designated to enhance that positioning. Being part of a privately owned company, however, often prohibits BSR from sharing information or from participating in destination-wide programs. Further, as part of a larger portfolio of ski resorts, BSR is required to work within corporate brand standards, and its priorities are part of a larger portfolio, so from a timing perspective, not always aligned with that of the Big Sky destination as a whole. VBS does its very best to work with and support BSR's marketing messages within the boundaries created by their corporate operating structure. However, with the massive differential between winter and summer revenue generation, VBS with its limited resources and following a 9-month Tourism Master Planning process with its board, staff and community, adopted *Imagine Big Sky 2023*, to turn its focus on building summer and shoulder seasons to provide greater financial sustainability to the local economy, Big Sky business owners, employees and residents while playing a supporting role to BSR's lead in marketing winter.

Lone Mountain Land Company (LMLCo), until the opening of The Wilson – Residence Inn by Marriott, has been a land development and commercial and residential real estate company focused on commercial properties like the Big Sky Real Estate/MT Supply/Toast Building and Building 4 going up now in Town Center and the private residential club developments of Spanish Peaks Mountain Club and Moonlight Basin which are not open to the traveling public. There is a slight exception via a limited number of property rentals that come with that privilege for an additional fee. This means that for the time being, until the hotel properties including Montage Big Sky at Spanish Peaks and *One&Only* at Moonlight Basin are built, that the destination is unable to promote the world-class golf courses, hiking, mountain biking, water activities on Ulrey's Lake, and other outdoor recreational assets built and maintained for private property owners. They are private and not consumer facing. There have been incredible opportunities created by LMLCo to attract purchasers of real estate in these private clubs, that are not always in alignment with the mission of VBS, the tourism-based organization catering to the needs of our visitors. VBS however does work hand in hand with LMLCo's Marriott property, Big Sky's first branded lodging entity. The Wilson is a participant in the VBS DestiMetrics lodging partner program with the destination and 8 other lodging properties, providing involved parties with vital data to better manage their businesses, and the community at-large with a monthly 60-day Retail Report to help better manage theirs from a staffing and operations perspective.

VBS works with approximately 120+ tourism businesses directly on a weekly basis, many daily, that are represented in the Official Visitor Guide, on the [visitbigsky.com](https://www.visitbigsky.com) website and social media, including event producers and other related nonprofit community organizations, to ensure they are on



destination message with their own marketing efforts. This leverages very limited marketing dollars from the perspective of these small businesses.