



Board Meeting Agenda

February 14th, 2024 | 9:00am

Big Sky Resort Area District

11 Lone Peak Drive #204

PO Box 160661

Big Sky, MT 59716

www.Resorttax.org

info@resorttax.org

406.995.3234

February’s Board meeting will be held on Wednesday, February 14th at 9:00am at the Resort Tax office (11 Lone Peak Drive, Suite #204) and through Zoom.

Join this meeting here: <https://us02web.zoom.us/j/89136503117>

I. Open Meeting

- A. Roll Call — 9:00
- B. Public Comment
- C. Consent Agenda: Action — 9:05
 - a. Approval of Minutes: January 10th, 2024
 - b. Finance Report: December 2023
- D. Regular Agenda
 - 1. Old Business
 - a. Subcommittee Updates: Discussion — 9:10
 - b. Good Deeds Contract Amendment: Action — 9:20
 - c. PER Eligibility Requirement: Action — 9:30
 - d. MT64/US191 Intersection Land Acquisition: Discussion — 9:40
 - e. Resolution 2024-02R: Action — 9:55
 - 2. New Business
 - a. Opportunity Fund/Microgrant Procedure: Action — 10:00
 - b. Incorporation Exploration Study RFP: Action — 10:10
 - c. Morningstar Campus Update: Discussion — 10:30
 - d. Be Well Big Sky Overview: Discussion — 10:40
- E. Public Comment

BSRAD BOARD & STAFF: Sarah Blechta, Chair | Ciara Wolfe, Vice Chair | Steve Johnson, Secretary & Treasurer | Kevin Germain, Director | Grace Young, Director | Daniel Bierschwale, Executive Director | Kristin Drain, Finance & Compliance Manager | Jenny Muscat, Deputy Director | Tammy Estensen, Communications & Community Engagement Manager | Jackie Haines, Director of Economic & Strategic Development | Sara Huger-Carroll, Office Manager

** All Board Meetings are recorded and live streamed. Please visit ResortTax.org for more information.*



Board Meeting Minutes

January 10th, 2024 | 9:00am

Big Sky Resort Area District

11 Lone Peak Drive #204

PO Box 160661

Big Sky, MT 59716

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info@resorttax.org

406.995.3234

January's Board meeting was held on Wednesday, January 10th at 9:00am at the Resort Tax office (11 Lone Peak Drive, Suite #204) and through Zoom.

I. Open Meeting

A. Roll Call

[00:03:06](#) Sarah Blechta called the meeting to order at 9:00am. All board members present.

B. Public Comment

[00:03:50](#) Tammy Estensen reminded everyone the special candidate filing period is now open.

[00:04:39](#) Daniel Bierschwale welcomed and introduced Jackie Haines, Director of Economic & Strategic Development.

[00:05:27](#) Daniel Bierschwale discussed Wellness District effort and Madison County Commission hearing.

[00:09:54](#) Sarah Blechta reviewed public comment from Grow Wild. (View here: [📄](#) [?](#))

C. Consent Agenda: *Action*

a. Approval of Minutes: November 8th, 2023

b. Finance Report: October & November 2023

[00:10:21](#) **Motion**: to approve Consent Agenda: Kevin Germain

Second: Steve Johnson

[00:10:39](#) **Vote**: Motion Passed Unanimously

D. Regular Agenda

1. Old Business

a. Reserve Strategy: *Action*

[00:11:20](#) Daniel Bierschwale reviewed the Reserve Strategy. (View here: [📄](#) [↩](#))



[00:14:03](#) **Motion:** to accept Reserve Strategy as presented: Kevin Germain

Second: Grace Young

[00:14:09](#) Board members discussed emergency, operation, and capital reserve funds.

[00:17:04](#) **Vote:** Motion Passed Unanimously

b. Resolution 2023-02R—FY25 Allocations: Action

[00:17:17](#) Daniel Bierschwale explained purpose of work sessions and allocation process outlined in Resolution 2023-02R. (View here:  )

[00:20:03](#) Jenny Muscat reviewed timeline and Resolution exhibits.

[00:21:11](#) Sarah Blechta explained challenges and intent of a working session for allocations. Daniel Bierschwale explained review process and eligibility requirements.

[00:23:42](#) Jenny specified that the dollar amounts in exhibit B are strictly examples and not the actual dollar amounts. Jenny and Daniel discussed scoring criteria in exhibit D.

[00:25:33](#) Jackie Haines explained metrics and data related to growth rate. Board members discussed.

[00:29:03](#) **Motion:** to approve Resolution 2023-02R as presented: Kevin Germain

Second: Steve Johnson

[00:29:11](#) Kevin Germain discussed strategic planning and budget creation. Ciara Wolfe asked, and staff explained potential surplus budget and restricted funds.

[00:32:14](#) Whitney Montgomery, Big Sky Community Organization, shared public comment in support of Resolution. Whitney asked and Board Members discussed project request increases.

[00:33:57](#) David OConnor, Big Sky Community Housing Trust, shared public comment in support of Resolution and allocation process.

[00:35:11](#) John Zirkle, Warren Miller Performing Arts Center, asked and Daniel Bierschwale explained example of public funds.

[00:36:52](#) **Vote: Motion Passed Unanimously**

c. Canyon Sewer District Feasibility: Action

[00:37:14](#) Daniel Bierschwale explained the 1% for Infrastructure projects and pipeline feasibility requirements.

[00:39:21](#) Mace Mangold presented Gallatin Canyon Corridor Central Sewer project updates and board members discussed.

[00:55:35](#) Mace reviewed various feasibility items. Board members discussed and asked questions.

[01:00:41](#) Daniel explained potential to pay off WRRF plant and intent to not leave a gap in the 1% and changing the tax rate.

[01:02:58](#) **Motion:** extend current Canyon Sewer District contract to allow for feasibility study June 30th: Grace Young

Second: Kevin Germain

[01:04:00](#) **Vote: Motion Passed Unanimously**

d. Library Update: Discussion

[01:05:25](#) The Big Sky Community Library shared updates and board members asked questions related to a possible Library District.

e. Good Deeds Update: Discussion

[01:10:46](#) David O'Connor, Big Sky Community Housing Trust, shared Good Deeds project updates and challenges.

[01:17:19](#) David requested consideration to adjust contract for Good Deeds. Board members discussed.

[01:28:37](#) Contact amendment will be added to February meeting agenda.

f. CCBS/Our Big Sky Update: Discussion

[01:29:22](#) Whitney Montgomery presented updated Coordinating Council of Big Sky (CCBS) community strategies. CCBS meetings will be held quarterly.

2. New Business

a. Resolution 2024-01R—2024 Board Election: Action

[01:41:03](#) **Motion:** to approve Resolution 2024-01R as presented: Ciara Wolfe

Second: Grace Young

[01:41:39](#) **Vote: Motion Passed Unanimously**

b. FY25 SMART Baseline Community Metrics: Discussion

[01:41:49](#) Daniel Bierschwale gave an overview of FY25 SMART Baseline Community Metrics and measurable results.

[01:43:02](#) Jackie Haines explained process in creating goals and metrics with applicants and the community, and how it relates to FY25 project application requests. Board members discussed and shared feedback.

c. US191/MT64 Intersection: Discussion

[01:50:43](#) Daniel Bierschwale discussed the corridor study and optimization report.

[01:54:53](#) Daniel and Kevin Germain discussed traffic light upgrades and long-term traffic solutions.

[01:59:13](#) Daniel explained preferred solutions and opportunities.

[02:04:43](#) Brad Niva, Big Sky Chamber of Commerce and Visit Big Sky, discussed opportunities for entryway including bathrooms, visitor center, and other public benefits.

[02:05:39](#) Daniel Bierschwale and Board Members discussed multiple possible opportunities for community benefit at location. Daniel will discuss appraisal at a future meeting when the appraisal is received.

[02:13:43](#) Brad Niva, Big Sky Chamber of Commerce and Visit Big Sky, shared public comment regarding community challenges, needs, and opportunities.

[02:16:00](#) Ashley Wilson, Big Sky Community Organization, shared public comment regarding trails and pedestrian paths.

d. BSCO Contract Amendment: Action

[02:18:21](#) Whitney Montgomery, Big Sky Community Organization (BSCO), explained budget surplus and community park needs.

[02:19:31](#) **Motion:** to approve BSCO Contract Amendment as presented: Kevin Germain

Second: Grace Young

[02:24:18](#) **Vote: Motion Passed Unanimously**

E. Public Comment

[02:24:39](#) Mariel Butan shared public comments related to 'Our Big Sky' and SMART Baseline Community Metrics.

[02:25:51](#) Greg Megaard, Big Sky Fire Department, shared updates related to the Fire Training Facility and clarified they will not be requesting any capital projects for Resort Tax in 2024.

[02:29:57](#) Motion to Adjourn

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Accountant's Summary
Month Ended December 31, 2023

Balance Sheet

- Reserve funds increased due to the infrastructure tax collections in December of approx. \$490k.
- Overall investment funds are up approx. \$54k due to interest, dividends, and unrealized gains.
- Accounts receivable is starting to increase as ski season picks up. Led to an increase of \$630k when compared to November.
- No other items noted.

Profit & Loss

- Resort tax collections are currently (through 12/31) 83% of budgeted fiscal year-to-date. For the month of December, resort tax collections are down approx. 49% compared to December 2022. Most of the decrease is attributable to Madison County taxes (66% decrease). Gallatin County taxes have decreased approx. 22%.
- Interest income continues to be significantly over the amount budgeted due to the amount of cash on hand in the repurchase account and the favorable interest rates. Most of the interest earned in December is attributable to the repurchase account (approx. \$65k).
- Operating expenses were slightly up for December 2023 after removing appropriation related items.
- All other items appear reasonable.
- The total budgeted expenditures for FY24 are approx. \$1,482,625 and \$675,000 (46%) of the budget was expended as of December 31, 2023.

BIG SKY RESORT AREA DISTRICT

Balance Sheet

As of December 31, 2023

	TOTAL	
	AS OF DEC 31, 2023	AS OF NOV 30, 2023 (PP)
ASSETS		
Current Assets		
Bank Accounts		
10000 Funds Available		
10100 Reserved Funds	-11,552,224.84	-11,062,116.48
10120 FSB-Checking #80073430	231,525.13	248,470.33
10121 FSB - Repurchase Checking	16,870,256.03	17,184,130.61
10125 FSB - Disbursements #1336	138.63	21.52
10140 FSB-MM #80073422 - .19	5,130.67	5,128.49
10160 Petty Cash	200.00	200.00
10170 STIP	11,670.20	11,616.53
10180 DA Davidson - #65611532 Operating	3,556,344.88	3,542,333.27
10190 DA Davidson - #17191343 Investment	3,555,621.52	3,515,735.61
Total 10000 Funds Available	12,678,662.22	13,445,519.88
10500 Funds Reserved		
10503 TIGER Project - Resolution 2022.01R	406,662.94	406,662.94
10505 Infrastructure Tax Collected, net	5,691,465.55	5,201,357.19
10510 Emergency reserve	1,500,000.35	1,500,000.35
10520 Operating reserve	329,017.00	329,017.00
10530 Capital reserve	3,550,000.00	3,550,000.00
10551 Opportunity fund	75,079.00	75,079.00
Total 10500 Funds Reserved	11,552,224.84	11,062,116.48
1072 Bill.com Money Out Clearing	12.00	12.00
Total Bank Accounts	\$24,230,899.06	\$24,507,648.36
Accounts Receivable		
12000 Accounts Receivable	1,420,875.01	790,134.52
Total Accounts Receivable	\$1,420,875.01	\$790,134.52
Other Current Assets		
13100 Prepaid expenses		
13100.2 Prepaid software	28,088.46	31,392.57
Total 13100 Prepaid expenses	28,088.46	31,392.57
Total Other Current Assets	\$28,088.46	\$31,392.57
Total Current Assets	\$25,679,862.53	\$25,329,175.45

BIG SKY RESORT AREA DISTRICT

Balance Sheet

As of December 31, 2023

	TOTAL	
	AS OF DEC 31, 2023	AS OF NOV 30, 2023 (PP)
Fixed Assets		
15030 Capital Furnishings & Fixtures	5,228.49	5,228.49
15040 Buildings & Improvements	558,781.05	558,781.05
16000 Accumulated Depreciation	-87,303.25	-87,303.25
Total Fixed Assets	\$476,706.29	\$476,706.29
Other Assets		
19010 Deferred outflows		
19011 Deferred Outflows - BSWs Agreement	17,345,238.50	17,345,238.50
Total 19010 Deferred outflows	17,345,238.50	17,345,238.50
Total Other Assets	\$17,345,238.50	\$17,345,238.50
TOTAL ASSETS	\$43,501,807.32	\$43,151,120.24
LIABILITIES AND EQUITY		
Liabilities		
Current Liabilities		
Accounts Payable		
21000 General Accounts Payable	16,989.64	34,332.60
Total Accounts Payable	\$16,989.64	\$34,332.60
Credit Cards		
21100 Divvy Credit Card	8,038.41	5,586.64
Total Credit Cards	\$8,038.41	\$5,586.64
Other Current Liabilities		
23000 Payroll Liabilities	0.00	0.00
23020 Accrued Leave	10,939.71	10,939.71
23100 State Unemployment	11.32	9.57
23110 State Withholding	-519.07	539.93
23401 Health Insurance (company paid)	-1,014.81	-830.28

BIG SKY RESORT AREA DISTRICT

Balance Sheet

As of December 31, 2023

	TOTAL	
	AS OF DEC 31, 2023	AS OF NOV 30, 2023 (PP)
Total 23000 Payroll Liabilities	9,417.15	10,658.93
23500 General Appropriations		
Arts Council	235,000.00	235,000.00
Big Sky Chamber of Commerce	135,558.77	153,670.99
Big Sky Community Housing Trust	982,090.78	1,023,159.33
Big Sky Community Organization	272,441.24	318,879.59
Big Sky Discovery Academy	1,712.00	2,600.00
Big Sky Fire Department	724,311.00	1,030,589.00
Big Sky Sustainability Network Organization	377,150.50	377,150.50
Big Sky Trails, Recreation & Parks District	611,952.25	756,756.21
Big Sky Transportation District	1,175,000.00	1,175,000.00
Big Sky Water & Sewer District	560,000.00	560,000.00
Center for Large Landscape Con.	45,083.61	57,383.38
Food Bank	47,827.68	47,827.68
Friends of the Comm. Library	162,995.05	162,995.05
Gallatin Canyon Water & Sewer District	471,526.41	541,120.13
Gallatin River Task Force	886,174.01	886,174.01
Grow Wild	106,330.46	106,330.46
Morningstar	442,500.00	476,500.00
Sheriff's Office	609,678.00	650,998.00
Snowmobile Association	30,000.00	30,000.00
Visit Big Sky	695,721.75	773,364.47
Warren Miller Performing Arts C	176,800.00	176,800.00
Wellness in Action	0.00	7,311.25
Total 23500 General Appropriations	8,749,853.51	9,549,610.05
Total Other Current Liabilities	\$8,759,270.66	\$9,560,268.98
Total Current Liabilities	\$8,784,298.71	\$9,600,188.22
Long-Term Liabilities		
23600 WRRF Phase I Project	17,345,238.50	17,345,238.50
Total Long-Term Liabilities	\$17,345,238.50	\$17,345,238.50
Total Liabilities	\$26,129,537.21	\$26,945,426.72
Equity		
30100 Retained Earnings	4,946,307.65	4,946,307.65
30200 Committed Fund Balance	3,581,801.29	3,581,801.29
30300 Fund Balance	9,706,845.48	9,706,845.48
30500 Investment in Fixed Assets	464,581.04	464,581.04
31000 Restricted Fund Balance	5,297,424.26	5,297,424.26
32000 Nonspendable Fund Balance	12,584.81	12,584.81

BIG SKY RESORT AREA DISTRICT

Balance Sheet

As of December 31, 2023

	TOTAL	
	AS OF DEC 31, 2023	AS OF NOV 30, 2023 (PP)
Net Income	-6,637,274.42	-7,803,851.01
Total Equity	\$17,372,270.11	\$16,205,693.52
TOTAL LIABILITIES AND EQUITY	\$43,501,807.32	\$43,151,120.24

BIG SKY RESORT AREA DISTRICT

Budget vs. Actuals: FY_2023_2024 - FY24 P&L

December 2023

	TOTAL			
	ACTUAL	BUDGET	OVER BUDGET	% OF BUDGET
Income				
40010 Interest Earned	84,119.09	5,000.00	79,119.09	1,682.38 %
40020 Late Payment Interest	361.53	500.00	-138.47	72.31 %
40030 Late Fees from Tax Collections	1,199.70	1,500.00	-300.30	79.98 %
41000 Tax Collections	1,177,696.19	2,560,254.35	-1,382,558.16	46.00 %
Total Income	\$1,263,376.51	\$2,567,254.35	\$ -1,303,877.84	49.21 %
GROSS PROFIT	\$1,263,376.51	\$2,567,254.35	\$ -1,303,877.84	49.21 %
Expenses				
60000 Bad Debt		41.67	-41.67	
60010 Bank Charges		5.00	-5.00	
60021 Opportunity Fund Appropriations	25,000.00		25,000.00	
60080 Dues & Meeting Expenses	7,025.04	4,244.59	2,780.45	165.51 %
60090 Public Information & Engagement	4,913.38	11,533.31	-6,619.93	42.60 %
61000 Dues & Property Taxes	583.30	400.00	183.30	145.83 %
62000 Insurance	72.65	72.65	0.00	100.00 %
63000 Office Expenses	7,245.69	9,866.50	-2,620.81	73.44 %
64000 Professional Fees	35,176.22	50,445.65	-15,269.43	69.73 %
65000 Travel	0.00	236.64	-236.64	0.00 %
66000 Utilities	834.73	711.25	123.48	117.36 %
67000 Personnel Expenses	50,923.34	61,067.67	-10,144.33	83.39 %
Total Expenses	\$131,774.35	\$138,624.93	\$ -6,850.58	95.06 %
NET OPERATING INCOME	\$1,131,602.16	\$2,428,629.42	\$ -1,297,027.26	46.59 %
Other Income				
70000 Other Income	34,974.43		34,974.43	
Total Other Income	\$34,974.43	\$0.00	\$34,974.43	0.00%
NET OTHER INCOME	\$34,974.43	\$0.00	\$34,974.43	0.00%
NET INCOME	\$1,166,576.59	\$2,428,629.42	\$ -1,262,052.83	48.03 %

BIG SKY RESORT AREA DISTRICT

Profit and Loss - Comparative by Month

December 2023

	TOTAL			
	DEC 2023	DEC 2022 (PY)	CHANGE	% CHANGE
Income				
40010 Interest Earned	84,119.09	15,065.78	69,053.31	458.35 %
40020 Late Payment Interest	361.53	206.58	154.95	75.01 %
40030 Late Fees from Tax Collections	1,199.70	1,403.98	-204.28	-14.55 %
41000 Tax Collections	1,177,696.19	2,321,316.64	-1,143,620.45	-49.27 %
Total Income	\$1,263,376.51	\$2,337,992.98	\$ -1,074,616.47	-45.96 %
GROSS PROFIT	\$1,263,376.51	\$2,337,992.98	\$ -1,074,616.47	-45.96 %
Expenses				
60020 Appropriations		126,000.00	-126,000.00	-100.00 %
60021 Opportunity Fund Appropriations	25,000.00		25,000.00	
60080 Dues & Meeting Expenses	7,025.04	205.26	6,819.78	3,322.51 %
60090 Public Information & Engagement	4,913.38	8,236.63	-3,323.25	-40.35 %
61000 Dues & Property Taxes	583.30		583.30	
62000 Insurance	72.65	63.70	8.95	14.05 %
63000 Office Expenses	7,245.69	4,644.81	2,600.88	56.00 %
64000 Professional Fees	35,176.22	41,885.50	-6,709.28	-16.02 %
65000 Travel	0.00	0.00	0.00	
66000 Utilities	834.73	1,792.50	-957.77	-53.43 %
67000 Personnel Expenses	50,923.34	45,412.15	5,511.19	12.14 %
Total Expenses	\$131,774.35	\$228,240.55	\$ -96,466.20	-42.27 %
NET OPERATING INCOME	\$1,131,602.16	\$2,109,752.43	\$ -978,150.27	-46.36 %
Other Income				
70000 Other Income	34,974.43		34,974.43	
Total Other Income	\$34,974.43	\$0.00	\$34,974.43	0.00%
NET OTHER INCOME	\$34,974.43	\$0.00	\$34,974.43	0.00%
NET INCOME	\$1,166,576.59	\$2,109,752.43	\$ -943,175.84	-44.71 %

BIG SKY RESORT AREA DISTRICT

Budget vs. Actuals: FY_2023_2024 - FY24 P&L

July - December, 2023

	TOTAL			
	ACTUAL	BUDGET	OVER BUDGET	% OF BUDGET
Income				
40010 Interest Earned	460,216.00	30,000.00	430,216.00	1,534.05 %
40020 Late Payment Interest	2,381.44	3,000.00	-618.56	79.38 %
40030 Late Fees from Tax Collections	9,285.61	9,000.00	285.61	103.17 %
41000 Tax Collections	7,188,628.48	8,684,695.36	-1,496,066.88	82.77 %
Total Income	\$7,660,511.53	\$8,726,695.36	\$ -1,066,183.83	87.78 %
GROSS PROFIT	\$7,660,511.53	\$8,726,695.36	\$ -1,066,183.83	87.78 %
Expenses				
60000 Bad Debt		250.02	-250.02	
60010 Bank Charges	19,317.66	30.00	19,287.66	64,392.20 %
60020 Appropriations	11,957,837.00		11,957,837.00	
60021 Opportunity Fund Appropriations	72,336.32		72,336.32	
60080 Dues & Meeting Expenses	11,523.09	25,467.50	-13,944.41	45.25 %
60090 Public Information & Engagement	65,638.24	89,800.06	-24,161.82	73.09 %
61000 Dues & Property Taxes	10,389.58	10,900.00	-510.42	95.32 %
62000 Insurance	3,807.57	2,285.90	1,521.67	166.57 %
63000 Office Expenses	43,471.71	42,385.92	1,085.79	102.56 %
64000 Professional Fees	191,626.01	213,044.02	-21,418.01	89.95 %
65000 Travel	1,694.03	1,282.85	411.18	132.05 %
66000 Utilities	4,642.00	4,602.50	39.50	100.86 %
67000 Personnel Expenses	323,337.75	366,406.13	-43,068.38	88.25 %
Total Expenses	\$12,705,620.96	\$756,454.90	\$11,949,166.06	1,679.63 %
NET OPERATING INCOME	\$ -5,045,109.43	\$7,970,240.46	\$ -13,015,349.89	-63.30 %
Other Income				
70000 Other Income	72,169.51		72,169.51	
Total Other Income	\$72,169.51	\$0.00	\$72,169.51	0.00%
Other Expenses				
79000 Other expenses	1,664,334.50		1,664,334.50	
Total Other Expenses	\$1,664,334.50	\$0.00	\$1,664,334.50	0.00%
NET OTHER INCOME	\$ -1,592,164.99	\$0.00	\$ -1,592,164.99	0.00%
NET INCOME	\$ -6,637,274.42	\$7,970,240.46	\$ -14,607,514.88	-83.28 %



FY24 BSRAD Subcommittee Representation

All subcommittees supported by Staff

Elevate Big Sky: Grace Young

Wellness District: Sarah Blechta

School District: TBD

Library District: TBD

Incorporation Exploration: Sarah Blechta

Application: Ciara Wolfe & Steve Johnson

Reserve Strategies: Grace Young & Steve Johnson

Joint County: Kevin Germain

Transit & Transportation: Kevin Germain & Grace Young

Strategic Investments: Kevin Germain & Steve Johnson

- **Capital Imp Plan**
- **3% Renewal**
- **1% Renewal**
- **Current 1% Projects**



Big Sky Resort Area District
Sarah Blechta, Chairperson

January 2, 2024

Dear Sarah,

As you know, one of the primary goals of Good Deeds is to facilitate home purchases by locals. While there have been some good opportunities in the past few months in a price range that's attainable, we've missed several because cash buyers are still getting there first. We had two applicants in November who were poised to make an offer on condos priced under \$450k, but in the 48 hours between listing and the applicants lining up financing, we lost both units to cash buyers.

If the Housing Trust could have appeared as the cash buyer and secured the units immediately upon them being listed, we could have given the local applicants enough time to assemble and then close the transaction. The local work force is providing the buyers, and between Good Deeds and the slightly soft market we are, for the moment, providing a workable property value. The other leg of our 3-legged stool that's missing is time.

A lot of communities like ours utilize a "buy-down" program. We propose activating Good Deeds funding to purchase properties in the target price range, then (with all deliberate speed) selling them deed-restricted to income-qualified buyers. The net proceeds from the sale would be returned to the program. The end result would be exactly the same as if we had purchased the deed restriction through the Good Deeds program just as we have been, but this would put us in control of the timing.

I'm attaching a couple of hypothetical scenarios that show how that could have gamed out financially under this program, using the two listings we lost out on as examples.

I am assuming that the current contract enabling FY24 Good Deeds funding would not accommodate this use of funds, so I am appearing at the Jan 10 BSRAD meeting to discuss a potential contract amendment. No additional funding is being requested, only a modification to the permitted use of funds.

Kind Regards,

A handwritten signature in black ink that reads "David O'Connor".

David O'Connor
Executive Director

Big Sky Community Housing Trust • PO Box 160164 • Big Sky, MT 59716 • 406.995.3696
www.bigskyhousingtrust.com • info@bigskyhousingtrust.com

Scenario One

Hill Condo #1245, Appreciation-Capped

Purchase Price	\$ 444,000.00	<i>Drawn from Good Deeds Funding Pool</i>
30.0% Deed Restriction Purchase	\$ 133,200.00	TOTAL GOOD DEEDS FUNDING:
5.0% Closing Costs	\$ 22,200.00	\$155,400.00
Deed-Restricted Value	\$ 333,000.00	<i>Returned to Good Deeds Funding Pool</i>
2.0% Resale Closing Costs	\$ 6,660.00	
0.0% Down Payment Assistance	\$ -	
20.0% Buyer Down Payment	\$ 88,800.00	
Loan Amount	\$ 250,860.00	
Interest Rate	7.00%	
Loan Term (Years)	30	
Household Size	1	
Monthly Payment (P&I)	\$1,668.98	
Housing Cost Ratio	30%	
Household Income Required	\$66,759.11	
Household AMI	100%	
<p><i>BSCHT purchases the 444 sqft studio condominium for \$444k, plus 5% closing costs. In exchange for a 30% deed restriction purchase a 3% appreciation cap, with provisions for capital improvements, is applied. Eventual buyer is a single individual. Mortgager requires 20% down payment from buyer, but closing costs on resale are reduced by BSCHT being the agent. The purchase is affordable at 100% AMI, though buyer must appear with \$95,460 at closing. Total cost to the Good Deeds program is \$155,400.</i></p>		

Scenario Two

Hill Condo #1214, Market Rate

Purchase Price	\$ 435,000.00	<i>Drawn from Good Deeds Funding Pool</i>
16.0% Deed Restriction Purchase	\$ 69,600.00	TOTAL GOOD DEEDS FUNDING:
5.0% Closing Costs	\$ 21,750.00	\$91,350.00
Deed-Restricted Value	\$ 387,150.00	<i>Returned to Good Deeds Funding Pool</i>
2.0% Resale Closing Costs	\$ 7,743.00	
0.0% Down Payment Assistance	\$ -	
10.0% Buyer Down Payment	\$ 43,500.00	
Loan Amount	\$ 351,393.00	
Interest Rate	7.00%	
Loan Term (Years)	30	
Household Size	2	
Monthly Payment (P&I)	\$2,337.83	
Housing Cost Ratio	30%	
Household Income Required	\$93,513.06	
Household AMI	120%	
<p><i>BSCHT purchases the 444 sqft studio condominium for \$435k, plus 5% closing costs. No affordability provisions are applied, so a 16% Good Deeds purchase is used. Eventual buyer is a couple. Buyers access 10% down financing, and closing costs on resale are reduced by BSCHT being the agent. The purchase is affordable at 120% AMI, though buyer must appear with \$51,243 at closing. Total cost to the Good Deeds program is \$91,350.</i></p>		

**FIRST AMENDMENT TO
AGREEMENT FOR RECEIPT OF RESORT TAX FUNDS
FY24: Good Deeds Project**

THIS FIRST AMENDMENT to Agreement for the receipt of resort tax funds (“First Amendment”) is entered into by and between the Big Sky Resort Area District (“District”) and Big Sky Community Housing Trust (“Contractor”).

RECITALS

1. The District was created effective April 7th, 1998 pursuant to Mont. Code Ann. §§ 7-6-1531 through 1550 and the current members of the Board of Directors (“Board”) have been duly elected to serve on behalf of the District.

2. Contractor submitted an application and Supplemental Information requested by the District’s Board and staff for receipt of resort tax funds (“Application”) to the District in the amount of \$800,000.00 for Good Deeds (the “Good Deeds Project”) described as *Good Deeds utilizes existing inventory by offering owners or buyers cash for permanently deed restricting their homes for residents. All Good Deeds homes must reside in the Resort Area District, cannot exceed \$1.5 million in value, and are permanently removed from the short-term rental market.* (the “Services”).

3. The District conducted public hearings on June 5, June 6 and June 8, 2023 on all applications for receipt of resort tax revenue for the District’s fiscal year 2024 funding cycle (July 1, 2023 – June 30, 2024).

4. Following discussion at the duly noticed and held public meetings, the District determined that Contractor’s Application to provide the Services as described in its Application, the Supplemental Information, and in this Agreement meets the requirements of Section 19 of Ordinance #98-01 as amended, and Title 7, Chapter 6, Part 15, MCA, and approved funding in the amount of \$800,000.00 (the “Award”) for the Contractor’s Services pursuant to the terms and conditions set forth in this Agreement.

5. The Parties executed the Agreement on or about June 30, 2023.

6. Contractor now desires to amend the scope of the Services offered within the Good Deeds Project, and following discussion and action at a duly noticed public meeting of the District held on February 14, 2024, the Board approve the expansion of the Good Deeds Project for FY24 as set forth herein.

NOW THEREFORE, for good and valuable consideration, the form, receipt and sufficiency of which is hereby acknowledged by the Parties, the District and Contractor agree to amend the Agreement as follows:

FIRST AMENDMENT

1. **RECITALS.** The Recitals to this First Amendment are incorporated herein by this reference as if fully set forth in this First Amendment.

2. **SCOPE OF SERVICES; CONTINGENCIES.** The Parties hereto agree the scope of the Good Deeds Projects shall be amended and expanded to include each of the following:

Good Deeds shall (a) utilize existing inventory by offering owners or buyers cash for permanently deed restricting their homes for residents; or (b) purchase subject properties and resell such properties, with all deliberate speed, to qualified buyers. Qualified buyers must meet the qualifications as owner-occupants as specified in the Good Deeds deed restriction. All Good Deeds homes must reside in the Resort Area District, cannot exceed \$1.5 million in value, and are permanently removed from the short-term rental market (the "Services").

3. **ENFORCEMENT OF TERMS.** The Parties specifically agree that all terms, conditions, and obligations set forth in the Agreement not specifically amended by this First Amendment shall remain in full force and effect without change or alteration.

BIG SKY RESORT AREA DISTRICT:

CONTRACTOR:

Name:

Name:

Title:

Title:

Date:

Date:

FY25 PER REQUIREMENTS

DRAFT (2/7/24)

The FY25 Eligibility Requirement states: **Capital** for **construction** projects, **\$50,000 and greater**, must provide a preliminary engineering report (PER) by a licensed architect or engineer. Requests for scheduled maintenance of an existing asset are NOT considered construction projects.

- Applicants with a request that fits these parameters are encouraged to meet with District prior to applying.
- To be deemed eligible for funding the following supporting information shall be provided with a capital funding request for a construction project of \$50,000 or greater:
 - A preliminary engineering report or feasibility study prepared by a licensed architect or engineer.
 - The provided report should include the following detail:
 - Why is the project needed?
 - Demographic data and population trends
 - What alternatives were considered?
 - What is the preferred alternative and how was it chosen?
 - What will be the environmental impact of the proposed project?
 - An estimated cost of the proposed project
 - The funding sources available to the project
 - A project budget along with a summary of how user rates will be affected.
 - Source: <https://thompsonfallsinfrastructure.com/whats-a-per/>
- If an applicant has a project fitting the parameters above but does NOT have a PER or feasibility study:
 - They should schedule time with District staff.
 - Consider updating their funding request to obtain a PER or feasibility study in FY25.
 - *It typically takes 9-12 months to compile a PER or feasibility study.*
 - Consider alternate funding sources.
- If an applicant is requesting funding for a construction project funded in previous years that never had a PER:
 - Consider updating their funding request to obtain a PER or feasibility study in FY25.
 - Consider alternate funding sources.

Questions for the Board:

- Does the report need to be prepared by a licensed architect or engineer to be deemed eligible?
 - If not, what do you feel the minimum qualification of the report author should be?
- Do you feel that construction projects that have been funded in previous years and are already in progress need to obtain a PER to be eligible for FY25 funding?

AN APPRAISAL REPORT OF:

Two Commercial Properties
Located at 25-135 Lone Mountain Trail
Big Sky, MT 59716

Effective Date:

January 4, 2024 – “As Is”

Prepared On:

January 30, 2024

Prepared For:

Mr. Daniel Bierschwale
Big Sky Resort Area District
11 Lone Peak Drive #204
Big Sky, MT 59716

Prepared By:

Montana Appraisal Partners, LLC
Dan Wheeler - Certified General Appraiser, MT-12347

File:

MAP2413





Montana Appraisal Partners, LLC
P.O. Box 292
Twin Bridges, MT 59754
406-539-9496
www.mtappraisals.com

January 30, 2024

Daniel Bierschwale
Big Sky Resort Area District
11 Lone Peak Drive #204
Big Sky, MT 59716

Re: 25-135 Lone Mountain Trail
Big Sky, MT 59716

File: MAP2413

Dear Mr. Bierschwale:

Per your request and authorization, I have prepared an appraisal of the above referenced properties, otherwise known as the subject properties in the following report, and have estimated their current fee simple values “as is” as of January 4, 2024. This is an Appraisal Report as defined by Uniform Standards of Professional Appraisal Practice under Standards Rule 2-2(a). This format provides a summary or description of the appraisal process, subject and market data and valuation analyses. The information contained in this report is specific to the needs of the client and for the intended use as stated in this report. The appraiser is not responsible for unauthorized use of this report. The opinions stated in the accompanying report are based on my viewing of the appraised properties, comparable properties, and analysis of all pertinent data. I certify that I have no present or contemplated future interest in the property beyond this estimate of value. Your attention is directed to the Limiting Conditions and Assumptions section of this report, as acceptance of this report constitutes an agreement with these conditions and assumptions.

Based on the appraisal described in the accompanying report, it is my opinion that the current market value of the fee simple interest, “as is” in Tract 2-A, as of January 4, 2024, is:

Three Million Two Hundred Twenty-Five Thousand Dollars
(\$3,225,000)

Based on the appraisal described in the accompanying report, it is my opinion that the current market value of the fee simple interest, “as is” in Tract 3-A, as of January 4, 2024, is:

Five Million Eight Hundred Twenty-Five Thousand Dollars
(\$5,825,000)



Montana Appraisal Partners, LLC
P.O. Box 292
Twin Bridges, MT 59754
406-539-9496
www.mtappraisals.com

Respectfully Submitted,

Dan Wheeler
Certified General Appraiser #12347
State of Montana

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SAMPLE PHOTOS OF THE SUBJECT PROPERTY



A view from the southeast portion of Parcel 2-A looking northwest.
Photo taken on January 4, 2024 by Dan Wheeler.



A view from the southwest portion of Parcel 3-A looking northeast.
Photo taken on January 4, 2024 by Dan Wheeler.

LIMITING CONDITIONS AND ASSUMPTIONS

1. Acceptance of and/or use of this report constitutes acceptance of the following limiting conditions and assumptions; these can only be modified by written documents executed by both parties.
2. This appraisal is to be used only for the purpose stated herein. While distribution of this appraisal in its entirety is at the discretion of the client, individual sections shall not be distributed; this report is intended to be used in whole and not in part.
3. No part of this appraisal, its value estimates or the identity of the firm or the appraiser may be communicated to the public through advertising, public relations, media sales, or other media.
4. All files, work papers and documents developed in connection with this assignment are the property of Montana Appraisal Partners, LLC. Information, estimates and opinions are verified where possible, but cannot be guaranteed. Exhibits provided are intended to assist the client in visualizing the properties; no other use of these exhibits is intended or permitted.
5. No hidden or unapparent conditions of the properties, subsoil or structure, which would make the properties more or less valuable, were discovered by the appraiser or made known to the appraiser. No responsibility is assumed for such conditions or engineering necessary to discover them. Unless otherwise stated, this appraisal assumes there is no existence of hazardous materials or conditions, in any form, on or near the subject properties.
6. Unless otherwise stated in this report, the existence of hazardous substances, including without limitation asbestos, polychlorinated biphenyl, petroleum leakage, or agricultural chemicals, which may or may not be present on the properties, was not called to the attention of the appraiser nor did the appraiser become aware of such during the appraiser's inspection. The appraiser has no knowledge of the existence of such materials on or in the properties unless otherwise stated. The appraiser, however, is not qualified to test for such substances. The presence of such hazardous substances may affect the values of the properties. The value opinions developed herein are predicated on the assumption that no such hazardous substances exist on or in the properties or in such proximity thereto, which would cause a loss in value. No responsibility is assumed for any such hazardous substances, nor for any expertise or knowledge required to discover them.
7. Unless stated herein, the properties are assumed to be outside of areas where flood hazard insurance is mandatory. Maps used by public and private agencies to determine these areas are limited with respect to accuracy. Due diligence has been exercised in interpreting these maps, but no responsibility is assumed for misinterpretation.

8. Good title, free of liens, encumbrances and special assessments is assumed. No responsibility is assumed for matters of a legal nature.
9. That the land dimensions taken from available maps, plats, and/or surveys are correct. It has been assumed that those boundaries that are apparent are correct.
10. Those opinions, estimates, data and statistics supplied by others in the course of this study are correct. The assumption has been made that the sources are reliable, but no responsibility has been inferred for their accuracy.
11. Necessary licenses, permits, consents, legislative or administrative authority from any local, state or Federal government or private entity are assumed to be in place or reasonably obtainable.
12. It is assumed there are no zoning violations, encroachments, easements or other restrictions which would affect the subject properties, unless otherwise stated.
13. The appraiser is not required to give testimony in Court in connection with this appraisal. If court action or appearance later becomes necessary in the interest of the client, the terms of the additional service shall be negotiated at that time.
14. Appraisals are based on the data available at the time the assignment is completed. The forecasts, projections, and other estimates contained herein are based on current market conditions, anticipated short-term supply and demand factors, and a continued stable economy. These forecasts are, therefore, subject to changes future conditions.
15. A civil rights act passed by Congress guaranteeing individuals with disabilities equal opportunity in public accommodations, employment, transportation, government services, and telecommunications is known as the Americans with Disabilities Act (ADA) of 1990. Statutory deadlines become effective on various dates between 1990 and 1997. Montana Appraisal Partners, LLC has not made a determination regarding the subjects' ADA compliance or non-compliance. Non-compliance could have a negative impact on value; however this has not been considered or analyzed in this appraisal.
16. The appraiser's conclusion of value is based upon the assumption that there are not hidden or unapparent conditions of the sites that might impact upon buildability. The appraiser recommends due diligence be conducted through local building departments or municipalities to investigate buildability and whether the properties are suitable for their intended use. The appraiser makes no representations, guarantees, or warranties.

SUMMARY OF IMPORTANT FACTS AND CONCLUSIONS

Property Description

Two Commercial Properties

Property Location

25-135 Lone Mountain Trail

Property Legal Descriptions

Please see Page 10

Client

Daniel Bierschwale - Big Sky Resort Area District

Intended User

Big Sky Resort Area District

Property Owner

Winchester Holdings, LLC as to an undivided one-half interest and Western Mountain Investments, LLC as to an undivided one-half interest

Date of Valuation

January 4, 2024

Date of Preparation

January 30, 2024

Property Rights Appraised

Fee Simple Interest

Zoning

The subject properties are zoned by the Gallatin County Planning Department as CC, Community Commercial District. Furthermore, the subject properties are located in an Entry Corridor and View Protection Overlay District.

Site Size

Tract 2-A has an approximate area of 71,656 square feet or 1.645 acres while Tract 3-A has an approximate area of 129,591 square feet or 2.975 acres. Combined, the two subject properties have an approximate site area of 201,247 square feet or 4.620 acres.

Improvements Size

Tract 2-A is improved with three commercial buildings that have an approximate combined gross building area of 6,885 square feet while Tract 3-A is improved with a cabin that has an approximate gross building area of 372 square feet. Combined, the two subject properties have an approximate gross building area of 7,257 square feet.

Occupancy

As of the effective date of this appraisal, the commercial building located at 25 Lone Mountain Trail was 100% leased to one tenant, the commercial building located at 55 Lone Mountain Trail was 100% leased to one tenant, the commercial building located at 75 Lone Mountain Trail was 100% leased to two tenants, and the cabin located at 135 Lone Mountain Trail was vacant.

Current Market Conditions

Market conditions continue to remain relatively stable in Big Sky and greater Southwest Montana where there appears to be consistent demand for residential and commercial properties. Following the Great Recession of 2008 to 2009, real estate values in the surrounding market area generally declined until rebounding from 2013 through early 2022. The COVID-19 global pandemic had a notable positive impact on property values in the surrounding market area as there was an influx of buyers from larger metropolitan areas with limited supply in relation to the increase in demand. However, increasing interest rates and uncertain macroeconomic conditions slowed growth in the second half of 2022 and 2023.

Market Value Indications

Sales Comparison Approach

\$3,225,000 – Tract 2-A

\$5,825,000 – Tract 3-A

Income Approach

\$2,675,000 – Tract 2-A

Final Market Value Estimates

\$3,225,000 – Tract 2-A

\$5,825,000 – Tract 3-A

SCOPE OF WORK

According to the Uniform Standards of Professional Appraisal Practice, it is the appraiser's responsibility to develop and report a scope of work that results in credible results that are appropriate for the appraisal problem and intended user(s). Therefore, the appraiser must identify and consider:

- the client(s) and intended user(s);
- the intended use of the report;
- the type and definition of value;
- the effective date of value;
- assignment conditions;
- typical client expectations; and
- typical appraisal work by peers for similar assignments.

The scope of work consists of the amount and type of information researched and analyzed in an assignment. In preparing the appraisal, I have personally viewed the subject sites and improvements and have considered pertinent characteristics of the sites and improvements in comparison to current market standards. I have analyzed the subject market and comparable markets for current sales, rental, expense, and cap rate data. I viewed the subject properties on January 4, 2024. Information utilized in the appraisal was obtained through a variety of resources including, but not limited to, general publications, public databases, paid subscriptions, association memberships, and conversations with relevant market parties such as government officials, real estate agents, property managers, developers, general contractors, lenders, and other appraisers. I have considered the highest and best use of the properties as if vacant and as improved, and have applied the sales comparison approach and income approach valuation methods.

The cost approach was omitted because the cost approach is most appropriate when the replacement cost of the improvements as well as accrued depreciation can be estimated with a high degree of accuracy. As a result, the cost approach is most applicable when the improvements are relatively new. However, in this case, the subject improvements were originally constructed between 1953 and 1973; thus, the estimate of accrued depreciation from physical deterioration, functional obsolescence, and/or external obsolescence would be difficult to estimate with a high degree of certainty due to their older age. It is my opinion that the final market value estimates for the subject properties would have been no more reliable had the cost approach been developed. This is an Appraisal Report as defined by Uniform Standards of Professional Appraisal Practice under Standards Rule 2-2(a). This format provides a summary or description of the appraisal process, subject and market data and valuation analyses. The information contained in this report is specific to the needs of the client and for the intended use as stated in this report.

PROPERTY RIGHTS APPRAISED

There is a variety of property rights, interests, and estates that can be appraised within a property. It is imperative to identify which rights, interests, and estates are being considered given the differing values that each right, interest, and estate can hold. Commonly appraised rights, interests, and estates are summarized below. The subject property rights being appraised is the **fee simple interest**.

Fee Simple

Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.¹

Leased Fee

The ownership interest held by the lessor, which includes the right to receive the contract rent specified in the lease plus the reversionary right when the lease expires.²

Leasehold

The right held by the lessee to use and occupy real estate for a stated term and under the conditions specified in the lease.³

VALUATION DATE

The valuation date, otherwise referred to as the effective date, is January 4, 2024. This is the date that the subject properties were personally viewed.

¹ *The Dictionary of Real Estate Appraisal 7th Edition* (Chicago: Appraisal Institute, 2022)

² *The Dictionary of Real Estate Appraisal 7th Edition* (Chicago: Appraisal Institute, 2022)

³ *The Dictionary of Real Estate Appraisal 7th Edition* (Chicago: Appraisal Institute, 2022)

MARKET VALUE DEFINITION

The following definition of market value is used by agencies that regulate federally insured financial institutions in the United States:

The most probable price, that a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale of a specified date and the passing of title from seller to buyer under conditions whereby:

- Buyer and seller are typically motivated;
- Both parties are well informed or well advised, and acting in what they consider their best interests;
- A reasonable time is allowed for exposure in the open market;
- Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
- The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.⁴

For the purposes of the analyses throughout this appraisal, I have utilized this preceding definition of market value.

EXPOSURE & MARKETING TIME

According to the *Dictionary of Real Estate – 7th Edition*, exposure and marketing time are defined as follows:

Exposure Time: An opinion, based on supporting market data, of the length of time that the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal.⁵

Marketing Time: An opinion of the amount of time to sell a property interest at the concluded market value or at a benchmark price during the period immediately after the effective date of an appraisal.⁶

While exposure and marketing time have different definitions, they are typically similar periods of time in stable markets. Current transaction data from the surrounding market area has been utilized to estimate the exposure and marketing times for the subject properties. Based on the available market data from the surrounding market area, we have estimated the exposure and marketing time for the subject property to be approximately three to six months.

⁴ *The Dictionary of Real Estate Appraisal 7th Edition* (Chicago: Appraisal Institute, 2022)

⁵ *The Dictionary of Real Estate Appraisal 7th Edition* (Chicago: Appraisal Institute, 2022)

⁶ *The Dictionary of Real Estate Appraisal 7th Edition* (Chicago: Appraisal Institute, 2022)

PURPOSE, INTENDED USE, AND INTENDED USER

The purpose of an appraisal assignment is to develop an opinion of the defined value of a specified interest in real estate.⁷ The intended use of an appraisal assignment is the use(s) of an appraiser's reported appraisal or appraisal review assignment results, as identified by the appraiser based on communication with the client at the time of the assignment.⁸ The intended user of an appraisal assignment is the client and any other party as identified, by name or type, as users of the appraisal or appraisal review report by the appraiser based on communication with the client at the time of the assignment.⁹

The purpose of this appraisal is to estimate a credible opinion of the current market values of the subject properties' fee simple interest, "as is" as of January 4, 2024, in accordance with the Uniform Standards of Professional Appraisal Practice (USPAP) and supplemented by the Appraisal Institute. The intended use of the appraisal is to assist the intended user in underwriting a real estate loan on the subject property. The intended user of this appraisal is Big Sky Resort Area District. The current owners are not the intended users of the report.

PROPERTY HISTORY

Three-Year Sale History

According to public records, the subject properties have not transferred ownership in the three-year period preceding the effective date of this appraisal.

Current Contract

To the best of my knowledge, the subject properties are not currently under contract to sell.

Current Listing

To the best of my knowledge, the subject properties are not currently listed for sale.

⁷ *The Dictionary of Real Estate Appraisal 7th Edition* (Chicago: Appraisal Institute, 2022)

⁸ *The Dictionary of Real Estate Appraisal 7th Edition* (Chicago: Appraisal Institute, 2022)

⁹ *The Dictionary of Real Estate Appraisal 7th Edition* (Chicago: Appraisal Institute, 2022)

PROPERTY IDENTIFICATION AND TAX SUMMARY

Legal Descriptions

Tract 2-A

Tract 2-A of Certificate of Survey No. 2975, located in the NE 1/4 of the SE 1/4 of Section 32, Gallatin County, Montana.

Tract 3-A

Tract 3-A of Certificate of Survey No. 2975, located in the NE 1/4 of the SE 1/4 of Section 32, Gallatin County, Montana.

Assessment & Tax Summary

Property	Parcel ID	Land Assessment	Improvements Assessment	Total Assessment	County Taxes
Tract 2-A	RKF18209	\$887,280	\$996,820	\$1,884,100	\$11,155.08
Tract 3-A	RKF18385	\$978,353	\$145,490	\$1,123,843	\$4,792.53
Totals	*****	\$1,865,633.00	\$1,142,310.00	\$3,007,943.00	\$15,947.61

The county taxes are for 2023 and reflect assessment of the subject properties on January 1, 2022. Given the available information, I have no reason to think that there is any unusual tax burden on the subject properties.

GEOGRAPHIC ANALYSIS

State of Montana

Montana is the fourth largest State in the United States by land area. According to the United States Census Bureau, Montana has land area of approximately 147,002 square miles which includes 145,509 square miles of land and 1,493 square miles of water. There are over 30 million acres of State and federally owned land in Montana which accounts for nearly one-third of the overall land area. The western portion of the state is dominated by numerous mountain ranges which are geologically associated with the northern reaches of the Rocky Mountains while prairie and plains landscapes prevail in the central and eastern parts of the state. There are two national parks located within the boundaries of the state which are Glacier National Park and Yellowstone National Park. Glacier National Park includes 1,583 square miles in the northwestern part of the state located in close proximity to the Canadian border while Yellowstone National Park includes nearly 3,500 square miles located in the southwestern part of the state near the Wyoming and Idaho borders. Montana is home to a diversity of wildlife including whitetail deer, mule deer, elk, moose, big horn sheep, mountain goats, antelope, bison, black bear, grizzly bear, migratory and upland birds, and an assortment of fish species. The 2020 Decennial Census reported a total population of 1,084,225 people in the state of Montana with 514,803 total housing units. The 2022 American Community Survey estimated there to be 464,072 households in the state and estimated the median household income in the state to be \$67,631. Shown below are the most populous counties in Montana as of the 2020 census.

County	Total Population	Total Housing Units
Yellowstone County	164,731	71,804
Gallatin County	118,960	52,835
Missoula County	117,922	54,542
Flathead County	104,357	49,875
Cascade County	84,414	38,937
Lewis and Clark County	70,973	33,599
Ravalli County	44,174	21,062
Silver Bow County	35,133	17,247
Lake County	31,134	16,390
Lincoln County	19,677	10,953
Park County	17,191	9,554

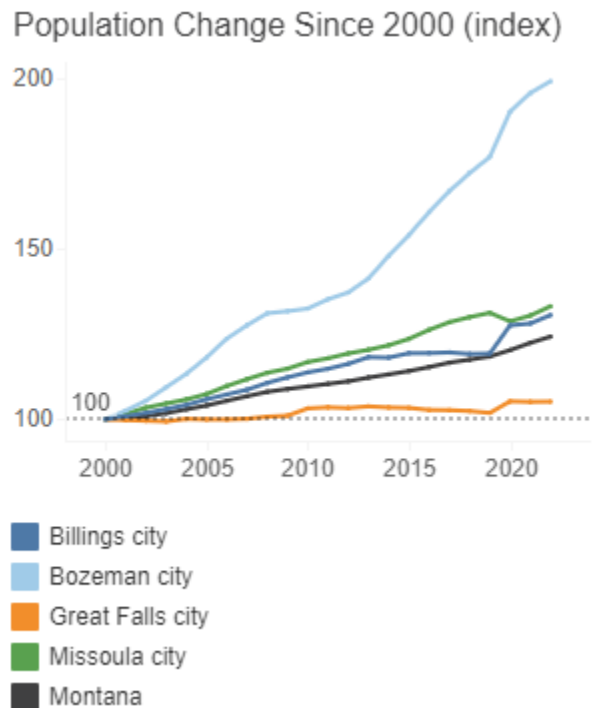
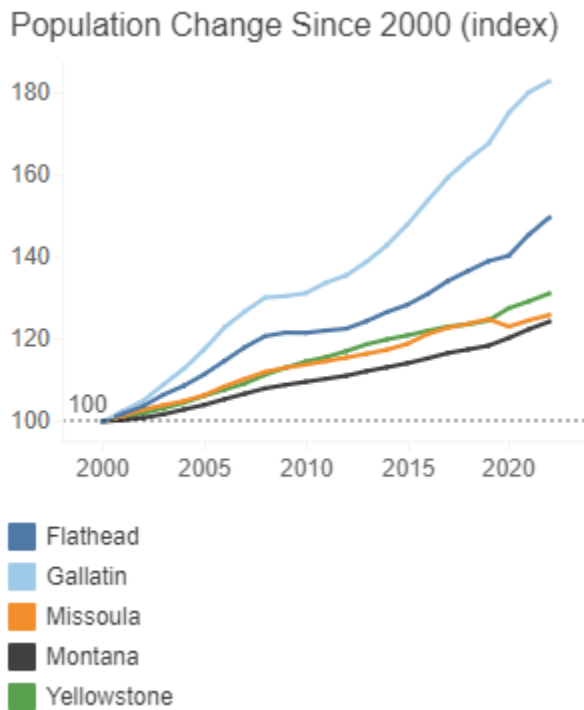
The Montana economy has historically been strongly tied to agriculture, ranching, and natural resource extraction including lumber and mineral extraction; however, tourism has become an increasingly important part of the Montana economy. There is no sales tax in the State of Montana, and instead the state relies on personal income taxes and property taxes levied on real estate, livestock, machinery, and other assets to fund government operation.

Neighborhood Analysis

Neighborhood analysis is defined by the Dictionary of Real Estate Appraisal, 7th addition as the objective analysis of observable or quantifiable data indicating discernible patterns of urban growth, structure, and change that may detract from or enhance property values; focuses on four sets of considerations that influence value: social, economic, governmental, and environmental factors. Following is our neighborhood analysis for the subject property.

1. Social Influences

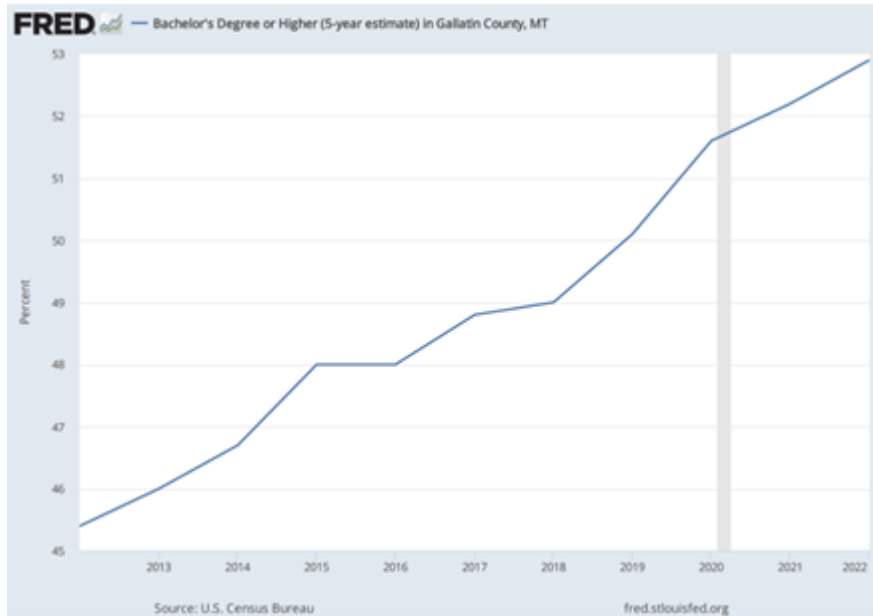
Social influences include age levels, crime statistics, educational characteristics, employment levels, and population density, among others. Gallatin County is located in Southwest Montana and is currently the second most populated county in Montana following Yellowstone County which includes Billings. As of the 2020 census, the population of Gallatin County was 118,960. Gallatin County is characterized by a mix of urban and rural communities. Bozeman is the seat of Gallatin County and is the most populated City in Gallatin County. As of July 1, 2022, the population of Bozeman was estimated to be 56,123 people. As shown in the tables below, both Gallatin County and the City of Bozeman have experienced significant population growth over the last 20 years, outpacing all other counties and cities in Montana.



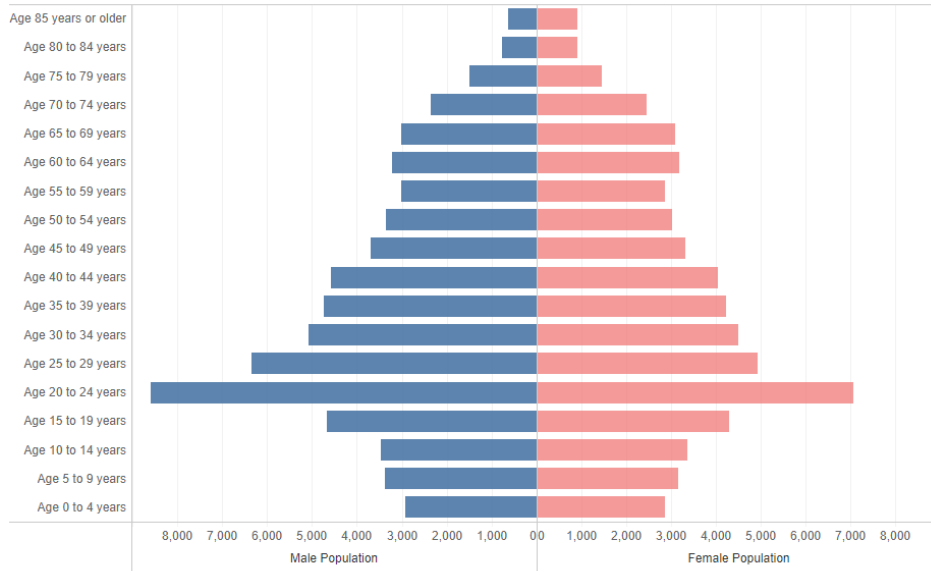
Source: Montana Department of Commerce

Although Montana is generally categorized as a rural state, the average travel time to work in Montana is 19.0 minutes which is shorter than the national average of 26.4 minutes. The homeownership rate in Montana is reported to be 68.8% which is higher than the national average of 65.2%.

Statewide, 34.6% of the population has obtained a bachelor’s degree or higher. In comparison, 52.9% of Gallatin County residents have completed a bachelor’s degree or higher. The higher percentage of college educated residents in Gallatin County is due, in part, to the presence of Montana State University as well as the availability of higher paying jobs which often require higher education. As shown by the graph below, there percentage of Gallatin County residents with a bachelor’s degree or higher has been increasing over the last ten years.



The median age in Montana is 40.2 which is slightly older than the median age in the United States which is 39.0. Montana has a higher percentage of veterans relative to the rest of the United States with about 8.9% of the population compared to 6.2% in the United States. The average age in Gallatin County is 33.4 which is significantly younger than the median age in Montana and the median age in the United States. As shown by the table on the following page which depicts the age of the Gallatin County population in 2022, there is a predominance of residents in the 20 to 24 year group. This is largely due to the presence of MSU.

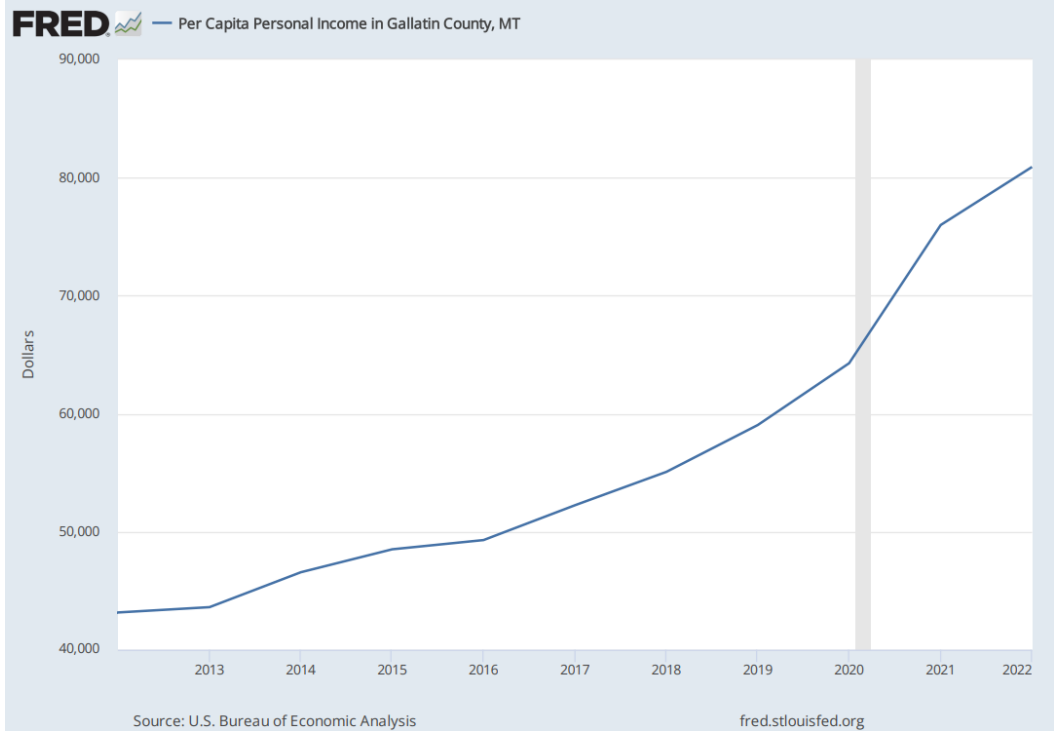


Data Source: Annual County Resident Population Estimates by Age, Sex, Race, and Hispanic Origin, Population and Housing Units Estimates Program, U.S. Census Bureau.

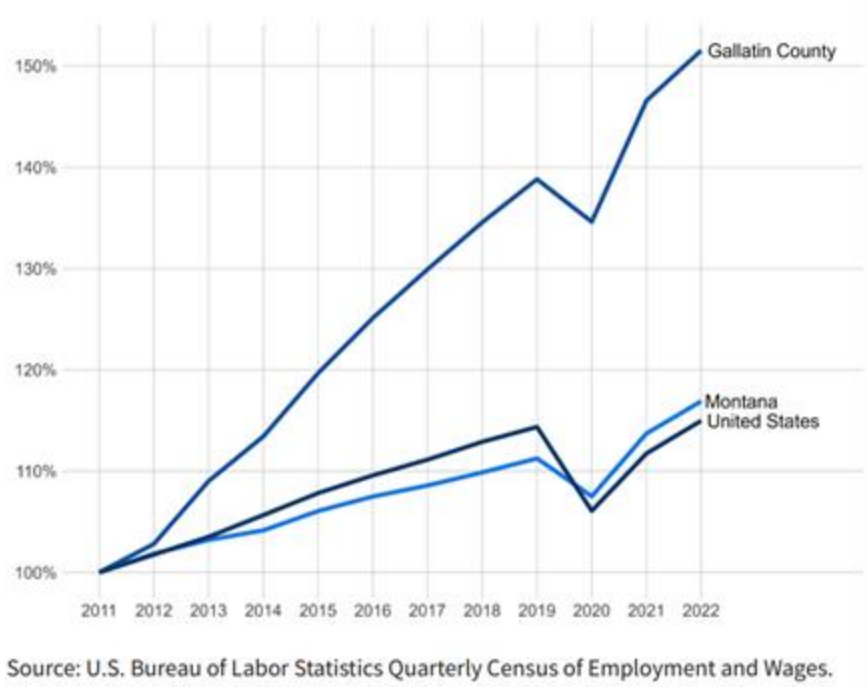
As previously mentioned, Montana State University (MSU) plays a key role in the City of Bozeman and Gallatin County. There were 16,978 students enrolled at Montana State University for the Fall 2023 semester which is the largest enrollment in MSU’s 130-year history. This includes 14,885 undergraduate students and 2,093 graduate students. 8,195 students are Montana residents which accounts for 48% of total enrollment. Approximately 5,200 students live in on-campus housing and MSU reports that residence halls have been at or near capacity for at least 10 years. MSU completed construction of Yellowstone Hall in the Fall of 2016 which provided housing for an additional 436 students at a cost of \$34.5 million. Yellowstone Hall is the fifth LEED Gold certified building on the MSU campus. Norm Asbjornson Hall opened in December of 2018 and includes 10 classrooms seating 800 students as well as 17 instructional and research labs with a capacity of 430 students and faculty and a total of 110,000 square feet. The reported cost was approximately \$68 million and Asbjornson Hall is a LEED platinum certified building which is the highest certification achievable.

2. Economic Influences

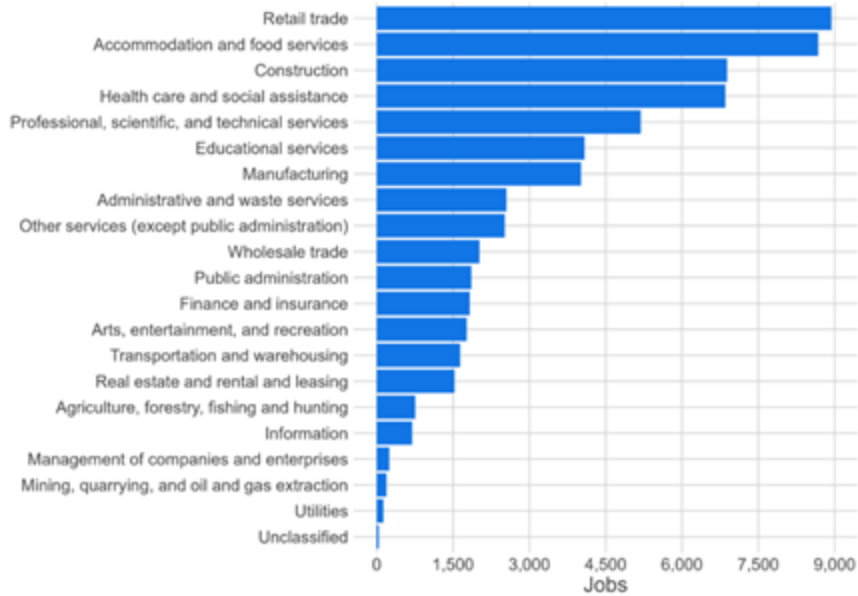
Economic influences relate to the financial capability of the market area’s occupants to purchase, own, rent, maintain, and/or renovate a property. The median household income in Montana is reported by the 2022 American Community Survey to be \$67,631 which is lower than the median household income in the United States which was reported to be \$74,755. However, only 12.1% of the population of Montana is reported to live in poverty compared to 12.6% nationwide. The median household income in Gallatin County was \$76,208 as of 2021 which is 12.7% higher than the \$60,560 median household income for the State of Montana. Shown on the following page is a graph that outlines per capita personal income in Gallatin County. Different from median household income, per capita personal income considers income that is received from all sources which are primarily defined as wages, salaries, proprietors’ income, rental income, personal interest and dividend income. As shown in the graph on the following page, per capita personal income in Gallatin County has sharply increased over the last ten years.



Gallatin County has experienced more rapid employment growth than any other area of Montana with a 31% growth in payroll employment from 2015 to 2022 which represents approximately 16,000 new jobs in Gallatin County. Shown below is a graph of how Gallatin County employment growth compares to employment growth in the State of Montana and nationally.

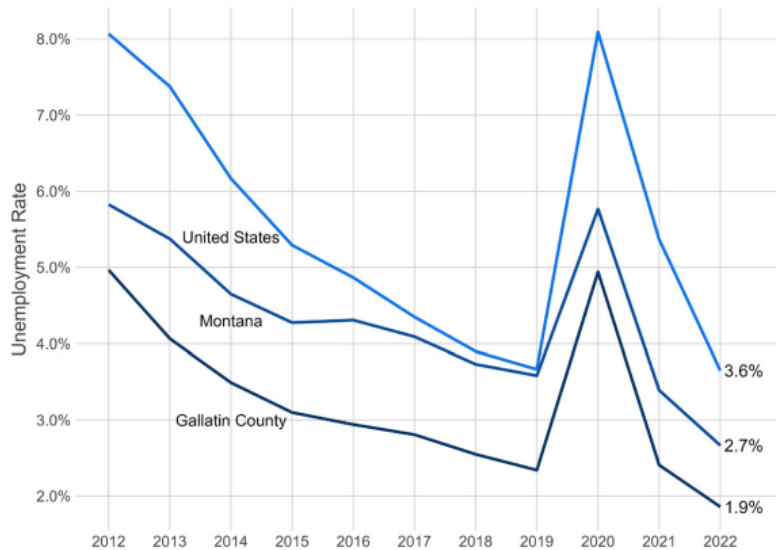


Key employment in Gallatin County is tied to retail trade, accomodation and food services, construction, healthcare and social assistance, and professional, scientific, and technical services. Shown below is table of employment by industry in Gallatin County.



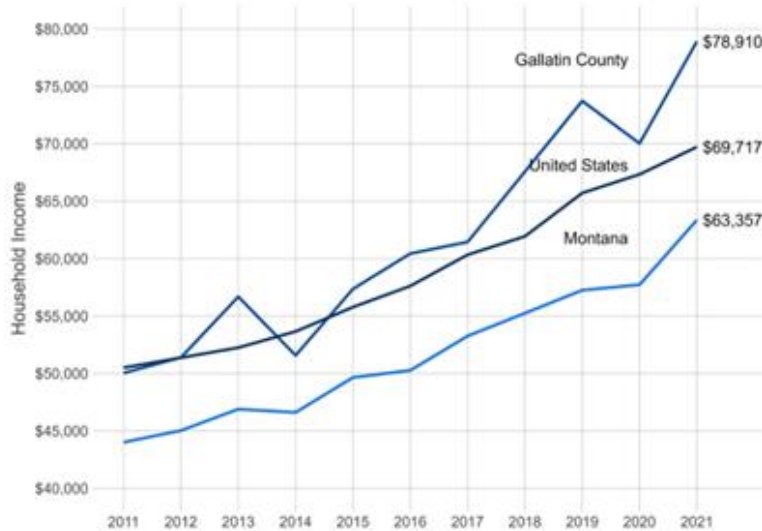
Source: U.S. Bureau of Labor Statistics Quarterly Census of Employment and Wages.

The unemployment rate in Gallatin County was 1.9% in 2022 which is lower than both the unemployment rate for the State of Montana and the national unemployment rate which were 2.7% and 3.6% respectively. Shown below is a graph of historical unemployment rates for the United States, State of Montana, and Gallatin County.



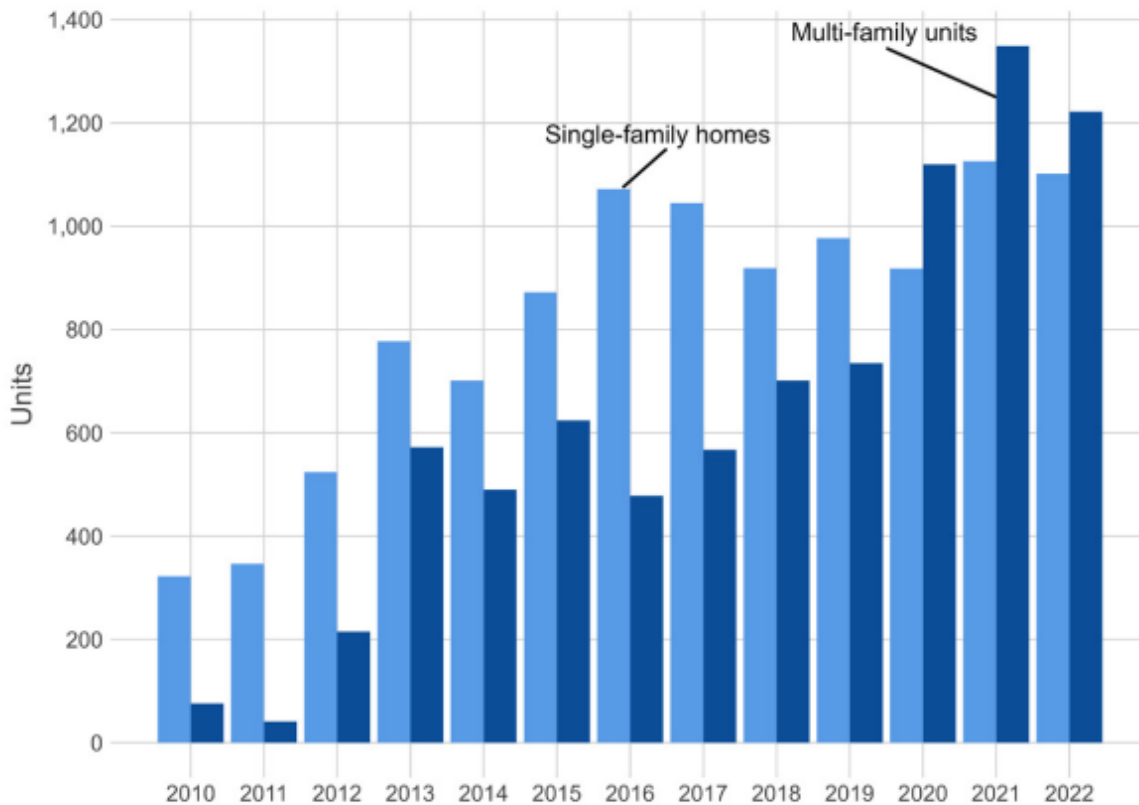
Source: U.S. Bureau of Labor Statistics Local Area Unemployment Statistics.

The median household income for Gallatin County was \$78,910 in 2021 which is 13.19% higher than the \$69,717 median household income for the United States and 19.71% higher than the \$63,357 median household income for the State of Montana. Shown below is a graph of the historical median household income for the United States, State of Montana, and Gallatin County.



Source: U.S. Census Bureau Small Area Income and Poverty Estimates.

The number of new subdivisions within the City of Bozeman declined each year from 2016 to 2020 before increasing in 2021 and increasing again in 2022. This is due in part to the lack of developable land located within Bozeman City limits. Nonetheless, the number of building permits granted in Gallatin County have been generally increasing. As shown in the chart on the following page, there was a significant increase in the number of multi-family building permits in Gallatin County from 2019 to 2022 with a peak in 2021. On the other hand, the number of single-family building permits peaked in 2016 before declining in 2017 and 2018. The number of single family building permits have since increased but have not surpassed the number of multifamily building permits since 2019.

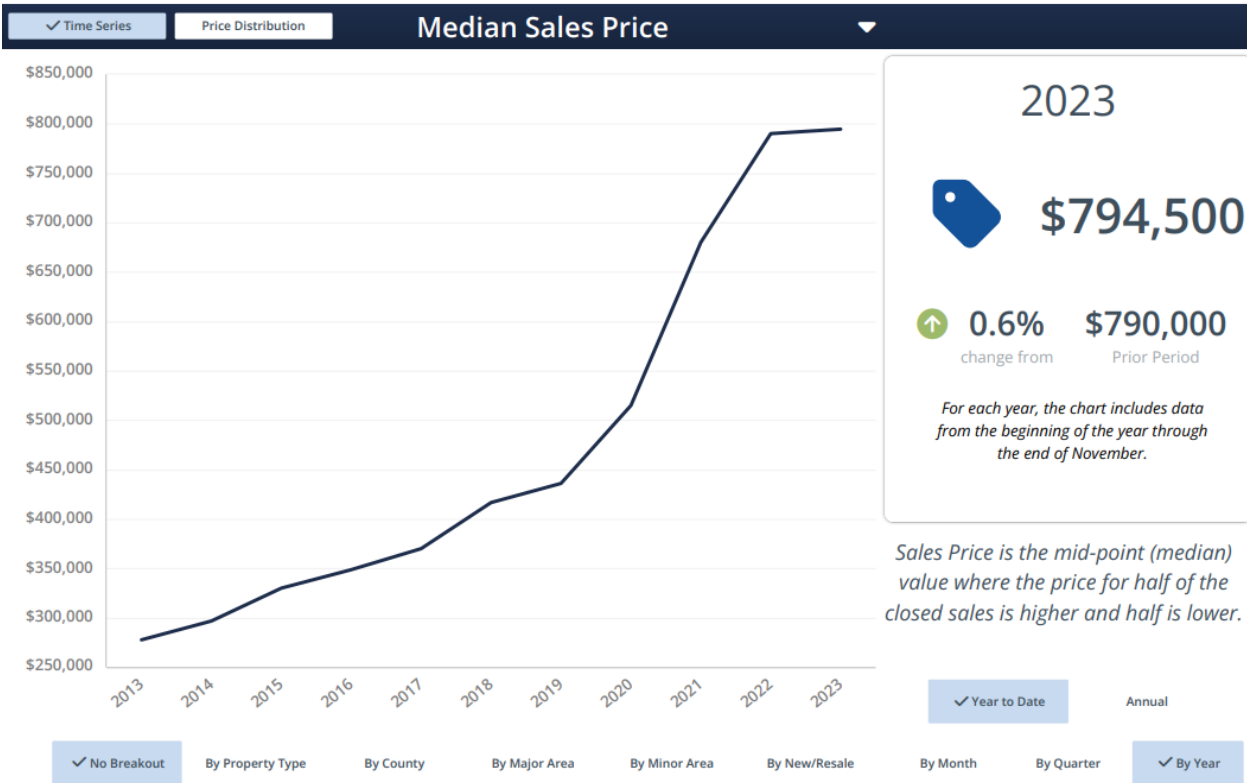


Source: U.S. Census Building Permits Survey.

The median sales price of single-family residences in Gallatin County has increased sharply in the last ten years. According to Big Sky Country MLS, the median sales price of a single-family residence in Gallatin County was \$277,710 in 2013. This has since skyrocketed to \$794,500 towards the end of 2023. The greatest rise in median sales price occurred from 2020 to 2021 when the median sales price was \$514,867 to a median sales price of \$680,000 in 2021. This is due, in large part, to an in-migration resulting from the COVID-19 pandemic. Shown on the following page is graph of median sales prices of single-family residences in Gallatin County.

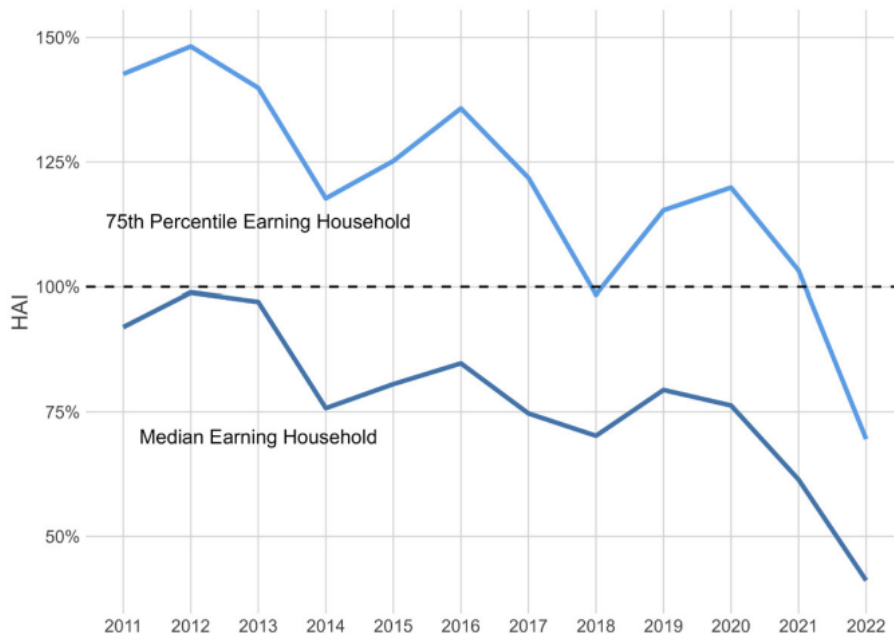
Includes Single Family Residence in Gallatin County - multiple Major Areas - multiple Minor Areas

For listings in all price ranges; in all living area ranges; all # of bedrooms; all # of bathrooms; in all lot size ranges; across all years built.



Data provided by Big Sky County MLS, updated 12/13/23. By using this dashboard, you agree to the [End User License Agreement](#). ©2023 [Domus Analytics](#)

Although Gallatin County has a comparatively high median household income, housing affordability in Gallatin County has been in decline. Most recently, this can be attributed to the rise in median sales prices coupled with increasing mortgage rates observed since their historic lows at the beginning of 2021. As shown by the graph on the following page, home ownership in Gallatin County has not been “affordable” for median earning households since 2012. Furthermore, home ownership dropped into the “unaffordable” range for 75th percentile earning households first in 2018, then again in 2021.



Source: U.S. Census American Community Survey, Big Sky Country MLS, Freddie Mac, BBER Analysis.

Historically, Bozeman has provided the bulk of residential rental units in Gallatin County; however, as demand for rental units has increased, the number of rental units in Belgrade has grown rapidly. Shown below is a summary of rental housing in Bozeman, Belgrade, and Gallatin County as estimated by the following 2021 U.S Census American Community Survey:

	Bozeman	Belgrade	Gallatin County
Occupied Rental Units	11,636	1,762	17,464
Change since 2017	+1,509	+596	+1,830
% Change	13.0%	33.8%	10.5%
Vacancy Rate 2021	3.6%	12.9%	5.8%
2017	3.8%	4.5%	4.4%
% Units by Structure	--	--	--
Single-family	33.1%	37.7%	38.3%
2-4 units	22.6%	40.1%	23.3%
5+ units	42.4%	15.7%	33.4%
Total	1,144	100.0%	

3. Governmental Influences

Governmental influences pertain to established and emerging laws that affect real properties as well as the enforcement of those laws. These include building, housing, and sanitary codes, environmental regulations, fire protection, land use, local development levies (impact fees), special assessments, taxation, and zoning. Gallatin County is zoned by the Gallatin County Planning Office which has broken the County into 22 zoning districts based on location. Zoning classifications, permitted uses, and overall detail vary greatly within the large number of zoning districts. Generally, the districts cover a smaller area in the more densely populated areas while the rural districts cover larger land areas. The City of Bozeman and City of Belgrade have each implemented their own zoning regulations. Beginning in the summer of 2022, the City of Bozeman began exploring a re-write of their zoning regulations which are called the Unified Development Code or “UDC”. The most recent iteration of the proposed UDC would combine the R-1, R-2, and R-3 zoning designations into a single “R-A” zoning designation. Under the previous zoning regulations, R-1, R-2, and R-3 were residential in nature with increasing allowable density from R-1 to R-2 and from R-2 to R-3. One of the chief concerns expressed by the Bozeman community was regarding the combination of the three residential districts. After significant pushback from Bozeman residents, the City of Bozeman has delayed the implementation of the proposed UDC.

The Belgrade Zoning Code was recently updated and approved by Belgrade City Council on July 17, 2023. The new zoning code provides greater detail regarding development and use regulations for an extensive list of zoning designations. The previous code had not been updated since 1977. Impact fees have been utilized by the City of Bozeman since 1996 and were implemented to increase the capacity of water and sewer systems, fire and EMS services, and street and transportation services. Impact fees are due at the issuance of a building permit and are based on the estimated cost-per-unit- of service to new or expanding development. In May of 2019, Belgrade City Council voted to amend their impact fee schedule. As a result, the average impact fee to build a single-family residence in Belgrade increased from \$7,761 to \$13,440. The Bozeman Public Safety Center opened in 2022. The 95,000 square foot building houses the Bozeman Police Department, Fire Station #1, and municipal courts. There are two additional firehouses located within Bozeman City limits and a number of professional and volunteer fire departments that serve the communities of Gallatin County.

4. Environmental Influences

Environmental influences include climate, wildlife, land use patterns, open space, property sizes, public utilities (electric, water, gas, sewer, cable), topography, and transportation. Gallatin County is well-known for its natural landscapes which include a number of mountain ranges, rivers, and significant wildlife. There are two primary ski areas located within the boundaries of Gallatin County, which are Bridger Bowl and Big Sky Resort. Big Sky Resort is located southwest of Bozeman and is the larger of the two ski areas with 5,850 acres of skiable terrain, 38 chair lifts, 4,350 vertical feet, and 320 named runs. Bridger Bowl is located northeast of Bozeman and boasts 2,500 acres of terrain with eight chair lifts, 2,500 vertical feet, and four lodges. Availability of municipal services has been one of the primary hurdles for development in Bozeman and the surrounding area. The City of Bozeman supplies municipal water and sewer services to the majority of properties within Bozeman City limits. The Four Corners Water and Sewer District was established to provide water and sewer service for the Four Corners area and along Jackrabbit Lane/Highway 191. The northern boundary of the Four Corners Water and Sewer District is located along Cameron Bridge Road while the southern boundary is just south of the Elk Grove Subdivision. Municipal water from the City of Bozeman is sourced from Lyman Creek in the Bridger Mountains and from Sourdough Creek and Hyalite Creek in the Gallatin Mountains. Given the astronomical development in the area, water demand has greatly increased over the last 10 years. NorthWestern Energy provides electricity and natural gas to the western two-thirds of Montana including the majority of Gallatin County.

The Bozeman Yellowstone International Airport is located northeast of Belgrade and is the primary provider of air travel access to Gallatin County, Park County, and Yellowstone National Park. The airport handled 2,264,424 passengers in 2022 which is a 16.7% increase from the 1,940,191 passengers handled in 2021. It is reported that over 40% of passengers traveling by air to or from Montana utilized the Bozeman Yellowstone International Airport. Carriers include Delta Airlines, United Airlines, Southwest Airlines, Alaska Airlines, American Airlines, Allegiant Air, JetBlue, and Sun Country. The Bozeman Yellowstone International Airport also handles a number of private flights, namely, involving the Yellowstone Club. Recently, the airport expanded its paid parking lot by nearly 40% at a cost of \$8 million. The airport also completed construction of a \$23 million in-line baggage handling system in the summer of 2023. BZN is the busiest airport in Montana, the seventh busiest airport in the seven-State region of the County including Colorado, Utah, Wyoming, Idaho, Montana, Oregon, and Washington, and the 92nd busiest airport in the country measured by passengers. Shown on the following page is a map of non-stop destinations serviced by the Bozeman Yellowstone International Airport.

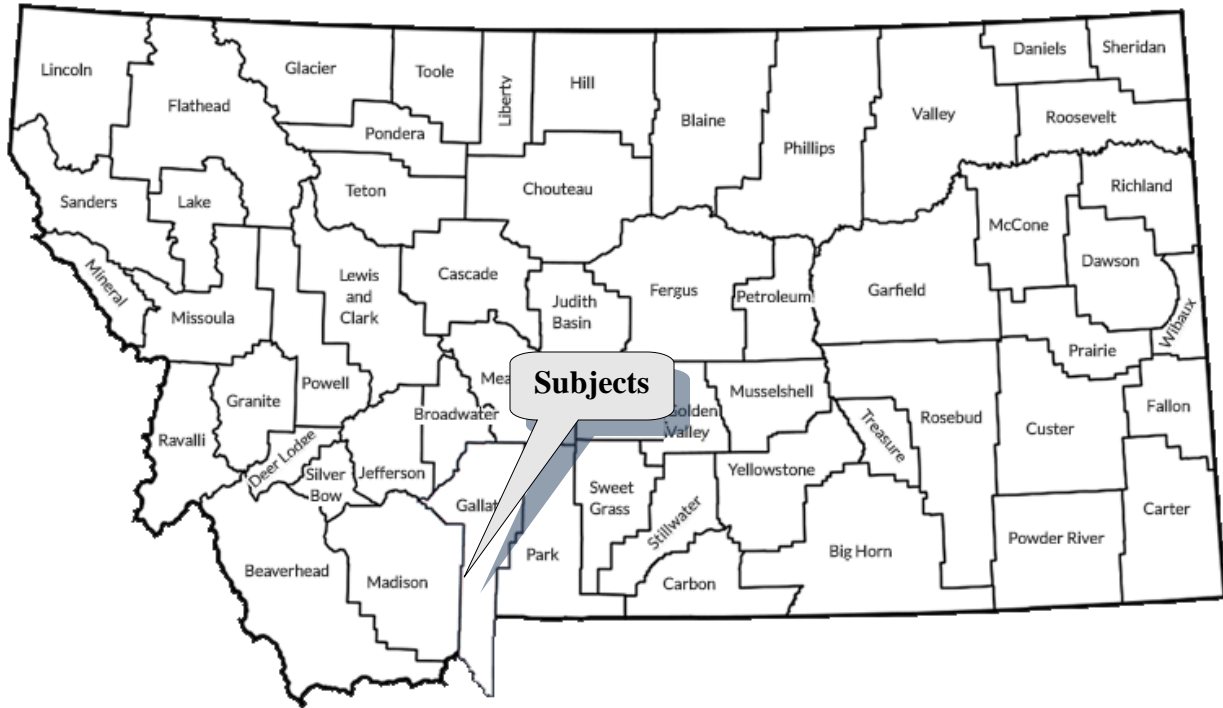


Source: Bozeman Yellowstone International Airport

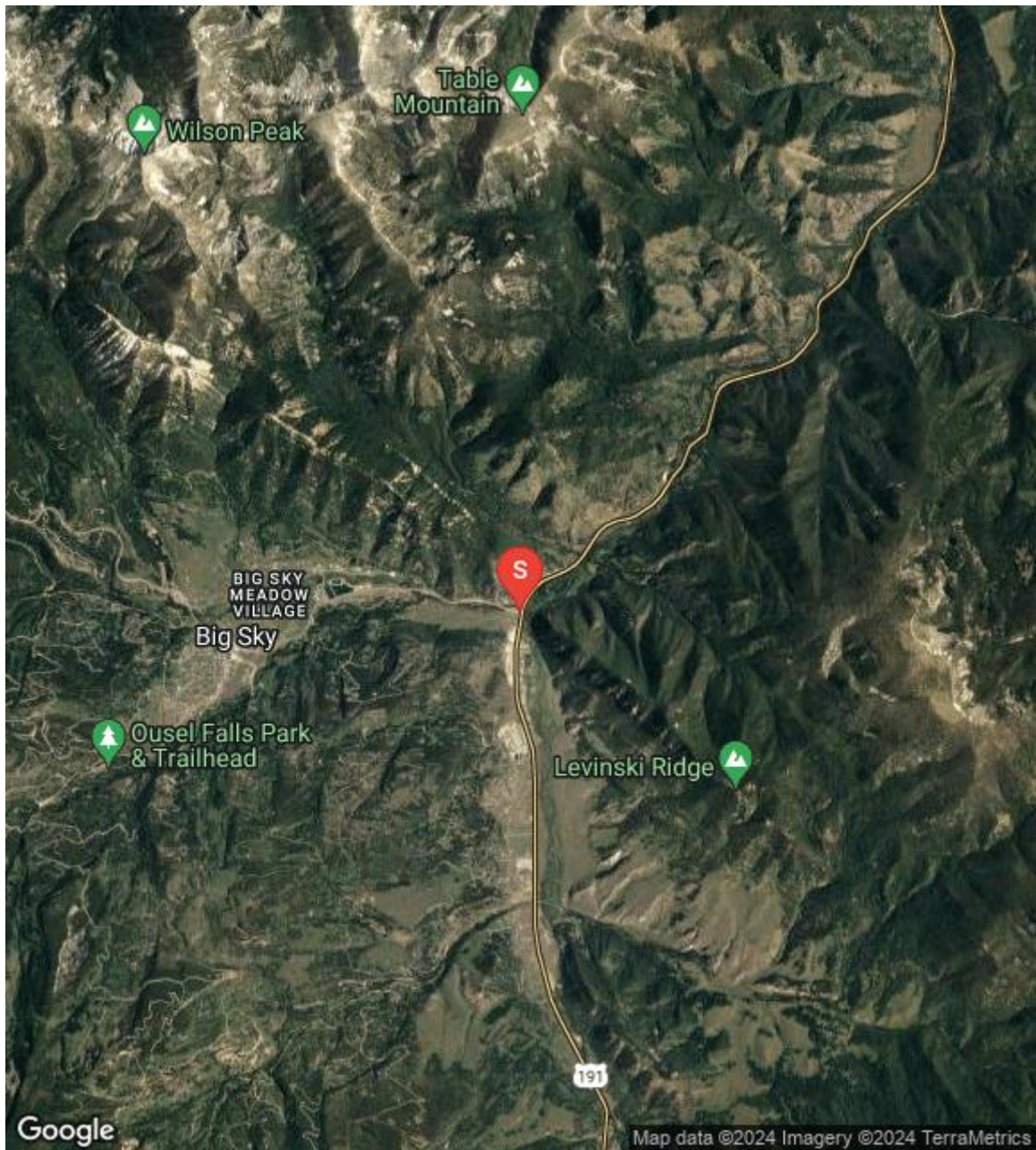
Subject Neighborhood Description

The subject properties are located on the northwest corner of Gallatin Road/Highway 191 and Lone Mountain Trail which are the two primary traffic corridors in the Big Sky area. Gallatin Road/Highway 191 leads to Bozeman to the north and West Yellowstone to the south of the subject properties. Lone Mountain Trail leads to the meadow and mountain areas of Big Sky to the west of the subject properties. A majority of the recent commercial development in the Big Sky area has occurred in the Town Center development approximately three miles to the west of the subject properties. There have been numerous commercial, multi-family residential, and mixed-use projects completed in the Town Center development in recent history. A notable development that is nearing completion in the Meadow Center development of Big Sky approximately two miles to the west of the subject property is a mixed-use project that will include the new Big Sky Post Office and apartment units. Furthermore, there is a large amount of affordable housing that has been recently constructed, is currently underway, or is proposed for the Powder Light and Riverview developments approximately one mile to the west of the subject properties. The subject properties are located in the canyon area of Big Sky which includes a blend of single-family residential, multi-family residential, and commercial properties. Furthermore, Ophir Elementary School, Ophir Middle School, and Lone Peak High School which collectively serve as the K-12 education system in Big Sky are located approximately three miles to the south of the subject properties. The canyon area of Big Sky is not connected to the Big Sky Water and Sewer systems which has limited its development potential; however, the Gallatin Canyon Water and Sewer District is proposed to be constructed in the canyon area of Big Sky with a construction starting date expected to occur in 2026.

COUNTY LOCATION MAP



TOWN LOCATION MAP



ZONING



The subject properties are zoned by the Gallatin County Planning Department as CC, Community Commercial District. The purpose of the Community Commercial District is to accommodate the unified development of community, retail, service and office facilities with convenient automobile access. Shown on the following page are examples of permitted and conditional uses within the Community Commercial District. Furthermore, the subject properties are located in an Entry Corridor and View Protection Overlay District. The intent of the Entry Corridor and View Protection Overlay District is to enhance the visual quality and identity of the Gallatin Canyon/Big Sky Planning and Zoning District by providing guidelines for development along designated entry corridors and protecting key views from encroachment by development.

SECTION 12 COMMUNITY COMMERCIAL (CC)

- 12.1 Intent: The intent of this district is to accommodate the unified development of community Retail, service and Office facilities with convenient automobile access.
- 12.2 Minimum Lot Size and Width: There shall be no minimum Lot area and Width. Lot area and Width shall be large enough to accommodate proposed Structures, required parking, and applicable design standards.
- 12.3 Permitted Uses:
- a. Accessory Structures, Parking Lots, and loading facilities.
 - b. Bars.
 - c. Bus Shelters and Bus Turnouts.
 - d. Carwashes
 - e. Essential Services (Type I).
 - f. Health and Exercise Establishments.
 - g. Lodges and Clubs.
 - h. Medical Offices, Clinics and Centers.
 - i. Museums.
 - j. Personal and Convenience Service.
 - k. Restaurants.
 - l. Retail.
 - l. Short Term Rentals.
 - m. Special Events.
 - n. Studios.
 - o. Temporary Uses and Structures, subject to [Section 23.1.b.](#)
 - p. Veterinarian Clinics.
 - q. Workforce Housing Commercial.
- 12.4 Conditional Uses:
- a. Accessory Uses not listed in [Section 12.3.](#)
 - b. Bed and Breakfast Inns.
 - c. Cemeteries.
 - d. Childcare Facilities.
 - e. Drive-through facilities.
 - f. Essential Services (Type II & III).
 - g. Gasoline sales and service stations.
 - h. Hotels.
 - i. Mini-warehouses.
 - j. Multi-family housing, at a maximum density of 12 units per gross acre.
 - k. Multi-family Workforce Housing.
 - l. Places of Worship.
 - m. Planned Unit Development.
 - n. Schools.
 - o. Temporary Uses and Structures, subject to [Section 23.1.b.](#)
 - p. Transitional and Emergency Housing.
 - q. Warehouses.
 - r. Workforce Housing Dormitory.
 - s. Workforce Housing Mixed Use.

SITE INFORMATION

Size

Tract 2-A has an approximate area of 71,656 square feet or 1.645 acres while Tract 3-A has an approximate area of 129,591 square feet or 2.975 acres. Combined, the two subject properties have an approximate site area of 201,247 square feet or 4.620 acres.

Shape

The subject sites are irregular in shape.

Topography

The subject sites have generally level topography.

Street Access

The subject sites have street access from Lone Mountain Trail.

Street Frontage

Tract 2-A has frontage along Lone Mountain Trail and Highway 191 while Tract 3-A has frontage along Lone Mountain Trail. Lone Mountain Trail and Highway 191 are the two primary traffic corridors in Big Sky.

Visibility

The subject sites have very good visibility from Lone Mountain Trail and Highway 191.

Water & Sewer

The subject sites do not currently have any municipal or community water and sewer services available to it. Tract 2-A currently has a private well and septic system while Tract 3-A currently has a private well and a portion of a drainfield for a septic system. Please see other site comments for more details.

Electricity & Natural Gas

The subject sites have electricity available to them. There is no natural gas available to the subject sites.

Census Tract

The subject sites carry a census tract of 16.00.

Flood Zone

The northern portions of Tract 2-A and Tract 3-A that are bisected by and border the West Fork of the Gallatin River are located in areas inundated by 100-year flooding and are therefore considered to be unbuildable.

Environmental Issues

There are no known adverse environmental conditions on the subject sites. Please reference Limiting Conditions and Assumptions on Pages 2-3.

Wetlands

The northern portions of Tract 2-A and 3-A are bisected by the West Fork of the Gallatin River and therefore wetland areas exist in these areas.

Easements, Encroachments, & Other Known Encumbrances

Based on the survey for Tract 2-A and Tract 3-A that is recorded at the Gallatin County Clerk and Recorder's Office, the commercial building that is located at 25 Lone Mountain Trail encroaches into the right of way for Lone Mountain Trail. However, it appears that this encroachment was permitted for 99 years by the Montana Department of Highways in 1989 based on documentation retained in our office file. There is also a trail easement on the northeast portion of Tract 2-A that was granted to the Big Sky Community Organization in 2022. There are no other known easements, encroachments, or other known encumbrances on the subject sites. Please reference Limiting Conditions and Assumptions on Pages 2-3.

Other Site Comments

The subject properties have notable portions of their gross site areas that are considered to be unbuildable due to zoning and watercourse setbacks. Based on engineering exhibits that were provided to me by a representative of the owners of the subject properties, the estimated buildable area of Tract 2-A is approximately 34,700 square feet or 0.797 acre while the estimated buildable area of Tract 3-A is approximately 77,100 square feet or 1.770 acres. Therefore, the estimated buildable area of both subject properties is approximately 111,800 square feet or 2.567 acres which represents approximately 56% of the combined gross site area of the two subject properties. This results in approximately 89,447 square feet or 2.053 acres of the combined site area of the two subject properties as unbuildable, which represents approximately 44% of the combined gross site area of the two subject properties. Please refer to the buildable area exhibit on Page 32 for more details.

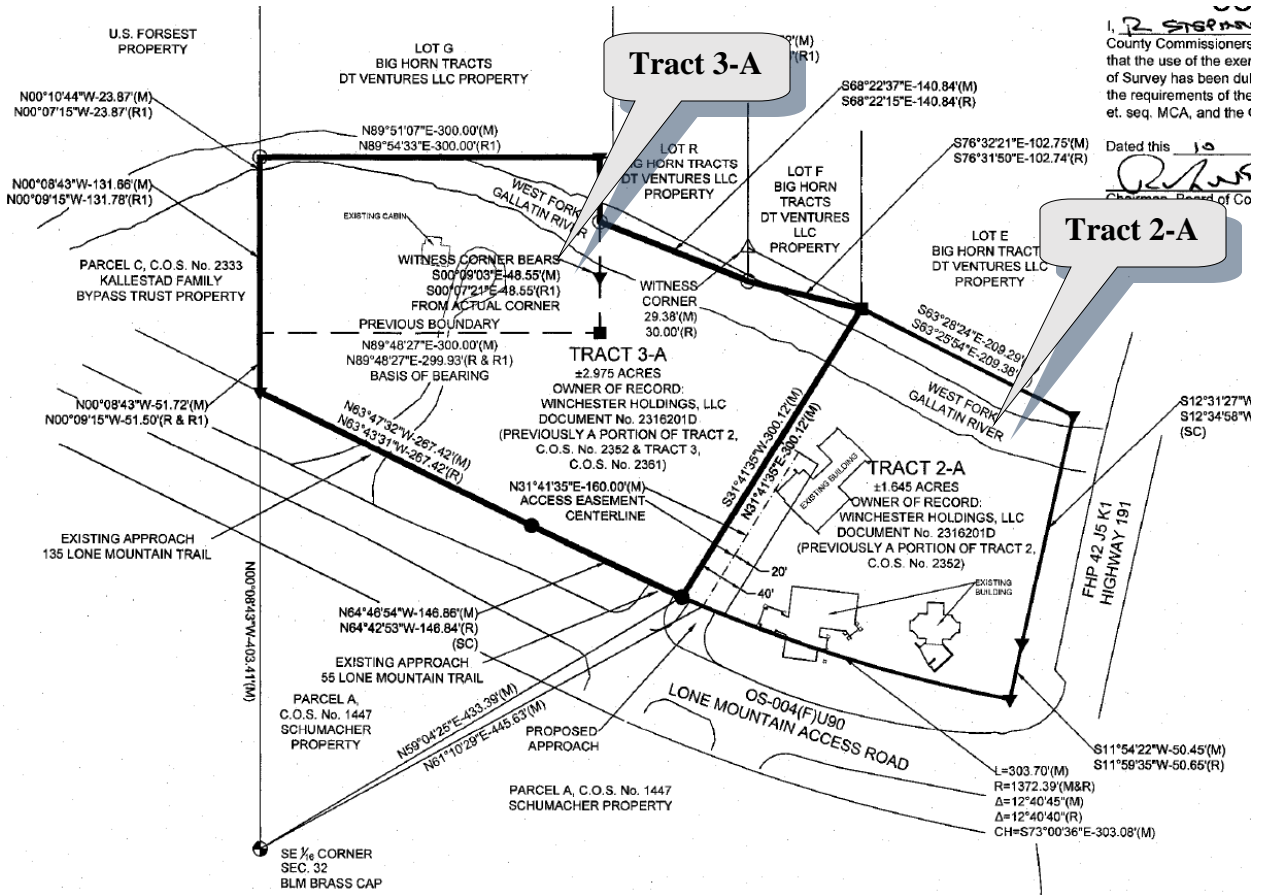
As of the effective date of this appraisal, the subject properties did not have any community or municipal water and sewer services available to them. The subject properties are located outside of the boundaries of the Big Sky Water and Sewer District. The subject properties are located within the proposed sewer service area boundaries of the newly-created Gallatin Canyon County Water and Sewer District (GCCWSD); however, they have not yet been annexed into the current

GCCWSD. Furthermore, no infrastructure improvements for the GCCWSD have been made. According to a representative of the owners of the subject properties, the subject properties have been applied for annexation into the GCCWSD and that the annexation vote was pending as of the effective date of this appraisal. Following completion of the infrastructure improvements for the GCCWSD, properties that have been annexed into the GCCWSD will have access to community water and sewer services through the GCCWSD. According to the website for the GCCWSD, construction of the infrastructure improvements for the GCCWSD is expected to begin in 2026. Costs for the proposed infrastructure improvements within the GCCWSD were estimated to be approximately \$51.4 million; however, these costs were not finalized and based on actual bids as of the effective date of this appraisal. It is currently unknown as of the effective date of this appraisal what cost burden the subject properties would incur if they are connected to the GCCWSD infrastructure improvements.

As of the effective date of this appraisal, Tract 2-A had a private well and a private septic system that provided water and sewer services to the three buildings that are located on Tract 2-A while Tract 3-A had a private well and a portion of a drainfield for new septic system in place. According to a representative of the current owners of the subject properties, the new septic system on Tract 2-A, the new well on Tract 3-A, and the partial septic system on Tract 3-A were installed prior to anticipation of the GCCWSD. As development of the GCCWSD concept evolved, the current owners of the subject properties reportedly halted construction of the water and septic systems on Tract 3-A as to not incur unnecessary costs in the case that the GCCWSD infrastructure improvements are constructed and the subject properties are annexed into the GCCWSD. According to a representative of the current owners of the subject properties, the water and septic systems on Tract 3-A could be completed and utilized for water and sewer capacity if the GCCWSD infrastructure improvements are not completed. Department of Environmental Quality (DEQ) approval documents indicate that Tract 2-A is approved for wastewater flows of up to 1,108 gallons per day while Tract 3-A is approved for wastewater flows of up to 3,405 gallons per day with the approved water and septic system improvements on Tract 2-A and Tract 3-A when completed. Based on two hypothetical development scenario exhibits that I was provided with by a representative of the current owners of the subject properties, it is estimated that between 30,900 square feet and 66,000 square feet of additional commercial space could be constructed on the subject properties with adequate water and sewer services provided by the well and septic systems on the subject properties if DEQ-approved water and septic systems were completed on Tract 3-A. These proposed commercial square footage amounts are reportedly based under the assumption that the buildings within each hypothetical development scenario could be built to three stories each to comply with zoning regulation height restrictions and depend on the proposed uses within the buildings. Please refer to the hypothetical development scenarios on Pages 33-34 for more details.

There is a proposed roundabout being considered for construction at the intersection of Highway 191 and Lone Mountain Trail, adjacent to and southeast of Tract 2-A. This roundabout is being proposed as a potential solution to traffic delays that are being caused by high daily traffic counts and the existing stoplight at this intersection. If this roundabout is constructed, it would utilize a portion of Tract 2-A and potentially a portion of Tract 3-A. Please refer to the proposed roundabout exhibit on Page 36 for more details.

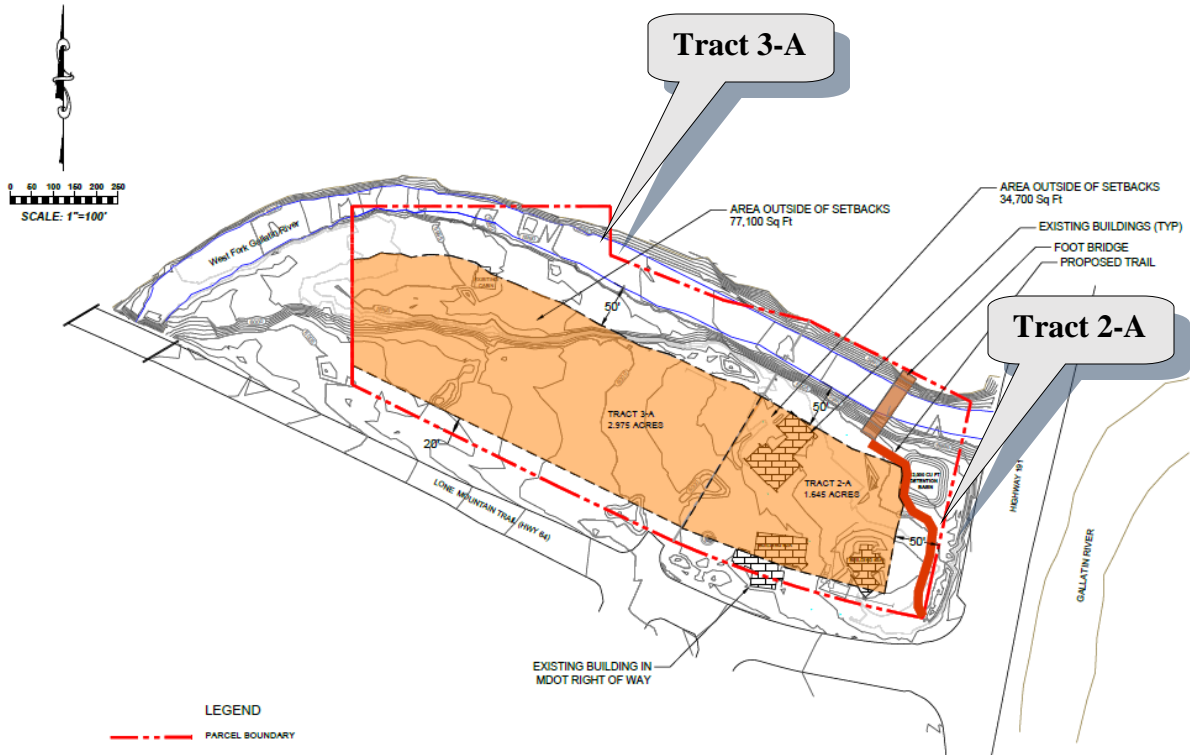
CERTIFICATE OF SURVEY



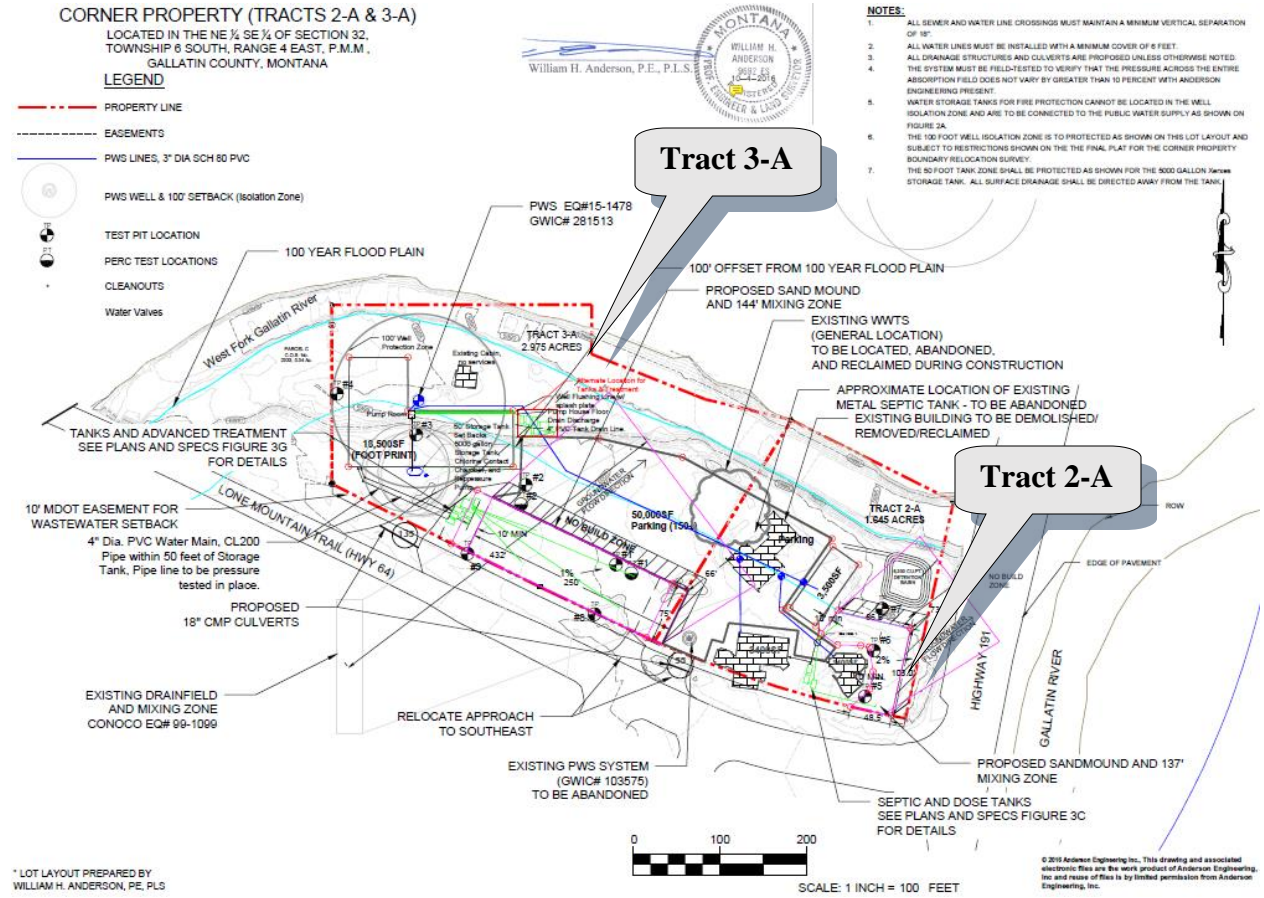
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 County Commissioners
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Dated this 10
2024
 Chairman, Board of Co

BUILDABLE AREA EXHIBIT

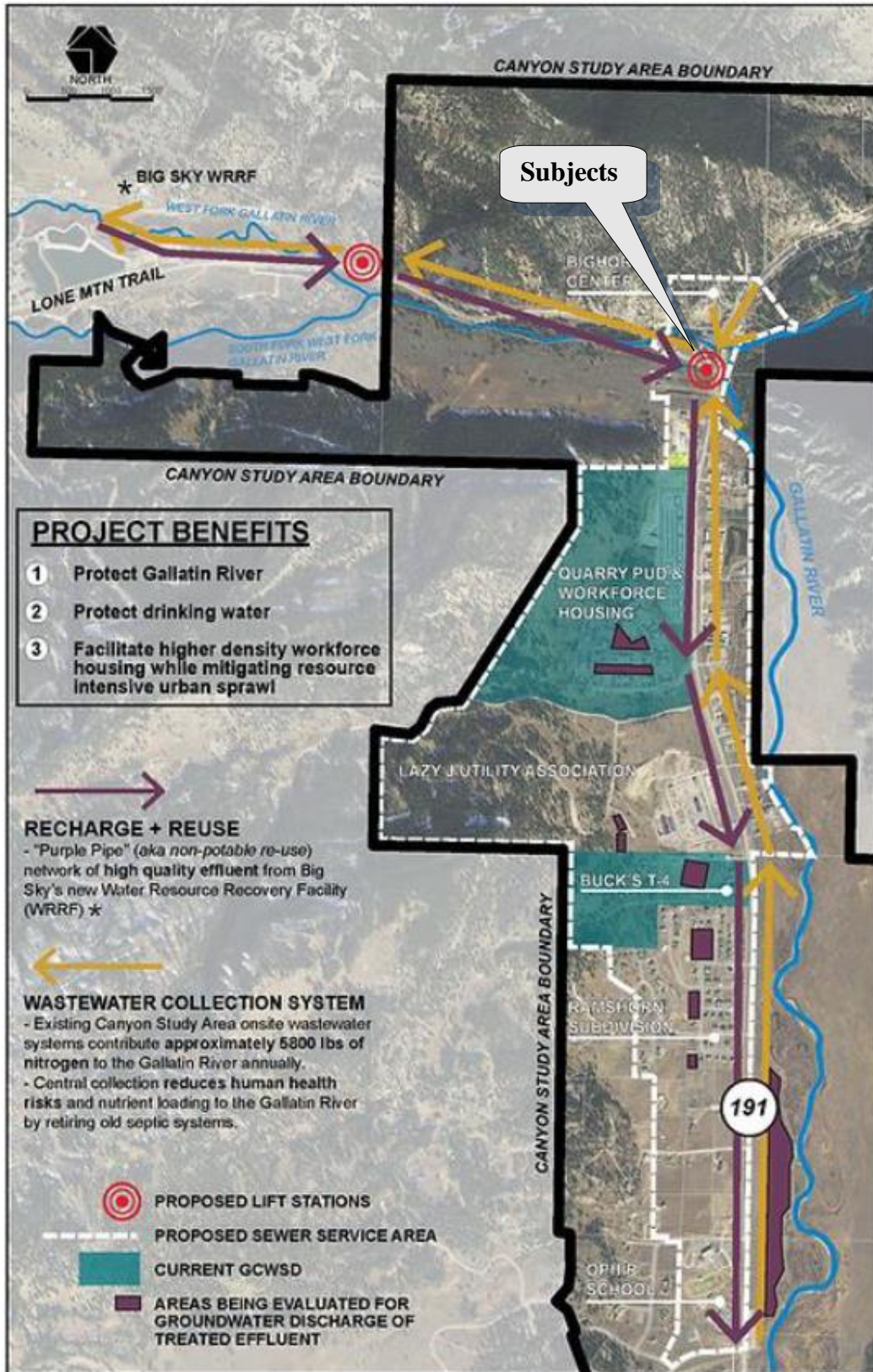


HYPOTHETICAL DEVELOPMENT SCENARIO 1

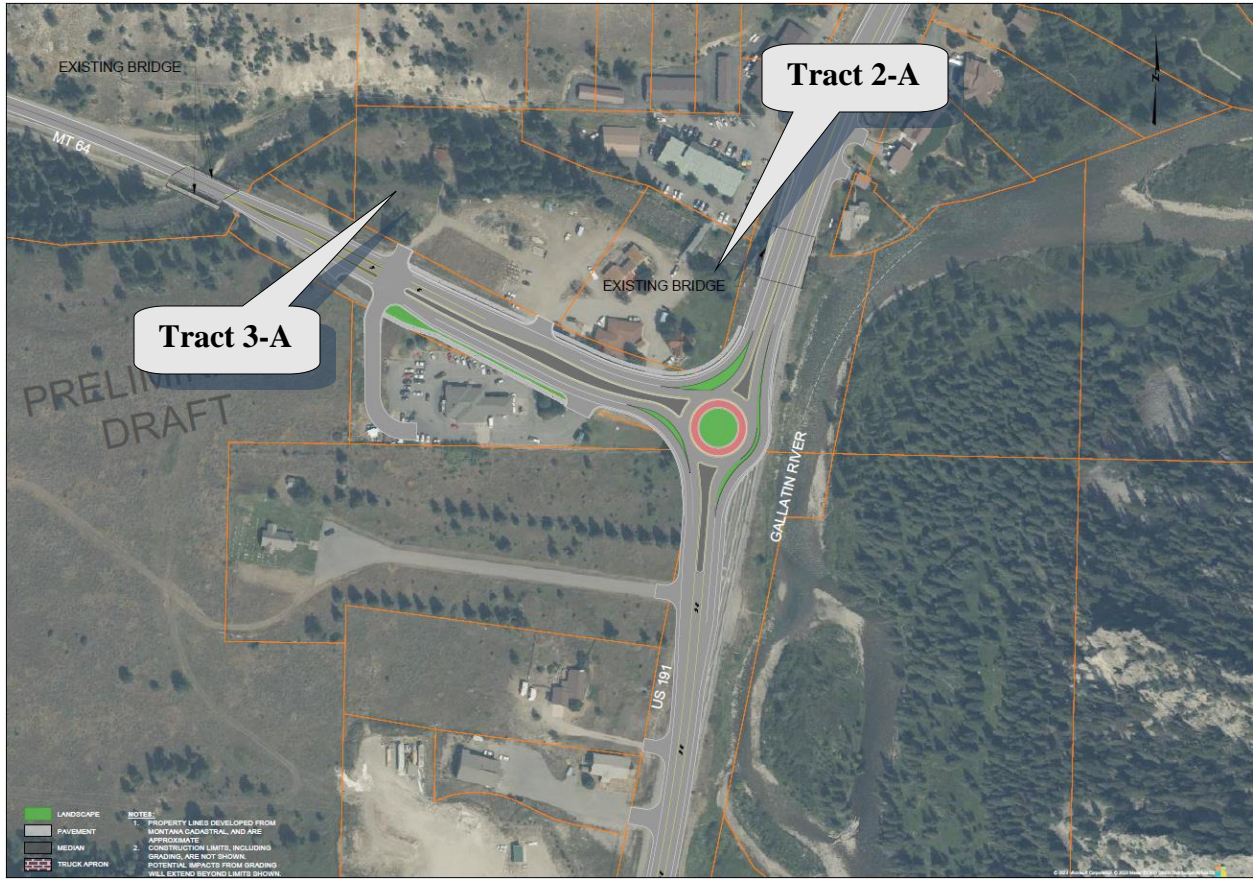


* LOT LAYOUT PREPARED BY WILLIAM H. ANDERSON, PE, PLS

PROPOSED GCCWSD MAP



PROPOSED ROUNDABOUT EXHIBIT



FLOOD MAP



IMPROVEMENTS INFORMATION

25 Lone Mountain Trail Commercial Building

The building that carries the address of 25 Lone Mountain Trail is a commercial building that is located on Tract 2-A and was 100% leased to Stillwater Architecture as of the effective date of this appraisal. According to county records, this building was originally constructed in 1953; however, it was recently remodeled by the current owner of the subject property. This building has one level above grade and according to my measurements, has an approximate gross building area of 812 square feet. I was unable to obtain interior access to this building.

55 Lone Mountain Trail Commercial Building

The building that carries the address of 55 Lone Mountain Trail is a commercial building that is located on Tract 2-A and was 100% leased to Stay Montana, LLC as of the effective date of this appraisal. According to county records, this building was originally constructed in 1973; however, it appears to have been remodeled over the years. This building has one level above grade and according to my measurements, has an approximate gross building area of 3,078 square feet. I was unable to obtain interior access to this building.

75 Lone Mountain Trail Commercial Building

The building that carries the address of 55 Lone Mountain Trail is a commercial building that is located on Tract 2-A and was 100% leased to Grizzly Outfitters, Inc. and the Big Sky Ski Education Foundation as of the effective date of this appraisal. According to county records, this building was originally constructed in 1971; however, it appears to have been remodeled over the years. This building has one level above grade and according to my measurements, has an approximate gross building area of 2,995 square feet. I was able to obtain interior access to the portion of the building that is occupied by the Big Sky Ski Education Foundation and this space appeared to be in average condition relative to its age.

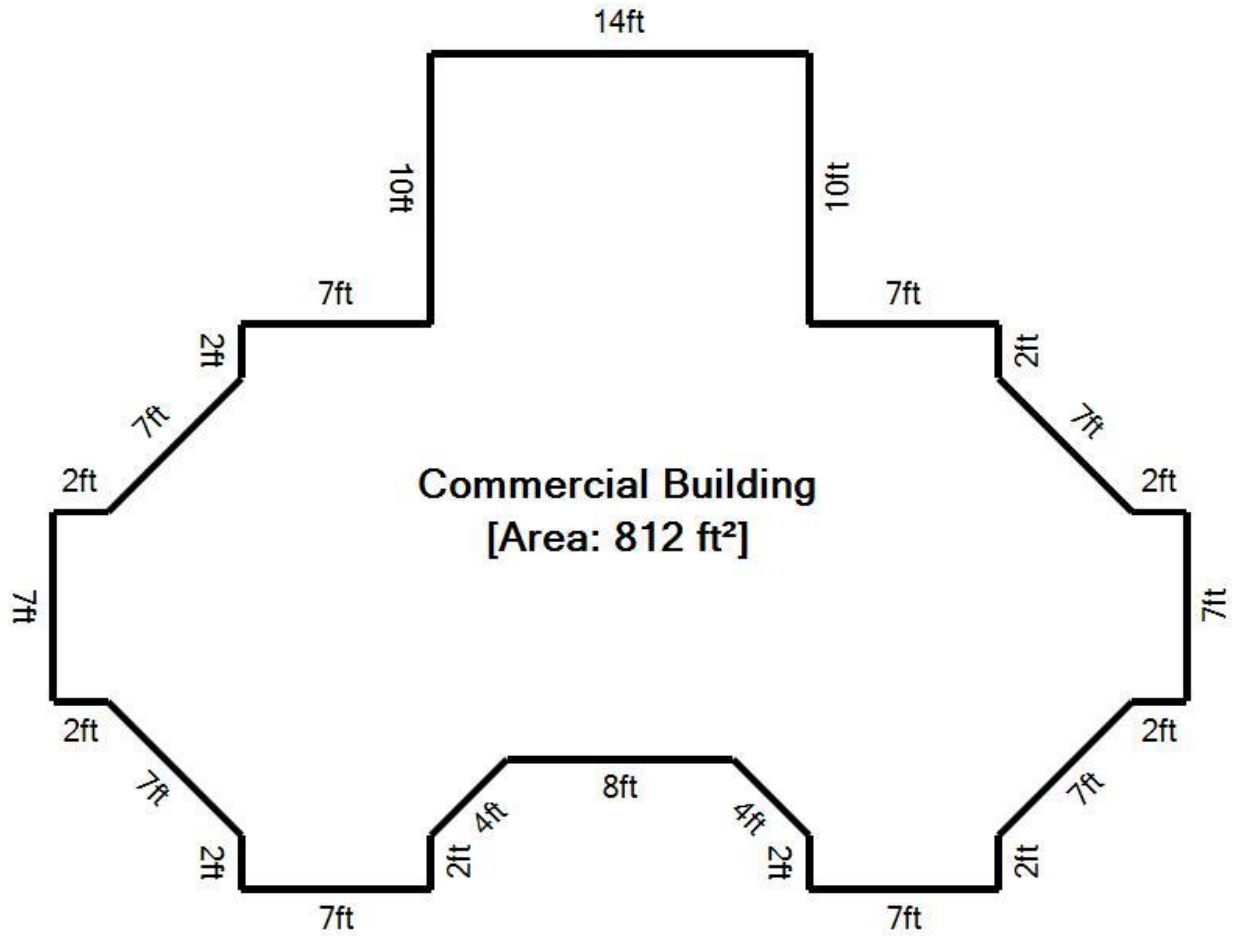
135 Lone Mountain Trail Cabin

The building that carries the address of 135 Lone Mountain Trail is a dry cabin that is located on Tract 3-A and was vacant as of the effective date of this appraisal. According to county records, this building was originally constructed in 1955. This building has one level above grade and according to my measurements, has an approximate gross building area of 372 square feet. I was unable to obtain interior access to this building.

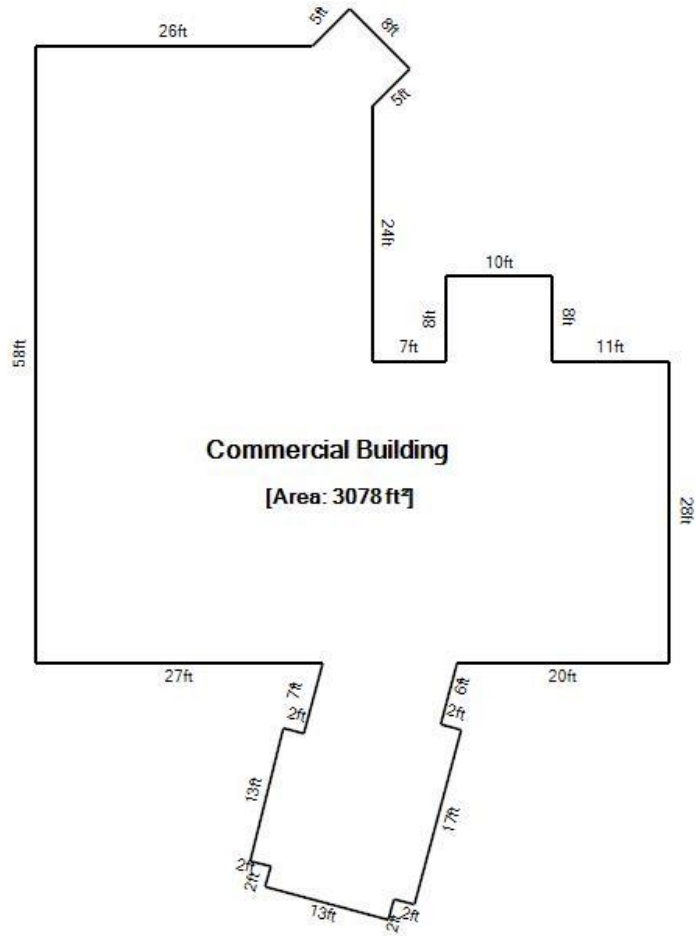
AERIAL MAP



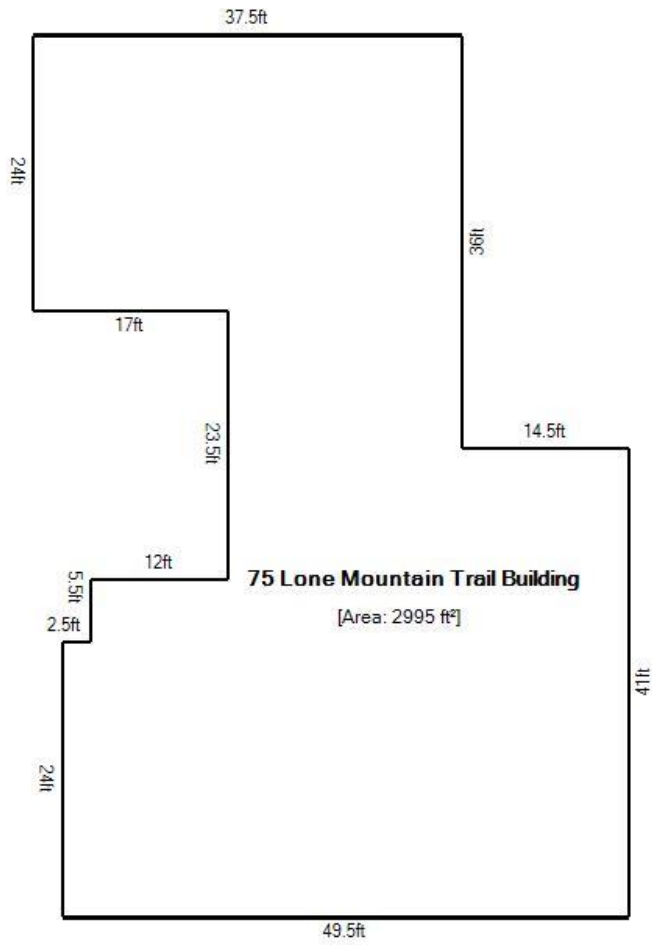
25 LONE MOUNTAIN TRAIL COMMERCIAL BUILDING SKETCH



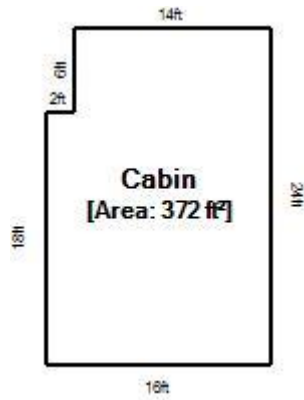
55 LONE MOUNTAIN TRAIL COMMERCIAL BUILDING SKETCH



75 LONE MOUNTAIN TRAIL COMMERCIAL BUILDING SKETCH



135 LONE MOUNTAIN TRAIL CABIN SKETCH



SUBJECT PROPERTY PHOTOS



A view from the southeast portion of Tract 2-A looking northwest.
Photo taken on January 4, 2024 by Dan Wheeler.



A view from the southwest portion of Tract 2-A looking northeast.
Photo taken on January 4, 2024 by Dan Wheeler.



A view from the northwest portion of Tract 2-A looking southeast.
Photo taken on January 4, 2024 by Dan Wheeler.



A view from the northeast portion of Tract 2-A looking southwest.
Photo taken on January 4, 2024 by Dan Wheeler.



A view from the southeast portion of Tract 3-A looking northwest.
Photo taken on January 4, 2024 by Dan Wheeler.



A view from the southwest portion of Tract 3-A looking northeast.
Photo taken on January 4, 2024 by Dan Wheeler.



A view from the northwest portion of Tract 3-A looking southeast.
Photo taken on January 4, 2024 by Dan Wheeler.



A view from the northeast portion of Tract 3-A looking southwest.
Photo taken on January 4, 2024 by Dan Wheeler.



An exterior view of the commercial building located at 25 Lone Mountain Trail.
Photo taken on January 4, 2024 by Dan Wheeler.



An exterior view of the commercial building located at 55 Lone Mountain Trail.
Photo taken on January 4, 2024 by Dan Wheeler.



An exterior view of the commercial building located at 75 Lone Mountain Trail.
Photo taken on January 4, 2024 by Dan Wheeler.



An exterior view of the cabin located at 135 Lone Mountain Trail.
Photo taken on January 4, 2024 by Dan Wheeler.



A view of the West Fork of the Gallatin River that borders Tract 2-A and Tract 3-A.
Photo taken on January 4, 2024 by Dan Wheeler.



A view of the pedestrian bridge on Tract 2-A.
Photo taken on January 4, 2024 by Dan Wheeler.



A street view of Lone Mountain Trail looking west.
Photo taken on January 4, 2024 by Dan Wheeler.



A street view of Lone Mountain Trail looking east.
Photo taken on January 4, 2024 by Dan Wheeler.



A street view of Highway 191 looking north.
Photo taken on January 4, 2024 by Dan Wheeler.



A street view of Highway 191 looking south.
Photo taken on January 4, 2024 by Dan Wheeler.



An interior view of the commercial building located at 75 Lone Mountain Trail.
Photo taken on January 4, 2024 by Dan Wheeler.



An interior view of the commercial building located at 75 Lone Mountain Trail.
Photo taken on January 4, 2024 by Dan Wheeler.

HIGHEST AND BEST USE

According to the *Dictionary of Real Estate – 7th Edition*, highest and best use is defined as follows:

The reasonably probable use of property that results in the highest value. The four criteria that the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity.¹⁰

These criteria are summarized below:

1. **Legally Permissible:** What uses are permitted by zoning and other legal restrictions?
2. **Physically Possible:** To what use is the site physically adaptable?
3. **Financially Feasible:** Which possible and permissible use will produce any net return to the owner of the site?
4. **Maximally Productive.** Among the feasible uses which use will produce the highest net return, (i.e., the highest present worth)?

Highest and Best Use “As Vacant”

The subject sites have numerous features that make them ideal to develop to their highest and best use. Foremost, they have a very strong location at the intersection of Lone Mountain Trail and Highway 191. Lone Mountain Trail and Highway 191 are the two primary traffic corridors in the Big Sky area. They are relatively large, have generally level topography, and are supplied with electricity. While they do not currently have any municipal or community water and sewer services available to them, they are within the sewer service area boundaries of the proposed Gallatin Canyon County Water and Sewer District, the infrastructure improvements for which are expected to commence construction in 2026. They are zoned by the Gallatin County Planning Department as CC, Community Commercial District which allows for a variety of development possibilities. There have been numerous comparable commercial sites in Big Sky that are under contract or have been purchased for development in recent history which indicates demand for these kinds of sites. After consideration of the available information, it is my opinion that the highest and best use of the subject sites “as vacant” is for development of commercial improvements that conform to the Community Commercial zoning ordinance. However, to make the subject site maximally productive, it is my opinion that the completion of infrastructure improvements within the Gallatin Canyon County Water and Sewer District or completion of the DEQ approved water and septic system on Tract 3-A would be necessary given the current lack of water and sewer capacity on the subject sites relative to their size and overall development potential.

¹⁰ *The Dictionary of Real Estate Appraisal 7th Edition* (Chicago: Appraisal Institute, 2022)

Highest and Best Use “As Improved”

It is my opinion that given the older age of the subject improvements and their small amount of gross building area relative to the size of the subject sites, the existing improvements do not represent the long-term highest and best use of the subject properties “as improved”. This is further evidenced by the value estimate of Tract 2-A as indicated by the sales comparison approach which reflects the value of Tract 2-A “as vacant” exceeding the value of Tract 2-A as indicated by the income approach which reflects the value of Tract 2-A “as improved” by \$550,000. However, to make the subject site maximally productive, it is my opinion that the completion of infrastructure improvements within the Gallatin Canyon County Water and Sewer District or completion of the DEQ approved water and septic system on Tract 3-A would be necessary given the current lack of water and sewer capacity on the subject sites relative to their size and overall development potential. As a result, it is my opinion that the interim highest and best use of Tract 2-A is for continued rental of the buildings until a time at which the Gallatin Canyon County Water and Sewer District infrastructure improvements or ongoing Tract 3-A water and septic system improvements are complete and can be utilized to maximize the highest and best use of the subject properties. It is my opinion that the dry cabin improvements on Tract 3-A have no contributory value and that the highest and best use of Tract 3-A “as improved” is for demolition and redevelopment of the site when the Gallatin Canyon County Water and Sewer District infrastructure improvements or ongoing Tract 3-A water and septic system improvements are complete and can be utilized to achieve the long-term highest and best use of the subject properties.

VALUATION METHODOLOGY

Three basic approaches may typically be used to arrive at an estimate of market value for real estate. They are:

1. The Cost Approach
2. The Sales Comparison Approach
3. The Income Approach

According to the *Dictionary of Real Estate – 7th Edition*, these three approaches are defined as follows:

Cost Approach:

A set of procedures through which a value indication is derived for the fee simple estate by estimating the cost new as of the effective date of the appraisal to construct a reproduction of (or replacement for) the existing structure, including an entrepreneurial incentive; deducting depreciation from the total cost; and adding the estimated land value. The contributory value of any site improvements that have not already been considered in the total cost can be added on a depreciated-cost basis. Adjustments may then be made to the indicated value of the fee simple estate in the subject property to reflect the value of the property rights being appraised.¹¹

Sales Comparison Approach:

The process of deriving a value indication for the subject property by comparing sales of similar properties to the property being appraised, identifying appropriate units of comparison, and making adjustments to the sale prices (or unit prices, as appropriate) of the comparable properties based on relevant, market-derived elements of comparison. The sales comparison approach may be used to value improved properties, vacant land, or land being considered as though vacant when an adequate supply of comparable sales is available.¹²

Income Approach

Specific appraisal techniques applied to develop a value indication for a property based on its earning capability and calculated by the capitalization of property income.¹³

¹¹ *The Dictionary of Real Estate Appraisal 7th Edition* (Chicago: Appraisal Institute, 2022)

¹² *The Dictionary of Real Estate Appraisal 7th Edition* (Chicago: Appraisal Institute, 2022)

¹³ *The Dictionary of Real Estate Appraisal 7th Edition* (Chicago: Appraisal Institute, 2022)

SALES COMPARISON APPROACH

The Sales Comparison Approach is most useful when a number of similar properties have recently been sold or are currently for sale in the subject property's market. Using this approach, an appraiser produces a value indication by comparing the subject property with similar (i.e., comparable) properties. The sale prices of the properties that are judged to be most comparable tend to indicate a range in which the value indication for the subject property will fall.¹⁴

The Sales Comparison Approach is based on the premise that a buyer would pay no more for a specific property than the cost of obtaining a property with the same quality, utility, and perceived benefits of ownership. It is based on the principles of supply and demand, substitution, balance, and externalities. To apply the sales comparison approach, appraisers follow a systematic procedure which is outlined below:

1. Research the competitive market for information on properties that are similar to the property being appraised and that have been sold recently, or were listed for sale, or are under contract.
2. Verify the information by confirming that the data obtained is factually accurate and that the transactions reflect arm's-length market considerations.
3. Select the most relevant units of comparison used by participants in the market and develop a comparative analysis for each unit.
4. Look for differences between the comparables being considered and the subject property using all appropriate elements of comparison. Then adjust the price of each comparable, reflecting how it differs to equate it to the subject property or eliminate that property as a comparable.
5. Reconcile the various value indicators produced from the analysis of comparables into a value indication from the sales comparison approach.¹⁵

Land Sales Comparison Analysis

In order to estimate the market values of the subject properties, one pending sale and three closed sales of the most comparable commercial sites that I could identify in the Big Sky market were analyzed, compared, and adjusted to the subject sites on a per square foot of land area basis. Shown on the following page is a summary table of the subject properties and the comparable sales that were utilized in the analysis followed by a map showing the location of the comparable sales in relation to the subject property, a detailed description of each comparable sale, a table showing the adjustments that were applied, and the market value analysis for the subject sites.

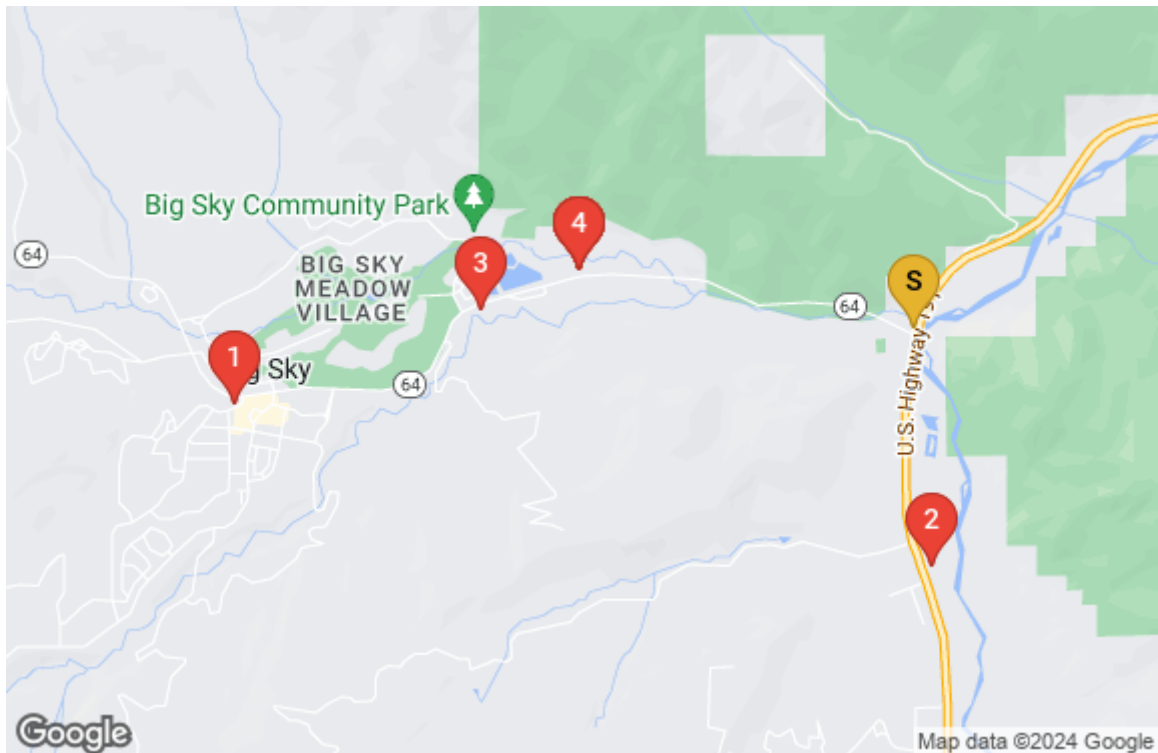
¹⁴ *The Appraisal of Real Estate Appraisal 15th Edition* (Chicago: Appraisal Institute, 2020)

¹⁵ *The Appraisal of Real Estate Appraisal 15th Edition* (Chicago: Appraisal Institute, 2020)

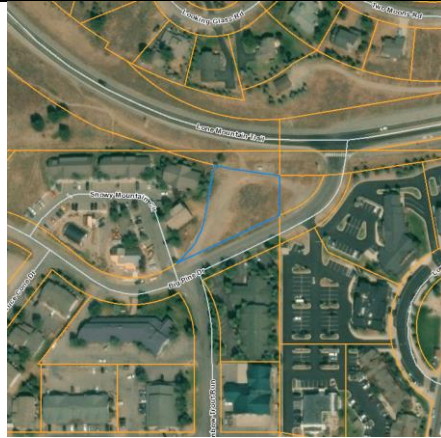
Summary of Comparable Land Sales

#	Location	Assessment Code	Sale Price	Sale Date	Land Size (Square Feet)	Land Size (Acres)	Zoning	Price Per Square Foot
1	Commercial Lot 3088 Lone Mountain Trail Big Sky, Montana	RLE19316	\$1,875,000	Pending	24,431	0.561	CC	\$76.75
2	Commercial Lot 46910 Gallatin Road Big Sky, Montana	RLF18966	\$4,400,000	Dec-23	171,191	3.930	C-I	\$25.70
3	Commercial Lot TBD Lone Mountain Trail Big Sky, Montana	RKF41292	\$1,300,000	Dec-22	47,137	1.082	CC	\$27.58
4	Commercial Lot TBD Powder Light Drive Big Sky, Montana	RKF83168	\$3,600,000	Mar-21	126,934	2.914	CC	\$28.36
	Subject Tract 2-A	RKF18209	N.A.	N.A.	71,656	1.645	CC	N.A.
	Subject Tract 3-A	RKF18385	N.A.	N.A.	129,591	2.975	CC	N.A.

Map of Comparable Land Sales



Land Comparable 1



Transaction

ID	22	Date	Pending
Address	3088 Lone Mountain Trail	Price	\$1,875,000
City	Big Sky	Price per Acre	\$3,343,080
State	MT	Price per Land SF	\$76.75
Zip	59716	Financing	Unknown
Grantor	Gorsuch, Ltd.	Property Rights	Fee Simple
Grantee	Unknown	Tax ID	RLE19316
Book/Page or Reference Doc	To Be Determined	Days on Market	83
Legal Description	Tracts 1 and 2 of the Amended Plat of Block 3 of Westfork Meadows Subdivision, Gallatin County, Montana.		

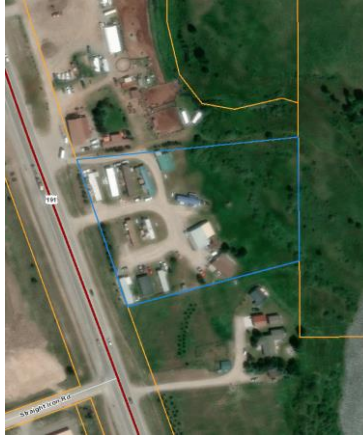
Site

Acres	0.561	Topography	Generally Level
Land SF	24,431	Zoning	CC, Community Commercial
Road Frontage	Lone Mountain Tr. & Big Pine Dr.	Flood Zone	None
Shape	Irregular	Encumbrance or Easement	None Known
Utilities	Electricity	Environmental Issues	None Known
Access	Big Pine Dr.	Verification	Broker

Sale Comments

This is the pending sale of two small adjacent commercial lots with a premium location on the southwest corner of Lone Mountain Trail and Big Pine Drive at one of the entrances to the Westfork and Town Center areas of Big Sky. The two lots are selling from a single seller to a single buyer. Tract 1 has an approximate area of 11,744 square feet or 0.270 acre while Tract 2 has an approximate area of 12,687 square feet or 0.291 acre. Combined, the two lots have an approximate area of 24,431 square feet or 0.561 acre. The property is reportedly transferring with 6 single-family equivalent (SFE) development entitlements from the Big Sky Water and Sewer District. The property previously sold with preliminary plans for a two-story, 7,208 square foot mixed-use commercial and multi-family residential building; however, the proposed use is confidential. There were reportedly four offers made for the property when it was listed for sale with an asking price of \$2,000,000. The property previously sold in April of 2022 for \$1,395,000 which indicates an annualized appreciation rate of approximately 18% when compared to the March 2024 proposed closing date of this transaction.

Land Comparable 2



Transaction

ID	18	Date	12/19/2023
Address	46910 Gallatin Road	Price	\$4,400,000
City	Big Sky	Price per Acre	\$1,119,593
State	MT	Price per Land SF	\$25.70
Zip	59716	Financing	Cash to Seller
Grantor	Firehole Properties, Inc.	Property Rights	Fee Simple
Grantee	Big Sky Lodging, LLC	Tax ID	RLF18966
Book/Page or Reference Doc	2817272	Days on Market	242
Legal Description	Lengthy; retained with Gallatin County Clerk & Recorder's Office		

Site

Acres	3.930	Topography	Generally Level
Land SF	171,191	Zoning	C-I, Commercial & Industrial Mixed-Use
Road Frontage	Gallatin Road/Highway 191	Flood Zone	Partial
Shape	Nearly Rectangular	Encumbrance or Easement	None Known
Utilities	Electricity	Environmental Issues	None Known
Access	Gallatin Road/Highway 191	Verification	Broker

Sale Comments

This is the sale of a commercial property that is located in the canyon area of Big Sky along Gallatin Road/Highway 191. At the time of the sale, the property was improved with 10 mobile home spaces, four residential units, and 20 mini storage units that were reportedly yielding annual gross income of approximately \$147,600 and annual net income of approximately \$123,600. However, the buyer reportedly intends to redevelop the property for lodging purposes and therefore this is considered to be a land sale. There are currently no municipal or community water and sewer services available to the property and it currently utilizes private well and septic systems. The buyer is reportedly awaiting construction of the Canyon Water and Sewer District to connect this property to for the proposed redevelopment which is expected to commence 2026. A significant portion of this property is located in an area that is inundated by 100-year flooding and is therefore considered to be unbuildable. The property was listed for sale with an asking price of \$5,300,000 at the time it went under contract.

Land Comparable 3



Transaction

ID	19	Date	12/29/2022
Address	TBD Lone Mountain Trail	Price	\$1,300,000
City	Big Sky	Price per Acre	\$1,201,346
State	MT	Price per Land SF	\$27.58
Zip	59716	Financing	Conventional
Grantor	HF Powderlight South, LLC	Property Rights	Fee Simple
Grantee	BSCHT RVA Land, LLC	Tax ID	RKF41292
Book/Page or Reference Doc	2793287	Days on Market	None
Legal Description	Tract 2B-1-A of Certificate of Survey No. 1858C, located in the SW 1/4 of Section 31, Township 6 South, Gallatin County, Montana.		

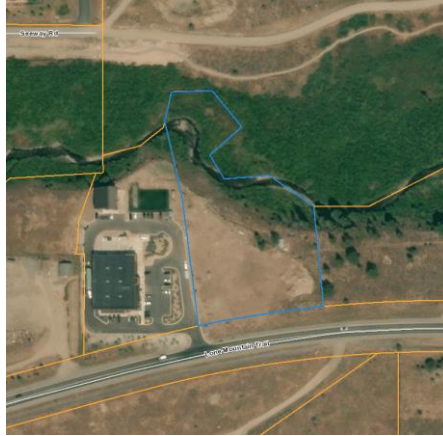
Site

Acres	1.082	Topography	Generally Level
Land SF	47,137	Zoning	CC, Community Commercial
Road Frontage	Lone Mountain Trail	Flood Zone	None
Shape	Irregular	Encumbrance or Easement	None Known
Utilities	Electricity	Environmental Issues	None Known
Access	Lone Mountain Trail	Verification	Buy-Sell Agreement

Sale Comments

This is a commercial site in the meadow area of Big Sky that is in the process of being developed in conjunction with the adjacent properties to the east with an affordable housing project known as Riverview Place. The contract for this property was entered into in 2021 and it was not annexed into the Big Sky Water and Sewer District at that time. The property was later annexed into the Big Sky Water and Sewer District and was allocated 35 Single-Family Equivalent (SFE) development entitlements from the Big Sky Water and Sewer District. These SFEs were not conveyed with the property from the seller and were allocated from the Big Sky Water and Sewer District specifically for the property to be developed with the proposed affordable housing project. The property was not openly marketed and the transaction was privately negotiated between the buyer and the seller.

Land Comparable 4



Transaction

ID	24	Date	3/5/2021
Address	TBD Powder Light Drive	Price	\$3,600,000
City	Big Sky	Price per Acre	\$1,235,415
State	MT	Price per Land SF	\$28.36
Zip	59716	Financing	Cash to Seller
Grantor	The Old Saloon, LLC	Property Rights	Fee Simple
Grantee	Alteration Real Estate Holdings, LLC	Tax ID	RKF83168
Book/Page or Reference Doc	2723395	Days on Market	70
Legal Description	Lot 2 of the Corrected Plat of Powder Light Subdivision, Gallatin County, Montana.		

Site

Acres	2.914	Topography	Generally Level
Land SF	126,934	Zoning	CC, Community Commercial
Road Frontage	Powder Light Dr. & Lone Mountain Tr.	Flood Zone	Partial
Shape	Irregular	Encumbrance or Easement	See Comments
Utilities	Electricity & Natural Gas	Environmental Issues	None Known
Access	Powder Light Dr. & Lone Mountain Tr.	Verification	Broker

Sale Comments

This is the sale of the last remaining vacant lot in the Powder Light mixed-use subdivision in Big Sky. The lot conveyed with 16.9 single-family equivalent (SFE) development entitlements from the Big Sky Water and Sewer District. The site has good frontage along Lone Mountain Trail; however, a large portion of the site is located in easements for open space and Powder Light Drive and is therefore unbuildable. Furthermore, the northern portion of the site is located in an area that is inundated by 100-year flooding and is also unbuildable. The buyer had reportedly planned to develop the property with a brewery and restaurant project but resold it in April of 2023 for an undisclosed price.

Comparable Land Sales Adjustments

	<u>Sale 1</u>	<u>Sale 2</u>	<u>Sale 3</u>	<u>Sale 4</u>
Sale Date	Pending	Dec-23	Dec-22	Mar-21
Sale Price Per SF	\$76.75	\$25.70	\$27.58	\$28.36
<u>Adjustments</u>				
Financing Terms	1.00	1.00	1.00	1.00
Conditions of Sale	1.00	1.00	1.00	1.00
Additional Expenditures	1.00	1.00	1.00	1.00
Market Conditions	<u>1.00</u>	<u>1.02</u>	<u>1.20</u>	<u>1.51</u>
Total Adjustment Factor	1.00	1.02	1.20	1.51
<i>Adjusted Sale Price Per SF</i>	\$76.75	\$26.22	\$33.10	\$42.83
Average Unadjusted Price Per SF				= \$39.60
Average Adjusted Price Per SF				= \$44.72

Market Value Analysis

The comparable land sales indicate unadjusted per square foot sale prices that range from \$25.70 to \$76.75 and average approximately \$39.60 and indicate adjusted per square foot sale prices that range from \$26.22 to \$76.75 and average approximately \$44.72. Please note that the only adjustment that was applied to the comparable land sales was for improving market conditions. Physical factors such as location, size, easements, floodplain, and availability of community water and sewer services were considered qualitatively to the adjusted per square foot sale prices given the lack of available supportable market data for adjustments relating to these physical factors. To derive an applicable market conditions adjustment, I utilized the 2022 sale data and pending 2024 resale data for Comparable 1. Comparable 1 sold in April of 2022 for a price of \$1,395,000 and is pending sale with an expected closing date in March of 2024 and a price of \$1,875,000. This indicates an increase in value of \$480,000 or approximately 34% over the approximate 23-month timeframe between the April 2022 closing date and the March 2024 projected closing date. This 34% increase in value is equal to approximately 1.48% monthly or 17.74% annually, which I have rounded to an 18% annualized market conditions adjustment for the purposes of this analysis.

With regards to Comparable 1, its premium location on the corner of Lone Mountain Trail and Big Pine Drive is considered to be generally comparable to the location of the subject properties on the corner of Highway 191 and Lone Mountain Trail. Furthermore, Comparable 1 carries the same CC zoning designation that the subject properties carry. However, Comparable 1 is located in the Big Sky Water and Sewer District and is allocated 6 SFEs for development whereas the subject properties are not located in the Big Sky Water and Sewer District and are not allocated any SFEs for development. Furthermore, Comparable 1 has a site size that is significantly smaller than the site sizes of the subject properties. I have generally found that as site size increases, value per square foot of land area decreases and vice versa when other factors are generally comparable. Finally, Comparable 1 is not encumbered by areas inundated by 100-year flooding whereas the subject properties have unbuildable areas that are inundated by 100-year flooding. Therefore, it is my opinion that the subject properties have market values that are lower than the \$76.75 per square foot of land area pending sale price indicated by Comparable 1.

With regards to Comparable 2, it is similar to the subject property in that it is located in the canyon area of Big Sky, is not currently located in the Big Sky Water and Sewer District, and is intended to be developed to its highest and best use following completion of the infrastructure improvements for the Gallatin Canyon County Water and Sewer District. Furthermore, Comparable 2 has a site size that is relatively similar to the size of the subject sites. Additionally, Comparable 2 is similar to the subject sites in that a portion of it is located in an area that is inundated by 100-year flooding and is therefore considered to be unbuildable. Finally, Comparable 2 is similar to the subject property in that it is improved with income-generating improvements that can offset carrying costs for the property until it is redeveloped. However, the location of the subject property on the corner of Highway 191 and Lone Mountain Trail is considered to be notably superior to the location of Comparable 2 approximately one mile south of this intersection. Largely for this reason, it is my opinion that the subject properties have market values that are higher than the \$26.22 per square foot of land area adjusted sale price indicated by Comparable 2.

With regards to Comparable 3, it is similar to the subject property in that it was not located in the Big Sky Water and Sewer District and was not allocated any SFEs at the time it went under contract. Furthermore, Comparable 3 carries the same CC zoning designation that the subject properties carry. While Comparable 3 is located along Lone Mountain Trail, the location of the subject sites at the intersection of Highway 191 and Lone Mountain Trail is considered to be superior. Furthermore, the contract price for Comparable 3 was negotiated in 2021 well before the December of 2022 closing date and it is my opinion that market conditions improved in the Big Sky market between those two timeframes. As a result, it is my opinion that the subject sites have market values that are higher than the \$33.10 per square foot of land area adjusted sale price indicated by Comparable 3.

With regards to Comparable 4, it is similar to the subject properties in that a portion of it is unbuildable due to the presence of areas inundated by 100-year flooding and right-of-way easements. Furthermore, Comparable 4 carries the same CC zoning designation that the subject properties carry. Comparable 4 is located approximately 1 ½ miles to the west of the subject properties along Lone Mountain Trail which is considered to be an inferior location to the subject properties on the corner of Highway 191 and Lone Mountain Trail. However, Comparable 4 is located in the Big Sky Water and Sewer District and was allocated 16.9 SFEs at the time it sold whereas the subject properties are not located within the Big Sky Water and Sewer District and are not allocated any SFEs for development. Overall, it is my opinion that the inferior location of Comparable 4 is generally offset by it being located within the Big Sky Water and Sewer District and allocated SFEs and therefore it is my opinion that the subject properties have a market value that is near the \$42.83 per square foot adjusted sale price indicated by Comparable 4. Please note that numerous attempts to verify the 2023 resale price of Comparable 4 with involved parties were unsuccessful.

After consideration of the available information, it is my opinion that the subject properties have market values indicated by the sales comparison approach that are near the adjusted per square foot sale price indicated by Comparable 4 and near the average adjusted per square foot sale price indicated by the four comparable land sales at approximately \$45.00 per square foot of land area. Shown below are the value calculations for the subject properties as indicated by the sales comparison approach:

Tract 2-A

$$\begin{array}{rcl}
 71,656 \text{ Square Feet} & \times & \$45.00 \text{ per Square Foot} & = & \$3,224,520 \\
 \text{Rounded} & & & & = & \$3,225,000
 \end{array}$$

Tract 3-A

$$\begin{array}{rcl}
 129,591 \text{ Square Feet} & \times & \$45.00 \text{ per Square Foot} & = & \$5,831,595 \\
 \text{Rounded} & & & & = & \$5,825,000
 \end{array}$$

INCOME APPROACH

In the income approach, the present value of the anticipated future benefits of property ownership is measured. Income capitalization converts periodic future income expectations into a lump-sum capital amount. The future income expectations include both a property's income and resale value. There are two methods of income capitalization: (1) direct capitalization and (2) yield capitalization. In direct capitalization, the relationship between one year's income and value is reflected in either a capitalization rate or an income multiplier. In yield capitalization, several years' income and a reversionary value, if any, at the end of a designated period are forecasted and converted to present value using a yield rate. The most common application of yield capitalization is discounted cash flow analysis.¹⁶

Direct Capitalization Analysis

The method of income capitalization that was utilized to estimate the market value of the subject property is direct capitalization given that it is our opinion that the most reliable available data for properties that are similar to the subject property in the surrounding market area involves direct capitalization. The five steps involved in capitalizing the subject property's net operating income are as follows:

1. Develop the subject's Potential Gross Income (PGI) through analysis of the subject's actual historic income (if available) and an analysis of competitive current market income rates.
2. Estimate and deduct vacancy and collection losses to develop the Effective Gross Income (EGI).
3. Develop and subtract operating expenses to derive the Net Operating Income (NOI).
4. Develop the appropriate capitalization rate (R_o).
5. Divide the net operating income by the capitalization rate for an estimate of value through the income approach.

Shown on the following pages are the analyses that were developed to estimate the market value of Tract 2-A through utilization of the income approach. Please note that the income approach was not utilized to estimate the market value of Tract 3-A given that its only building improvements are a small dry cabin that is thought to have no contributory value.

¹⁶ *The Appraisal of Real Estate Appraisal 15th Edition* (Chicago: Appraisal Institute, 2020)

Potential Gross Income

Potential gross income is the total income attributable to the real property at full occupancy before vacancy and operating expenses are deducted.¹⁷ In order to first analyze the potential gross income for Tract 2-A, I analyzed the leases that currently encumber it which are summarized in the rent roll below.

Tract 2-A Rent Roll Summary

Building & Suite	Tenant	Lease Term	Lease Dates	Square Footage	Current Rental Rate Per SF	Current Rental Rate Per Year
25 Lone Mountain Trail - Entire Building	Stillwater Architecture	1 Year	11/1/2023 - 10/31/2024	812	\$44.33	\$36,000
55 Lone Mountain Trail - Entire Building	Stay Montana, LLC	2 Years	11/1/2023 - 10/31/2025	3,078	\$28.64	\$88,145
75 Lone Mountain Trail - Suite A	Grizzly Outfitters, Inc.	59 Months	1/1/2022 - 11/30/2026	1,195	\$26.00	\$31,070
75 Lone Mountain Trail - Suite B	Big Sky Ski Education Foundation	27 Months	2/1/2023 - 4/30/2025	1,800	\$16.67	\$30,000
Net Rentable Area				6,885		
Leased Area				6,885		
Vacant Area				-	=	0.00%
Annual Gross Income						\$185,215
Blended Gross Income Per SF						\$26.90

Rent Roll Notes

The leases for Stillwater Architecture and Grizzly Outfitters, Inc. have triple-net lease structures where the tenants are responsible for their prorated share of the operating expenses while the leases for Stay Montana, LLC and Big Sky Ski Education Foundation are gross with the landlord responsible for the operating expenses. In addition to base rent, Stillwater Architecture pays annual rent of approximately \$10,500 for triple-net expenses which is equal to approximately \$12.93 per square foot of rentable area and Grizzly Outfitters, Inc. pays annual rent of approximately \$9,560 for triple-net expenses which is equal to approximately \$8.00 per square foot of rentable area. Stillwater Architecture has two one-year renewal options, Stay Montana, LLC does not have any further renewal options, Grizzly Outfitters, Inc. has two five-year renewal options, and Big Sky Ski Education Foundation has no renewal options.

Other Income

There is no other income that I considered in the income valuation analysis for Tract 2-A.

Vacancy and Collection Loss

Based on a review of market conditions in the surrounding area I have projected frictional vacancy and collection loss at 5.00% for Tract 2-A.

¹⁷ *The Dictionary of Real Estate Appraisal 7th Edition* (Chicago: Appraisal Institute, 2022)

Effective Gross Income

As previously noted, effective gross income is equal to potential gross income less vacancy and collection loss. Given the \$185,215 potential gross income estimate based on the existing leases that are in place for Tract 2-A and the 5.00% vacancy and collection loss factor for Tract 2-A, the indicated effective gross income estimate for Tract 2-A is approximately \$175,954.

Expenses

Expenses that are typical for the surrounding market area and were considered in the income analysis are summarized as follows:

Real Estate Taxes

Due to the triple-net structure of the leases that are currently in place for Stillwater Architecture and Grizzly Outfitters, Inc., real estate taxes are considered to be a triple-net expense that is passed through to those tenants. Real estate taxes for Stay Montana, LLC and Big Sky Ski Education Foundation are included in the overall expenses for those tenants which is explained in further detail on the following page.

Insurance

Due to the triple-net structure of the leases that are currently in place for Stillwater Architecture and Grizzly Outfitters, Inc., insurance expenses are considered to be a triple-net expense that is passed through to those tenants. Insurance expenses for Stay Montana, LLC and Big Sky Ski Education Foundation are included in the overall expenses for those tenants which is explained in further detail on the following page.

Utilities

Due to the triple-net structure of the leases that are currently in place for Stillwater Architecture and Grizzly Outfitters, Inc., utility expenses are considered to be a triple-net expense that is passed through to those tenants. Utility expenses for Stay Montana, LLC and Big Sky Ski Education Foundation are included in the overall expenses for those tenants which is explained in further detail on the following page.

Repairs, Maintenance, & Miscellaneous

Due to the triple-net structure of the leases that are currently in place for Stillwater Architecture and Grizzly Outfitters, Inc., repairs, maintenance, and miscellaneous expenses are considered to be a triple-net expense that is passed through to those tenants. Repairs, maintenance, and miscellaneous expenses for Stay Montana, LLC and Big Sky Ski Education Foundation are included in the overall expenses for those tenants which is explained in further detail on the following page.

Management

I have found that property management expenses typically range from 5.00% to 10.00% of effective gross income for commercial properties in the surrounding market area. I have utilized a mid-point of 7.50% of effective gross income for the purposes of this analysis which indicates an approximate management expense of \$13,197 based on the effective gross income estimate of \$175,954.

55 Lone Mountain Trail Building Expenses

As previously mentioned, the leases for Stay Montana, LLC and Big Sky Ski Education Foundation have gross structures where the landlord is responsible for the operating expenses. In order to estimate the per square foot operating expenses for these two tenants, I analyzed the triple-net expenses that the remaining tenants in the buildings on Tract 2-A pay on a per square foot basis. Combined, the remaining tenants in the buildings on Tract 2-A pay approximately \$20,060 annually for triple-net expenses and have a combined rentable area of 2,007 square feet. This indicates a blended triple-net expense amount of approximately \$10.00 per square foot of rentable area. Applying this \$10.00 per square foot of rentable area expense amount to the space occupied by Stay Montana, LLC and Big Sky Ski Education Foundation indicates annual operating expenses of approximately \$48,780 based on the 4,878 square feet of rentable area utilized by those tenants which are the responsibility of the landlord given the existing lease structure.

Net Operating Income

As previously noted, net operating income (NOI) is equal to effective gross income less landlord expenses. Given the \$175,954 effective gross income estimate and the \$61,977 in estimated landlord expenses, the indicated net operating income estimate is approximately \$113,977.

Capitalization Rate

The capitalization rate is the factor that converts the stabilized net operating income (NOI) to a present value. It is the ratio of net income to value or sale price.

$$\text{NOI} \div \text{Sale Price} = \text{Capitalization Rate}$$

It is my opinion that market-derived capitalization rates provide the most reliable indication to estimate the most appropriate cap rate for Tract 2-A given their localized nature and similar property type relative to Tract 2-A. Shown on the following page is a summary of the comparable cap rate sales that were utilized to estimate the applicable cap rate for Tract 2-A:

Big Sky Cap Rates

#	Location	Sale Date	Year Built	Gross Building Area (SF)	Cash Equivalent Sale Price	Sale Price / SF	Overall Cap Rate
1	Commercial Property 46910 Gallatin Road Big Sky, Montana	Dec-23	1930-1972	5,965	\$4,400,000	\$737.64	2.81%
2	Commercial Property 12 Skywood Road Big Sky, Montana	Apr-23	1994	1,404	\$1,000,000	\$712.25	4.85%
3	Office Property 223 Town Center Avenue Unit A2 Big Sky, Montana	Dec-22	2017	1,446	\$750,000	\$518.67	5.18%
4	Mixed-Use Property 175 Aspen Leaf Drive Big Sky, Montana	Feb-22	2006	9,998	\$3,600,000	\$360.07	4.42%
5	Retail Property 1565 Lone Mountain Trail Big Sky, Montana	Dec-21	2015	13,551	\$4,412,500	\$325.62	3.83%
Capitalization Rate Range =					2.81%	to	5.18%
Average Capitalization Rate =					4.22%		

The cap rate range for commercial properties in the Big Sky market is relatively large at between 2.81% and 5.25%. The average cap rate indicated by the comparable cap rate sales is approximately 4.22% while the median cap rate indicated by the comparable cap rate sales is approximately 4.42%. After consideration of the available information, it is my opinion that the appropriate cap rate for Tract 2-A is near the average and median cap rates indicated by the comparable cap rate sales at approximately 4.25%. Shown in the chart on the following page are the value calculations for Tract 2-A through division of the net operating income by the selected cap rate.

Income Capitalization Analysis					
Space Type	Income	Method	Square Feet	Annual	% of PGI
Commercial Space	\$26.90	\$/SF/Year	6,885	\$185,215	100.0%
Total Rental Income:				\$185,215	100.0%
Other Income:				\$0	0.0%
Potential Gross Income:				\$185,215	100%
- Vacancy & Collection Loss:				\$9,261	5.00%
Effective Gross Income (EGI):				\$175,954	95.0%

Expense	Amount	Method	Annual	\$/SF
Real Estate Taxes	Tenant Expense	\$/Year	\$0	\$0.00
Insurance	Tenant Expense	\$/Year	\$0	\$0.00
Utilities	Tenant Expense	\$/Year	\$0	\$0.00
Repairs, Maintenance, & Miscellaneous	Tenant Expense	\$/Year	\$0	\$0.00
Stay Montana & Grizzly Outfitters Expenses	\$10.00	\$/SF	\$48,780	\$7.08
Management	7.50%	% of EGI	\$13,197	\$1.92
Total Expenses:			\$61,977	\$9.00
Expense Ratio (Expenses/EGI):			35.22%	
Net Operating Income (NOI):			\$113,977	\$16.55
Capitalization Rate:			4.25%	
Value (NOI/Cap Rate):			\$2,681,823	\$389.52
Rounded:			\$2,675,000	\$388.53

Income Approach Conclusion

Based on the preceding analysis, I have reconciled to an income approach value estimate of \$2,675,000 for the Tract 2-A as of January 4, 2024.

FINAL RECONCILIATION

Value Indications

Cost Approach Value: Omitted

Sales Comparison Approach Value: \$3,225,000 – Tract 2-A

\$5,825,000 – Tract 3-A

Income Approach Value: \$2,675,000 – Tract 2-A

Value Conclusions

It is my opinion that the sales comparison approach provides the most reliable indication of market value for Tract 3-A given that Tract 3-A does not have any improvements that contribute value and that the sales comparison approach essentially reflects the value of the subject properties “as vacant”. As a result, I reconciled the final market value estimate for Tract 3-A with the value indicated by the sales comparison approach. Regarding Tract 2-A, the value indicated by the sales comparison approach which essentially reflects the value of Tract 2-A “as vacant” is \$550,000 higher than the value indicated by the income approach which reflects the value of the subject property “as improved” for continued use of the existing buildings for income producing purposes. As a result, it appears that the highest and best use of Tract 2-A is for redevelopment with more maximally productive improvements and I therefore reconciled my final market value estimate for Tract 2-A with the value indicated by the sales comparison approach. However, similar to the mobile home and residential improvements at Comparable 2 utilized in the sales comparison approach, it is my opinion that the existing improvements on Tract 2-A represent an interim highest and best use for that property given their income producing potential to offset carrying costs associated with the properties until the Gallatin Canyon County Water and Sewer District infrastructure improvements or ongoing Tract 3-A water and septic system improvements are complete and can be utilized to achieve the long-term highest and best use of the subject properties.

Based on the preceding analyses, it is my opinion that the current market value of the fee simple interest, “as is” in Tract 2-A, as of January 4, 2024, is:

**Three Million Two Hundred Twenty-Five Thousand Dollars
(\$3,225,000)**

Based on the preceding analyses, it is my opinion that the current market value of the fee simple interest, “as is” in Tract 3-A, as of January 4, 2024, is:

**Five Million Eight Hundred Twenty-Five Thousand Dollars
(\$5,825,000)**

CERTIFICATION

I certify that, to the best of my knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial, and unbiased professional analyses, opinions and conclusions.
- The appraisal assignment was not based on a requested minimum valuation, a specific valuation, or the approval of a loan.
- I have no present or prospective future interest in the properties that are the subjects of this report, and have no personal interest with respect to the parties involved.
- I have no bias with respect to the properties that are the subjects of this report, or to the parties involved with this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP).
- The values reported are based upon cash in U.S. dollars or in terms of similar financial arrangements.
- I have performed no services, as an appraiser or in any other capacity, regarding the properties that are the subjects of this report within the three-year period immediately preceding acceptance of this assignment.
- No one provided significant real property appraisal assistance to the person signing this certification.
- I certify sufficient competence to appraise this property through education and experience, in addition to the internal resources of the appraisal firm.

Respectfully Submitted,



Dan Wheeler
Certified General Appraiser #12347
State of Montana

ADDENDA

Dan Wheeler

State of Montana Certified General Appraiser #12347 – Expires March 31, 2024

Dan Wheeler is a principal and co-founder of Montana Appraisal Partners, LLC. Mr. Wheeler attended high school in Bozeman, Montana. He then graduated Magna Cum Laude from the University of St. Thomas in St. Paul, Minnesota with a Bachelor of Science Degree in Real Estate Studies. Below is a list of applicable courses successfully completed within the major:

- Real Estate Principles
- Real Estate Appraisal
- Real Estate Finance & Investments
- Real Estate Market Analysis
- Real Estate Law
- Real Estate Development
- Real Estate Property Management
- Regional & Urban Economics

Since college, Mr. Wheeler has completed courses that include the following:

- 15-Hour National USPAP Course
- 7-Hour National USPAP Update Course
- Revenue Forecasting
- Operating Expense Analysis
- Comparative Analysis
- Small Hotel/Motel Valuation
- Subdivision Valuation
- Automobile Dealership Valuation
- Eminent Domain & Condemnation
- Convenience Store Valuation
- Condominium, Co-op, & P.U.D. Valuation
- Expert Witnessing
- Arbitration

Professional Associations

Mr. Wheeler has a State of Montana Certified General Appraiser License (#12347) with the endorsement of Real Estate Appraiser Mentor which expires March 31, 2024.

Professional Experience

Montana Appraisal Partners, LLC – Twin Bridges, Montana
Principal & Co-Founder
November 2023 – Current

Bridger Appraisals, Inc. – Bozeman, Montana
Associate Appraiser
October 2013 – November 2023

Mark A. Oehrlein Appraisals, Inc. – Minneapolis, Minnesota
Associate Appraiser
August 2011 – October 2013

Duties and responsibilities include preparing professional valuations and market analysis of real estate. Appraisal assignments have included various types of commercial, recreational, and special use properties. The specific purposes of these assignments have included mortgage financing, potential sales and purchases, and consulting.

**BIG SKY RESORT AREA DISTRICT
RESOLUTION NO. 2024-02R**

**RESOLUTION OF THE BIG SKY RESORT AREA DISTRICT BOARD OF
DIRECTORS RELATED TO THE ACQUISITION OF REAL PROPERTY LOCATED
AT THE INTERSECTION OF MONTANA STATE HIGHWAYS 191 AND 64**

PURSUANT TO THE AUTHORITY VESTED IN THE BIG SKY RESORT AREA DISTRICT BOARD OF DIRECTORS UNDER SECTION 7-6-1542, MCA, AND SECTION 7-6-1547(4), MCA, THE BOARD OF DIRECTORS HEREBY RESOLVES TO ADOPT RESOLUTION NO. 2024-02R AS FOLLOWS:

WHEREAS, the Big Sky Resort Area District (“District”) was created effective April 7, 1998 pursuant to sections 7-6-1531 through 1550, MCA; and

WHEREAS, members of the District Board of Directors (“Board”) have been duly elected by the electors residing within the District; and

WHEREAS, 7-6-1509(1)(b) MCA states: “the district board of directors shall appropriate and spend revenue derived from a resort area tax for the purpose stated in the resolution; and

WHEREAS, the Resolution forming the District authorized the District to impose a resort tax in part to “fund infrastructure facilities, public transportation, tourism development and other public services and facilities” within the District; and

WHEREAS, 7-6-1541(1)(c) MCA allows the District to “acquire by any legal means real and personal property necessary for the full exercise of its powers”; and

WHEREAS, a parcel of real property consisting of approximately 4.620 acres and located at the northwest corner of the intersection of Montana State Highway 191 and Montana State Highway 64 has been identified as a key component necessary to achieve goals set forth in each of the Our Big Sky Community Vision and Strategy, the Big Sky Capital Improvement Plan and the Infrastructure Investment, Funding, and Voter Representation Roadmap (the “Real Property”); and

WHEREAS, the Real Property, if acquired, would be used for one or more of the following uses: (1) for the location of critical water and sewer infrastructure/facilities/pipelines for the benefit of each the Big Sky County Water and Sewer District, the Gallatin County Canyon Water and Sewer Districts, the greater Gallatin River ecosystem, and the general public residing in the District; (2) improvements to the highway intersection infrastructure for better traffic flow, reduced congestion, and/or improved transportation facilities; (3) public restroom facilities; and/or (4) a visitor/information/tourism development center; and

WHEREAS, the Board desires to consider whether to use Resort Tax revenues to acquire the Real Property and if so, upon what terms; and

WHEREAS, pursuant to section 7-6-1547(4), MCA, the Board is authorized to act by Resolution; and

WHEREAS, at duly noticed public meeting held on February 14th, 2024, the Board discussed the opportunity to acquire the Real Property, the pros and cons of acquiring the Real Property, the potential benefits to the District and the Big Sky Community at large from the acquisition of the Real Property, and the potential downsides to the District and the Big Sky Community at large of not acquiring the Real Property. Specifically, the Board discussed: 1) the potential negative impacts of additional growth/development in this geographically restricted area; 2) potential loss of the opportunity to drastically enhance the sense of arrival through Big Sky's only entry corridor; 3) loss of potential to secure partnership funds and match land acquisition dollars with construction funding; and 4) leverage TIGER grant activity to align with increased enhancements in the area; and

WHEREAS, the District obtained an appraisal of the Real Property which found its fair market value is \$9,050,000 and the contents of the appraisal were discussed at the public meeting; and

WHEREAS, the Board has been informed by the Seller that the terms of the purchase shall be \$10,000,000 and the terms of the sale were discussed at the public meeting; and

WHEREAS, following these detailed discussions, the Board made the following findings, determinations, and resolutions:

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD AS FOLLOWS:

1. Following the detailed discussion referenced above, the Board determined the purchase price and terms represent a reasonable approximation of fair value of the property after considering the appraised value, best use of the property, the needs of the community, the benefits of the acquisition and dedication to public use of the property to the community, and the consequences of not acquiring the property.
2. The Board further voted to proceed with the acquisition of the Real Property for the purchase price and terms set forth herein, and designated Daniel Bierschwale, Sarah Blechta, and Kim Beatty, with authority to review, approve, and execute all documents necessary to consummate the acquisition of the Real Property consistent with the terms and directions set forth in this Resolution.

PASSED and APPROVED on this 14th day of February 2024, by a vote of ___ in favor and ___ opposed.

Sarah Blechta, Chair
Ciara Wolfe, Vice Chair
Steve Johnson, Secretary & Treasurer
Grace Young, Director
Kevin Germain, Director



Microgrant Fund Procedure

Last Updated: 2/9/23

Effective Date: 7/1/24

Previous version effective until 5/8/24

Purpose: Set a process for allocating resources to the Microgrant Fund (formerly referred to as the Opportunity Fund) and how to request and award this fund. The Microgrant Fund is created to ensure that all requests are reviewed equitably and that the applicant and review process is scaled to the size and scope of the request. The Microgrant Fund and Procedure were created to streamline the application process for applicants, board, and staff for funding requests of \$25,000 or less.

Scope: BSRAD Board, Staff, and Applicants

Procedure:

- **Allocating to the Fund**
 - In the annual budget process the District Board formally votes to allocate funds to the Microgrant Fund for the upcoming fiscal year.
 - The Board can vote at any time throughout the year to allocate more funds to the Microgrant Fund.
 - Funds are available until the current fiscal year funds are depleted on a revolving basis.
- **Requirements**
 - Requests must be \$25,000 or less.
 - Sponsors may only be awarded Microgrant Funding one time per fiscal year.
 - Requests **may not** be for a project previously requested or awarded funding from the District during the FY25 funding cycle.
 - Requests must show and articulate community benefit taking place within the Big Sky Resort Area District Boundary.
 - Sponsors must meet all District Legal Requirements).
 - Requests **may not** be made for “Administration” projects or expenses.
- **Applications**
 - Applications are available year-round.
 - The application form will be shortened, and questions will be created by District Staff and may be updated on an annual basis.
 - Application review **will not** occur during the regular Annual Allocation Meetings (generally in June).
 - Applications generally will be reviewed at the next regularly scheduled Board Meeting.
 - If received less than 10 days before the next regularly scheduled meeting it will not be reviewed until the following month/meeting.

- The applicant must be present at the review meeting to answer questions or provide more information requested by the Board.
- **Review**
 - A majority vote of the Board is required to award funds.
 - The District will attempt to resolve the request in the span of one meeting and will keep the discussion limited.
 - Microgrant applications **will not** be evaluated using the Scoring Criteria or Eligibility Requirements.
- **Disbursement of Funding**
 - Upon Board approval staff/legal will create a contract for the funds.
 - Funds must be spent, and reimbursement must be requested within 90 days of the award and contract execution.
 - Funds can be requested on a reimbursement basis using standard District procedures.

**BIG SKY RESORT AREA DISTRICT
REQUEST FOR COMPETITIVE SEALED PROPOSALS
INCORPORATION EXPLORATION STUDY**

INTRODUCTION

TO ALL INTERESTED VENDORS: Big Sky Resort Area District (District) is seeking competitive sealed proposals from “vendors” to provide goods and services (per specifications on Exhibit A attached and incorporated herein).

DELIVERY DEADLINE & INSTRUCTIONS

DELIVERED NO LATER THAN 4:00 PM, MOUNTAIN TIME, ON APRIL 15, 2024, in a sealed box or envelope (hard copies and digital copies) with the company name shown clearly on the outside, addressed to:

COMPETITIVE SEALED PROPOSAL

Incorporation Exploration Study
Big Sky Resort Area District
P.O. Box 160661
11 Lone Peak Drive, Unit 204
Big Sky, MT 59716

**BIDS THAT ARE SUBMITTED BEYOND THE DEADLINE SHALL NOT BE CONSIDERED AND
SHALL BE REJECTED.**

CONTACT INFORMATION

Requests for additional information or clarification:
Daniel Bierschwale, Executive Director
Big Sky Resort Area District
PO Box 160661
11 Lone Peak Drive, Suite 204
Big Sky, MT 59716
Daniel@ResortTax.org

QUESTIONS/CLARIFICATIONS

Any questions related to the proposal or scope of work must be provided in writing prior to **April 1, 2024**. Responses to these questions will be sent to all those responding to this request.

PROPOSAL OPENING

Competitive Sealed proposals will be opened at a regularly scheduled public meeting of the Board of Directors on **April 17, 2024**, at Big Sky Resort Area District, 11 Lone Peak Drive #204, Big Sky Montana, or upon reasonable notice to the Vendors or such other duly noticed public meeting.

AMENDMENTS TO REQUEST FOR PROPOSAL

Any interpretation or correction of this Request for Competitive Sealed Proposals “CSP” will be made by written addendum sent to all Vendors that have submitted a conforming proposal

Request For Competitive Sealed Proposals – Incorporation Exploration Study

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within the deadline and that have not been eliminated from the selection process through District staff review.

PROPOSAL FORM & CONTENTS

Deliver one (1) signed original, four (4) copies, and a minimum of one (1) digital copy prepared and submitted as follows:

<u>Document</u>	<u>Minimum Information</u>
1. Cover Letter:	Profile, name, address, location, phone number, email address, contact persons.
2. Proposal:	Describe in detail work, services & goods to accomplish the work in Exhibit A.
3. Exhibit 'B':	Complete and submit as page 1 of the response.
4. Change Orders:	Hourly rate for change order work.
5. License:	Copy of License, Business Certificate.
6. References:	3-references min. w/ contact info.
7. Warranty:	Provide a copy of warranty terms & conditions.
8. Appendix:	Any additional information in support of the proposal.

SELECTION PROCESS

The District adheres to the Montana State Procurement Act, Title 18, Chapter 4, including Competitive Sealed Proposal Procedure of Montana Code Annotated (MCA) § 18-4-301 – 304. The act requires “adequate” and “reasonable” time for public notice.

1. **Evaluation.** The District will evaluate all conforming proposals.
2. **Rejection.** The District expressly reserves the right, in its sole judgment, to accept or reject any or all proposals to waive any defects and to allow modifications and supplementation of proposals that are submitted within the deadline.
3. **Review.** The District will review conforming proposals as follows:

Qualifications and ability to perform requested services:

- Experience with similar projects
- Firm/personnel qualifications
- References from other communities
- Cost

Execution of the scope of work:

- Description of the proposed work plan
- Description of the public outreach process
- Process timeline
- Deliverables, budget, and completion schedule

4. **Revisions.** Vendors submitting proposals will be accorded fair and equal treatment with respect to the opportunity for discussion and revision of proposals, and such revisions may be permitted, after submissions and prior to award to obtain best and final proposals.
5. **Review & Elimination.** After evaluating proposals based on the criteria herein the District may eliminate one or more or all vendors from further review.
6. **Interviews & Vendor Site Visit.** After review & elimination, the District may in its discretion select one or more or all vendors to participate in interview(s), make oral presentation(s), and provide supplemental information and documentation. The selection committee may use this process for further elimination. All arrangements and scheduling shall be coordinated by the selection committee or its agent.
7. **Confidential Negotiations.** Prior to making any award the District may negotiate directly with the remaining vendor or vendors. In conducting discussions and negotiations, there may be no disclosure of any information derived from competing proposals. The selection committee shall comply with the resident bidder preference of § 18-1-102, MCA.

BINDING OFFER

THE VENDOR'S PROPOSAL CONSTITUTES A VALID LEGAL OFFER FOR 180-DAYS. VENDOR'S PROPOSAL SHALL NOT BE WITHDRAWN WITHOUT THE CONSENT OF THE DISTRICT. Negligence, errors, mistakes, or omissions in preparing the proposal, information, documentation, costs, or calculations shall confer no right of withdrawal after the submission deadline. The vendor bears all costs of preparing the proposal and any subsequent presentation or participation in the selection process.

MISTAKES ERRORS & OMISSIONS

The vendor shall disclose errors in costs, calculations, or information "mistakes" in the proposal submitted as well as in any related contracts, agreements, estimates, change orders, or other documents. In the event, that the District accepts any proposal, related contracts, agreements, estimates, change order, or other documents containing mistakes the vendor shall be obligated to correct mistakes that are adverse to the District and shall have no right to enforce such mistakes against the District, except mistakes that work in favor of the District shall be binding on the vendor.

CONTRACT FORM

The vendor agrees to accept and execute the attached work and services agreement that will be issued subject to minor, non-substantive modifications or changes only. The District reserves the right to require the vendor to execute such further documents, contracts, agreements, or forms as may be reasonably necessary to express the intentions of the parties, or which may be recommended by the District.

DISTRICT RESERVATION OF RIGHTS

Submission of a proposal confers no rights upon any vendor and shall not obligate the district in any manner whatsoever. The district reserves the right to make no award and to solicit additional proposals at a later date.

This Request for Competitive Sealed Proposals may be canceled or any or all proposals may be rejected in whole or in part, as specified herein, when it is in the best interests of the DISTRICT, and such reasons will be stated in the contract file. § 18-4-307, MCA.

NOTICE OF AWARD

In the event an award is granted, then the contract file shall contain the basis of the award that shall be to the responsible and responsive Vendor whose proposal best meets the evaluation criteria.

The District shall provide written notice to the vendor that is selected based on this “CSP”. If no vendor is selected, then a notice of no award shall be issued. The vendor selected will be required to execute a District Service Agreement.

REMEDIES & REMOVAL

Vendors are advised that the Montana State Procurement Act provides exclusive remedies for Vendors, bidders, contractors, or aggrieved parties. § 18-4-242, MCA. Transfer and assignment of contracts without authority and collusion or secret agreements between vendors for the purpose of securing any advantage is strictly prohibited, and any person who violates such provisions may be held criminally liable for a misdemeanor with civil penalties from \$500 to \$5,000. § 18-4-141, MCA. In addition to these remedies [and other recourse provided in this invitation and at law or equity] Vendors may be suspended or removed as provided in § 18-4-241, MCA.

EXHIBIT “A”

I. SCOPE OF WORK

- A. **Objective:** Big Sky Resort Area District, Montana (District) is soliciting proposals for services to complete an Incorporation Exploration Study. The study is designed to assist residents of unincorporated Big Sky in understanding the process by which a community can explore the governance options available and help the community make decisions. The District seeks an experienced consultant(s) who has ideally worked in a resort community and understands the complexity of local governance (particularly in the West), municipal structure, financing, and legality, as well as the dichotomy of rural and urban needs. The consultant(s) will complete this project by collecting and analyzing data, engaging the public and stakeholder groups, and drafting a factual study. The Incorporation Exploration Study will act as an impartial tool for citizens to make an informed decision regarding the structure of local governance in Big Sky.
- B. **Context and considerations:** The unincorporated community of Big Sky is in Southwest Montana, a geographically remote area surrounded by the public lands of Greater Yellowstone. Bozeman and West Yellowstone are approximately a one-hour drive from Big Sky’s primary road of access US-191. Most local special purpose district boundaries are generally aligned with the borders of the Big Sky Resort Area District. This boundary falls in both Madison and Gallatin Counties.

According to U.S. Census Block Data, Gallatin County is one of the fastest-growing counties in the State of Montana with a population of 67,831 in 2000 and 122,713 in 2020 – approximately 81% growth. Conversely, Madison County’s population was 7,691 in 2010 and 8,623 in 2020 – approximately 12% growth. The population of the boundaries of the District was 1,398 in 2010 and 3,854 in 2020 – approximately 176% growth.

A subcommittee of District board and staff along with community members with diverse perspectives was formed in January of 2023. The group worked together over several sessions and shared their findings in September of 2023. The initial findings can be found in the report titled “[Governance and Community Engagement Exploration](#)”. This initial report provides background information and additional context.

Big Sky is a unique community, and several considerations need to be accounted for when preparing the study:

- No previous incorporation exploration studies exist for this area.
- The seasonality and tourism-based economy of Big Sky including part-time residents, second homeowners, seasonal workforce, and others.
- The study needs to be digestible by a broad audience representative of the Big Sky population.
- Wide-ranging socio-economic considerations for community services.
- Montana became a state in 1889, while Big Sky as a thriving community has only existed for the last few decades, the last community to incorporate in Montana was over 20 years ago.
- Current community growth rate is unknown due to constraints of publicly available data.

- Ownership of the remaining developable area in Big Sky is concentrated among a few entities.

C. **Scope of the Project:** The Incorporation Exploration Study shall consist of the following sections:

- **Executive Summary**
 - Environmental scan
 - Population
 - Demographics
 - Forecasts
 - Other Data
- **Services**
 - Current Services by service provider (federal, state, county, local/special purpose district, nonprofit, HOA, private)
 - Current funding and staffing (including elected officials)
 - Authorities and powers (enforcement, licensing, inspections, permitting, codes, ordinances)
 - Potential & Required Services
 - Services that are available as municipal services (indicating which are the minimum requirements)
 - Potential funding and staffing (including elected officials)
 - Authorities and powers (enforcement, licensing, inspections, permitting, codes, ordinances)
- **Infrastructure**
 - Current infrastructure
 - Who owns, maintains, and pays for it
 - Future/potential infrastructure
 - Who would own, maintain, and pay for it
- **Steps/process to incorporation**
 - Option within current state law
 - Options based on different boundaries
 - Options based on different charters/types of city structure
 - Timelines and flowchart
 - Post vote roll out
 - How to put structure in place after the vote including timelines
- **Alternatives**
 - Changing state law
 - Consolidated City/County
 - Creation of a new County
- **Supplemental materials**
 - Consolidated budgets
 - Maps
 - Charter examples
 - Property tax bill scenarios (current, in municipality, out of municipality)

- Department of Revenue Dashboard and other technical resources
- Case studies
- Glossary of Terms
- One pager

Each section listed (notated in bold) shall include a Summaries & Consideration portion outlining the following:

- Impact of each step/scenario
- Projections, forecasts, and scalability
- Industry and demographic specifics
- Impacts on existing service providers
- Impacts on current Resort Tax
- Impacts on residents
- Costs to taxpayers
- Economic impact (jobs, business retention, industry size, etc)

D. **General Outline of Project:** While the specific approach, methodology, and timeframe proposed by the consultant(s) should be detailed in the written proposal, the District generally desires the Plan Update to be completed over approximately a 12 month period of time. Please provide a proposed calendar. Below is a sample schedule, which should be used as a guideline but is meant to be tailored to reflect the skills and expertise and proposed schedule of the consultants.

1. Kickoff
2. General Citizen Engagement
3. Data Gathering, Research and Trend Analysis
4. Engagement of Big Sky Stakeholder Groups
5. Community interviews across the state of Montana with an analysis of resort tax and non resort tax communities
6. Summary Report
7. Draft and Document Assembly and Delivery
8. Public Presentations and Public Hearings
9. Delivery of Final Document

E. **Staff Assistance:** Staff from the Big Sky Resort Area District will be available on a limited basis to support this project. Proposals should identify any specific areas where staff assistance is anticipated and the number of hours of staff assistance per month anticipated.

F. **Progress Reports:** The consultant(s) is expected to submit monthly progress reports via email to the District outlining the following: recently performed work; upcoming tasks; upcoming milestones; scope, budget, and schedule issues; and other issues. Progress reports will be shared with the full committee. Evaluative feedback may be delivered on an as-needed basis from the District and committee.

II: PROPOSAL CONTENT

- A. **Understanding of Need:** The consultant(s) shall acknowledge their understanding of the District's need for an impartial and factual Incorporation Exploration Study. Designed to assist residents of unincorporated Big Sky in understanding the process by which a community can explore the governance options available and to help the community make decisions.
- B. **Approach:** The consultant(s) shall provide its detailed approach and proposed timeline for completing the project as described above, taking special care to explain their proposed methodology for public engagement and how they will communicate with the District during the development and implementation of the project. The approach should describe any tasks for which the consultant(s) will rely on assistance from District staff.
- C. **Experience and Availability Project Team:** The consultant(s) shall identify the project team members by name and explain, in detail, their experience working on plan updates. The proposal shall also name any consultants the proposer intends to engage, explain their relevant experience, and the role they will play in the project. The consultant(s) must be able to respond to the District's needs in a timely manner, complete deliverables on time, and be an efficient resource for the District. The proposal shall address the various project team members' availability to complete the project on schedule. The project team is at the discretion of the consultant(s) but the District views the following as key roles:
- General oversight and project management
 - Communications and community engagement
 - Legal and statute expertise
 - Design and copywriting
 - Research and data collection
 - Data analysis
 - Other as appropriate
- D. **References** The proposer shall provide a list of at least three public agencies and firms for which the proposer has provided similar services and a summary of the exact type of services that were provided to these references. The proposal must include the contact information for these references.
- E. **Cost:** Proposals should outline the services that your individual firm will provide, with detailed cost information for those services and a not-to-exceed cost for the project.
- F. **RFP Process - Anticipated Timeline / Dates:**
- Issue RFP: February 15, 2024
 - Proposals due by 4:00 PM: April 15, 2024
 - Opening of Proposals in Public Meeting: April 17, 2024
 - Evaluate and choose with a recommendation from the committee: May 8, 2024
 - Proposed start date: June 1, 2024
 - Delivery of Final Document: June 1, 2025

Exhibit 'B'

Complete and include as page one (1) of your submittal

Acknowledge Addendums

1. _____	4. _____
2. _____	5. _____
3. _____	6. _____

Total contract price: \$ _____
(if supplemental pricing detail is required, attach it to the back of Exhibit 'B')

Acknowledge terms and conditions of contract (yes/no) _____

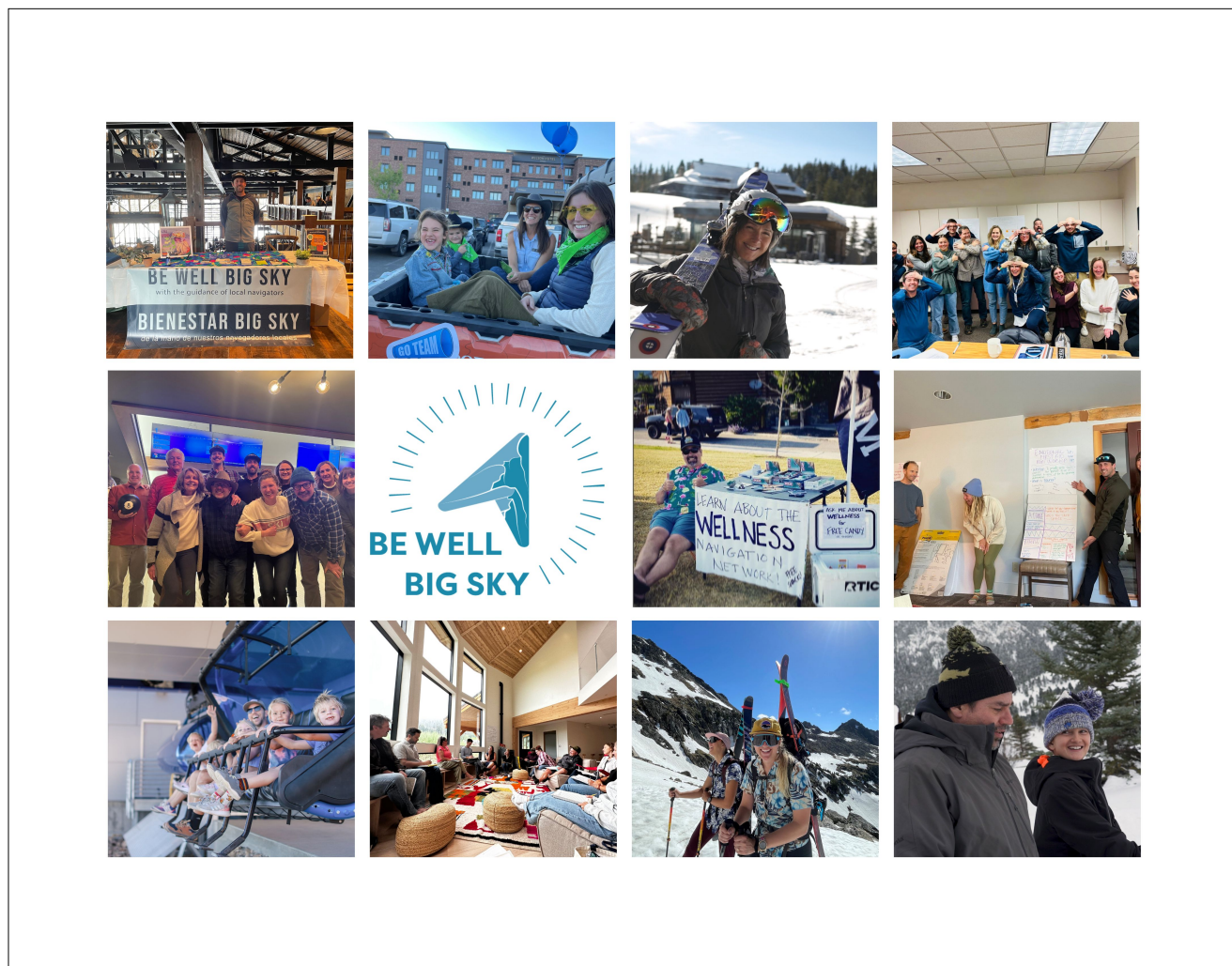
AGREEMENT TO TERMS & CONDITIONS

THE UNDERSIGNED IS DULY AUTHORIZED TO BIND THE COMPANY NAMED BELOW AND HEREBY AGREES TO ALL THE TERMS AND CONDITIONS IN THE FOREGOING REQUEST FOR PROPOSALS

Company Name

Signature

Date



Be Well Big Sky

Prepared for: Big Sky Resort Area District
Prepared by: Shannon Steele, Founder & Director
February 7, 2024

EXECUTIVE SUMMARY

Big Sky sits at the entrance to the Greater Yellowstone Ecosystem, home to diverse wildlife, and offers endless adventures for residents, workforce and visitors alike. Though Big Sky holds promise for work/life balance and finding solace in the mountains, there are inherent challenges that come with resort-town living.

The 2020 Community Health Needs Assessment and Behavioral Health Initiative Report by Davis & Associates identified key challenges in mental health, substance use, and access to care based on community feedback, outlined in Figure 1. The story we keep hearing about the problems in our community is that Montana continues to rank in the top three for highest suicide rates in the nation, and that mountain towns especially have higher rates due to geographic location, lack of access to basic needs and resources, isolation, and a culture that centers the après. The impact of these conditions became starkly evident with the tragic suicide of a long-time resident and ski patroller in November 2021, and a ripple of suicides in subsequent years.

Our community recognized we can and will do better. Community members and organizations began to collaborate to address these complex social challenges, bringing about significant positive changes in a short time. Recognizing the ongoing nature of this work, however, we understand and are committed to the need for a long-term perspective, as focusing on creating an ecosystem where everyone can thrive becomes a staple of our community. Be Well Big Sky (“Be Well”) emerged organically and was formalized and fortified by a partnership between citizens, coalition agencies and the Yellowstone Club Community Foundation (YCCF).

From 2020-2023, YCCF was the backbone organization for the community’s behavioral health initiative, formulating a structured process to address our community’s challenges together through coalition-building, community organizing, and incubating what would become Be Well Big Sky, a community-led social enterprise. Be Well Big Sky transitioned out from under YCCF in January 2024 and is now a fiscally sponsored project under One Valley Community Foundation, led by a director and leadership council that is drawn from and reflective of the Big Sky community.

Figure 1. Key Challenges in Big Sky



Barriers to Accessing Care

- Knowledge/Awareness
- Transportation
- Availability
- Cost
- Stigma
- Language
- Time

Data Sources: Big Sky Behavioral Health Initiative Report (2020), Community Health Needs Assessment (2020)

HISTORY & TIMELINE

GRASSROOTS, COMMUNITY-LED INITIATIVE.

2020

- Community Health Needs Assessment & Behavioral Health Initiative Report highlighted critical needs.
- Big Sky Behavioral Health Coalition formed

2021

- Yellowstone Club Community Foundation hired position to lead behavioral health initiative.
- Peer-to-peer, community-led Navigator Network program established

2022

- Holistic Emotional First Aid Train-the-Trainer spurred community action: COMMUNITY DRIVEN CARE
- Established partnership with Rimrock Foundation to build Peer Support Program in Big Sky

2023

- Launched bewellbigsky.com as Big Sky's first Mental Health & Wellness Resource Navigation Tool
- Be Well Leadership Council formed to transition Be Well Big Sky out from under YCCF
- Referral Pathway Taskforce formed to create better pathways to care

2024

- Be Well Big Sky becomes fiscally sponsored project of One Valley Community Foundation

ORGANIZATIONAL FRAMEWORK & MANAGEMENT

A SOCIAL ENTERPRISE COMMITTED TO DOING THINGS DIFFERENTLY.

Creating successful community and systems-level impact requires commitment, financial investment, the time participating organizations and community members must dedicate to the work, and staff and infrastructure of a backbone organization needed to lead and support the ongoing initiative. The organizational framework and management of Be Well Big Sky is strategic and is guided by best practices outlined in [Stanford Social Innovation Review](#), the [Collective Impact Forum](#), and other communities and groups doing similar work including Summit County and Eagle Valley, CO, and Park County, MT. Below is an outline of the organizational framework and management of Be Well Big Sky.



BACKBONE ORGANIZATION.

Backbone support is a critical component of infrastructure that enables collaborative, multi-sector efforts to advance systems-level change.

Key Functions:

- Guiding vision & strategy
- Aligning activities
- Establishing shared measurement practices
- Cultivating community engagement & ownership
- Mobilizing resources

Most significant expense is staff salaries, followed by data management systems, communications, community engagement, and office/administrative needs.



FISCAL SPONSORSHIP.

Be Well Big Sky is a fiscally sponsored project of One Valley Community Foundation as of January 2024. One Valley dedicates capacity to manage the finances and provide fiscal oversight of Be Well Big Sky.



STAFFING.

Staff is lean to start, with capacity added over time and dictated by needs of collective impact initiatives. Be Well will require minimal staffing and meet its goals by contracting with existing services and programs.

- Director (full-time) - year 1
- Programs Manager (full-time) - year 2



BE WELL LEADERSHIP COUNCIL.

The Leadership Council is drawn from and reflective of the Big Sky community. The Be Well Leadership Council acts as the steering committee and provides oversight for and co-creation of Be Well Big Sky as a stand-alone social enterprise.



ADVISORS.

Be Well will be supported by a small advisory committee with diverse skill-sets and expertise. Current advisors for Be Well Big Sky include:

- Buz Davis | Researcher, Big Sky Behavioral Health Initiative Report
- Ruthi Solari | Director of Community Impact, YCCF
- Shannon Thompson | Founder & Visionary Director, Shakti Rising

WE'RE HERE FOR IT.

Be Well Leadership Council



SHANNON STEELE
DIRECTOR



CHLOE UNGER
NEXT GENERATION



SARAH GAITHER
BIG SKY FOOD BANK



ROBERT MCCORMICK
YC CULINARY



MICHELLE NIERLING
YC CULINARY



ANDY NAGEL
BIG SKY RESORT



SUZY SENSBACH
MONTAGE



BEN KEEFE
SMALL BUSINESS



DYLAN THORNTON
BELONGING IN BIG SKY



JEREMY HARDER
SCHOOL DISTRICT



VISION

Big Sky is a thriving community where citizens believe it is possible to create the next world, shaping a culture that fosters a sense of belonging and well-being for all.

MISSION

Unlikely leaders collaborate to empower and nurture collective well-being through grassroots, peer-to-peer solutions that integrate and uplift the existing care system. We enhance accessibility, reduce barriers to care, and normalize the experience of being human.

VALUES

Ownership
Real & Human
Spirit of Aliveness
Trusted & Trustworthy
Allegiance to our Community
Genuine Diversity
Connected & Supported
Local to Global

ALIGNED WITH EVIDENCE-BASED RECOMMENDATIONS

FLIPPING THE SCRIPT.

The Big Sky community is rewriting its story, and you all have a part in this too. What Be Well Big Sky is learning is replicable, based on best practices, and is how rural communities within Montana and across the mountain west are going to heal and change.

The recent call to action from the Surgeon General's National Strategy for Suicide Prevention is to focus on upstream strategies and prevention efforts. Figure 2. outlines the importance of working upstream in coordination with those leading midstream and downstream activities. Additionally, recommendations include enhancing protective factors which minimize risk. Protective factors include:

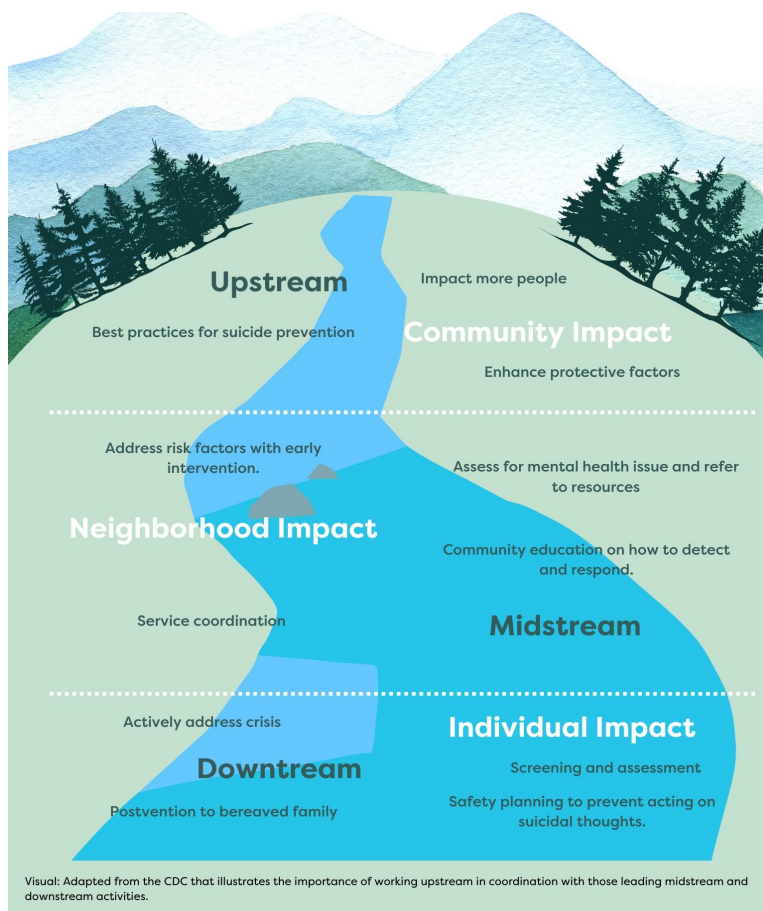
- Social connectedness
- Sense of purpose
- Willingness to seek help
- Access to services
- Ongoing relationships with care providers
- Safety & support within community
- Individual resilience skills: coping, emotion regulation, and distress tolerance.

Be Well Big Sky, predominately focused on upstream activities and enhancing protective factors, also engages in mid- and downstream activities through its three programs and services: 1) Navigator Network, 2) Trainings & Collaborative Learning, and 3) Collective Action.

Be Well strengthens individual, community, and system capacity through community-wide trainings and collaborative learning, fosters community-driven initiatives through a peer-led navigator network, and coordinates better pathways to care through partner convening and facilitation.

Be Well Big Sky is flipping the script: Big Sky is a community who harnesses their inherent resilience, acknowledges the abundance that already exists, and recognizes that we, as a community, are stronger together... that we have a responsibility to ourselves, each other and this place.

Figure 2. Upstream, Midstream & Downstream Activities & Impact



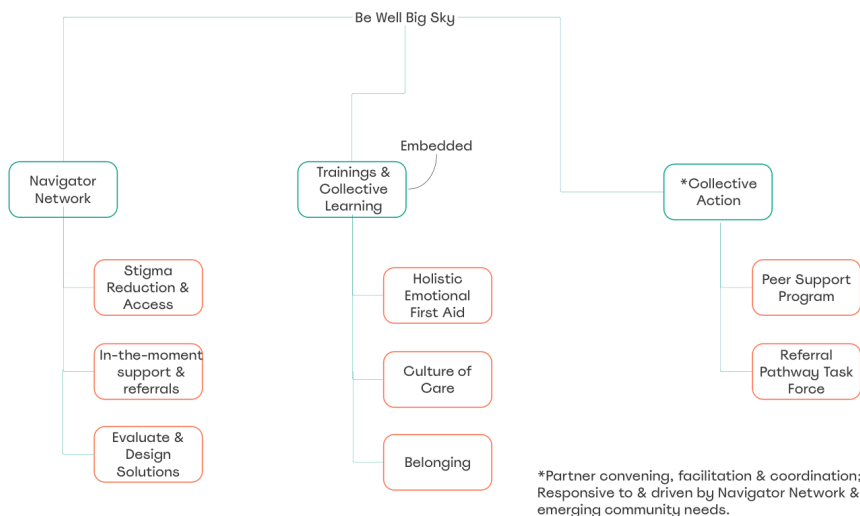
PROGRAMS & SERVICES

UPLIFTING & STRENGTHENING OUR COMMUNITY.

Be Well Big Sky was founded on the belief that health and wellness is only possible when we turn to each other and remember we are resourced together, and that community members are experts in their own lives.

Community-driven, collaborative, and comprehensive interventions perform better, and last longer than those that are top-down and siloed (CDC, SAMHSA). From the start, these principles and other core tenets were embedded into the Be Well framework, from decision-making to formation of Be Well's programs and services, outlined in Figure 3.

Figure 3. Be Well Big Sky Programs & Services Overview



Be Well Big Sky Core Tenets:

1. **Community-driven:** Community members actively involved in designing initiatives and making decisions feel a sense of ownership and become active influencers of the systems that impact their health and well-being.
2. **Evidence-based:** Where it makes sense and aligns with community values, incorporates leading practices like trauma-informed principles, collective impact and community-based participatory research.
3. **Culture of care:** Trauma-informed and mutual aid frameworks are the foundation of cultivating a culture of care. This requires continual investment and integration at an organizational, individual and community level.
4. **Collaboration:** Partnerships, community-organizing & coalition-building enables shared knowledge, resources, and expertise. The intersection of the full spectrum of care leads to better coordination, improved access, communication, and improved health outcomes.

PROGRAMS & SERVICES

Navigator Network

The Navigator Network started as a grassroots effort to address the growing unmet needs of the community. Impromptu, self made videos addressed how to navigate mental health challenges, community members advocated for and provided homegrown substance abuse/mental health support and transport to health care, among other things. Individuals worked together to replace the nonexistent care network. Rapidly, a neighborhood care model was born.

The Navigator Network reaches into every corner of the community and includes 30 diverse volunteers including chefs, bartenders, custodians, HR managers, teachers, spiritual leaders, and more. This diverse network provides an ongoing feedback loop, informing on the needs, strengths and barriers to care, and integrates with the existing care system. Navigators meet monthly and are trained on local mental health resources, Holistic Emotional First Aid, and crisis prevention, intervention and referrals. Navigators provide in-the-moment support, make referrals to care, design solutions, and conduct outreach for community well-being. The navigators put it simply, *"We are just community healing community."*

Trainings & Collaborative Learning

Through foundational trainings and ongoing education, Be Well Big Sky seeks to increase capacity, ability to sustain, and build resilience among the navigator network, partners and community at large. Holistic Emotional First Aid is a foundational training that invites participants to recognize their inherent resources, and teaches effective and tangible tools to deal with stress. Participants experience immediate relief and learn long-term tools to create systems of recovery and support within their personal and work-life. Holistic Emotional First Aid is facilitated by 32 trainers across Big Sky and Bozeman, and offered to area businesses, local organizations and throughout the community.

Collective Action

Be Well Big Sky collaborates with 40+ local, county, and state-wide organizations to address needs and ensure easy access to services for Big Sky residents and workforce. Be Well offers partner convening, coordination and facilitation to unite efforts, avoid duplication and commit to shared measurement to truly begin to move the needle on issues. Collective Action projects are responsive to and driven by the Navigator Network and emerging community needs. Be Well facilitates cross sector collaboration where there's a deep understanding that we must work together to address complex social issues.

EARLY PROMISE, PROFOUND DELIVERY

OUR IMPACT.

The efforts of Be Well Big Sky are beginning to ripple throughout the Big Sky Community. 30 navigators are engaging in various ways and making changes in their workplaces and social networks. Some are hosting Holistic Emotional First Aid trainings during employee orientation and throughout the season. Others are creating wellness and resource information boards, and all are normalizing real and human conversations.

Be Well's Collective Action efforts have released the burden for individual care providers. For the first time in 10 years, Big Sky Community Food Bank Director stated, "I don't feel like the weight of all of Big Sky's problems are on my shoulders." Her cup that kept filling and flooding over, is now being caught by other providers and a community that is showing up.



Launched
bewellbigsky.com
Resource Navigation Tool

20+

Outreach events to increase awareness of existing resources: Tabling at Music in the Mountains, Wellness Fair, Employee Orientations, Hope in Climate Action, etc. since 2022.

Meet a few of Big Sky's Navigators!

30

Navigators provide support, education, resource navigation, and reduce the stigma associated with mental health.

"I was in a video last winter to share my story navigating mental health challenges, and advocating to increase awareness and stress the importance of the employee assistance program. Since then, the term stigma doesn't seem to exist in my daily bubble of friends and co-workers. I've received simple thanks from many, and have had the privilege to be a listening ear for others and their experiences with depression.

Andy Nagel, Big Sky Resort Custodial Supervisor



341+

Community members reached across Big Sky Resort, retail stores, schools & more through 26 signature trainings since Nov 2022.

32

Holistic Emotional First Aid Trainers serve the greater Big Sky Area.

"All tools aside, the connection piece of all this is huge and may have the greatest impact of all."

Emotional First Aid Participant

18

Explore Big Sky Articles published to normalize talking about mental health & share resources.



2024 STRATEGY OVERVIEW

1	2	3	4
SECURE DIVERSE FUNDING	ORGANIZATION SYSTEMS COMMUNICATION	PROGRAMS - SUSTAIN & MAINTAIN MOMENTUM	STRATEGIC PLANNING
	Fiscal Sponsorship Operations Internal Systems & Organization Internal & External Communications	Navigator Network <ul style="list-style-type: none"> • Trainings • Reporting / evaluation • Be Well kits / buckets Holistic Emotional First Aid <ul style="list-style-type: none"> • 12 trainings in 2024 • 2 completed • 4 scheduled Collective Action <ul style="list-style-type: none"> • Peer Support Program • Referral Pathway Task Force 	<ul style="list-style-type: none"> • Program Operations • Be Well Business Framework

JANUARY - DECEMBER 2024

Be Well Big Sky Goals

1

NAVIGATOR NETWORK

Equip 35 navigators with tangible tools and skills to respond to approximately 3,500+ community members in need.

2

HOLISTIC EMOTIONAL FIRST AID

Host 12 trainings for 200+ community members

Resource with knowledge, tools and skill to engage in community driven care.

3

SYSTEM COORDINATION

Build and maintain referral partnerships with navigators and 8 key professionals and community providers working across the social determinants of health.

Tangible Outputs:

- Referral map and protocol for responding to needs
- Protocol for re-integrating person back into community
- Protocol for supporting supporters after critical incident

11 of 12

I.D.2.d. Be Well Big Sky Overview
(11 of 12)

Big Sky Resort Area District
02.14.2024 Board Meeting
(Page 123 of 124)

BUDGET

Budget Overview	Cost
Operations	\$26,872
Salary & Benefits	\$85,000
Direct Program Costs	\$57,929
Total	\$169,801

