



# RESORT TAX

Building Big Sky Since 1992

## GOVERNANCE & COMMUNITY ENGAGEMENT EXPLORATION



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# EXECUTIVE SUMMARY



**For three days in June and July of 2023, a group of 12 leaders representing diverse stakeholder groups in Big Sky met to discuss incorporation.**

Big Sky Resort Area District (BSRAD) leadership convened the group, calling it “step .5” of exploring incorporation.

**“We needed to understand the current situation, our shared problems, and where our common ground is, and all agree how to explore the potential options for incorporation,”** said BSRAD Executive Director Danny Bierschwale, who led the process with BSRAD board chair, Sarah Blechta, and facilitator Emily Stifler Wolfe.

Rather than making decisions, we were laying groundwork.

Over the course of 12 intensive hours together, our group created a strategy and rough timeline to conduct a rigorous, unconstrained incorporation study that’s driven by community engagement. The goal of this future study will be to learn whether there might be a better way for our community to operate than the current approach.



We're proud of our collaboration.

Incorporation is divisive, and at times our progress and trust felt fragile. Two things carried us: knowing we all want what's best for our community, and a rigorous facilitation process that was anything but business-as-usual. By the time our workshops ended, we were working as a team, and each of us expressed interest in staying involved going forward.

For more on how we got to this point, see 'Workshop Goals, Methodology & Process' (p. 8-11), and the Appendix (p. 18-27).

We know this report may generate buzz, and we want to be clear that we still have more questions than answers. The next step is to explore those answers.

We believe strongly in an educated citizenry. It is you, the citizens, who will ultimately make the decision about whether you want to take incorporation to a vote and which path our community will take.

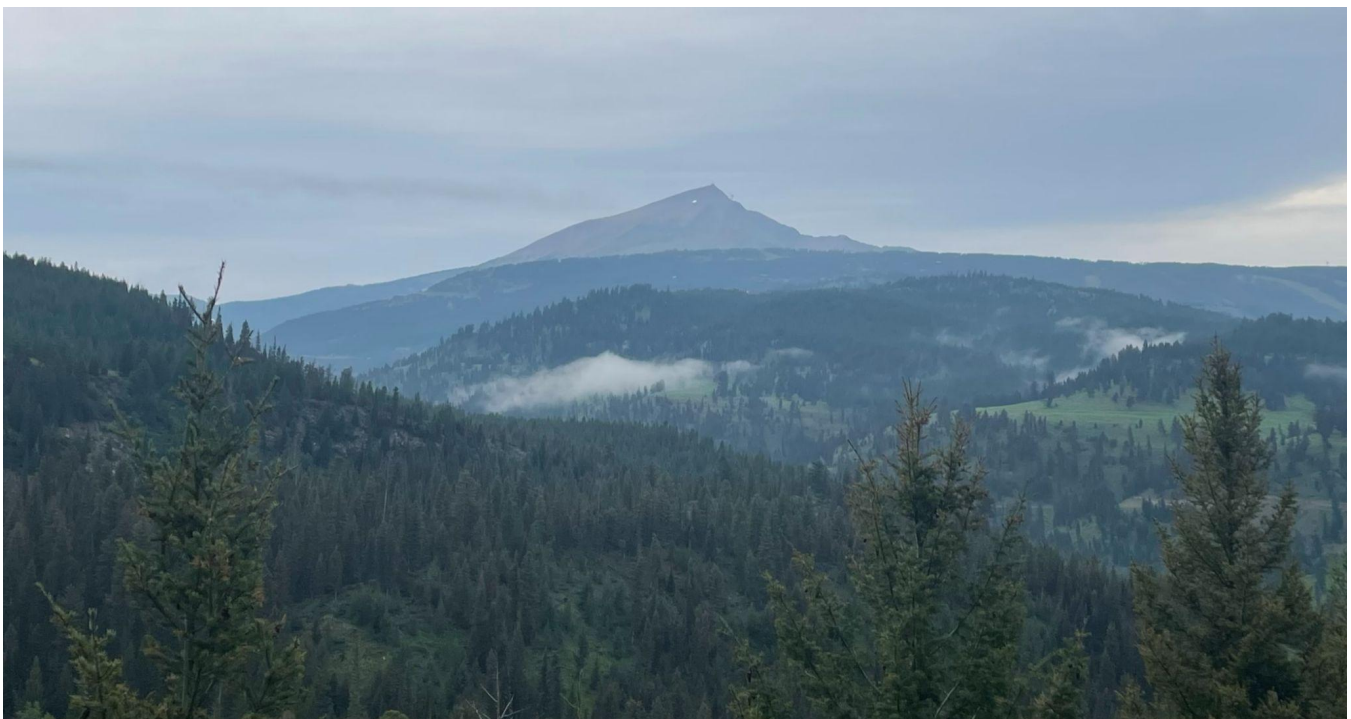
- ***Danny Bierschwale, Erin Bills, Sarah Blechta, Sarah Gaither, Katie Grice, Michelle Horning, Steve Johnson, Matt Kidd, Tallie Lancey, Brad Niva, David O'Connor and Ennion Williams***

# STAKEHOLDER PERSPECTIVES

**Members of our group are associated with a diverse collection of stakeholder and citizens groups in Big Sky. We list these entities here not to indicate any kind of endorsement on their part, but for the sake of transparency.**

Big Sky Resort Area District  
Big Sky Community Organization  
Big Sky Local Governance  
Big Sky Trails, Recreation & Parks District  
Big Sky Transportation District  
Big Sky Food Bank  
Big Sky Community Housing Trust  
Wellness in Action  
Gallatin River Task Force  
Big Sky Chamber of Commerce  
Visit Big Sky  
Big Sky Zoning Advisory Committee

Big Sky Owners Association  
Big Sky Resort  
Boyne Resorts  
Lone Mountain Land Company  
Crossharbor Capital Partners  
Warren Miller Performing Arts Center  
Yellowstone Club property owners  
associations  
Big Sky Real Estate Co.  
Big Sky Sotheby's  
Outlaw Partners



# PURPOSE & KEY CONCEPTS

## **Purpose of this report:**

- Share the results of our work with the citizens of Big Sky and other interested parties.
- Clarify next steps and create accountability.
- Request support for next steps.
- Demonstrate the value of listening and intentional collaboration.

## **Key concepts:**

- Trust and see one another as humans first.
- We have more common ground than we realize.
- Some of our existing services already work well. We want to maintain those while finding what we might add or supplement through municipal services and other potential solutions.
- Public education is paramount.
- Always make sure you're solving for the right problem and consider how it's framed. Reframing allows us to think and talk about problems in a useful and unifying way, as opposed to 'us vs. them' thinking.
- You drive what you help build.

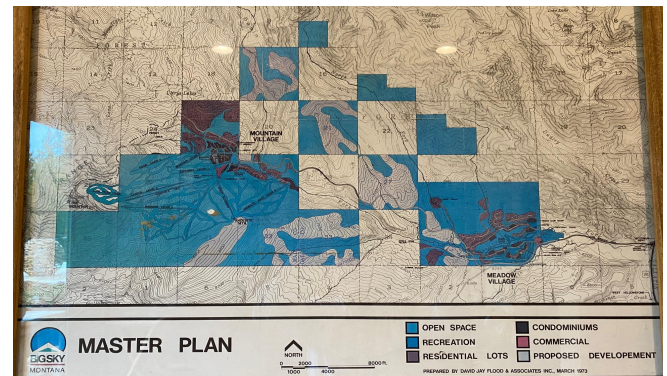
# HISTORIC CONTEXT

**The community of Big Sky has remade itself in the last decade. Between 2010 and 2020, Big Sky grew by 176%, creating high demand on core services. We now have a hospital, a high school, a world-class community center, and more than 3,000 year-round residents.**

Instead of a municipality, our most locally centralized government consists of county commissioners from Gallatin and Madison counties. A group of specialized districts provide funding, transportation, public safety and utility support; the Big Sky Resort Area District's boundary acts as the general public service area for these districts.

Incorporation and governance have come up several times as the community has grown:

- BSOA led an incorporation investigation effort in 2002.
- Following a strategic planning exercise in 2004, the Chamber of Commerce spent several years researching public sentiment and legislative requirements surrounding incorporation, with funding from BSRAD.
- In 2018, the MSU Center for Local Government developed a study on governance options available to Big Sky aside from incorporation, commissioned by the Chamber.
- Starting in 2022, the grassroots group, Big Sky Local Governance, LLC, met with the intention of bringing incorporation to a vote in November 2023. This group's work generated the interest that eventually led to the formation of the exploratory group that created this report.



*Big Sky Resort 1973 master plan*

There are still many unknown implications associated with incorporation. What we do know is that legislative challenges likely exist, myths are prevalent among the community, and there will be economic impacts we cannot foresee. The last community to incorporate in Montana was Colstrip, in 1998.

# GOALS, METHODOLOGY & PROCESS

As stated by BSRAD leadership before the workshop, the goals of the collaboration were:





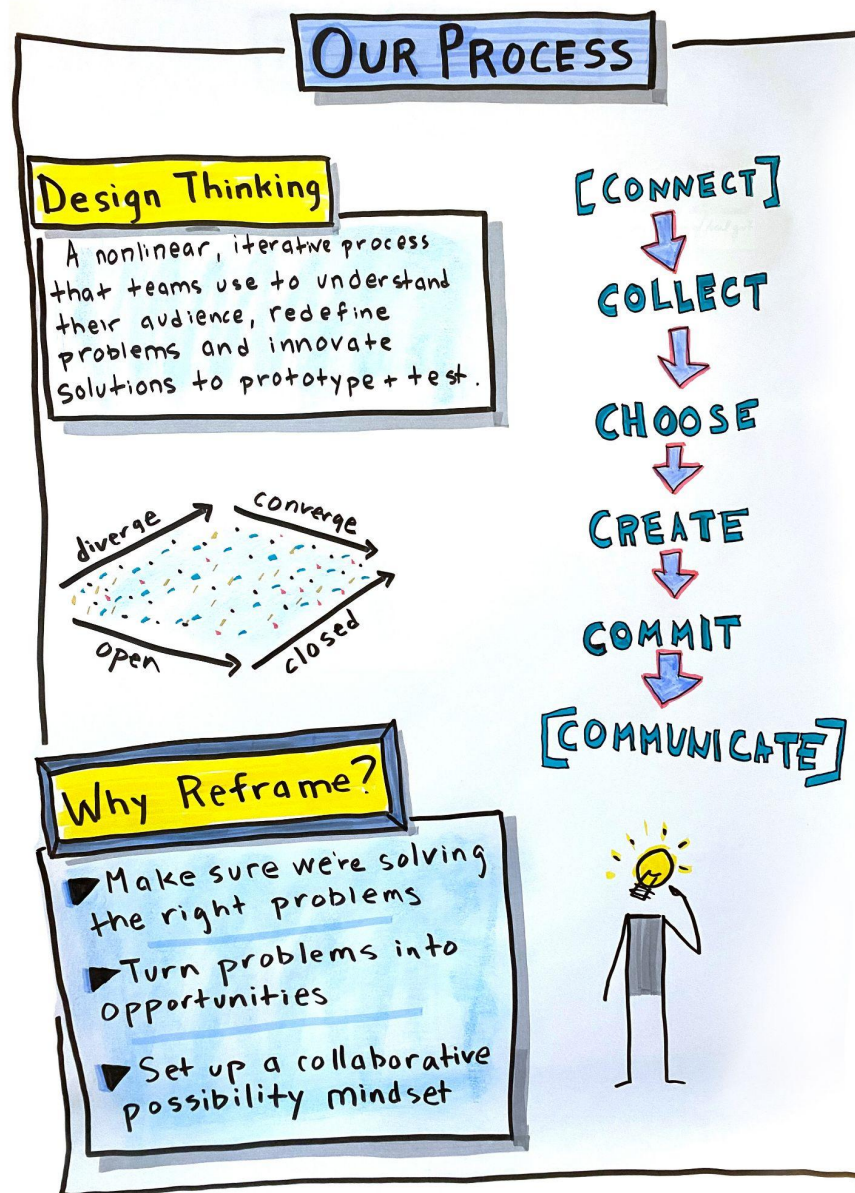
## Emily Wolfe, a Bozeman-based strategist and facilitator, led us through the process.

Wolfe used a method informed by design thinking, nonviolent communication, and her background in journalism and mountain rescue. She has had several roles in Big Sky over the last 15 years and was familiar with the stakeholder groups and social landscape.

While a typical strategic session might include a SWOT analysis, goal setting and a planning session, our process was less linear.

### Some of the principles include:

- 1. Work alone, together.**  
Participants respond to a prompt, writing one idea per sticky note and then sharing their best ideas with the group. This allows introverts' and extroverts' ideas to hold equal sway.
- 2. Trust the process.** Exercises are timed and designed to sequence conversation.
- 3. Visualize ideas.** This helps us consider all ideas equally.
- 4. Be curious, honest and open.** Listen to ideas even if you dislike them. Challenge yourself to build on them, even if you see them as a constraint, or they seem unrealistic. Defer judgment and think big.



## When we arrived on the morning of June 26 at the BASE Community Center, many of us felt both hope and doubt. Would we be able to collaborate with others who had seemingly opposing viewpoints? We aimed to try.

As we began working together, the gravity of this work and our differing perspectives weighed heavily on us.

Our second work session, held June 29 in the Wilson Hotel, was equal parts challenging, productive and transformational.

This was “the messy middle,” a sometimes disorienting place where, our facilitator warned, teams can lose their way.

As tension built, we leaned into the process.



*“Often everyone was saying pretty much the same thing about the community and its development, just in different words that were causing divisiveness. But once we had this method to communicate more effectively, we could see that really, we just don't have the answers to these questions, so we need to learn more to actually make a good decision on incorporation.”*

**— Erin Bills**

*workshop participant and environmental sustainability  
and inclusive community growth consultant*

Then, 30 minutes before day two ended, something shifted. We'd just reframed how we think about incorporation. Suddenly, the stress eased. Rapid-fire, we generated solutions to the new framing on a rainbow of sticky notes. The clock ticking, we ran in concert like the team we'd become.

That is, until one teammate, Katie Grice from Big Sky Resort, stopped us. "There's too much to do! We need to meet again."

She was right. This had been slated as our final day, but there was no way to finish in the remaining time.

When day three came on July 24, the weight was back. This time though, it was different: Even with hard work ahead, we were confident in our collaboration. In that focused session, we developed a plan to conduct an unconstrained incorporation study, which we'll drive together, leveraging BSRAD leadership and funding.



*"Because it was facilitated, all the stakeholders were equals in our discussions. There wasn't one stakeholder leading us in any particular direction. Including representatives from all of those groups helped us anticipate potential future challenges."*

**— Tallie Lancey**

*workshop participant who's been exploring the topic of incorporation in Big Sky for a decade*

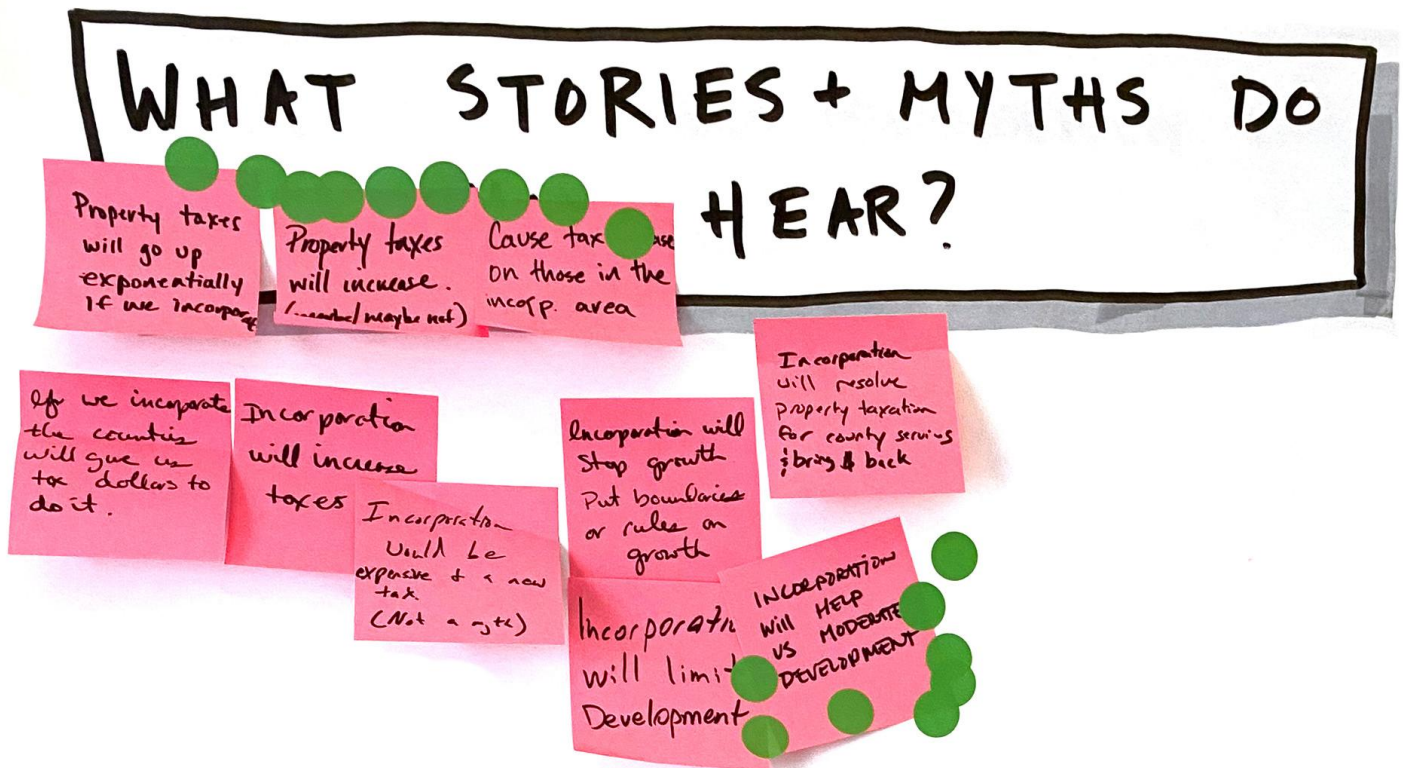
# WHAT WE STILL DON'T KNOW

There are many things we still don't know about incorporation, and many stories in our community about it.

One of our exercises brought several common stories to the fore — some true, some myths. The goal was to understand why others may hold a certain perspective, as well as what problems, concerns and questions are prevalent in the community.

After visualizing these stories and myths, we used sticky dots to vote on which were most disruptive or destructive, and how we might further research or reframe them.

The top-voted stories and our reframes (next page) set the stage for the strategy and timeline proposed on the pages that follow.



# REFRAMING STORIES & MYTHS

## **STORY/MYTH 1:**

### **Property tax will increase**

**Reframe:** We won't actually know how incorporation will impact property taxes until we draft sample budgets, including desired municipal services. We plan to research how we might convert to a resort community (municipal Resort Tax structure), which has never been done before. This will clarify impact on resort tax-funded government and nonprofit programs.

## **STORY/MYTH 2:**

### **Incorporation will restrict development, so developers are against it / everyone wants to incorporate except developers**

**Reframe:** We don't understand if or how incorporation would solve for growth and development. Interviewing/surveying a diverse spectrum of community members will help us understand more about geographical areas of growth and specific concern. Outlining potential municipal authority to control growth over multiple geographical boundaries will identify possible solutions.

## **STORY/MYTH 3:**

### **Incorporation will limit liquor licenses and open containers**

**Reframe:** We need to determine if existing liquor licenses are grandfathered in and assess current liquor licenses to understand the impact of a municipal government on them. This issue can be a distraction to other community needs.

## **STORY/MYTH 4:**

### **We need to/we can't incorporate over county lines**

**Reframe:** We don't know if either of these are true, although BSRAD has been advised that it is possible to incorporate over county lines. Our sense of community includes the Meadow, Mountain and Canyon, and we believe that the existence of a boundary doesn't mean you do or don't belong. We must in good faith look at different boundary options.

# STRATEGY & NEXT STEPS

## **Our group would like to work with BSRAD to contract professional help to conduct a comprehensive, unconstrained study of incorporation.**

We plan to continue working together to help drive this process, and hope to leverage leadership and funding from BSRAD to ensure an unconstrained study takes place that helps educate and inform the public.

### **The study will include:**

- Options for incorporation
- Potential pros, cons and impacts of each
- Legislative requirements
- Public engagement & input
- Legal research
- Financial modeling
- A comprehensive list of the problems facing the community to help determine essential services and impacts to taxes and resort tax distributions
- Outline elections process, empowering citizens to move forward an election, should they choose to do so

### **About our timeline:**

We've drafted a rough timeline and plan on the following pages. Our official request for the board is on page 17, after the timeline.

BSRAD's responsibility will end once the future incorporation study is published. At that point, it will be up to the citizenry to determine whether they will go through the steps to put it on a ballot.

# DRAFT TIMELINE (2023)

**This draft timeline is contingent on BSRAD board approval, contractor availability, etc.**

## **August 2023 (COMPLETED)**

- Finalized report from incorporation exploration working group for delivery to BSRAD board.
- Began determining feasibility/process to convert to a resort community.

## **September 2023**

- BSRAD board meeting (Sept. 13)
  - Working group attends to deliver this report.
  - Request to formalize expansion of BSRAD incorporation subcommittee for BSRAD board.
  - Request funding from BSRAD board for technical and project management assistance to conduct research and engage the community.

## **October - December 2023**

- Work with BSRAD lawyer to develop a charter for the subcommittee.
  - Bring draft charter to the subcommittee and solicit feedback.
  - Schedule monthly meeting.
  - Establish roles and responsibilities.
- First subcommittee meeting
  - Review this timeline to determine next steps and accountability.
  - Develop Google form to survey broad demographic cross-section of the community to learn more about what they want answered through incorporation research; subcommittee members responsible for encouraging their constituents to fill out survey.
  - Subcommittee develops Request for Proposals (RFPs) for scope of work.
  - Solicit RFP responses.
  - Determine vendor based on RFP responses.

# DRAFT TIMELINE (2024 & beyond)

## January 2024

Bring top RFP applicants to BSRAD board for approval.

## February 2024

- Onboard technical help (i.e., project manager, legal services, community engagement).
- Subcommittee members ensure this process continues to represent a broad cross-section of the community, especially in the community engagement portion of the research.

## September 2024

- Publish unconstrained incorporation study covering:
  - What incorporation could/couldn't do
  - Different forms of incorporation
  - Scenarios (small, medium, large government, with budgets based on services that may/may not be provided)
  - Outline of elections process for a potential group attempting to move this to a ballot
  - Clarify that BSRAD legally cannot advocate politically (e.g., we cannot create a voter's guide), indicating this is where BSRAD's involvement ends

## October 2024 and beyond

- BSRAD incorporation subcommittee dissolves.
- Citizens of Big Sky are empowered to move forward with a decision, should they choose to do so.



# REQUEST FOR THE BSRAD BOARD

**Out of our working sessions came three requests for the BSRAD board. We are aware that this is a significant ask of BSRAD, both in terms of cost and resources, and we thank you for your consideration.**

1. We request approval to house this report on the BSRAD website.
2. We request approval to expand the current incorporation subcommittee to include the incorporation exploration working group.
3. We request approval to generate a request for proposals (RFP) for a rigorous, unconstrained incorporation study funded by BSRAD.

- *Danny Bierschwale, Erin Bills, Sarah Blechta, Sarah Gaither, Katie Grice, Michelle Horning, Steve Johnson, Matt Kidd, Tallie Lancey, Brad Niva, David O'Connor and Ennion Williams*



# **APPENDIX**

A closer look at how we created this plan,  
including some of the key exercises and  
outcomes



## SETTING EXPECTATIONS

In the first exercise, we introduced ourselves and set expectations for the workshops. Participants' open and truthful responses set the tone of a desire to listen, get to know each other, and build trust.

As with most of the exercises described on the following pages, we worked "alone together," first writing our own answers to a prompt, and then one at a time sharing aloud as we posted on the wall.

See the results of this exercise in detail on the following page.

## EXPECTATIONS

My full name is Daniel Lee Bierschke  
 My work is in public service  
 I fear loud music 🤯

My wish for these sessions is that the community can unify.

I'm here because the conversation is important to our community's future.

Ennon Williams  
 VP Events outlaw Partners

To be part of the process + share ideas

Set groundwork for Big Sky Future Planning

Stagnation

My full name is Katie Gelle  
 my work is VP of sales for Boyne Resorts

My wish for these sessions is to have clear next steps

I'm here because I'm passionate about giving back to the Big Sky community

I fear lack of clarity & organization

David O'Connor  
 Identifying and executing community housing solutions

My wish  
 • A plan  
 • Consensus or agreement

I fear  
 • Inertia  
 • Division induced paralysis  
 • Doing it wrong

I believe in Big Sky

Matthew Edward Kidd  
 Partner w/ CrasHerber + LMLC

I'm here because I care about the future of Big Sky.

My wish...  
 listen & learn.

I fear...  
 failure

My full name is Sarah Blechta  
 my work is ~~herding~~ herding a lot of cats in HOAs, contractor world & beyond  
 My wish for these sessions is to gain understanding + trust

I'm here because I  
 ♥ Big Sky

I fear that we have so much to do - not enough time

My full name is Talbot Jamison Lancey. My work is integrating newcomers into the community of Big Sky by scaling belonging.

I'm here because this is my home and I care deeply about its success.

My wish for these sessions is to find a path to sustainable growth.

I fear saying the wrong thing.

SPERM BROTHER DIVIS  
 RUNNING THE BIG SKY FOOD BANK & RESOURCE CENTER

WISH IS TO ~~CREATE~~ CREATE A SHARED VISION

HERE BECAUSE I WANT TO BE A PART OF THE PROCESS

I FEAR NOT ALL COMMUNITY MEMBERS WILL BE CONSIDERED / HEARD

Erin Ashley Bills  
 community dev'l & sustainability consulting  
 exploring community identity & needs

determine current perception of incorporation! manifestations of process

disparity persist

My name is Michelle <sup>not</sup> Horning.  
 My work is community oriented as a long time resident + new member to BSOA Board.

I'm here because I love Big Sky and want to see our community grow in a positive way for all.

My wish for these sessions is to learn as much as possible pros/cons/issues about incorporation.

I fear misinformation about incorporating will make people make hasty decisions before understanding nuances of incorporating

BRADLEY NIVA  
 CEO Chamber / Visit Big Sky  
 Why:  
 Collaborate for a better Big Sky  
 Define the problems we're trying to solve

Wish:  
 We can do anything

Fear:  
 Lack of trust of community

JAMES STEVEN JOHNSON  
 - LIVE HERE  
 OPEN DISCUSSION I CARE  
 SUBJECT IS TOXIC HERE

# APPENDIX

## WHO & WHERE IS BIG SKY?

Through these exercises, we looked *who* is present here and where “here” actually is, shedding light on perspectives in the room.

The populations that live, work and visit Big Sky are diverse:

- Children, families
- Part-time residents
- Full time residents
- Voters
- Retired, elderly
- Seasonal workers
- International workers
- Undocumented immigrants
- Construction workers
- Hospitality workers
- Investors
- People who don't have homes
- Essential workers
- Ski bums
- Club members
- Tourists & visitors
- Animals & wildlife
- Pets

This led to a discussion about the wealth disparity that has existed here for decades and continues to grow. We considered that instead of blaming problems on second homeowners or large businesses, as sometimes occurs, the community could assess our existing support systems and seek ways to ensure they benefit everyone and not just some people.



In terms of geography, three different general areas described how people describe the *where* of Big Sky:

- The Meadow/South Fork
- The Census Designated Place (CDP)
- “The service area” boundary of BSRAD and various other districts/nonprofits

# APPENDIX

## WHAT'S MOVING US FORWARD?

To continue finding common ground and identify what is working well, we looked at what's moving Big Sky forward as a community. Themes we found were growth, passion and the natural environment.

### GROWTH

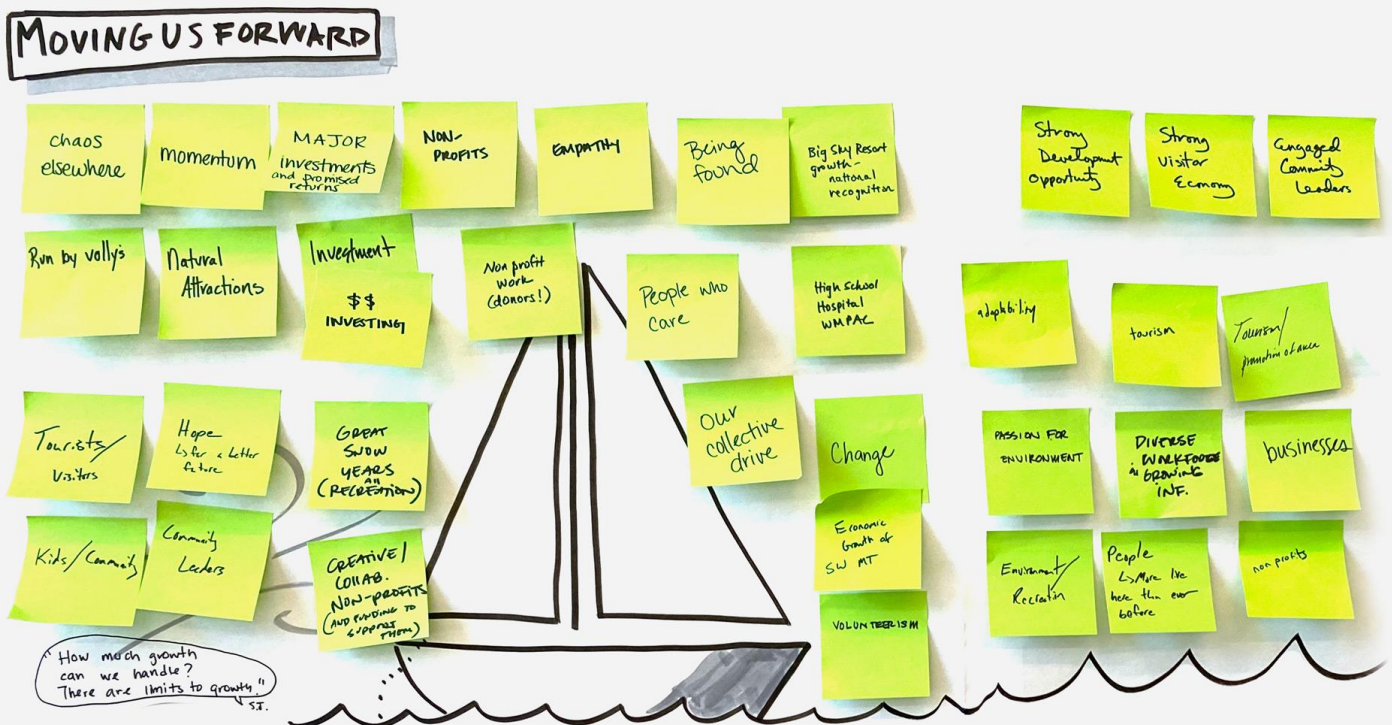
- Momentum
- Major investments & promised returns
- Being "found"
- Big Sky Resort growth/national recognition
- High school, hospital, WMPAC
- Tourism / promotion of the area
- Economic growth in SW Montana
- Change
- Businesses
- Strong development opportunity
- Strong visitor economy
- More people live here than ever before
- Kids/community
- Growth post-pandemic
- Diverse workforce & growing infrastructure
- Popularity

### PASSION

- Nonprofits
- Run by volunteers
- People who care
- Nonprofit donors
- Engaged community leaders
- Empathy
- Our collective drive
- Hope for a better future
- Adaptability
- Need for self determination power
- Community will
- Shared values

### NATURAL ENVIRONMENT

- Natural attractions
- Great snow years (all recreation)
- Passion for the environment
- Environment/recreation



# APPENDIX

## WHAT'S HOLDING US BACK?

We mapped many of the challenges facing Big Sky, informed by our own perspectives and associations, and by conversations with community members, and previous research done by Logan Simpson, *Belonging in Big Sky*, the MSU Local Government Center, and others.

When we asked, "Which of these is holding our community back most?" the high-level issues that rose to the top were:

- Decentralized and fragmented power
- High cost of living and the associated economic impacts
- Lack of infrastructure and public services (childcare, services for marginalized populations, etc.)
- Growth and environmental impacts

As noted in the preceding report, the study will need to develop a comprehensive list of more concrete problems to really understand what services we need to add or augment.



## REFRAMING PROBLEMS

**The core of the workshop took place during sessions 1-2, and was centered on the process of reframing our problems and challenges into more useful concepts and language.**

We started by reframing our top-voted problem, cost, and then focused in on the elephant in the room, incorporation, which led to three useful reframes.

### REFRAME: COST

Cost was the first problem we tried reframing. Together, we came up with the following reframe:

*We're trying to achieve a balanced economy – sustainable and stable – and yet we recognize that things will be expensive if they are precious. We need to build a strong foundation to support this, so we can begin addressing issues like high rent/low wages.*

Seeing how we could come together on this idea — that cost was a big challenge for everyone, and that there might be a different way to look at it, and therefore work on it — was a unifying moment.

### REFRAME: INCORPORATION

Reframing incorporation took a couple of attempts, but the moment it caught on was the tipping point for the entire workshop. Now we were truly collaborating. We selected three different lenses that were helpful in considering the challenge of incorporation:

1. *Don't lose what works, and a lot works*
2. *Lack of understanding of options and what incorporation would/wouldn't accomplish*
3. *Lack of centralized statutory authority and influence*



# APPENDIX

## IDEATING SOLUTIONS

**After discussing and voting on our reframes, we moved the most useful reframes over to separate sheets, and ideated solutions to all four of them.**

The arc of the workshops was finally beginning to become clear, and for this group of problem-solvers, things were finally getting fun.

### **The solutions that rose to the top were:**

- Develop a roadmap to conduct an unconstrained incorporation study.
- Pay professionals (legal, community engagement, project manager) to conduct the study, including exploring potential legislative changes.
- Some of the big items we'd like the study to cover include whether it's possible to change legislation to allow Big Sky to incorporate over county lines and along the existing BSRAD boundary; a data-driven list of pros and cons of potential incorporation options; and potential impacts on nonprofits and BSRAD funding.
- This group continues meeting.
- Ensure this entire process is transparent.
- Engage the community in a meaningful and relevant way, meeting different demographics/populations where they're at, in a culturally-appropriate way.



## TIMELINE & NEXT STEPS

**In session three, we vetted the top-voted solutions and moved the high-impact options to a draft timeline, rewording them as milestones. Since we didn't yet know who would be driving the roadmap, we left the timeline in draft form.**

The BSRAD representatives (Danny Bierschwale, Sarah Blechta and Jenny Muscat) later adjusted the timeline to make it realistic. This adjusted roadmap is detailed earlier, in the main body of this report. A final timeline will depend on board approval and contractor availability.

### **Next, we brainstormed potential funding sources for the study:**

- Community Development Block Grant (CVBG Grant)
- BSRAD funding for the subcommittee (like it has funded this group)
- Stakeholder contributions with no strings attached
- An independent citizens group, should one arise, could request BSRAD funding during an allocations cycle.

### **Then we visualized potential next steps. The options we considered were:**

- BSRAD drives and funds the incorporation exploration study.
- A citizens group (like Big Sky Local Governance) applies for BSRAD funding to move things forward.
- Take no action.

This conversation unlocked a way to include everyone's ideas into the roadmap.

We determined that BSRAD could drive the study, and a potential citizen's group might use the information in the study to bring it to a vote. At this point, each of us committed to staying involved.



# RESORT TAX

Building Big Sky Since 1992

This report prepared for the Big Sky Resort Area  
District board by Emily Stifler Wolfe