

**BIG SKY
RESOURCE
TEAM
June 26, 2007
Big Sky,
Montana**



PURPOSE OF THE MEETING:

In the spring of 2007, Marne Hayes, Big Sky Chamber of Commerce, contacted MEDA and requested assistance with several key issues affecting Big Sky. The Governor’s Office of Economic Development had recommended Montana Economic Developers Association (MEDA) as an effective source for information and assistance. Working with Marne and Bob Hietala, Executive Director, Prospera Business Network, a meeting was arranged.

On June 26, 2007, a team with expertise in a variety of issues met together with several key people and organizational leadership at Big Sky to review the core issues facing the community.

Representing the MEDA Resource Team were:

- Bob Hietala – Executive Director, Prospera Business Network
bhietala@prosperabusinessnetwork.com 406.587.3113
- Josh Kellar –Director, Northern Rocky Mountain RC& D/CRDC, Joshua.kellar@mt.usda.gov
406.582.5700
- Dave Cole – Montana Department of Commerce, Administrator, Community Development
Division dacole@mt.gov 406.841.2776
- Kurt Ratz – Associate/Architect CTA Architect Engineers, kurtr@ctagroup.com
- Greg Sullivan – Planner Director, Gallatin County, Greg.Sullivan@gallatin.mt.gov
- Earl Mathers, County Administrator, Gallatin County Earl.Mathers@gallatin.mt.gov
- Warren Vaughan, Planner, Gallatin County, warren.vaughan@gallatin.mt.gov 406-582-3130
- Tim Skop, Planner, Gallatin County tim.skop@gallatin.mt.gov 406-582-3130
- Mike and Gloria O’Rourke, MEDS, gloria@medamembers.org 406.563.5259

Representing the leadership of Big Sky: Marne Hayes, Burt Mills, Robin Hicks, Kacie Nitz, Pride Moline, Jamey Kabisch, Rich Hohne, Don Loyd, Dick Fast, Anne Boer, Kate Halloran and Steve Johnson.



KEY ISSUES IDENTIFIED

Key issues identified during the meeting included: incorporation, housing/cost of living and infrastructure.

ISSUE #1: INCORPORATION

Steve Johnson reported to the group about the challenges of incorporation. Because the Big Sky area includes parts of both Gallatin and Madison Counties, all of Big Sky cannot be incorporated as a single community. Issues included in incorporation such as expanded tax base to support local services and government identification of specific leadership and ownership of community responsibilities demonstrate a division between those who live at Big Sky year round and those who live there part of the year. Steve explained that several groups have been working together to present information to community organizations on these issues in order to develop support among the registered voters in the area. Steve shared that he believes the majority of registered voters in the Big Sky area would probably favor incorporating the community.

Recommendations:

Dave Cole, Montana Department of Commerce, Administrator, Community Development Division, recommended contacting others in Montana who have experience in incorporation including John Williams of Colstrip, leadership in West Yellowstone, Virginia City as well as Whitefish. Dave also provided copies of two documents to assist with the incorporation process. View the “Pros and Cons of Incorporation” at <http://www.medamembers.org/prosandcons.pdf> . Dave noted stressing an increase in community services such as law enforcement and fire response could be an effective selling point. Dave also recommended incorporating the largest possible portions of the community as annexation after the fact is difficult.

Mike O’Rourke, Montana Economic Development Services, recommended that a clear financial analysis of actual individual tax payer costs be included in community presentations. He also noted that it is important to move for a community vote while support is still firm as waiting too long can allow the issue to lose momentum. Mike also said that it is critical to get out as much information to the public as possible. When information is lacking, it is likely that misinformation will be spread.

Several team members noted that a community vote on incorporation will clarify many issues about future directions for the community.

Resources:

John Williams, Mayor of Colstrip
550 Willow Avenue
P.O. Box 1902
Colstrip, MT 59323
Email: mayor@cityofcolstrip.com
Phone: 406.748.2300

Dave Cole, Administrator
Community Development Division
Montana Department of Commerce

PO Box 200523
301 South Park Avenue
Helena, MT 59620-0523
Phone: (406) 841-2776
FAX: (406) 841-2771
e-mail: dacole@mt.gov
<http://comdev.mt.gov/>

ISSUE #2: HOUSING/COST OF LIVING

One of the most pressing issues facing Big Sky is the provision of affordable housing for long term middle management professional service providers and short term seasonal employees.

Young professionals providing necessary community services, i.e., organizational leadership, fire and police personnel, business owner/operators cannot afford adequate family housing with the typical single family home costing in excess of \$500,000. First time home owner financing programs (USDA/RD, Fannie Mae, MBOH, etc.,) are not available at these funding levels. If the community were to incorporate, the lack of this kind of housing would create a major obstacle to service provision. Efforts to create higher density affordable housing have so far been unsuccessful.

The need for adequate housing for seasonal employees makes it difficult to attract returning workers and skilled labor to the area. So far efforts to address this issue have created problems with zoning and affordability.

Recommendations:

Josh Kellar, Director, Northern Rocky Mountain RC& D/CRDC said he would share information (see resources below) from Sheila Rice and the NeighborWorks Great Falls organization regarding ideas for affordable housing.

- Investigate the possibility of a land donation – perhaps from Gallatin or Madison County or from a private owner.
- Seek funding to purchase land through grants or a resort tax.
- To maintain affordability, land costs must be removed from the picture. This can be done through a land trust – for the purpose of affordable housing.
- Affordable housing must remain affordable. A self-help program in Livingston had ten families build ten homes together but the land had a deed restriction so equity was capped for the home owner – making the home affordable for the next buyer.
- As one cost in housing is infrastructure, keep housing affordable by working with developers and banks to partner on longer term financing and more attractive financing for sewer, curbs, gutters, lights, etc.
- Reduce construction costs by utilizing modular homes. Modern modular homes are attractive, built to code and much lower in cost to construct.
- Investigate the possibility of including housing in the downtown area, accessing space above businesses. When seeking financing, utilize the housing programs for funding.
- Identify and contact absent land owners. They may be willing to share their success and/or have ideas on working out problems and issues.

Seasonal employee housing: One participant noted that in similar communities, i.e., Vail, Colorado, resort owner/operators had begun to transition to a “cruise ship” approach, realizing the need to provide employee housing and services in order to attract qualified workers.

It was recommended that seasonal workforce housing not be placed in a back corner of a community, but in a location where it is up front and an obvious part of the community.

Resources:

AFFORDABLE HOMEOWNERSHIP PROGRAMS PRIMER

From NeighborWorks Great Falls

- 1) **LAND TRUSTS:** The North Missoula Community Development Corporation (CDC) and HRC in Bozeman have created land trusts, where the land is owned by a non-profit corporation and leased to the homeowner. Homeowners benefit because the land is not part of the purchase price. Land trusts tend to keep the home affordable forever because land price escalation does not enter into future sales prices. The land is usually gifted to a non-profit or purchased by the agency with grant funds, so it can be leased at a nominal annual rate. Depending on grant fund restrictions, the home sales may be limited to low and moderate income families.
- 2) **DEED RESTRICTIONS:** The price of homes constructed either by a private market or a non-profit developer are subsidized with grant funds. The homes are sold to low and moderate income families with deed restrictions that, for example, limit the unearned equity gained by the homeowner to the annual Consumer Price Index (CPI) and require that the home be purchased by another low or moderate income family when it is sold. Cabrillo CDC in Ventura County, California uses this process to retain affordability through subsequent sales.
- 3) **VOLUNTEER LABOR OR STUDENT LABOR:** Homes are built using volunteer or student labor which reduces the cost of the home. NeighborWorks Great Falls builds two homes each year using Advanced Building Trades classes at the high school. Habitat for Humanity is internationally known for this model. The Anaconda Job Corps is constructing modular homes (see #5) with student labor. The 960 square foot homes are priced at \$35,000 at the Job Corps site. Homes are almost always restricted to low and moderate income families.
- 4) **OWNER-BUILT HOUSING:** The largest example of this program is USDA’s mutual self-help program. There are 8 sites in Montana operating under MSH funding. Owners put 1,000 hours into their own homes, usually in groups of 8 to 10 families. All families work on all the homes and no one moves in until all the homes are completed. Owner equity at the time of the move averages about \$25,000, essentially the value of their labor and the economies of scale in building 8 -10 homes at once. Low and moderate income families are eligible for direct Rural Development loans, with interest rates as low as 1%. Kitsap County Housing near Bremerton has a private financing feature where higher income families secure conventional construction financing to build their homes.
- 5) **MANUFACTURED HOUSING (MH) /MODULAR HOUSING:** MH housing is built in a factory and delivered to the site on its own chassis; while modular housing, also built in a factory, is delivered via a flatbed truck. Both are placed on permanent foundations and financed with real estate mortgages. Both can be visually improved by increasing the roof pitch, lengthening the eaves, using quality siding materials, and the addition of porches (ordered with unit) and garages (built on site) Longevity can be improved by specifying sheetrock walls, stronger flooring materials and energy efficiency features. The industry estimates that factory building saves approximately 10 -15% over site building. Developers can purchase units directly from some manufacturers.
- 6) **AFFORDABLE FINANCING:** Rural Development provides financing as low as 1%, depending on income. The State of Montana HOME and CDBG programs (through non-profit agencies and

city/county governments) provide deferred mortgages for down payment and closing costs. The Montana HomeOwnership Network provides down payment loans throughout the state. The Montana Board of Housing provides funding to lenders at below-market interest rates.

- 7) **INCLUSIONARY ZONING/CITY INCENTIVES:** Some hot market communities have provided developers with density bonuses (allowing smaller lots) and/or mandated a proportion of new developments be allocated for affordable housing as a requirement for approval of a new subdivision. Some cities have reduced costs for utilities and impact fees in exchange for affordable prices.
- 8) **CONDOMINIUMS/TOWNHOMES:** By spreading the cost of land and land development among more units through density, the overall costs per unit is decreased. Although the “American Dream” may be a single family detached with a yard, today’s reality is affordability. By building in features that give the home a feel of privacy and including an outdoor space, homeownership in condos and townhomes is a great step onto the homeownership ladder.
- 9) **COOPERATIVE HOUSING:** Cooperative housing is owned by a group of owners instead of individually. It differs from condominiums in that the owners form a cooperative that owns the building. The Montana Cooperative Development Center can provide technical assistance to develop cooperative housing.
- 10) **GREEN BUILDING:** Careful management of construction materials to limit waste and incorporating energy efficiency features can reduce construction costs and reduce future operating costs, making the home more affordable in the long run.

For more information contact Sheila Rice,
NeighborWorks Great Falls
Montana HomeOwnership Network
509 1st Av S, Great Falls, MT 59401
office 406-216-3504 fax 406-761-5852 cell 406-868-7933

ISSUE #3: INFRASTRUCTURE

At the present time Big Sky is served by a limited number of deputies provided by Gallatin and Madison Counties. Because there is seldom more than one deputy on duty at any given time, a single incident can leave the entire community without law enforcement protection. Fire protection is presently provided to the entire area by the Big Sky Volunteer Fire Department. With little funding available for equipment and no paid staff, the department faces a growing demand for its services but still has a limited supply of both equipment and manpower. As is true with law enforcement, a single incident can leave the rest of the community without protection. In addition, because Big Sky is served by only one primary entrance/exit road the community has experienced multiple accident scenes which cut off access to the community for extended periods of time in all directions.

Also addressed during the meeting were problems with transportation and safety along the Highway 191 corridor. The Montana Department of Transportation has worked to lower speed limits and improve signage to make the corridor safer. While both public and private entities have developed bus transportation from Bozeman to Big Sky and back in order to reduce congestion.

Issues like water and sewer are being handled prescriptively under the 11 year old Gallatin County/Big Sky Capital Improvement Plan.

With the growing load on both water and sewer capacities created by increased land use, the community faces the possibility of serious shortfalls in the foreseeable future.

Recommendations:

If the community can in fact incorporate, most of these issues would then fall under the direct supervision of community leadership. This would require community leadership to effectively design needs based solutions in all infrastructure areas. The transition period would create challenges for the community but by working closely with other communities with experience in similar situations it should be possible to model their best practices and successes.

If the community does not incorporate the necessity of working more closely with Gallatin and Madison County leadership to address Big Sky community needs would be necessary. Certainly reviewing and revising the Gallatin County/Big Sky CIP would become an immediate priority.

Resources:

Greg Sullivan, Gallatin County/Big Sky Capital Improvement Plan
Greg.Sullivan@gallatin.mt.gov

IN SUMMARY

Most, if not all of the issues addressed during this session hinge on the community's decision to incorporate. If Big Sky incorporates, its future direction will move toward self government and local control. If Big Sky chooses to not incorporate, the concerns identified during this meeting will require proactive partnerships with county governments in Gallatin and Madison Counties. Thus, the hinge pin for Big Sky's future direction is the decision to incorporate. Until that decision is made future directions will remain unclear.

ADDITIONAL RESOURCES

Topic: Volunteerism

Use the Volunteer Survey sheet available at <http://www.medamembers.org/volunteersurvey.pdf> and form a database of the willing hands available in your community. Some communities have blitzed a community with these sheets, and then appoint a volunteer coordinator that does simply that – contacts volunteers for various projects. In our day of already stretched schedules, volunteers are more willing to come on board if there is a time span identified instead of signing on for “life.”

Here are ideas as to where you can find new volunteers:

1. Corporate volunteer programs - provide opportunities for employees to become involved in service to the community. Some corporations even allow their employees to work with nonprofit organizations during the workday. You might even discover a new funding source when obtaining corporate or business volunteers.
2. Scope out other organizations - churches, synagogues, and other religious institutions with volunteer programs offer a wealth of volunteer prospects who are motivated by religious and altruistic beliefs to serve their community. Service committees and youth groups within these organizations can be a great source of volunteers for special events or other group activities.
3. Try internship programs - at colleges and high schools. Some internship programs require a stipend for the students while many others provide interns free of charge in exchange for a

meaningful volunteer project. For example, interns can develop a marketing plan, perform prospect research, organize a special event, or manage a telemarketing campaign.

4. Career counseling centers - can help you identify individuals who are changing careers and considering entering the nonprofit sector as volunteers. These individuals may need to build their nonprofit resume by volunteering with nonprofit organizations in the community.

5. Civic clubs, fraternal organizations, sororities and fraternities - can be great resources for large numbers of volunteers needed for group projects. For example, a local Rotary Club may assist you with security along the route of a 10K Run or distribute refreshments at a school carnival.

6. Newspapers, radio, television - are excellent vehicles to promote your volunteer needs. Press and media can be enlisted as sponsors of your events and encourage people throughout the community to become involved with and attend your events. Some offer free or as-available space to help you advertise.

7. Governmental offices at local, state, and federal levels may also be a source of volunteers to assist your organization. Many governmental organizations allow employees to leave work for up to one half day a week to serve as volunteers in the community.

8. Court systems offer a ready source of individuals who have committed minor offenses and who have to provide community service in lieu of jail. These volunteers can be of great assistance in performing tasks such as setting up or cleaning up a special event.

9. Volunteer recruitment fairs can be conducted along with other nonprofit organizations to reach a wide audience of volunteer prospects. (Use the Volunteer Survey sheet at <http://www.medamembers.org/volunteersurvey.pdf>)

10. Other nonprofit organizations can be a tremendous resource in identifying and recruiting volunteers for your organization. If the volunteer needs are made clear to your associates in other nonprofit organizations they can steer volunteers your way who may not fit within their current volunteer needs.

Topic: Overall Community Success and Development

The Heartland Center for Leadership Development is a fount of information for communities. If at all possible, attend a training that they offer on Helping Small Towns Succeed or Home Town Competitiveness. <http://www.heartlandcenter.info/> In addition, the publications they offer are reasonably priced and extremely practical. <http://www.heartlandcenter.info/publications.htm>

For additional support and information contact:

Gloria O'Rourke, Coordinator
Montana Economic Developers Association (MEDA)
118 E. Seventh St.; Suite 2A
Anaconda, Montana 59971

Ph: 406.563.5259

Email: gloria@medamembers.org

<http://www.medamembers.org>

This report will be available online at <http://www.medamembers.org/bigsky.pdf>