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April 24, 2020

The Honorable Steve Bullock
Governor of Montana
P.O. Box 200801
Helena, MT 59620-0801

RE: State CARES Act Recommendations

Dear Governor Bullock,

Thank you for your balanced leadership of Montana through the COVID-19 crisis. We agree that protecting public health is and remains the top priority.

On behalf of the Montana Economic Developers Association (MEDA), we submit these recommendations for your consideration.

CARES Act funds present a challenging opportunity to immediately improve the economy of Montana communities and regions. Montana economic developers have stepped up to make a significant difference in preserving local and regional businesses and jobs. We have the skills, knowledge, commitment and local/regional relationships necessary to wisely put federal CARES Act funds to work over the next eight months to preserve, strengthen and grow Montana's economy.

Principles

We recommend these key principles be followed in using CARES Act funds for Economic Assistance.

Fairness

- All Montana economic development entities (public, nonprofit and tribal) should have equal access to apply for funds through a brief, open round requests for proposals.
- All communities and regions of our state should have the opportunity to apply for funds.
- Special consideration should be given to underserved areas and populations.
- Geographically balanced distribution is of paramount importance if rural businesses are to survive.

Speed

- Funds need to flow quickly to economic development entities that they can put to work between now and December 30.
- Whenever possible, existing relationships and programs should be utilized to expedite funds.

Short & Long-term Impact

- Priority should be given to funding proposals that offer both immediate and long-term economic impact, enhancing Montana's economic development capacity for years to come.
- Revolved funds (revolving loan and equity funds) seeded with CARES Act monies should be allowed to be retained by local and regional economic development entities to expand long-term capacity.

Specificity and Flexibility

- Funds should be awarded to economic development entities based on clear scopes of work, budgets, and timeframes.

- The greatest possible flexibility should be provided to economic development entities to propose scopes of work/assistance that best address local and regional conditions and opportunities.

Performance & Accountability

- Contracts should detail allowed use of funds, required documentation and reporting, and clear performance goals.
- Priority should be given to economic development entities with a proven track record of success and the capacity to administer federal funds.

Economic Assistance Priorities

Immediate Safety Net

- Small business grant and low-interest loan programs to help preserve as many businesses as possible, funded by grants to local and regional economic development entities to fill that gaps not covered by federal PPP and EIDL loan programs or private lenders.
- Small business advising and training services to help businesses adapt to operating successfully in varying degrees of COVID-related restrictions to supplement the limited capacity of Small business Development Centers, Montana Manufacturing Extension Center and others, funded by grants to local and regional economic development entities.
- Business retention outreach efforts to assure that all Montana businesses, especially micro-enterprises, minority and women-owned enterprises, and rural businesses are aware of and can gain access to available resources, funded by capacity grants to local and regional economic development entities.

Business Stabilization

- Flexible revolving loan and equity fund grants to local and regional economic development entities that increase their capacity to provide creative gap and bridge financing to: 1) help stabilize existing businesses; 2) help entrepreneurs start new businesses; and, 3) help get business expansions, commercial real estate, and housing projects into action this year.
- Capacity funds to local and regional economic development entities to enable them to undertake market analysis, strategic planning, workforce training, and creative pivot strategies to address threats and opportunities created by COVID-19.
- Infrastructure funds to help shovel-ready projects get into construction this season, including economic development projects that will create new job opportunities.

Tourism/Hospitality Jump Start

- Local and regional destination marketing funds to help tourism organizations.
- Capacity funds to local and regional destination marketing organizations to undertake market analysis, pivot creative strategies and adapt to the new and evolving environment.

Thank you for your leadership through these challenging times and for your continued support of Montana economic development efforts. We are committed to continuing our long-standing partnership with your office and Montana state agencies to stabilize, recover, strengthen and grow Montana's economy for the benefit of all communities and regions, and all Montanans.

Signed on behalf of MEDA,



Steve Arveschoug, MEDA President; Big Sky EDA
 Jim Atchison, Southeastern Montana Development Corp.
 Chris Cerquone, New Fields
 Sarah Converse, Sweetgrass Development
 Brett Doney, Great Falls Development Authority
 Rick Edwards, NorthWestern Energy
 Beth Epley, Eastern Plains Economic Development Corp.
 Craig Erickson, Great West Engineering
 Paddy Fleming, Montana Manufacturing Extension Center
 Russ Fletcher, MATR.net
 Tim Guardipee, Native American Development Corp.
 Marie Hirsch, Lake County Community Development
 Sara Hudson, Snowy Mountain Development Corporation

Grant Kier, Missoula Economic Partnership
 Tori Matejovsky, Great Northern Development Corp.
 Tracy McIntyre, Montana Cooperative Development Cr.
 Leslie Messer, Richland Economic Development
 Kim Morisaki, Montana West Economic Development
 Brian Obert, Montana Business Assistance Connection
 Paul Reichert, Prospera Business Network
 Toni Schneider, Cushing Terrell
 Steve Simonson, Beartooth RC&D
 Jim Thelan, Lake County Community Development
 Paul Tuss, Bear Paw Development Corporation
 Adam Vauthier, Anaconda Local Development Corp.
 Joe Willauer, Butte Local Development Corporation