

Business Ready Community Program

December 12, 2016

Management Audit Committee

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Executive Summary

Business Ready Community Program

Evaluation Purpose

The Wyoming Business Council (Business Council) Business Ready Community Program (BRC program) has been in operation for approximately thirteen years. Over this time, the Legislature has periodically reviewed the program, but questions have remained regarding the actual impact it has had on Wyoming's economy. This evaluation addresses some of these lingering questions concerning the BRC program and provides updated background and context on its implementation over the years. The report also notes specific issues with its financial sustainability, project impacts and performance measurement, as well as example strategies and practices outside Wyoming.

Background

The Legislature established the BRC program in 2003 in response to a lack of infrastructure necessary to attract and maintain businesses across the State. As the economic development needs in Wyoming have evolved, so too has the BRC program. Its evolution is consistent with national trends in economic development where states and communities implement shifting strategies to accommodate assets and strengths, with the primary goal of increasing human and other resource capacities to foster incumbent business' growth and recruit new businesses and industries.

The Legislature appropriates general funds for the BRC program each biennium to provide economic development assistance to communities based on a well-defined project selection and award process. These funds are deposited into a statutorily created, and continuously appropriated, account. Grant and loan awards reimburse communities throughout project completion as Business Council staff verify eligible costs set by the project grant and loan agreement terms.

Projects are brought to the Business Council regional directors, and if an application is completed, it is submitted to the central office staff for review. Once vetted by the central office, projects are reviewed by the Business Council's Board of Directors (Board), which provides recommendations to the State Loan and Investment Board (SLIB), who is the final decision-making authority for projects.

There are five major types of projects funded through the BRC program: Business Committed, Community Readiness, Community Enhancement, Managed Data Centers Cost Reduction, and Planning. Since inception, the BRC program has funded 342 unique projects for a total of over \$367 million in grant and loan funds.

The Business Council employs fifty full-time and four part-time staff, with two staff members dedicated to administer the BRC program. However, a number of other Business Council staff support and assist the BRC program administrative staff in processing and vetting potential project applications.

Due to recent FY2017-2018 budget cuts the Business Council has re-developed a funding allocation plan, intended to guide funding levels and approvals throughout the biennium for each project type, while honoring its project prioritization strategy,

which places Business Committed and Community Readiness projects above Community Enhancement and Planning projects. The plan was adopted by the Board and later presented to the SLIB.

Finding and Recommendation Summary

Findings

The Legislative Service Office (LSO) conducted a thorough analysis of the Business Council's processes and decision-making standards for the BRC program. Through project casefile reviews, visits to over fifty project sites (from prospective projects in the application stage through completed projects), and interviews and surveys of stakeholders, LSO concludes that the BRC program appears to be operating as directed by the Legislature through statute. The process is not strictly linear or narrow and the Business Council allows for procedural flexibility to proactively work with community applicants to satisfy information requirements prior to projects going before the Board or SLIB.

However, there are a few issues of which the Legislature should be aware. First, the BRC program is not currently structured to guarantee or promote its long-term financial sustainability. As noted in Chapter 2, while it may not be the intent of the Legislature to have the BRC program be 100% sustainable (equal to a self-contained revolving fund), current statutory provisions (e.g. "low or no interest" loans) and the Business Council's administrative approach (e.g. limited focus on state-level revenue recapture until 2014) limits the ability of the BRC program to maintain a steady funding level absent continuing legislative appropriations. Business Council staff and other stakeholders generally do not believe the BRC program can be fully sustainable at historic appropriation levels. A recent

Business Council staff analysis shows that the BRC program may only be partially sustainable after twenty years, based on past project grant and loan experience.

Second, while the Business Council has developed a reporting and monitoring process, there remains a lack of standards on what are consistent and objective performance measures that can best articulate program and project impacts or success. Chapter 3 provides a summary of how the Business Council's project-by-project performance measurement definition yields unpredictable and uneven performance expectations for projects under each project type. The Business Council has merged outputs, outcomes, and benchmarks under the umbrella term "performance measures," which may not work well in determining overall program or project impacts or success. Also, LSO identified certain data components missing within the Business Council reports submitted to the Legislature pursuant to W.S. 9-12-601(o).

Chapter 4 discusses the variance in economic development needs based on different factors intrinsic to other states reviewed by LSO. Those factors may include: past development experience, industry strongholds, transportation access, geography, and proximity to natural and human resources.

Finally, starting in 2014, the Legislature's interest in the State's economic development efforts, especially the BRC program's functioning and impacts has steered the Business Council toward implementing a

number of agency-wide and BRC program-specific changes. These changes appear to move the program and agency in a positive direction. However, due to their recent implementation, LSO cannot currently evaluate and provide feedback to the Legislature on these changes. The following lists the recent significant changes implemented or pursued by the Business Council:

- The Business Council is focused on determining the performance of each of its programs through a return on investment (ROI) evaluation tool developed by its Chief Performance Officer. The ROI is currently being tested and is intended to measure the qualitative and quantitative impacts of all Business Council programs, including each project type under the BRC program.
- Beginning September 1, 2016, the Business Council implemented new BRC program rules, two years in the making. Significant changes include a new method for calculating community matching requirements and a 25% state-level revenue recapture requirement on revenue generating projects funded by BRC program grants.
- Also beginning September 1, 2016, the Business Council altered its organizational structure to provide for a flatter, more horizontal staff allocation paradigm. The intent is to allow more cross-program collaboration and coordination of Business Council programs and functions.

Recommendations

Due to the numerous BRC program and agency changes noted above, LSO provides a few recommendations or policy options for

the Business Council and Legislature to consider.

Specifically, this report recommends:

- The Management Audit Committee consider a targeted follow-up evaluation of the BRC program related to several specific changes that have yet to yield results, such as the implementation of new program rules effective September 1, 2016. This follow-up evaluation should begin during the next biennium (FY2019-2020) to provide adequate data and experience to show initial results of the changes.
- The Legislature could amend statute to make the BRC program more financially sustainable in the long term. The options presented for the Legislature's consideration address specific statutory or Business Council rules provisions that most directly limit the BRC program's revenue-generating capability.
- The Business Council should develop a set of standard performance measures for each project type, especially for Business Committed and Community Readiness projects.
- The Business Council should specifically comply with the legislative reporting provisions amended into statute through 2014 Senate File 100 (under W.S. 9-12-601(o)).
- The Legislature may wish to amend the Business Council's reporting requirements for the BRC program to include project results in addition to project accounting.

See the next page for a summary of the Business Council's written response.

Agency Response

Wyoming Business Council

The Business Council believes that the BRC program has shown success over the years, and looks forward to working with the Legislature to continue making improvements. The Business Council agreed with Recommendation 1.1, noting that more time should yield better data about the identified areas of interest and changes in the BRC program's performance. Additionally, the Business Council agreed with Recommendation 3.2 to comply with reporting requirements.

The Business Council partially agreed with Recommendation 3.1, stating that while there is a need to better define performance measures, standards already do exist for some project types. Procedurally, the Business Council has recently updated the BRC program application to include a new section for specific measures with identified quantities. The Business Council also partially agreed with Recommendation 3.3 and believes that rather than amending statutes, the Legislature could instead provide feedback regarding the data and format they would like to see in BRC program reports.

The Business Council disagreed with all Chapter 2 policy considerations because they believe that sustainability and revenue recapture policies are best addressed in rule. The Business Council believes that rigid requirements would remove flexibility from the BRC program and could unnecessarily complicate the structure of some projects. Finally, the Business Council provided two additional comments regarding specific report content related to local revenue recapture data and the characterization of Business Council regional directors as facilitators. See page 43 of the report for the full response.

Recommendation Locator

Chapter Number	Rec. Number	Recommendation	Page Number	Party Addressed	Agency Response
1	1.1	<p>The Management Audit Committee should consider a targeted follow-up evaluation of the Business Ready Community program in place of the customary two-year follow-up report. The follow-up evaluation should commence during the FY2019-2020 biennium and consider the following:</p> <ul style="list-style-type: none"> ▪ The impacts of September 2016 program rule changes on the program project review and recommendation processes. ▪ The Business Council implementation of the Return on Investment (ROI) measurement system on BRC program performance and individual projects. ▪ The impact of the funding allocation plan and other budgetary efforts, such as the new emphasis on state-level revenue recapture and State budget reductions. ▪ Any additional impact of recommendations implemented from this report. 	18	Management Audit Committee	Agree
3	3.1	The Business Council should establish standard performance measures for Business Committed and Community Readiness projects specifically, and look into potential standard measures for other project types.	34	Business Council	Partially Agree
3	3.2	The Business Council should comply with reporting requirements as found in W.S. 9-12-601(o).	35	Business Council	Agree
3	3.3	The Legislature could consider amending statute to ensure that required reports include additional information about BRC	35	Legislature	Partially Agree

Chapter Number	Rec. Number	Recommendation	Page Number	Party Addressed	Agency Response
		program impacts and results along with the current focus on project accounting.			

Policy Considerations

Chapter Number	Policy Considerations	Page Number	Party Addressed	Agency Response
2	<p>The Legislature could consider amending statute to set or structure minimum revenue recapture, and loan standards, to promote greater long-term financial sustainability of BRC program appropriations.</p> <p>Statutory options could include the following, which target several areas of the program that currently do not promote financial return to the State:</p> <ul style="list-style-type: none"> ▪ Establish a minimum revenue recapture percentage to be returned to the State commensurate with the proportion of a project’s costs covered by a grant. ▪ Establish a minimum dollar amount or a percentage of the BRC program appropriations that may only be eligible for loans. ▪ Adjust the statutory interest rate requirement for loans to a level commensurate with the type and risk of the project investments. ▪ Allow revenue recaptured at the state-level to exceed the amount of the original grant. ▪ Require revenue recaptured at the state-level to continue for the full expected life of the revenue generating asset assisted with grant funds. 	26	Legislature	<p>Disagree</p> <p>Disagree</p> <p>Disagree</p> <p>Disagree</p> <p>Disagree</p>



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List of Acronyms

Business Ready Community Program

AG.....	Office of the Wyoming Attorney General
Board or Board of Directors	Wyoming Business Council Board of Directors
BRC program.....	Business Ready Community Program
CDBG.....	Community Development Block Grant
CDO	Community Development Organization
CEO.....	Chief Executive Officer
CFP	Community Facilities Program
CPO.....	Chief Performance Officer
FY	Fiscal Year
GF	Wyoming General Fund
LDO	Local Development Organization
LSO.....	Legislative Service Office
MOU	Memorandum of Understanding
NASDA	National Association of State Development Agencies
NCSL.....	National Conference of State Legislatures
OSLI.....	Office of State Lands and Investments
ROI.....	Return on Investment
SDO.....	State Development Organization
SLIB	State Loan and Investment Board
U.S. EDA.....	U.S. Economic Development Administration
WBC or Business Council	Wyoming Business Council
WEDA.....	Wyoming Economic Development Association
WOLFS	Wyoming Online Financial System
W.S.....	Wyoming Statute



Definitions

Business Ready Community Program

These definitions are provided to help explain key concepts in the report. The language may not directly reflect legal definitions in federal and state statutes or rules and regulations.

Allocation Plan

The Business Council has adopted allocation plans for BRC program appropriations to ensure that funding is available for all project types each year of a biennium. In the most recent allocation plan for the FY2017-2018 biennium, the Business Council prioritizes Business Committed and Community Readiness projects over Community Enhancement and Planning projects. A detailed explanation of the allocation plan and project type allocation amounts and percentages are summarized on pages 8-9 of the report.

Business Ready Community Program Project Types

The following are the most current project types utilized by the Business Council.

Business Committed

A Business Committed project utilizes BRC program grant and/or loan funds, to build infrastructure to assist a specific business to expand, locate, or retain jobs in a community. New jobs should be paid at or above the county mean or median wage. Project funds may assist in developing additional properties adjacent to the primary project location (e.g. improve economic development capacity). The maximum grant is \$3,000,000, but additional funding may be requested as a loan.

Community Readiness

A Community Readiness project utilizes BRC program grant and/or loan funds to build infrastructure that will directly prepare a community to receive or expand businesses and generally follows a specific community-developed strategy or plan. In these cases, there is no definitive business prospect that precipitates the application, but the infrastructure will be used directly for business recruitment, expansion or workforce or entrepreneurial training. Example projects include water and sewer lines, roads, business parks, or speculative building construction. The maximum grant is \$3,000,000, but additional funding may be requested as a loan.

Community Enhancement

A Community Enhancement project utilizes BRC program grant and/or loan funds to build supportive infrastructure to accentuate or promote a community for business development. These projects may assist with general workforce or community aesthetic appeal and be directly or indirectly tied to other economic development goals, such as tourism infrastructure. Child and senior care center projects as well as recreation, convention, or cultural centers are currently included under this category. The maximum grant is \$500,000, but additional funding may be requested as a loan.

Managed Data Center Cost Reduction

A Managed Data Center Cost Reduction project utilizes BRC program grant funds to assist in reducing the cost of electrical and broadband utilities for more cost effective data center operations. Eligible data centers include those with the primary purpose of serving as a central repository of storage, management, and/or dissemination of data for multiple businesses. A data center project must include a committed business and the maximum grant award is \$2,250,000. The eligible grant award level is determined by the business's match amount, which consists of capital investment commitments and minimum average wage levels.

Planning

Planning projects utilize BRC program funds to assist with development of various planning documents, which may later be used to support development of projects under other BRC program project types. There are five types of Planning projects: economic development plans, feasibility studies, promotional plans, tourism plans, and regional targeted industry plans.

Economic Development

Economic development generally means the activities and actions taken by a government entity (federal, state, or local), sometimes in partnership with private businesses or development organizations, to facilitate the development of physical and human resource capacities. These efforts include taking on non-customary or large development-related risks to meet the public purpose of lowering the transaction costs of business operations to allow businesses to operate more efficiently and effectively in the marketplace.

Economic Development Building Blocks

The Economic Development Building Blocks are a Business Council-created representation for a hierarchy of economic development needs and principles that assist communities in identifying their capacity for different types of development. By building capacity at the lower levels, such as developing community and business leadership networks, the community will be better prepared to target areas like infrastructure, workforce, and entrepreneurial development strategies to ultimately expand existing businesses and recruit new businesses.

Return on Investment (ROI)

In the context of the Business Council's ROI initiative, the return on investment refers to the level of financial return and economic development benefit to the State relative to the amount of resources expended to operate and administer a specific program. According to the Business Council, a return of less than one dollar for every dollar expended does not mean a program is working improperly, but that the State likely cannot quantify a purely financial benefit regarding a program's operations.

Sustainability

Sustainability is the level at which the BRC program may function, without new legislative appropriations, due to a financial return of BRC program funds through loan principal and interest payments and recapture of funds from revenue generating facilities constructed by BRC program grants.

Introduction, Scope, and Methodology

Wyoming statute 28-8-107(b) authorizes the Legislative Service Office (LSO) to conduct program evaluations, performance audits, and analyses of policy alternatives. Generally, the purpose of such research is to provide a base of knowledge from which policymakers can make informed decisions.

In December 2014, the Management Audit Committee (Committee) voted to have a scoping paper drafted on the Wyoming Business Council (Business Council) Business Ready Community Program (BRC program). At its January 2016 meeting, the Committee voted to approve a full evaluation of the topic. Under the guidance provided by the scoping paper and accompanying discussion of the Committee, evaluation staff focused on the following research questions and/or concerns:

1. What is the role of private entities (e.g. community development organizations (CDOs) or private developers) and their effect on projects, communities, and the overall BRC program?
2. What standards and practices do the Business Council regional directors use to accomplish their duties and how do the dual roles as “applicant advocate” and “information resource” affect their ability to remain objective when developing and recommending projects?
3. How does the Business Council verify and measure that the various proposed economic development metrics in applications actually materialized and meet the “adequate consideration” principle?
 - a. What metrics are established to determine effectiveness?
4. To what extent is the BRC program developing Wyoming’s economy?
 - a. What are the long-term effects and/or impacts of the BRC program?
5. Review businesses that have come and gone that have used BRC program funds.
6. In what ways does the Business Council ensure the sustainability of the BRC program and will revenue recapture and loans affect the use and sustainability of the BRC program at the State and local levels?

7. Determine if there are other state or national best practices related to determining if infrastructure economic development programs are effective and if there are other ways to approach economic development.
8. Does the BRC program cause the State to get into situations in which it is directly competing against private enterprise?
9. How do the Business Council Board of Directors (Board) and the State Loan and Investment Board (SLIB) actions and decisions impact BRC program management and operations?

The Committee voted to exclude a review of BRC program funds distribution equity and adequacy to communities around the state.

Summary of Report Considerations

The BRC program provides economic incentives and relies on individual communities to initiate and develop economic development projects. While State funds help pay for these projects, the Business Council does not dictate or prescribe when or to which projects funding will flow. Each applicant must demonstrate a desire for economic growth, understand its community attributes, challenges, and needs, and be able to substantiate that a proposed development project is viable and consistent with that community's development goals or potential to the Business Council staff, Board, and SLIB.

The unique needs and desires of each community complicate how the BRC program is determined to be a success or failure. Throughout this evaluation, LSO consistently noted that regardless of the project applicant's ability to meet the original expectations outlined in the project application, no project is considered unsuccessful by the Business Council. Example considerations of this philosophical perspective include:

- Each community's economic development takes place at different scales. A community enhancement project for a smaller community (e.g. rehabilitating a community center) may have a significant impact on that community compared to the same type of enhancement development if done in a larger community.
- Any additional jobs created are a benefit, even if not to the level expected in an application.
- Project benefits are both quantitative and qualitative, and job generation, tax base expansion, or capital investment may not be relevant or valuable indicators of public benefit and impact for all projects.

- Infrastructure built is a community asset, no matter how long it takes for the infrastructure to realize its purpose or demonstrate a public benefit (e.g. a vacant or slowly filling business park).

In reviewing other states, economic development activities are highly dictated by both legal (e.g. statute and constitutional constraints or allowances) and economic factors specific to unique issues such as geography, economic maturity, or economic diversity of a state. Summarized in Chapter 4 of this report, LSO identifies factors, such as proximity to land or water transportation corridors that can impact the various economic development strategies and philosophies of states. In addition, each state's need or desire for infrastructure-specific development, impacts whether a state places its resources in a Business Ready Community-like program.

Methodology

This evaluation was conducted according to statutory requirements and professional standards and methods for governmental audits and evaluations. The evaluation research was conducted from January through September 2016. The general analytical time frame covered by this evaluation includes documents and data from BRC program inception in July 2003 through September 2016, unless noted otherwise.

Research methods included:

Interviews, Surveys, Observations, Requests

1. Interviewed and/or surveyed executive branch programmatic staff at the Business Council, including central office staff in Cheyenne, regional directors, and Board members, as well as SLIB members.
2. Visited and observed over fifty project sites in all seven Business Council regions. Site visits included meetings and interviews with project applicants, CDO staff, and business representatives.
3. Observed Board meetings and SLIB meetings where BRC program applications were discussed.
4. Conducted online surveys of economic development stakeholders, including community applicants, CDO representatives, and private developers.
5. Observed Wyoming Legislature committee meetings, both interim meetings and during the legislative sessions, including the following: Joint Appropriations; Joint Minerals, Business, and Economic Development; Joint

Subcommittee on Economic Development; and Joint Tribal Relations Committee.

6. Developed research questions to clarify agencies' practices based on BRC program requirements or criteria (i.e. statute, rules, policies, guidelines, etc.) and submitted questions for written response.

Document Review

1. Reviewed current statutes and researched legislative history and session law changes to State laws governing the Business Council and BRC program.
2. Reviewed current BRC program rules and regulations, policies, guidelines, manuals, and other administrative documentation.
3. Reviewed programmatic financial information (i.e. budgets, revenues, expenditures).
4. Requested and reviewed relevant legal guidance provided to the Business Council from the Office of the Wyoming Attorney General.
5. Developed a sample list of projects for process and performance review. Developed a casefile review template of project processing standards from application submission through annual reporting requirements. Requested access to and reviewed project casefiles.

Data Review

1. Requested and reviewed programmatic data, individualized and aggregated, from the Business Council. Requested and received direct access to relevant data tracking systems used by Business Council staff to administer and track information on the BRC program and individual projects.

Acknowledgements

We express appreciation to those individuals and agencies that assisted with our research. We convey specific gratitude to the Board and Business Council staff for accommodating our numerous requests for documents, data, and interviews. We also appreciate responses from the SLIB members. Finally, we appreciate other statewide economic development stakeholders providing feedback on our surveys and in person discussions during site visits around the State, where we sought to understand the extent and scope of the BRC program's administration and impact.

Chapter 1: Background

Economic Development Defined

In many ways economic development is simultaneously a concept, an activity, and a professional practice. There are often high expectations and significant investments of public money in states' economic development programs. For the purposes of this report, economic development activities are considered under an umbrella of state and local government roles that direct public policy to build community capacity that extends beyond market abilities, allowing communities to realize their full potential. The BRC program is one of the vehicles that facilitate Wyoming's economic development.

At its core, economic development is defined as the actions taken by governments with, and without, direct cooperation of private businesses, to facilitate capacity building of both human and capital resources in order to advance innovation, industry, and business. The government is able to take on specific risks that private businesses are less likely or unable to assume as these risks have a long investment return horizon. These efforts attempt to establish a framework for businesses to operate more efficiently and with lower average transaction costs.

The essential public purpose and goal of economic development is that once the foundational resources are established at the local level, then economic "agents," including individuals, companies, and communities can make business decisions and create jobs, or added value to products and services. In the end, these efforts result in growth, expansion, and diversification by helping to make a state more attractive to business.

What is an Economic Development Community?

Projects developed under the BRC program are generated at the community level. When using the term "community," this term does not necessarily equate to one location or one political subdivision. It is instead meant to indicate a cohesive unit, whether publically or privately organized, that plans for and implements strategies for economic development, consistent with its needs. A community may be a city, town or county. It may also be a joint powers board where multiple communities decide to work together on economic development goals. A community may also include partnerships between government entities and local for-profit and/or non-profit economic development organizations.

Role of Privately Organized Development Entities

Community development organizations (CDOs) act as agents for communities and focus strictly on the economic development needs of a community. These private entities also help to create a path and direction for that development to occur. Additionally, CDOs assist communities, mostly through contract agreements, by managing lease arrangements, engaging in project management, and other activities that require skill sets that are not necessarily present in community officials.

Private developers also have a prominent role in economic development efforts. They are able to leverage private capital, business recruitment contacts, and networks that communities and CDOs do not necessarily have access to.

Economic Development Building Blocks

As explained in Chapter 4 of this report, economic development approaches and strategies, by necessity, vary significantly from state-to-state, and community-to-community. Each state and community experiences different economic drivers, demographics, and other factors. One approach used by the Business Council for all of its programs is applying their internally developed Economic Development Building Block model identified in Figure 1.1, below.

Figure 1.1
Economic Development Building Blocks



Source: Information provided by the Wyoming Business Council.

Based on information provided by Business Council staff, the model represents a progression or hierarchy of inputs through which communities may identify and develop economic development

approaches and strategies that fit the needs of the respective community. The model is not meant to be linear in application, and many communities work on all of the building blocks simultaneously. As noted later in this chapter, the model also provides the foundation for the return on investment (ROI) tool recently developed by the Business Council to determine the overall impact for each of its programs.

BRC Program Statutes and Rules

The BRC program was established by the Legislature in July 2003 to address infrastructure needs in communities across the State, enabling them to become more business ready. Under W.S. 9-12-601 through 9-12-603, the BRC program is administered by the Community Development Division of the Business Council. Below is a list of major statutory provisions for the BRC program:

- Funding for projects includes “the purchase of land, buildings, facilities, telecommunications infrastructure, rights of way, airports, sewer and water projects, roads, landscaping, recreational and convention facilities or other infrastructure determined by the council to be consistent with the purposes of this article.”
- Political subdivisions allowed to apply for BRC program funds include a city, town, county, joint powers board with the approval of all participating agencies to the joint powers agreement, and the Wind River Reservation tribes, through cooperative agreements.
- The BRC program prohibits rehabilitation or expansion of existing infrastructure “unless the council determines the rehabilitation or expansion is necessary to meet the purposes” of the law.
- Funds in the BRC program account are authorized to be continuously appropriated to the Business Council.
- All loan payments and state portions of revenues recaptured, as well as any de-obligated funds, are returned to the BRC program account.

See **Appendix A** for a list of important provisions of the Wyoming Constitution, statutes, and agency rules

New BRC Program Rules are Now in Effect

Since the inception of the BRC program, the Business Council has promulgated and revised its rules seven times. The most recent rule changes, filed in July 2016, are now being applied to all project applications received on or after September 1, 2016. These new rules include modifications to requirements for community matching

funds, revenue recapture, loan provisions, and increased monitoring and reporting periods for completed projects. See **Appendix B** for a detailed explanation of how the rules have changed.

BRC Program Budget

From 2003 through 2016, the Legislature has appropriated \$390 million in general funds for the BRC program. These funds have been used to develop 342 unique economic development projects intended to help communities overcome economic challenges and take advantage of unique local business opportunities and assets. Table 1.1, below, illustrates the historic funding levels along with funding appropriated for the FY2017-2018 biennium during the 2016 legislative session.

Table 1.1
Business Ready Community Program Funding, FY2003-2004 through FY2017-2018

Biennium	Appropriation		Budget Cuts	Total
	Original	Supplemental		
2003	\$8,400,000	\$0	\$0	\$8,400,000
2005	\$25,000,000	\$11,600,000	\$0	\$36,600,000 ¹
2007	\$46,000,000	\$33,250,000	\$0	\$74,250,000 ²
2009	\$79,250,000	\$0	(\$4,000,000)	\$68,131,255 ³
2011	\$50,000,000	\$0	\$0	\$50,000,000
2013	\$50,000,000	\$0	\$0	\$50,000,000
2015	\$74,130,000	\$0	(\$10,000,000)	\$64,130,000
2017	\$41,588,050	n/a	(\$3,000,000)	\$38,588,050
Total	\$374,368,050	\$44,850,000	(\$17,000,000)	\$390,099,305

Source: Information provided by the Wyoming Business Council and budget bills.

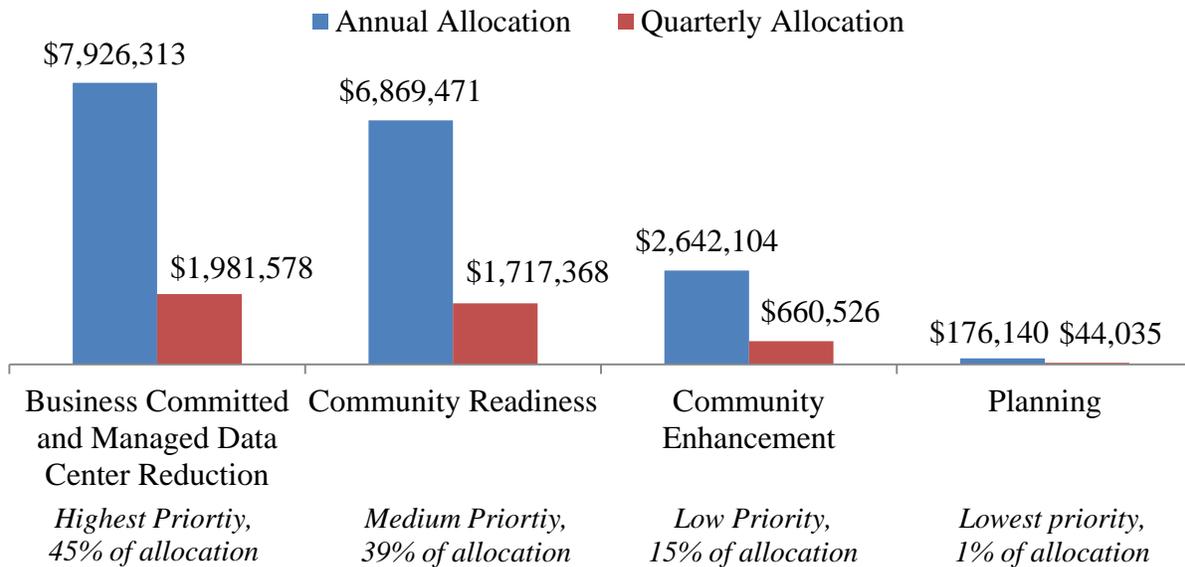
- 1 2004 Budget Session House Enrolled Act 77: Section 085, Footnote 2 designated \$250,000 of this appropriation to be used as a grant to the Wyoming Telecommunications Council for its broadband initiative.
- 2 2007 General Session House Enrolled Act 85: Section 085, Footnote 5 designated \$5,000,000 to be used for Data Center Cost Reduction projects. Under the terms of the footnote, any of these funds that were unobligated by June 30, 2008 reverted to the Budget Reserve Account.
- 3 2009 General Session House Enrolled Act 105: Section 085, Footnote 1 authorized the transfer of up to \$10,000,000 via the B-11 process from the Business Ready Community Program to the Community Facilities Program. Based on the authority granted by this footnote, the Business Council transferred \$7,118,745 from the BRC program to the CFP program in 2009.

Recent Budget Cuts have Spurred Re-Emphasis on a BRC Program Funding Allocation Plan

According to the Business Council, decreased funding has generated a renewed focus on BRC program priorities and the development of an allocation plan to reflect those priorities. While the Business Council has always maintained project type prioritization, and for most years developed internal allocation plans, the Board voted to formally adopt an allocation plan for the FY2017-2018 biennium at its May 2016 meeting. Depending on

the number and type of projects approved during any quarter, funds that remain unexpended within each project type are carried forward into the following quarter’s funding allotment. In addition, funds from lower priority project types may be used for projects in higher priority project types. However, funds for higher priority categories may not be used for projects in lower priority categories. Figure 1.2, below, illustrates the Board adopted allocation plan that was presented to the SLIB.¹

**Figure 1.2
Business Council Board-Adopted BRC Program Allocation Plan, FY2017-2018**



Source: Legislative Service Office analysis of information provided by the Wyoming Business Council.

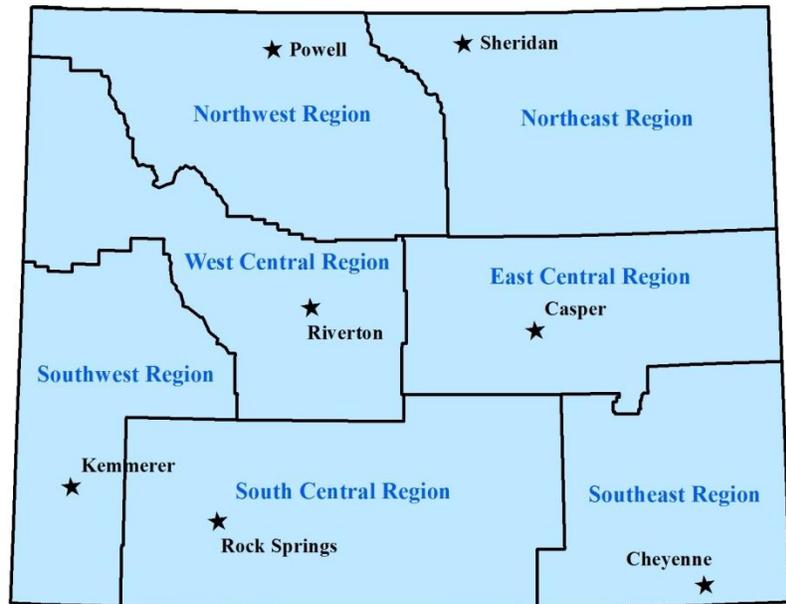
BRC Program Staffing

Currently, the Business Council has fifty full-time and four part-time staff, funded through its administration budget. Business Council staff work in either the central office in Cheyenne or at one of seven regional offices spread throughout the state, which is illustrated in Figure 1.3, on the next page.

Although the BRC program is the Business Council’s largest, accounting for 61% of the total budget, only two staff members, a program manager and a senior grants and loans specialist, are dedicated to the BRC program administration. **Appendix C** provides a summary of each region with historic data on projects and awarded funding.

¹ The Business Council presented the allocation plan to the SLIB in June 2016. Although SLIB members noted general agreement with the proposed allocation plan, they did not vote to adopt and follow the plan when approving projects throughout the FY2017-2018 biennium.

Figure 1.3
Wyoming Business Council Regions,
with Regional Office Locations



Source: Information provided by the Wyoming Business Council.

Project Development and Approval Process: A Broad Overview

From project idea through closeout, the BRC program has a multi-staged vetting, recommendation, award, and monitoring process in place. A general overview of the four primary stages in this process is illustrated in Figure 1.4, below. A detailed description of the process requirements, workflow, and decision steps can be found in **Appendix D**.

Figure 1.4
Project Development, Review, Approval, and Monitoring Process

Idea and Application Development	Application Vetting	Decision Making	Monitoring, evaluation, and close out
During pre-application and application development, communities work with the support of regional directors to gather all required information and data.	Central office staff reviews each complete application in a rigorous multi-staged vetting process that includes site visits, and, as necessary, input from experts. Central office staff creates a recommendation for Board consideration.	The project and staff recommendation are reviewed by the Board. The Board provides a recommendation to SLIB. SLIB reviews the project and Board recommendation and makes a final decision.	Once a project receives BRC program funds, each recipient has specific reporting requirements throughout construction and for five years afterward, during an evaluation period. At the completion of the evaluation period, the project is closed out.

Source: Legislative Service Office summary of Wyoming Business Council information.

The Process is Not Linear

The above, simplified summary in Figure 1.4 provides the ideal scenario where a project follows a linear progression from initial idea through closeout. However, the reality is that there are unique challenges that occur for each project that sometimes require process changes and procedural adjustments. All BRC program processes are intentionally fluid and adaptive in order to balance the needs of the applicants and communities with the interests of the State. The Business Council, given the purpose of the BRC program is to promote economic development, works with communities to be as flexible and responsive as possible, while also maintaining compliance with all requirements under statutes, rules, and program policies and guidelines.

The process of taking a community’s economic development idea through project closeout involves multiple participants who invest a significant amount of time, resources, and commitment at numerous stages. Figure 1.5, below, summarizes the different levels of project development, review, approval, and monitoring by which community and state-level participants have primary or supportive roles. Following the figure, there is a brief explanation of each project participant.

**Figure 1.5
Project Development and Approval Process from Idea to Closeout,
by Vetting or Reviewing Entity**

	Eligible Applicant	Wyoming Business Council						Board	SLIB
		Regional Director	BRC Staff	Central office staff	CPO	CAFO	CEO		
Idea Development	✓								
Application Development	✓	✓							
Application Vetting	✓	√	✓	✓	✓	✓	√		
Staff Recommendation			✓	✓	✓	✓	✓		
Board Recommendation							✓		
Final Decision								✓	
Construction Monitoring	✓	√	✓			✓			
5 Years Monitoring	✓	√	✓						
Closeout	✓	√	✓			✓			

Source: Legislative Service Office analysis of information provided by the Wyoming Business Council.
 Note: The grey check marks, √, indicate where a position does not have a specific associated role, but does help with that part of the process, as necessary.

Appendix E provides a summary of the survey questionnaires developed for different stakeholder to provide feedback to LSO on the BRC program processes and decision points.

Eligible Applicants

Eligible Applicants are Political Subdivisions

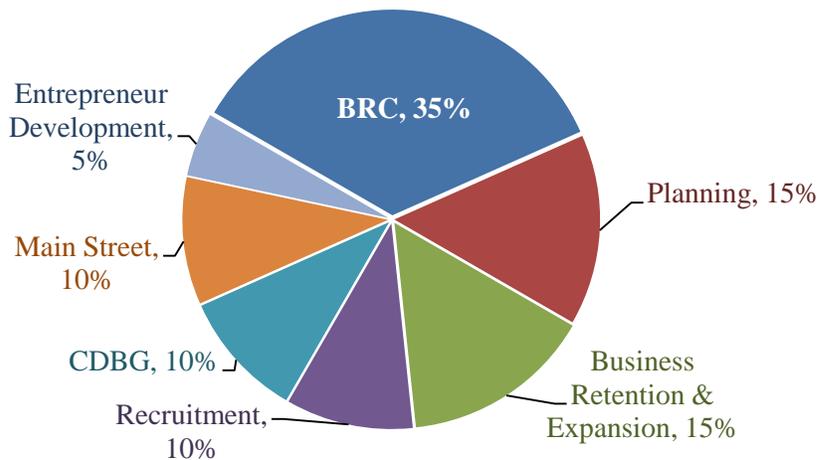
- ✓ City, town or county
- ✓ Joint powers boards
- ✓ The Tribes, through cooperative agreements

All projects, from initial idea to project closeout, require the participation and commitment of eligible applicants and their local communities. Successful applicants become award recipients, and constitute the backbone of the entire process. Once the applicant believes it is ready, the applicant contacts their Business Council regional director for assistance with application development and submittal to the central office for review. It is important to keep in mind that applicants may work with businesses, CDOs, and other local entities to ensure that a project is initiated and implemented according to an approved grant and loan award.

Regional Directors Link Communities with the Central Office

There are seven regional directors that consult with communities around the State assisting with project application development and submittal to the central office for review. They are often the first point of contact in the development of ideas and applications. The regional directors have other Business Council duties in addition to those related to the BRC program. Figure 1.6, below, identifies the amount of time the regional directors noted they expend on all Business Council duties.

Figure 1.6
Percent of Time Regional Directors Spend on Business Council Duties



Source: Legislative Service Office analysis of information provided by the Wyoming Business Council.

Specific to the BRC program, the regional directors act as a liaison between the applicant and the central office. In accordance with their manual, regional directors are not permitted to initiate any community economic development project and only act as facilitators.

Business Council Staff – Central Office

In addition to the main BRC program staff, other staff at the Business Council provides support, as needed, such as financial and business plan reviews. Funding recommendations are then made by the BRC program project manager for the consideration of the Board.

Business Council Board of Directors

The Board is a fifteen member, Governor appointed Board that oversees the Business Council staff and all of its programmatic and administrative responsibilities. Prior to a full Board meeting, the Board's Community Grant and Loan Subcommittee (Subcommittee) reviews the projects with staff to ensure all materials related to the projects are finalized for the full Board meeting. The Subcommittee does not make formal recommendations on projects to the full Board. The full Board then reviews staff recommendations and votes on their formal recommendation to be submitted to the SLIB.

State Loan and Investment Board

The SLIB is by statute the final authority to approve or deny project applications. The final decision by the SLIB is based on information provided by the Business Council staff, Board recommendations, constituent interactions before a SLIB meeting, and public discussion and testimony at the SLIB meeting. The SLIB is statutorily authorized to promulgate rules for its role in the process, but it has not promulgated substantive rules related to the BRC program that are different from those followed by the Business Council staff and the Board.

BRC Program Funds Disbursement and Community Reporting

According to W.S. 9-12-601(d), "Grants or loans shall be made under this article, only if the applicant demonstrates that upon receipt of the grant or loan, all projected project costs will be funded." Therefore, each applicant must demonstrate that match requirements and other funding for the project, apart from BRC program grants and loans, is secured before funds can be disbursed.

Additionally, once funds are verified, BRC program rules state that "funds shall be disbursed to the applicant only as needed to discharge obligations incurred in accordance with the Board [i.e. SLIB] approved eligible project costs." In other words, awarded funds are provided on a reimbursement basis and are not disbursed in a lump sum to the applicant. Business Council staff reviews and verifies that each drawdown request covers only eligible costs, as defined in rules. Statutorily, applicants are authorized to use grant and loan funds to contract with CDOs, which focus solely on the economic development needs of a community.

Reporting is Required During Construction and After Completion of a Project

During the “construction” phase of a project, award recipients must submit quarterly reports to the Business Council detailing progress toward project completion. At the completion of a project, award recipients are required to submit a comprehensive report about the project, as well as a cumulative financial statement that includes the total expenditures incurred under the grant and loan agreements.

According to the new BRC program rules, for five years after project construction, the recipient must annually report outcomes of the project compared to the established performance measures outlined in the grant agreement. According to the Business Council, all reports go through a review and approval process, which may include additional information gathering by regional directors and/or central office staff.

BRC Program Project Types

Based on statutory guidance, BRC program rules outline the types of projects that may be considered for funding. These project types include: Business Committed, Community Readiness, Community Enhancement, Planning, and Managed Data Centers Cost Reduction. Refer to the definitions at the beginning of the report for detailed descriptions of each project type.

Number of Projects and Awarded Funding

Since inception of the BRC program, Community Readiness has accounted for the largest single project type used by eligible applicants, at 134 projects and \$176.5 million (or 48% of awarded funding). Together, Business Committed and Community Readiness projects have accounted for over 87% of awarded funding. The following Table 1.2 shows the total number and awarded funding amounts, along with percentages, by project type. There have been an additional seventeen projects, since BRC program inception that received funding awards, but were withdrawn by applicants before the projects incurred substantial expenditures.² Withdrawn projects funding awards as well as projects constructed under budget have their remaining funds de-obligated by staff for use on future projects.

² Six of the seventeen withdrawn projects did have minimal expenditures before the remaining awarded funds were de-obligated and remain in the BRC program account.

Table 1.2
Number of Projects and Awarded Grant and Loan Funding by Project Type,
BRC Program Inception through FY2016

Project Types	Projects	Awarded Funding	% of Projects	% of Awarded Funding
Business Committed ¹	85	\$144,058,938	24.85%	39.19%
Child Care/Senior Care	7	\$6,257,687	2.05%	1.70%
Community Enhancement ²	66	\$25,237,839	19.30%	6.87%
Community Readiness ³	134	\$176,460,541	39.18%	48.01%
Managed Data Center Cost Reduction	6	\$14,155,249	1.75%	3.85%
Planning	44	\$1,382,175	12.87%	0.38%
Total	342	\$367,552,429	100.00%	100.00%

Source: Legislative Service Office analysis of Wyoming Business Council information.

¹ Includes projects from the Governor's Large Infrastructure Program.

² Includes one Community Facilities project that used BRC program funds to cover part of the project's costs.

³ Includes Downtown Development projects.

Adequate Considerations

An important factor in the viability of proposed projects is compliance with the Wyoming Constitution requirement under Article 16, Section 6, disallowing public funds from being donated to private entities. The State must receive “adequate consideration” in the event a business directly benefits from the receipt of state funds. The BRC program is generally used to assist businesses *indirectly* through the construction of infrastructure conducive to economic development.

For all Business Committed projects, as well as some Community Readiness projects, the Office of the Wyoming Attorney General (AG) must review the projects for statutory and constitutional compliance.³ Additionally, the AG must provide a written opinion certifying the legality of all loan transactions and documents as well as determine whether a local election, approving the project and borrowing, is required.

Business Council staff considers whether the return from a project will equal or exceed the cost of the funding award, especially for projects that involve a for-profit, private developer. Further, the Business Council looks at the other business ready opportunities that may result from the BRC program investment, such as additional business development, jobs created or retained, and related infrastructure. This impact may be demonstrated through repayment of BRC program funds, direct jobs created, projected tax benefits and/or donation of real estate that is not otherwise

³ Pursuant to a Footnote 3 in the 2014 Budget Bill (2014 Laws, Ch. 26), the AG was required to conduct an initial review and pre-approval of the structure for each BRC program project prior to Business Council consideration. This pre-approval is no longer required as the footnote expired July 1, 2016.

necessary for the project to the applicant or an agent of the applicant. Further, the value of all real estate donations must be verified by a certified appraisal or market analysis as determined by Business Council staff.

BRC Program History: Recent Changes Highlight Continuing Evolution

Over the years, the BRC program has continued to evolve to address the State's changing economic development needs. According to the Business Council, the current focus is on enhancing the quality of life in communities and technology related infrastructure.

Prior to the current focus, around 2006, child and senior care concerns were identified by the Business Council, with support of the Governor, as community workforce issues. While Business Council staff generally supported these projects, their primary concern was if the BRC program began funding these types of facilities funding for other projects would be limited. As a result, the Business Council suggested a separate funding category, which was created in 2010. However, as demand for these projects decreased, the childcare and senior care project type was eliminated and reclassified as Community Enhancement.

Business Council Reorganization and Performance Measurement

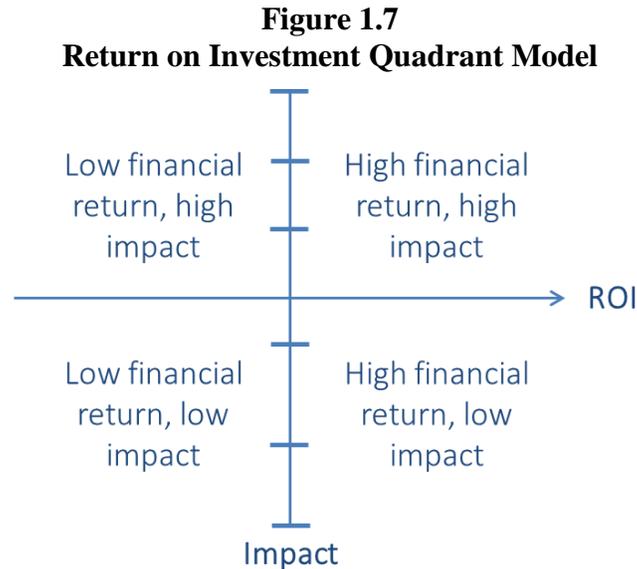
Until recently, the Business Council had several divisions, including the Investment Ready Communities Division, where the BRC program was housed and supported. However, effective September 1, 2016, the Business Council has implemented an agency-wide reorganization that combined the majority of their programs into two Divisions: Business Development and Community Development, with the latter including the BRC program.

Business Council staff noted the changes made to the organizational structure have not substantively impacted the BRC program or its project review and vetting process. The main change was the title of the Program Manager to Projects Manager. However, with the emphasis on cross-training and what appears to be a more dynamic flow of staff duties across programs, it is reasonable to assume that in the future this reorganization may impact BRC program administration and oversight.

Business Council is Focused on Defining and Measuring Performance

In 2015, the Chief Performance Officer (CPO) position was created to determine how Business Council programs are performing. Specifically, the CPO was tasked with developing a return on investment (ROI) calculation tool that identifies and

compares both qualitative and quantitative measures for each Business Council program, including the BRC program. This tool or model quantifies and ranks each Business Council programs' results into one of four quadrants according to overall program impact. Each BRC program project type is included separately in the proposed ROI model, as illustrated in Figure 1.7, below.



Source: Legislative Service Office analysis of information provided by the Wyoming Business Council.

The model has two analysis components. First, along the X-axis, is a quantitative ROI calculation that examines the ratio of financially quantifiable benefits, such as jobs created or capital expenditures. The second component, along the Y-axis, measures the qualitative ROI of a program and is based on the number of the economic development building blocks affected by a program.

The Business Council is beginning to test and implement the ROI tool and has performed some initial analysis of its programs. However, according to Business Council staff, results are still forthcoming and additional fine tuning will be performed as the model is used and progresses.

Business Council and the BRC Program Facing Significant Changes

Since 2014, the Legislature has taken a renewed interest in the BRC program and other State economic development activities. The Joint Subcommittee on Economic Development (Joint Subcommittee) was created in 2014 by the Management Council to study the State's role in "providing aid and assistance for economic development projects." The Joint Subcommittee met once in August 2014 in Powell and again in September 2015 in Casper.

At each meeting, the Joint Subcommittee focused on the Business Council, its programs, funding, rules and regulations, and the use of funds to comport with the Wyoming Constitution, Article 16, Section 12, which establishes the economic development loan fund.⁴ The Joint Subcommittee did not issue any formal recommendations that impacted the function or purposes of the BRC program.

However, as a result of this renewed focus as well as other issues and concerns identified by the Business Council, the Business Council has worked to adjust both the BRC program administration and the agency's internal organizational structure. While this report does present some recommendations and policy options for the Business Council and Legislature to consider, LSO believes these ongoing changes appear to move the BRC program and Business Council in a positive direction. However, these changes effectively limit the relevance of the past staffing structure and hierarchy, processes, and decisions to predict future BRC program functioning and impact. As the State begins a new biennial budget, taken together with the issues noted above, LSO makes the following broad recommendation to the Management Audit Committee:

Recommendation 1.1: The Management Audit Committee should consider a targeted follow-up evaluation of the Business Ready Community program in place of the customary two-year follow-up report. The follow-up evaluation should commence during the FY2019-2020 biennium and consider the following:

- **The impacts of September 2016 program rule changes on the program project review and recommendation processes.**
- **The Business Council implementation of the Return on Investment (ROI) measurement system on BRC program performance and individual projects.**
- **The impact of the funding allocation plan and other budgetary efforts, such as the new emphasis on state-level revenue recapture and State budget reductions.**
- **Any additional impact of recommendations implemented from this report.**

⁴ The economic development loan fund is for projects funded through the Large Economic Development Project Loan program and does not include BRC program projects.

Chapter 2: Program Financial Sustainability

Finding 2.1 The Business Ready Community program cannot be financially self-sustaining as currently structured and is not seen by the Business Council as a central goal.

Since the inception of the BRC program in 2003, there has been some concern about its long-term financial sustainability. The BRC program is intended to utilize revenue recapture and loans as a mechanism for projects to generate a financial return to the BRC program's account to help fund future projects. In the 2005 Business Council program evaluation, LSO noted that there were early concerns that loans were not regularly considered or used to try and extend the life and utility of the BRC program appropriations.

Today, with decreasing state revenues and reduced appropriations, the long-term financial sustainability of the BRC program has taken on renewed prominence. Yet the program is only minimally capable of being financially sustainable and the focus on community-led project development limits how loan or recapture provisions are included and/or structured. Ultimately, the Legislature may need to clarify its expectations on the appropriate level of BRC program financial sustainability, weighed against community-level development needs, requests, and economic development capacity building.

Statute Provides for Project Loans and Grant Funds Recapture

From the outset, the BRC program has allowed for the use of both grants and loans to fund projects. While the term "loan" automatically denotes repayment of funds, the BRC program and Business Council commonly characterize repayment of grant dollars as "revenue recapture." These recaptured revenues are linked directly to revenue generating projects assisted by BRC program funds.

For loans, statute specifies that they are required to be made at "no or low interest rates." For grants, there are no specific requirements regarding revenue recapture, however, statute states:

"The council shall promulgate rules and regulations to identify the type and maximum amount, as a percentage of the total grant, of the **revenue that may be recaptured** and credited to the account as a result of grants under this section." **(LSO emphasis)**

Finally, statute makes reference to loans needing adequate collateralization and that the AG must provide a written opinion on

whether a loan requires the community' electors to approve of the borrowing.

In the Past, Business Council Has Not Pressed the Use of Loans or State Level Revenue Recapture Provisions

Business Ready Community program loans have not been used with regular frequency. Therefore, the amount of money paid back into the program account from loans has been limited.

Specifically, from information provided by the Business Council, only eighteen of the 342 (5.3%) total projects have included a loan component.⁵ These eighteen loans amount to just over \$19.1 million of the \$367.6 million (5.2%) in awarded funding on projects through June 30, 2016, as shown in Table 2.1, below.⁶

The table also summarizes the extent of loans used since the first loan was executed in 2008. For clarity, the interest rate and loan durations are not standardized as each loan is individually negotiated with the community applicant. Therefore, interest rates used on these loans have ranged from 0% to 3% and loan terms have ranged from five to thirty years. These loans have generated almost \$128,000 in interest income into the BRC program account.

**Table 2.1
BRC Program Loans, as of June 2016**

Fiscal Year	No. of Projects	Borrower(s)	Loan Award	Amount Loaned	Principal and Interest	Outstanding Balance
2008	1	Teton County	\$1,500,000	\$1,500,000	\$791,870	\$782,827
2009	1	Jackson Hole Airport JPB	\$1,500,000	\$1,500,000	\$950,244	\$617,961
2012	1	City of Laramie	\$1,330,269	\$3,531	\$3,571	\$0
2013	3	Town of Jackson; City of Lander; Jackson Hole Airport JPB	\$4,150,000	\$4,150,000	\$407,746	\$3,790,457
2014	3	City of Cheyenne (x2); City of Laramie	\$3,706,977	\$3,159,818	\$28,608	\$3,136,181
2015	3	City of Laramie; City of Gillette; Goshen Care Center JPB	\$3,972,547	\$3,972,547	\$0	\$3,972,547
2016	6	Town of Jackson; Laramie County;	\$2,975,124	\$2,039,191	\$0	\$2,039,191

⁵ There have been two additional projects where a loan was approved by the SLIB, but the loan was never executed with the community and the allocated loan funds were de-obligated from the project.

⁶ Total project funding is for projects that were awarded grant and/or loan funding and not later withdrawn.

Fiscal Year	No. of Projects	Borrower(s)	Loan Award	Amount Loaned	Principal and Interest	Outstanding Balance
		Campbell County; City of Laramie; Town of Alpine; Jackson Hole Airport JPB				
Total	18		\$19,134,917	\$16,325,087	\$2,182,039	\$14,339,164

Source: Legislative Service Office analysis of Wyoming Business Council information.

Business Council Focus Has Been on Local Recapture of Funds

For most of the BRC program's existence, the Business Council has emphasized that any revenues generated by projects should be retained by community applicants to be used for local economic development efforts, including building economic development professional staffing capacity. As shown in Table 2.2, below, the Business Council has provided approximately \$53.1 million in grants for thirty-six projects since 2005, which had some expectation of generating revenue.⁷ The revenues shown in the table are based on community grantees' reports to the Business Council of collected revenues, as of June 30, 2015. These revenues are often the result of fees, lease payments, or the sale of an asset, such as lots in a business park.

According to this information, the rate of recapture compared to the amount of the original grant award has varied per project from less than 1% to over 100% of the awarded funds. However, the Business Council noted that some facilities or infrastructure improvements receive multiple awards over time. Therefore, the percentage of grant funds recaptured may be attributed to a specific project award and year, as reported by the community grantee to the Business Council, but the entirety of constructed improvements may impact recapture potential and collections.

Table 2.2
Community Grantee Reported Cumulative Revenue Recapture
by Fiscal Year of the Project Award, FY2005-FY2014

Fiscal Year	No. of Projects	Expended Grant Amount	Recapture Amount	Percent Recaptured (recapture/grant)
2005	1	\$3,000,000	\$522,000	17.40%
2006	3	\$2,158,190	\$3,063,000	141.92%
2007	4	\$9,418,796	\$3,218,523	34.17%
2008	5	\$7,268,327	\$451,176	6.21%

⁷ The Business Council provided updated, aggregate project counts and recaptured revenue amounts after it reviewed the draft report for the written response (on November 15, 2016), but LSO could not independently validate or verify these new numbers, and did not include them in the report.

Business Ready Community Program

Fiscal Year	No. of Projects	Expended Grant Amount	Recapture Amount	Percent Recaptured (recapture/grant)
2009	3	\$4,666,447	\$99,258	2.13%
2010	10	\$13,159,079	\$1,205,898	9.16%
2011	3	\$1,244,976	\$102,445	8.23%
2012	4	\$2,537,500	\$3,627,060	142.94%
2013	2	\$1,378,800	\$114,261	8.29%
2014	1	\$8,300,000	\$109,087	1.31%
Total	36	\$53,132,115	\$12,512,708	23.55%

Source: Legislative Service Office analysis of Wyoming Business Council information.

Revenue recapture agreements are individually negotiated between communities and the operators or users of the facilities. The Business Council does not participate in these negotiations and recapture agreement terms, such as when revenue collection begins and the length of time revenues are collected after construction, are not standardized. However, under the most recent BRC program rules, these agreements must address the 25% state-level recapture requirement effective September 1, 2016.

In total, communities have recaptured about 23.5% or \$12.4 million of the grant funds awarded for these thirty-six projects. However, about 71%, or \$8.8 million of the \$12.5 million in recaptured funds, is attributable to three projects: Salt Creek Heights Business Loop Road in Natrona County, Fort Washakie Business Complex for SITCO Expansion for the Eastern Shoshone Business Council, and Well Dog-Phase I in Laramie. In reviewing the remaining thirty-three projects, the rate of recapture is about 7.5% of the awarded grant funds.

The Business Council has yet to recapture revenue at the State level into the BRC program account. However, since February 2014, the Business Council has included State recapture provisions for six projects. These six projects have been awarded approximately \$16.5 million in grants and the Business Council expects the BRC program account to recapture about \$6.9 million, or about 42%, of the awarded funds. The recapture rate for these six projects ranges from 5% on one project to 100% on another.

Several Factors Limit the Financial Sustainability of the BRC Program

Loans can be used in one of two ways for a project. First, a loan may be used as part of an applicant's State funds request on a project, which will complement its grant request and its planned local matching funds to cover the entire cost of a project. Second, the Business Council allows a BRC program loan to take the place of the community's required project match. In other words, a community can borrow money from the BRC program to act as its matching funds.

Loan Requirements and Financial Sustainability

The BRC program loan requirements are not currently designed to maintain a consistent or frequent revolving source of funding. In addition to the statutory requirement that loans be at “no or low interest rates,” below is a list of current Business Council rule requirements that impact the potential for the BRC program to be financially sustainable:

- Loans for non-revenue generating projects have a minimum interest rate of 0% and a minimum 1% interest rate for revenue generating projects.
- Loan origination and service fees are assessed at 0.5% up to a maximum of \$5,000 for a project.
- Loans are generally “non-recourse,” which means the Business Council does not require the loans to be made against a pledge of the community’s general revenues. If a loan goes into default, the Business Council may only take control of the constructed asset and/or revenues (e.g. user fees, lease payments, etc.) generated from the asset, if in fact revenues are generated as part of the asset’s operation.

A central and historic reason loans have not been utilized more is that communities choose the financial structure for their projects. This practice has resulted in the vast majority of applications requesting grants, and not loans, from the BRC program. During the course of this evaluation, LSO learned that the Business Council does not require loans to be a part of an applicant’s financial package. However, at least one community stated that it did choose to take a portion of funding as a loan with the assumption that their project would likely receive more favorable consideration from the Business Council staff, Board, and the SLIB.

Not all Grants are Grants

In both past and current rules, the Business Council has generally outlined and updated what revenues may be recaptured from projects that are awarded grants. In prior rules, the Business Council stated that revenue from revenue generating projects “must” be recaptured by the applicant. Early provisions provided that recaptured funds should be retained exclusively by applicants, and not be returned to the BRC program account. The intent of this strategy was to help build local economic development resources and professional staff capacity.

With the most recent rule changes in July 2016, the Business Council has set more specific standards for when and how much of the revenues must be recaptured and returned to both the communities and the BRC program. For all applicable projects

going forward, a minimum of 25% of net revenues generated must be reimbursed back to the BRC program's account, at least annually, up to the total amount of the original project grant.⁸ Revenues that remain with the community must comply with the following requirements:

- Be placed in a segregated economic development account.
- No more than 50% of the funds can be used for community economic development operational expenses, if matched dollar-for-dollar by local funds.

Stakeholders Believe Economic Development Efforts Are Not Sustainable Without Recurring Appropriations

In surveying BRC program stakeholders, there is near consensus that the program cannot be 100% sustainable without continued legislative appropriations. While recapture efforts throughout the history of the BRC program have focused on keeping these resources at the local level, a consistent and robust network of local, independent economic development professionals has not developed throughout the State. Most stakeholders believe that they do not have the financial capacity to fund economic development within their communities on their own. All stakeholders appear to see continued value of the BRC program with consistent, new state-level appropriations to maintain past economic development momentum.

Business Council Modeling: Partial Sustainability in Twenty Years

Recently, Business Council staff has looked at the possible level of long-term financial sustainability based on previous projects and experience with loans and revenue recapture provisions. The Business Council provided LSO with their analysis, which looked at three different scenarios to estimate the BRC program's sustainability level over a twenty-year timeframe.

Table 2.3, on the next page, summarizes these scenarios and Business Council staff conclusions. The central factor distinguishing each scenario is how much of the recapture funds are returned to the State rather than retained at the local level. Scenario One assumes all revenue recapture is retained at the local level, while Scenarios Two and Three assume 25% and 50%, respectively, of applicable project net revenues are returned to the BRC program account.

⁸ The BRC program rules specify "net revenues" because some revenues generated by the project are used for the necessary and customary upkeep of some assets, such as for building operation and maintenance.

**Table 2.3
Business Council’s Financial Sustainability Scenarios for the BRC Program, October 2015**

	Scenario One:	Scenario Two:	Scenario Three:
Assumption Factors	<i>Controlled Assumptions</i>		
Use of Loans	Program loan level will remain at 7.1% of Program appropriations (experience since 2008)		
Loan Terms	Loan terms will be for twenty years at an interest rate of 1.5%		
Revenue Recapture	37% of project funding has been recaptured at the local level		
Recapture Term	Revenue recapture agreements will be for ten-year terms		
Funding Demand	Funding demand will remain constant at \$25 million annually		
	<i>Flexible Assumption</i>		
State Grant Recapture	No Program Changes	Require 25% Recapture to the State	Require 50% Recapture to the State
Conclusion	9.47% Sustainable	18.25% Sustainable	27.03% Sustainable

Source: Legislative Service Office summary of Wyoming Business Council information.

Scenario Three provides the most generous recapture assumption for the BRC program account. However, even under this scenario, based on the foregoing assumptions, the BRC program will only be about 27% sustainable within twenty years. This conclusion means that revenues returned to the State would be able to pay for about one quarter of the expected annual project demand after twenty years, absent continued State appropriations. The Business Council, in the most recent rule change, adopted Scenario Two, which requires 25% of the recaptured funds up to the original grant amount be returned to the BRC program account. This standard will be used in all future projects with revenue generating potential. The Business Council originally proposed a state-level recapture at 50%, but reduced it to 25% upon receiving public comment during the most recent rule revisions.

Important caveats to this analysis include, but are not limited to:

- Legislative appropriation levels will likely fluctuate each biennium.
- Overall project demand and the frequency of projects that fit loan or recapture requirements will not remain constant.
- The Business Council could alter the BRC program’s financial sustainability expectations in years to come through continued rules changes.

Policy Considerations

Despite intermittent, but ongoing, concerns that the BRC program should pursue some level of financial sustainability, this issue has not been fully defined or prioritized for much of the program’s history. As demonstrated above, the Business Council will begin to require increased revenue recapture back to the State on future

revenue generating projects. However, the Business Council analysis estimates that the BRC program's financial sustainability might only slightly increase over the next twenty years. The BRC program significantly relies on communities' desire for grants instead of loans. Yet there is also a competing philosophy that the public benefits generated from economic development, such as increased economic diversity and business growth, can make up for any strict monetary return to the BRC program account.

In considering the following options, the Legislature may need to balance or weigh the strict financial return to the BRC program account with the other local and State economic benefits derived from projects. These options generally rely on the State requiring more loans with more appropriate revenue generating terms and returns as well as extending the State's ability to recaptured revenue over the life of BRC program-funded revenue generating projects. The Business Council may need to assist the Legislature in estimating the impact of these options, if desired.

The Legislature could consider amending statute to set or structure minimum revenue recapture, and loan standards, to promote greater long-term financial sustainability of the BRC program appropriations.

Statutory options could include the following, which target several areas of the program that currently do not promote financial return to the State:

Establish a minimum revenue recapture percentage to be returned to the State commensurate with the proportion of a project's costs covered by a grant.

Most projects rely on BRC program dollars to fund 50% or more of a project's total costs. This option would require that project net revenues be returned to the State at a rate higher than the Business Council's current rules of 25% and set the rate commensurate with the proportion of the BRC program funds granted to the total project's cost.

Establish a minimum dollar amount or a percentage of the BRC program appropriations that may only be eligible for loans.

Adjust the statutory interest rate requirement for loans to a level commensurate with the type and risk of the project investments.

These two options would require a certain portion of BRC program funds to be set-aside and used only for loans. For greater sustainability, these set-aside funds could be a percentage of the total amount appropriated to the BRC program (e.g. 10%, 20%, etc.). The Legislature could also consider setting minimum interest rates commensurate with the type and risk of the project investment or the rate could be set based on a benchmark, such as U.S. Treasury bonds.

Allow revenue recapture at the state-level to exceed the amount of the original grant.

Business Council rules currently limits state-level revenue recapture to the amount of the original grant. This limit does not account for the time value of money and that some revenue returns for projects may be slow to materialize. This option would allow the State to recover funds that exceed the project grant amount, possibly to account for the time value of money in relation to when a grant was made, how long a project takes to complete, and how quickly the project revenue is generated.

Require revenue recapture at the state-level to continue for the full expected life of the revenue generating asset assisted with grant funds.

For a few past projects, communities have reported receiving close to or more than 100% of the BRC program grant amount from recaptured revenue, over varying time frames. The Business Council's sustainability analysis states that a twenty-year lifespan for a project asset is typical and reasonable. This option would require the State to receive it's agreed upon portion of generated revenue over the full expected life of the asset, which may also exceed the original grant amount for a project.



Chapter 3: Program and Project Performance Measures

Finding 3.1 The lack of clearly defined and standardized performance measures makes conducting an assessment of and reporting on the impact of the BRC program challenging.

Performance measures are intended to help demonstrate the efficiency or effectiveness of the BRC program and projects. In general, the Business Council has not evolved its qualitative and quantitative measures beyond basic project accounting by reporting on activities rather than results. The Business Council could implement economic development performance measures that would focus on the results of the BRC program and its projects. The lack of defined and standard performance measures has contributed to the inability of the Business Council to determine, articulate, or report on the overall performance and impact of the BRC program, project types, or individual projects.

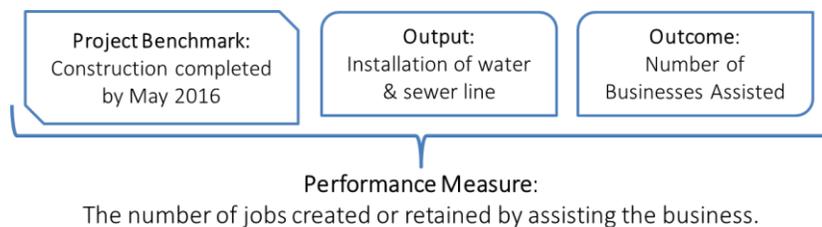
Performance Measures are Not Standardized

Performance measures varied across the BRC program, and even varied from project-to-project within the same project type. Three reasons contribute to the inconsistency and variability of current performance measures.

No Operational Definitions

The Business Council does not have operational definitions for performance measures, benchmarks, outputs, or outcomes. All four terms are used synonymously and interchangeably without consideration for the differences each has in measuring project achievement. Therefore, items identified as benchmarks, outputs, or outcomes are often used in place of more meaningful performance measures, as illustrated in Figure 3.1, below.

**Figure 3.1
Performance Measures, Benchmarks, Outputs and Outcomes**



Source: Legislative Service Office analysis of information provided by the Wyoming Business Council.

For the majority of projects, when identifying performance measures, the Business Council includes a list of outputs or outcomes, such as the installation of water and sewer lines, which do not necessarily indicate what was achieved by the project or help identify impact on a larger scale.

Unclear Who Sets Performance Measures

Information provided by the Business Council staff is conflicting regarding who sets the performance measures. The current method of establishing project-specific performance measures appears to be an ad-hoc system that requires input and coordination between the applicant, other stakeholders, and Business Council staff.

All performance measures are reviewed and approved by the BRC program manager, with input from other staff (e.g. CEO or CPO) and the Board, for inclusion in the final staff recommendation. However, the time between when performance measures are first discussed, which appears to occur during application development and review, to when they are approved and incorporated in the staff recommendation is fluid and variable from project-to-project.

BRC Program Projects are Unique

Business Council staff has stated that due to the “unique” nature of each project, performance measure standardization would be difficult, and in some instance, ill-advised. For example, planning projects are unlikely to have associated job creation. Therefore, performance measures are established for each individual project.

Concerns about the Lack of Standardized Performance Measures

There are three concerns with the lack of standardized performance measures including an inability to compare projects, the perception that no project is unsuccessful, and the inability to report on what a project has achieved.

No Means to Enable Cross Project Comparisons

There does not appear to be a structure or process that the Business Council can use to evaluate and compare individual project performance measures against a larger set within the project type. Even projects within the same type have such variability in the performance measures that broad comparisons are difficult to perform. The inability to do this comparison is a lost opportunity for the Business Council to identify the relative impact of project results across project types or program wide.

There are No “Unsuccessful” BRC Program Projects

Another concern is that the lack of standard performance measures has led to the more subjective evaluation of project results, which has contributed to the possibly misleading assumption that there are

no unsuccessful projects. The current approach to assessing project success and/or results appears to be three-fold. First, a project has either met, partially met, or did not meet a project objective (e.g. Met Objective: Project was completed successfully). Second, a project has accomplished *something* by meeting a different objective (e.g. Property was purchased by a private developer who intends to have the area rezoned for mixed use). Third, and finally, even if the project did not accomplish what was intended, the public infrastructure remains with the community as an asset.

The flexibility of this individual approach to evaluating projects based on their specific objectives may be desirable in a program intended to meet the needs of small, medium, and large communities. However, this approach has also contributed to the inability to objectively determine if a project was ultimately successful and had a definitive or conclusive impact on the community. The purpose of establishing and holding communities accountable for specific performance measures is not to set communities up to fail, but to provide a means to measure and determine the impact of that investment to ensure that application projections are realized.

Performance Measures Reporting Concerns

A final concern is that the lack of standardized performance measures makes reporting an unintentionally resource intensive process and perpetuates concerns raised in the 2005 LSO program evaluation. While the steps in the reporting process appear reasonable and thorough, there is still “considerable variation in how and to what depth recipients filled out their reports.”

Current practice is that performance measures are self-reported by the project contacts electronically. The questions asked are generalized and the expected responses are in a narrative format. Additionally, the quality of the information provided to the Business Council in these reports depends on the local person responsible for submitting the report, who may not be the same individual with the most knowledge of or connection to the application and/or project (e.g. newly elected county clerk).

While the inclusion of performance measure information (e.g. jobs created) in these reports is encouraged, it is not required. Therefore, each report has to be individually reviewed and if performance measure information is reported, that data must be identified, and manually input by Business Council staff into a separate section of the project profile and tracking system.

Due to the inconsistencies in data being reported and the manual process of importing information into the BRC program database, information related to specific performance measures, both

proposed and actual outcomes, vary greatly. In some instances projects included “actual” approved data, which was presumed to be the final self-reported information during closeout. In other cases, some projects do not include any projected or actual information. The standardization of aspects of performance measure data collection, reporting, and monitoring could help address and alleviate concerns specific to the BRC program.

Concerns with Performance Measures are Ongoing

As noted in the 2005 program evaluation of the Business Council, during the very early days the BRC program would have been “too new to assess its true impact, either short or long term.” The focus of the Business Council at the time was really “defining the demand for the program,” and moving funds out to the communities to build needed infrastructure. However, after twelve years, although economic development efforts and strategies have become more sophisticated, the ability of the Business Council to assess and report on the impact of BRC program investments has not substantially progressed. Currently, “defined results,” which refers to BRC program and project performance measures, are still an issue that should, and can, be addressed by the Business Council.

Existing Business Council Standards

Regardless of the reason for BRC program performance measures variance, the Business Council does have certain rules, processes, and procedures in place that could provide potential criteria for identifying standard performance measures.

Common Categories of Performance Measures

Although the language used (e.g. outputs, outcomes, and benchmarks) for each is inconsistent, there are six broad categories of performance measures for BRC projects:

- Return on investment (e.g. additional private investment; increased sales tax; increased payroll)
- Infrastructure (e.g. building, in square feet; water and sewer, in linear feet)
- Businesses assisted
- Jobs (e.g. new jobs created or number of jobs retained)
- Revenue recapture
- Other (e.g. project specific such as rail spur purchase)

Each project also includes project-specific considerations such as playground equipment purchased, acres of restored or renovated square feet of a property or space, or the average length of stay.

Regional Project Assessment System (RPAS)

The RPAS was specifically designed to provide more insight into the projected tax benefit of a project as compared to the initial investment. However, the applicable portion of the RPAS is the need for reliable and actionable data on which to base future evaluation of whether a project met impact or results expectations. Therefore, in order to use RPAS, four specific sets of data are required:

- Jobs
- Payroll
- Tax
- Capital expenditures

For projects where this information is available (e.g. Business Committed or projects with loan components), these measures could become standards for reporting and monitoring.

Application Review Criteria in Rules

In Chapter 1, Section 14 of the most recent BRC program rules, there are thirty application evaluation criteria and measures, some of which apply to specific project types. Several of these criteria could be considered performance measures because they could help generate data about the effectiveness, efficiency, or impact of a project in a specific area (e.g. creation of sustainable jobs).

Economic Development Building Blocks

As discussed in the background, the Economic Development Building Blocks were created by the Business Council as a tool to explain the continual progression or hierarchy of inputs needed to help communities create sustainable local economic development efforts. These building blocks include:

- Leadership/civic development and the role of public policy
- Infrastructure development
- Workforce development
- Quality of life
- Entrepreneur development
- Existing business development
- New business recruitment

For projects that are qualitative, and therefore more difficult to quantify, the Economic Development Building Blocks could serve as a guide for establishing standard performance measures.

The Promise of Standardized Performance Measures

For the past thirteen years, the Business Council has focused its efforts on providing economic development leadership and technical assistance to communities throughout Wyoming. Through the BRC program, the Business Council has used its resources to support local economic development efforts. During this time, the Business Council focused on defining and addressing the “demand,” while maintaining a limited focus on the results of these efforts.

Current Business Council leadership is aware of the need to create more meaningful and relevant measures to document BRC program performance. Given the current economic conditions of the State, it is important for the Business Council to lead the efforts and move forward with implementing performance measures that better demonstrate and communicate the impact BRC program investments have made over time.

Recommendation 3.1: The Business Council should establish standard performance measures for Business Committed and Community Readiness projects specifically, and look into potential standard measures for the other project types.

There should be limited variability between project types (i.e. Business Committed and Community Readiness). For example, all Business Committed projects should have an identifiable “jobs” component, whether newly created or retained. Business Council electronic systems could be adjusted to reflect these standard performance measures by project to allow for easier and more consistent reporting and monitoring without the need to manually input data.

Additionally, if a project does not include a specific project type performance measure, stating that fact should also be considered in the prioritization of project funding. It is reasonable to expect that all BRC projects will have similarly-associated economic benefits, even if those benefits are less tangible. Consistent, standardized performance measures should also assist with the Business Council legislative reporting requirements and the BRC program’s continued justification.

Finding 3.2 Current legislative reporting requirements could be modified to generate more meaningful annual reports.

A new reporting requirement for the BRC program was established in 2014 Senate File 100 (2014 Laws, Ch. 127) and codified under W.S. 9-12-601(o). Pursuant to statute, the Business Council is required to submit an annual report to the Joint Appropriations and Joint Minerals, Business, and Economic Development Committees regarding the administration of the BRC program, and “the report shall include a list of all grant and loan requests made in the previous twenty-four (24) months, the amount approved by project, expenditures by project and the progress for each project as of the date of the report.”

Partial Compliance with Statute

The reports that were submitted in 2014 and 2015, pursuant to this recent requirement, did not include or address two of the five statutory requirements. First, neither report included a list of all grant and loan *requests* made in the previous 24 months. The information provided by the Business Council was a list of all projects that had been successfully funded since 2005 by county, and did not include any data for those project that requested, but did not receive, funding. Second, neither report included expenditure information for projects that did receive BRC program funds. These reports did contain information about the total funds awarded to successful projects, as well as information about the local contribution, private funds leveraged (if any), jobs created, and a synopsis of economic impact (e.g. install infrastructure to create industrial and business ready lots).

Recommendation 3.2: The Business Council should comply with reporting requirements as found in W.S. 9-12-601(o).

Given the specific requirements found in W.S. 9-12-601(o), the Business Council should report information as required. However, if the Business Council only provides the information to comply with statute, then future reports may not include relevant BRC program information such as historic project accounting information, revenue recapture data, or building infrastructure summaries.

Recommendation 3.3: The Legislature could consider amending statute to ensure that required reports include additional information about BRC Program impacts and results along with the current focus on project accounting.

Current reporting requirements provide for project accounting rather than BRC program or project impact. The Legislature could consider working with the Business Council to amend statute to

ensure that the required reports also include information that identifies the impact the whole BRC program, different project types, or individual projects on statewide economic development. The goal of this revised reporting is to provide targeted and succinct reports to the Legislature on the information the Legislature most requires to continue to develop policy on the BRC program.

Chapter 4: Economic Development Strategies & Practices

Finding 4.1 Economic development relies on state-level expertise and resources to facilitate capacity building to help communities that are ready and willing to develop and to capitalize on their assets to bring about economic growth, expansion, and diversity.

Based on information from other states and professional literature, there is no “one-size-fits-all” best approach for economic development. Each state and their communities use different strategies to encourage or steer development. However, two key features appear to be: 1) that a community desiring economic growth be ready, willing, and able to do so; and 2) that the community use targeted strategies consistent with their goals, needs, and foundational assets and attributes.

The premise of this chapter is to briefly explain example strategies and practices used around the country to help facilitate economic development. While there are no specific recommendations in this chapter, the information can help the Legislature understand the complex economic development interactions of the Business Council staff, Wyoming communities, and their local economic development organizations.

Review of Ten States Economic Development Practices

The review of other states economic development efforts supplies the majority of the information contained in this chapter. Ten states were selected based on a variety of factors including:

- States with similar rural and natural resource-based economies
- States with potentially similar infrastructure grant and loan programs as Wyoming’s BRC program
- States with potentially innovative or unique strategies for economic development

The ten states reviewed by LSO included the following:

- | | | |
|--------------|--------------|----------------|
| ▪ Alaska | ▪ Iowa | ▪ Minnesota |
| ▪ Montana | ▪ New Mexico | ▪ North Dakota |
| ▪ Ohio | ▪ Oregon | ▪ South Dakota |
| ▪ Washington | | |

Infrastructure Development is Common Among the States

The primary intent of reviewing other states was to identify how Wyoming’s BRC program operates compared to other states’ with

potentially similar programs. Included in this discussion are various infrastructure development programs that aim to both directly and indirectly assist businesses. Below are three examples of programs that are similar to or meet a parallel purpose to Wyoming's BRC program, from the most different to the most similar programs in select other states.

Oregon

The Oregon Business Development Department contains the Infrastructure Finance Authority, overseen by an independent board appointed by the Governor, that administers both grant and loan programs *directly* to businesses and communities.⁹ Financing is provided by state lottery funds. Community-based programs focus on health and safety improvements and compliance with laws and regulations. Business related infrastructure programs include:

- Oregon Business Development Funds: Direct loans that leverage private capital for business expansion or relocation to the state.
- Oregon Capital Access Program: Loan portfolio lost reserve account for financial institutions to make loans with higher than conventional risks.
- Oregon Credit Enhancement Fund: Loan guarantees to private financial institutions for greater capital access by small businesses.
- Entrepreneurial Development Loan Fund: Direct loans for start-ups and small businesses to expand or establish themselves in the state.
- Business Expansion Program: Cash incentive based on increase in new personal income tax revenue from new hires from business expansion or relocation to the state.

Montana

The Big Sky Economic Development Trust Fund provides funds to promote long-term economic growth in the state. These funds are primarily used for the Job Creation Projects program. Local governments can apply for grants or loans on behalf of businesses to create one or more net new jobs. Funds can be used for, among other items, loan interest rate reduction support, to cover business relocation costs, purchase property, wage support for higher paid employees, construction materials, and/or training. Award amounts vary according to whether a project is located in a high or low poverty county and is based on \$7,500 or \$5,000 per job

⁹ This approach would not be possible for the BRC program because Article 16, Section 6 in the Wyoming Constitution prohibits the direct giving of state funds to private individuals, including businesses.

created, respectively. Montana also has additional programs, such as the Microbusiness Finance Program and Montana Wood Products Revolving Loan Fund program.

Washington

The Commercial Economic Revitalization Board (CERB) provides grant and loan funding to local governments for primary infrastructure needs, including domestic and industrial water projects, telecommunications, and port facilities. The CERB reviews projects regularly throughout the year with emphasis on rural development projects, which are the only areas that may receive grants instead of loans. This program appears to greatly parallel Wyoming's BRC program by prioritizing development of committed businesses, prospective or speculative development, and planning studies. Matching requirements range from 20% to 50% depending on the project type. For project loans, interest rates vary according to a county's "distressed" rating, as well as the terms of the loan; longer loans have higher interest rates, but are capped at 3%. Finally, project monitoring requires that community recipients report project impacts for five years after completing construction.

Different Factors Frame How States Approach Economic Development

Overall, a state provides the structure and framework for how economic development will occur within its communities. States set the boundaries for how public and private entities may operate to bring about economic changes. A state may also utilize or target its resources to provide information or policies that help local communities efficiently and accurately direct their economic development efforts.

Generally speaking, there appear to be a number of strategies that states use to encourage economic development. These strategies include various incentives like tax credits, tax exemptions, and other direct cash, grant, or loan incentives to businesses and communities.

Other Unique Strategies Illustrate the Diversity of Economic Development Approaches

The above sections show examples of more standard approaches to development, focusing on infrastructure and business loans and financial supports. Beginning on the next page are four additional, and somewhat unique, approaches to not only business development, but using information and data to articulate and prioritize where a state wants to develop both its community and human resources.

Community Definition of Need

Defining a community's need, ability, and readiness for economic development is important. This information is not only useful to individual community's leadership and economic development professionals, but it may be useful for the state to broadly understand common challenges among all of its communities.

For example, according to state law, Oregon must prioritize the use of its technical assistance, programs, and projects for communities that are considered economically disadvantaged. Using a distressed index, Oregon has developed a "distressed areas" list of its communities. The index is based on statutory guidance, must be calculated at least once every two years, and must be based on economic indicators, including unemployment, per capita income, poverty, and job losses. If the state experiences broader economic distress, there is a temporary methodology used that is predicated on times when the statewide unemployment rate was above 8%. This objective measure of communities' base conditions can help the community develop a plan for a road to recovery and help the state efficiently direct its resources.

Economic Development Professionals

Several states have more formal legal working relationships with local or community-based development organizations. New Mexico has the Certified Communities Initiative (CCI) program where the state has set standards and provides assistance to communities that wish to build technical and professional capacity to take more control over its economic development efforts. Beginning in 2013, New Mexico initiated a two-phased process to allow communities to reach CCI status within two years of starting the program. Once certified, the communities may receive annual contractual funding from the state to support: its activities, including grant writing; continued professional development; and marketing of development initiatives.

Innovation Readiness

On a more positive side of broad-based community and/or state use of information, Oregon has also developed an innovation index. This index provides a "key yardstick" to track the state's success in building an innovation-based economy. The index was first developed in 2004 and has been revised three times to the current model used for 2016. The latest version of the model looks at a ten-year trend-line comparison of Oregon to national information across twenty "innovation" indicators, such as patent and invention disclosure, research and development investments, new company creation, exports, and Science, Technology, Engineering, and Math (STEM) graduates and workforce.

Verification or Threshold Incentives

An important part of economic development is seeing that proposed or expected development goals are met. This objective leads to various ways that states can promote or verify that business commitments actually materialized at the levels promised. For example, Iowa has a High Quality Jobs program whereby a qualified business may receive financial incentives (e.g. tax credits, forgivable loans, exemptions, etc.) if the business can meet wage and benefit thresholds. Standards to qualify for these incentives include wages at 120%, or 100% in economically distressed areas, of an established wage threshold for the project, from completion through an agreed upon maintenance period. Awarded incentives vary based on the amount of the business investment, number of jobs, and wage levels met by the business.

Key non-legal factors that may influence each state's approach to economic development include past experience, industry strongholds, natural and human resources, geography, and proximity to transportation. For example, Washington, Alaska, and Oregon border the Pacific Ocean and have programs to support core fishing industries. Both Montana and Washington target wood products. Ohio, located next to the Great Lakes, has access to unique transportation corridors. Minnesota's climate is conducive to data center development. For economic development, each state will leverage the resources it has while also trying to expand and find potential for added value and innovation in established and new industries.

Contemporary Development Concepts

Based on LSO research, past emphasis for economic development in Wyoming ultimately focused on recruitment of businesses from outside the State using generally accepted business-friendly incentives, such as low taxes. However, contemporary approaches blend business recruitment with other targeted economic development activities, such as those identified in the Business Council Economic Development Building Blocks. These activities are grounded in the assumption that economic development requires active, rather than passive or static, incentives and encouragement. In total, LSO learned that more contemporary economic development includes, but is not limited to, the following concepts:

- Know the community, including regional characteristics
- Develop partnerships at all levels of government and business
- Start local with businesses already in the community
- A community's potential is strategically planned from the bottom-up
- Build on community attributes and assets
- Development relies on both business and community incentives and supports

The terms entrepreneurship, innovation, technology, talent, clusters, hubs, and infrastructure are frequently used to describe these activities.



Agency Response

Wyoming Business Council



BUSINESS COUNCIL
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Date: November 17, 2016

To: Senator Bruce Burns, Chairman
Representative David Miller, Vice-Chairman
Management Audit Committee

From: Shawn Reese, Chief Executive Officer, Wyoming Business Council *SR*

Subject: Legislative Service Office (LSO) Program Evaluation Report: *Business Ready Community Program*

The Wyoming Business Council (WBC) appreciates the opportunity to respond to the LSO program evaluation report on the Business Ready Community (BRC) Program. We appreciate the work of LSO staff involved in the research, evaluation and creation of this report and witnessed first-hand LSO's high standards of integrity and professionalism.

The program has shown success and a high level of performance. It has supported communities diverse in size, resources and economies. It has increased public, private, local and state sustainability. It has supported projects that help businesses and communities grow. It has supported economic innovation. Specifically:

- At least 437 businesses have benefitted from BRC infrastructure, including 97 businesses directly assisted primarily by "Business Committed" grants and loans.
- BRC projects have facilitated the creation of nearly 3,000 full-time jobs, and an additional 1,691 jobs are projected.
- Every dollar of BRC funds invested is matched by \$.81 in local contributions and \$3.67 private investment.
- 60% of BRC funded industrial acreage is 60% occupied or sold. Over 65% of speculative building space is occupied.
- Anticipated repayments from BRC loans and revenue recapture over a 20-year period is \$27.4 million.
- Municipalities report over \$14 million in local revenue recapture because of recent projects. Data is primarily from the last 5 years of BRC projects, and total revenue realized from BRC projects exceeds this amount.

We look forward to working with the Legislature to continue improving the BRC Grant and Loan program and increasing Wyoming's prosperity.

Comments on Recommendations

“Chapter 1, Recommendation 1.1: The Management Audit Committee should consider a targeted follow-up evaluation of the Business Ready Community program in place of the customary two-year follow-up report. The follow-up evaluation should commence during the FY2019-2020 biennium and consider the following:

- The impacts of September 2016 program rule changes on the project review and recommendation processes.
- The Business Council implementation of the Return on Investment (ROI) measurement system on BRC program performance and individual projects.
- The impact of the funding allocation plan and other budgetary efforts, such as the new emphasis on state-level revenue recapture and State budget reductions.
- Any additional impact of recommendations implemented from this report.”

Agency Response:

Agree: A follow up evaluation during the FY2019-2020 biennium will allow more time to generate data to document the effects of rule changes, the WBC ROI tool, and impact of the allocation plan in increasing performance. Meanwhile, as part of current reporting requirements, we will annually provide information related to the rule changes, ROI, allocation plan, state-level revenue recapture, jobs, businesses assisted, private capital investment, occupancy rates, etc.

“Chapter 3, Recommendation 3.1: The Business Council should establish standard performance measures for Business Committed and Community Readiness projects specifically, and look into potential standard measures for the other project types.”

Agency Response:

Partially Agree:

1. Performance measures for Business Committed and Managed Data Center projects are already standardized. Business Committed projects are evaluated by the number and type of jobs and wages created, tax receipts and capital investment.
2. The WBC will more clearly parse project benchmarks, outputs and outcomes.
3. Performance measures for Community Readiness and Enhancement projects are difficult to standardize. LSO staff acknowledges this: “There does not appear to be a structure or process that the Business Council can use to evaluate and compare individual project performance measures against a larger set within the project type. Even projects within the same type have such variability in the performance measures that broad comparisons are difficult to perform” (Page 30). There is an inherent challenge in comparing a rail-spur project with an air hangar project, or a downtown redevelopment project compared to the purchase of a water and sewer system.

Performance measures collected for Business Committed projects (jobs, payroll, capital investment, taxable sales) can sometimes be collected on Readiness and Enhancement projects. In many projects, however, collecting these measures is more difficult. A business tying into a BRC funded sewer line may not be obligated to provide the grantee with payroll or capital investment information. To make this requirement of a business may be intrusive and an administrative burden.

The WBC has updated BRC application forms to reflect new rules. Applicants are now required to more clearly document anticipated performance measures against which the project will be monitored and evaluated. These questions also feed in to the ROI analysis of projects and the program.

{PROJECT NAME}		
	Measure	Quantity
Return on Investment Performance Measures	Return on Investment	(%)
	Job Creation (Years 1-5)	(#) Full Time Equivalents
	Median Wage of Jobs Created	(#)
	County Median Wage	(#)
	Jobs to be Retained	(#)
	Estimated Capital Ex (Years 1-5)	(\$)
	Estimated Average Payroll Increase (Years 1-5) over baseline	(%)
	Estimated Taxable Sales (Years 1-5)	(\$)
	Businesses Assisted	(#)
	Additional Performance Measures	Loan Repayment
Revenue Recapture		(\$)
Additional Investment		(\$)
Other Performance Measures		(#) Project Specific: Airport Passengers, Visitors, etc
Acres Developed		(#)
Project Infrastructure	New Building Construction	(#) SQFT
	Existing Building Construction	(#) SQFT
	Water	(#) Linear Feet (LF)
	Sewer	(#) LF
	Road	(#) LF
	Other Infrastructure	(#) Project Specific: Electrical, Fiber Optic etc

Response to LSO program evaluation report
Page 4 of 7

“Chapter 3, Recommendation 3.2: The Business Council should comply with reporting requirements as found in W.S. 9-12-601(o).”

Agency Response:

Agree: The WBC will now include in its annual reports a list of requests made (indicated by the submission of an application) and expenditure information for projects.

“Chapter 3, Recommendation 3.3: The Legislature could consider amending statute to ensure that required reports include additional information about BRC program impacts and results along with the current focus on project accounting.”

Agency Response:

Partially Agree: The WBC provides the legislature with summary-level and project-by-project data that includes jobs, payroll, capital investment, taxable sales, acres and square-feet occupied and/or sold, in addition to other data. Further, it has developed a ROI tool to measure the quantitative and qualitative impacts of every one of its economic and community development programs, including subcategories of BRC projects (Business Committed, Community Readiness, Community Enhancement and Managed Data Centers). Rather than amending statutes, the Legislature could give feedback as to what data it would like to see and the format of the information.

Comments on Policy Considerations

“Chapter 2, Policy Considerations: The Legislature could consider amending statute to set or structure minimum revenue recapture, and loan standards, to promote greater long-term financial sustainability of the BRC program appropriations.

- Establish a minimum revenue recapture percentage to be returned to the State commensurate with the proportion of a project’s cost covered by a grant.
- Establish a minimum dollar amount or a percentage of the BRC program appropriations that may only be eligible for loans.
- Adjust the statutory interest rate requirement for loans to a level commensurate with the type and risk of the project investments.
- Allow revenue recapture at the state-level to exceed the amount of the original grant.
- Allow revenue recapture at the state-level to continue for the full life of the revenue generating asset assisted with grant funds.”

Agency Response:

Disagree: The WBC believes these policies are best addressed in rule and evaluated on a regular basis. Policies captured in statute may create requirements that are not easily changed. Rigid requirements reduce the WBC's ability to adapt to changing circumstances. Statutory changes—instead of rule changes, would unnecessarily complicate the structure of some projects and remove flexibility from the program to respond to the multitude of types of projects across Wyoming. Following are additional comments related to these policy considerations.

The WBC modeled several revenue recapture percentages that included both loans and grants and at different levels of state recapture (25%, 50%, and 75%). None of the models indicated that the program would be fully sustainable in the near term. All models showed partial sustainability for current levels of demand, and even in these cases, it would not occur for lengthy period (20 years).

Program rules that became effective September 1, 2016 require 25% revenue recapture back to the BRC program. Initially the new rules proposed 50% recapture. The WBC had two extensive public comment periods and received input from local economic development officials and local governments. There was unanimous consensus that a 50% recapture rate was not sustainable at the local level.

The “no to low” interest rate currently in statute and rule incentivizes the use of loans. If projects are capable of being completed with commercial financing they are encouraged to do so. The BRC program is not intended to compete with local financial institutions who set interest rates based on risk and type. Additionally, the WBC mitigates risk on projects through the requirement of public ownership of state-funded assets. Finally, the no to low interest rate policy has been effectively used as an incentive to recruit companies to Wyoming. Removing this flexibility could hamper Wyoming’s competitiveness in the future.

Response to LSO program evaluation report
Page 6 of 7

The WBC's rules currently allow for recapture amounts greater than the grant award. The WBC regularly allows for the total public benefits of projects (e.g. tax revenues, lease payments, building purchases) to exceed the grant award, and when discounted back to present value, achieves internal rates of return greater than the current risk-free rate of return in the marketplace (i.e. treasuries).

The WBC's rules currently allow for recapture periods longer than the project-monitoring period of five years, and in fact, have revenue recapture plans up to twenty years. Generally, the WBC has favored recapturing dollars over shorter periods due to the time value of money and to mitigate market risk, company downturns and business cycles over time.

Response to LSO program evaluation report
Page 7 of 7

Other Comments

“Table 2.2: Community Grantee Reported Cumulative Revenue Recapture by Fiscal Year of the Project Award.”

Agency Response:

On pages 21-22, LSO summarizes revenue recapture of past projects and wanted updated information through FY2016 (currently only summarized through FY2014). Below is a table containing updates and corrections to the information analyzed by LSO.

- Updates
 - Based on most current annual reports, more projects are now collecting revenue
- Corrections
 - Previous data double counted local revenue recapture for two projects
 - Seven projects have multiple phases. All phases of those projects are now included

Fiscal Year	No of Projects	Grant Amount	Recaptured Amount	% Recaptured
2003	1	\$ 510,336	\$ -	0%
2004	1	\$ 1,479,022	\$ -	0%
2005	2	\$ 4,493,337	\$ 522,000	12%
2006	3	\$ 2,158,190	\$ 3,063,000	142%
2007	4	\$ 9,418,796	\$ 3,218,523	34%
2008	6	\$ 10,253,327	\$ 344,545	3%
2009	3	\$ 4,666,447	\$ 133,400	3%
2010	13	\$ 19,098,680	\$ 1,408,819	7%
2011	7	\$ 4,049,804	\$ 355,796	9%
2012	10	\$ 10,153,804	\$ 4,734,614	47%
2013	3	\$ 2,367,482	\$ 231,321	10%
2014	4	\$ 6,265,881	\$ 89,291	1%
2015	2	\$ 9,650,000	\$ 147,587	2%
Grand Total	59	\$ 84,565,106	\$ 14,248,898	17%

“Chapter 1: Regional Directors Link Communities with the Central Office.”

Page 12 of the report mentions that regional directors only act “as facilitators” for local projects. The WBC believes this does not accurately reflect the complete skillsets of the WBC’s regional directors in giving a community guidance on how to structure projects, and, on occasion, save communities from pursuing projects that may not ultimately be successful. This prevents communities from incurring sunk costs and the WBC believes this represents an opportunity savings for the BRC program.



Appendices

Business Ready Community Program



Appendix A

Wyoming Legal Provisions for the BRC Program

Wyoming Constitution Provisions

Article 3. Legislative Department, **Section 36.** Prohibited appropriations.

Article 16. Public Indebtedness, **Section 6.** Loan of credit; donations prohibited; works of internal improvement.

Article 16. Public Indebtedness, **Section 12.** Economic development loan fund.

Wyoming Statutory Provisions

Article 9. Administration of Government, **Section 12.** Wyoming Economic Development Act.

W.S. 9-12-101 – 9-12-113 (Wyoming Economic Development Act, in general)

W.S. 9-12-301 (Wyoming Partnership Challenge Loan Program, definition for CDO and SDO)

W.S. 9-12-601 – 603 (Community Infrastructure Program)

Wyoming Business Council Rules

Business Ready Community Grant and Loan Program

Chapter 1. General Provisions

Chapter 2. Business Ready Community Loan Information

Chapter 3. Business Ready Community Managed Data Center Cost Reduction Funding

State Loan and Investment Board Rules

Chapter 19. Community Facilities and Business Ready Communities Grant and Loan Programs (repealed in 2016)



Appendix B

Recent BRC Program Rule Changes

Topic	November 2013 Rules	July 2016 Rules								
Match	Based on the amount of the grant request. Up to \$1.5 million <ul style="list-style-type: none"> ▪ Business Committed is 10% ▪ Community Readiness is 15% Above \$1.5 million <ul style="list-style-type: none"> ▪ 30% match of which half must be cash 	Apply similar formula used for OSLI MRG grants. Match Category 1 or Category 2 determined using local share of state sales tax figures or population figures. ¹⁰ Match percentage based on total project cost.								
				<table border="1"> <thead> <tr> <th colspan="2">Category</th> <th rowspan="2">Notes</th> </tr> <tr> <th>1</th> <th>2</th> </tr> </thead> </table>		Category		Notes	1	2
		Category		Notes						
		1	2							
Business Committed	10%	5%	50% of match must be cash							
Managed Data Center Cost Reduction	125%	125%	Based on payroll and capital invest							

¹⁰ Based on 2015 data provided by the Business Council:

- Category 1 entities:
 - Counties: Campbell, Converse, Fremont, Laramie, Natrona, Park, Sublette, Sweetwater, and Teton.
 - Municipalities: Bar Nunn, Casper, Cheyenne, Cody, Douglas, Evansville, Gillette, Glenrock, Green River, Jackson, Lander, Mills, Pinedale, Powell, Riverton, Rock Springs and Wright.
- Category 2 entities:
 - Counties: Albany, Big Horn, Carbon, Crook, Goshen, Hot Springs, Johnson, Lincoln, Niobrara, Platte, Sheridan, Uinta, Washakie and Weston.
 - Municipalities: Afton, Albin, Alpine, Baggs, Bairoil, Basin, Bear River, Big Piney, Buffalo, Burlington, Burns, Byron, Chugwater, Clearmont, Cokeville, Cowley, Dayton, Deaver, Diamondville, Dixon, Dubois, Thermopolis, Edgerton, Elk Mountain, Encampment, Evanston, Fort Laramie, Frannie, Glendo, Granger, Greybull, Guernsey, Hanna, Hartville, Hudson, Hulett, Kaycee, Kemmerer, Kirby, La Barge, La Grange, Laramie, Lingle, Lost Springs, Lovell, Lusk, Lyman, Manderson, Manville, Marbleton, Medicine Bow, Meeteetse, Midwest, Moorcroft, Mountain View, Newcastle, Opal, Pavillion, Pine Bluffs, Pine Haven, Ranchester, Rawlins, Riverside, Rock River, Rolling Hills, Saratoga, Sheridan, Shoshoni, Sinclair, Star Valley Ranch, Sundance, Superior, Ten Sleep, Thayne, Thermopolis, Torrington, Upton, Van Tassell, Wamsutter, Wheatland, Worland and Yoder.

Topic	November 2013 Rules	July 2016 Rules			
		Community Readiness	10%	5%	50% of match must be cash
		Community Enhance	25%	20%	50% of match must be cash
		Planning	25%	25%	Must be all cash
		Category of JPB determined by location of project.			
		Engineering/design work completed within six months of project application recommended by Business Council may count as cash match.			
		Real estate owned by applicant or CDO not purchased/developed with BRC program funds may be used as cash match and must have an appraisal verifying price.			
Revenue Recapture	Revenue recapture must be commensurate with the public investment	<p>Minimum amount of revenue recaptured to Business Council is 25% net revenue generated up to original grant amount.</p> <p>May be satisfied by repayment of BRC loan or via revenue recapture payments.</p> <p>All funds recaptured at local level <i>shall</i> be placed in segregated economic development account.</p> <p>Up to 50% local recapture <i>may</i> be used for operational expenses if matched dollar for dollar by local funds.</p> <p>Define “net revenue” as “income generated by the lease or sale of a BRC funded asset, minus expenses associated with maintaining the asset. Deductible expenses must be paid by owner and can include utility costs, insurance, property taxes, pest control, repairs, property association fees and property maintenance.”</p>			

Topic	November 2013 Rules	July 2016 Rules
Projects with Private Developers	Revenue recapture for private developments have a higher public benefits threshold but vary by project type	<p>Must demonstrate projected economic impacts are at least as great as the BRC program grant assistance.</p> <p>May be demonstrated through repayment of grant funds, direct jobs created, projected tax benefits and/or donation of real estate not necessary for project.</p> <p>Real estate donations value must be verified by certified appraisal or market analysis.</p>
CDO-owned assets	If a CDO dissolves, CDO's by-laws or IRS code govern asset disposal	<p>Unless the project is owned by the applicant, there <i>shall</i> be documentation stating that if dissolution of the owner occurs, then BRC-funded infrastructure must revert to the sponsoring applicant or a related city, town, county, JPB or tribe.</p> <p>This requirement may be satisfied by specific language in articles of incorporation or filing real estate record with county of record.</p>
Loans	Interest rate is “no to low” Collateral is recommended by Business Council and determined by SLIB	<p>Loans to non-revenue generating projects have an interest rate floor of 0%.</p> <p>Loans to revenue generating projects have an interest rate floor of 1%.</p> <p>Loans may have a one-time loan servicing fee of 0.5%, not to exceed \$5,000.</p> <p>No match is required for loans.</p> <p>All loan projects creating a lease or revenue-based asset must be secured.</p> <p>Loans <i>may</i> be non-recourse against the general fund obligations of any city, town or county.</p> <p>“Non-recourse loan” defined as “a loan that is secured by a pledge of collateral, typically real property. If the borrower defaults, the Council can seize collateral, but will not seek</p>

Topic	November 2013 Rules	July 2016 Rules
		any further compensations from the borrower.”
Child Care, Senior Care, and proposed Community Development Project Type	Both Senior and Child care projects are accepted once a year with a maximum of \$1 million per project	Amend Community Enhancement category to include child care, senior care and workforce projects. Max project amount is \$500,000.
Deadlines	<p>Not all types of applications are accepted quarterly. Certain types of applications are accepted on defined deadline dates and limited as follows:</p> <ul style="list-style-type: none"> ▪ Business Committed have no limit ▪ Data Center have no limit ▪ Community Readiness, Community Enhancement, and Downtown Development are a combination of two per year ▪ Child Care/Senior Care are one per year ▪ Planning is two per year 	<p>Applications accepted by annual schedule made available by staff with the following limitations:</p> <ul style="list-style-type: none"> ▪ Business Committed have no limit ▪ Data Center have no limit ▪ Community Readiness are once per calendar year ▪ Community Enhancement are once per calendar year ▪ Planning are once per calendar year
Downtown Development	Downtown Development grant awards have \$2 million maximum	Downtown Development category removed from rules. Downtown Development projects will apply as Community Readiness grants and loans.
Operations & Maintenance (O&M)	O&M is not a formal requirement for every project	Applicants are required to adopt O&M plan for life of BRC-funded asset.
Reporting	Grantee/borrower provide quarterly reports during construction. Following construction, the grantees and borrowers	Grantees/borrowers will report on project performance measures for a period of five years.

Topic	November 2013 Rules	July 2016 Rules
	submit an annual report for three years on revenue recapture, job creation, private investment, etc.	
Contingency & Development (C&D) agreements	An agreement between parties is required, but the rules are vague as to what specifically must be included	C&D agreements <i>shall</i> include or consider the following: <ul style="list-style-type: none"> ▪ The project ▪ Public benefit derived by project ▪ Return or consideration by private business in exchange for the public project ▪ Specified source(s) of match funding by account name or other identifying characteristics ▪ Proposed job creation ▪ Cost overruns ▪ Commitment of business to community ▪ Private investment ▪ Public procurement ▪ Responsibilities of each party ▪ Ownership & reversion structure required in Ch. 1, Sec 7 if CDO, SDO, or political subdivision dissolution ▪ Timelines ▪ O&M plan, if not already in separate plan ▪ Default remedies
Managed Data Center Cost Reductions Changes	The company has five years to realize its match of payroll and capital expenditures Grant funds are disbursed over three years	Funds will be disbursed up to five years but only as the match from the company is realized.

Source: Legislative Service Office summary of Wyoming Business Council rules.

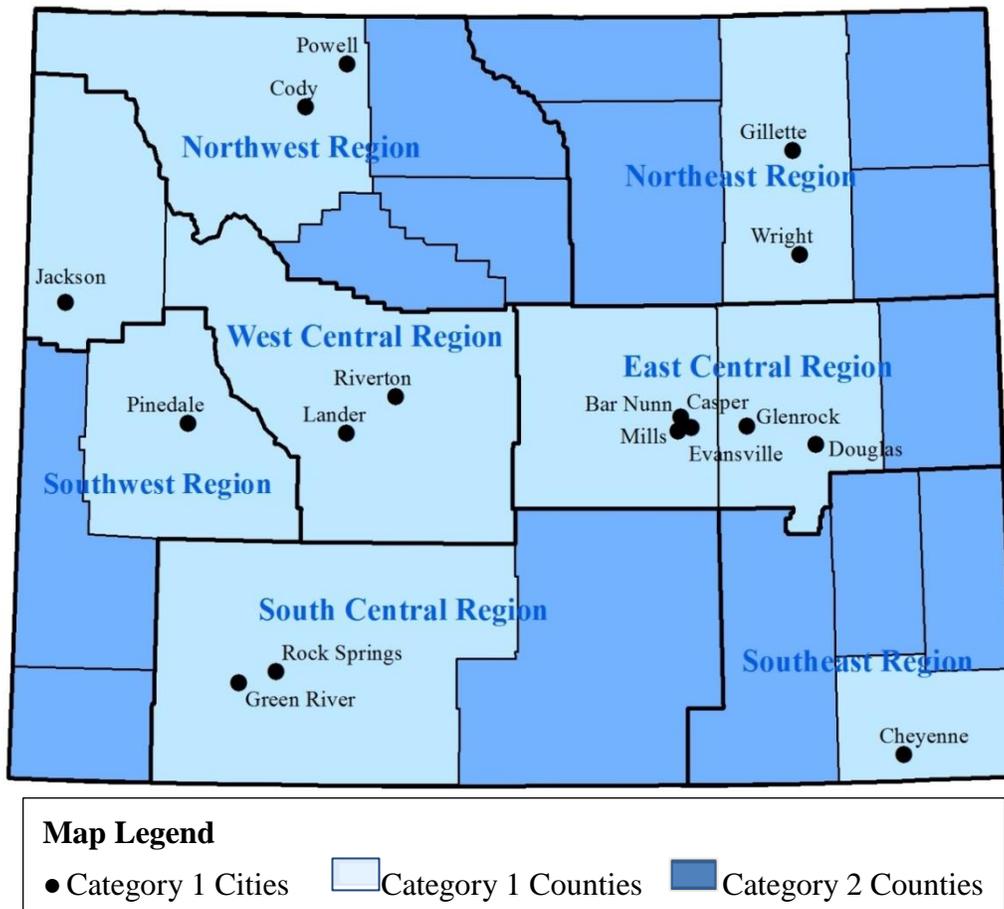


Appendix C

Wyoming Business Council Regional BRC Program Profiles

This appendix provides a snapshot of statewide data, as well as data on each Business Council region, related to BRC program project and funding activity since inception.¹¹ The location of each county and incorporated cities and towns within each region and how those communities are classified for project matching requirements going forward under the most recent Program rules, effective September 1, 2016, are also indicated in this appendix.

Each of the following maps shows the counties, cities, and towns based on the BRC program’s new project matching categorization as either Category 1 or Category 2 (summarized in Footnote 1 in Appendix B), as shown in the legend below. For the statewide map shown below, only the Category 1 cities are shown. All other incorporated cities and towns are classified as Category 2, and can be seen in detail on each regional map on the following pages.



¹¹ The Business Council originally had six regions. The financial information provided in this appendix attributes funding and projects based on the current seven region configuration.

Northwest Region



Counties: Big Horn, Hot Springs, Park, Washakie

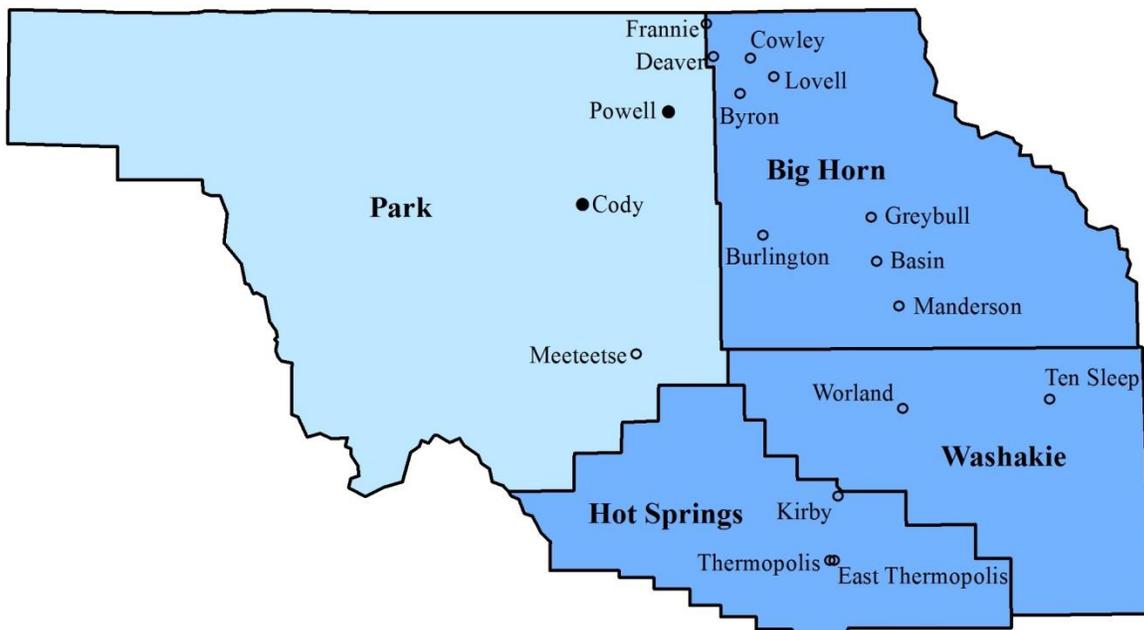
Contact: Leah Bruscino, Northwest Regional Director and Director of Field Operations¹²

Office: 143 S. Bent, Suite B, Powell, WY 82435

Awarded Projects Data, BRC Program Inception through FY2016:

Project Type	Number	Amount
Business Committed	11	\$12,995,564
Child Care/Senior Care	0	\$0
Community Enhancement	12	\$3,545,203
Community Readiness and Downtown Development	12	\$16,734,007
Managed Data Center Cost Reduction	0	\$0
Planning	3	\$87,500
Region Total	38	\$33,362,274

Region Map, with BRC program match categories:



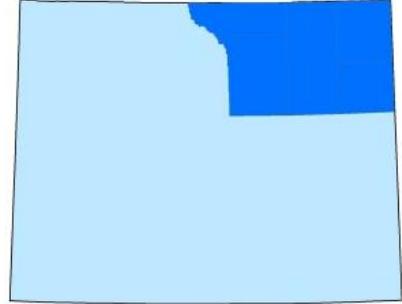
¹² The Director of Field Operations supervises all regional directors and acts as their liaison with the central office.

Northeast Region

Counties: Campbell, Crook, Johnson, Sheridan, Weston

Contact: Dave Spencer, Northeast Regional Director

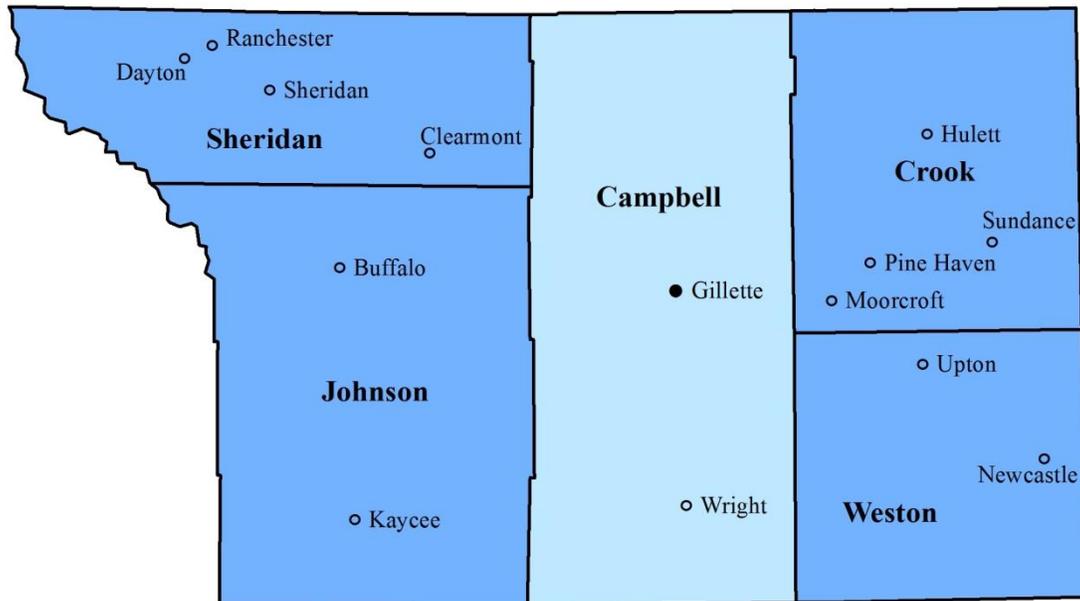
Office: 52 South Main Street, Suite 4, Sheridan, WY 82801



Awarded Projects Data, BRC Program Inception through FY2016:

Project Type	Number	Amount
Business Committed	14	\$14,140,818
Child Care/Senior Care	2	\$1,500,000
Community Enhancement	9	\$2,821,989
Community Readiness and Downtown Development	21	\$28,743,274
Managed Data Center Cost Reduction	0	\$0
Planning	15	\$512,750
Region Total	61	\$47,718,831

Region Map, with BRC program match categories:

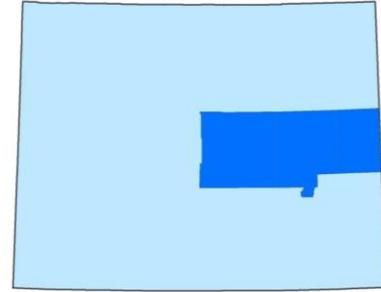


East Central Region

Counties: Converse, Natrona, Niobrara

Contact: Kimberlie Rightmer, East Central Regional Director

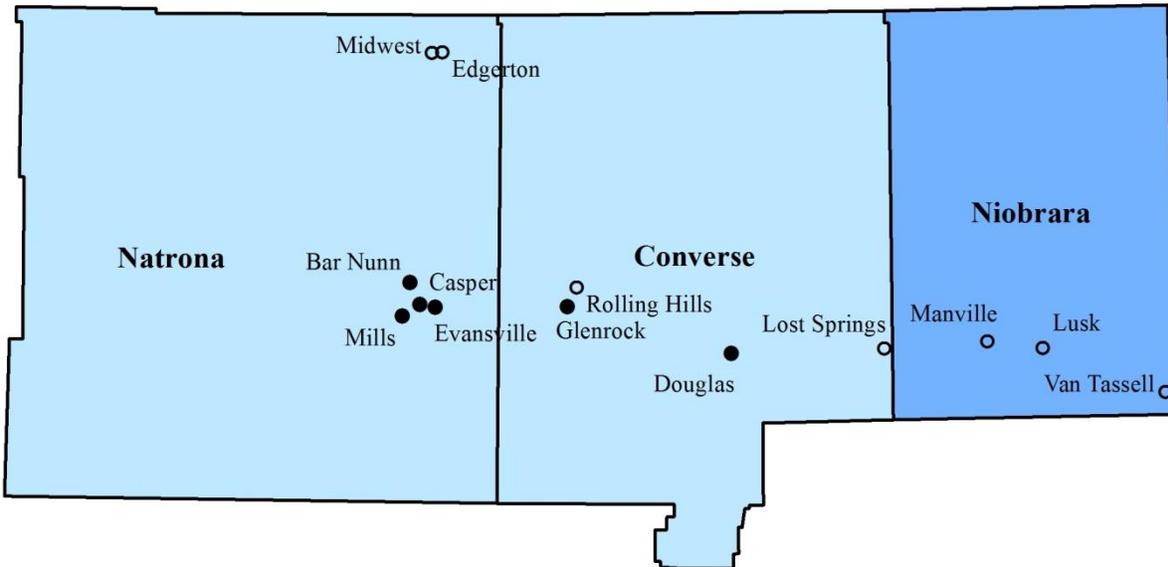
Office: 2435 King Blvd., Box 1, Casper, WY 82604



Awarded Projects Data, BRC Program Inception through FY2016:

Project Type	Number	Amount
Business Committed	9	\$19,179,079
Child Care/Senior Care	0	\$0
Community Enhancement	5	\$2,185,580
Community Readiness and Downtown Development	16	\$18,754,544
Managed Data Center Cost Reduction	1	\$905,249
Planning	5	\$135,000
Region Total	36	\$41,159,452

Region Map, with BRC program match categories:



West Central Region



Counties: Fremont, Teton

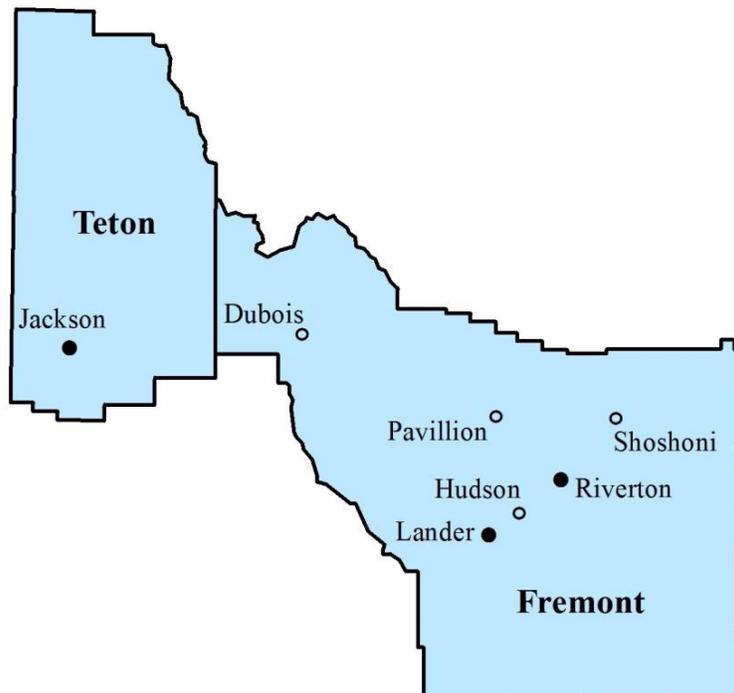
Contact: Roger Bower, West Central Regional Director

Office: 213 West Main, Suite B, Riverton, WY 82501

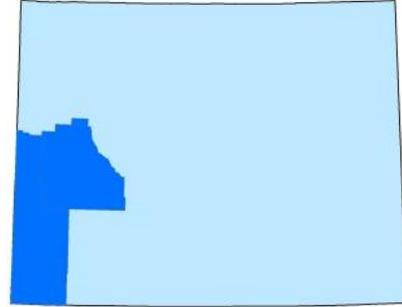
Awarded Projects Data, BRC Program Inception through FY2016:

Project Type	Number	Amount
Business Committed	13	\$17,747,888
Child Care/Senior Care	1	\$750,000
Community Enhancement	8	\$5,646,363
Community Readiness and Downtown Development	15	\$22,641,201
Managed Data Center Cost Reduction	0	\$0
Planning	1	\$25,000
Region Total	38	\$46,810,452

Region Map, with BRC program match categories:



Southwest Region



Counties: Lincoln, Sublette, Uinta

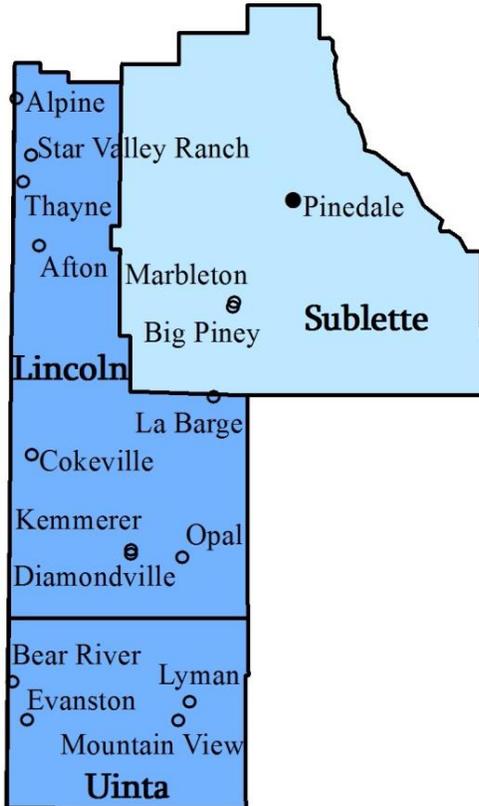
Contact: Elaina Zempel, Southwest Regional Director

Office: 520 Topaz, Suite 110-B, Kemmerer, WY 83101

Awarded Projects Data, BRC Program Inception through FY2016:

Project Type	Number	Amount
Business Committed	10	\$15,595,688
Child Care/Senior Care	0	\$0
Community Enhancement	7	\$3,317,343
Community Readiness and Downtown Development	22	\$29,490,831
Managed Data Center Cost Reduction	0	\$0
Planning	1	\$46,875
Region Total	40	\$48,450,737

Region Map, with BRC program match categories:

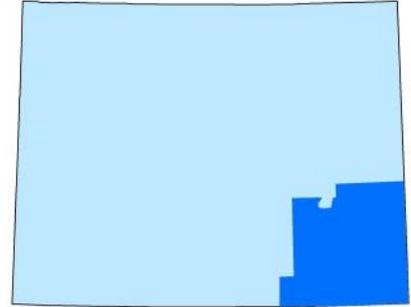


Southeast Region

Counties: Albany, Goshen, Laramie, Platte

Contact: Heather Tupper, Southeast Regional Director

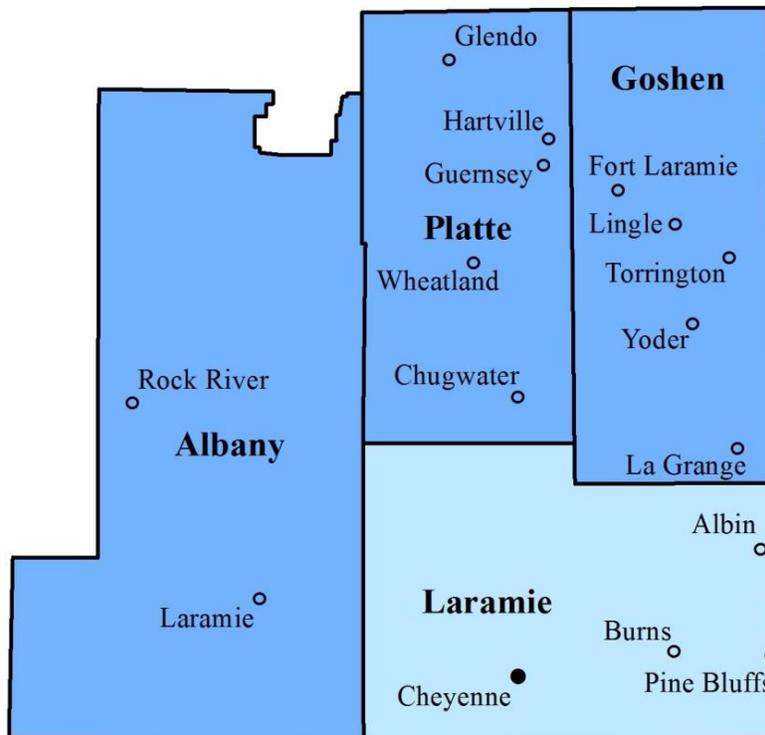
Office: 214 W. 15th Street, Cheyenne, WY 82002



Awarded Projects Data, BRC Program Inception through FY2016:

Project Type	Number	Amount
Business Committed	24	\$59,556,218
Child Care/Senior Care	2	\$2,894,340
Community Enhancement	13	\$4,931,368
Community Readiness and Downtown Development	28	\$37,337,579
Managed Data Center Cost Reduction	5	\$13,250,000
Planning	14	\$466,300
Region Total	86	\$118,435,805

Region Map, with BRC program match categories:

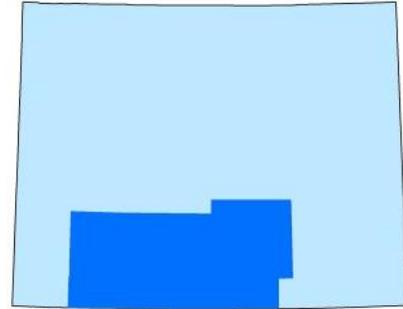


South Central Region

Counties: Carbon, Sweetwater

Contact: Pat Robbins, South Central Regional Director

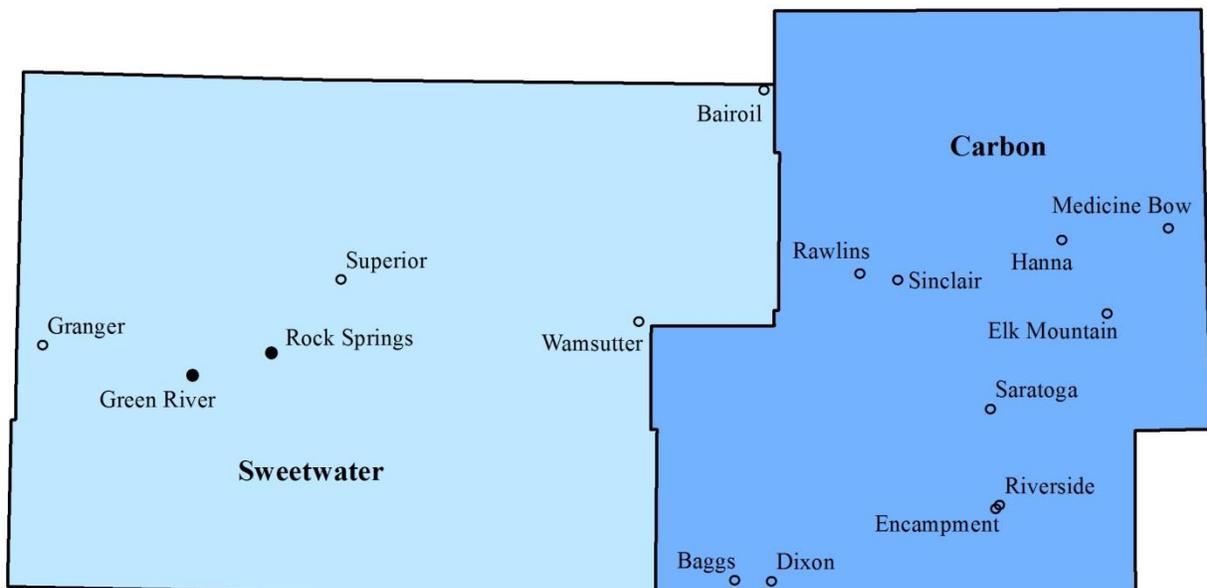
Office: 1400 Dewar Drive, Suite 208A,
Rock Springs, WY 82901



Awarded Projects Data, BRC Program Inception through FY2016:

Project Type	Number	Amount
Business Committed	4	\$4,843,683
Child Care/Senior Care	2	\$1,113,347
Community Enhancement	12	\$2,789,993
Community Readiness and Downtown Development	20	\$22,759,105
Managed Data Center Cost Reduction	0	\$0
Planning	5	\$108,750
Region Total	43	\$31,614,878

Region Map, with BRC program match categories:



Appendix D

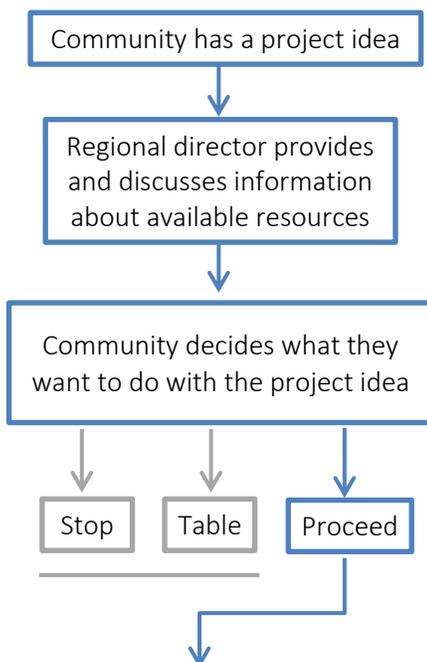
Project Development and Review Process

From project idea through closeout, the BRC program has a multi-staged vetting, recommendation, award, and monitoring process in place. A general overview of the four primary stages in this process is illustrated in Figure D.1, below.

Figure D.1
The BRC Program Project Development, Approval, and Monitoring Process

Idea and Application Development	Application Vetting	Decision Making	Monitoring, evaluation, and close out
<p>During pre-application and application development, communities work with the support of regional directors to gather all required information and data.</p>	<p>Central office staff reviews each complete application in a rigorous multi-staged vetting process that includes site visits, and, as necessary, input from experts.</p> <p>Central office staff creates a recommendation for Board consideration.</p>	<p>The project and staff recommendation are reviewed by the Board.</p> <p>The Board provides a recommendation to SLIB.</p> <p>SLIB reviews the project and Board recommendation and makes a final decision.</p>	<p>Once a project receives BRC program funds, each recipient has specific reporting requirements throughout construction and for five years afterward, during an evaluation period. At the completion of the evaluation period, the project is closed out.</p>
<p><i>More information can be found on page D-1.</i></p>	<p><i>More information can be found on page D-3.</i></p>	<p><i>More information can be found on page D-5.</i></p>	<p><i>More information can be found on page D-7.</i></p>

Pre-Application: Idea Development



The beginning, and often unseen portion, of the process takes place during pre-application when ideas are first developed at the local level. Communities and stakeholders develop project ideas and approach their regional director to obtain guidance and support to determine the best approach to move forward.

The regional director then identifies available Business Council or other resources, such as federal programs like the Community Development Block Grant Program.

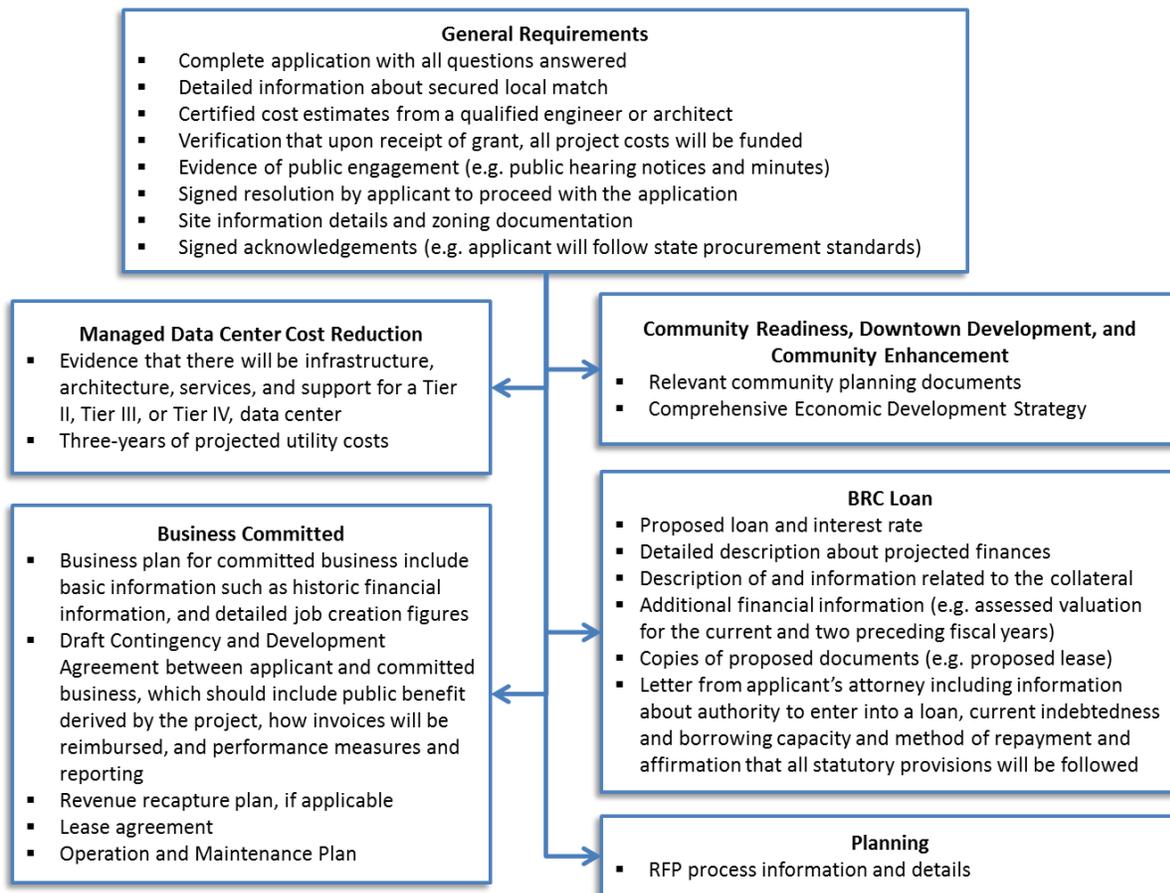
Based on initial information and discussions with the regional directors, the community determines if it wants to move the project idea forward, or table the project for a later date. According to the Business Council, half or more of the project ideas generated by communities do not proceed beyond this initial phase of development.

Application Development

Community gathers, compiles, and submits information and data for application

If a community decides to pursue a project idea using the BRC program, then the rules outline specific information that must be submitted with their application. The regional director can assist and consult with the community, but does not complete the application for it. There are numerous application requirements, some of which are general to all applications, while others are program type specific, as illustrated in Figure D.2, below.

Figure D.2
BRC Program Application Requirements



The regional director must receive a draft copy of the application two weeks prior to the submission deadline in order to be considered complete.

Determination of whether the application is complete

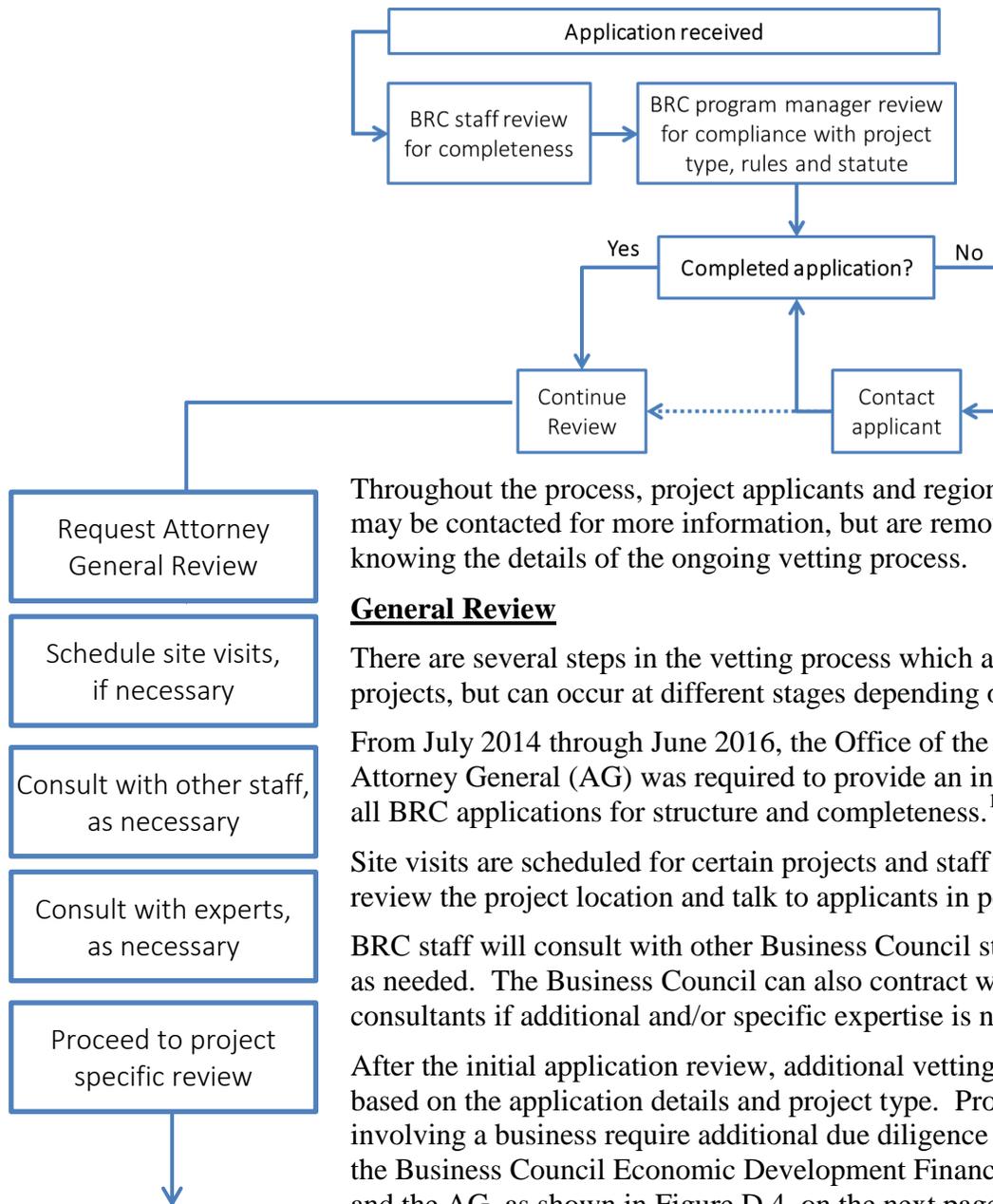
Based on the information provided by the community, the Business Council central office will determine whether the application is complete. Incomplete applications are either tabled or sent back for resubmittal at a different time. Completed applications proceed to application vetting.

Application Vetting

Initial Application Review

At this point in the process, the application is submitted to the Business Council central office for review and initial processing is completed as shown in Figure D.3, below.

Figure D.3
BRC Program Application Initial Processing



Throughout the process, project applicants and regional directors may be contacted for more information, but are removed from knowing the details of the ongoing vetting process.

General Review

There are several steps in the vetting process which apply to all projects, but can occur at different stages depending on the project.

From July 2014 through June 2016, the Office of the Wyoming Attorney General (AG) was required to provide an initial review of all BRC applications for structure and completeness.¹³

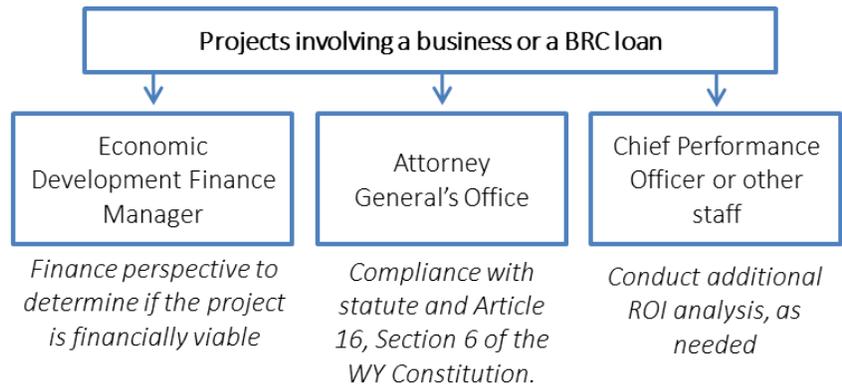
Site visits are scheduled for certain projects and staff goes to review the project location and talk to applicants in person.

BRC staff will consult with other Business Council staff and experts as needed. The Business Council can also contract with third party consultants if additional and/or specific expertise is needed.

After the initial application review, additional vetting is conducted based on the application details and project type. Projects involving a business require additional due diligence provided by the Business Council Economic Development Finance Manager and the AG, as shown in Figure D.4, on the next page.

¹³ This review and approval is no longer required as the 2014 Budget Bill, Footnote 3 for the Business Council has expired.

Figure D.4
Applications That Involve a Committed Business or Loan

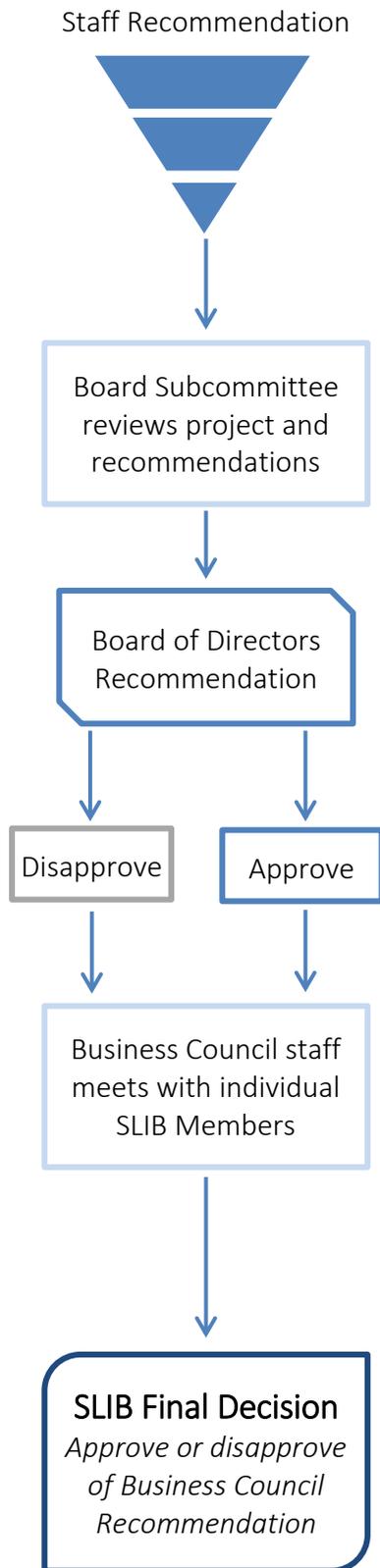


Final Application Review

Prior to developing a recommendation, the BRC program project manager evaluates each project using a criteria sheet or checklist. The manager ranks or classifies the projects based on their applicability to the criteria by marking “Yes,” “No,” or “N/A.” This evaluation does not include additional data (e.g. number of jobs created) on which to grade the level of applicability. Questions asked throughout the application review and vetting process include, but are not limited to, the following:

- Does the project create primary jobs?
- Will the project increase business revenue?
- Will the project increase business market share?
- Does the business have a viable business plan?
- Is the revenue recapture plan thorough and viable?
- Does the demand for social services outpace supply of services?
- Will the project attract new businesses and/or retain existing businesses?
- Does the project help diversify the economy?
- Does the project leverage additional private funds?
- Does the project involve a BRC loan?
- Is the project ready to move forward?
- Did the applicant have satisfactory performance on previous awards?

BRC Application Decision Making



Business Council Staff Recommendation

A recommendation is formulated by the BRC program manager, based on the results of the application review and vetting process. Details, such as terms for loans and contingencies, are included. During finalization, each recommendation is reviewed by several staff members, including the Community Development Director, the Business Development Director, the Chief Performance Officer, and Chief Executive Officer.

Community Grant and Loan Subcommittee Review

Before the next Business Council Board of Directors (Board) meeting, the Board's Community Grant and Loan Subcommittee meets to discuss each project with Business Council staff, review each recommendation, address any questions, identify and review any outstanding concerns, and determine if any further information or clarification is needed to understand the project.

Business Council Board Recommendation

Business Council staff, typically the BRC program manager, presents each project to the Board and provides explanations for the recommendation and identifies any outstanding concerns or issues.

After the staff presentation, the Board asks questions and discusses the project. The applicant, if present, is invited to speak about the project, followed by a call for public comment. Once all projects are presented and discussed, then the Board votes on their recommendation to the State Loan and Investment Board (SLIB). In most instances the Board votes to support staff recommendation.

SLIB pre-meeting briefings

Business Council staff meet with SLIB members individually prior to a SLIB meeting to discuss each project, the Board recommendations, and any outstanding questions or concerns.

SLIB meeting and final decision on projects

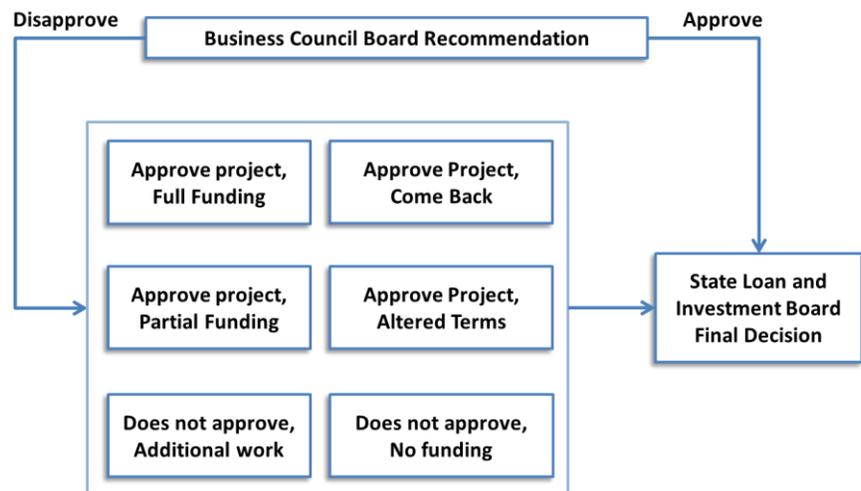
The SLIB meetings proceed similar to Board meetings, with Business Council staff, typically the BRC program manager, presenting each project to the SLIB with explanations for the recommendations and identifying any outstanding concerns or issues.

The SLIB members ask questions, discuss the project, and, if present, invite the applicant to speak about the project. The SLIB also invites public comment on the project. Once all projects are presented, as the final decision making authority, SLIB votes to either approve or disapprove the recommendations.

Variations in SLIB Final Decisions, Approve or Disapprove

- ☑ If SLIB approves the Business Council recommendation, then Business Council staff proceeds with the appropriate action. For example, if the Business Council recommendation was to fund the project, either fully or partially, then the project moves on to the next step in the process. However, if the Business Council recommendation was to not approve a project, then the project does not move forward.
- ☒ If SLIB disapproves of the Board recommendation, it may articulate its own decision in a motion, as shown in Figure D.5, below.

**Figure D.5
Alternative SLIB Approval Motions and Actions**



There are several possible variations when SLIB renders a decision that is contrary to the recommendation offered by the Business Council. In some instances, the SLIB has decided to table or phase a project by reducing the scope of a project and funding award. In other instances, SLIB has awarded a project partial funding and requested the applicant return in a subsequent funding cycle to request additional funds for the project. However, there is no standing agreement or explicit guarantee that funds will be available or awarded at a later date.

Impact when SLIB Disapproves of Recommendation

As SLIB is the final decision making authority, its decisions take into consideration the Business Council Board recommendation, as well as applicant and public testimony. However, because recommendations are based on months, and in some cases years, of prior work, the ability of SLIB to alter projects at such a late stage in the process has raised possible concerns, such as creating uncertainty about the value or validity of the Business Council staff and Board review process.

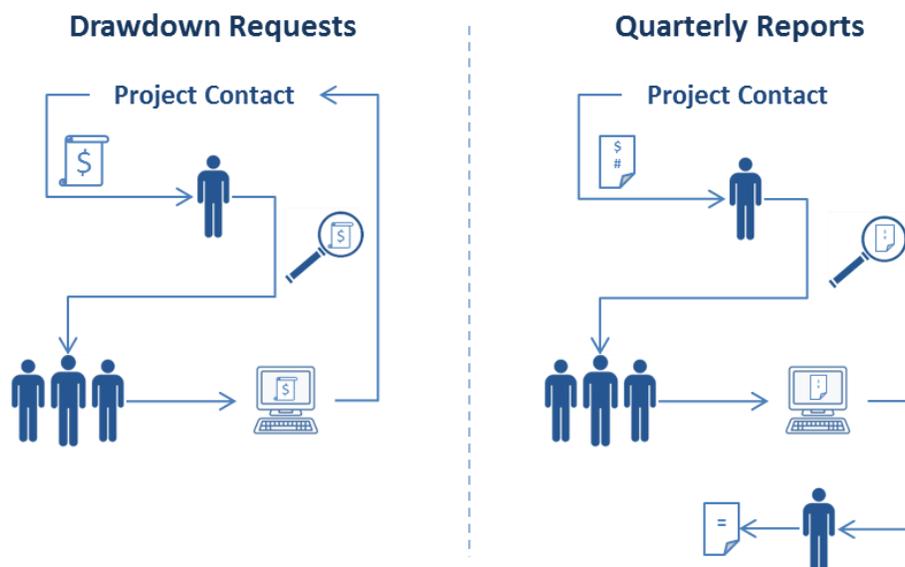
Project Monitoring and Close Out

Once all the necessary documents are properly executed, then the successful applicants' project contact has new responsibilities related to project monitoring and reporting through closeout.

Construction: Monitoring and Reporting

For the duration of the "construction" phase, Business Council staff and project contacts work together for two ongoing processes: drawdown requests and quarterly reporting, shown in Figure D.6, below.

Figure D.6
BRC Program Application Requirements



Processing Drawdown Requets

Communities are only reimbursed with awarded BRC funds for approved costs.

1. Project contact submits an electronic *drawdown request*, with accompanying documentation.
2. Drawdown requests are reviewed by BRC staff to ensure compliance with rules, statute, and agreement terms.
3. Drawdown requests are reviewed by Business Council Accounting Division staff.
4. If approved, request is input into WOLFS and the community is reimbursed.
5. Repeats until construction is complete.

Processing Quarterly Reports

Community reports are reviewed before being entered into the database.

1. Project contact submits an electronic *quarterly report*, with accompanying documentation.
2. Quarterly reports are reviewed and verified, by BRC staff and the Community Development Data Analyst.
3. Data is reviewed by additional Business Council staff, as needed.
4. If approved, data is input into the Business Council BRC project database.
5. BRC data is used to generate reports.

The length of the construction phase varies from project to project due to various factors. For example, a project may be complex involving the construction of a building as opposed to the installation of basic infrastructure, such as water and sewer lines or roadways. Additionally, there have been instances where extenuating circumstances may impact the ability of a project to move expeditiously through construction. For example, the cost of building material may increase unexpectedly requiring a reexamination of project costs and implementation.

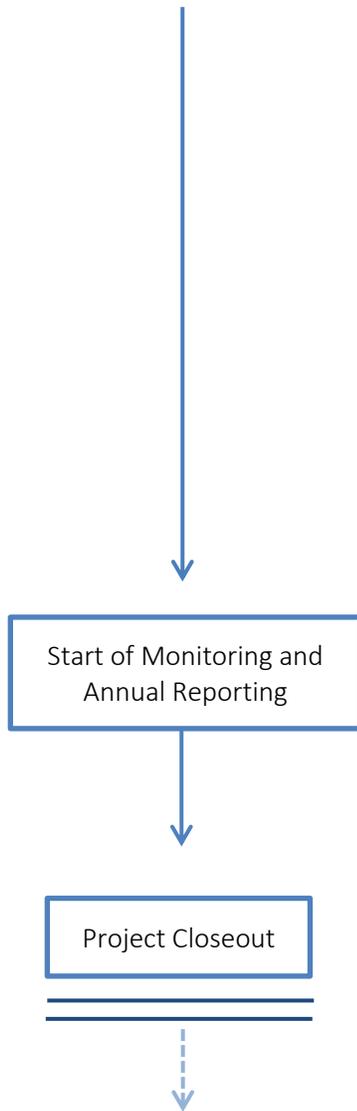
Regardless of the timeframe for construction, once completed, project contacts are required to complete a final infrastructure report form, participate in a post-construction site visit (if Business Council staff deem necessary), and certify that there are no further costs associated with the project. One of the last steps in the process is the de-obligation of any unused funds, which are then returned to the BRC program account.

Annual Reporting

After construction, all projects enter a five year monitoring period, newly implemented under the recent BRC program rule changes. During this time, project contacts are expected to provide annual reports to the Business Council. Annual reports go through the same review process as quarterly reports.

Closeout

Upon completion of the five year monitoring period projects are considered completed and are closed. This action is reflected on the Business Council website, and the project file is kept according to archive retention requirements. Periodically, Business Council staff will visit locations as they travel around the State on other business to unofficially “check-in” and see projects’ final results or impacts.



Appendix E

Survey of Business Ready Community Stakeholders

In addition to in-person and phone interviews with Business Council staff, the Legislative Service Office (LSO) developed survey questionnaires for five different groups of stakeholders for the Business Ready Community program (BRC program):

- Wyoming Business Council Board of Directors
- Wyoming Business Council regional directors
- Business Ready Community applicants
- Community Development Organizations and Local Economic Development groups
- Private Developers that have participated in the BRC program

Each questionnaire was formatted to obtain relevant and consistent information from the stakeholders and a substantial number of the same or similar questions were asked of each group. After the general Welcome and Survey Purpose Summary, below, are the questions that were asked of each stakeholder group.

Welcome and Survey Purpose Summary

On January 6, 2016, the Wyoming Legislature's Management Audit Committee authorized the Program Evaluation Section of the Legislative Service Office (LSO) to conduct a program evaluation (or performance audit) of the Wyoming Business Council's Business Ready Communities (BRC) program. As part of our research of the program we would like to offer opportunities for program stakeholders to provide comments, feedback, or other information that will inform and assist us in our research. We have developed this survey to structure the requested stakeholder feedback and we would greatly appreciate any and all information you can supply through this survey.

We do want to clarify that we are not directly evaluating individual communities or other economic development organizations. Your responses will assist in providing background for community perceptions and priorities of the BRC program as well as help us determine possible areas for improvement in the BRC project review and award process.

In completing this survey, please take into account any issues you believe are important for us to know where applicable and/or outlined in the survey. We also welcome additional comments, explanations, and information for any question in the survey as well as in the general comments box at the end of the survey. Please be as clear and as complete as possible in your responses. This will help prevent our process from disturbing your schedule and activities as much as possible.

While we request identifying information in the survey for our internal tracking protocol, this is not required to complete the survey. Your responses to our survey will be confidential and will not be forwarded to or reviewed by the Wyoming Business Council staff or Board of Directors. We may include aggregate or combined results of this survey in our final report, but we will work to

make sure that published comments are de-identified and cannot be tracked back to the original respondents. If you would you like to discuss any additional concerns you have regarding this evaluation or survey questions, please contact us at michael.swank@wyoleg.gov or 307-777-7881

For information about the Legislative Service Office, including the Program Evaluation section, please visit our website: <http://legisweb.state.wy.us>.

Community Applicant Survey Questions

Introduction

Community Name and Contact Information (optional)

1. Do you have a formal contract with any local/community development organization to assist or manage your economic development activities? (Yes or No and Comment Box: If yes, please specify with which organization(s) you contract)

Business Ready Communities (BRC) Program

2. Please list up to five BRC projects in which you applied for or received a BRC grant or loan award (project name and year). (Comment Box)
3. For any projects listed in Question #2 where you were awarded BRC funds, please list the projects for which you have/had a formal contract with a community development organization or private developer to manage BRC-funded infrastructure (i.e. for maintenance and upkeep, marketing available space, etc.). Respond with "N/A" if this question is not applicable to any of the listed projects. (Comment Box)
4. For the projects listed in Question #2, please list the primary performance measures used for each project (stated in application or award agreement) and how they were determined: by the WBC Regional Director, by the applicant, by a private developer, by a community development organization, by WBC State office staff, by a recruited or expanding business, or other. (Responses and Comment Box for each of the five possible projects)
5. For the projects listed in Question #2, did you sell the BRC-funded infrastructure to a community development organization or private developer? (Yes or No and Comment Box: If yes, please explain: reason your community did not retain ownership; timeframe of purchase after construction completed; and how the infrastructure continues to serve the public)
6. Do you have any concerns with the BRC program's project eligibility requirements? (Yes or No and Comment Box)
7. Do you have any concerns with the BRC project review process at the following levels:
 - a. WBC Regional Director? (Yes or No and Comment Box)
 - b. WBC State Office Staff? (Yes or No and Comment Box)
 - c. WBC Board of Directors? (Yes or No and Comment Box)
 - d. State Loan and Investment Board (SLIB)? (Yes or No and Comment Box)
8. Do you have any concerns with the BRC project award process at the following decision levels:

- a. WBC Regional Director? (Yes or No and Comment Box)
 - b. WBC State Office Staff? (Yes or No and Comment Box)
 - c. WBC Board of Directors? (Yes or No and Comment Box)
 - d. State Loan and Investment Board (SLIB)? (Yes or No and Comment Box)
9. Do you have any concerns with the BRC project reporting requirements during the construction phase of projects? (Yes or No and Comment Box)
 10. Do you have any concerns with the BRC project reporting requirements during the evaluation phase of projects? (Yes or No and Comment Box)
 11. Which decision-making board do you believe should have the final authority to award BRC grants and loans? (WBC Board of Directors or State Loan and Investment Board (SLIB) and Comment Box: Please explain)
 12. Do you have any concerns about the SLIB's ability to alter WBC Board of Directors' recommendations on BRC projects? (Yes or No and Comment Box: If yes, please specify what limits or conditions you would suggest to narrow the SLIB's project altering ability or authority)

Business Council Regional Directors

13. If you contract with a local community development organization, please explain what services you receive from this organization that are different than the services you receive from the WBC regional directors with which you have worked. (Comment Box)
14. If you contract with a local community development organization, please explain what services you receive from this organization that are the same or similar than the services you receive from the WBC regional directors with which you have worked. (Comment Box)
15. Overall, please summarize or characterize your relationship with the WBC regional director(s), positive and potentially negative experiences, with which you have worked on BRC projects. (Comment Box)

Looking Forward

16. Do you foresee a time when your community, with or without the assistance of a community development organization, will develop the capacity to operate a local BRC-like infrastructure development programs without WBC assistance? (Yes or No and Comment Box: Please explain)
17. Do you foresee a time when your community, with or without the assistance of a community development organization, will develop the capacity to operate a local BRC-like infrastructure development programs without State funding? (Yes or No and Comment Box: Please explain)
18. Do you believe the BRC program will ever be self-sustaining (i.e. not require new or additional State appropriations each biennium)? (Yes or No and Comment Box: Please explain)
19. Please provide examples of alternative performance measures which you believe the WBC and Legislature should consider that best value projects' success. (Comment Box)

20. Which BRC project categories (i.e. business committed, community readiness, planning, etc.) have been most useful to you or the communities in which you work? (Comment Box)
21. Do you believe the current BRC project categories, as currently structured, are sufficient to meet the emerging economic development issues or challenges in the Wyoming communities in which you work? (Yes or No and Comment Box: If no, please specify emerging community issues and suggested additional or altered project categories to address these community needs)
22. Please provide any additional comments or thoughts about the BRC program that you believe the Legislature should understand moving forward. (Comment Box)

Community and Local Economic Development Organizations

Introduction

Introduction Organization Name and Contact Information (optional)

1. Please list the primary geographic areas in Wyoming where your economic development work is focused (i.e. cities and/or counties). (Comment Box)
 - a. Do you have a formal contract to provide services to any individual community(ies) listed in Question #1? (Yes or No and Comment Box: If yes, please specify with which communities you contract)
2. Please briefly summarize your organizations purpose and mission. (Comment Box)
3. Please list the types of services and activities you provide to the community(ies) in which you work (list both contract and non-contract services).

Example responses may include "assist with funding and conducting planning or feasibility studies" or "convene focus groups or task forces to determine community needs" or "assist with grant writing and identifying resources outside of the BRC program." (Comment Box)

Business Ready Communities (BRC) Program

4. Please list up to five BRC projects in which you participated or managed for a community applicant (project name and year). (Comment Box)
5. For any projects listed in Question #4, please list the projects for which you have/had a formal contract to manage BRC-funded infrastructure (i.e. for maintenance and upkeep, marketing available space, etc.). (Comment Box)
6. For the projects listed in Question #4, please list the primary performance measures used for each project and how they were determined: by the WBC Regional Director, the applicant, by a private developer, by your organization, by WBC State office staff, by recruited or expanding business, or other. (Responses and Comment Box for each of the five possible projects)
7. For the projects listed in Question #4, does your organization (or other local economic development organization or private developer) currently own the BRC-funded infrastructure? (Yes or No and Comment Box: If yes, please explain: reason applicant did

not retain ownership; timeframe of purchase after construction completed; and how the infrastructure continues to serve the public)

8. Do you have any concerns with the BRC program's project eligibility requirements? (Yes or No and Comment Box)
9. Do you have any concerns with the BRC project review process at the following levels:
 - a. WBC Regional Director? (Yes or No and Comment Box)
 - b. WBC State Office Staff? (Yes or No and Comment Box)
 - c. WBC Board of Directors? (Yes or No and Comment Box)
 - d. State Loan and Investment Board (SLIB)? (Yes or No and Comment Box)
10. Do you have any concerns with the BRC project award process at the following decision levels:
 - a. WBC Regional Director? (Yes or No and Comment Box)
 - b. WBC State Office Staff? (Yes or No and Comment Box)
 - c. WBC Board of Directors? (Yes or No and Comment Box)
 - d. State Loan and Investment Board (SLIB)? (Yes or No and Comment Box)
11. Do you have any concerns with the BRC project reporting requirements during the construction phase of projects? (Yes or No and Comment Box)
12. Do you have any concerns with the BRC project reporting requirements during the evaluation phase of projects? (Yes or No and Comment Box: Please explain)
13. Which decision-making board do you believe should have the final authority to award BRC grants and loans? (WBC Board of Directors or State Loan and Investment Board (SLIB) and Comment Box: Please explain)
14. Do you have any concerns about the SLIB's ability to alter WBC Board of Directors' recommendations on BRC projects? (Yes or No and Comment Box: If yes, please specify what limits or conditions you would suggest to narrow the SLIB's project altering ability or authority)

Business Council Regional Directors

15. Please explain what work you conduct as a community development organization that is different than that of the WBC regional directors with which you have worked. (Comment Box)
16. Please explain what work you conduct as a community development organization that is the same or similar to that of the WBC regional directors with which you have worked. (Comment Box)
17. Overall, please summarize or characterize your relationship with the WBC regional director(s), positive and potentially negative experiences, with which you have worked on BRC projects. (Comment Box)

Looking Forward

18. Do you foresee a time when your organization and/or applicant communities in your region will develop the capacity to operate local BRC-like infrastructure development programs without WBC assistance? (Yes or No and Comment Box)
19. Do you foresee a time when your organization and/or applicant communities in your region will develop the capacity to operate local BRC-like infrastructure development programs without State funding? (Yes or No and Comment Box)
20. Do you believe the BRC program will ever be self-sustaining (i.e. not require new or additional State appropriations each biennium)? (Yes or No and Comment Box)
21. Please provide examples of alternative performance measures which you believe the WBC and Legislature should consider that best value projects' success. (Comment Box)
22. Which BRC project categories (i.e. business committed, community readiness, planning, etc.) have been most useful to you or the communities in which you work? (Comment Box)
23. Do you believe the current BRC project categories, as currently structured, are sufficient to meet the emerging economic development issues or challenges in the Wyoming communities in which you work? (Yes or No and Comment Box: If no, please specify emerging community issues and suggested additional or altered project categories to address these community needs)

Closing Remarks

24. Please provide any additional comments or thoughts about the BRC program that you believe the Legislature should understand moving forward. (Comment Box)

Private Developers Survey Questions

Introduction

Organization Name and Contact Information (optional)

1. Please list the primary geographic areas in Wyoming where your economic development work is focused (i.e. cities and/or counties). (Comment Box)
 - a. Do you have a formal contract to provide services to any individual community(ies) listed in Question #1? (Yes or No and Comment Box: If yes, please specify with which communities you contract)
2. Please list the type(s) of economic development projects or industries in which your organization specializes. (Comment Box)

Business Ready Communities (BRC) Program

3. Please list up to five BRC projects in which you participated or managed for a community applicant (project name and year). (Comment Box)
4. For any projects listed in Question #3, please list the projects for which you have/had a formal contract to manage BRC-funded infrastructure (i.e. for maintenance and upkeep, marketing available space, etc.). (Comment Box)
5. For the projects listed in Question #3, please list the primary performance measures used for each project and how they were determined: by the WBC Regional Director, by the applicant, by your organization, by a local community development organization, by

WBC State office staff, by recruited or expanding business, or other. (Responses and Comment Box for each of the five possible projects)

6. For the projects listed in Question #3, does your organization (or other local economic development organization) currently own the BRC-funded infrastructure? (Yes or No and Comment Box: If yes, please explain: reason applicant did not retain ownership; timeframe of purchase after construction completed; and how the infrastructure continues to serve the public)
7. Do you have any concerns with the BRC program's project eligibility requirements? (Yes or No and Comment Box)
8. Do you have any concerns with the BRC project review process at the following levels:
 - a. WBC Regional Director? (Yes or No and Comment Box)
 - b. WBC State Office Staff? (Yes or No and Comment Box)
 - c. WBC Board of Directors? (Yes or No and Comment Box)
 - d. State Loan and Investment Board (SLIB)? (Yes or No and Comment Box)
9. Do you have any concerns with the BRC project award process at the following decision levels:
 - a. WBC Regional Director? (Yes or No and Comment Box)
 - b. WBC State Office Staff? (Yes or No and Comment Box)
 - c. WBC Board of Directors? (Yes or No and Comment Box)
 - d. State Loan and Investment Board (SLIB)? (Yes or No and Comment Box)
10. Do you have any concerns with the BRC project reporting requirements during the construction phase of projects? (Yes or No and Comment Box)
11. Do you have any concerns with the BRC project reporting requirements during the evaluation phase of projects? (Yes or No and Comment Box)
12. Which decision-making board do you believe should have the final authority to award BRC grants and loans? (WBC Board of Directors or State Loan and Investment Board (SLIB) and Comment Box: Please explain)
13. Do you have any concerns about the SLIB's ability to alter WBC Board of Directors' recommendations on BRC projects? (Yes or No and Comment Box: If yes, please specify what limits or conditions you would suggest to narrow the SLIB's project altering ability or authority)

Business Council Regional Directors

14. Please explain what work you conduct as a private developer that is different than that of the WBC regional directors with which you have worked. (Comment Box)
15. Please explain what work you conduct as a private developer that is the same or similar to that of the WBC regional directors with which you have worked. (Comment Box)

16. Overall, please summarize or characterize your relationship with the WBC regional director(s), positive and potentially negative experiences, with which you have worked on BRC projects. (Comment Box)

Looking Forward

17. Do you foresee a time when your organization and/or applicant communities in your region will develop the capacity to operate local BRC-like infrastructure development programs without WBC assistance? (Yes or No and Comment Box)
18. Do you foresee a time when your organization and/or applicant communities in your region will develop the capacity to operate local BRC-like infrastructure development programs without State funding? (Yes or No and Comment Box)
19. Do you believe the BRC program will ever be self-sustaining (i.e. not require new or additional State appropriations each biennium)? (Yes or No and Comment Box)
20. Please provide examples of alternative performance measures which you believe the WBC and Legislature should consider that best value projects' success. (Comment Box)
21. Which BRC project categories (i.e. business committed, community readiness, planning, etc.) have been most useful to you or the communities in which you work? (Comment Box)
22. Do you believe the current BRC project categories, as currently structured, are sufficient to meet the emerging economic development issues or challenges in the Wyoming communities in which you work? (Yes or No and Comment Box: If not, please specify emerging community issues and suggested additional or alternative project categories to address these community needs)

Closing Remarks

23. Please provide any additional comments or thoughts about the BRC program that you believe the Legislature should understand moving forward. (Comment Box)

Regional Directors Survey Questions

Introduction

Name and Contact Information (optional)

1. When did you become a regional director for the Wyoming Business Council (month/year)? (Date/Time: MM / DD / YYYY)
 - a. Please list any other positions you have held with the Wyoming Business Council (WBC) before your appointment as a regional director. (Comment Box)

Business Ready Communities (BRC) Program

2. Please list up to five projects in your region, which you helped coordinate, that you believe best demonstrate the purpose and mission of the BRC program. (Comment Box)
3. For the projects listed under Question #2, please list the primary performance measures used for each project and how they were determined: by regional director, by the applicant, by private developer, by a community development organization, by WBC state office staff, by recruited or expanding business, or other. (Responses and Comment Box for each of the five possible projects)

4. For the projects listed under Question #2, is the BRC-funded infrastructure currently owned by a local economic development organization or private developer? (Yes or No and Comment Box: If yes, please explain: reason applicant did not retain ownership; timeframe of purchase after construction completed; and how the infrastructure continues to serve the public)
5. Do you have concerns with the BRC program's project eligibility requirements? (Yes or No and Comment Box)
6. Do you have any concerns with the BRC project review process at the following levels:
 - a. State WBC Office Staff? (Yes or No and Comment Box)
 - b. WBC Board of Directors? (Yes or No and Comment Box) No Comment:
 - c. State Loan and Investment Board (SLIB)? (Yes or No and Comment Box)
7. Do you have any concerns with the BRC project award process at the following decision levels:
 - a. WBC State Office Staff? (Yes or No and Comment Box)
 - b. WBC Board of Directors? (Yes or No and Comment Box)
 - c. State Loan and Investment Board (SLIB)? (Yes or No and Comment Box)
8. Do you have any concerns with the BRC project reporting requirements during the construction phase of projects? (Yes or No and Comment Box)
9. Do you have any concerns with the BRC project reporting requirements during the evaluation phase of projects? (Yes or No and Comment Box)
10. Please respond to the following example Legislative concerns regarding the BRC program as: never true, sometimes true, always true, do not know, not applicable. (For each statement, Never True, Sometimes True, Always True, Do Not Know, Not Applicable, and Comment Box)
 - a. The BRC program allows the State to "pick winners and losers" (communities and/or businesses).
 - b. The BRC program creates or promotes unequal competition with established businesses.
 - c. The BRC program unreasonably affects market stability and composition.
 - d. The BRC program can harm one Wyoming community by encouraging a business to relocate to another Wyoming community.

(For each statement, Never True Sometimes True Always True Do Not Know Not Applicable and Comment Box)

Looking Forward

11. Do you foresee a time when your community, with or without the assistance of a community development organization, will develop the capacity to operate a local BRC-like infrastructure development programs without WBC assistance? (Yes or No and Comment Box)

12. Do you foresee a time when your community, with or without the assistance of a community development organization, will develop the capacity to operate a local BRC-like infrastructure development programs without State funding? (Yes or No and Comment Box)
13. Do you believe the BRC program will ever be self-sustaining (i.e. not require new or additional State appropriations each biennium)? (Yes or No and Comment Box)
14. How have the duties and roles of the regional offices and directors changed over the time in which you have held the regional director position? (Comment Box)
15. Please explain what work you conduct as a regional director that is different than that of local community development organizations. (Comment Box)
16. Please explain what work you conduct as a regional director that is the same or similar to that of local economic development organizations. (Comment Box)
17. Please explain how you maintain objectivity in your job and balance the roles of "applicant advocate" and "community resource" for all communities in your region. (Comment Box)
18. Please explain or characterize your relationship with the other regional directors around the state. (Comment Box)
19. Please explain or characterize your relationship with the WBC State office staff. (Comment Box)
20. Please explain or characterize your relationship with the WBC Board of Directors. (Comment Box)
21. Do you believe the current BRC project categories, as currently structured, are sufficient to meet the emerging economic development issues or challenges in the Wyoming communities in which you work? (Yes or No and Comment Box: IF no, please specify emerging community issues and suggested additional or altered project categories to address these community needs)

Closing Remarks

22. Please provide any additional comments or thoughts about the BRC program you believe the Legislature should understand moving forward. (Comment Box)

Business Council Board of Directors Survey Questions

Introduction

Name and Contact Information (optional)

1. When were you initially appointed to the Wyoming Business Council (WBC) Board of Directors (month/year) (Date/Time: MM / DD / YYYY)

Background

2. Please briefly explain what led to your appointment on the WBC Board of Directors. (Comment Box)

3. What do you feel is the proper role of the WBC Board of Directors related to the following:
 - a. Overall economic development in Wyoming? (Comment Box)
 - b. The Business Ready Communities (BRC) program? Business Ready Communities (BRC) Program (Comment Box)

Business Ready Communities (BRC) Program

4. Did you have any experience with the BRC program before being appointed to the WBC Board of Directors? (Yes or No and Comment Box: If yes, please provide example(s) with project name and summarize your role or contribution)
5. Do you have any concerns with the WBC's staff review and recommendation process for BRC projects? (Yes or No and Comment Box)
6. Do the information and reports you receive from the WBC staff sufficiently prepare you to decide on BRC project award recommendations? (Yes or No and Comment Box)
7. Do the information and reports you receive from the WBC staff sufficiently inform you of BRC projects' actual (not promised or anticipated) economic impact? (Yes or No and Comment Box: Please specify example project(s))
8. Which decision-making board do you believe should have the final authority to award BRC grants? (WBC Board of Directors or State Loan and Investment Board (SLIB) and Comment Box: Please explain)
9. Do you have any concerns about the SLIB's ability to alter WBC Board of Directors' recommendations for BRC projects? (Yes or No and Comment Box: If yes, please specify what limits or conditions you would suggest to narrow the SLIB's project altering ability or authority)
10. Please respond to the following example Legislative concerns regarding the BRC program as: never true, sometimes true, always true, do not know, or not applicable. (For each statement, Never True, Sometimes True, Always True, Do Not Know, Not Applicable, and Comment Box)
 - a. The BRC program allows the State to "pick winners and losers" (communities and/or businesses).
 - b. The BRC program creates or promotes unequal competition with established businesses.
 - c. The BRC program unreasonably affects market stability and composition.
 - d. The BRC program can harm one Wyoming community by encouraging a business to relocate to another Wyoming community.

Looking Forward

11. Do you foresee a time when individual communities, with or without the assistance of a community development organization, will develop the capacity to operate a local BRC-like infrastructure development programs without WBC assistance? (Yes or No and Comment Box)

12. Do you foresee a time when individual communities, with or without the assistance of a community development organization, will develop the capacity to operate a local BRC-like infrastructure development programs without State funding? (Yes or No and Comment Box)
13. Do you believe the BRC program will ever be self-sustaining (i.e. not require new or additional State appropriations each biennium)? (Yes or No and Comment Box)
14. How do local or community economic development organizations impact the BRC program? (Comment Box)
15. Please provide examples of alternative performance measures which you believe the WBC and Legislature should consider that best value projects' success. (Comment Box)
16. What remedies do you believe the State should pursue against businesses or communities that benefit from State BRC project funding, but where a project's anticipated primary outcomes or benefits are not realized? (Comment Box)
17. Do you believe the current BRC project categories, as currently structured, are sufficient to meet the emerging economic development issues or challenges in the Wyoming communities you work and/or serve? (Yes or No and Comment Box: If no, please specify emerging community issues and suggested additional or altered project categories to address these community needs)

Closing Remarks

Please provide any additional comments or thoughts about the BRC program you believe the Legislature should understand moving forward. (Comment Box)

Recent Program Evaluations

Placement of Deferred Compensation	October 2000
Employees' Group Health Insurance	December 2000
State Park Fees	May 2001
Childcare Licensing	July 2001
Wyoming Public Television	January 2002
Wyoming Aeronautics Commission	May 2002
Attorney General's Office: Assignment of Attorneys and Contracting for Legal Representation	November 2002
Game & Fish Department: Private Lands Public Wildlife Access Program	December 2002
Workers' Compensation Claims Processing	June 2003
Developmental Disabilities Division Adult Waiver Program	January 2004
Court-Ordered Placements at Residential Treatment Centers	November 2004
Wyoming Business Council	June 2005
Foster Care	September 2005
State-Level Education Governance	December 2005
HB 59: Substance Abuse Planning and Accountability	January 2006
Market Pay for State Employees	July 2006
Wyoming Drug Courts	July 2006
A&I HRD Role in State Hiring	December 2006
Kid Care CHIP: Wyoming's State Children's Health Insurance Program	June 2007
Wyoming Retirement System: Public Employee Plan	August 2007
WYDOT and General Fund Appropriations for Highways	May 2008
Wyoming Child Protective Services	September 2008
Department of Fire Prevention and Electrical Safety	December 2008
Office of Health Care Licensing and Surveys	July 2009
Victim Services Division: Phase I	August 2009
Victim Services Division: Phase II	February 2010
Reading Assessment and Intervention Program	February 2010

Office of State Lands & Investments: Management of State Trust Lands	June 2010
Proficiency Assessments for Wyoming Students (PAWS)	December 2010
Wyoming Unemployment Insurance Program	December 2010
Department of Administration and Information: Information Technology Division and Office of Chief Information Officer	July 2011
Wyoming Department of Health: Veterans' Home of Wyoming	November 2011
Wyoming Aeronautics Commission	September 2012
Wyoming Boards and Commissions	June 2013
Wyoming's Interim Budget Process to Modify Legislatively Appropriated Funds	November 2013
Wyoming Aeronautics Commission (Follow-up Evaluation)	November 2013
University of Wyoming: Effectiveness of Block Grant Funding (with Supplement)	January 2015
Wyoming Public Purpose Investments (PPIs)	August 2015
Wyoming Water Development Commission	January 2016
Early Intervention and Education Program, Phase 1	September 2016

Evaluation reports can be obtained from:

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