

APPLICATION FORM – ECONOMIC DEVELOPMENT PROJECTS

MONTANA DEPARTMENT OF COMMERCE BIG SKY ECONOMIC DEVELOPMENT TRUST FUND (BSTF) JOB CREATION PROJECT

Please reference the Application Guidelines for a complete explanation of required application information.

I. APPLICANT INFORMATION – LOCAL/TRIBAL GOVERNMENT	
Name of Local/Tribal Government Entity	Broadwater County
Tax Identification Number	
Chief Elected Official (Full Name & Title)	Darrel Folkvord, County Commissioner
Contact Person (Full Name & Title)	Darrel Folkvord, County Commissioner
Address (Street, City and 9-Digit Zip Code)	515 Broadway Street Townsend, MT 59644
Phone Number	406-266-9236
Email Address	dfolkvord@co.broadwater.mt.us
Fax Number	

II. ASSISTED BUSINESS INFORMATION	
Legal Name of Business to Receive Assistance	Permafrost Coolers, LLC
Physical Address of Project Location	487 Lone Mountain Road Toston, MT 59643
Contact Person (Full Name & Title)	Paul Bottomley, President
Address (Street, City and 9-Digit Zip Code)	1260 Ludwig Lane Bozeman, MT 59718
Phone Number	406-599-8993
Email Address	contact@permafrostcoolers.com
County project is located in	Broadwater
Business North American Industrial Classification System (NAICS)	454390
Tax Identification Number	82-0696943
Business Project Status (Startup, Expansion, Relocation, etc.)	Expansion
Please describe in detail how the proposed Assisted Business will meet the eligibility criteria	<p>Permafrost Coolers, LLC currently has twenty full-time employees, all of which are residents of Broadwater County. Over the summer, Permafrost has hired five new full-time employees in order to keep up with product demand, and is actively hiring year round to continue the company's growth. As the company grows, its success has a positive economic impact of Broadwater County.</p> <p>Permafrost has the equipment to double production, but would need at least six additional full-time permanent employees to run the machines. These six positions are all net new jobs that meet the wage requirement for this program starting at \$15 an hour.</p>

III. PROJECT SUMMARY INFORMATION	
Total Project Cost (Must match the Sources and Uses form)	\$3000,000
Type of Assistance Requesting (Grant or Loan)	Grant
Amount of BSTF Funds Requested	\$150,000
Total Matching Funds	\$150,000
Proposed Use of BSTF Funds:	Wages, Equipment, Construction Materials
Total Number of New Jobs to be created	6
Total Number of New BSTF <u>Eligible</u> Jobs to be created.	6
Hourly wage range for BSTF Eligible Jobs to be created.	\$15-\$21/hour

IV. PARTNER ORGANIZATION (IF APPLICABLE)

Economic development organizations may be involved in implementing and administering a project if the eligible applicant agrees to such an arrangement. If a partner organization will be involved in the project, please provide the information in this section.

Contact Person (Full Name & Title)	Jennifer Stepleton, Community Development Coordinator
Organization	Montana Business Assistance Connection (MBAC)
Address (Street, City and 9-Digit Zip Code)	225 Cruse Avenue, Suite D Helena, MT 59601
Phone Number	406-461-5633
Email Address	jstepleton@mbac.biz
What are the partner organizations responsibilities relative to completing the proposed project?	MBAC will assist Permafrost with timely reporting and administration of BSTF Job Creation funding.

V. PROJECT INFORMATION

Please describe, in detail, the proposed project:

With the current equipment, Permafrost is able to produce 10-12 coolers an hour but has the capacity to finish double that amount. The company currently has the machinery necessary to double this initial production, but needs additional staff to assemble and run the machine. BSTF funds will be used for payroll of these net new jobs, which will allow the company to streamline the process and maximize production to meet growing demand.

In order to clear floor space to assemble the additional equipment, Permafrost also needs to purchase pallet racks and a forklift. This equipment will create storage space for bulky materials, and make the best use of their existing space. Permafrost will need additional space for storage of the finished product, and will use BSTF funds to purchase a metal storage building and hire contractors to install it on the Toston property.

As production continues to ramp up, Permafrost will have need for additional materials including plastic, foam, and finishing paraphernalia like handles and hooks. Permafrost continually purchases these materials every few months, which will increase in quantity and frequency over time.

Please describe the Assisted Business:

Permafrost Coolers utilizes roto-molding to create high quality coolers, chiller buckets, cutting boards, and other products using US plastic and US insulation foam. Since beginning domestic production in early 2021, the company has obtained contracts from other companies to create other products in addition to their main production lines. Currently, Permafrost is contract manufacturing for two

different companies in the United States, with a third currently in negotiations. The company is proud to use its domestic production line to create hand crafted goods in Montana.

Please explain what the BSTF financial assistance would be used (ex: equipment purchase, lease rate reduction, etc.):

BSTF funds will be used for wages of net new employees that will be hired as Permafrost expands and adds additional equipment to expand the business. Funds will also be used to purchase new equipment that will allow the company to further automate production and expand production. BSTF funds will also be used to build a metal building to be used for storage of the final products, allowing Permafrost to maintain year-round production.

Please identify the entities involved in completing the proposed project, including management of the project/staff plan.

Permafrost Coolers, LLC is the only entity involved as this is expansion of an existing business.

Please provide an implementation plan/timeline for project activities from start-up through closeout:

Permafrost is actively hiring full-time employees year round. In order to expand operations and meet the current order backlog, the company anticipates filling six new full-time permanent positions before the end of the year. A forklift and pallet racks are also necessary to clear floor space that can be used for additional production, which will also be purchased before the end of the year. By July 2022, Permafrost will also need to construct another building for storage of the finished products so that production can continue through the winter and have adequate supply to meet summer demand.

Please provide any relevant historical information on this project or the region it would support:

The owners of Permafrost purchased the business in February of 2017 and functioned entirely as a wholesaler, using a Chinese contract manufacturer to actually make the products. Throughout the summer of 2020, the company began the transition to domestic production under McDonald program, buying the Toston property. The existing building on this site was expanded over the winter of 2020, and the first cooler made from domestic production was finished in April 2021.

Business's Current Full-Time Employment Level in Montana	20
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Business's Current Full-Time Employment Level at the Project Site	20
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Employee Benefits: See Appendix B (if ERISA eligible benefits are included in the calculation to meet the wage requirement)

N/A – Wages meet the minimum requirements and benefits are not being used in the calculation.

VI. PROJECT ECONOMIC IMPACT STATEMENT

Please provide a summary of the impacts (both positive and negative) the project would have on the state, regional and community economy as well as any services or functions that the business provides to the community, region or state. Also identify if the business associated with the project is competing with any local or regional existing businesses.

This project will have a positive impact on the economy of Broadwater County by promoting domestic manufacturing and creating net new jobs to Montana with an already established and stable company.

VII. PROJECT SOURCES & USES OF FUNDS

	SOURCE: BSTF	SOURCE: Match	SOURCE:	SOURCE:	TOTAL PROJECT COST
Administration (up to 5%, max \$30,000)	\$7,500				\$7,500

ACTIVITY BUDGET					
Machinery/Equipment Purchase	\$60,000				\$60,000
Land Purchase					
Lease rate Reduction					
Employee Training		\$10,000			\$10,000
Wages	\$28,000				\$28,000
Construction Materials	\$54,500	\$20,000			\$74,500
Other: Product materials		\$120,000			\$120,000
TOTAL PROJECT	\$150,000	\$150,000	\$	\$	\$300,000
BUDGET NARRATIVE					

BUDGET NARRATIVE
<i>Provide a total project cost breakdown.</i>
The total project cost is \$300,000 with \$150,000 requested in BSTF funds. This request breaks down to \$60,000 in machinery and equipment costs for a forklift and pallet racks, \$54,500 in construction materials for a metal storage building, \$28,000 in wages for net new employees, and \$7,500 or 5% in administrative costs. Matching funds are provided as funds Permafrost intends to spend on construction of a metal storage building, and has spent within the last six months on employee training and product materials costs including plastic, foam, and accessories.
<i>Provide a narrative including the source, use, and status (ie. On hand, awarded, committed, applied for, etc.) for all funds to be utilized in satisfying the program matching funds requirement.</i>
Permafrost Coolers is the only other source of funds involved in this project. All required match is funding that has already been spent with receipts provided to verify purchases of production materials in the last six months.
<i>Provide a description with documentation that details how all project costs are verified, specifying how and by whom they are determined (i.e. who prepared the cost estimates, equipment lists, etc.) and describe that the cost estimates are reasonable and complete.</i>
Estimates from several companies have been provided for the machinery and equipment that BSTF funds will be used for. Receipts for recent materials purchases have been included to verify match requirements have been met. Construction cost estimates for the storage building have also been provided from the contractors that completed the addition to the existing building on site.

***Provide written commitments for proposed match. The commitment may be from the applicant or assisted business.**

***The Department will withhold ten percent (10%) of the total authorized award amount for administration, until all tasks outlined in the contract have been completed and approved by the Department.**

VIII. CERTIFICATION BY LOCAL GOVERNMENT AND BUSINESS
As the responsible authorized agents of Local or Tribal Government Applicant: _____, and Applicant Business: _____, we hereby submit this Big Sky Economic Development Trust Fund Application.
The information presented in this application is, to the best of our knowledge, true, complete and accurately represents the proposed project. We understand that additional information and documentation may be required. In addition, we understand that the local or tribal government applicant and the assisted business receiving BSTF financial assistance are liable for the full amount of the award that is advanced by the Department if the assisted

business: misrepresents itself or its claims, fails to create or maintain the number of net new eligible jobs as specified in the executed contract and assistance agreement, fails to inject the required amount of match into the project as specified in the executed contract and assistance agreement, or ceases operations at the Project Site.

The Applicant designates (Name and Phone number) as the authorized contact for any additional Department requests for the release of additional information regarding this application for BSTF funds.

Local or Tribal Government Applicant: _____ will accept responsibility for management of the project and compliance with Big Sky Economic Development Trust Fund regulations.

Applicant Business: _____ will accept responsibility for compliance with applicable Big Sky Economic Development Trust Fund regulations as specified in this application.

Name (typed): _____ Local or Tribal Government
Title (typed): _____
Chief Elected Official
Signature: _____ X
Date: _____

As the responsible authorized agents of the **Assisted Business:** _____, we hereby submit this Big Sky Economic Development Trust Fund Application.

The information presented in this application is, to the best of our knowledge, true, complete and accurately represents the proposed project. We understand that additional information and documentation may be required. In addition, we understand that the local or tribal government applicant and the assisted business receiving BSTF financial assistance are liable for the full amount of the award that is advanced by the Department if the assisted business: misrepresents itself or its claims, fails to create or maintain the number of net new eligible jobs as specified in the executed contract and assistance agreement, fails to inject the required amount of match into the project as specified in the executed contract and assistance agreement, or ceases operations at the Project Site.

The assisted business agrees that the Montana Department of Commerce and the Montana Department of Revenue may share financial and tax information related to this application.

Name (typed): _____ Assisted Business
Title (typed): _____
Authorized Representative
Signature: _____ X
Date: _____