

MISSOULA ECONOMIC PARTNERSHIP
2017 ANNUAL REPORT



MISSOULA, IT'S TIME TO START THINKING
BIGGER.

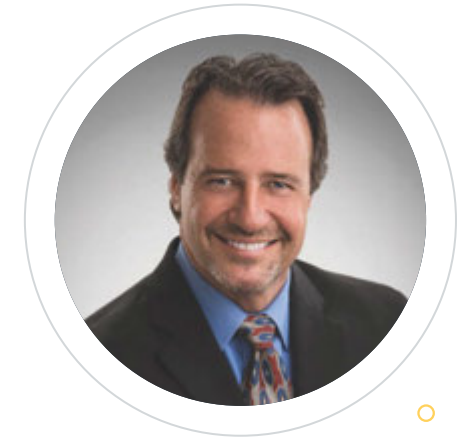


MISSOULA
ECONOMIC PARTNERSHIP

LETTER FROM THE BOARD CHAIR

Scott Burke, President and CEO | First Security Bank of Missoula

In the past year, the Missoula Economic Partnership has begun to address housing and workforce issues. Missoula and Missoula County recently announced decreases in property taxes due to an expanding tax base—evidence of the flurry of economic-development activity happening in our community. When the Missoula Economic Partnership was formed in 2011, we faced a different set of issues that required immediate short-term action. We were operating in triage mode, identifying the most immediate areas of attention and addressing those accordingly.



NOW THAT MISSOULA'S ECONOMY IS GROWING IN A HEALTHY, SUSTAINABLE MANNER, IT'S TIME TO LOOK AT THE BIG PICTURE: WHAT LONG-TERM STRATEGIES DO WE NEED TO IMPLEMENT IN ORDER TO FULFILL OUR MISSION AND ACHIEVE OUR VISION?



Over the past year, the Missoula Economic Partnership has:

- Assumed the activities of the BitterRoot Economic Development District, including the administration of Big Sky Trust Fund (BSTF)
- Organized or actively participated in over 100 community events and strategic partnerships
- Embarked upon a State of the Workforce study in partnership with Missoula County
- Secured a lead-generation firm to assist with business attraction efforts
- Continued to lead the Air Service Task Force

We're proud of what we've accomplished this year and eager to build on that work as we look toward the future. To all of our investors, strategic partners and the community at large, won't you please contribute to the conversation and help us think bigger?

PARTNERSHIP IN ACTION

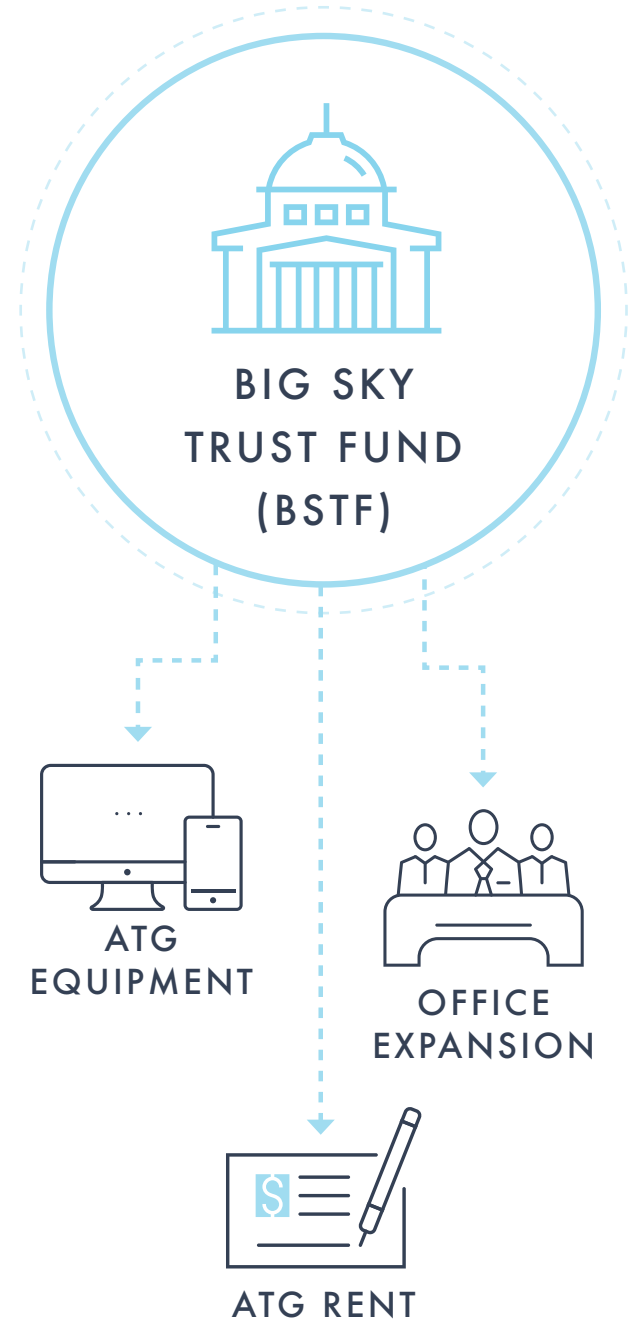
Helping existing businesses survive and grow is a vital economic development strategy. MEP's Business Retention and Expansion (BRE) efforts are designed to help local businesses thrive and expand in Missoula County. While the attraction of new businesses and new-business startups is an important component of any economic development plan, most new jobs are created by existing businesses rather than by businesses new to the community.

“
TALK TO OTHER
LOCAL SUCCESSFUL
BUSINESSES. BUILD A
STRONG NETWORK WITH THE
UNIVERSITY. BUILD A STRONG
NETWORK WITH MEP, LOCAL
GOVERNMENT AND OTHER
ORGANIZATIONS.”

-TOM STERGIOS,
SENIOR VICE PRESIDENT,
STRATEGY AND CORPORATE
DEVELOPMENT, ATG

MEP assists growing businesses by connecting them with resources that aid with their expansion, like the Big Sky Trust Fund job creation grant program.

From its beginnings in a small office on Main Street, Advanced Technology Group (ATG)'s Missoula location has grown rapidly over the past six years, now with more than 100 employees. A study by the University of Montana Bureau of Business and Economic Research found that ATG has a yearly economic impact of at least \$18.4 million on Missoula's local economy.



ATG HAS A YEARLY ECONOMIC IMPACT OF AT LEAST \$18.4 MILLION ON MISSOULA'S LOCAL ECONOMY.



A RECENT SURVEY OF MORE THAN 100 MISSOULA BUSINESSES FOUND THAT 60% WERE PLANNING TO HIRE NEW EMPLOYEES NEXT YEAR.

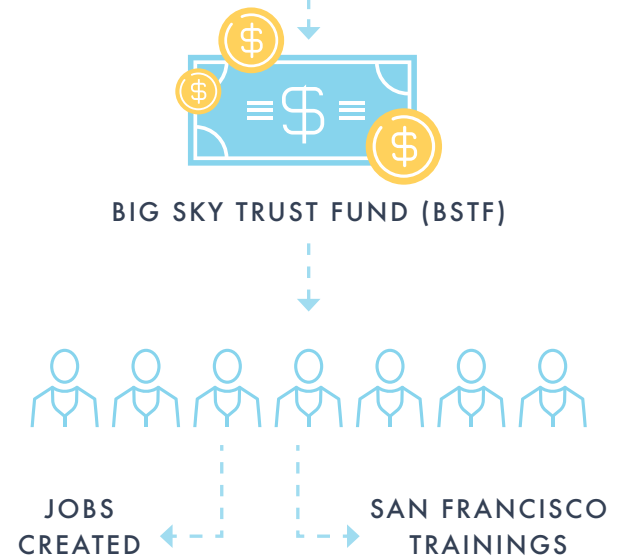


MEP and Missoula County recently assisted with ATG's fourth application to the Big Sky Trust Fund job creation grant program, which assists Montana businesses with expansion costs for creating high-paying jobs. ATG has also received training grants through the Montana Department of Commerce's Primary Sector Workforce Training Grant program.

“THIS IS THE BIGGEST SUCCESS OF MY CAREER SO FAR. I WANTED TO GET DOZENS OF JOBS, IMPACT THE COMMUNITY, UPLIFT UM AND DOWNTOWN. IT FEELS REALLY GOOD. FOR ATG, I SEE NOTHING BUT BLUE SKIES AHEAD.”

-TOM STERGIOS

ATG has used Big Sky Trust Fund grants to assist with equipment purchases and to pay rent for their ever-expanding office space downtown. “We have more equipment and more space than we would have without the grants,” Stergios said. “We were able to send our people to trainings in San Francisco right away. Those grants allowed us to be more professional at an earlier stage.”



BIG SKY TRUST FUND (BSTF) GRANT REPORT

GRANTS UNDER MANAGEMENT:

10 JOB CREATION

+13 PLANNING

23 TOTAL



TOTAL AWARDED:

\$1,635,031

JOBS TO BE CREATED:

160

BUSINESS RETENTION AND EXPANSION (BRE) VISITS: 27

Manufacturing	10
Educational Services	1
Information Technology	3
Creative Industries/Media	2
Biotech/Life Sciences	3
Professional/Scientific/Technical Services	3
Arts/Entertainment/Recreation	1
Transportation/Warehousing/Distribution	1
Business Support Services/ Back-Office Services	1
Other	1
Largest-Employing Firm	140
Smallest-Employing Firm	1
Earliest Year Established	1945
Most Recent Year Established	2016
Number of businesses that expect an increase in employees in the next year	22



ENTREPRENEURSHIP

MEP supports the entrepreneurial ecosystem in Missoula by strategically partnering with other organizations. MEP staff are closely involved in entrepreneurial support activities including:



FOR THE FOURTH YEAR RUNNING,
THE KAUFFMAN FOUNDATION'S
NATIONAL REPORT RANKED
MONTANA AS THE NO. 1 STATE
FOR ENTREPRENEURIAL ACTIVITY.



Working in collaboration with the Montana High Tech Business Alliance, MonTEC, and the University of Montana's Blackstone LaunchPad, the foundation released a report:

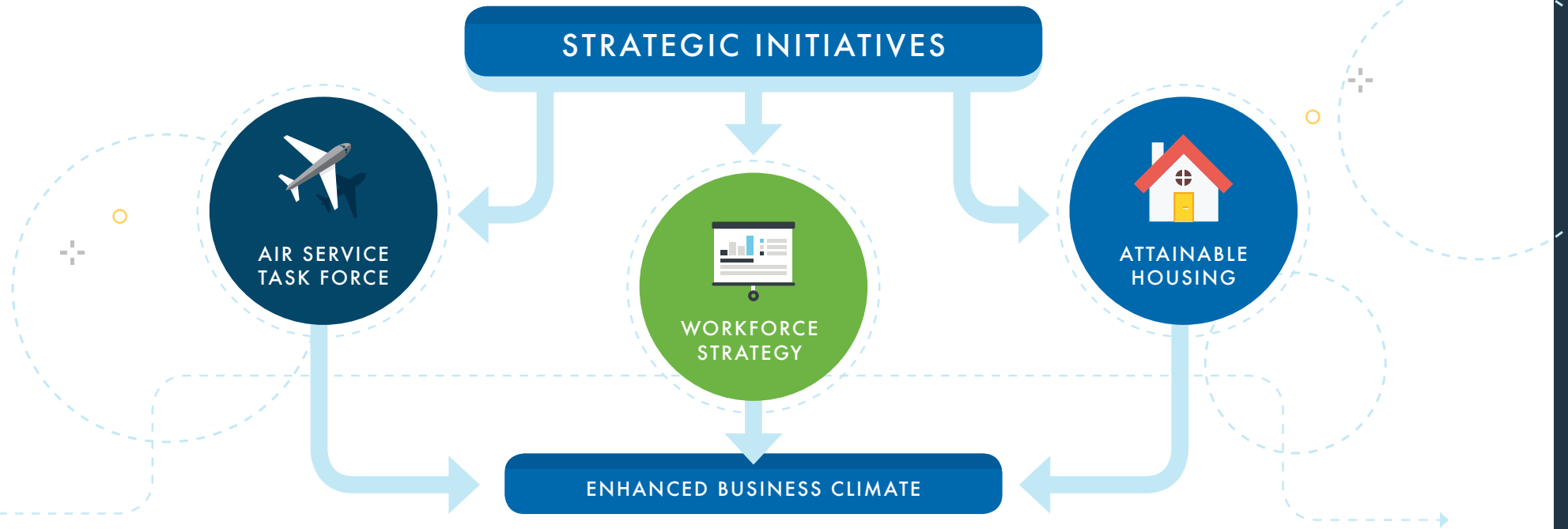
“A New Frontier: Entrepreneurship Ecosystems in Bozeman and Missoula, Montana.”

“At the bottom line, Montanans knew each other well and felt comfortable giving referrals, and those connections were built out of open relationships with small degrees of separation,” the Kauffman report concluded.

The Missoula Economic Partnership works to foster these kinds of relationships, and we're proud to see our startup community thrive.

MAKING BUSINESS WORK

The Missoula Economic Partnership (MEP) recognizes that business attraction efforts don't happen overnight. While attracting new businesses to the Missoula area is an important part of our strategic plan, we must also lay the groundwork necessary to make Missoula an attractive place for businesses to relocate or expand. Strategic initiatives such as the Workforce Strategy, Air Service Task Force, and Housing Study are some of the efforts we are making to enhance Missoula's business climate and set the stage for new business attraction.



“Words cannot adequately express my appreciation for the stellar reception you offered me and my company this past week. Humbly...thank you. Together, you certainly advanced the image of Montana and moved Missoula into a solid-contender position as a home for our headquarters and primary manufacturing operations.”

–Prospective Relocating Manufacturing Business Owner



BUSINESS ATTRACTION EFFORTS

14

NUMBER OF BUSINESSES
ENGAGED IN
ATTRACTION
EFFORTS

6

NUMBER OF
SITE VISITS



NUMBER OF PEOPLE CONNECTED DURING
SITE VISITS FROM PROSPECTIVE BUSINESSES

32

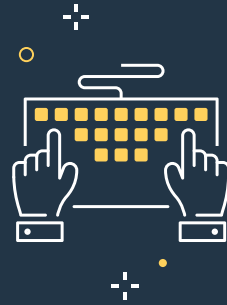
MUNICIPAL
GOVERNMENT

70

PRIVATE
BUSINESSES

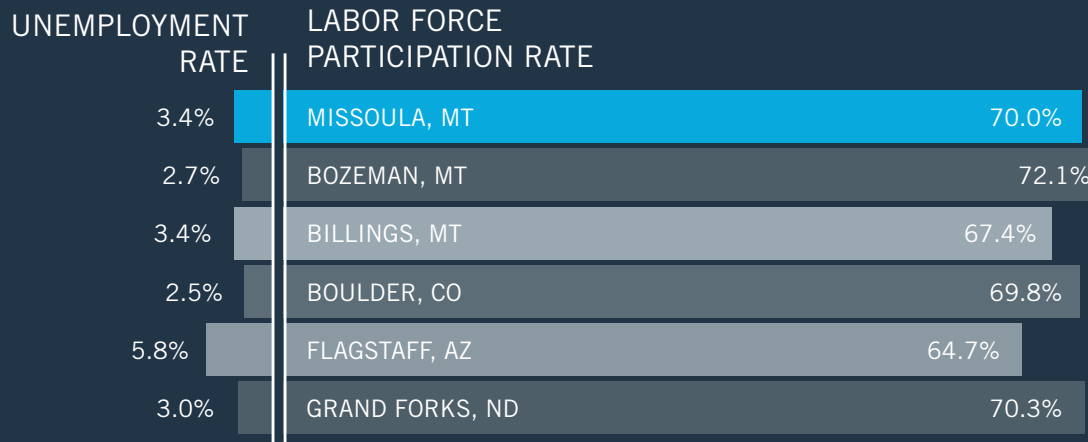
36

STRATEGIC
PARTNERS



WORKFORCE STUDY

With unemployment rates at historic lows, keeping a supply of skilled workers who match the needs of Missoula employers is challenging. Missoula's State of the Workforce Study, funded by Missoula County, MEP investors, and a grant from the Montana Department of Commerce, strives to develop tools to enhance our community's talent pool. The study benchmarks Missoula against comparable communities in Montana and other western states. Here are some preliminary results of the study:





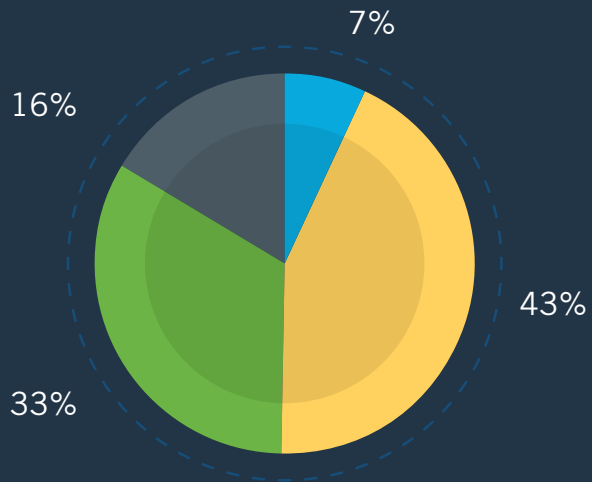
MEDIAN HOUSEHOLD INCOME

MISSOULA, MT	\$46,164
BOZEMAN, MT	\$55,553
BILLINGS, MT	\$52,431
BOULDER, CO	\$70,961
FLAGSTAFF, AZ	\$50,234
GRAND FORKS, ND	\$50,336
MONTANA	\$53,889



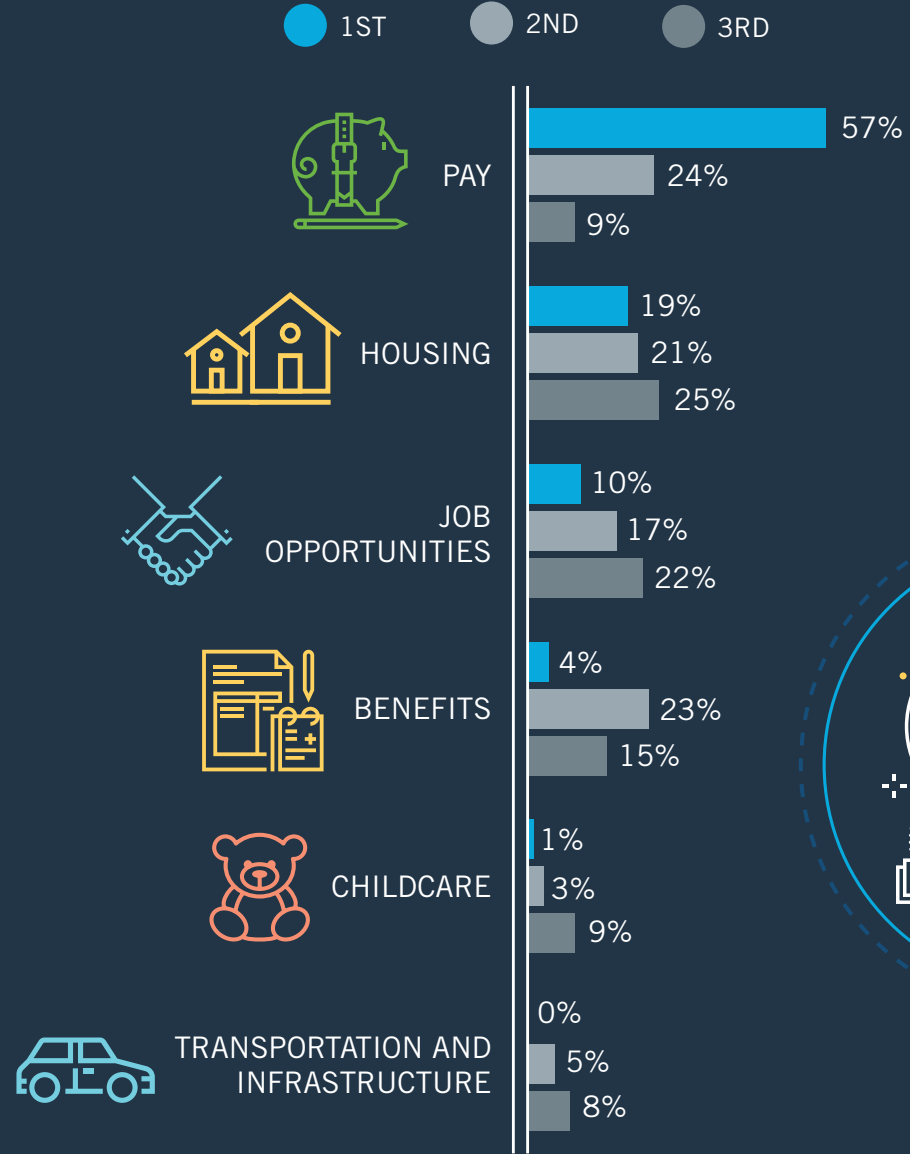


CONFIDENCE IN THE OVERALL QUALITY OF THE WORKFORCE



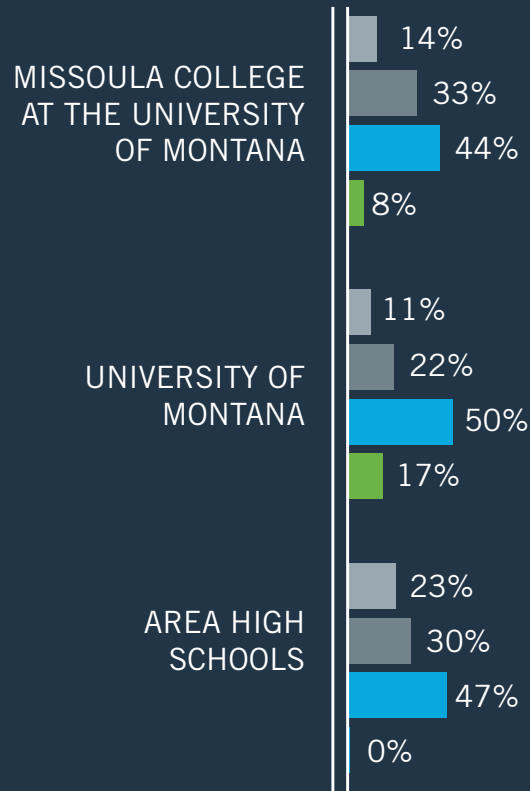
- NO OPINION
- STRONGLY CONFIDENT
- CONFIDENT
- UNCONFIDENT
- STRONGLY UNCONFIDENT

GREATEST BARRIERS TO WORKFORCE ATTRACTION



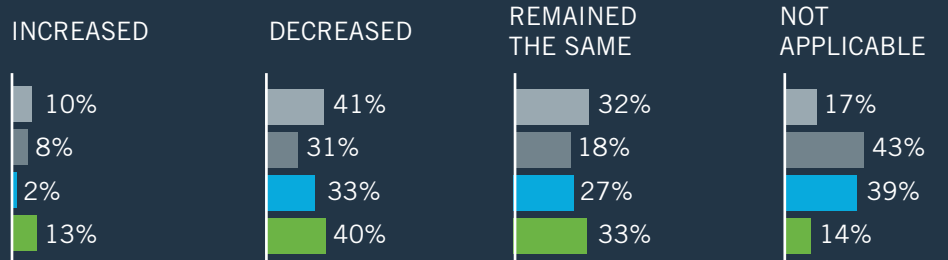
QUALITY OF LOCAL EDUCATION AND TRAINING PROGRAMS

● VERY POOR
 ● POOR
 ● GOOD
 ● EXCELLENT



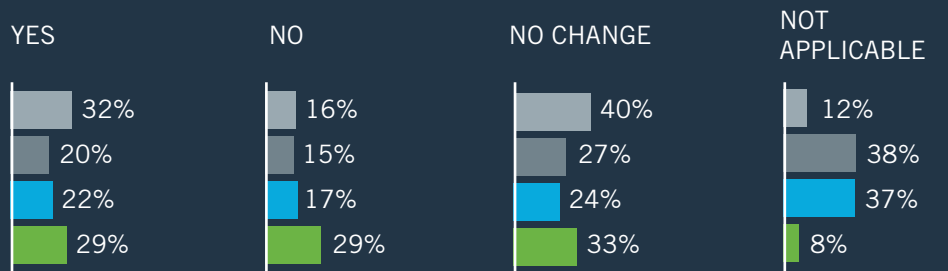
NUMBER OF QUALIFIED JOB APPLICANTS (COMPARED TO 2016)

● PROFESSIONAL POSITIONS
 ● TECHNICAL POSITIONS
 ● SKILLED TRADE POSITIONS
 ● ENTRY LEVEL/SUPPORT POSITIONS



IMPROVEMENT IN EMPLOYEE RETENTION (COMPARED TO 2016)

● PROFESSIONAL POSITIONS
 ● TECHNICAL POSITIONS
 ● SKILLED TRADE POSITIONS
 ● ENTRY LEVEL/SUPPORT POSITIONS





THANK YOU TO OUR INVESTORS

A&E Architects
Access Property Management
Aegis Engineering
Allegiance Benefit Plan Management
AlphaGraphics
ALPS Corporation
Anderson ZurMuehlen & Co
Annelise Hedahl, Realtor
Artichoke Consulting
Associated Employers
B2B CFO
Bank of Montana
Beaudette Consulting Engineers, Inc.
Berkshire Hathaway Home Services
Big Sky Commerce
Bjornson Law Offices
Blackfoot
Bonner Property Development
Bravo Catering
Browning, Kaleczyc, Berry & Hoven
Capital Family Mortgage

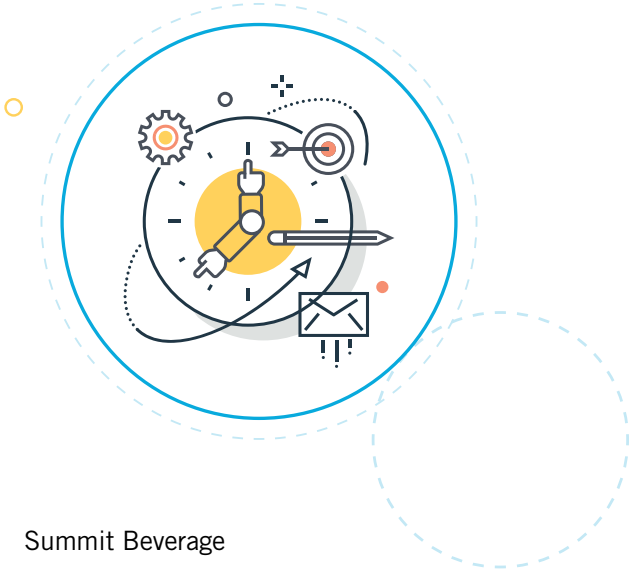
Caras Nursery
Cederberg Law Offices, PC
Charter Communications
City of Missoula
CM Manufacturing, Inc.
Community Medical Center
Crowley Fleck, PLLP
CTA Architects Engineers
Dale Woolhiser
Datsopoulos, MacDonald & Lind
Diversified Plastics
Dorsey & Whitney
DoubleTree Hotel Missoula Edgewater
Eclipse Engineering
Edgell Building & Development
Farmer's State Bank
Farran Realty Partners
Fence Line Consulting
First Interstate Bank
First Security Bank
Five On Black

Five Valleys Land Trust
Forest Business Network
Francis Gjefle
Grizzly Sports Properties
Grizzly Wine and Spirits, LLC
HC Company
HDR Engineering
Hi-Noon Petroleum
Holiday Inn Downtown at the Park
Jackson Contractor Group, Inc.
Jedediah's at the Airport
JCCS



LC Staffing
Market on Front
Matt Mellott, Realtor
Michael Best & Friedrich, LLP
Missoula Concrete Construction
Missoula County
Missoula Country Club
Missoula Electric Cooperative
Missoula Federal Credit Union
Missoula Independent
Missoula Organization of Realtors
The Missoulian
MMW Architects
Monida Healthcare Network
Morrison-Maierle, Inc.
Mountainwood Estates
Muralt Travel Plaza
NAI Crowley Moore
Neptune Aviation Services
NewFields
NorthWestern Energy

Office Solutions & Services
Old Sawmill District
onXmaps
Opportunity Bank
OZ Architects
Paradigm v2 Architects, PC
Parkside Credit Union
PartnersCreative
PayneWest Insurance
Pew Corporation
Project Spokane
Providence St. Patrick Hospital
The Public House
Rattlesnake Creek Distillers
The Resort at Paws Up
SG Long & Company
Shannon Hilliard, Realtor
Sirius Construction, Inc.
Southgate Mall Associates, LLP
Stockman Bank
Strategic Gaming Management



Summit Beverage
Taco Del Sol
Take Control, Inc.
Territorial Landworks
TrailWest Bank
United Locating Services
University of Montana
US Bank
Western Montana Clinic
WGM Group
Windfall, Inc.
Wingate by Wyndham Missoula
Worden's Market Deli
ZIP Beverage

*Thank you for your leadership in Missoula's economic development efforts.
You enable us to do the work we do, and we appreciate your partnership.*



MAKING BUSINESS WORK.