

2021

ANNUAL REPORT





Letter from the Board Chair

Looking back over the past year, one thing has become increasingly clear: Missoula is resilient.



DEBORAH JOHNSTON

Vice President, Morrison-Maierle

We started Fiscal Year 21 in an economic crisis brought on by a pandemic of proportions we've never before seen or experienced. While our economy and community faced unprecedented challenges, we worked together to provide resources, information, and support to mitigate those challenges. As we continue to adapt and shift to meet ever-changing community needs, Missoula's resilience has remained constant.

Over the past year, Missoula ranked in the top 15 metro areas in the country for unemployment recovery and made the Milken Institute's list of best-performing small cities. We saw twice as many downtown businesses open new doors

than close. And our businesses worked hard to leverage resources and retain their employees—nearly 5000 Paycheck Protection Loans were disbursed in Missoula County, preserving more than 45,000 jobs.

As we reflect on the past year as an organization, it is imperative to acknowledge and celebrate the spirit of collaboration that has defined our community's success. On behalf of the Missoula Economic Partnership, I want to extend gratitude to each and every one of our partners and investors for your contribution. Your commitment to the work we do together drives our collective resilience and community spirit.

Missoula County Economic Recovery Task Force

When the COVID-19 pandemic hit in March 2020, the Missoula Economic Partnership pulled together members from public, private, and non-governmental sectors to respond rapidly to economic challenges. Through FY 21, the Task Force convened to address the pandemic's impacts, ensure available resources were accessible to all Missoula businesses, and fill resource gaps with supplemental support. Weekly assessment of changing conditions enabled the Task Force to provide our community with up-to-date information and access to expertise navigating resources and regulations. As our community's needs shift from rapid response to strategically planning for our future, we have phased this group into a steering committee that will guide the development of a comprehensive strategy for Missoula's economic development looking forward.

FY21 HIGHLIGHTS

Missoula's Economic Growth and Recovery Ranked Among Top in Nation

A study by the Milken Institute released in April 2021 ranked Missoula as 22nd in the nation's best-performing small cities. This ranking is based on a number of metrics, including job creation, output growth, and wage gains. Missoula also ranked in the top 15 metro areas in the country for unemployment recovery.

Downtown Missoula Adds Businesses

While the pandemic took an economic toll across the board, downtown Missoula saw twice as many new businesses open than close in 2020.

Missoula Businesses Leverage Resources to Preserve Jobs

Missoula County's businesses made good use of the Paycheck Protection Program, with a total of 4,838 loans issued for a total of 45,253 jobs retained. The overwhelming majority of these loans were under \$150k, suggesting that Missoula's small businesses make up the bulk of businesses assisted.

Big Sky Economic Development Trust Fund



JOB CREATION GRANTS

One way we help local companies is by partnering with Missoula County to administer the Big Sky Economic Development Trust Fund (BSTF) job creation grant program. BSTF grants assist companies in the development of high wage jobs for Montana residents. To receive a grant, a company must be hiring Montana residents, paying at least \$20.95 per hour in wages, and expanding our economy by bringing in revenue from selling a product or service outside the state of Montana.

5
JOBS

Silixa, LLC.
\$25,000

70
JOBS

**ATG, a Cognizant
Company**
\$350,000

19
JOBS

UNAVCO
\$95,000

3
JOBS

Botanie Soap
\$13,500

3
JOBS

Bedrock Sandals
\$22,500

► **100 JOBS** ► **\$506,000 IN GRANTS**

Big Sky Economic Development Trust Fund



PLANNING GRANTS

The Big Sky Economic Development Trust Fund also awards planning grants to local governments and economic development organizations. These grants support economic development planning activities that promote long-term, stable economic growth in Montana.

\$27,000

Missoula State of the Workforce Study

Grant to assist MEP with an update to the Missoula State of the Workforce study

\$27,000

West Broadway Master Plan

Grant to assist Downtown Business Improvement District of Missoula with the west Broadway Master Plan

\$23,350

Diversified Architectural Plan

Grant to assist Diversified Plastics with preliminary architectural and engineering plan

\$27,000

All Nations Health Center

Grant to assist All Nations Health Center with preparation of a preliminary architectural report for a new facility

\$24,300

ShopDot, Inc.

Grant to assist ShopDot Inc with Commercialization Plan

\$27,000

Youer

Grant to assist Youer, LLC with local manufacturing plan

► **\$155,650 IN GRANTS**

Local Business Spotlight

SILIXA

When Silixa, the world's leading fiber optic distributed sensing solution provider, sought to expand their small Missoula office, our team worked to secure grant assistance for the creation of five new full-time jobs through the BSTF Job Creation grant program. While the company is headquartered in the UK, Missoula has proved to be an ideal location for a satellite office. University of Montana's earth sciences and geotechnical programs align with Silixa's scope of work, and Missoula's quality of life makes it easy to attract talent from elsewhere. Tucked into a space on West Broadway, Silixa's Missoula team partners on projects around the globe, gathering data with their groundbreaking fiber optic sensor technology.



Their fiber optic cables gather information from thousands of data points along their length, and can be used to measure temperature, acoustics, and strain. This data has a broad scope of application— from carbon capture and storage to geothermal and infrastructure monitoring, Silixa has cables as far away as Antarctica and as close as the Clark Fork river, where they partnered with the Missoula Valley Water District to deploy cable to monitor contamination in groundwater discharge. While they've flown relatively under the radar to this point, Silixa hopes to partner more with UM and the community in the future.



State of the Workforce

OVERVIEW

In consideration of Missoula's tightening labor market and other workforce-related challenges local employers face, the Missoula Economic Partnership commissioned a State of Missoula's Workforce study, conducted by Bryce Ward, ABMJ Consulting, in support of the work of the Missoula County COVID Economic Relief and Recovery Task Force. The report summarizes current conditions and recent trends in the labor market, and identifies key areas of opportunity for Missoula to strengthen its labor force. The report's findings identified housing, childcare, and educational/training opportunities as central factors impacting our workforce capacity.

Under ideal economic conditions, the number and type of jobs available in our region are balanced with the people here who want the jobs and can do them well. This ideal state of balance can be thought of as achieving our full capacity. Our capacity as a community is a function of three elements—productivity, participation, and working population.



PRODUCTIVITY

Individual worker's skills, abilities, and experience, and how those characteristics interact with other resources in the firm and in the community.



PARTICIPATION

The share of the population that are willing and able to work.



POPULATION

The total working population in Missoula is currently around 100,000 people and includes the existing working-age population, the population within commuting distance willing to commute, and those willing to move to Missoula.

KEY INITIATIVES

State of the Workforce

KEY FACTORS AFFECTING CAPACITY

HOUSING

By far, housing cost and availability was the **most discussed problem** in Missoula's current labor market

FEBRUARY 2020-JUNE 2021

- ▲ **33%** increase in home prices
- ▲ **18%** increase in monthly mortgage payments
- ▲ **10%** increase in monthly rent

APRIL-JUNE 2021

- ▼ **0.4%** rental vacancy rate is 10x lower than considered "healthy"

CHILDCARE

The most commonly discussed impediment to labor force participation was **difficulty accessing childcare**

IN MISSOULA:

- ▶ **84%** of children under 6
- ▶ **88%** of children 6-17

LIVE IN A HOUSEHOLD WHERE ALL PARENTS WORK

CHILDCARE PROBLEMS RESULT IN PARENTS:

- ▶ Missing time at work
- ▶ Not pursuing training
- ▶ Turning down job offers
- ▶ Switching to part-time work

WAGES & PRODUCTIVITY

Missoula's workers are **highly educated**. Like many small communities, we have **fewer industries maximizing the skills of all workers**.

HOW MISSOULA COMPARES TO THE US:

- ▲ **43%** of Missoula's population over age 25 has Bachelor's degree or higher, compared to 31% national average
- ▼ Median earnings for people with Bachelor's degrees **67%** of US median
- ▼ Median hourly wage **88%** of US median
- ▼ Missoula's average hourly wage **81%** of US average
- ▼ Missoula's output per person is **72%** of the US level





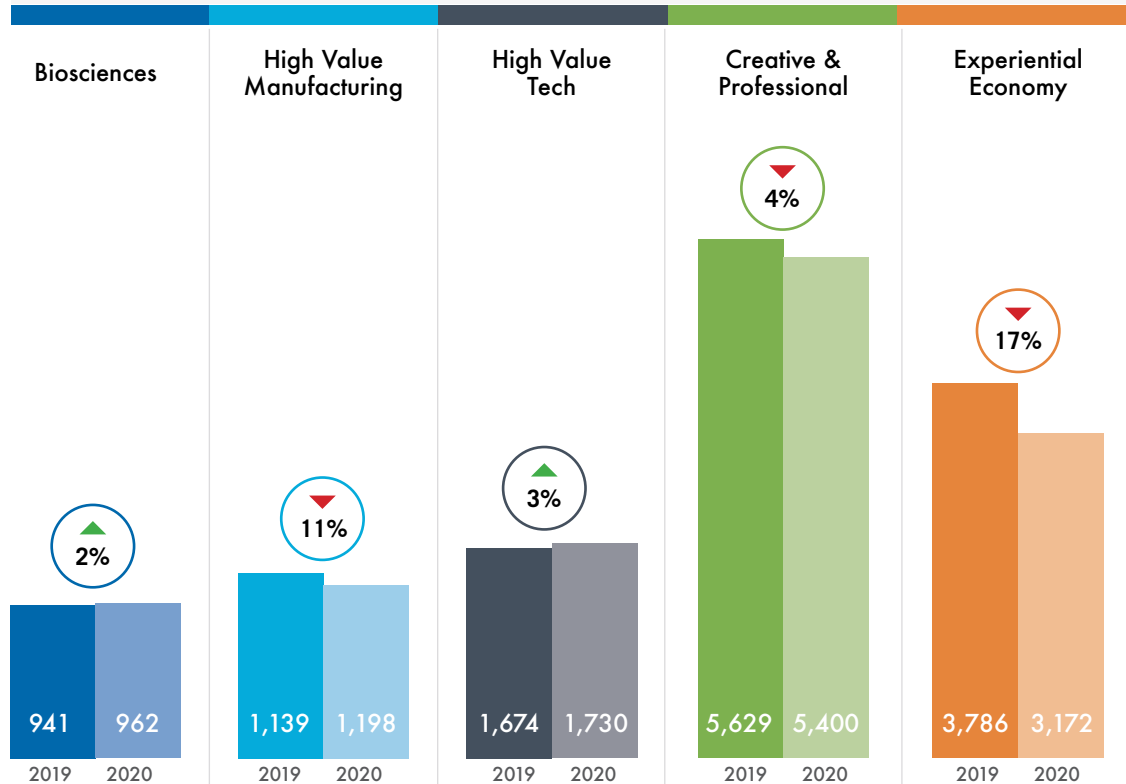
Opportunity Zone

SCOTT STREET

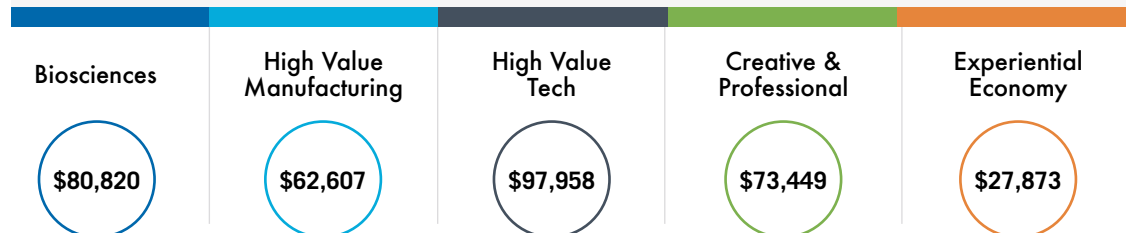
When Opportunity Zones were first introduced as a tool to incentivize private investment in low-income areas, the Missoula Economic Partnership embarked on a process of going to conferences, touring communities, and working with partners at the Missoula Redevelopment Agency and city to understand and implement this tool. Years later, a project planned for a parcel of land off Scott Street on Missoula's Northside is poised to be the largest affordable housing project in Montana history. The project represents the culmination of collaborative efforts to leverage development incentives in Missoula's Opportunity Zone. Recognizing the need for affordable home ownership as well as sorely needed community development resources, entities from public and private sectors worked together to develop a proposal for a 19 acre project that plans to include both market-rate and permanently affordable housing in a mixed-use development as well as childcare facilities and a restaurant and taproom. Investors in the development are taking advantage of the parcel's designation in both the North Reserve/Scott Street Urban Renewal District and Missoula County's Opportunity Zone. These designations provide investment incentives for developing land located within their boundaries, and those incentives can be leveraged to impact the affordability of projects that wouldn't otherwise pencil out.

Missoula by the Numbers

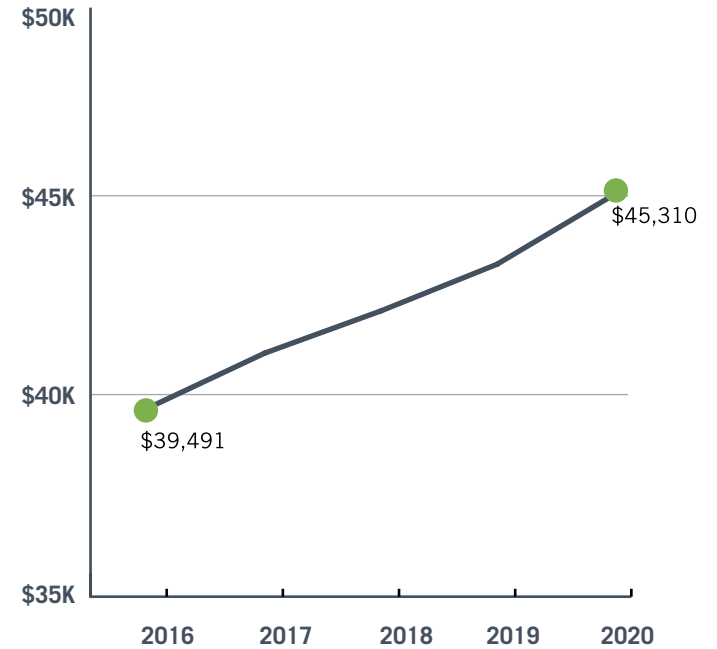
CHANGE IN NEW JOBS



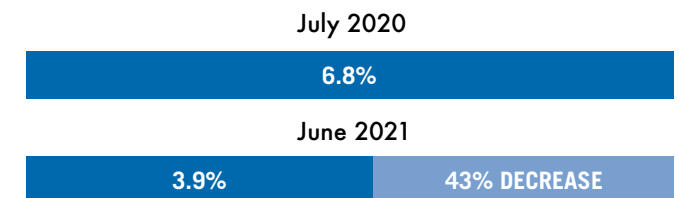
AVERAGE EARNINGS PER JOB



AVERAGE ANNUAL WAGE



UNEMPLOYMENT RATE

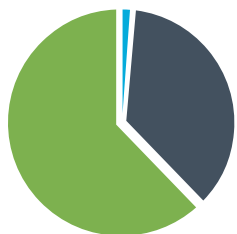


Source: US Bureau of Labor Statistics



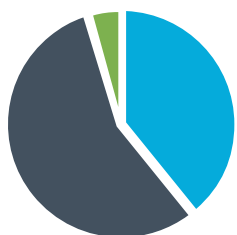
MEP by the Numbers

STATEMENT OF FINANCIAL POSITION



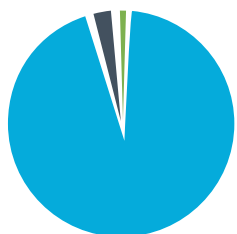
TOTAL ASSETS \$1,026,718

- Current assets: \$983,915
- Property and Equipment: \$37,703
- Other Assets: \$5,100



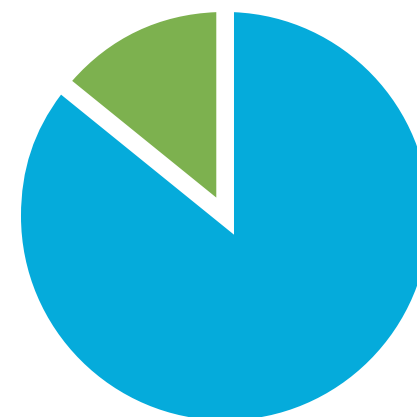
CURRENT ASSETS \$983,915

- Cash in Bank: \$387,014
- Pledges Receivable: \$552,963
- Other Receivables & Prepaid Expenses: \$43,938



CURRENT LIABILITIES \$145,093

- Accounts payable: \$2,275.35
- Accrued payroll & related liabilities: \$52,745.00
- PPP Loan: \$90,073



TOTAL LIABILITIES & NET ASSETS \$1,026,718

- Unrestricted Assets: \$881,624
- Temporarily Restricted Assets: \$-
- Total Liabilities: \$145,094

* The Statement of Financial Position and Activities presented as of June 30, 2021, is unaudited. Complete reviewed financial statements are available upon request.



Letter from the President & CEO

We are confident in Missoula's economic future.



GRANT KIER

CEO, Missoula Economic Partnership

This confidence is grounded in a sober understanding of our challenges and buoyed by the certainty that what made Missoula resilient in the past will define our success in the future—our spirit of innovation, cooperation, and shared passion for this place and the people in it.

As we ended this fiscal year we began to prepare a regional Comprehensive Economic Development Strategy. Under the guidance of a diverse steering committee MEP engaged our business community, public partners, and other community members in a process of establishing a vision for our regional economy, assessing our current economic conditions, laying out a set of goals and strategies to move us ahead, and identifying the metrics to communicate our progress along the way. We will release this plan in autumn of 2021.

This plan is still under development, but several things are already clear. First, Missoula's innovative business community and public sector allow us to outperform most of the nation when facing economic shocks like the one we face today. Second, we are agile and able to collaborate effectively because there is broad consensus about what makes this place special and the vision we hold for its future. Finally, we understand the current challenges before us, and already people are working across industries, sectors, disciplines, faiths, and ideologies to overcome them.

In the year ahead we look forward to sharing this plan in detail and working with our investor community to make sure that your investment in, and the resources of, MEP are used to advance us toward a strong, stable, and resilient Missoula economy.



Thank You to Our Investors

A&E Architects

AEGIS Engineering, Inc

ALPS Corporation

Anderson Zurmuehlen & Co P.C.

Bank of Montana

Berkshire Hathaway Home Services

Bike and Type

Blackfoot Telecommunications Group

Bonner Property Development

Charter Communications

Clearwater Credit Union

Community Medical Center

Consumer Direct Care Network

Crowley Fleck, PLLP

Cushing Terrell

Datsopoulos, MacDonald & Lind, P.C.

DCI Engineers

Dick Anderson Construction

Diversified Plastics, Inc.

Edgell Building & Development, Inc.

Farran Realty Partners, LLC

First Interstate Bank

First Security Bank

Five on Black

Five Valleys Land Trust

Forest Business Network

Garlington, Lohn & Robinson, PLLP

Grizzly Wine and Spirits, LLC

Hedahl Real Estate Services

Hi-Noon Petroleum

IMEG, previously Territorial Landworks

Jackson Contractor Group, Inc.

Julie Gardner & Peter Lambros, Lambros ER

LC Staffing

LumenAd

Management Vision PC

Matthew Noreus

Missoula Electric Cooperative

Monida Healthcare Network

Montana High Tech Business Alliance-C

NAI Crowley Moore

Newfields

Office Solutions & Service

OZ Architects

Partners Creative Inc.

PayneWest Insurance Agency

Rattlesnake Creek Distillers, LLC

S.G. Long & Company

Sirius Construction Inc.

Southgate Mall Associates, LLP

Sterling Commerical Real Estate Advisors

Stockman's Bank

Strategic Gaming Management, LLC

Taco Del Sol

The Gillespie Foundation Inc.

The Missoulain

The Resort at Paws Up

The University of Montana

WGM Group

Worden's Deli Market Inc.

